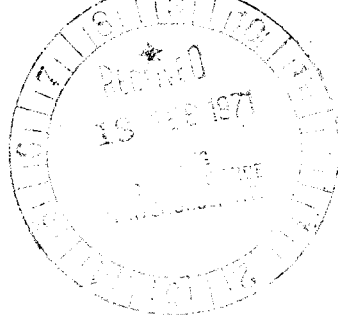


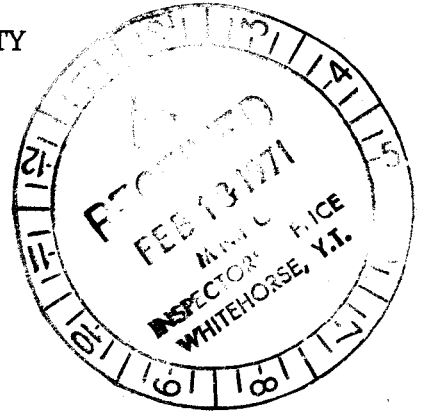
REPORT ON A



GEOCHEMICAL SURVEY AND DIAMOND DRILLING

PROGRAM ON THE MOUNT MYE PROPERTY

Covering: ZAN, MX, AC, TIM
AND JET CLAIM GROUPS



LOCATED: 8 miles northeast of Faro in
the Whitehorse Mining District,
Tay River Map Sheet,
Latitude: 62°, Longitude: 133°

WORK PERFORMED: 4th August to 7th December, 1970

for

KANGAROO EXPLORATION CORPORATION LTD.

By:

Ian Turnbull
and
J. G. Simpson, B.Sc., Ph.D., P.Eng.

This report has been examined by the
Geological Department and is recom-
mended for publication to be con-
sidered as a preliminary report.
\$18,000 per 6000 tons

D.B. Craig

Complied with requirements under
Section 10 of the Quartz Mining Act

[Signature]
Commissioner of Yukon Territory

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INTRODUCTION

The Mount Mye property, held under option by Kangaroo Exploration Corporation Ltd., comprises the ZAN, MX, AC, KD, TIM and JET claim groups.

In August 1970 a grid was hand cut over a part of this property; and in September and October a geochemical soil survey was completed over the grid. Simultaneously, an I.P. survey was carried out over this same area by Peter E. Walcott and Associates Ltd. A Geophysical Report in respect of this survey is presented separately.

LOCATION AND ACCESS

The property is located immediately north of Mount Mye, and eight miles northeast of the Faro ore deposits of Anvil Mining Corporation Ltd., in the Whitehorse Mining District at Latitude 62°15', Longitude 133°10'.

Access to the property is generally by helicopter from Faro. A 12 mile winter road also provides limited access to the area for four wheel drive and all terrain vehicles.

PHYSIOGRAPHY

The property is characterized by low undulating topography with swampy stream valleys. Vegetation consists of grass and low bush in the stream valleys. The ground is permanently frozen.

CLAIMS

The Mount Mye property is held under option by Kangaroo Exploration Corporation under a joint agreement with Giant Yellowknife Mines Ltd. and Mercury Exploration Ltd. The property consists of the following 234 mineral claims.

JET 1/16 incl.	Y3142/Y3157 incl.
JET 18	Y3159
JET 20	Y3161
JET 22	Y3163
JET 24	Y3165
JET 45	Y3186
JET 47	Y3188
JET 49/64 incl.	Y3190/Y3205 incl.
JET 93	Y3234
JET 95	Y3236
JET 97/104 incl.	Y3238/Y3245 incl.

CLAIMS (Cont'd)

AC 67/72 incl.	Y3096/Y3101 incl.
AC 75/96 incl.	Y3104/Y3125 incl.
AC 111	Y3140
AC 112	Y3141
KD 1/26	Y10219/Y10244 incl.
TIM 1/32 incl.	Y30297/Y30328 incl.
ZAN 1/14 incl.	Y25973/Y25986
ZAN 15	Y26126
ZAN 16/24 incl.	Y25987/Y25995 incl.
ZAN 25/48 incl.	Y26127/Y26150 incl.
MX 1/13 incl.	Y30497/Y30509 incl.
MX 25/28 incl.	Y30521/Y30524 incl.
MX 30	Y30526
MX 56/62 incl.	Y30552/Y30558 incl.
MX 119/122 incl.	Y30591/Y30594 incl.
MX 182/187 incl.	Y30641/Y30646 incl.
MX 186A	Y30647
MX 187A	Y30648
MX 188/195 incl.	Y30649/Y30656 incl.

These claims have been grouped in accordance with the provisions of the Yukon Quartz Mining Act into 17 groups. The application of assessment work to these claims and groups is specified in the attached Form "C"'s.

GEOLOGICAL SETTING

The claim groups are underlain by "Unit 3" rocks (after D. J. Templeman-Kluit, 1967) and include chlorite-quartz phyllites and chloritic tuffs, which are the hosts of the known lead-zinc deposits in the Anvil area.

A second favourable indicator, based on an analogy with the known deposits of the Anvil area, may be proximity to the contact of the granodioritic Anvil Batholith (Unit 12).

The AC, MX (north central and southwest parts), TIM, JET, and ZAN claims cover the geologically most favourable ground. The northwest MX group is probably, in part, also underlain by Unit 3 rocks, but geological control is poor due to lack of outcrop.

The southeast MX group is probably in part underlain by grandiorite as well as by higher rank metamorphic rocks (garnet-staurolite-biotite-quartz schists) derived from Unit 3 rocks. The Blind Creek fault may extend into the southeast part of this claim group.

LINE CUTTING

A 14,400 ft., long base-line was established at a bearing of 030° over a part of the property. Cross lines were cut at right angles to the base-line, at intervals of 400 ft., and stations established on the cross lines at 100 ft. intervals.

A tie line was established 2,500 ft. north of the base-line to maintain control.

Line cutting was undertaken by Eastern Associates Reg.d. on a contract basis for a total of 25.1 line miles.

GEOCHEMICAL SURVEY

Methods and Procedure

Soil samples were collected at 100 ft. intervals from the established grid. The "B" soil horizon was sampled using hand augers.

Samples were placed in wet strength Kraft paper envelopes, partially dried at room temperature, and transported to Barringer Research Laboratories in Vancouver. The samples were further dried in an air oven at 70°C and sieved to minus 80 mesh on nylon screens. The material was further split into 0.2 gram samples for further treatment.

All samples were analyzed for copper, lead and zinc. Selected samples were also run for mercury. In the case of assays for copper, lead and zinc, samples were digested in perchloric acid and diluted to 10 Mls., the resultant solution being submitted to an Atomic Absorption unit and the metal values measured. For mercury determinations, the air dried samples were analyzed on the patented Barringer Mercury Spectrometer.

All analyses were performed by Mr. D. Reid of Barringer Research Limited, in their North Vancouver laboratory.

Results

Results of the soil sampling survey are presented on the accompanying maps, and from a consideration of this data, the following threshold and anomalous values have been chosen.

	Cu. p. p. m.	Pb. p. p. m.	Zn. p. p. m.	Hg. p. p. b.
Background	0-50	0-70	0-200	0-200, 0-500
Median	30	27	112	-
Threshold	50	70	200	200, 500
2nd Order Anomaly	-	100	350	200-500, 500-1,000
1st Order Anomaly	-	200	500	>500, 1,000

CONCLUSIONS AND RECOMMENDATIONS

In the case of copper, an overall low response is evident. There are no significant anomalous values and the underlying rocks are most unlikely to contain significant amounts of this element.

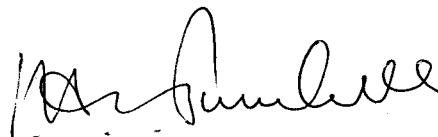
Significant anomalous metal values were obtained from the northeast part of the grid. Lead and zinc anomalies are clearly defined; the zinc anomaly being offset downslope from the lead anomaly. Initial consideration led to one diamond drill hole being spotted on the lead anomaly. However, the depth of overburden encountered here (250-300 ft.) indicated that this soil anomaly is obviously transported.

While the frequency curves for lead and zinc are distinctly unimodal, that for mercury indicates two distinct populations. The low order population has a threshold at about 200 ppb Hg., and 500 ppb Hg. can be regarded as anomalous. This characterises the western half of the grid where sinuous anomalies indicate surface drainage channels, and almost certainly result from chemical concentration in semi swamp conditions. There is a sharp cut-off of this population to the east of the stream which roughly parallels line 80W, where the background is extremely low and suggest a change of rock type. The boundary is sharp and could be caused by a fault along the site of the stream valley.

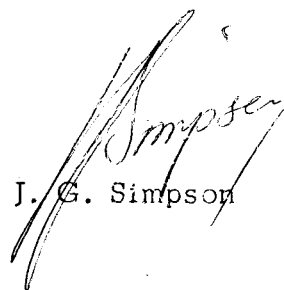
In the northeast the threshold value is about 500 ppb Hg., i.e. equivalent to anomalous values in the west, with first order anomalies in excess of 1,000 ppb. Hg. If the double population curve is not taken into consideration, the whole northeastern section of the grid would appear as a broad anomaly in which the noted lead-zinc anomalies are contained. Subdivision of the northeastern area as a separate population clarifies the picture to show a 1st order mercury anomaly of 1,000 ppb mercury upslope and southeast of the lead and zinc anomalies. A subsidiary mercury anomaly at around 700 ppb Hg. is roughly coincident with and extends slightly downslope of the zinc anomaly. A linear 1st order mercury anomaly trending northwest from the main high suggests a fault or shear which cuts off the generally high values to the northeast.

Superposition of the contoured anomalies for lead, zinc and mercury indicate a classic downslope dispersion pattern of secondary mercury, lead and zinc from what might be considered as a primary, i.e. mainly vaporous, mercury anomaly. This model conforms well to theoretical considerations for surface movement of metals in solution and it is considered that the primary mercury anomaly presents a good target for continued exploration by diamond drilling.

Respectfully submitted



Ian Tumbull



J. G. Simpson

APPENDIX I

DIAMOND DRILLING

DIAMOND DRILLINGINTRODUCTION

It was considered that the lead-zinc-mercury, anomaly described in this report, together with results from previous gravity and induced potential surveys (report by P. Walcott, 1970) indicated a number of preliminary drill targets.

A program of three BQ diamond drill holes totalling 1,948 ft. was carried out under contract by E. Caron Diamond Drilling Ltd., of Box 983, Whitehorse, at a total cost of \$38,768.00, between November 10 and December 5, 1970. All core recovered was logged (see Appendix II) and the core stored on the premises of the drill contractor in Whitehorse.

DDH #K70-1

The hole was collared at 18+OON and 1+25E on the existing grid, at an elevation of approximately 4,400 ft. directly over the most easterly of the two lead soil anomalies, and drilled vertically for 251 ft. The entire length of the hole was drilled in boulder clay of glacial origin and no core was recovered. Due to the difficulties and excessive cost of drilling and casing this material it was decided that, as the soil anomaly was obviously transported, the alternative geophysical anomalies would be more suitable targets, pending further evaluation of the geochemical data.

DDH #K70-2

This hole was collared at 4+OON and 14+OOW, at an elevation of about 4,400 ft. and drilled vertically for 713 ft. to test a moderate residual gravity anomaly and coincident but very weak I.P. effects similar to those seen over the Faro #3 orebody. After penetrating 74 ft. of overburden a sequence of grey, green and purple phyllitic quartzites and phyllites was intersected to a depth of 540 ft. Here, a 25 ft. thick mafic diorite body intrudes the metamorphics. After a further 100 ft. of greenish-phyllitic schist the drill entered a slightly altered leucocratic creamy-grey muscovite-epidote granite which was assumed to be a marginal phase of the Anvil Batholith. The hole was terminated at 713 ft., where an acid bottle test indicated a dip of -65° .

Although zones of weakly disseminated pyrite and pyrrhotite were intersected at various depths no significant base metal mineralization was noted. A check assay on a section of brecciated and pyritized schist contained only traces of silver and zinc.

DDH #K70-3

This hole was collared at 13+00N and 8+50W at a similar elevation to the previous holes. The drill was directed at an angle of -60° on 075° azimuth for a total depth of 984 ft. The hole was located to test a possible fault zone extending northwest, which was apparent from the cut-off of geochemical values to the southwest of this line and the contrasting resistivity profile on either side of the assumed dislocation zone.

An overburden thickness of 294 ft. was intersected before reaching the bedrock which comprised green and purple phyllites and phyllitic schists containing biotite and occasionally garnets. From 350-378 ft., a zone of silicified and shattered quartz phyllite was noted, which probably represents the location of the inferred fault. Between 500 and 700 ft., pyrite and pyrrhotite occur as thin laminae along the foliation planes of varicolored phyllites and schists, but only one very minor occurrence of chalcopyrite was noted at 817 ft.

Technical difficulties with equipment and the onset of extremely low temperatures forced abandonment of the hole at 984 ft. No significant base metal mineralization was noted.

CONCLUSIONS AND RECOMMENDATIONS

The presence of mafic sills or dykes in DDH #K70-2 and the big difference in overburden thickness of almost 200 ft. between holes K70-1 and K70-2 would adequately explain the observed gravity effects and weak resistivity fluctuations, and it is concluded that neither geophysical method used is sufficiently sensitive under these conditions to select diamond drilling targets.

Subsequent analysis of the geochemical data indicates a classic dispersion of secondary mercury, lead and zinc from what is considered to be a primary mercury high situated somewhat to the south and east of the highest lead-zinc values.

The soil values in respect of lead and zinc are comparable to those over the Faro orebodies and it is recommended that further drilling centred on the primary mercury anomaly be carried out.

A handwritten signature in dark ink, appearing to read "Simpson", is located in the lower right quadrant of the page. The signature is written in a cursive style with a long, sweeping underline.

CERTIFICATE

I, John Glenn Simpson, of 720 Anderson Crescent, West Vancouver, British Columbia, do certify that

1. I graduated from King's College, London University with a B.Sc. (Hons) Geology in 1958, and was awarded a Ph.D. (External) from London University in 1969.
2. I am a Fellow of the Geological Association of Canada and a registered Professional Engineer in the Province of British Columbia and have practiced my profession in Africa, Europe and Canada for the past 12 years.
3. As a salaried employee of Cyprus Exploration Corporation, Ltd., I have no direct or indirect interest in the property or securities of Kangaroo Exploration Corporation, Ltd.
4. The work described herein was carried out by I. Turnbull A. C. S. M. under my direction and supervision.

Dated at Vancouver

This 8th day of February, 1971



J. G. Simpson, B.Sc., Ph.D., P.Eng.

APPENDIX III

TIME AND COST DISTRIBUTION FOR GEOCHEMICAL, GEOPHYSICAL *
SURVEYS AND DIAMOND DRILL PROGRAM ON MOUNT MYE PROPERTY,
ANVIL AREA - AUGUST-DECEMBER, 1970

GEOCHEMICAL SURVEY:

<u>Personnel</u>	<u>Occupation</u>	<u>Dates</u>	<u>Days</u>	<u>Rate</u>	<u>TOTAL</u>
J. G. Simpson	Field Supervisor	18-17/9,6-7/11	4	100	400.00
Ian Turnbull	Geologist/Supervisor	16/9-7/11	54	50	2,700.00
Jack Altenburg	Field Assistant	16/9-25/10	41	35	1,435.00
Ted Altenburg	Field Assistant	16/9-25/10	41	35	1,435.00
John Grant	Field Assistant	16/9-25/9	10	35	350.00
					<u>6,320.00</u>

Postal address for all above personnel:

Suite 1101 - 510 West Hastings, Vancouver, B.C.

Camp costs - 144 man days @ \$ 15.00 per man day 1,770.00

Geochemical analyses. 3,963.23

Barringer Research Laboratories
1198 West Pender, Vancouver, B.C.

Transportation 6,378.00

Helicopter - Trans North Turbo Air Ltd.
Boc 1977, Whitehorse, Y.T.

Bombardier - two months @ \$600.00 1,200.00

United Keno Hill Mines Ltd.
Elsa, Y.T.

Drafting and report preparation 200.00

19,831.23

SUBCONTRACTED WORK

I. P. Survey: 13,012.50

P. E. Walcott & Associates Limited,
605 Rutland Court, Coquitlam, B.C.

Line Cutting 3,127.96

Eastern Associates Reg'd.
Box 3245, Whitehorse, Y.T.

35,971.69

TOTAL

DIAMOND DRILLING COSTS

Ian Turnbull - Geologist - 8 November-7 December - 23 days @ \$75.00	1,725.00
Camp costs - 23 days @ \$15.00 per day	345.00

SUBCONTRACTED WORK

E. E. Caron Diamond Drilling Ltd. , Box 983, Whitehorse, Y.T.	33,618.50
Helicopter - Trans North Turbo Air Ltd.	2,975.50
Drafting and report preparation	100.00
	<hr/>
TOTAL	\$74,735.69
	<hr/>

*Geophysical report is presented separately.

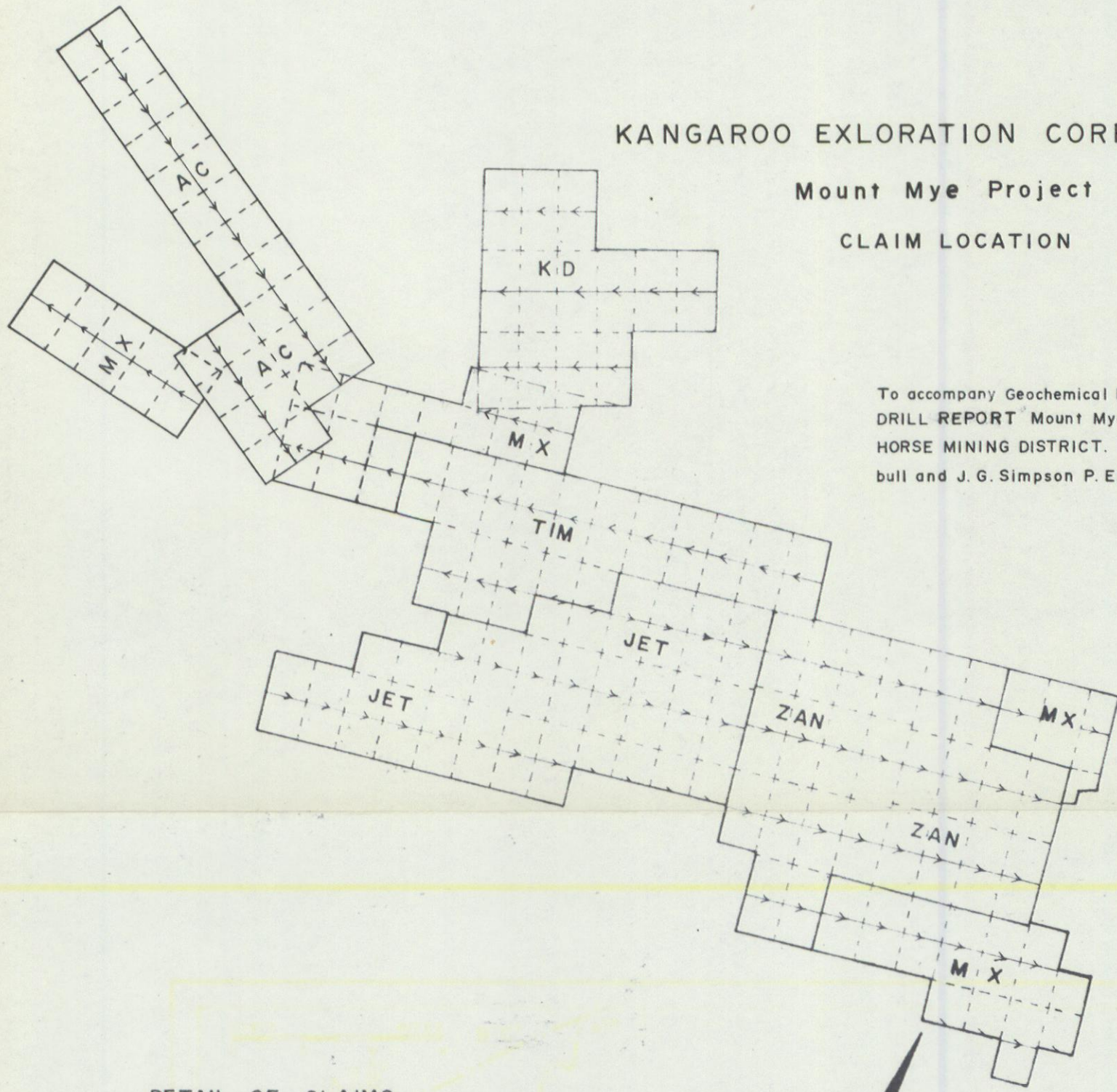


KANGAROO EXPLORATION CORPORATION

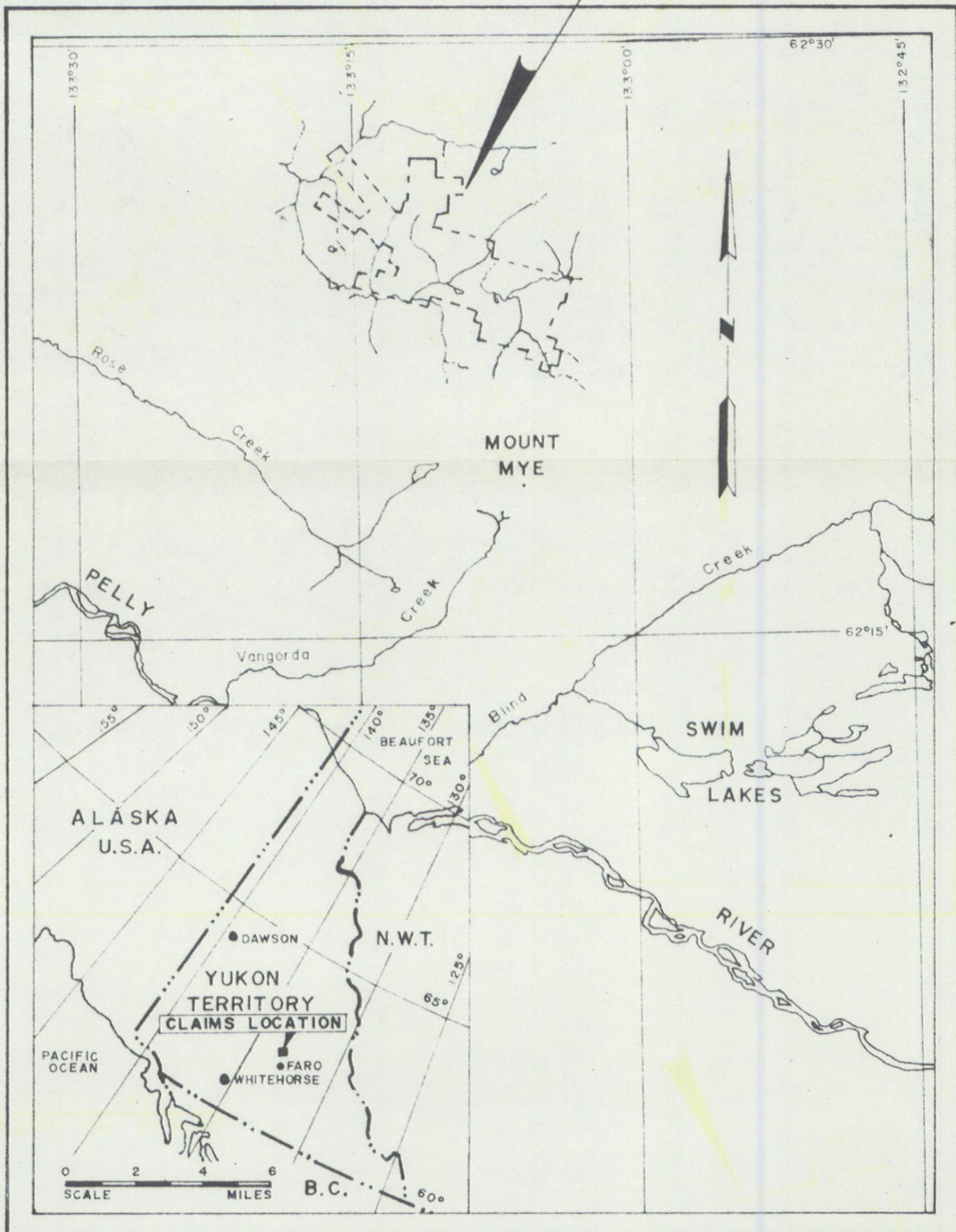
Mount Mye Project

CLAIM LOCATION

To accompany Geochemical Report and DIAMOND DRILL REPORT Mount Mye PROJECT, WHITEHORSE MINING DISTRICT, YUKON T. by I. Turnbull and J. G. Simpson P. Eng. NOV. 1970



DETAIL OF CLAIMS
SCALE: 1" = 1 MILE

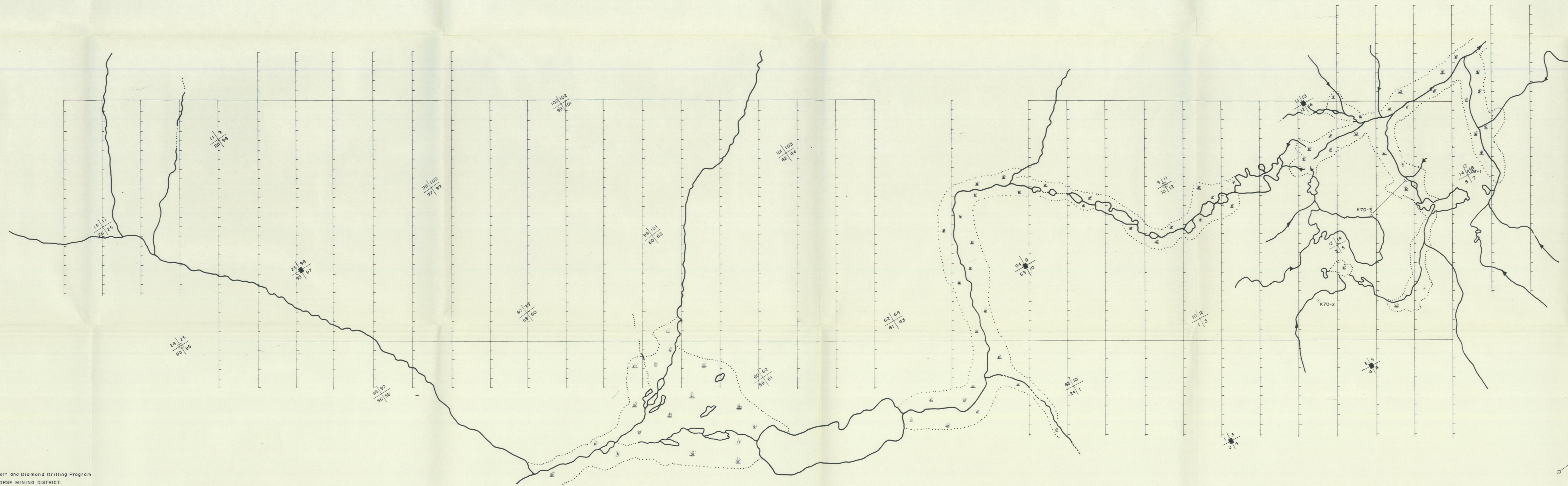


I. Turnbull
J. G. Simpson

A circular professional engineer seal for J. G. Simpson, P. Eng. The seal contains the text "PROFESSIONAL ENGINEER" and "J. G. SIMPSON".

0+00

To accompany Geotechnical Report and Diamond Drilling Program
Mount Mye Project, Whitehorse Mining District,
Yukon T. by I. Turnbull and J. G. Simpson P. Eng.
Nov. 1970



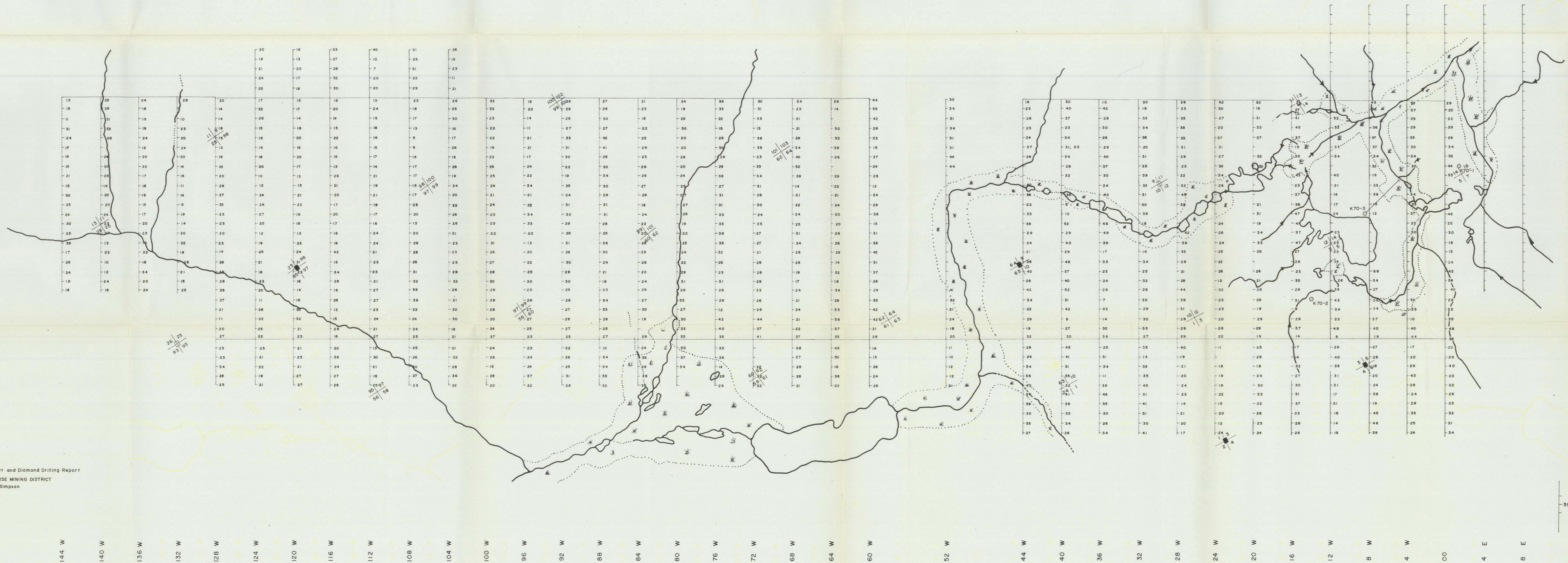
K70- DIAMOND DRILL LOCATION 1970

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KANGAROO EXPLORATION CORPORATION	
MOUNT MYE PROJECT	
YUKON	
CLAIMS & GRID	
DESIGNED	SCALE HOR VERT 1" = 400'
DRAWN C. L. C.	
DATE NOV. 1970	

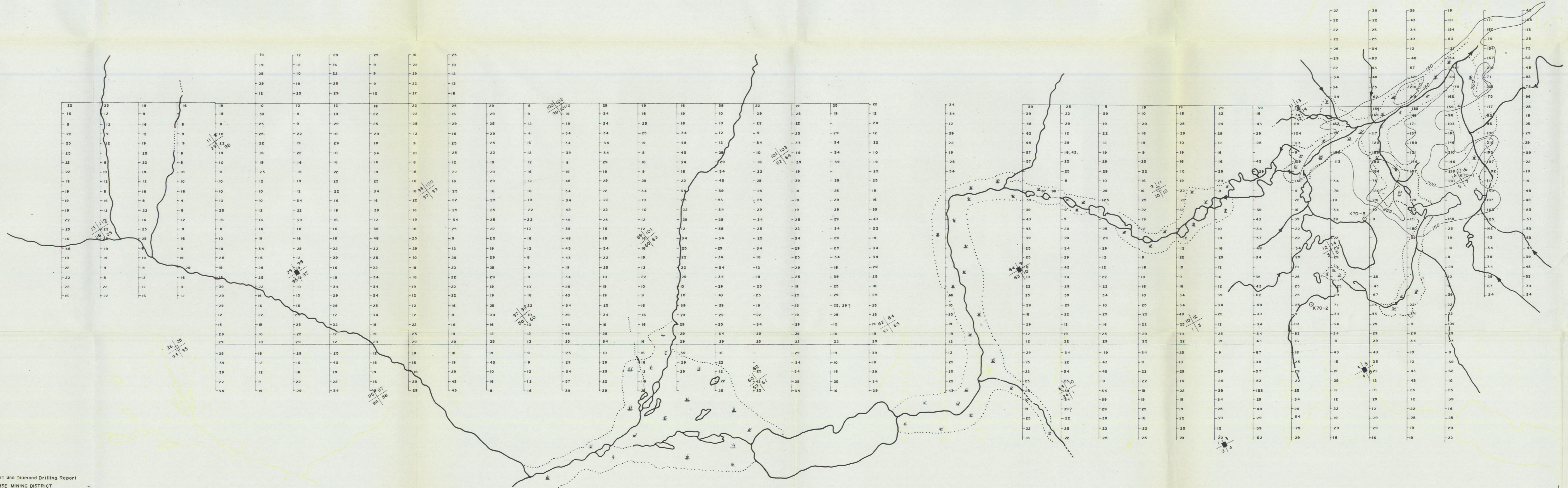
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To accompany Geochemical Report and Diamond Drilling Report
 Mount Mye Project, Whitehorse Mining District
 Yukon T. by I. Turnbull and J.G. Simpson
 NOV, 1970

KANGAROO EXPLORATION CORPORATION	
MOUNT MYE PROJECT	
YUKON	
SOIL SAMPLING PLAN	
COPPER	
DESIGNED DRAWN DATE	C. L. C. NOV. 1970
SCALE HOR. VERT.	1" = 400'

M. J. ...
[Signature]



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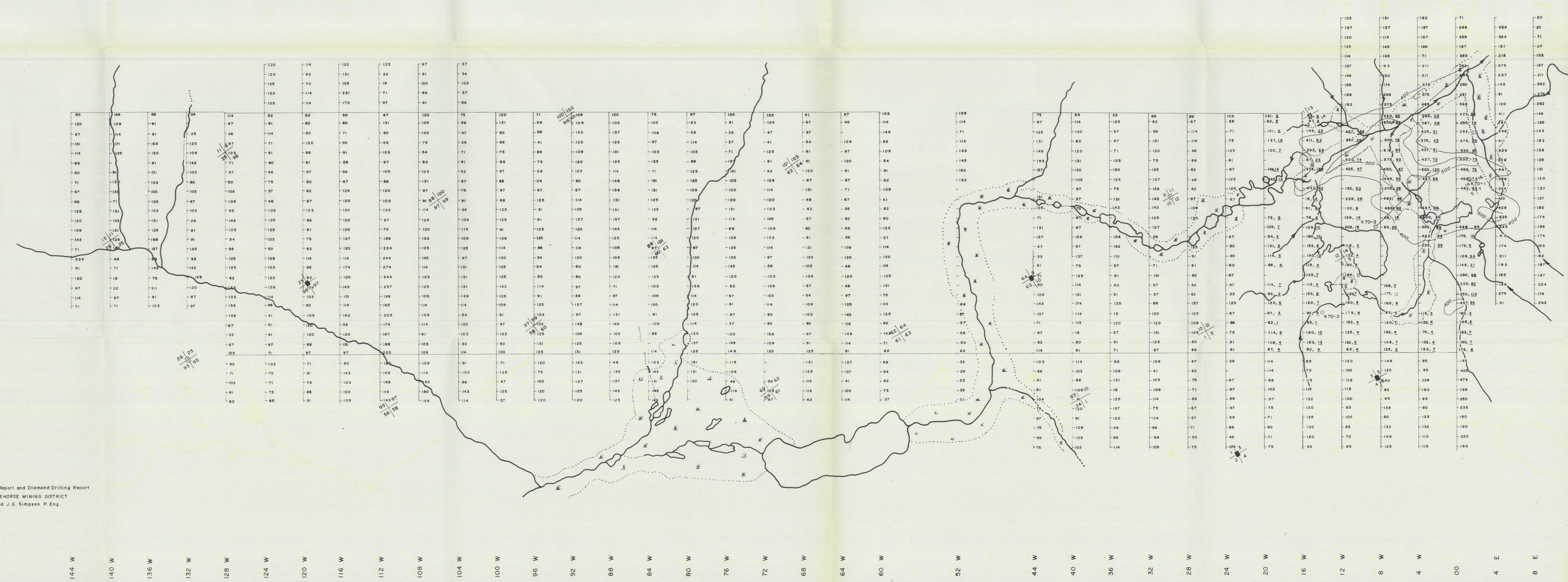
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 NOV. 1970

144 W 140 W 136 W 132 W 128 W 124 W 120 W 116 W 112 W 108 W 104 W 100 W 96 W 92 W 88 W 84 W 80 W 76 W 72 W 68 W 64 W 60 W 52 W 44 W 40 W 36 W 32 W 28 W 24 W 20 W 16 W 12 W 8 W 4 W 00 4 E 8 E

LEAD p.p.m.

KANGAROO EXPLORATION CORPORATION	
MOUNT MYE PROJECT	
YUKON	
SOIL SAMPLING PLAN	
LEAD	
DESIGNED	SCALE HOR. VERT. 1" = 400'
DRAWN	C. L. C.
DATE	NOV. 1970

I. Turnbull
J. G. Simpson



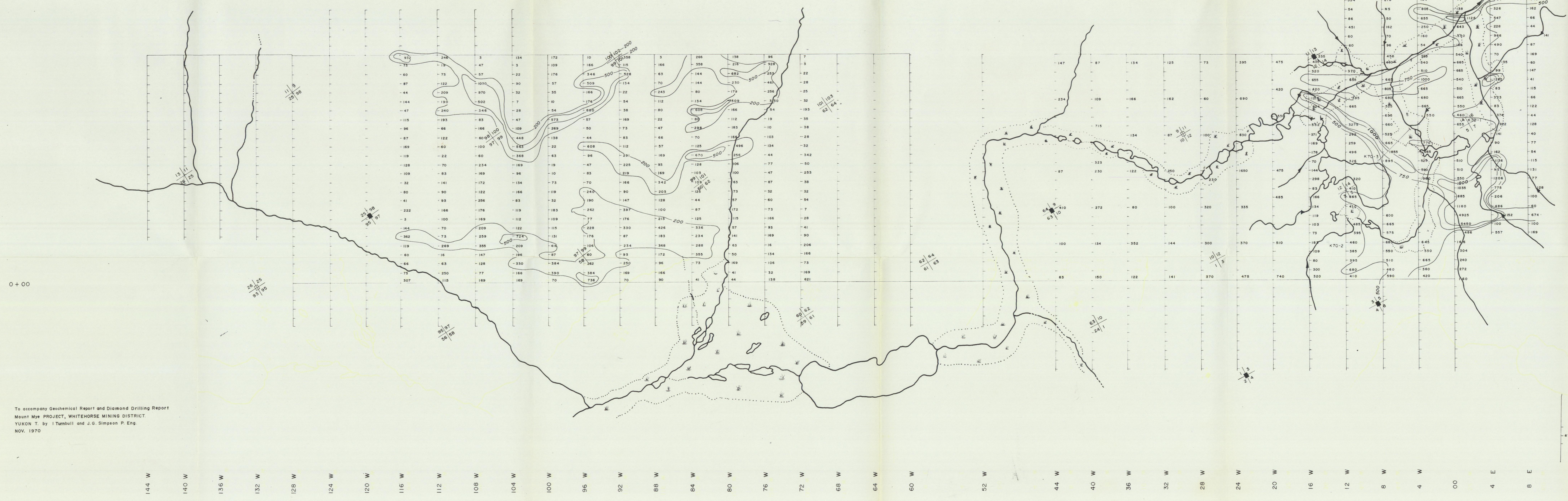
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To accompany Geochemical Report and Diamond Drilling Report
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 NOV. 1970

325, 21 Total Zn (ppm) Cu Zinc (ppm)

KANGAROO EXPLORATION CORPORATION	
MOUNT MYE PROJECT YUKON	
SOIL SAMPLING PLAN ZINC	
DESIGNED DRAWN DATE	C. L. C. NOV. 1970
SCALE HOR. VERT.	1" = 400'

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 NOV. 1970

I. Turnbull
J.G. Simpson

KANGAROO EXPLORATION CORPORATION	
MOUNT MYE PROJECT YUKON	
SOIL SAMPLING PLAN MERCURY	
DESIGNED DRAWN DATE	C. L. C. NOV. 1970
SCALE	HOR. 1" = 400' VERT. 1" = 400'