

GEOLOGICAL AND GEOPHYSICAL REPORT
GOLD STAR GROUP

(Margarete, Augusta, Liberty, Gold Star,
Peerless, Protection, Shearzone 1-2,
Vindicator 1-2, Excelsior 1-3, Progress
1-2, Greenstone 5, Greenstone 6)

Assessment to be applied to the Peg
and Add groups, and a portion of
the AU Group

Whitehorse Mining District
Yukon Territory

Latitude : 62°17'N
Longitude : 137°09' W

N.T.S. 115-I-6

Field Work : October 2 to 6, 1973
Report : May, 1974

This report has been examined by the
Geological Evaluation Unit and is recom-
mended to the Commissioner to be consider-
ed as representation work in the amount of
\$ 22,969.91

D. B. Craig
Resident Geologist or
Resident Mining Engineer

Considered as representation work under
Section 53 (4) Yukon Quartz Mining Act.

Phillipie
Commissioner of Yukon Territory
ADMINISTRATOR OF THE YUKON TERRITORY

By:

COLIN I. GODWIN, P.ENG.

DYNASTY EXPLORATIONS LIMITED

May, 1974

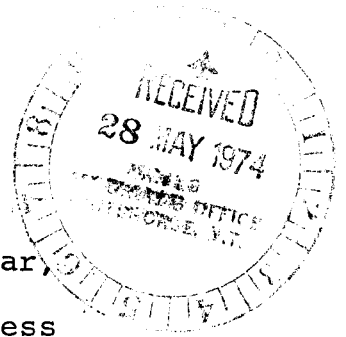
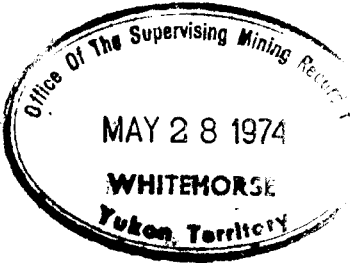


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dated April 19, 1974

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ASSESSMENT WORK DONE ON FOLLOWING CLAIMS

AUGUSTA	15494	1		Oct. 1/74
MARGARETE	15505	1		Oct. 1/74
GOLD STAR	15519	1		Oct. 1/74
PEERLESS	15549	1		Oct. 1/74
PROTECTION (Fraction)	15677	1		Oct. 1/74
SHEARZONE #1-#2	60420-60421	2		Oct. 1/74
VINDICATOR #1-#2	60422-60423	2		Oct. 1/74
LIBERTY	63638	1		Oct. 1/74
EXCELSIOR #1 to #3	63639-63641	3		Oct. 1/74
PROGRESS #1-#2(?)	73464-73465	2		Oct. 1/74
GREENSTONE #1-#4	90465-90468	4		Oct. 1/74
GREENSTONE #5	91056	1		Oct. 1/74
GREENSTONE #6 Fr	Y21094	1		Oct. 1/74

ASSESSMENT WORK APPLIED ON FOLLOWING CLAIMS

<u>PEG CLAIMS - 115-I-6</u>				
1-18	Y75468-Y75485	18		June 12/74
19 Fr.	Y75486	1		June 12/74
20 Fr.	Y75487	1		June 12/74
21-22	Y75488-Y75489	2		June 12/74
23 Fr.	Y75490	1		June 12/74
24 Fr.	Y75491	1		June 12/74
<u>ADD CLAIMS (115-I-6)</u>				
1-4	Y75850-Y75853	4	Johnny Sam	July 11, 1974
5-6	Y75854-Y75855	2	Russell Blackjack	July 11, 1974
7	Y75856	1	Arnold Kendrick	July 11, 1974
8-9 Frs.	Y75857-Y75858	2	Arnold Kendrick	July 11, 1974
10	Y75859	1	Arnold Kendrick	July 11, 1974
11-14 Frs.	Y75860-Y75863	4	Russell Blackjack	July 11, 1974
15-16	Y75864-Y75865	2	Russell Blackjack	July 11, 1974
AU 9-10	Y75910-Y75911			July 11, 1974
17-20	Y75922-Y75925			July 11, 1974

DYNASTY EXPLORATIONS LIMITED

330 MARINE BUILDING
355 BURRARD STREET
VANCOUVER 1, B.C.

GEOLOGICAL AND GEOPHYSICAL REPORT GOLD STAR GROUP

(Margarete, Augusta, Liberty, Gold Star,
Peerless, Protection, Shearzone 1-2,
Vindicator 1-2, Excelsior 1-3, Progress
1-2, Greenstone 5, Greenstone 6)

INTRODUCTION

Location and Access

The Freegold Mountain properties consisting of the Gold Star Group and the Peg, Add, Ag and Au groups, are on the western side of Freegold Mountain (see Figure 1). They are readily accessible by four-wheel drive vehicles via the Carmacks-Ormsby Mines-Revenue Creek road and are 44 road miles (32 air miles) west-northwest of Carmacks. Part of the property is above timberline but timber and water is available at lower elevations on the properties.

General

Figure 2 shows the general location of the claim groups. The object of this report is to compile and submit costs accrued prior to the 1974 field season for assessment work credits.

COMPILATION REPORT ON GOLD STAR GROUP

Appendix I contains a compilation of work done in the 1973 field season on the Gold Star Group prepared by D. R. Cochrane, P.Eng.

This compilation consists of three reports:

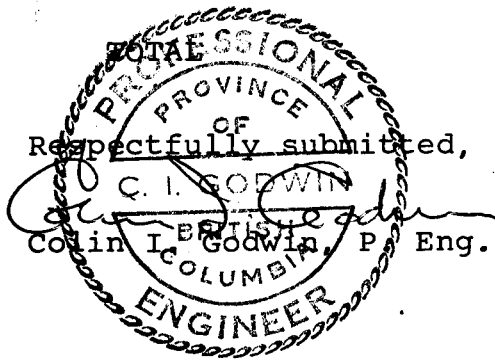
- (1) Geophysical Report on the Magnetometer Survey of the Margarete and Augusta Claims, Mt. Freegold Area, 32 air miles N.W. of Carmacks, Y.T., by D. R. Cochrane, April 19, 1974.
- (2) Report on the Gold Star Group, 115-I-6, Whitehorse Mining District, Yukon Territory, by Dr. P. H. Sevensma, June 5, 1973.
- (3) P. H. Sevensma, October 22, 1973, Note and Revision on the report of the Gold Star Group.

SUMMARY

The report by Sevensma dated June 5, 1973 is not valid for representation work, but it is included for completeness and back-up for the October 22, 1973 report by Sevensma.

Details of report costs are detailed in Appendix III of report by Cochrane, April 1974. For convenience, these costs are listed again below:

<u>Report</u>	<u>Date of Field Work</u>	<u>Date of Invoice</u>	<u>Amount</u>
Cochrane, April 19, 1974	2nd to 6th October, 1973	(a) Survey: Nov. 30, 1974 (b) Report	\$1,760.81 \$ 288.10
Sevensma, Note and Revision	October 22, 1973	March 28, 1974	\$ <u>250.00</u>
			<u>\$2,298.91</u>



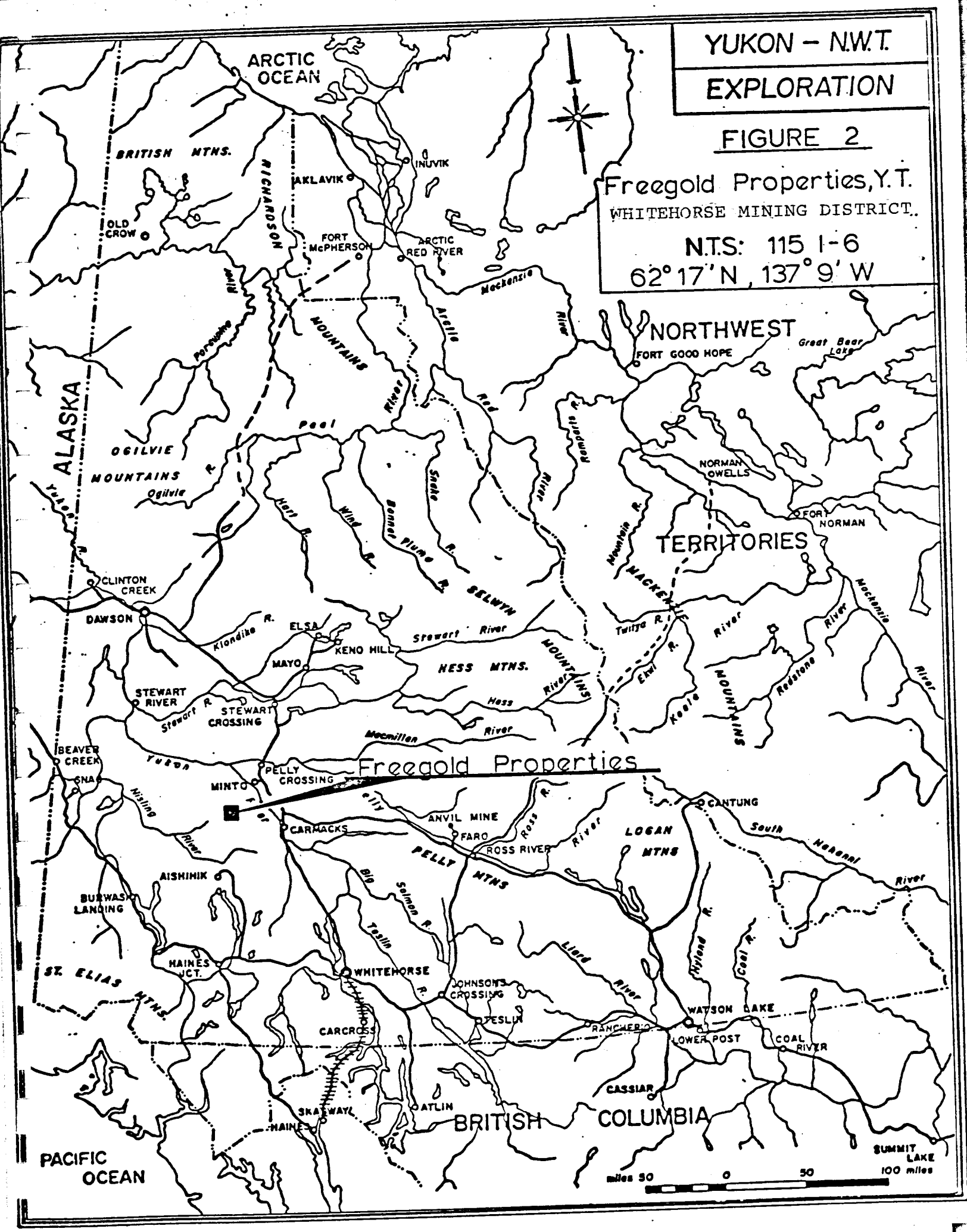
May, 1974

YUKON - N.W.T.
EXPLORATION

FIGURE 2

Freegold Properties, Y.T.
WHITEHORSE MINING DISTRICT.

N.T.S: 115 1-6
62° 17' N, 137° 9' W



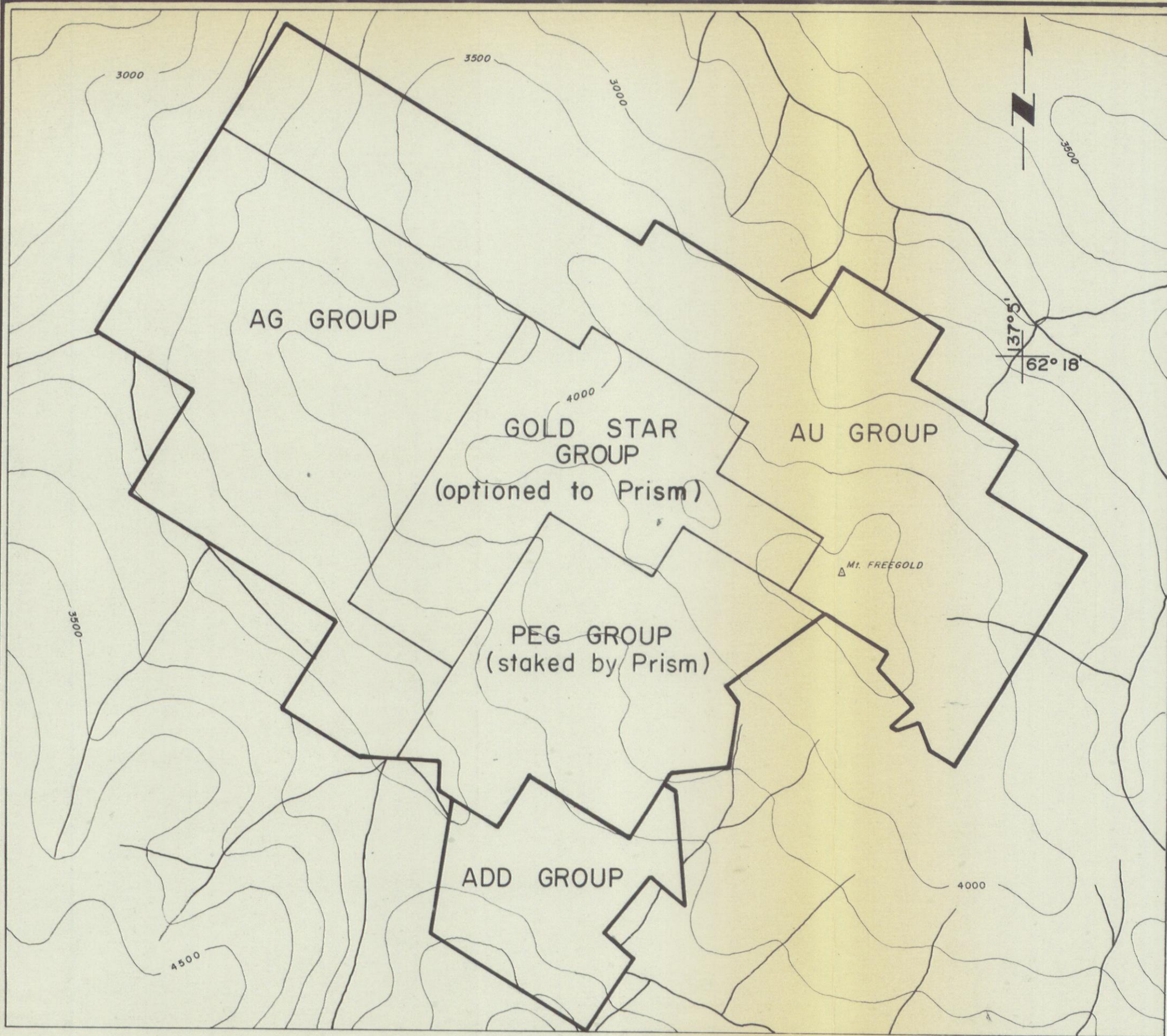
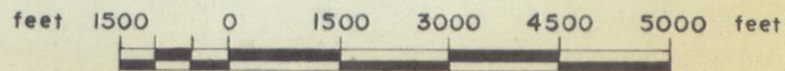


FIGURE 1

Mt. FREEGOLD PROPERTIES

N.T.S.: 115 1-6

SCALE: 1 inch = 1/2 mile



CONTOUR INTERVAL 500 FT.

COMPILATION REPORT CONSISTING OF

A: Geophysical Report on the Magnetometer Survey of
the Margarete and Augusta Claims, Mt. Freegold Area,
32 air miles NW of Carmacks, Y. T.

by D. R. Cochrane P. Eng.
April 19, 1974

B: Report on the Gold Star Group, 115-I-6, Whitehorse
Mining District, Yukon Territory

by Dr. P. H. Sevensma
June 5, 1973

C: P. H. Sevensma, October 22, 1973, Note and Revision
on the report of the Gold Star Group.

on behalf of

Dynasty Explorations Ltd.



Cochrane Consultants Limited
4882 Delta Street, Delta, B.C. (604) 946-9221
Geotechnical Consulting / Exploration Services

geology
geophysics
geochemistry

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Part B Report on the Gold Star Group by P.H. Sevensma,
dated June 5, 1973

Part C Revision of Report by P.H. Sevensma, dated Oct. 27, 1973



PREAMBLE

This compilation of reports was prepared at the request of Mr. C. Godwin of Dynasty Explorations Limited and includes two reports by Dr. P.H. Sevensma on the Freegold Mtn. property (Parts B and C) and a report by the author on the October, 1973 magnetometer survey and self potential test of a portion of the Freegold mountain, Gold Star claim group.

This report was in part prepared for assessment work credits, and a table of costs are included in Appendix III of Part A of this report.



PART A GEOPHYSICAL REPORT

A -I: Introduction

During the period October 2 to 6, 1973, 4.4 line miles of a ground control grid was layed out and a vertical field fluxgate magnetometer survey was completed on mineral claims on Mt. Freegold, situated about 44 road miles northwest of Carmacks in the Yukon Territory. The author and Mr. G. Elliot turned off cross lines by transit from the main base line, magnetically surveyed the grid at 50 and 25 foot station intervals, and conducted a short self potential test across one of the magnetic anomalies outlined during the course of the work. The above described work followed a brief magnetometer orientation survey completed by Dr. J.H. Montgomery and Mr. G. Giroux (B.Sc. Geology) in the summer of 1973. Their work on the "Discovery Zone" (or Augusta Magnetite) and in an area immediately adjacent indicated that an additional anomaly existed in a drift covered area and that a more widespread survey was warranted. The "Discovery Zone" is an auriferous magnetite and specularite mineralized area which contains erratic but sometimes spectacular specimens of native gold in magnetite, and is therefore easily traced by close spaced magnetometer surveying work.



A - 2: Summary and Conclusions:

1. Early in 1973, Prism Resources Ltd. of Vancouver, B.C. optioned 19 full sized and 2 fractional claims on Mt. Freegold, from Mr. Fred Guder of Carmacks Y.T. Later in the year, an additional 24 contiguous claims were added to the group by Prism Resources.
2. Mr. P.H. Sevensma, Prism's Yukon consultant, prepared reports on the property and recommended additional exploration work which commenced late in 1973. Dr. Sevensma's report and revision form section B and C respectively, of this compilation report.
3. Early in 1974, an agreement was reached between Prism Resources Ltd, and Dynasty Explorations Ltd. whereby Dynasty would continue with exploration work and Prism would retain an interest in the property.
4. Part A of this compilation describes the magnetometer work conducted by Prism Resources on the Freegold property and the following remarks pertain solely to the recent magnetometer survey.
5. Magnetometer surveying was completed with a Scintrex MF-2 fluxgate, vertical field magnetometer and detailed instrument specifications are appended. All magnetometer values were corrected for diurnal fluxuations and a "plan" of these values in addition to a contoured isomagnetic plan accompany Part A of this report.



6. Drift corrected magnetometer results ranged from a low of -29,400 to a high of +21,500 gammas and thus the magnetic relief is considerable. Much of the survey area however is characterized by gentle magnetic relief and change.

7. Several magnetic anomalies were outlined however, and these are magnetically prominent and obvious. (see isomagnetic plan). These anomalies lie in drift covered areas and as yet have not been further investigated.

8. Two magnetically anomalous areas are worthy of attention and these are:

(a) Anomaly "A" centered some 300 feet south of the Discovery Zone in an area covered with overburden. The "plus" 2000 gamma area is approximately 100 feet long and 50 feet wide and anomalous response is believed to be caused by near surface high susceptibility minerals such as magnetite and specularite. The Discovery Zone (anomaly C), first uncovered by Fred Guder in 1930, contains free gold in a skarn type pod consisting of magnetite, quartz, specular hematite, garnet, epidote and small amounts of chalcopyrite.

(b) Anomaly "B" extends for a considerable strike length, and lies subparallel to the base line and some 500 feet to the north. The Anomaly is indicative of a narrow, steeply dipping tabular body which contains high susceptibility minerals such as magnetite and/or pyrrhotite. Except for one small hand trench on line 36W, the zone is covered by overburden and remains untested by trenching or drilling.



Anomaly "B" is a few hundred feet north of the Margarete vein and parallel to the strike of the vein.

9. A short self potential test revealed good inverse correlation with magnetometer values , however, the SP response is not as definitive as the mag response in this particular area.

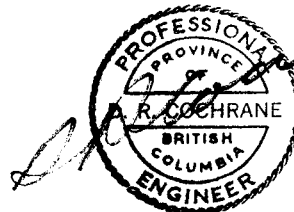
10. Investigation of the magnetometer anomalies, and additional magnetometer surveying on the Mt. Freegold property is strongly recommended.

Respectfully submitted

D.R. Cochrane P. Eng.

April 16, 1974

Delta, B.C.



A - 3: Location and Access:

Freegold Mountain may be reached by road by proceeding northwesterly from Carmacks along the Laforma Mine- Revenue Creek access road which is passable in the summer months by an ordinary car. The road mileage is approximately 44, and the property is centered some 32 air miles W x NW from Carmacks, and 120 air miles NxNW from Whitehorse, in the Yukon Territory. A 4x4 jeep road leads uphill from the main access road, and the Discovery Zone and Margarete Zone are easily accessible by a 4x4 vehicle.

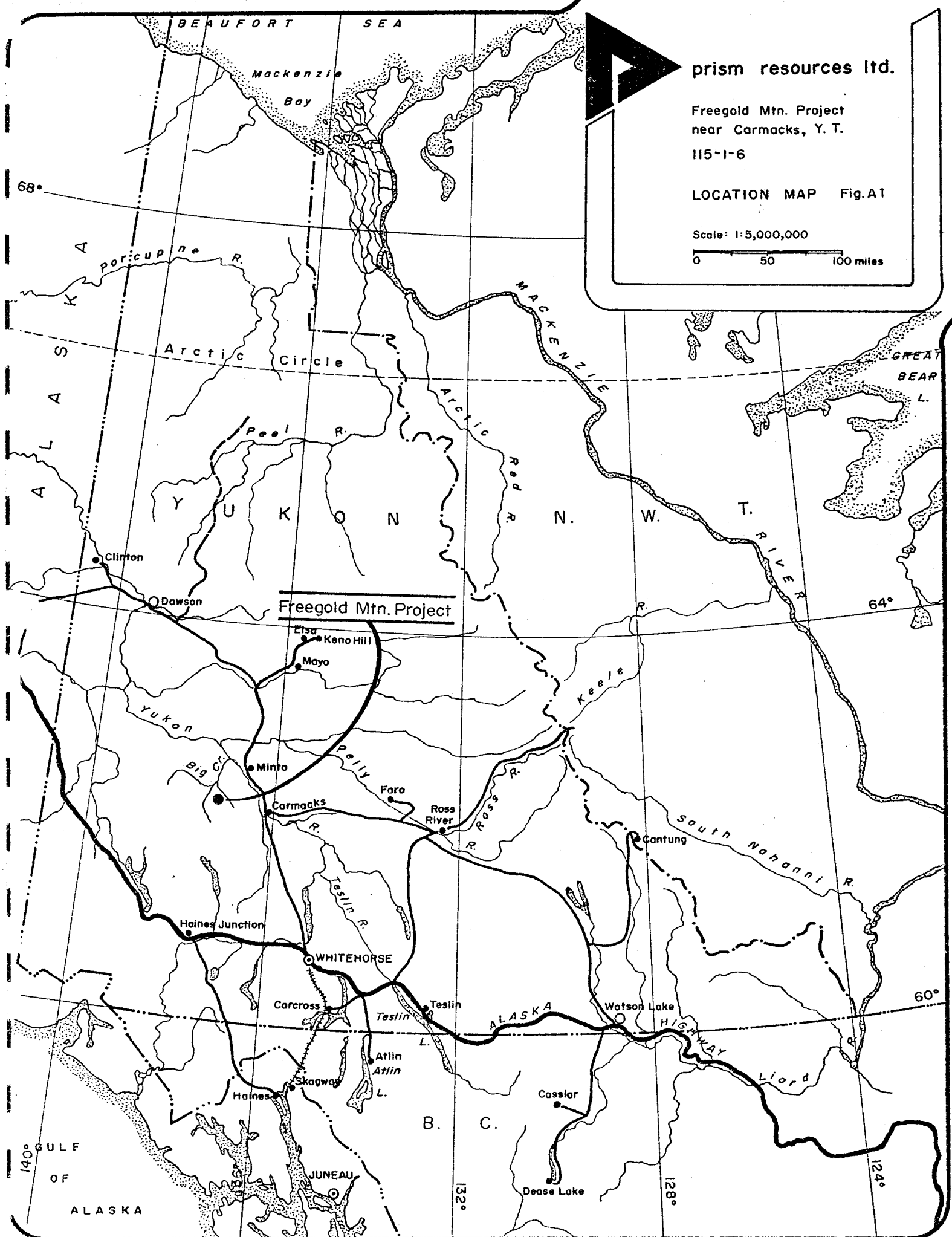
The property adjoins the Laforma Mine now owned by Ormsby (Discovery Yellowknife Mine). The claims are centered near latitude 62°17'N and longitude 137°09'W. The N.T.S. code area is 115 -I/6.

A - 4: Claims Information:

The following list of claims were included in the original option by Prism from Mr. Guder of Carmacks:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Augusta	15494	October 1
Margarete	15505	"
Gold Star	15519	"
Peerless	15549	"
Protection Fr.	15677	"
Shearzone 1 - 2	60420 - 60421	"
Vindicator 1 - 2	60422 - 60423	"
Liberty	63638	"





prism resources ltd.

Freegold Mtn. Project
 near Carmacks, Y. T.
 115-1-6

LOCATION MAP Fig. A1

Scale: 1:5,000,000





prism resources ltd.

Freegold Mtn. Project
near Carmacks, Y.T

115-1-6

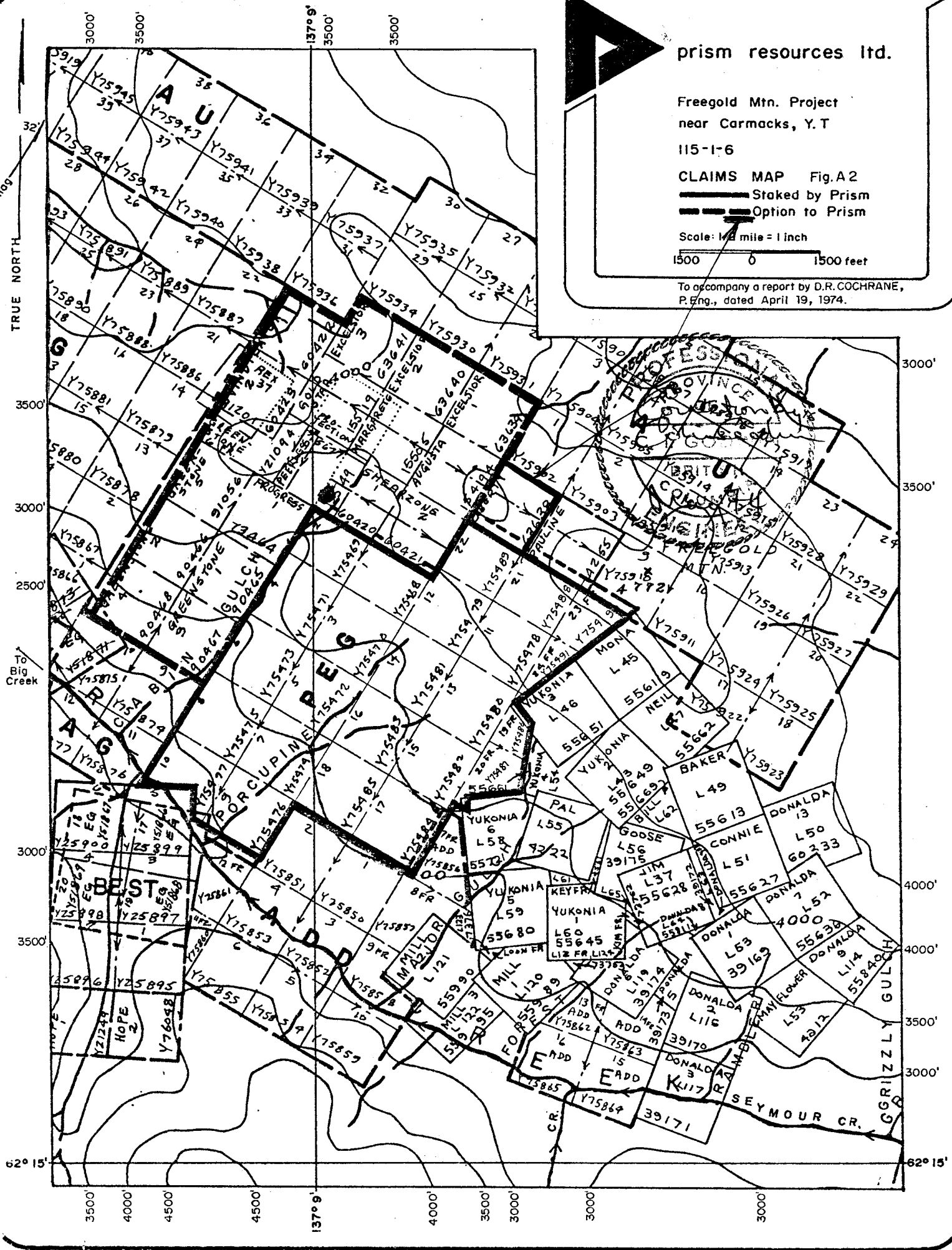
CLAIMS MAP Fig. A2

- Staked by Prism
- - - Option to Prism

Scale: 1/2 mile = 1 inch



To accompany a report by D.R. COCHRANE,
P.Eng., dated April 19, 1974.



TRUE NORTH

To Big Creek

62° 15'

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Excelsior 1 -3	63639 - 63641	October 1
Progress 1 - 2	73464 - 73465	"
Greenstone 1 - 4	90465 - 90468	"
Greenstone 5	91056	"
Greenstone 6 Fr.	Y21094	"

The following claims were staked by Prism Resources Ltd. in 1973, and along with the claims listed above, are now part of the ground optioned to Dynasty Explorations Ltd.

<u>Claim Name</u>	<u>Record No.(s)</u>
Peg #1 to #13(incl.)	Y75468 - Y75415
Peg #19 and #20frs.	Y75416/87
Peg #21 and #22	Y75488/89
Peg #23 and #24 frs.	Y75490 and 91.

These claims are shown on mineral claims map 115-I-6, and a copy of this map accompanies this report as figure A - 2.

A - 5: General Setting

A detailed account of the geology of Freegold is given in the accompanying report by Dr. Sevansma and also in G.S.C. Memoir 214, Geology and Mineral Deposits of Freegold Mountain, Carmacks District by J. R. Johnston (1963). This section is included only as a background to aid in the visual interpretation of the magnetometer survey.

The mineral occurrences on and close to Mt. Freegold include auriferous magnetite skarn type deposits close to the contact of Yukon schists with intermediate to acidic intrusive bodies, and



auriferous quartz veins and shear zones which occur in both the intrusive bodies and in the precambrian Yukon metasedimentary group.

The magnetometer survey was centered over the Discovery Zone, on the Augusta claim, where several trenches expose massive magnetite, specularite, minor chalcopyrite, quartz, garnet, epidote and native gold. It was believed that magnetometer response would be considerable over this zone, and would be a valuable tool in the search for additional zones. A second mineralized zone, the Margarete, located west and north of the Augusta Discovery magnetite zone was drill tested some years ago. The Margarete vein system consists of limonitic schists with drusy braided quartz veins and veinlets. Dr. Sevensma reported values averaging 4.5 oz. Au and 19.4 oz. Ag across 12 inches. This vein system shows almost no magnetic response, however, magnetic linears and overall trends may be used to guide further exploration along this zone.

A - 6: Field and Data Processing Procedures:

The area surveyed on Freegold Mountain lies above the 4000 foot level in relatively gently rolling open alpine country. Several years ago, a ground control grid was established, and lath pickets were used to mark station positions. The base line runs northwest by westerly and cross lines are turned off at right angles at 400 foot intervals. A few of these pickets are still standing, however, many were realigned and renumbered.



-9-

Intermediate lines (i.e. those not lying on the previously established 400 foot cross lines) were turned off by a transit from the base line, and numbered flags were lined up on shrubs, or tied around loose rocks. The line station intervals were chained with a 200 foot long chain. The grid layout shown on the accompanying maps is believed to be a fair representation of the actual situation.

A central magnetometer base station was established at 26+00 West (26W) on the base line, and an MF2 fluxgate magnetometer was adjusted to zero (0) gammas at this position and in the afternoon of October 2. All magnetometer values are relative to this arbitrary zero at that point in time.

The base line was surveyed first, at a 50 foot station interval, in a "loop back" to the base station fashion in order that small diurnal changes could be eliminated on the base line. Cross lines were run in a "loop" method, and "check ins" along the base line, and into the main base station were made at frequent intervals in order to eliminate geomagnetic fluxations. Time-drift corrections were applied to all magnetic data, and the maximum error is believed to not exceed ± 50 gammas at values within the +1000 to -1000 range. In areas of extreme magnetic relief, the along line station interval was reduced to 25 feet, and a fine grid was layed out over the "new" Discovery Zone.



A - 7: Self Potential Field Procedure

A Terra Physics high impedance self potential unit was used on a test line across the high magnetometer anomaly on line 48W. The nearpot was placed at 3N, and the far pot was moved northerly at 50 foot intervals and the difference in potential between the near pot and far pot was recorded in millivolts. Thus all values are relative to an arbitrary "zero" at 3N, 48W.

A - 8: Magnetometer Results:

(a) Anomaly "A" centered some 300 feet south of the Discovery Zone in an area covered with overburden. The "plus" 2000 gamma area is approximately 100 feet long and 50 feet wide and anomalous response is believed to be caused by near surface high susceptibility minerals such as magnetite and specularite. The Discovery Zone (anomaly C), first uncovered by Fred Guder in 1930, contains free gold in a skarn type pod consisting of magnetite, quartz, specular hematite, garnet, epidote and small amounts of chalcopyrite.

(b) Anomaly "B"

This anomaly extends for a considerable strike length, and lies subparallel to the base line and some 500 feet to the north. The anomaly is indicative of a narrow, steeply dipping tabular body which contains high susceptibility minerals such as specularite and magnetite. Except for one small hand trench on line 36W, the zone is covered by overburden and remains untested by



trenching or drilling.

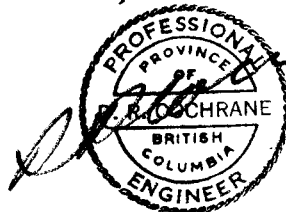
Anomaly "B" is a few hundred feet north of the Margarete vein and parallel to the strike of the vein.

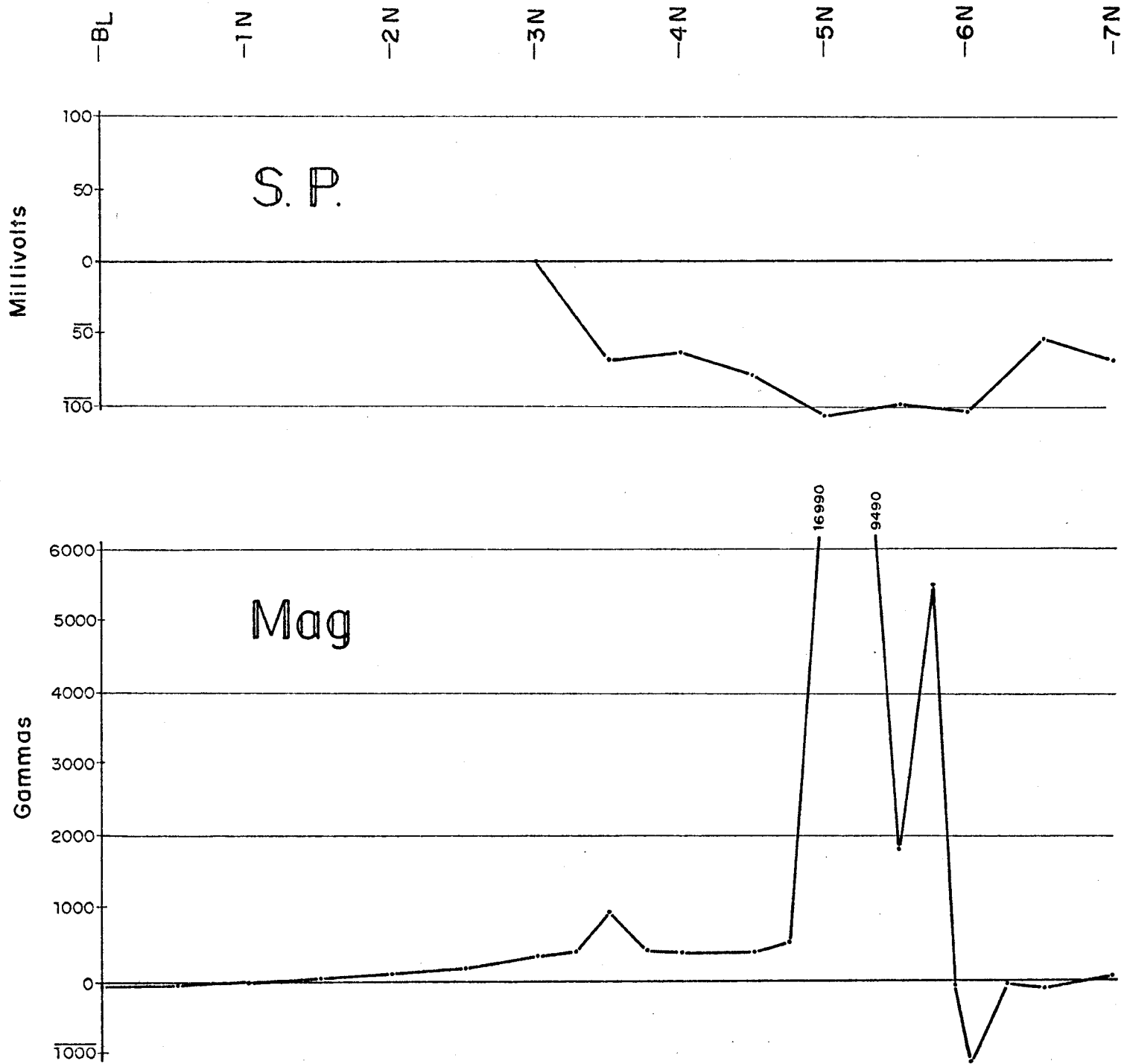
A - 9: Self Potential Test Results

Self potential results ranged from the arbitrary "zero" value at 3N,48W to a low of just below -100 millivolts. The lowest and most anomalous value is in general not extreme, however it does coincide with a peak magnetometer response of 16990 gammas. As may be expected, the self potential response shows an excellent inverse correlation with the magnetometer results (i.e. where the S.P. is low the mag response is high). However, the S.P. response amplitude is not nearly as high or definitive. For this reason, magnetometer surveying is believed to be much more useful in this particular area.

Respectfully submitted

D.R.Cochrane P. Eng.
April 16, 1974
Delta, B.C.





prism resources ltd.

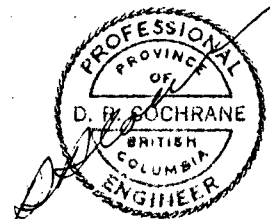
Freegold Mtn. Project
near Carmacks, Y. T.
115-1-6

SELF POTENTIAL and
MAGNETOMETER
PROFILES - Line 48 W

Horizontal Scale: 1" = 100'
Vertical Scale as Indicated

Figure A 3

To accompany a report by
D.R. COCHRANE, P. Eng.,
dated April 19, 1974.



APPENDIX I

CERTIFICATES

D. R. Cochrane P. Eng. (BA Sc.) Geology, University of
Toronto '62: (M. Sc. Eng.) Queen's University '64.
Member of the Association of Professional Engineers,
Province of B.C., Ont. and Sask., and Yukon Terr.

B. A. Cochrane (A.O.C.A.) Drafting, employed with Cochrane
Consultants for 3 years, while employed as geophysical
helper, data processing, drafting.

G. Elliot (B.A.) University of British Columbia. Employed
in part time capacity by Cochrane Consultants for two
years as field geophysical operator.



SPECIFICATIONS

Specifications of Fluxgate Magnetometer Model MF-2

	RANGES	SENSITIVITY
Standard:	Plus or minus	
	1,000 gammas f.s.c.	20 gammas/div.
	3,000 gammas f.s.c.	50 gammas/div.
	10,000 gammas f.s.c.	200 gammas/div.
	30,000 gammas f.s.c.	500 gammas/div.
	100,000 gammas f.s.c.	2000 gammas/div.
Meter:	Taut-band suspension	
	100 gamma scale 2.1" long - 50 div.	
	300 gamma scale 1.9" long - 60 div.	
Accuracy:	1000 to 10,000 gamma ranges \pm 0.5% of full scale.	
Operating Temperature:	-40°C to +40°C -40°F to +100°F	
Temperature Coefficient:	Less than 1 gamma per °C (1/2 gamma/°F)	
Noise Level:	Less than 1 gamma F-1	
Bucking Adjustments: (Latitude)	-20,000 to +80,000 gamma 9 steps of 10,000 gamma plus fine control of 0 - 10,000 gamma by ten turn potentiometer Reversible for southern hemisphere.	
Recording Output:	Optional.	
Electrical Response:	D.C. to 0.3 cps (3db down) on 100 gamma range with meter in circuit. D.C. to 20 cps with meter network shorted for recording purposes.	
Connector:	Cannon K02-16-10. for plug Cannon K02-16-14-01 and cover K06-16-3/8.	
Batteries:	Internal 3 x 6V-1.2 amp/hr. Sealed Lead Acid rechargeable Generalob 90 C101; recharge time 5 hrs.	
Consumption:	60 milliamperes - 900 mA batteries are rated for 10 hour continuous use.	
Dimensions:	6 1/4" x 2 3/4" x 10" Instrument. 161 mm x 71 mm x 254 mm	
Weights:	5 lb. 8 oz. - 2.5 kg.	



PART B

PRISM RESOURCES LTD.

Report on the

GOLD STAR GROUP

115-I-6, Whitehorse Mining District

Yukon Territory

by

P.H. Sevensma, Ph.D., P.Eng.

Vancouver, June 5, 1973.

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ILLUSTRATIONS

- Fig. 1 - Claim map 1" = 1/2 mile
- Fig. 2 - Preliminary Geology by
R.A. Grenger 1" = 400'
- Fig. 3 - Location map 1" = 100 miles

Prism Resources Ltd.

Gold Star Group

115-I-6, Whitehorse M.D., Y.T.

I. Summary and Recommendations

The Gold Star Group of 19 claims and two fractions covers an altered, weathered and leached syenitic intrusive centered on a breccia zone carrying molybdenite; 24 additional claims have been staked.

Several quartz-gold showings occur near and in the intrusive and there is a 6"-8" wide vein of galena assaying 70% Pb and 171 ^{oz}/t Ag.

Near-massive magnetite replacing a limy bed assays about 0.36 ^{oz}/t Au and this zone is known for a length of some 300', the largest width being 27'; its full size has never been investigated.

Two trenches 30' apart on a 1'-1½' wide gold-quartz vein show values between 2.6 and 4.6 ^{oz}/t Au with up to about 20 ^{oz}/t Ag. The full structure is at least 2,500' long.

The porphyry type mineralization of the altered intrusive and especially of the breccia is of considerable interest and the auriferous magnetite and the main gold-quartz vein are themselves promising showings. Other showings of about 0.45 ^{oz}/t ^{Au} and some 10 ^{oz}/t Ag are also present. Geochemical sampling and bulldozer trenching for a total of \$15,000.00 and a follow-up drill program of \$30,000.00 are recommended to explore this group, for a total field budget of \$45,000.00.

Two miles to the SSE, former producer Ormsby Mines Ltd. reports about 80,000 tons reserves of 0.70 ^{oz}/t Au.

II. Introduction

The Gold Star Group of 19 claims and two fractions covers a number of gold showings, a silver showing and an altered syenitic intrusive with a breccia centre containing molybdenite. Some chalcopyrite is associated with these various showings. The property lies about two miles NNW of former producer Ormsby Mines Ltd., which may well be revived at present gold prices.

The writer has examined the property, as well as nearby properties, on a number of occasions starting in 1959, his last visit being in July, 1972.

III. Property, Location, & Access

The Gold Star Group consists of the following claims and fractions:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Augusta	15494	October 1, 1974
Margarata	15505	"
Gold Star	15519	"
Peerless	15549	"
Protection Fr.	15677	"
Shearzone 1 - 2	60420 - 60421	"
Vindicator 1 - 2	60422 - 60423	"
Liberty	63638	"
Excelsior 1 - 3	63639 - 63641	"
Progress 1 - 2	73464 - 73465	"
Greenstone 1 - 4	90465 - 90468	"
Greenstone 5	91056	"
Greenstone 6 Fr.	Y21094	"

The Group is located on, and West of, Freegold Mountain, at about Lat. N 62° 17' and Long. 137° 9', on the South slope between Freegold Mountain (4,772') and Seymour Creek (at elevation about 2,500'), and is recorded on claim-sheet 115-I-6.

Access is by the Carmacks - Ormsby Mines - Revenue Creek road, a distance of about 44 road miles, or 32 air miles WNW of Carmacks. In 1972, this road was used by ordinary cars. There is good timber with butts up to 16", mostly spruce, up to elevation 3,500'. The S to SW exposure of the slopes allows permafrost to thaw once the moss is removed, whereas the frost tends to be permanent on the flat ridges and the North slopes. Seymour Creek originates in a lake and provides a good consistent supply of water.

Twenty-four additional claims have been staked by Prism Resources to cover the area between the Gold Star and Ormsby Mines Ltd., but had not yet been recorded at the time of writing.

IV. Areal Geology

Freegold Mountain is part of a 40 mile long belt of syenitic rocks and granodiorite intruding Yukon schists. There are numerous remnants of mesozoic Mount Nansen andesitic volcanics. The Tertiary Carmacks volcanics form a late cover North and South of the broad "ridge" of syenitic-granodioritic intrusives and Yukon schists.

Numerous masses and dykes of granite-porphyrines and rhyolites cut the previous formations.

The area is part of the Dawson Range, where significant values in copper, gold and silver and sometimes molybdenite, are associated with the Cretaceous and Tertiary intrusions, forming large porphyry type deposits of copper and/or molybdenum.

In 1965-1966, Ormsby Mines Ltd. operated for a short period the Laforma Group, two miles SSE of the Gold Star, with a 125 ton per day mill and 80,000 tons of positive and probable reserves containing 0.70 oz/t Au. Due to the necessity to meet certain government deadlines, production was started late in the season and the winter operation proved unprofitable at the then prevailing price of gold. Dilution contributed to a lower mining grade than anticipated and the property was closed down in early 1966.

As the area remained unglaciated during the last Ice Age, the formations, especially those that are soft, or hydrothermally altered, have been deeply weathered and leached. This condition requires drilling to depths exceeding some 300' below the surface to obtain intersections in unweathered formations.

Leaching, especially in the presence of pyrite, is pronounced throughout the district and gold may at times be enriched in near-surface limonite, whereas under the same conditions, copper may be thoroughly leached with some degree of an enriched zone at a depth of a few hundred feet capping the normal primary mineralization.

Deposits of the mineralized porphyry-type are known in the Dawson Range and some have had initial drilling with encouraging results.

The more attractive situations are those that are of easy access, and the Gold Star Group is one of these, as it lies directly along a

good bush road.

The Gold Star Group presents a classical picture of a brecciated zone within a bleached part of a syenite intrusive with satellite deposits of gold and of silver-lead. Two miles to the South-East is a stibnite-barite-quartz-carbonate showing on Emmons Hill, stibnite being another typical fringe mineral of mineralized porphyries, especially where molybdenite is present.

V. Local Geology

The area has been mapped in detail in 1936 on a scale of 1"=1,000' by T.R. Johnston of the Geological Survey of Canada (see memoir 214, 1937).

Mesozoic and Tertiary syenites and granodiorites intrude Yukon schists of sedimentary origin, and numerous masses and dykes of quartz-feldspar cut these formations, as well as the somewhat earlier feldspar-andesite porphyries.

In 1969, Yukon Revenue Copper had an option on this property and carried out some geological mapping on a scale of 1"=400', and outlined an intensely bleached zone some 1,200' by 1,600' centred on an elongated ENE-WSW trending breccia-zone about 1,200' long and up to 400' wide.

The Augusta zone and the Margarete zone, where previous work had been done on gold-showing were traced and found to be one and the same for a length of about 2,500', and to lie more or less along a system of quartz-porphry dykes cutting Yukon schists some 400' N of the bleached syenite zone centered on the breccia zone. The Gold Star showing, now caved, lies another 500' further West on strike.

The mineralization appears to have followed partially the same fractures as the dykes, which are occasionally mineralized by small quartz veinlets, carrying sulphides and/or gold.

The gold bearing zones are usually irregular quartz veins from a few inches to about four feet wide. On the Augusta claim, there is a mass of magnetite at least 300' long and up to 27' wide, trending about East-West. The magnetite is associated with actinolite, garnet, epidote, quartz and some calcite. Metallic minerals present are hem-

atite, pyrite, chalcopyrite, limonite and gold.

Although the writer examined this showing in 1962, he did not sample it for gold, as no representative samples could be obtained. About a month previous, the showing was examined and sampled by J. Walker, who obtained 0.32 ^{oz}/t Au and 1.20 ^{oz}/t Ag in the magnetite.

The associated minerals suggest that the magnetite replaces a limy bed within the Yukon schists.

The Augusta-Margarete vein system strikes towards a galena-silver showing originally known as the Red Fox, and located on claim Vindicator no. 2.

Although poorly exposed, the vein appears to strike N-S and to lie between Yukon schists to the West and quartz feldspar porphyry on the East, as shown by the exposure in the E-W trench.

The vein was mostly covered and its width could not be observed. According to H.S. Bostock, (1931), the vein strikes East-West and is 6"-8" wide.

The writer's sample of galena on the dump assayed 171.0 ^{oz}/t Ag and 70.0% Pb, and only traces of zinc and gold.

The writer examined the Margarete vein in two trenches, one 150' East of an old collapsed 20' deep shaft, and one 30' further to the East. Assays were as follows:

	<u>Width</u>	<u>oz/t Au</u>	<u>oz/t Ag</u>
Trench, 150' East of shaft	12"	4.5	19.4
Trench, 180' East of shaft	18"	2.6	10.6

In both cases, the sample consisted of a mixture of very limonitic schist with drusy vein quartz.

These assays are of about the same value as those taken by others. Conwest, for instance, reported three samples of respectively 3.6 ^{oz}/t, 4.6 ^{oz}/t, and 3.2 ^{oz}/t ^{Au} in 1959.

Metallics present in disseminated form are pyrite, chalcopyrite, arsenopyrite, some malachite and much limonite.

The vein dips some 80° to the South, and near the ridge, the few observed attitudes of the schists show a dip of some 45° NE with a NW strike.

Within the large bleached zone, the writer did not observe any minerals other than some tourmaline and pyrite, and some specks of molybdenite, which at that time (1962) did not seem to be of interest. A small quartz showing within this zone, since opened up by Mr. Guder, provided an assay of 0.48 ^{oz}/t Au and 10.1 ^{oz}/t Ag to Yukon Revenue in 1969.

Johnston, on the basis of his observations on the Laforma Group (now Ormsby Mines Ltd.), postulates that the NE fractures and veins are more promising than the NW ones.

The ENE strike of the bleached zone and of the breccia zone may be significant in this respect.

VI. History

Prospect shafts and trenches were driven in the early 1930's.

In 1959, Conwest optioned the property and drilled five core holes, two each near the shaft and 100' West of it with a Northerly dip, and one 100' East of the shaft with a South dip of 45°.

A summary of the results is as follows:

<u>Hole No.</u>	<u>Length</u>	<u>Dip</u>	<u>Footage</u>	<u>Length</u>	<u>^{oz}/t Au</u>	<u>Recovery</u>
F-1	180'	-45° N	112.5-121'	8.5'	0.34	10%
F-2	225'	-60° N	152 -159'	7'	.06	40%
F-3	202'	-45° N	159 -163'	4'	.12	70%
F-4	226'	-60° N	160 -168'	8'	.01	17%
F-5	181'	-45° S	>181'?	0'	---	Too Short?
<u>Total</u>	<u>1,014'</u>					

Recoveries are very poor and the trenched area, 50' East of Hole F-5, with assays of about 2.5 to 4.5 ^{oz}/t Au across 1'-1½', remained untested.

In 1969, Yukon Revenue Copper cut a few catlines, took six soil-samples and mapped part of the area geologically, outlining the bleached zone and its brecciated centre, and discovered a frost-heaved block assaying 0.40 ^{oz}/t Au and 5.48 ^{oz}/t Ag near a well tourmalinized area. This block, about 12" across, consisted of a typical boxwork suggesting leached sulphides.

The one soil sample over the breccia was significantly anomalous in Molybdenum and Arsenic, as follows:

Mo	20 ppm	(background \pm 2 ppm).
As	165 ppm	(background \pm 10 ppm).

Molybdenum is a valuable indicator to locate the most likely centre of mineralization. Arsenic is expected to be the best pathfinder for gold. In the presence of oxidizing pyrite, molybdenite tends to remain in the limonitic area and copper would be completely leached.

VII. Exploration Targets

The following targets are present:

1. Augusta Magnetite

May be traced by magnetometer. Surface trenching and assaying should lead to a decision as to whether this occurrence should be tested by drilling. Soil-sampling for Cu, As and Au may assist in pinpointing a zone of higher potential interest.

2. Margarete Vein

Drilling under the trenches and East of them is justified as the gold-bearing material may form Easterly raking shoots.

The assay of 0.34 ^{oz}/t Au across 8.5' with only 10% core recovered is encouraging (Hole F-1). Soil-sampling for As and Au below the vein-zone at 50' intervals is expected to be of value.

3. Red Fox

Although of 6"-8" reported width, this vein is narrow, an assay of 171.0 ^{oz}/t Ag still represents about 15 ^{oz}/t Ag across 6'. Sulldozer trenching is recommended to expose this occurrence properly.

4. Cabin Showings

At 0.40 and 0.46 ^{oz}/t Au and good silver values, these showings warrant bulldozer trenching. A good vein in place would justify drilling. If a NE striking vein is located, it may be a target of more interest than the main Margarete vein.

5. Breccia Zone

After detailed outlining by soil-sampling for Mo and As, this zone justifies one or more drill-holes, preferably drilled to the North from its Southerly contact, to sample this occurrence at a depth of 400'-500' below the surface.

VIII. Recommended Program

Each one of the five described targets is of interest and warrants further evaluation. This evaluation should be based on a program of close-spaced soil-sampling, each local grid being adjusted to the nature and size of the specific situation.

The soil-sampling results combined with the position of the showings should be used to lay out bulldozer trenches, the purpose of which is to obtain attitudes, sizes and grades of near-surface occurrences, even if the exposures are expected to be both weathered and leached.

On the Augusta, a magnetometer survey is essential to obtain subsurface information on the size and attitude of the gold-bearing magnetite deposit, even if scattered blocks of magnetite within the talus may render some local readings doubtful.

As the skarn-type magnetite formations have not suffered much from weathering and leaching, relatively shallow core-drilling should be employed to obtain the grade of the mineralized material.

In the breccia-zone, either two 500' holes or one 800' hole is contemplated, depending upon both surface conditions and drilling conditions. As we expect to encounter some 200' or perhaps 300' of weathered ground, an 800' hole may provide 500' of good core versus 300' of poor core, whereas two 500' holes may provide 400' of good core versus 600' of poor core. As the S contact of the breccia lies about 1,300' in elevation above the level of Seymour Creek, a relatively deep hole is fully justified if the breccia-zone is near-vertical.

The following budget is estimated for this program:

1. Camp construction		\$ 1,500.00
2. Linecutting, picketing, 6 miles @ \$150.00		1,000.00
3. Geological mapping		1,000.00
4. Soil sampling, 300 samples @ \$10.00 (including labor and assaying)		3,000.00
5. Bulldozer trenching, 125 hours @ \$32.00		4,000.00
6. Camp operation, 80 man-days @ \$12.50		1,000.00
7. Magnetometer survey, 6 line-miles @ \$160.00		1,000.00
8. Truck use, freight, CP Air		<u>2,500.00</u>
		\$15,000.00
9. Core-hole drilling, 8 size core, 3 holes of 200' = <u>600'</u> 2 holes of 500' = <u>1,000'</u> Total <u>1,600'</u> @ \$15.00		24,000.00
		<u>\$39,000.00</u>
Supervision, Engineering, 10%		4,000.00
Contingencies, 5%		<u>2,000.00</u>
Total Field Budget		<u><u>\$45,000.00</u></u>

Drilling cost of \$15.00 per foot all-inclusive should be obtainable by drilling one shift only and using a plug bit in weathered bedrock. One 800' hole in the breccia may be used instead of two 500' ones.

Respectfully submitted,
PETER H. SEVENSMA CONSULTANTS LTD.

P.H. Sevensma, Ph.D., P.Eng.

CERTIFICATE

I, Pieter H. Sevensma, of 7052 Sierra Drive, Burnaby, B.C., DO
HEREBY CERTIFY:

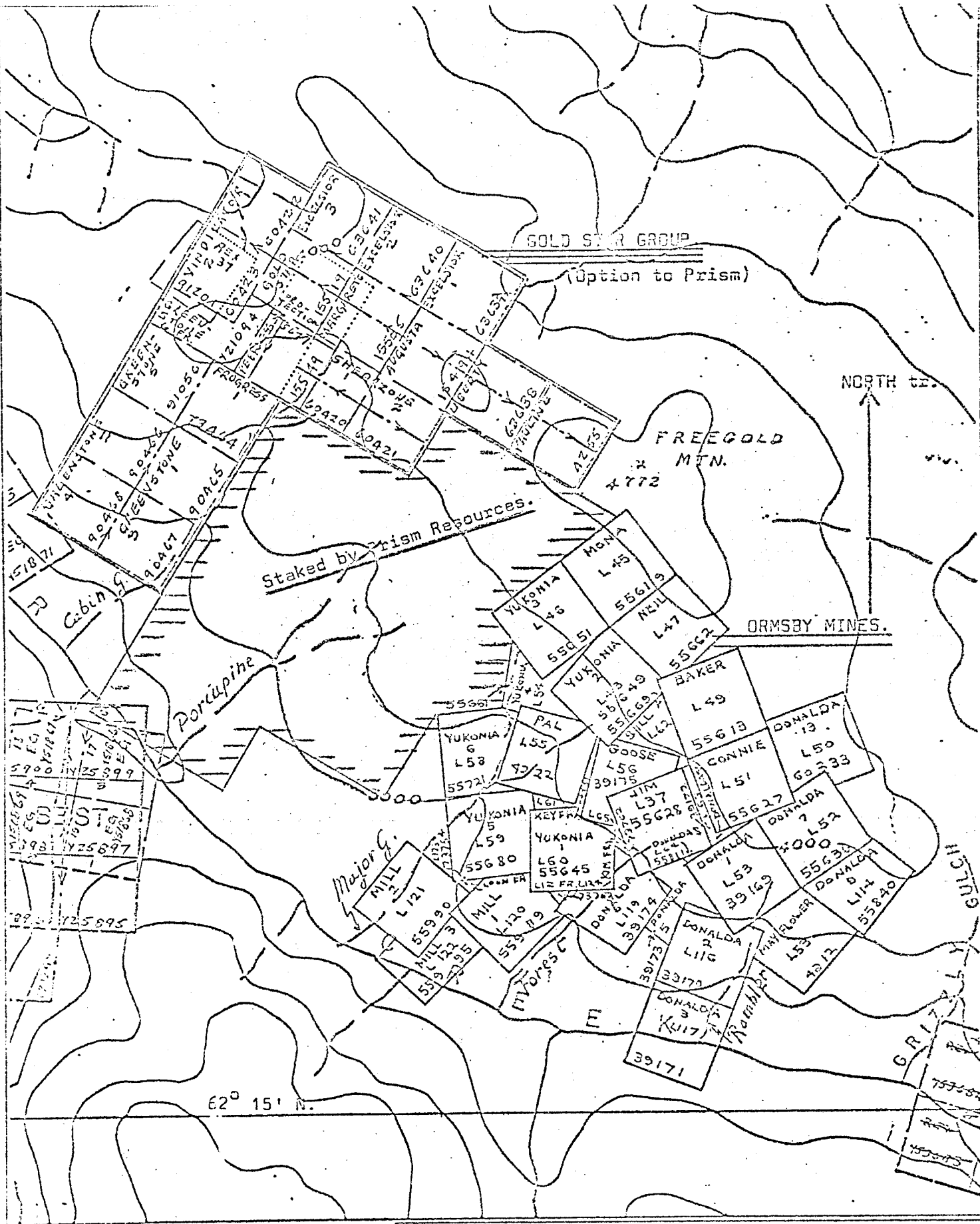
1. THAT I am a Consulting Geologist with a business address at 715, 850 West Hastings Street, in the City of Vancouver in the Province of British Columbia.
2. THAT I am a graduate of the University of Geneva, Switzerland, where I graduated in 1937 and obtained my Ph.D. in Geological and Mineralogical Sciences in 1941.
3. THAT I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of British Columbia and of the Association of Professional Engineers of Yukon Territory.
4. THAT I have practiced my profession for the past 35 years.
5. THAT I have examined the property which is the object of this report several times since 1959, my last visit being in July, 1972.
6. THAT the map attached to this report as figure no. 2 was prepared and supplied by Mr. R.A. Granger, who has authorized its use in this report.
7. THAT I have no interest, either directly or indirectly in any of the properties or securities of Prism Resources Ltd. and do not expect to receive or acquire any.

Signed:

P.H. Sevensma, Ph.D., P.Eng.

Vancouver, B.C.

June 5, 1973.

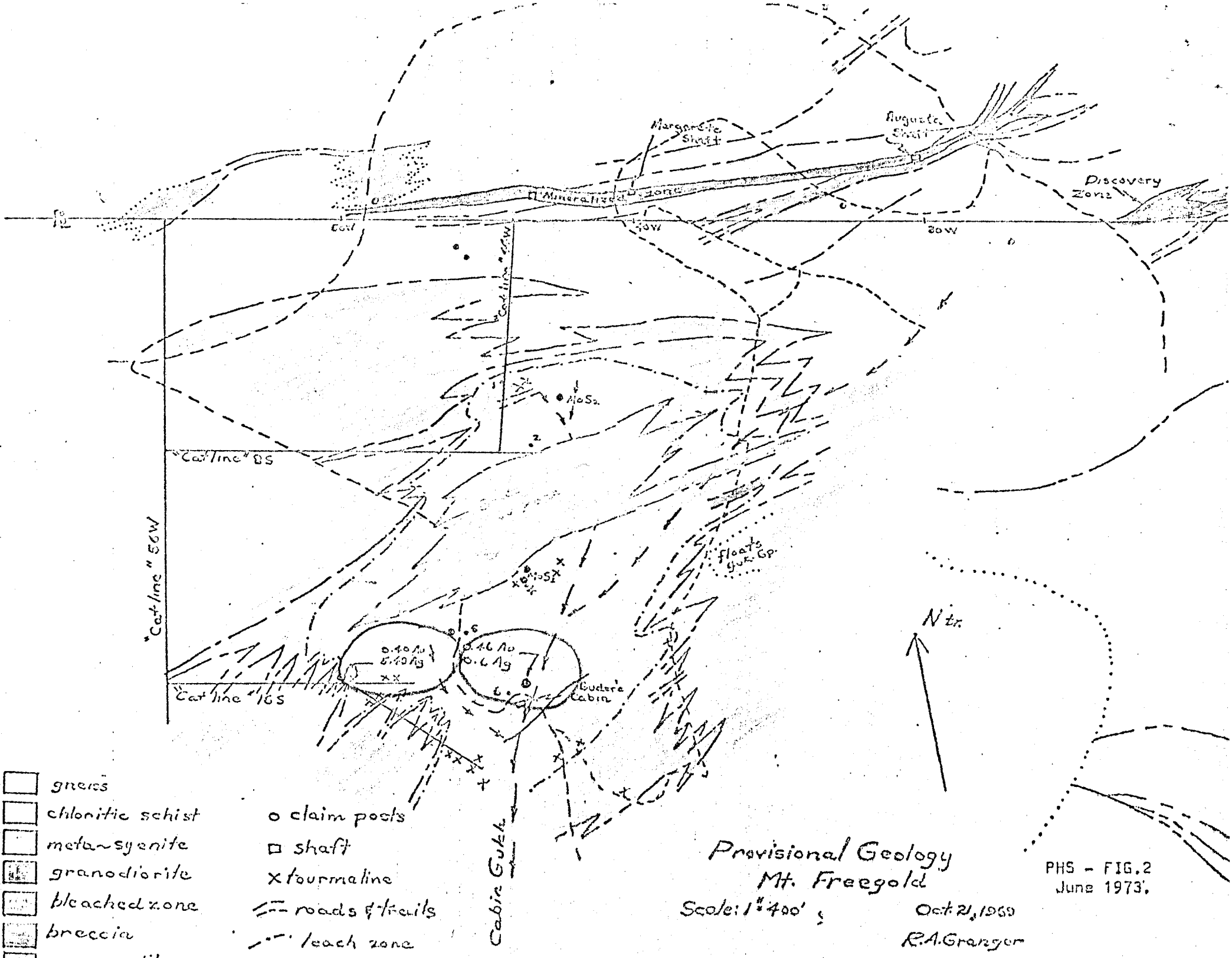


PRISM RESOURCES LTD.

GOLD STAR GROUP ----- WHITEHORSE M.D., YUKON.
115-I-6. Claim-location.

Peter H. Sevensma Consultants Ltd., Vancouver, B.C.

June 1973, Scale: 0 $\frac{1}{2}$ mi. Fig: 1.



- gneiss
- chloritic schist
- meta-syenite
- granodiorite
- bleached zone
- breccia

- claim posts
- shaft
- x tourmaline
- roads & trails
- leach zone

Provisional Geology
Mt. Freegold

Scale: 1" = 400'

Oct 21, 1969
R.A. Granger

PHS - FIG. 2
June 1973

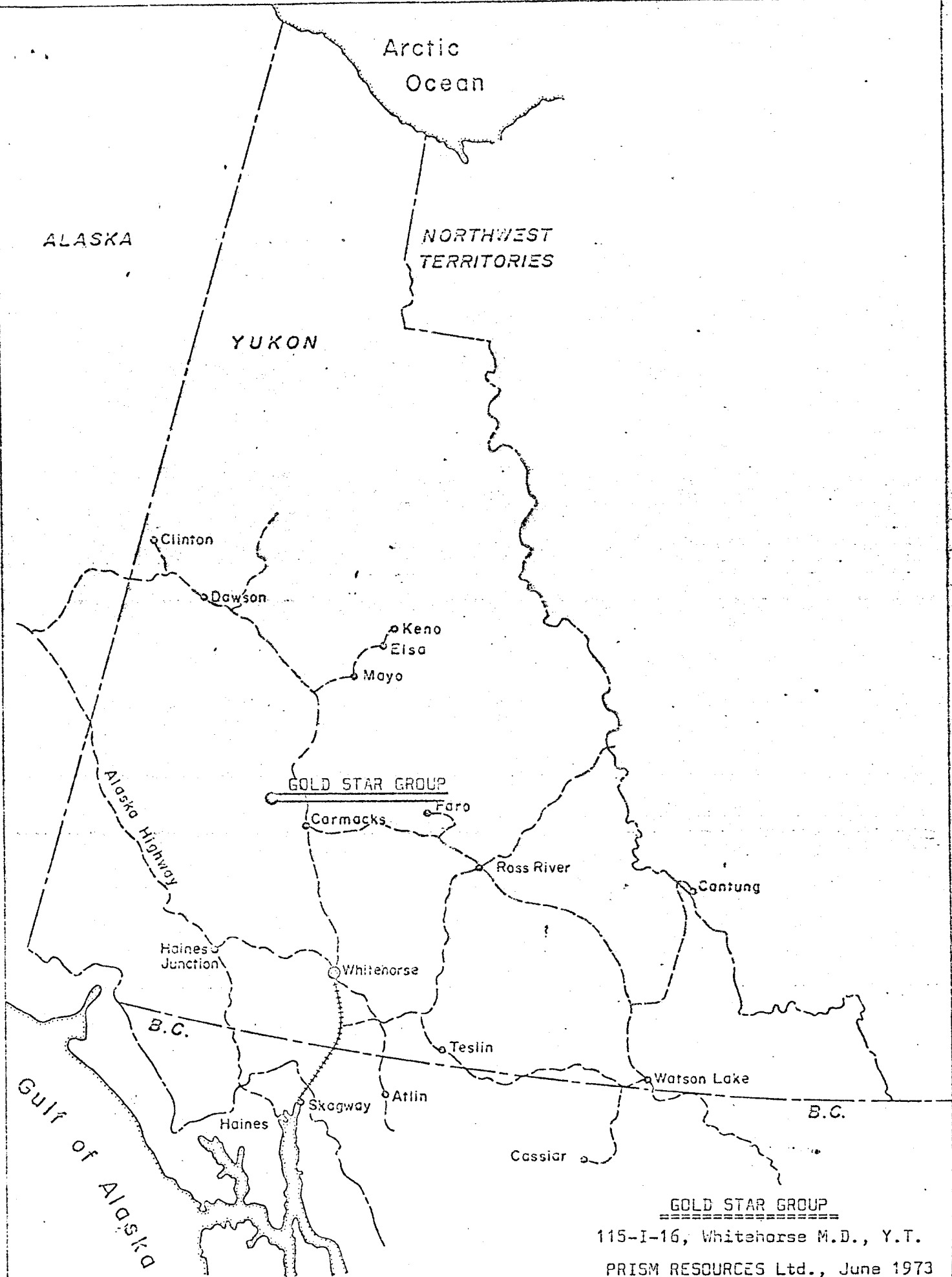


FIG. 3.

PART C

PETER H. SEVENSMA CONSULTANTS LTD.

PETER H. SEVENSMA, PH.D., P.ENG.
Consulting Geologist • Exploration and Mining
715 - 850 WEST HASTINGS STREET VANCOUVER 1, B.C.

October 22, 1973.

Prism Resources Ltd.,
c/o Mr. A.L.J. MacDonald,
711-850 West Hastings Street,
Vancouver 1, B.C.

Dear Mr. MacDonald:

I have reviewed the preliminary magnetic map embodying the results of the survey conducted in early October, 1973, by D.R. Cochrane, P.Eng., on the Gold Star Group near Carmacks, Y.T.

The strength of the anomalies leaves little doubt that they reflect the presence of magnetite in large, elongated pods and tabular masses.

As the only exposed magnetite is significantly auriferous, there is a high probability that part or all of the unexposed magnetite will be found to be gold-bearing as well.

This conclusion is strongly supported by the general en echelon disposition of both the magnetic anomalies and the younger dykes as mapped by R.A. Granger, both features showing a remarkable parallelism and a relationship to the syenite "nose" exposed East of the feature identified as "Augusta Shaft".

The Margarete Vein itself crosses a high magnetic anomaly East of the trenched area as well, both trends being about parallel.

The large medium-strength anomaly between 22W and 32W lies off the NW flank of the syenite "nose" and may reflect the presence of a sizable concentration of magnetite at depth.

A rough estimate of the tonnage involved in the magnetite-bearing formations indicates at least 5,000 to 10,000 tons per vertical foot, using a length of 3,000' and a width of 25'.

In a wider area, the presence of the breccia, of gold-bearing float, and of a known gold ore-body only about $1\frac{1}{2}$ miles to the SE, all indicate a most favourable geological setting suggesting a high probability for one or more economic discoveries.

I therefore recommend that the initially recommended program be expanded in scope, as follows:

Some 10 miles of linecutting and magnetic surveying, mostly outside the most recent grid, with additional soil sampling as the results of the initial survey may suggest.

Expanded geological mapping to a total of at least \$8,000.

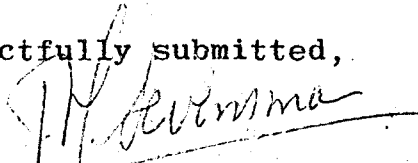
Additional bulldozer time for stripping and drill-moves.

An additional 4,000' of drilling in about 12 core-holes of about 300' plus some reserve footage, all drilling to be done on a continuous basis with a full-sized drill-crew and camp at an estimated overall cost of \$20 per foot.

The total cost of a meaningful program of this scope is at present estimated at about \$150,000.

The details of this program may be worked out when all the results of the recent magnetic and geochemical surveying are available in their final form.

Respectfully submitted,



P.H. Sevensma, Ph.D., P.Eng.

APPENDIX II

Summary of Costs

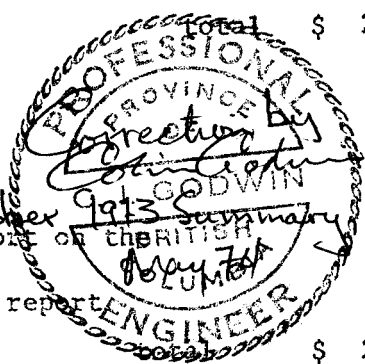
COSTS

1. Invoice to Prism Resources Ltd. from Cochrane Consultants
i.e. Magnetometer and S.P. test Margarete and Augusta
claims dated November 30, 1973
total \$ 1760.81 ✓

2. Invoice to Dynasty Explorations Limited from
Cochrane Consultants Ltd. re: Report preparation,
drafting, data processing, dated April 19, 1974
total \$ 288.10 ✓

3. Invoice from P. H. Sevensma re: *October 1973 Summary* report on the
Gold Star Group for the June 5th report
total \$ 250.00 ✓

Grand total 2298.91




DYNASTY EXPLORATIONS LIMITED

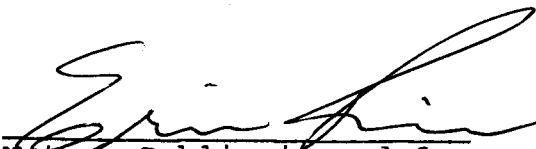
330 MARINE BUILDING
355 BURRARD STREET
VANCOUVER 1, B.C.

AFFIDAVIT SUPPORTING SUMMARY OF COSTS

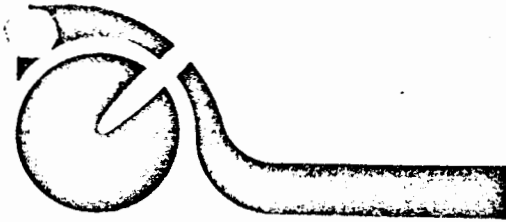
I, COLIN I. GODWIN, Geologist, Dynasty Explorations Limited, of Vancouver, British Columbia, do hereby state that, to the best of my knowledge and belief, the statement of costs presented in this report (Geological and Geophysical Report - Gold Star Group) is both correct and true.


Colin I. Godwin

23 May 1974
Date


Notary Public in and for
the Province of British Columbia.

Appendix IV - Vouchers Supporting
Summary of Costs



Cochrane Consultants Limited
4882 Delta Street, Delta B.C. (604) 946-9221

Nov 30/73

Prism Resources Ltd.
7th floor,
650 W. Hastings
Vancouver, B.C.

ATTENTION:
Mr. A. MacDonald (Pres.)

INVOICE

Re: Freegold Mountain Magnetometer Survey

A. Field Work		
*1. G. Elliott, Oct. 1 to 7 (incl) 7 days @ \$50 1 day		\$350.00
*2. D.R. Cochrane Oct. 1 to 7 (incl.) 7 days @ \$50 1 day		\$350.00
B. Office Work		
1 Preliminary drafting, data reduction D.R.C. 1 day		50.00
2 Drafting Oct. 23 to Nov. 7		
Total 48.5 hrs. @ \$6.85 /hr		332.22
C Expenses		
1. Airfair, Cochrane & Elliott, Van. - Whitehorse & ret.		308.00
2. Truck Rental (Tilden Whitehorse)		214.82
3. Gasoline		8.42
4. Meals		15.05
5. Motel, Nov. 6		17.50
6. Magnetometer Batteries 10 @ \$1. each		10.00
7. Airfreight down		62.80
8. Base Map reproduction		12.00

Invoice No.
Date Rec'd
Paid Date
Amount \$ 378

\$ 1760.81

OK

Please make cheque payable to
Cochrane Consultants Ltd.

Thank you

[Signature]

* Note: Field work on property from 2 to 6 October 1973
i.e. 1 and 7 October are travelling days.



Cochrane Consultants Limited

4882 Delta Street, Delta B.C. (604) 946-9221

Dynasty Explorations Ltd.,
330 Marine Bldg.,
355 Burrard Street
Vancouver 1, B.C.

April 17, 1974

Invoice

Re: Compilation Report on Mt. Freegold
(Prism Option)

A: D. R. Cochrane P. Eng.

April 15,	data processing report preparation, 1 day	
April 17,	report preparation 1/2 day	
	Total 1 1/2 days @ \$152 /day -----	\$228.00

B: Drafting:

total 4 hrs @ \$6.85 / hr.	-----	27.40
----------------------------	-------	-------

C: Typing, reproduction, collating

	-----	<u>32.70</u>
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Total		\$288.10
--------------	--	-----------------

160-03	288 10
	288 10

D. R. Cochrane P. Eng.

Authorized by

PETER H. SEVENSMA CONSULTANTS LTD.

CONSULTING GEOLOGISTS
EXPLORATION & MINING

7052 Sierra Drive

P.O. BOX 758
WHITEHORSE, Y.T.
PHONE: 667-2906

Burnaby B.C.
715-850 WEST-HASTINGS ST.
VANCOUVER 1, B.C.
PHONE: 682-3466
244-5465

INVOICE TO:

DATE: March 28, 1974.

Prism Resources Ltd.
40 Angus Mc Donald.
711-850 West Hastings
Vancouver 1, B.C.

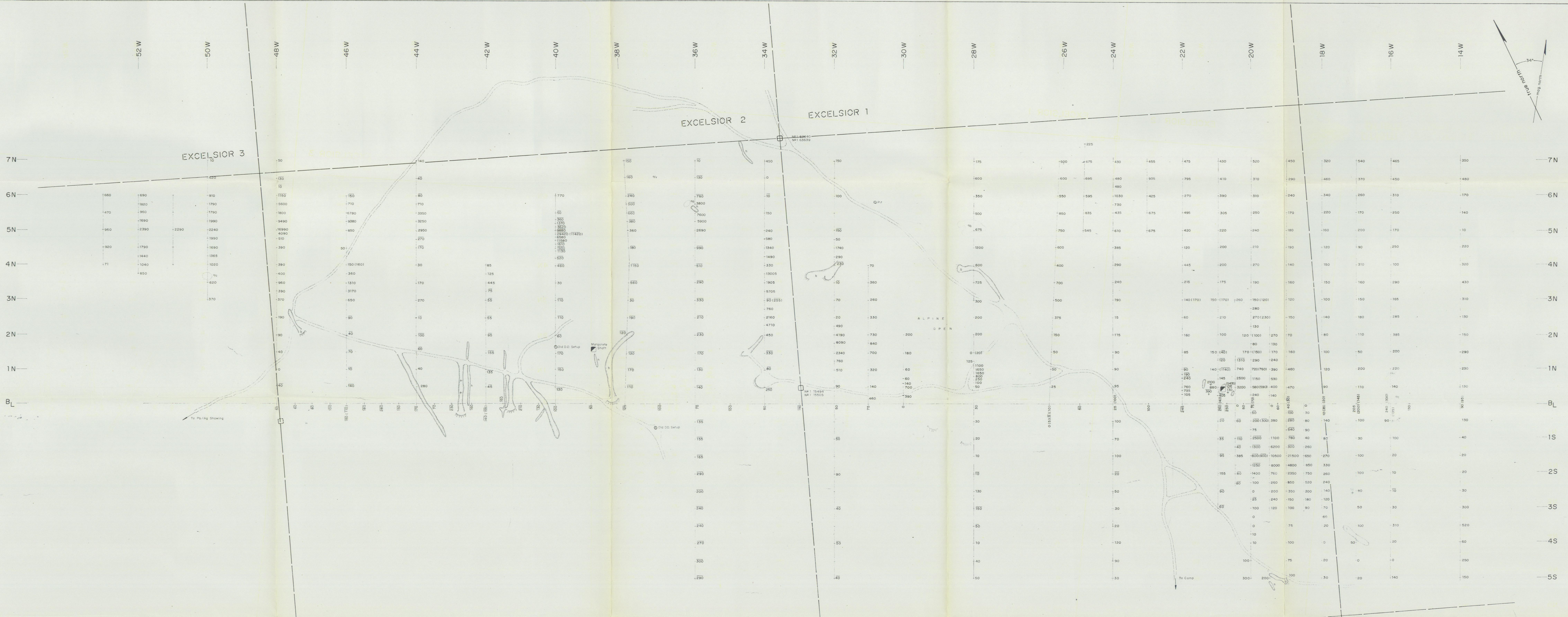
Re. Gold Star Group.

1 1/2 day. October 1973 Summary.
January 1974 (Kerr Ad).
March 1974 (Dynasty)

\$ 250 -

WHD

Voucher No.	
Date Rec'd	
Paid Date	
Full Charge To	2880
Distribution	392



- Legend:**
- Four wheel drive road
 - Bulldozer trench
 - Hand dug trench
 - Outcrop (+ small outcrop)
 - Shut
 - Steep slope
 - Claim post
 - Overburden
 - Picket Line
 - Flagged Line
 - Diamond drill site
 - Station
 - Negative value

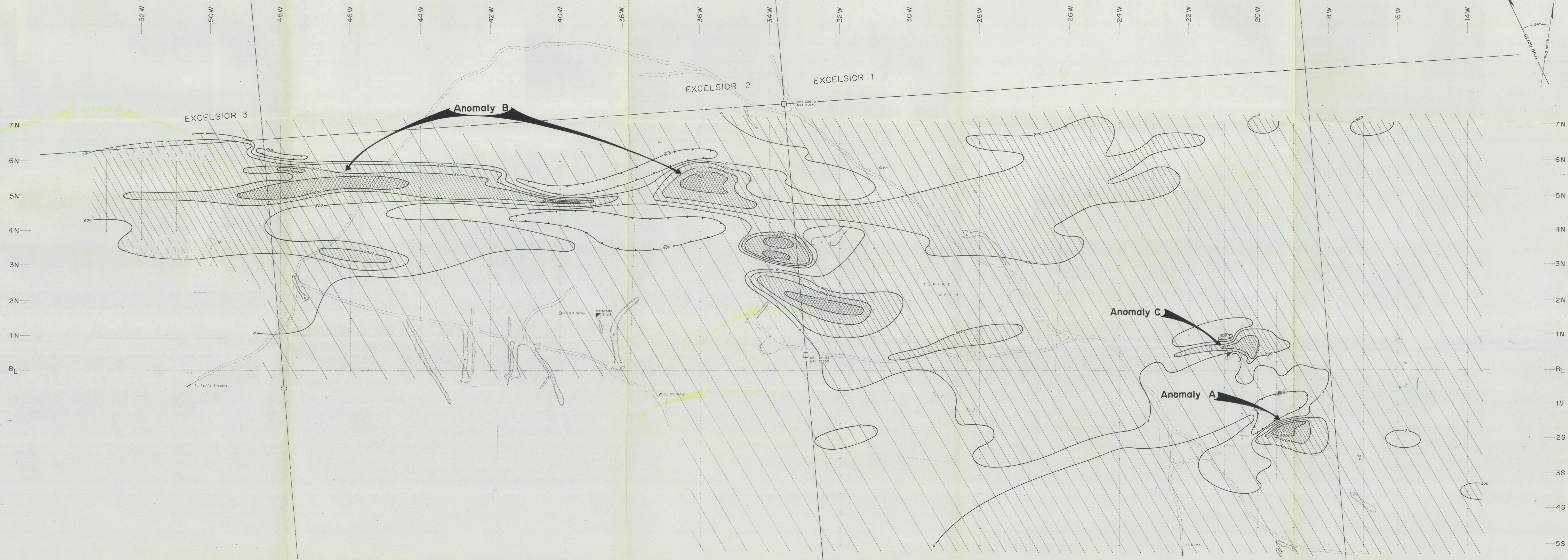
prism resources limited

Freegold Mountain Project
Near Carmacks, Yukon Territory
115-1-6

MAGNETOMETER VALUES (gamma) Fig. A4

Scale: one inch equals 100 feet

October, 1973
To accompany a report by D.R. Cochrane, P.Eng., dated April 19, 1974.

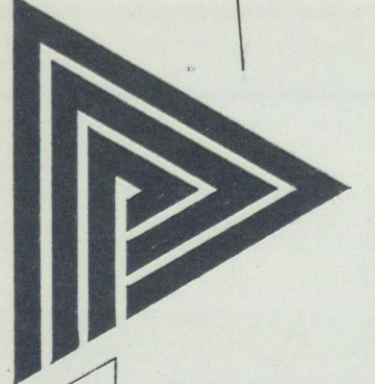


Legend:

- Four wheel drive road
- Bulldozer trench
- Hand dug trench
- Outcrop (+ small outcrop)
- Shaft
- Steep slope
- Claim post
- Overburden
- Picket Line
- Flagged Line
- Diamond drill site

Contours:

- Negative value
- Less than 500
- From 500 to (but not including) 1000
- 1000 — 2000
- 2000 — 5000
- Greater than 5000



prism resources limited

Freegold Mountain Project
Near Carmacks, Yukon Territory
115-1-6

ISOMAGNETIC PLAN (gammas) Fig. A.5

Scale: one inch equals 100 feet
0 50 100 200 300 feet
October, 1973
To accompany a report by D.R. Cochrane, P. Eng., dated April 19, 1974.

