ASSESSMENT REPORT

for

DEE CLAIMS 1 - 48

MAYO MINING DISTRICT - NTS 106C-3

BY

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090358

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$ 8800.00

B. R. BAXTER
Supervising Mining Recorder

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DEE 1-48 CLAIMS

1.1 INTRODUCTION

The initial DEE claim block (1-48) was staked in early April, 1977 to cover an area from which stream sediment anomalies (i.e. lead, zinc, silver and copper) were collected. These samples were from a reconnaissance survey undertaken by the G.S.C. in the Keno Hill area in 1964, the results of which were published in 1966 on maps 45-1965 (lead), 46-1965 (silver), 47-1965 (zinc) and 50-1965 (copper).

Geological mapping and a geochemical sampling grid were completed in late June, resulting in several samples anomalous in lead, zinc and silver. Deep soil sampling holes were dug later in the summer at selected sites and a C.E.M. survey was conducted over a small area to study its correlation with geochemistry and geology. The remaining DEE claims (49-174) were staked at the beginning of July to ensure adequate cover to the east and to join with the EL claim group to the northwest, where highly anomalous soil samples were also obtained.

1.2 LOCATION AND ACCESS

The DEE property is situated 96 km (60 miles) by air NE of Mayo, Y.T. on mapsheets 106D-2 and D-7, Latitude 64° 12' and Longitude 134° 35'. It can be reached by helicopter, either directly from Mayo where both a Bell 206 and a Hughes 500C are based or from a summer basecamp location at Kathleen Lakes 24 km (15 miles) to the east.

1.3 CLAIM INFORMATION

The DEE group of claims is located within the Mayo Mining District. All claims are held by Prism Resources Limited on behalf of Prism Joint Venture (1977).

The following table lists pertinent claim information.

TABLE I

CLAIM INFORMATION

CLAIM	RECORD NO.	EXPIRY DATE
DEE No. 1 to 48 incl.	YA 15080 - YA 15127	April 18, 1978

TABLE II

STAKING INFORMATION

CLAIM	STAKER	DATE STAKED
DEE No. 1 to 8 incl.	Don Penner	April 1, 1977
DEE No. 9 to 16 incl.	Bernard Dewonck	April 1, 1977
DEE No. 17 to 24 incl.	Ferd Lobkowicz	April 1, 1977
DEE No. 25 to 32 incl.	B. Whittingham	April 3, 1977
DEE No. 33 to 40 incl.	D. Whittingham	April 3, 1977
DEE No. 41 to 48 incl.	Mike McClelland	April 3, 1977

1.4 GEOLOGY

1.41 General Geology

Mapping by L.H. Green and J.A. Roddick in 1961 (See Figure 1) designated the principal rock unit underlying DEE as Precambrian and/or Cambrian Unit 3, ranging from quartzite, sandstone and quartz-pebble conglomerate to black, maroon and green shales to schistose quartzite, quartz chlorite schist, quartz-mica schist and phyllite. Black chert and limestone are minor constituents. Unconformably overlying Unit 3 to the north is Unit 8 which is essentially medium to thick-bedded grey and buff-weathering dolomite and limestone of Ordovician-Silurian age.

More recent work by S.L. Blusson of the G.S.C. has resulted in some major changes in the regional map of the area (See Figure 2). What was formerly Unit 3 on DEE has been re-mapped as Unit 5-"Lower Schist" and "Keno Hill Quartzite" (Upper Devonian/Pennsylvanian). Green and Roddick had assigned Jurassic and Cretaceous ages to these units. Unit 5 is shown to be unconformably overlying Unit 1 (Hadrynian "Grit Unit"), the latter pinching out in the northwest portion of the property. The thrust contact separating Unit 1 and Unit (3 + 4) - Road River formation black shale, chert and Canol formation equivalent respectively - then separates Unit 5 and Unit (3 + 4). North of this, Ordovician/Devonian light grey dolomites (Unit 2) are indicated.

1.42 Local Geology

Mapping was largely limited to DEE 1-48 (See Figure where outcrops were tied into the geochemical sampling grid. The large spacing between lines (250 m) resulted in indicated percentage outcrop being less than what it probably actually is.

The rocks south of the indicated thrust fault (after Blusson) consist primarily of medium to thin-bedded black shales with occurrences of cherty shales and minor black chert, weathering to grey, silvery grey and buff colors. In a few instances these shales could be considered as slates. Two small outcrops of green slate were encountered on the grid lines.

The general strike of these rocks is generally within 5° of the baseline trend (135°) and dip measurements vary from 25 NE to 65° SW but it is felt that true dips are moderately steep to the SW. In many cases the observed dips were those of large blocks of rock slumped over and down the hillside.

A common feature of the shales is the abundance of white crystalline quartz stringers concordant with bedding and cleavage and also cross-cutting them. The quartz seems to have been introduced in several stages as stringers are often seen to offset each other. Also, these stringers are often tightly and repetitively folded within the host rock with the latter showing little or no sign of deformation. Stringer widths vary from 1 mm to 5 mm with occasional veinlets up to

20 mm in width. The occurrence of stringers seems to increase as one moves up section, that is to the southwest.

Limonite replacement and limonite staining are common throughout the property and, on freshly broken surfaces, can be seen to have completely replaced pyrite. Where the limonite has been weathered out, the shales are quite porous, especially where pyrite has occurred in disseminated form as well as blebs.

The rocks found on DEE 1-48 more closely fit the description of Blusson's Unit 4 rather than Unit 5, however, quartzites were observed on the ridge trending west of the property (i.e. up-section). The latter would correspond to Unit 5, but the contact relationship between the shales and the quartzite is unknown at this time. Units 4 and 5 are essentially time equivalent, Unit 5 being a metamorphosed version of Unit 4.

Rocks immediately north of the thrust fault indicated in Figure 3. are apparently overturned, grading northward from quartz-carbonate sandstone to sandstone conglomerate with cobbles of carbonate and shale and dipping moderately to the N-NE. This sequence would correspond to Unit 4 again (without Unit 3 as shown in Figure 2. The grey dolomites of Unit 2 are then encountered as one proceeds further north to the boundary between DEE and EL.

The designation of the contact between the shales and conglomerate-sandstone as a thrust fault is taken from Blusson's map. The cross trending normal fault traces were determined mainly from air photo interpretation and sense of movement is undetermined at present. The fault located in the northwest corner of the grid is the more obvious: a long narrow depression creases the ridge and a mineralized massive quartz body crops out in this depression.

1.43 Mineralization

As mentioned above, a massive white quartz body crops out along an assumed fault in the northwest corner of the grid. Hand trenching done by previous workers (Cominco) revealed a minor galena occurrence in a small pit in the quartz. An overburden-covered mound about 100 m long, 40 m wide and 20 m high is probably the near-surface extent of the quartz body. Examination of talus and outcrop in the area failed to reveal any greater surface exposure of the massive quartz. No other visible mineralization was reported on the property, other than the previously mentioned abundance of limonite after pyrite.

1.5 GEOCHEMISTRY

1.51 Introduction

The grid established on DEE 1-48 consists of a baseline blazed and flagged for 3500 m on a bearing of 135°. Sample lines are 250 m apart, perpendicular to the baseline, and sample spacing is 100 m. A total of 293 soil samples and 10 rock chip samples were collected on the grid, all analyzed for lead, zinc and silver. In addition to grid samples, other test samples were also collected.

1.52 Analytical Procedure

A detailed description of analytical procedures as provided by Vangeochem Labs. Ltd. is on the following pages.

VANGEOCHEM LAB LTD. 1521 PEMBERTON AVE., NORTH VANCOUVER, B.C., CANADA V7P 2S3 604-986-5211

January 20, 1978

TO: Prism Resources Ltd.,
214 - 850 West Hastings Street,
Vancouver, B. C. V6C 1E1

FROM: Vangeochem Lab Ltd.,
1521 Pemberton Avenue,
North Vancouver, B. C. V7P 2S3

SUBJECT: Analytical procedure used to determine hot acid soluble Mo, Cu, Pb, Zn, Ag, and Cd in geochemical silt and soil samples.

1. Sample Preparation

(a) Geochemical soil or silt samples were received in the laboratory in wet-strength $3\frac{1}{2}$ x $6\frac{1}{2}$ Kraft paper bags.

(b) The wet samples were dried in a ventilated oven.

(c) The dried soil and silt samples were sifted by using a shaking machine with 80-mesh stainless steel sieves. The plus 80-mesh fraction was rejected and the minus 80-mesh fraction was transferred into a new bag for analysis later.

2. Methods of Digestion

(a) 0.50 gram of the minus 80-mesh samples was used. Samples were weighed out by using a top-loading balance.

(b) Samples were heated in a sand bath with nitric and perchloric acids (15% to 85% by volume of the concentrated acids respectively).

(c) The digested samples were diluted with demineralized water to a fixed volume and shaken.

3. Method of Analysis

Mo, Cu, Pb, Zn, Ag, and Cd analyses were determined by using a Techtron Atomic Absorption Spectrophotometer Model AA4 or Model AA5 with their respective hollow cathode lamps. The digested samples were aspirated directly into an air and acetylene flame. The results, in parts per million, were calculated by comparing a set of standards to calibrate the atomic absorption unit.

4. The analyses were supervised or determined by Mr. Conway Chun and the laboratory staff.

Eddie Tang
VANGEOCHEM LAB LTD.

ET:mb

1.53 Results

The enclosed geochemical plans (Figures 5-A,B,C) show the presence of an anomalous area on the northwest part of the grid. A lead-anomalous zone (Figure 5-B) has values greater than 100 ppm lead over a distance of 500 meters. The highest value is 2300 ppm lead. Silver values to 7.4 ppm are coincident. The anomaly is open to the northwest.

In 1968, Cominco obtained a much larger lead-anomalous zone (about 4000 feet long) with values greater than 100 ppm. The northwestern part of the zone (about 1200 feet long) has values greater than 400 ppm lead with a high of 8000 ppm lead. This zone is conicident with Prism's lead-anomalous zone.

There is no apparent explanation for the large disparity between Prism's results and those of Cominco.

A number of test pits and detail test lines were also sampled for geochemical analysis. Values ranging from 1650 to 21,500 ppm lead and 6.6 to 74.0 ppm silver were obtained in pits 83 - 86 (Figure 5-A,B)

TABLE III

GEOCHEMICAL TEST PITS AND TEST LINES

(a) Geochemical Test Pits (See Figures 5 -A,B,C)

SAMPLE	DEPTH	ppm Pb	ppm Zn	ppm Ag
#7C083	(6" below moss)	3180	384	6.6)
				)
84	(12" below moss)	3600	364	11.8)
85	(12" below moss)	1650	760	15.0
86	(18" below moss)	21500	780	74.0
87	(18" depth)	30	210	1.2
88	(12" depth)	32	185	0.9
89	(36" depth)	28	196	1.2
90	(20" depth)	34	228	1.4
91	(40" depth)	39	408	1.0
92		25	5300	2.2

TABLE III (CONT'D.)

GEOCHEMICAL TEST PITS AND TEST LINES (CONT'D.)

(b) Test Soil Lines (See Figures 5 -A,B,C)

LINE SAMPLE	Pb	Zn	Ag		
Test Line #1 - 1	80	2300	0.8		
- 2	73	3050	1.2	↓	samples taken at 25 m intervals.
- 3	96	1190	0.8		
- 4	70	1320	0.6		
- 5	75	890	0.5	N	
#2 - 1	15	124	1.1		
- 2	18	160	0.6	↓	samples taken at 25 m intervals.
- 3	18	197	0.3		
- 4	25	720	0.8	N	
#3 - 1	19	358	0.7		
- 2	50	210	1.5	↓	samples taken at 25 m intervals.
- 3	65	350	0.6		
- 4	52	250	1.3	N	
#4 - 1	73	214	1.8		
- 2	26	62	1.0	↓	samples taken at 25 m intervals
- 3	78	220	0.8		
- 4	85	250	1.1		
- 5	110	270	1.2		
- 6	148	380	1.1	S	

1.54 Interpretation

Frequency distribution curves were plotted for Ag, Pb and Zn (See Figures 6-A,B,C). Probability curves were also plotted (Figures 6-D,E,F).

For silver (Figure 6-D) two populations were determined, an upper anomalous population (A) which ranges from 2 to 14 ppm and a lower background population which ranges from 0.3 to 5 ppm. Contour intervals of 1.5 ppm and 3.0 ppm were selected, the former near the point where mixing of the two populations occurs and the latter at the point of inflection in the A and B curve.

For lead (Figure 6-E) there were insufficient points to determine an upper population. The lower population (B) ranges from 0 to 300 ppm. Contour intervals of 150 and 300 ppm were selected.

For zinc (Figure 6-F) the range was so great that a large bar interval had to be used, thereby lumping about 75% of the lower population into one point and effectively truncating the lower part of the curve. An upper population (A) ranging from 4500 to 8400 ppm is based on only two points. Contour intervals of 400 and 1000 ppm were selected by inspection of the data from the remaining samples.

Table IV lists the geochemical statistical elements determined for the DEE claims.

46 5490

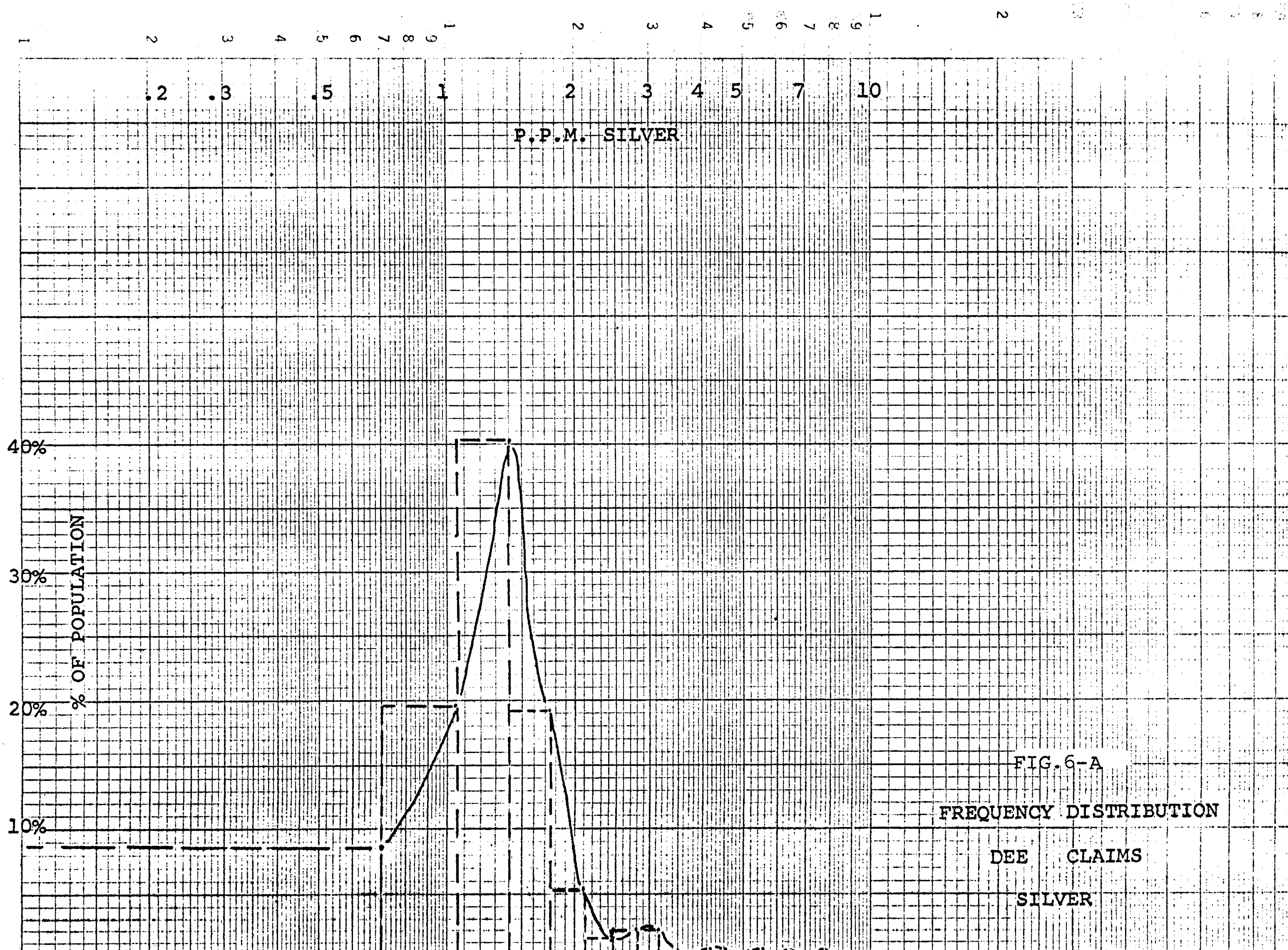

FIG.6-A

FREQUENCY DISTRIBUTION

DEE CLAIMS

SILVER

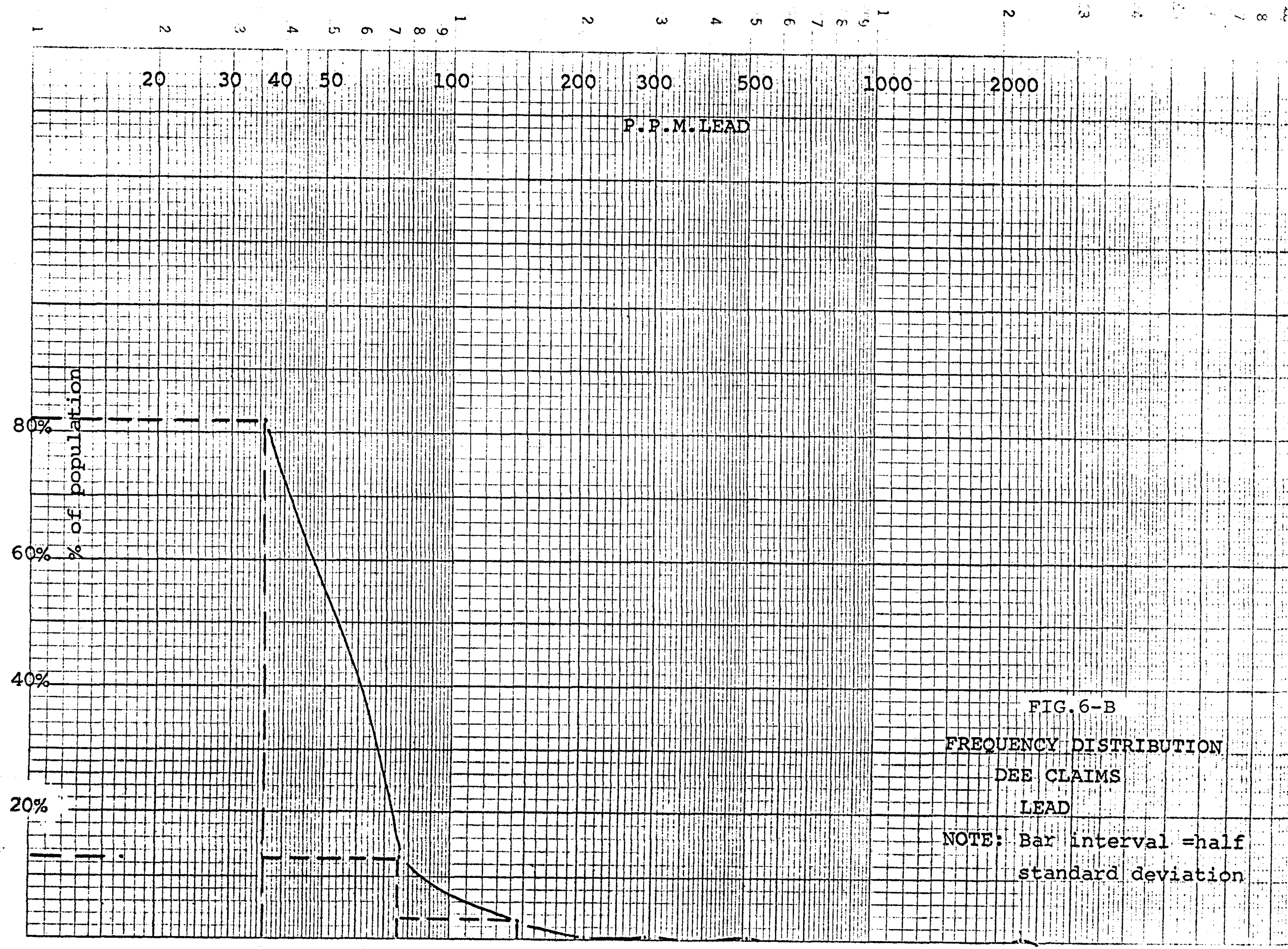

FIG. 6-B

FREQUENCY DISTRIBUTION
DEE CLAIMS
LEAD

NOTE: Bar interval = half standard deviation

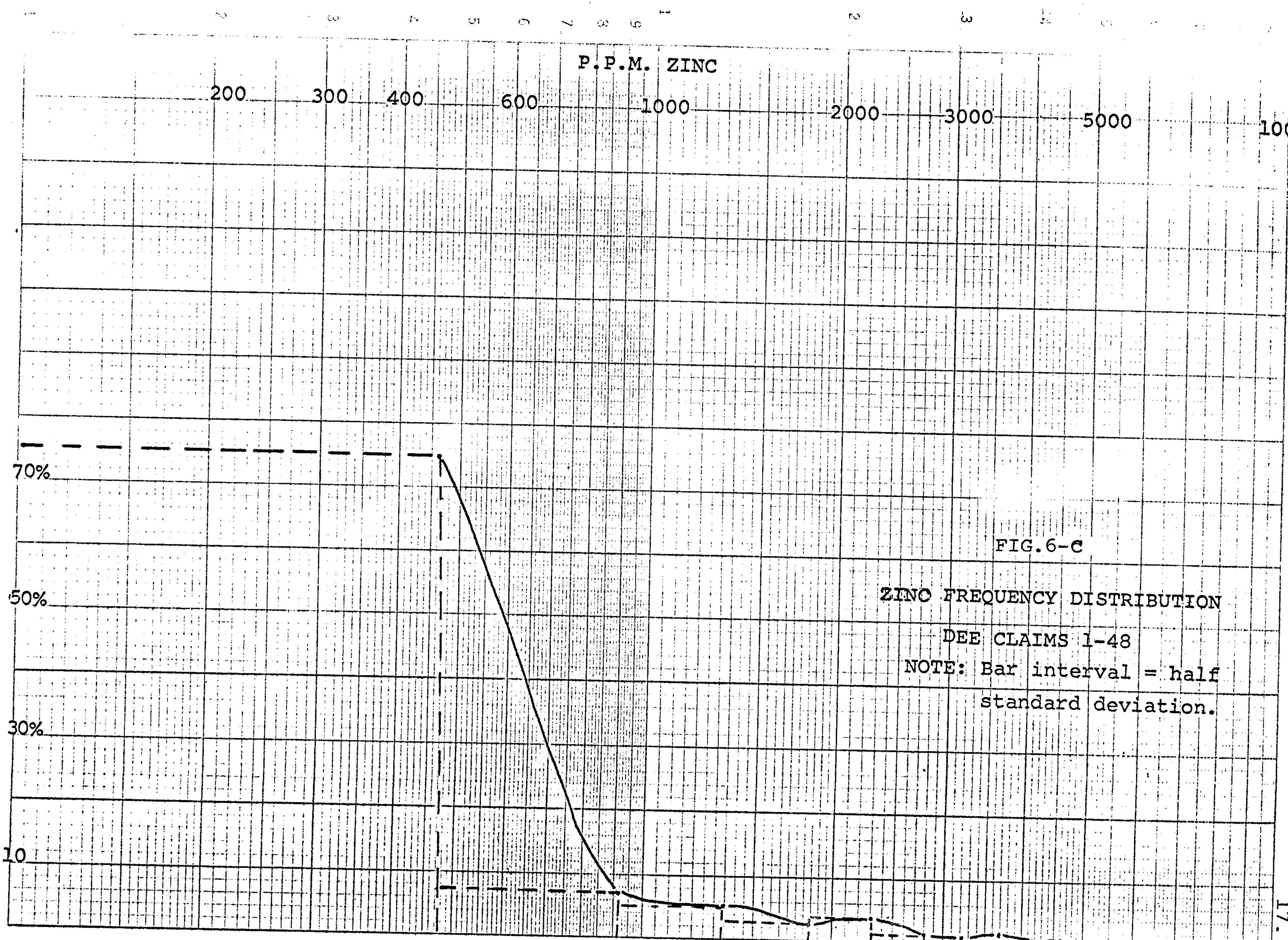

FIG.6-C

ZINC FREQUENCY DISTRIBUTION

DEE CLAIMS 1-48

NOTE: Bar interval = half standard deviation.

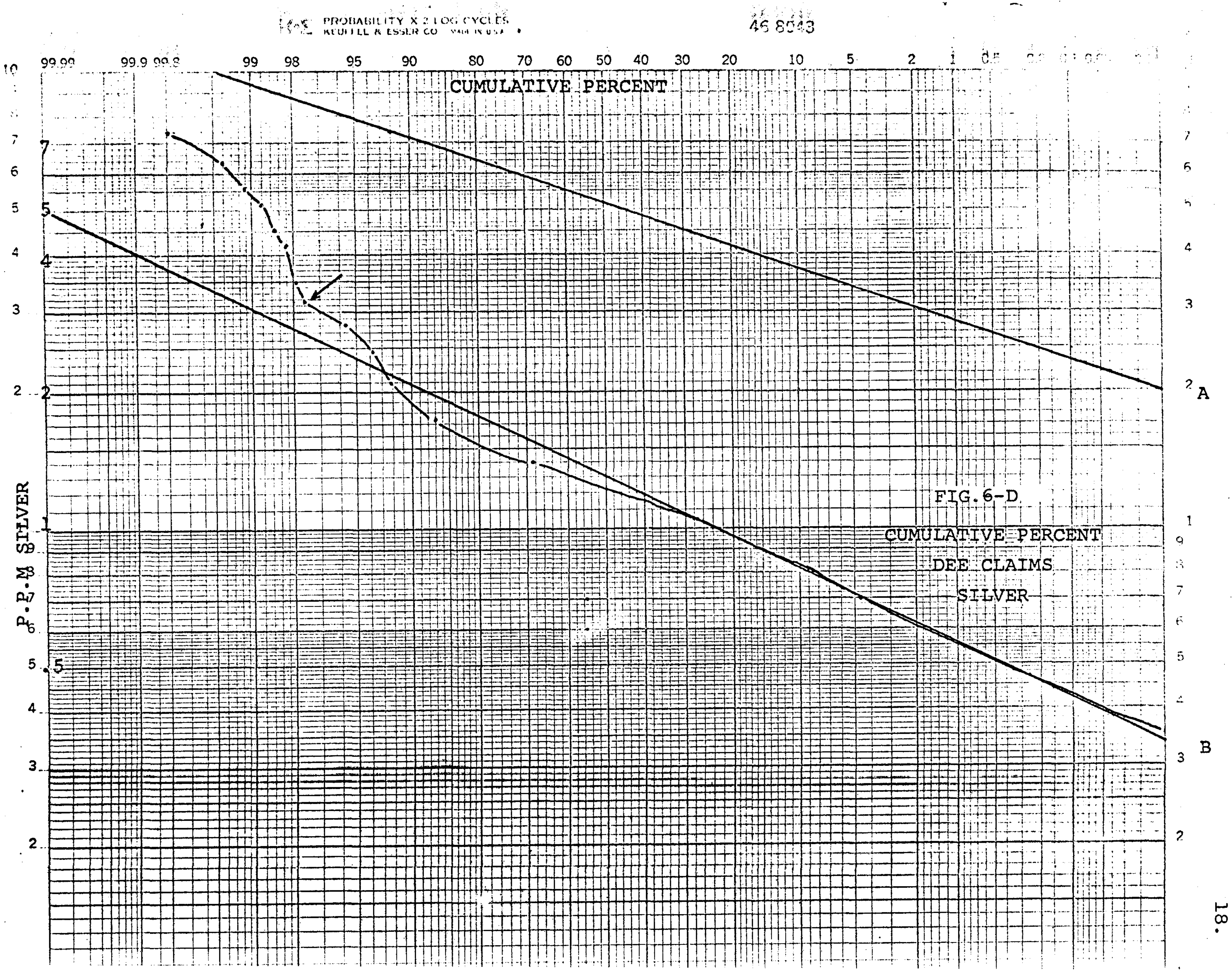

FIG.6-D
CUMULATIVE PERCENT
DEE CLAIMS
SILVER

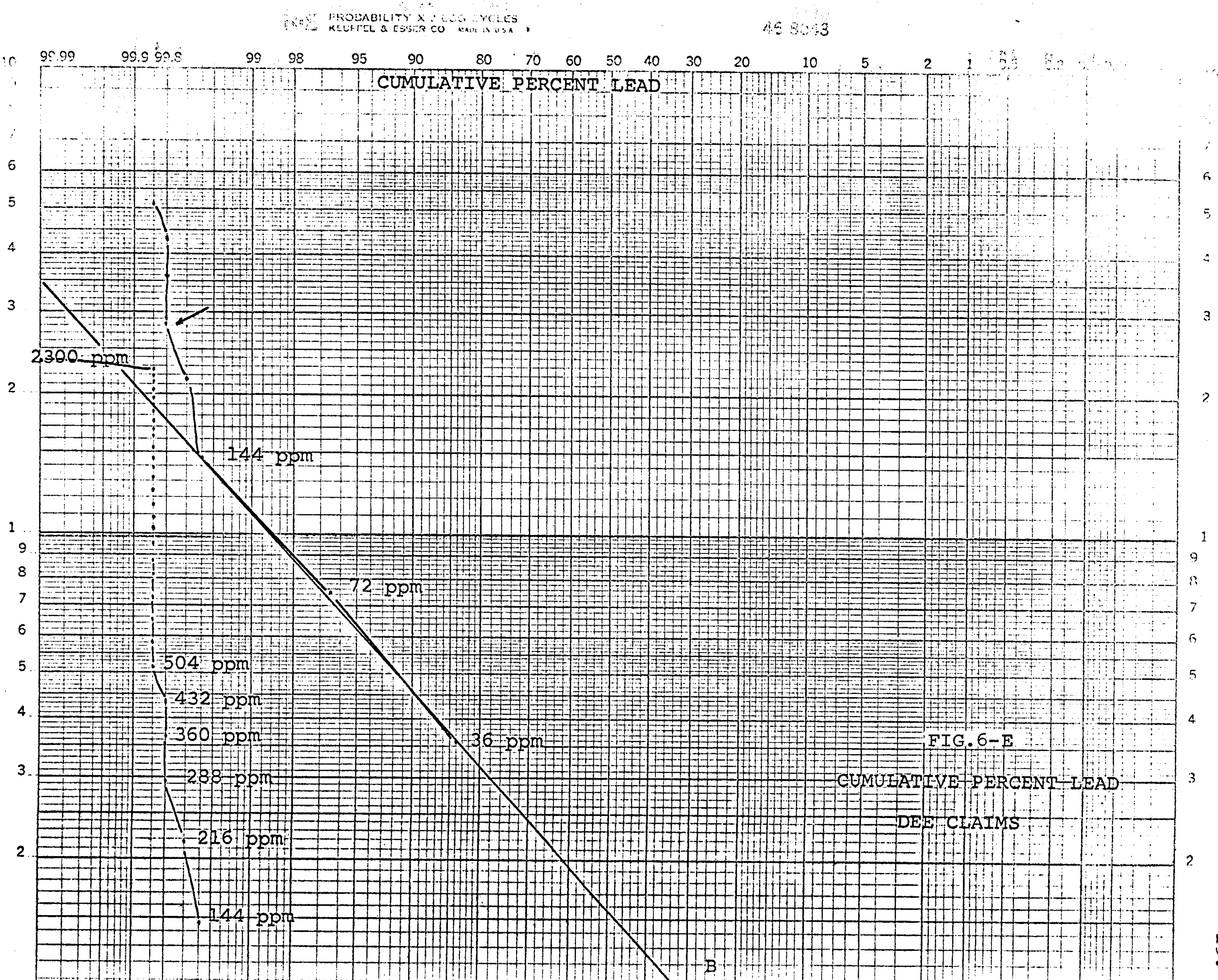

FIG.6-E

CUMULATIVE PERCENT LEAD

DEE CLAIMS

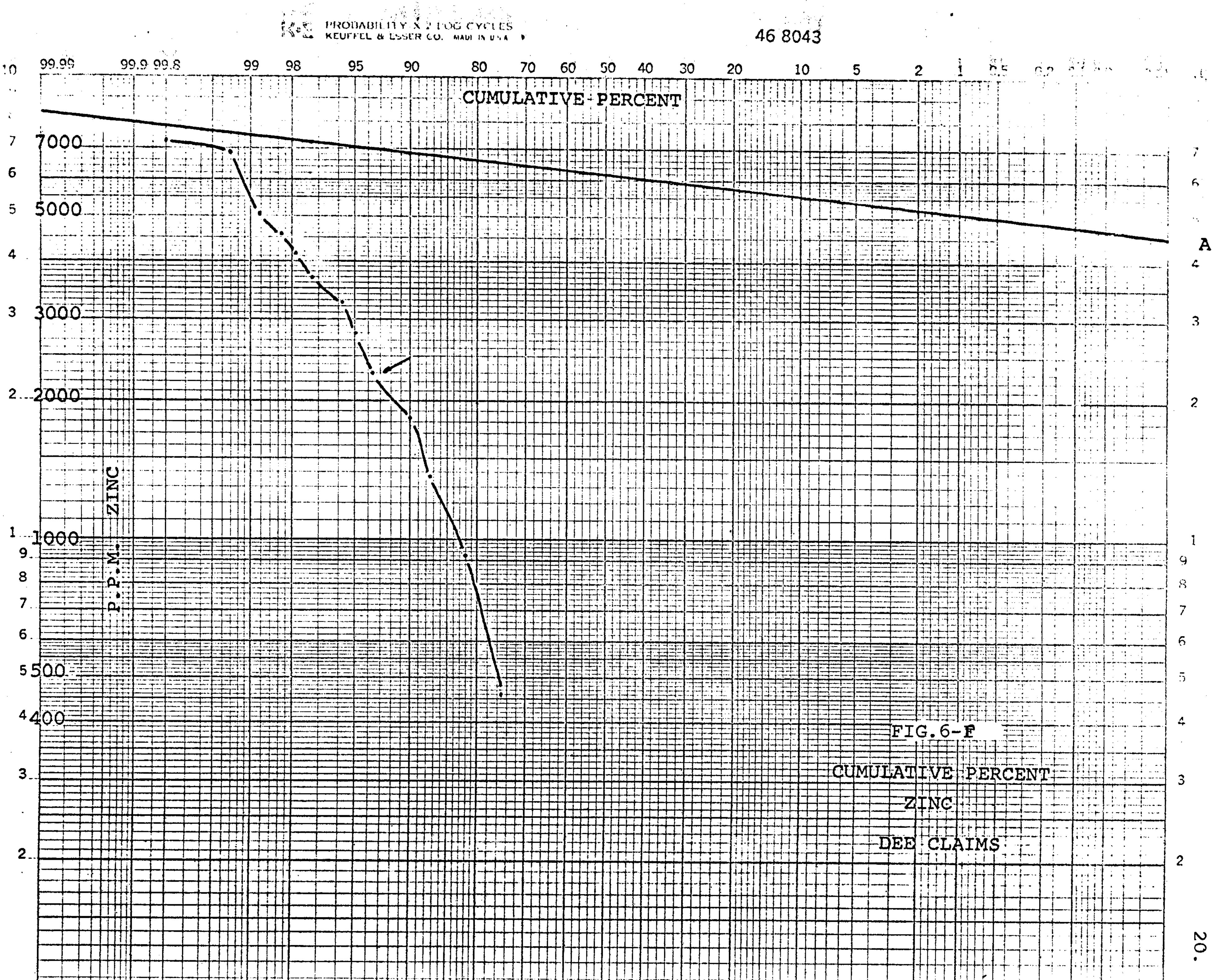

FIG.6-F

CUMULATIVE PERCENT

ZINC

DEE CLAIMS

TABLE IV

GEOCHEMICAL STATISTICAL ELEMENTS
DEE CLAIMS

ELEMENT	ppm Pb	ppm Zn	ppm Ag
No. Samples	293	293	293
Means	42	556	1.3
Std. Dev.	146	222	.7
Bar Interval	73	450	.35
Population A	-	4500 - 8400	2 - 14
Population B	0 - 300	-	0.3 - 5.0

1.6 ELECTROMAGNETIC SURVEY

1.61 Introduction

Test lines were run across part of the DEE claims in the vicinity of the lead-silver anomalous zone. Readings were taken on low, medium and high frequencies and out-of-phase measurement taken on medium frequency.

1.62 Instrumentation

A CRONE Model CEM electromagnetic unit was used for the test lines. It consists of two coils, both of which are capable of transmitting and receiving. The unit was equipped with three frequencies, 390, 1830 and 5010 Hz. Battery requirements are three six-volt lantern batteries (Eveready #731) and one nine-volt battery (Eveready #216).

1.63 Methods

The "Horizontal Shootback" EM method was used in order to eliminate topographic effects on the results. A coil separation of 50 metres was used and readings were taken at intervals of 25 or 50 meters. Readings were taken by both operators on all three frequencies and, by the chief operator only, a reading of out-of-phase (field strength) was made on medium frequency.

1.64 Results

The results of the test C.E.M survey are plotted on Figure 7. Location of the test lines and anomalies are shown on Figure 3.

1.65 Interpretation

Sharp, negative dip angles were obtained on three lines, 00, 25E and 25W. This anomalous zone is roughly coincident with the lead-silver anomalous zone outlined on Figure 5-2B. It is subparallel to and partly coincident with the fault shown on Figure 3.

The anomaly may be partly due to a southwesterly dipping fault, but it is also coincident with the test pits (7C083-86) which carry high values in silver and lead.

The shales, which underly a large part of the grid-area, showed very little response to E.M.

CEM PROFILES - DEE CLAIMS

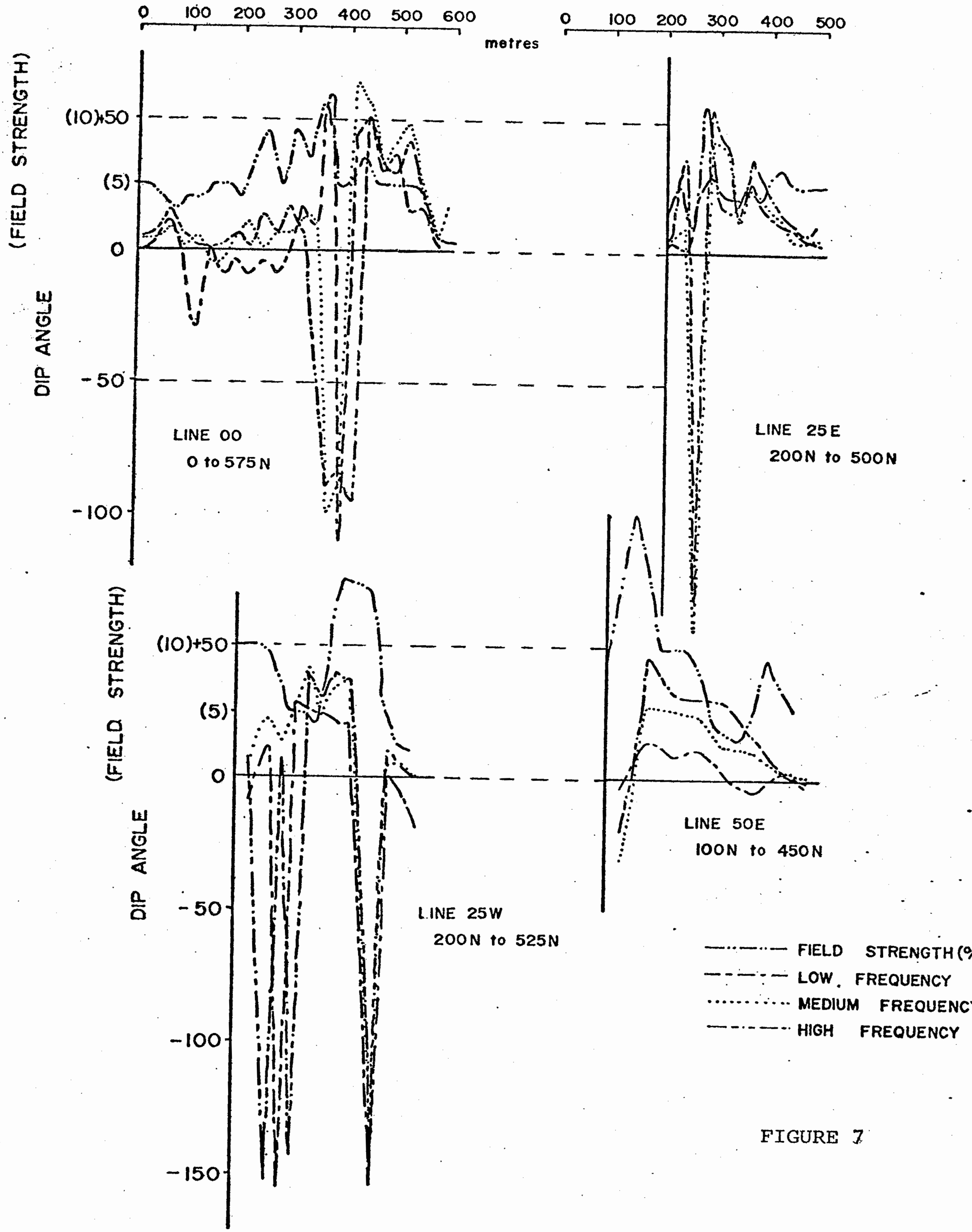

FIGURE 7

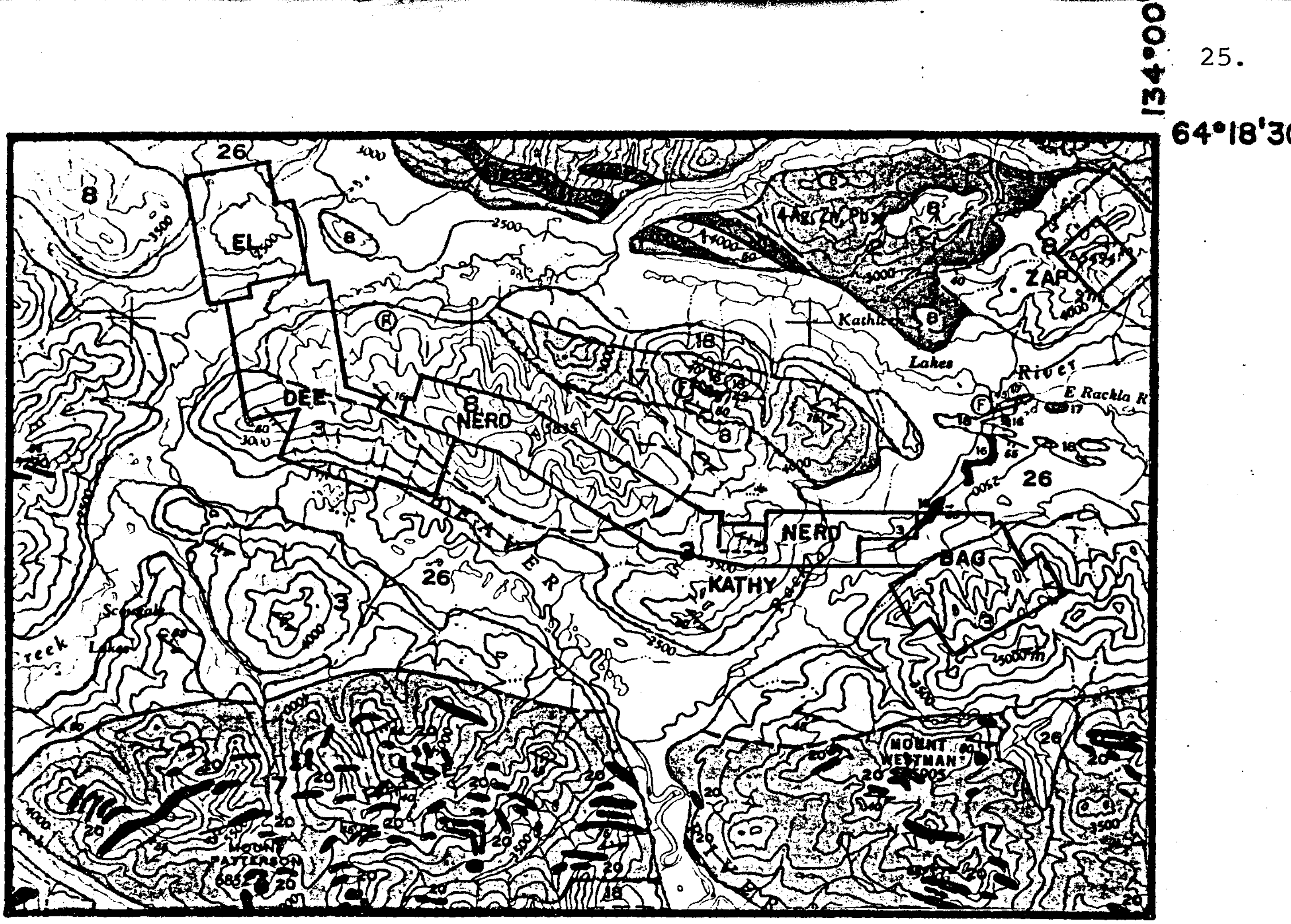

Figure I

Regional Geology (after Green 1961)

LEGEND

18	Keno Hill Quartzite
17	Lower Schist Unit
16	Triassic limestones
8	Ord-Sil limestone & dolomites
3	Grit Unit
2	Orange weathering dolomites
1	Black argillites

SCALE 1:250,000

4 0 4 8 mile

Prism Joint Venture 1977

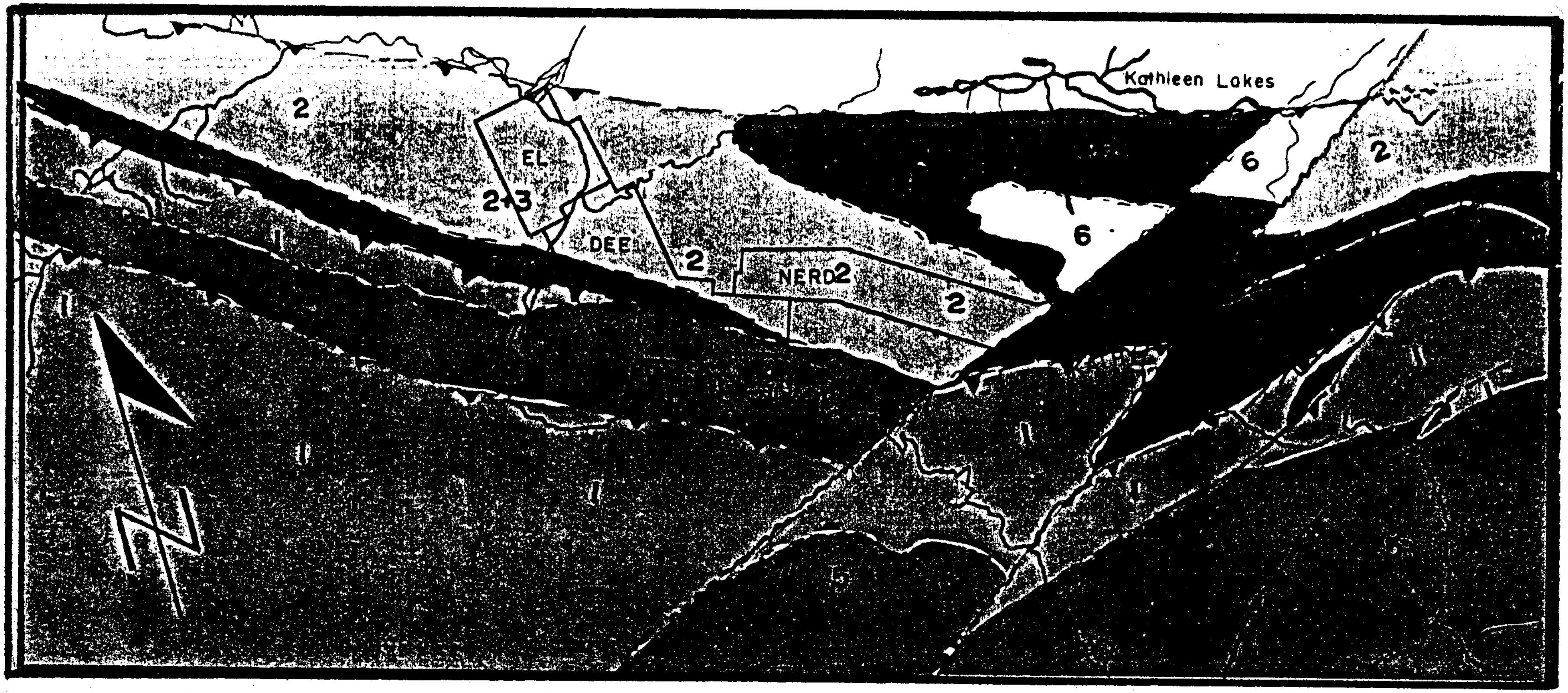

Figure 2

Regional Geology (after Blusson 1977)

LEGEND

6	Triassic shales & limestones
	Lower Schist Unit & Keno Hill Quartzite (uD-Penn)
	Canol Formation (D-Penn)
	Road River Formation (O-D)
2	Light grey dolomite (O-D)
1	Grit Unit (HI)

SCALE 1:250,000

4 0 4 8 miles

Prism Joint Venture 1977

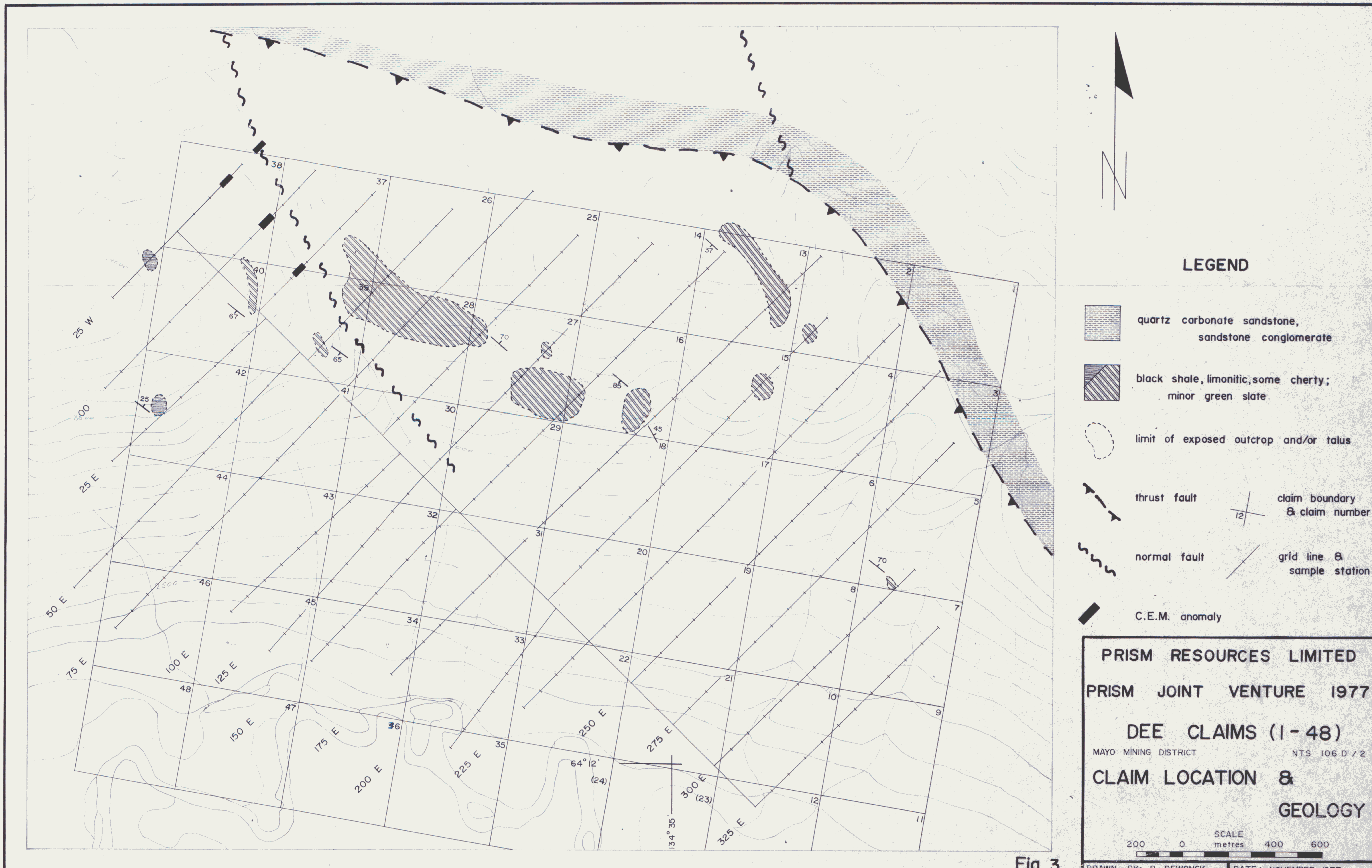
LEGEND
quartz carbonate sandstone, sandstone conglomerate
black shale, limonitic, some cherty; minor green slate
limit of exposed outcrop and/or talus
thrust fault
normal fault
C.E.M. anomaly
claim boundary & claim number
grid line & sample station
PRISM RESOURCES LIMITED
PRISM JOINT VENTURE 1977
DEE CLAIMS (1-48)
MAYO MINING DISTRICT
NTS 106 D / 2
CLAIM LOCATION & GEOLOGY
SCALE metres
200 0 400 600
DRAWN BY: B. DEWONCK
DATE: NOVEMBER, 1977
25 W
00
25 E
50 E
75 E
100 E
125 E
150 E
175 E
200 E
225 E
250 E
275 E
300 E
325 E
64° 12'
134° 35'
(24)
(23)

Fig. 3


PJV 1976
PJV 1977
EL
DEE
NERD
KATHY
NERD
BAG
GRANDMA
ELITE
TRUMPETER
ZAP
THRILL
64°15'
134°30'
DETAIL ROCK CHIP GRID
DETAIL SOIL GRID
STRATIGRAPHIC SECTION S-1
STRATIGRAPHIC SECTION S-2
BEAVER RIVER
KATHLEEN LAKES
RACKLA RIVER
SCOUGALE LAKES
PRISM RESOURCES LIMITED
JOINT VENTURES 1976,1977
CLAIM LOCATION
MAYO MINING DISTRICT
NTS. 106 D/1,2,7,8
SCALE
miles
metres
DRAWN BY: B. DEWONCK
DATE: NOVEMBER, 1977
Fig. 4

Fig. 5-A

PRISM RESOURCES LIMITED

PRISM JOINT VENTURE 1977

DEE CLAIMS (1-48)

MAYO MINING DISTRICT NTS 106 D / 2

GEOCHEMICAL PLAN

Silver (ppm)

SCALE metres 200 0 400 600

DRAWN BY: B. DEWONCK | DATE:

PRISM RESOURCES LIMITED

PRISM JOINT VENTURE 1977

DEE CLAIMS (1 - 48)

MAYO MINING DISTRICT NTS 106 D / 2

GEOCHEMICAL PLAN

Lead (ppm)

SCALE
200 0 metres 400 600

DRAWN BY: B. DEWONCK | DATE:

Fig. 5-B

Fig. 5-C

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PRISM JOINT VENTURE 1977

DEE CLAIMS (1 - 48)

MAYO MINING DISTRICT NTS 106 D / 2

GEOCHEMICAL PLAN

Zinc (ppm)

SCALE
200 0 metres 400 600

DRAWN BY: B. DEWONCK | DATE: