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090359

30,200.00

B. R. BAXTER
Supervising Mining Recorder

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1.0 INTRODUCTION

The BAG 1-80 group of mineral claims is located on the south side of the Rackla River about 6 kilometers southeast of Kathleen Lakes. These claims were staked on April 4,5, and 6, 1977 to cover a lead/zinc geochemical anomaly detected in stream sediments collected by the Geological Survey of Canada (G.S.C. map 46-1965). The anomaly occurs near the Dawson Thrust Fault within the same map unit (silurian-Ordovician black shales) as on the ROD group to the east.

The work done on the claim group consists of geological mapping, geochemical soil sampling, geochemical profile pits and several test electromagnetic lines.

2.0 LOCATION AND ACCESS

Figure 2-1 shows the location of the BAG group of claims. They are located on the south side of the Rackla River between elevations of 800 meters and 1700 meters. They are about 120 air-kilometers northeast of Mayo, Y.T. and about 6 kilometers southeast of Kathleen Lakes. N.T.S. Map Reference: 106D-1: Lat. 64° 10'N/ Longitude 134° 07' W.

Access to the property is by helicopter.

3.0 CLAIM INFORMATION

The BAG 1-80 claims are in the Mayo Mining District and are all held in the name of Prism Resources Limited. The following tables are a list of pertinent information.

Table I

Claim	Record No.	Expiry Date
BAG 1-4	YA15000-YA15003	April 18,1978
BAG 5-76	YA15008-YA15079	April 18,1978
BAG 77-80	YA15004-YA15007	April 18,1978

Table II

Claim	Staker	Date Staked
BAG 1-4	B. Dewonck	April 5,1977
BAG 5-12	D. Whittingham	April 5,1977
BAG 13-20	B. Whittingham	April 5, 1977
BAG 21-28	M.W. McClelland	April 5, 1977
BAG 29-36	D. Reid	April 6,1977
BAG 37-44	M. McCready	April 6,1977
BAG 45-52	D. Penner	April 6,1977
BAG 53-60	M.B. McClelland	April 6,1977
BAG 61-68	G. Cavey	April 4,1977
BAG 69-76	F. Lobkowicz	April 4,1977
BAG 77-80	B. Dewonck	April 4,1977

4.0 GEOLOGY

4.1 General Geology

The Nash Creek sheet has been mapped by L.H. Green for Geological Survey of Canada (G.S.C. Memoir 364). Portions of the map-area have been re-mapped and revised by S. Blusson, also for the Geological Survey of Canada.

The southeast part of the BAG claim area is underlain by the "Grit" unit, composed of varicolored slate, feldspathic quartzite and conglomerate, micritic limestone and also vuggy dolomite, basic volcanics, ankerite (ferrodolomite), serpentine and chert (non-bedded). This unit forms part of a complex thrust plate which overlies the younger rocks to the north. The fault, on the BAG claims, strikes E-NE and dips south.

The "Grit" unit overlies the "Black Clastic" unit (Canol formation) which is composed of pyritic shale, chert, greywacke, conglomerate and bedded barite. Blusson believes that this unit may be correlative with the "Lower Schist" and "Keno Hill Quartzite" and that the original source beds for silver/lead/zinc deposits throughout the Selwyn Basin may be the Canol formation.

Underlying the Canol formation on the BAG claim area is light grey dolomite and Road River Formation (black shale and chert). The Road River formation is in conformable contact with the Canol formation.

A couple of northeast-trending faults along Rackla River immediately to the east of the BAG claims cut and offset the thrust plates.

4.2 Local Geology

The major portion of the claim group is underlain by a thick assemblage of shales, argillites and bedded cherts ranging in age from Mississippian to Ordovician. Near the southern boundary of the claim group, the Grit Unit, (Unit 1 - Blusson) Hadrynian in age, is overthrust onto Devonian-Mississippian shales and near the northern claim boundary, Silurian-Ordovician shales and cherts overthrust onto Silurian-Ordovician grey dolomite. The Devonian-Silurian contact goes through the middle of the property and appears to be a conformable gradational contact. Lithological descriptions are included with a geologic section (Figure 4-1).

The Grit Unit is an assemblage of lithic sandstones, dark grey micritic limestones, gritty quartzites, ankeritic and "zebra" textured dolomites and characteristic green and maroon shales. Along the thrust contact is a body of fibrous serpentine, probably from altered ultramafic rocks originating in the fault zone.

The Grit Unit is overthrust onto the Mississippian-Devonian shales (Unit 4) near the southern claim boundary. The shales here vary from argillitic to graphitic with some thin beds of chert and varying degrees of chertiness of the shales. Generally speaking, throughout the whole Mississippian-Devonian sequence there is a lot of limonite stain developed along fracture surfaces, probably an alteration product of pyrite found in the shales. In places there are fairly dense networks of small quartz veinlets resulting in

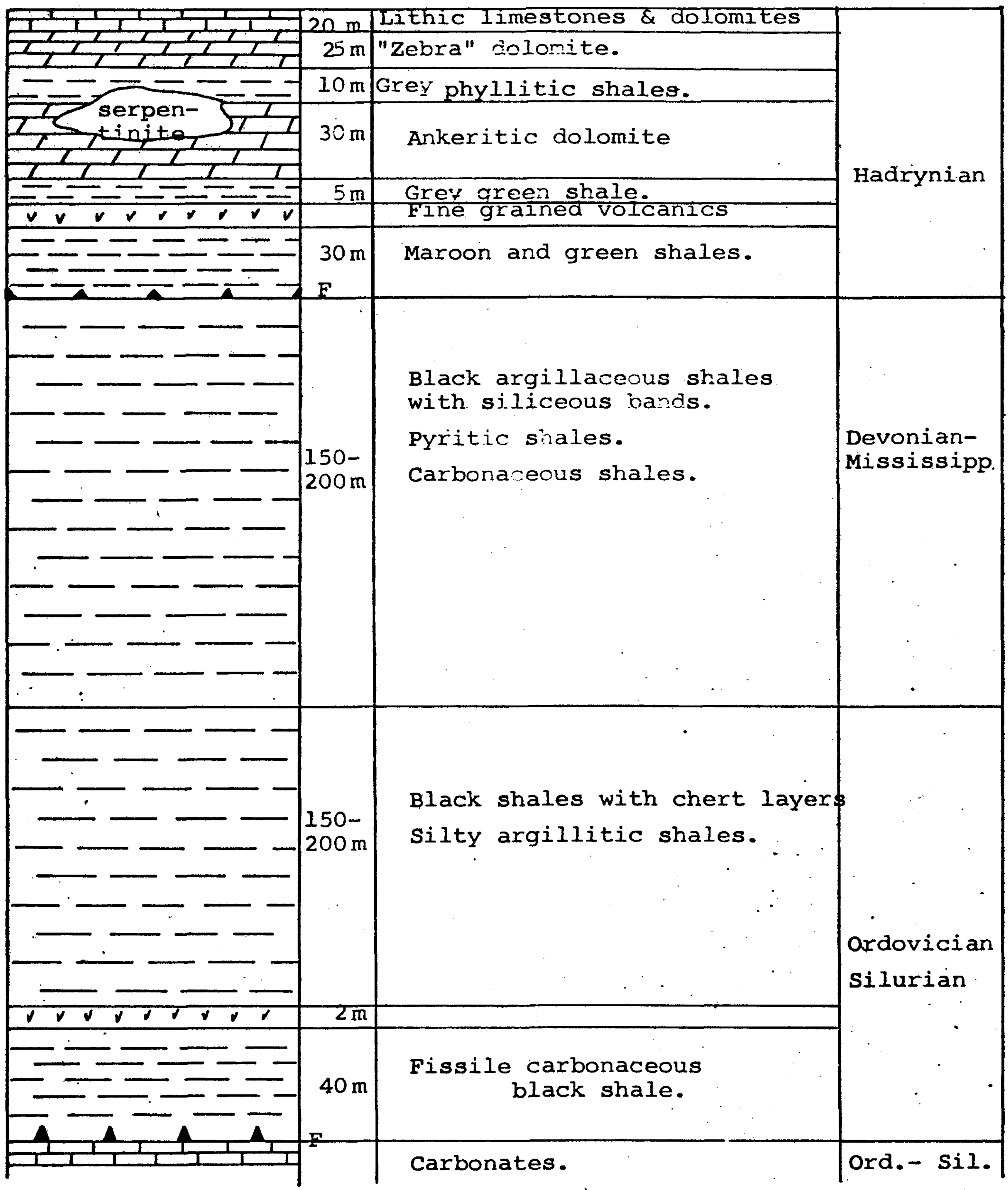


FIG. 4.1 GENERALISED STRATIGRAPHIC SECTION-
BAG CLAIMS.

pervasive silicification of the shales. These fractures are probably strain features in the rock caused by the overthrusting.

As one traverses northward on the claim block (Figure 4-2) the shales generally become more cherty and a few hundred meters north of the baseline the rock type changes to thick sequences of bedded chert interbedded with silty rocks and black shales believed to be Silurian-Ordovician in age. (Unit 3, Blusson). This may be the conformable contact between Unit 4 (Black Clastic Unit) and Unit 3 (Road River Formation). Some Ordovician graptolites were found in this unit off the claim block (Blusson, pers. comm.). These cherty sequences continue north off the claim block where they are overthrust onto Unit 2 dolomite (Blusson).

Since not much time was spent mapping, not much emphasis was placed on detailed structural analysis (most of the time was spent line cutting and geochemical sampling). The bedding attitudes shown on the geology map show a general NW-SE trend in strike while the major thrusts have an E-W, or slightly less, strike. Both the thrust and the bedding dip moderately to the south. The whole area has undergone a slight amount of low grade regional metamorphism, or load metamorphism, resulting in some slaty cleavage being developed not parallel to bedding. There is a minor amount of local folding in all the units. Near the thrust contact there are some drag folds visible in maroon shales and the Black Clastic Unit where outcrop is exposed.

Both the Black Clastic Unit and Road River formation are gently folded with minor normal faulting. Most of the large scale structures and contacts are easily visible on air photographs of the area.

4.3 <u>Mineralization</u>

Several quartz veinlets containing galena and sphalerite were found near L 200 W + 00. A soil geochemical survey outlined several anomalies but no mineralization was found to explain the geochemical anomaly.

Blusson (personal communication) is convinced that the mineralization should occur in competent rocks of the Hadryinian "Grit Unit", providing that the Devonian-Silurian shales are the source of metal solutions, and are in a fault contact with porous and competent rocks ("Zebra" dolomite) of the "Grit Unit". On the adjoining ROD claims, lead/zinc mineralization occurs in the black shales some distance from the presently exposed fault contact.

5.0 GEOCHEMISTRY

5.1 Introduction

The claim block was covered by a soil geochemical grid. The base line trends 80°, the cross-lines are at 250 meter intervals. The samples were taken at intervals of 100 meters and were taken from the B Horizon when possible. The north facing slopes are commonly covered by a layer of moss with permafrost at approximately .75 M depth. The ridge on the southern edge of the property was not sufficiently covered by the soil survey due to extensive outcrop and talus develo- ment. The remainder of the property has a fairly well developed soil horizon. The samples were analyzed for lead, zinc and silver.

5.2 Results

The enclosed grid maps (Figures 5-1 A, B, C) show several anomalous areas on the claim block. These areas are underlain by shales and slates of Devonian to Silurian age. Several small pits were dug to confirm the geochemical consistency with depth and hopefully indicate the geochemical background of underlying rocks.

	DEPTH	Pb	Zn	Ag		
L 125 W 13S	A	56	152	1.6	)	
	B	57	183	1.4	)	PIT 1
	C	42	235	2.6	)	
125 W 12S	A	108	218	4.0	)	
	B	45	215	2.2	)	
	C	55	336	1.7	)	PIT 2
125 W 9S	A	167	208	1.2	)	
	B	750	408	2.8	)	
	C	610	490	3.3	)	PIT 3
100 W 8S	A	176	147	1.2	)	
	B	142	150	1.6	)	PIT 4
	C	105	144	2.0	)	
75 W 9S	A	155	135	1.6	)	
	B	95	227	1.6	)	PIT 5
	C	56	236	1.4	)	

NOTE: Depths indicated are:

A = Surface, B = 12 inches, C = 18 inches.

The results indicate that only Pit 3 has the metal content increasing with depth.

5.3 Interpretation

Standard statistical parameters were calculated for the BAG soil samples for each of the elements, Pb, Zn and Ag. Frequency distribution curves (Figures 5-2A,B,C) and cumulative percent curves (Figures 5-3A,B,C) were also prepared for each element. From the latter the geochemical families for each element were determined and threshold values and contour intervals were selected. The following table lists the various values determined.

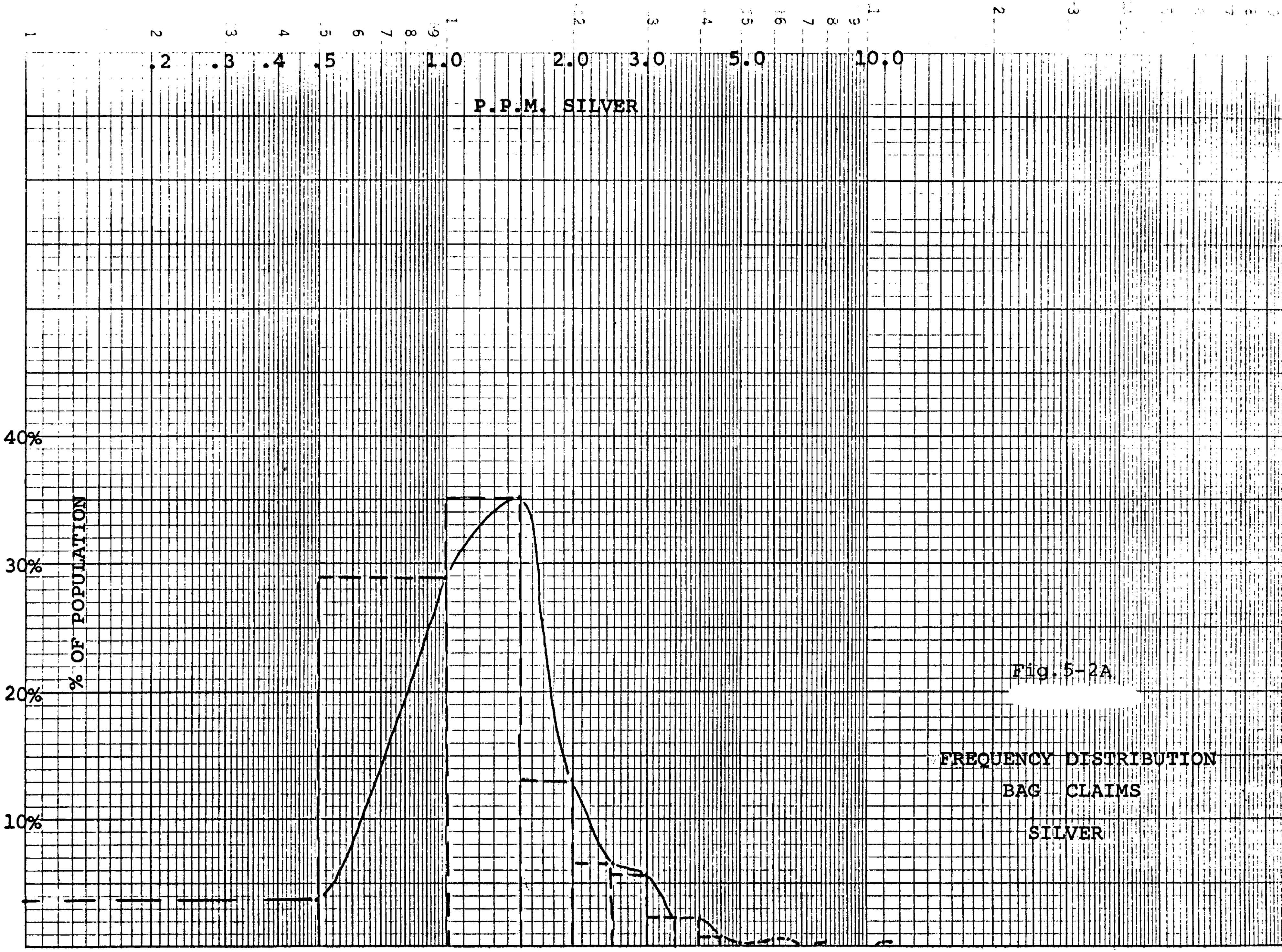


Fig. 5-2A

FREQUENCY DISTRIBUTION
BAG CLAIMS
SILVER

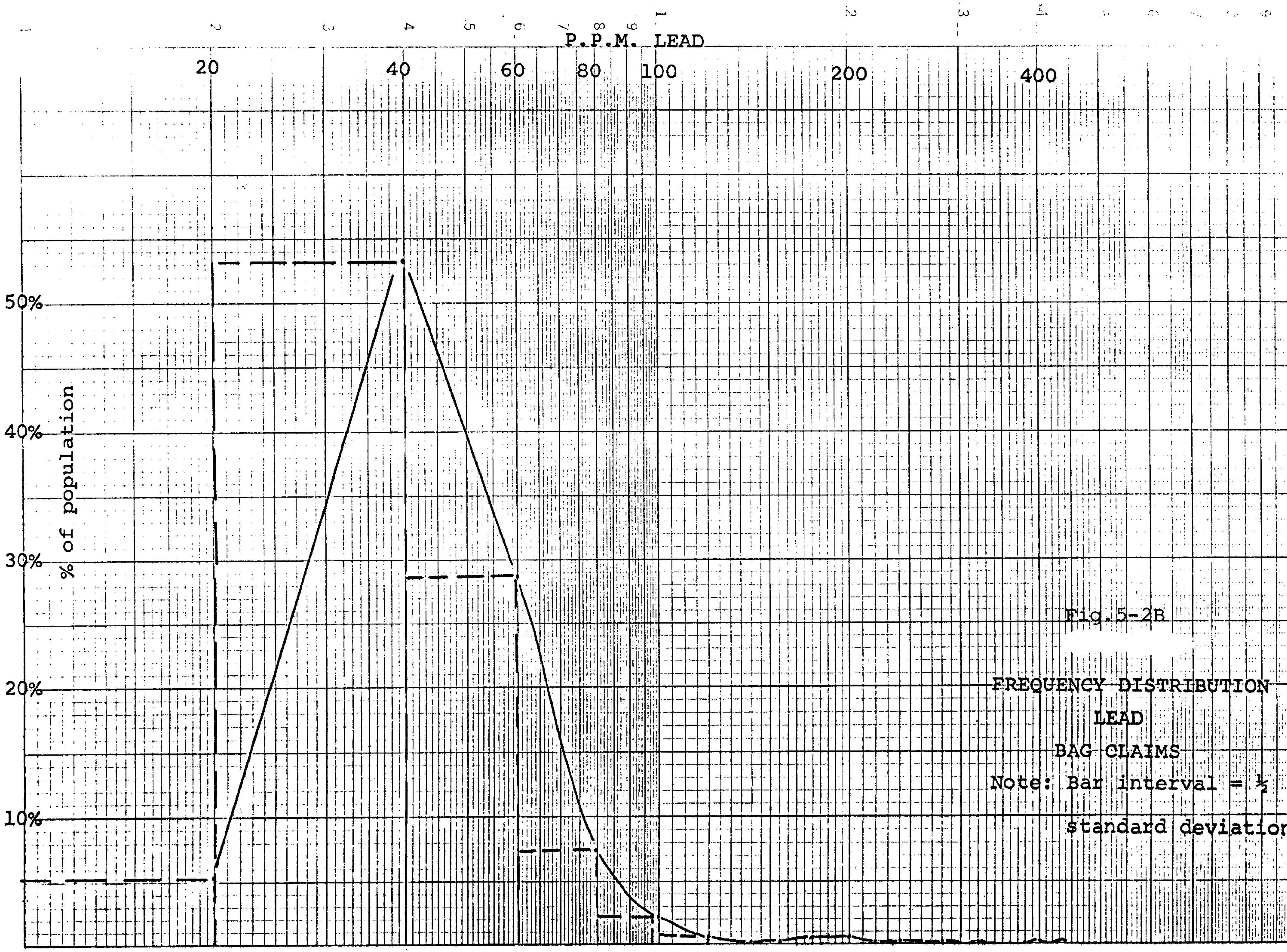


Fig.5-2B

FREQUENCY DISTRIBUTION
LEAD
BAG CLAIMS
Note: Bar interval = ½ standard deviation

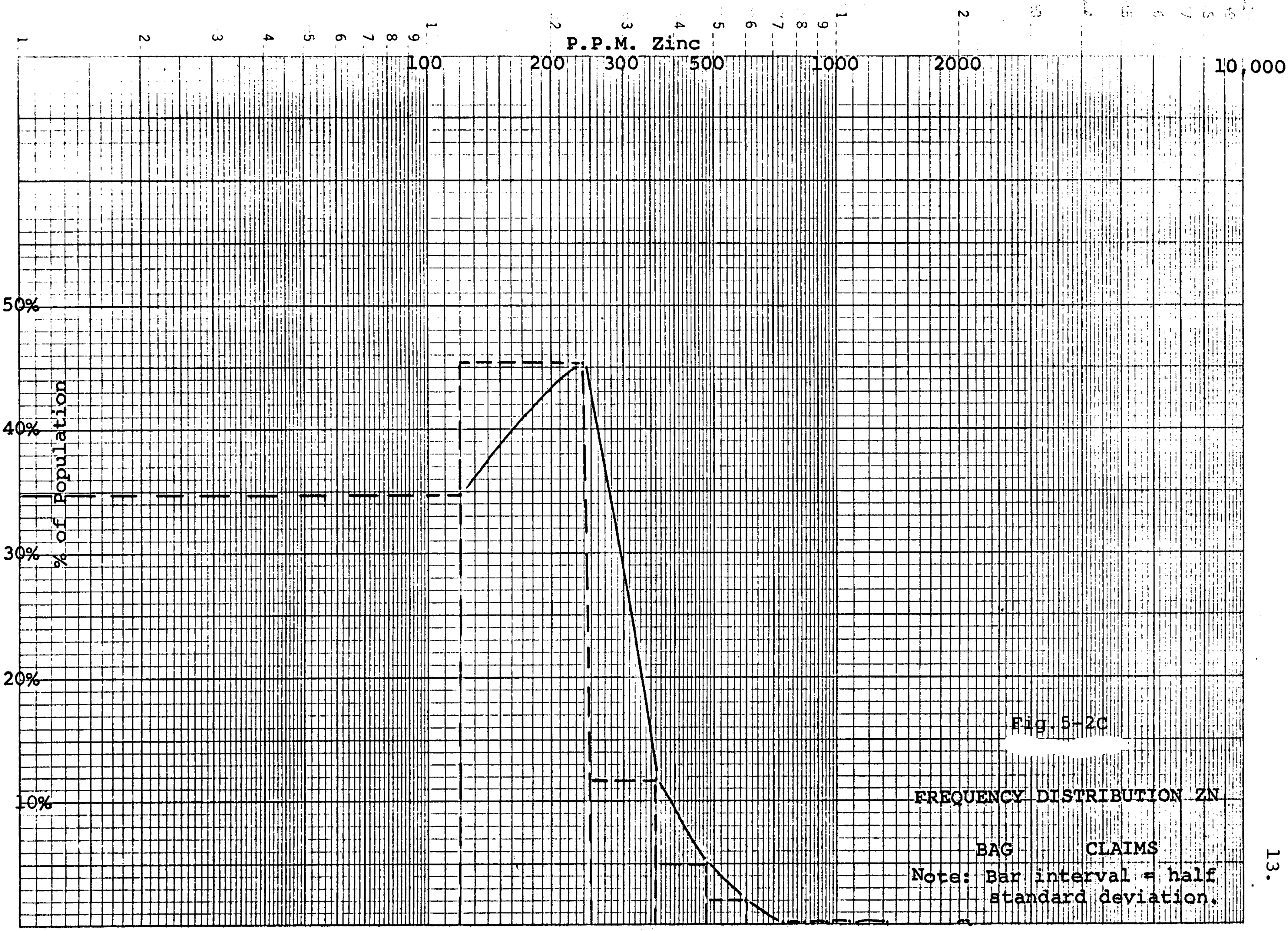
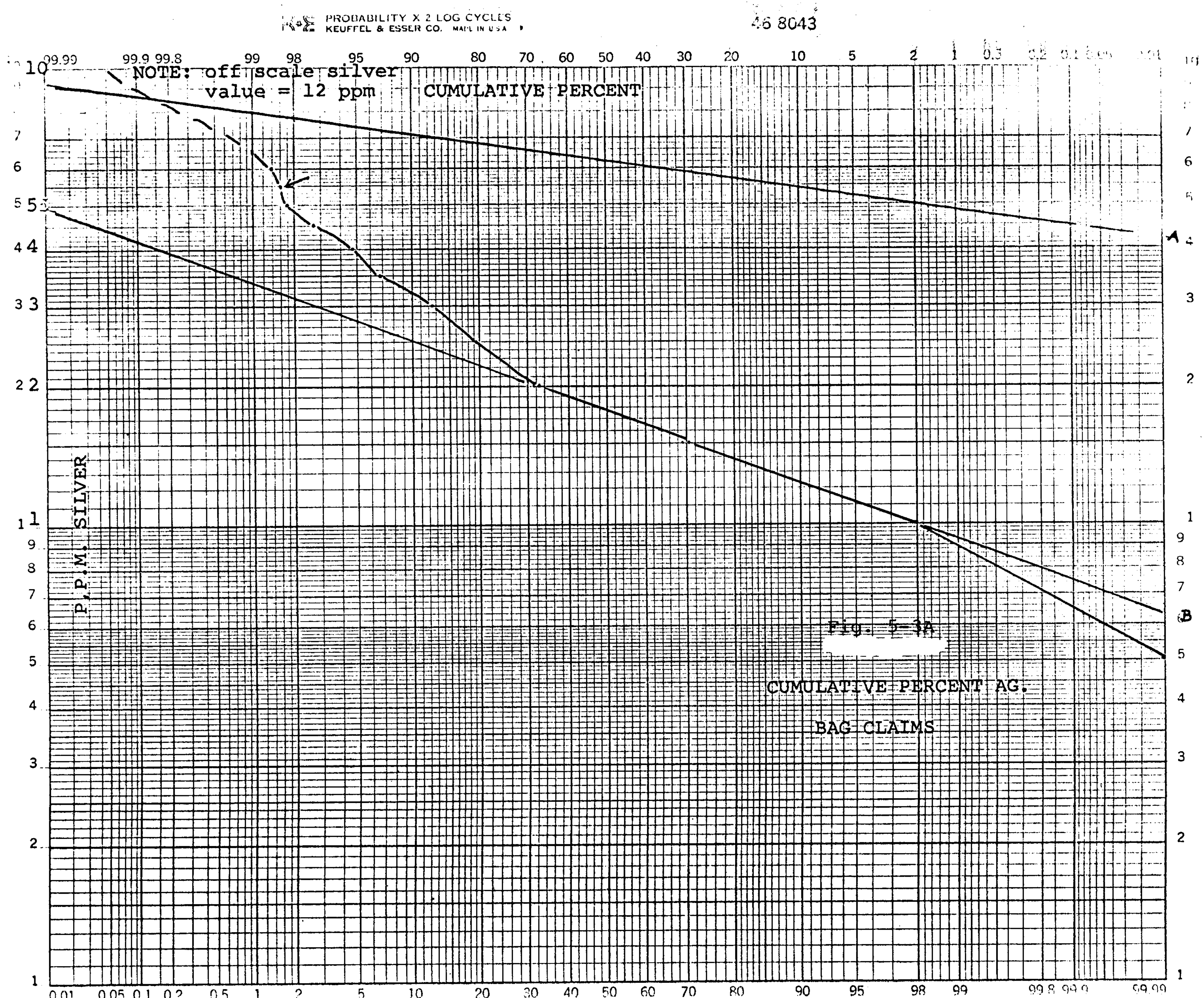


Fig. 5-2C

FREQUENCY DISTRIBUTION ZN

BAG CLAIMS

Note: Bar interval = half standard deviation.


K+E PROBABILITY X 2 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.
46 8043
NOTE: off scale silver
value = 12 ppm
CUMULATIVE PERCENT
P.P.M. SILVER
A
B
Fig. 5-3A
CUMULATIVE PERCENT AG.
BAG CLAIMS

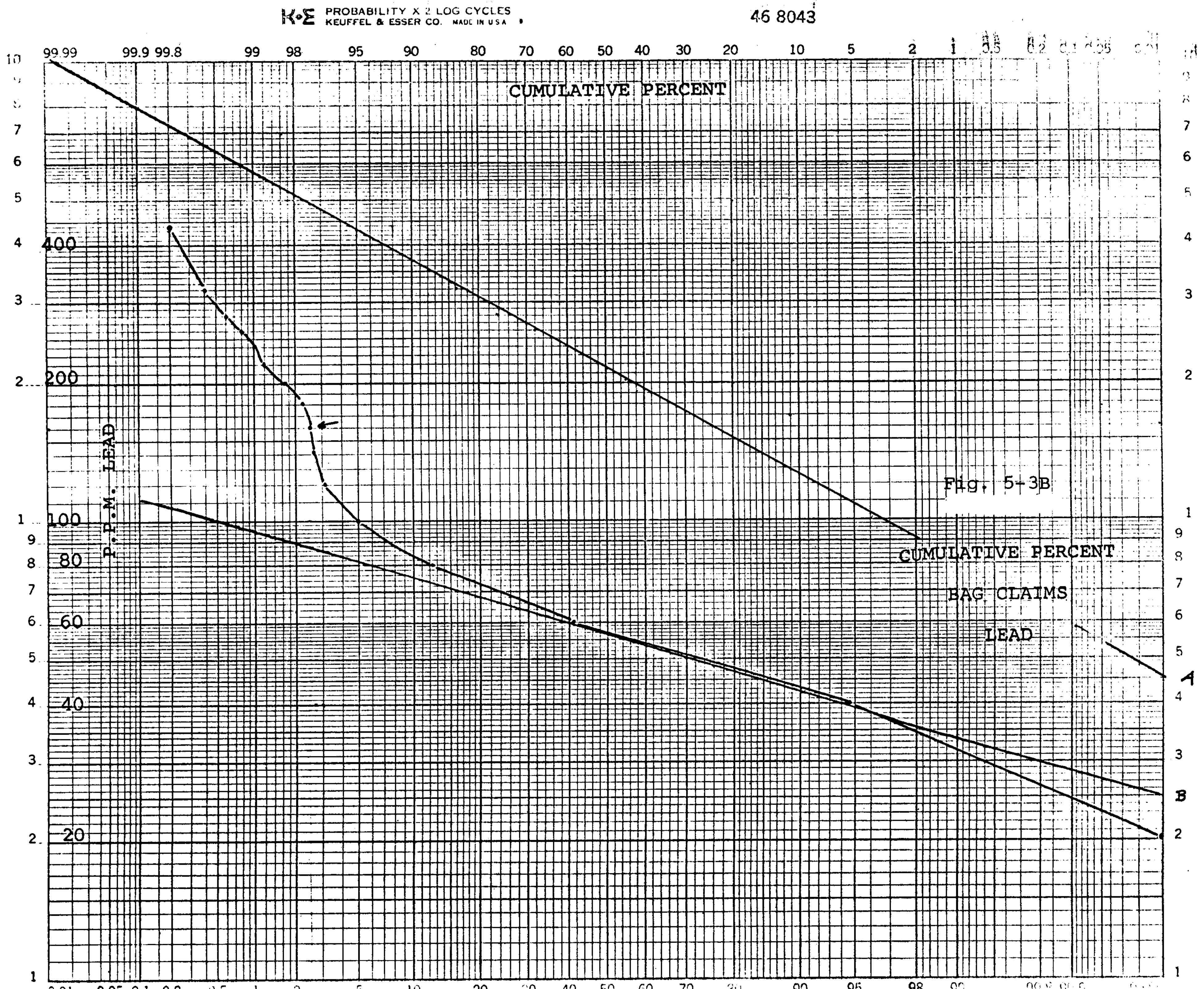

K•E PROBABILITY X 2 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.
46 8043
CUMULATIVE PERCENT
P.P.M. LEAD
CUMULATIVE PERCENT
BAG CLAIMS
LEAD
A
B

Fig. 5-3B

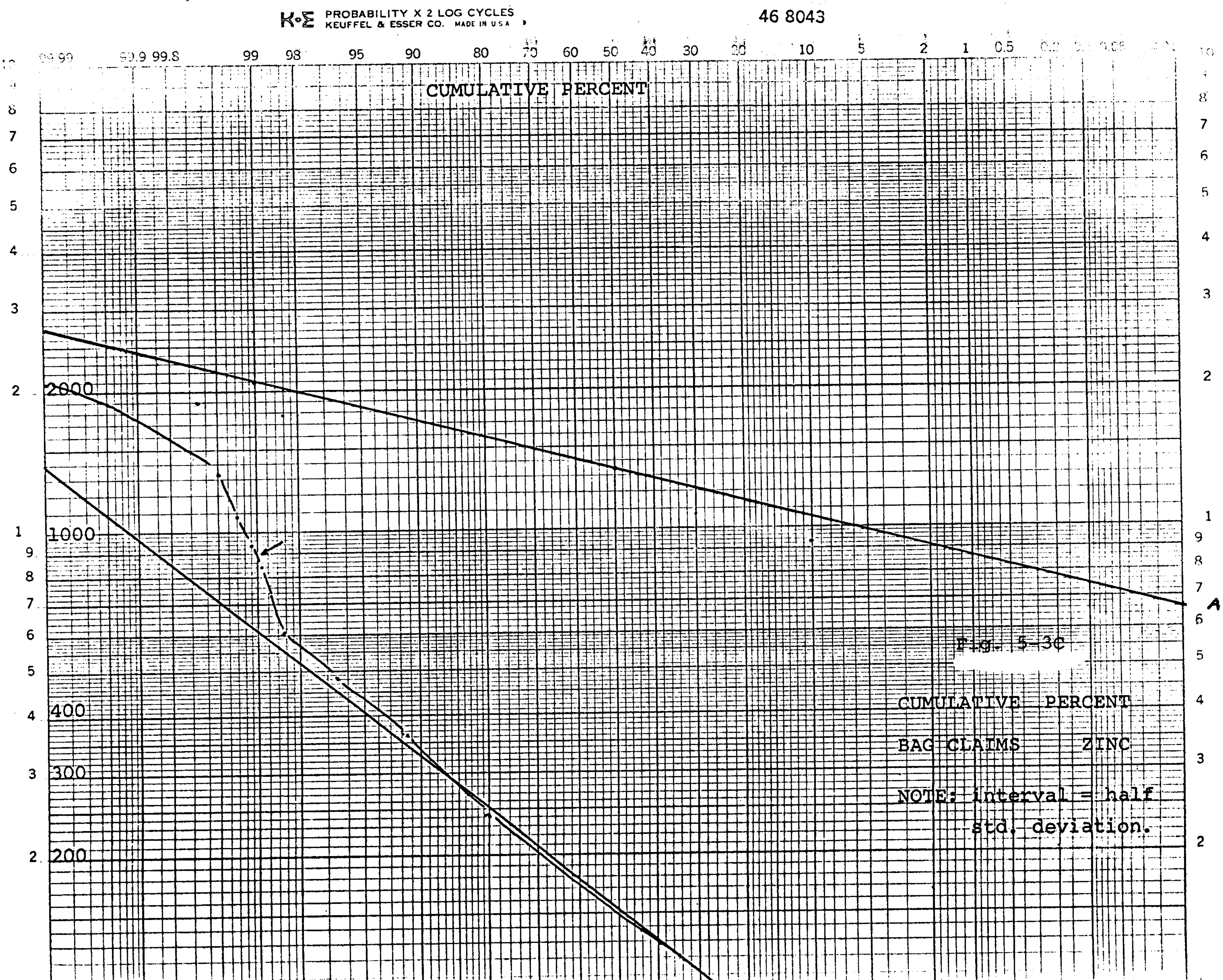

K•E PROBABILITY X 2 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.
46 8043
CUMULATIVE PERCENT
2000
1000
400
300
200
A
Fig. 5-3c
CUMULATIVE PERCENT
BAG CLAIMS ZINC
NOTE: interval = half std. deviation.

TABLE III

Element	Pb	Zn	Ag
No. Samples	635	635	635
Means	44	118	1.5
Std. Dev.	38	238	1.09
Bar Interval	20	120	0.5
Population A	45 - 1000	650 - 2700	4 - 10
Population B	25 - 130	100 - 1400	0.6 - 5

For each of the elements, two populations could be distinguished. See Figures 5-1 A, B, C and 5-2 A, B, C. For silver, a background population (B) ranging from 0.6 to 5.0 ppm and an anomalous population (A) ranging from 4.0 to 10.0 ppm was determined. Two contour intervals were selected for Figure 5-1A, 2 ppm, where mixing of populations appears to occur (a third intersecting population may occur here overlapping both A and B) and at 6 ppm (near the inflection point) and above which mostly population A occurs.

For lead, a background population (B) ranging from 25 to 130 ppm and an anomalous population (A) ranging from 45 to 1000 ppm were determined. Two contour intervals were selected for Figure 5-1B, 100 ppm, around which value mixing of the two populations begins and 150 ppm, above which and where all population A values occur.

For zinc, a background population (B) ranging from 100 to 1400 ppm and an anomalous population (A) ranging from 650 to 2700 ppm were determined. Two contour intervals were selected for Figure 5-1C, 500 ppm, around which value mixing of the two populations occur and 1000 ppm which value occurs near the inflection point and above which mainly population (A) values occur.

An examination of Figures 5-1 A, B, C shows a zone which is moderately anomalous in silver ($>$2.0 to 12.4) and which trends across the south part of the grid in an east-west direction. A few scattered highs also occur on the north part of the grid.

Weakly anomalous, partly coincident lead values are also present. A minor zinc anomaly occurs on the north-west part of the grid.

The silver anomaly appears to reflect the appearance of a silver-rich stratum in the Paleozoic stratigraphic package present on the BAG claims. An examination of Figure 4-2 suggests a correlation with black, argillaceous and pyritic shales about 500 to 1000 meters north of the Dawson Thrust Fault. On the northern part of the map-area, isolated highs in lead and zinc may relate to similar beds within the cherty argillite pile.

Of the several test pits dug on the BAG claims, (See Figure 4-2) only the one at 126 W 9S showed increasing values with depth. This may indicate mineralized bedrock at that point.

5.4 Sample Analysis: Procedures and Methods

A summary of the analysis and procedure for samples from this project is given on the following pages in a memo from VanGeoChem Labs Ltd.

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 $3\frac{1}{2} \times 6\frac{1}{2}$ 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.

......2

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

6.0 GEOPHYSICS - ELECTROMAGNETIC SURVEY

6.1 Introduction

Test lines were run across parts of the BAG and ROD claims with a CEM electromagnetic unit. Readings were taken on low, medium and high frequencies and the out-of-phase measurement taken on medium frequency. All values were plotted on graph paper (Figures 6-1A,B,C,D,E,F,G) and related, wherever possible, to the underlying bedrock geology.

6.2 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).

6.3 Methods

The "Horizontal Shootback" EM method was used in order to eliminate topographic effects on the results. A coil separation of 50 meters 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.

6.4 Results

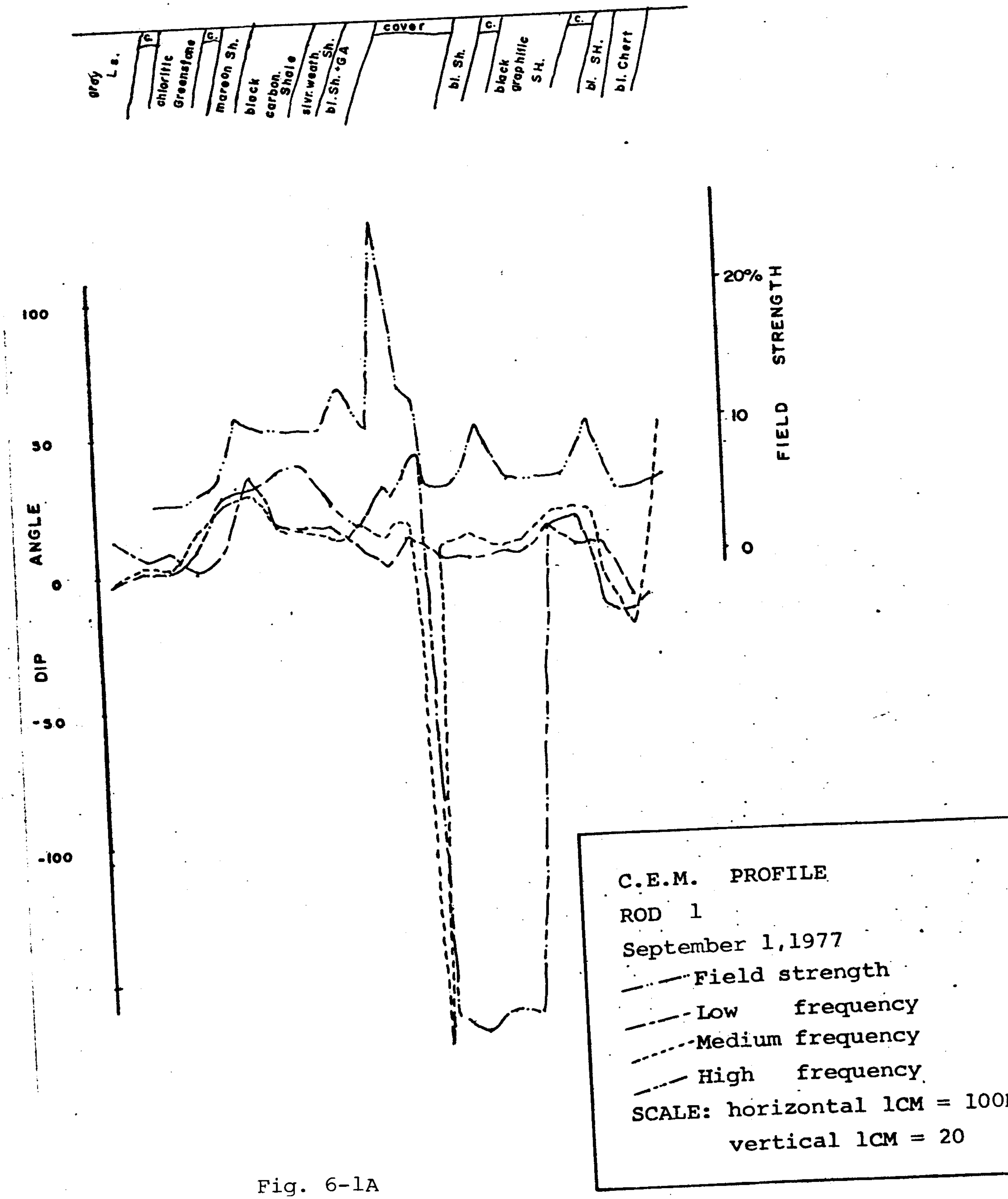
On the ROD claims, CEM lines were run in a northerly direction along ridges which cut across the regional structures. In Figure 6-1A-C, sharp negative dip angles were obtained over the black, carbonaceous shale bed which contains silver/lead/zinc mineralization.

An attempt was made to trace these horizons to the BAG claims which adjoin the ROD claims on the west.

Figures 6-1D-G show that several beds of carbonaceous shales caused similar sharp negative dip angles. A closer line spacing and additional geological information would be required to correlate the beds more definitely.

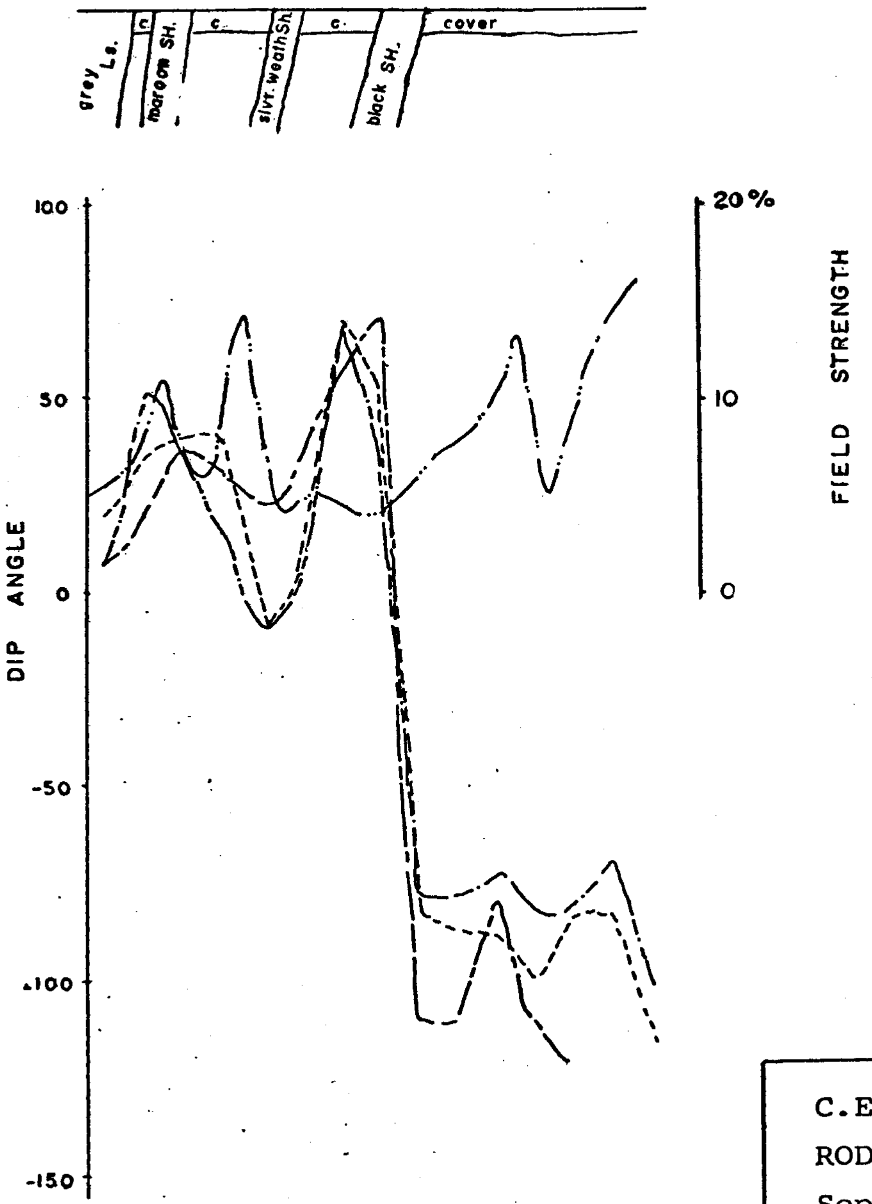
6.5 Interpretation

Black, carbonaceous shale beds are reflected in sharp, negative dip angles, particularly in the high frequency range, on the CEM electromagnetic unit. Other black shales, particularly those which are cherty, commonly do not show the same sort of response. It appears that sulfide mineralization cannot be detected by the CEM due to the extreme response of carbonaceous shales, but it is also evident that the CEM would be of considerable use in tracing such beds in areas devoid of outcrop.



gray Ls.
c.
chloritic Greenstone
c.
maroon Sh.
black carbon. Shale
slvr.weath. Sh.
bl.Sh.+GA
cover
bl. Sh.
c.
black graphitic SH.
c.
bl. SH.
bl. Chert
100
50
0
-50
-100
DIP ANGLE
20%
10
0
FIELD STRENGTH
C.E.M. PROFILE
ROD 1
September 1,1977
Field strength
Low frequency
Medium frequency
High frequency
SCALE: horizontal 1CM = 100F
vertical 1CM = 20

Fig. 6-1A



C.E.M. PROFILE

ROD 2

September 1,1977

Field strength

Low frequency

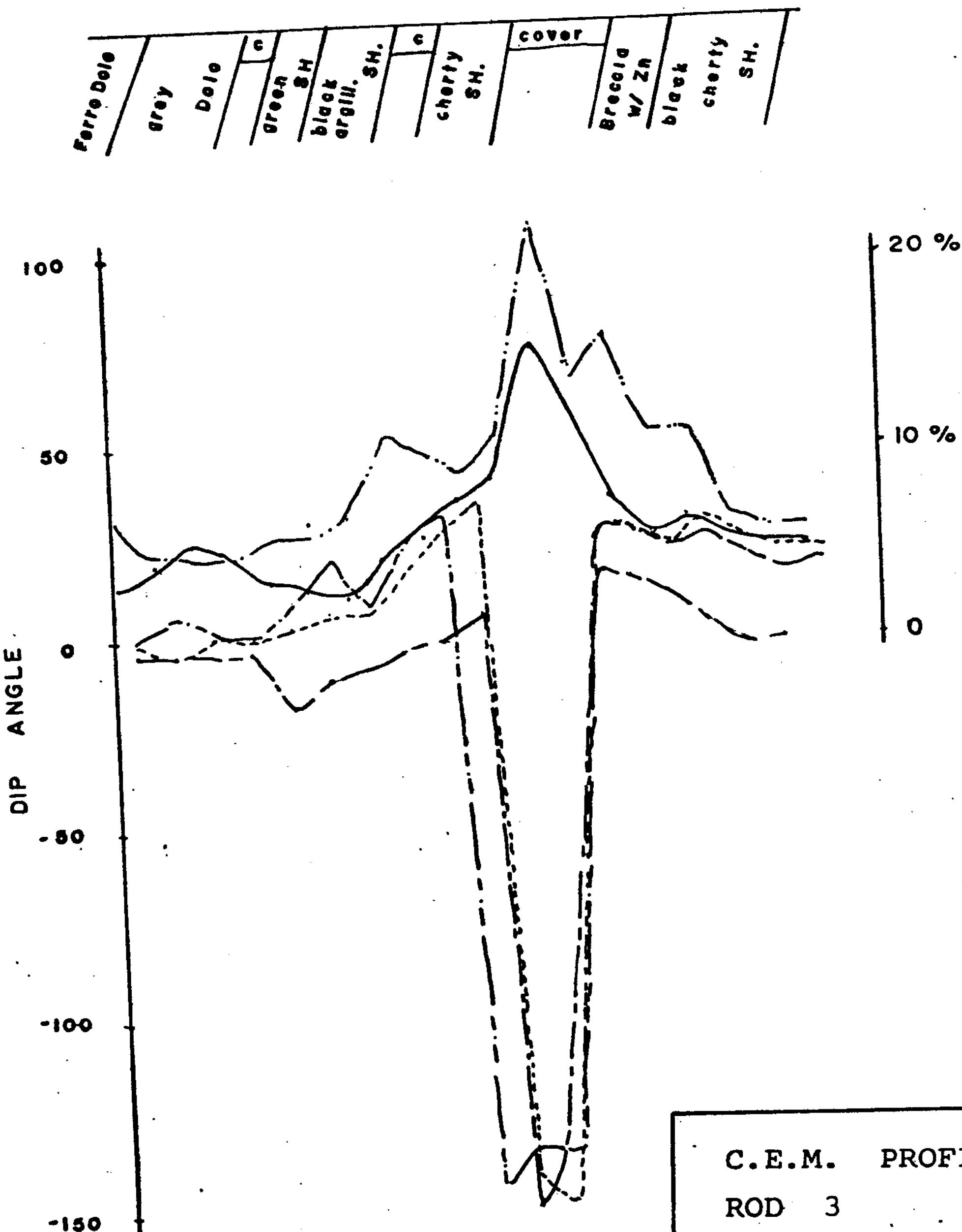
Medium frequency

High frequency

SCALE: horizontal 1CM =100M

vertical 1CM = 20

Fig. 6-1B



C.E.M. PROFILE

ROD 3

September 2,1977

Field strength

Low frequency

Medium frequency

High frequency

SCALE: horizontal 1CM = 100M

vertical 1CM =20°

Fig. 6-1C

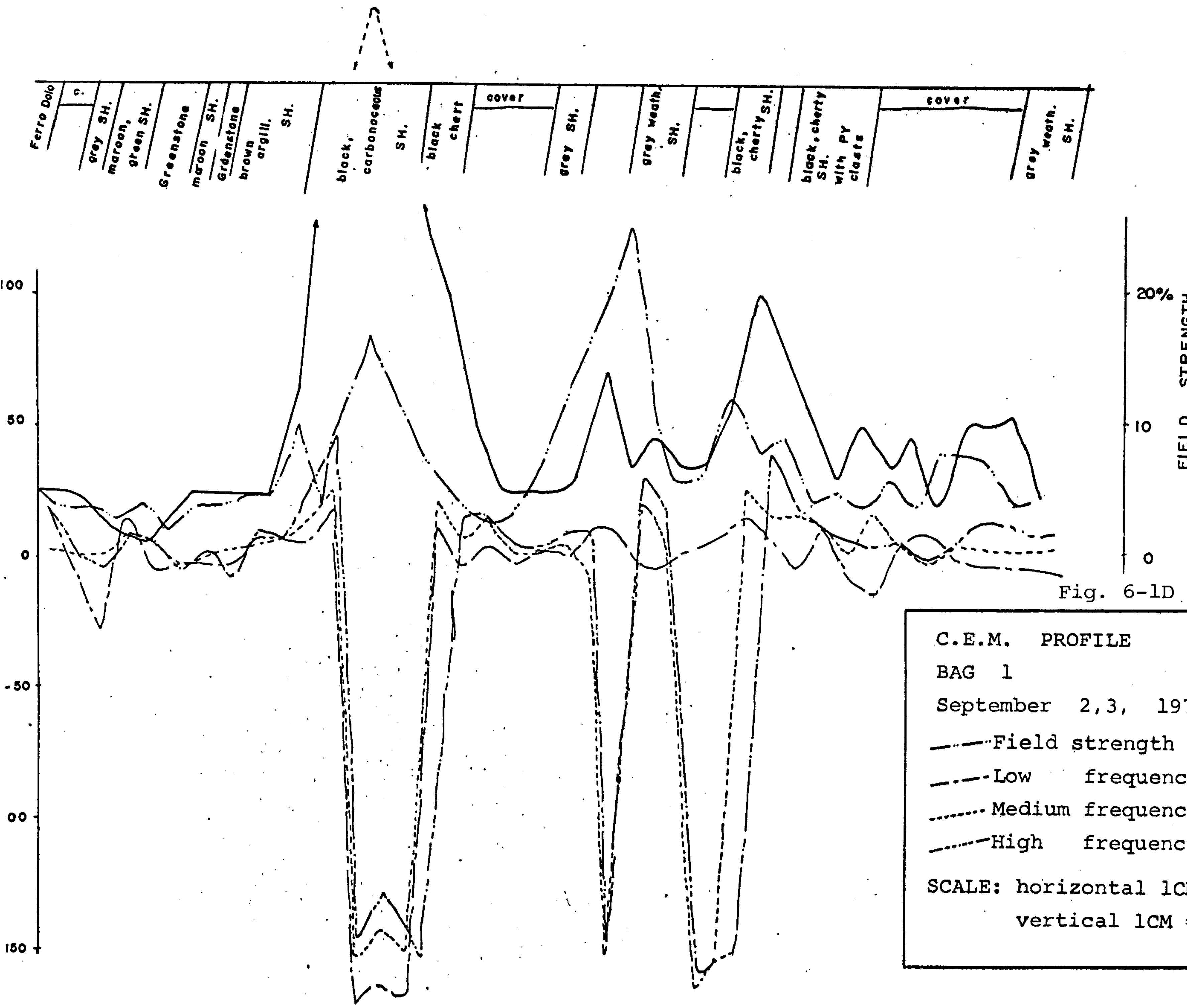


Fig. 6-1D

C.E.M. PROFILE

BAG 1

September 2,3, 1977

Field strength

Low frequency

Medium frequency

High frequency

SCALE: horizontal 1CM = 10 M

vertical 1CM = 20°

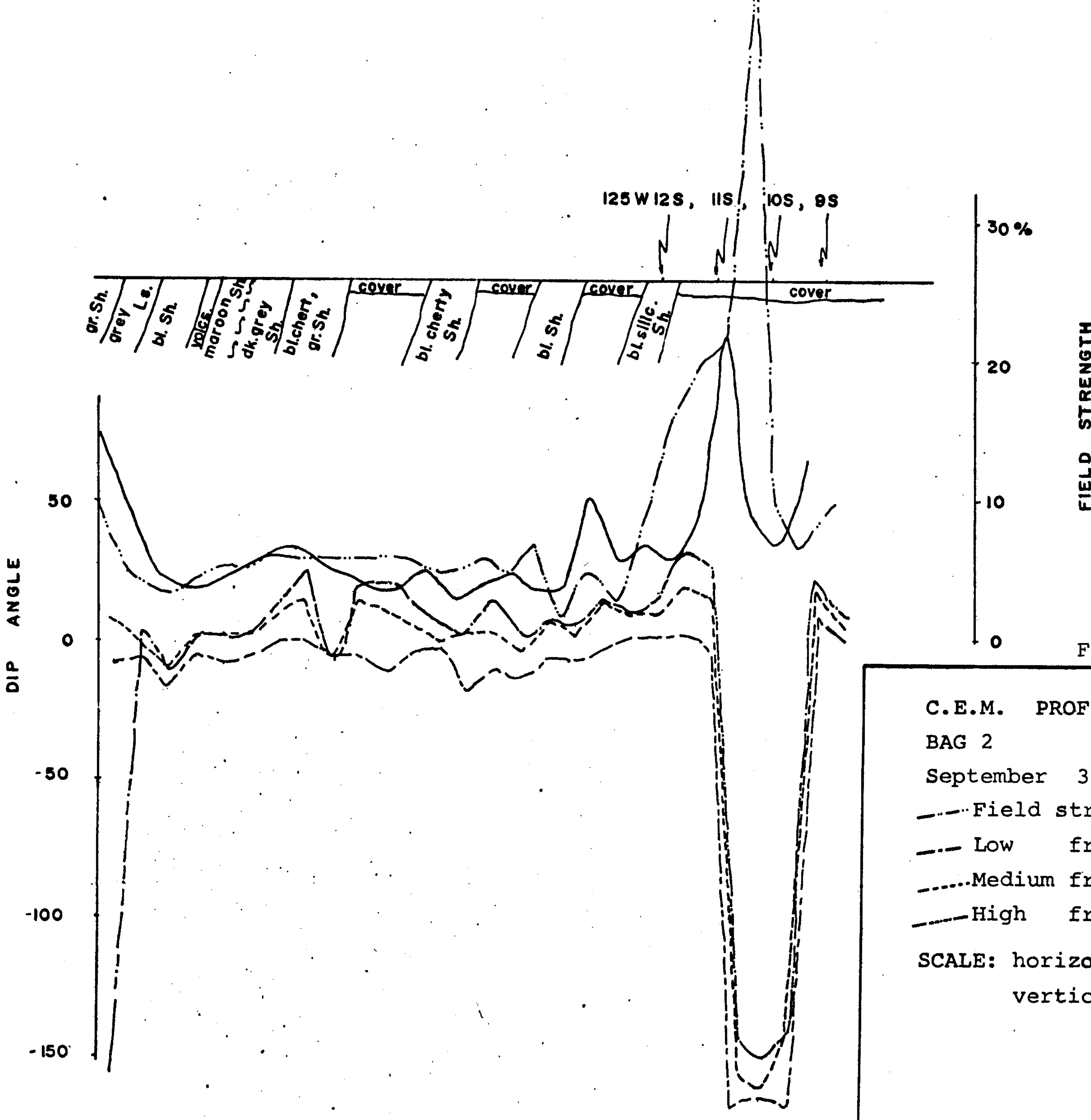


Fig. 6-1E

C.E.M. PROFILE
BAG 2
September 3, 1977

- Field strength
- Low frequency
- Medium frequency
- High frequency

SCALE: horizontal 1CM = 100M
vertical 1CM = 20°

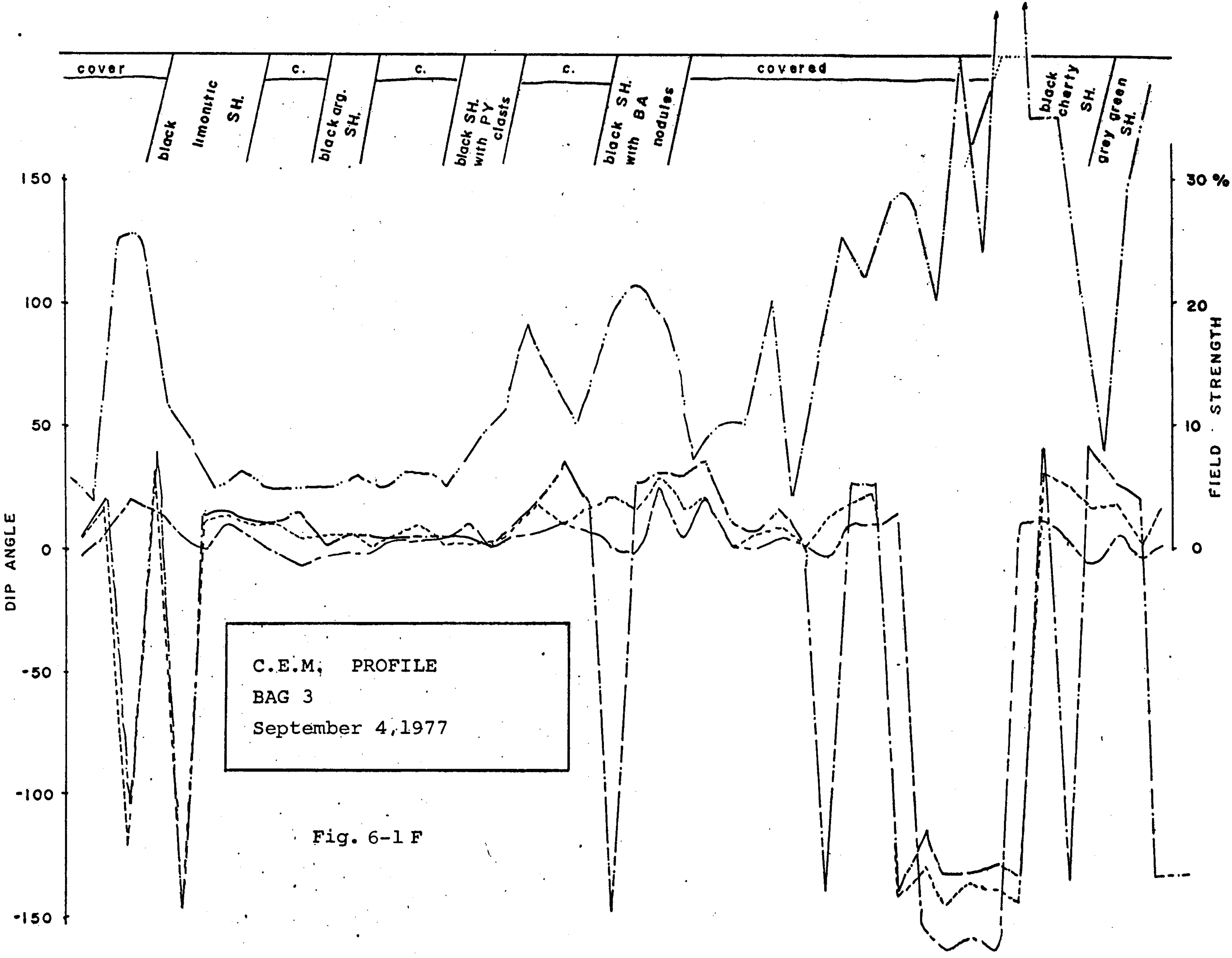

cover
black limonitic SH.
c.
black arg. SH.
c.
black SH. with PY clasts
c.
black SH. with BA nodules
covered
black cherty SH.
grey green SH.
150
100
50
0
-50
-100
-150
DIP ANGLE
30 %
20
10
0
FIELD STRENGTH
C.E.M. PROFILE
BAG 3
September 4,1977

Fig. 6-1 F

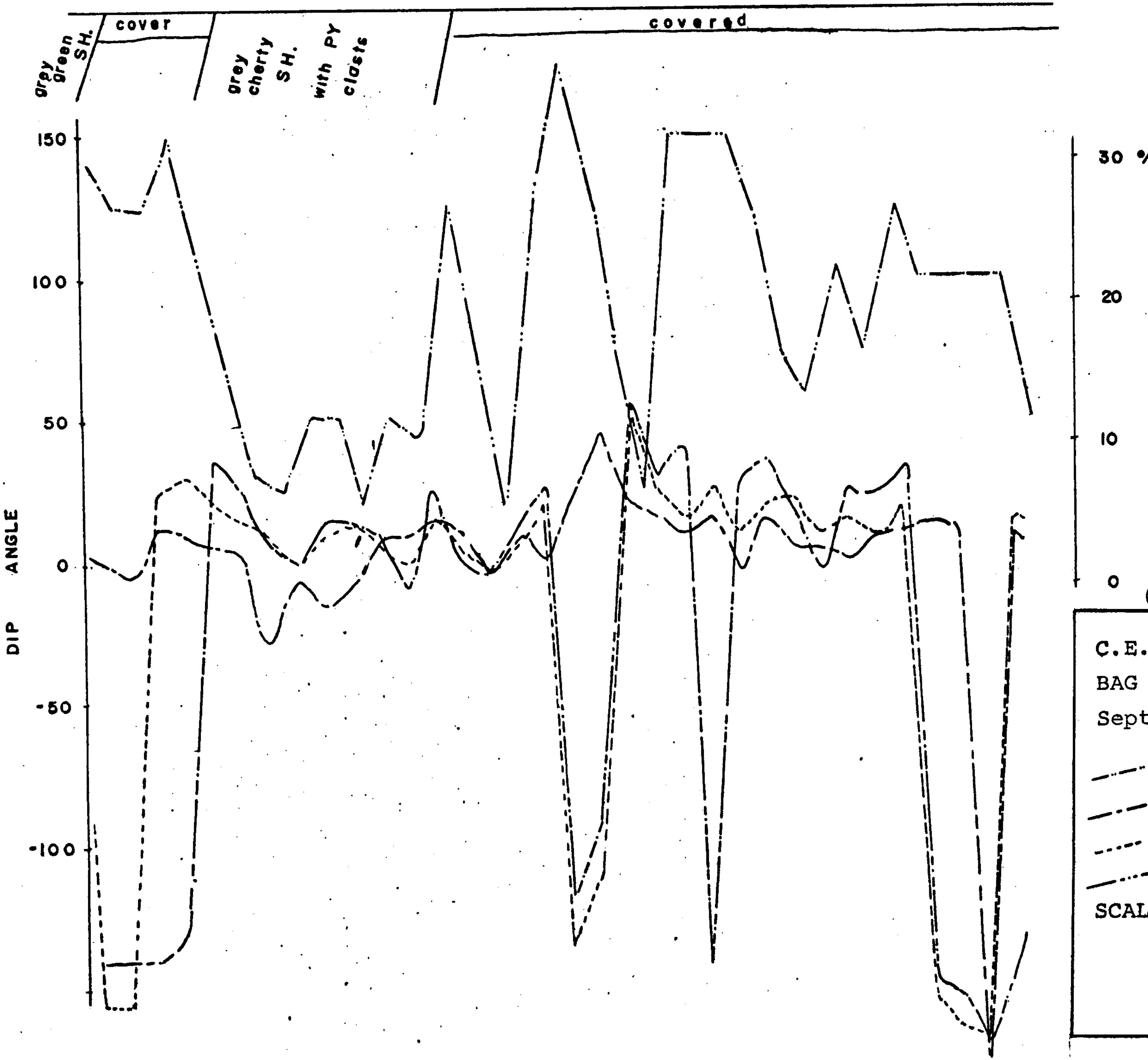


Fig. 6-1 F (Cont'd.)
(or Fig. 6-1G)

C.E.M. PROFILE

BAG 3

September 4,1977

Field strength

Low frequency

Medium frequency

High frequency

SCALE: horizontal 1CM =100M
vertical 1CM = 20°


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
SCOUGALE LAKES
BEAVER RIVER
RACKLA RIVER
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. 2-1

LEGEND:

- OLIVINE GABBRO
- BLACK SHALE WITH CHERTY LAYERS
- FINE GRAINED VOLCANICS
- BLACK ARGILLACEOUS AND PYRITIC SHALES
- LIMESTONE
- "ZEBRA" DOLOMITE
- SERPENTINITE
- ANKERITIC DOLOMITE
- MAROON AND GREEN SHALE
- LIMY SANDSTONE
- SOIL GRID LINES
- CLAIM BOUNDARY
- THRUST FAULT
- TEST PIT

PRISM RESOURCES LIMITED

PRISM JOINT VENTURE 1977

BAG CLAIMS (1-80)

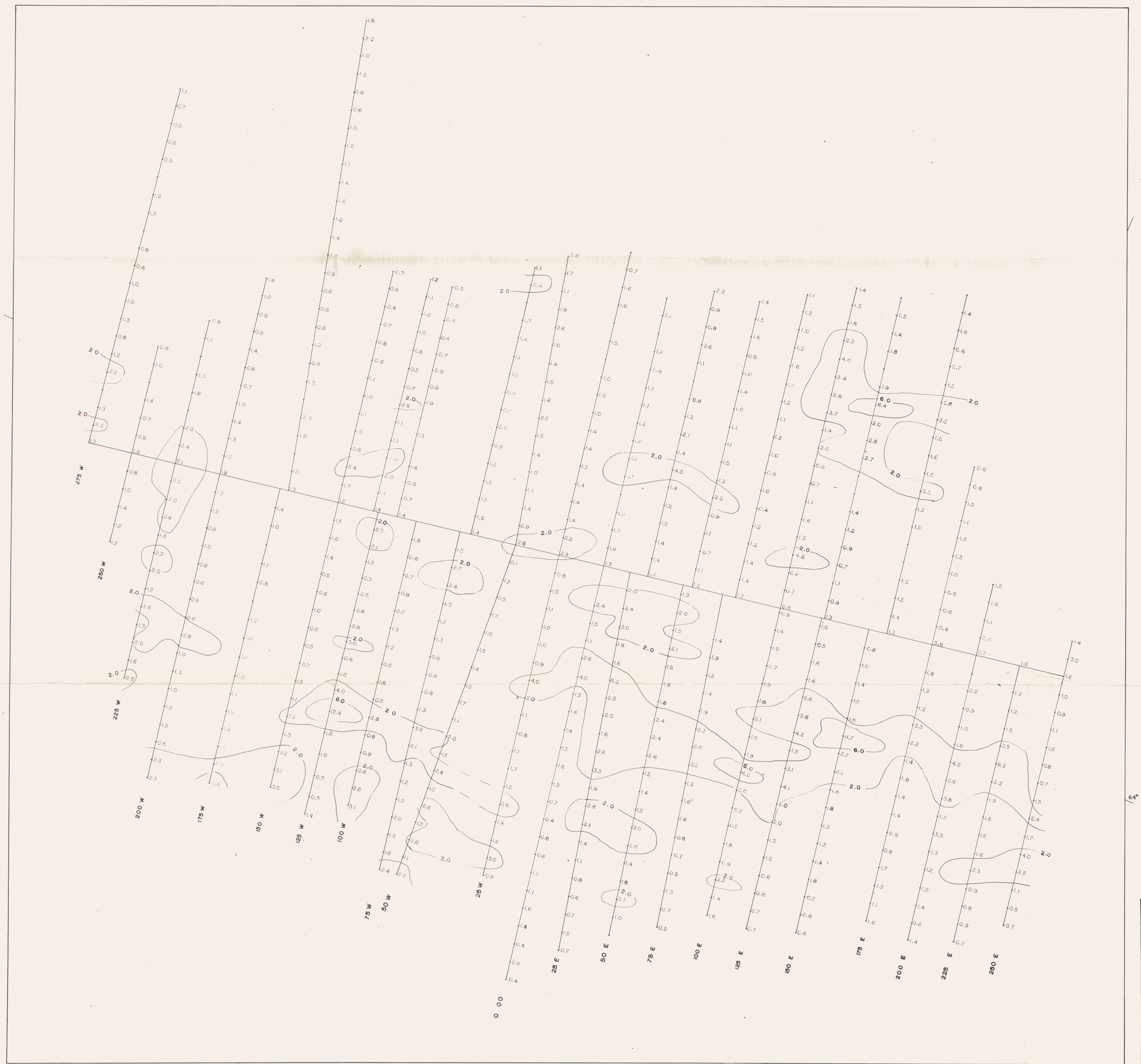
MAYO MINING DISTRICT — NTS: 106 D/1

GEOLOGY & CLAIM LOCATION

0 meters 400 600 800

DRAWN BY: D. PENNER & F. LOBKOWICZ — NOVEMBER 21, 1977

FIG. 4-1



PRISM RESOURCES LTD.
PRISM JOINT VENTURE 1977

BAG CLAIMS 1-80

MAYO MINING DISTRICT NTS 106D1

GEOCHEMICAL PLAN — SILVER

SCALE
0 meters 500

FIG. 5-1 A

DRAWN BY: DATE:

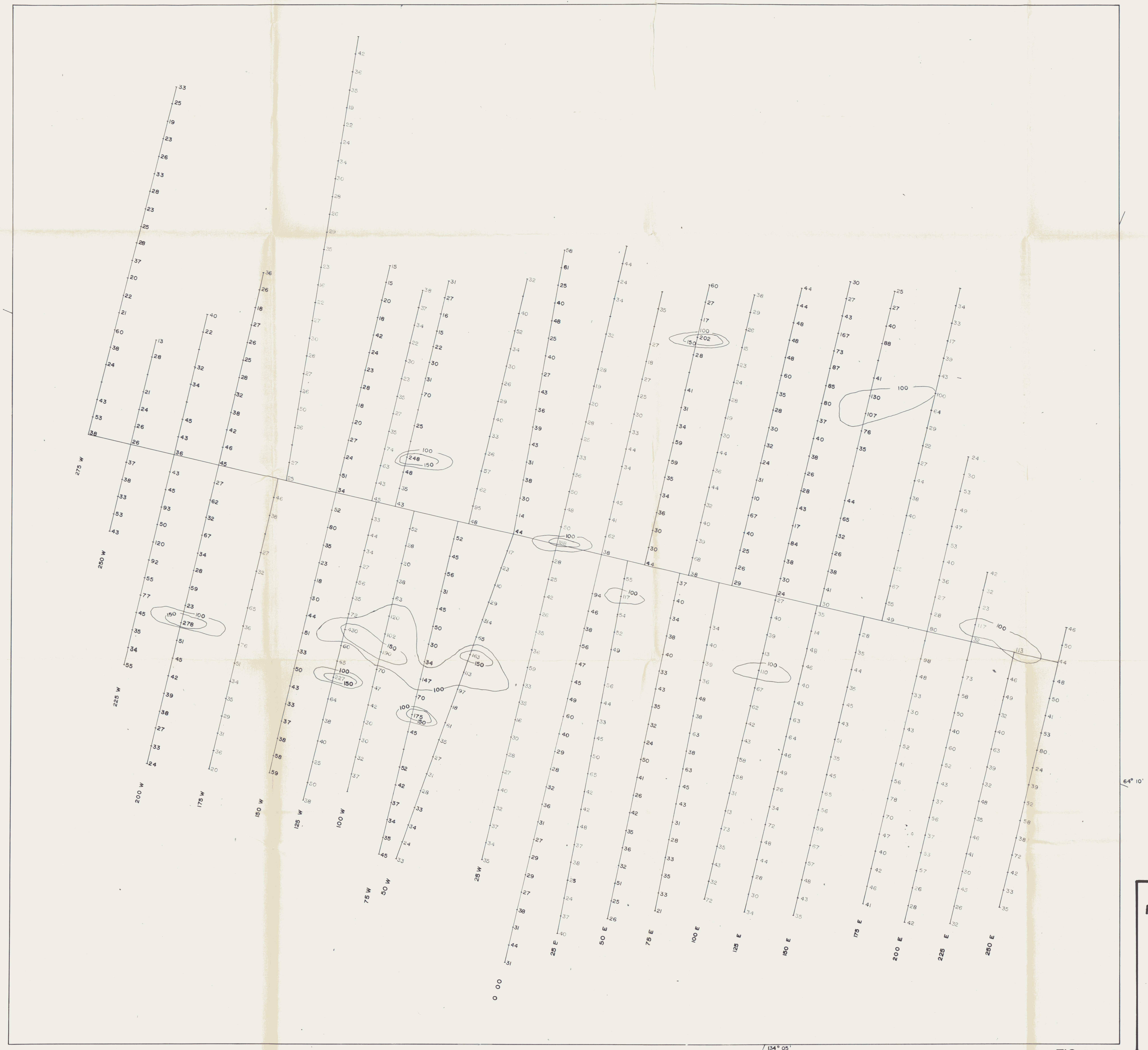


FIG. 5-1 B

PRISM RESOURCES LTD.
PRISM JOINT VENTURE 1977

BAG CLAIMS 1-80

MAYO MINING DISTRICT NTS 106D1

GEOCHEMICAL PLAN - LEAD

SCALE
0 meters 500

DRAWN BY: | DATE:

PRISM RESOURCES LTD.
PRISM JOINT VENTURE 1977

BAG CLAIMS I-80

MAYO MINING DISTRICT NTS 106D1

GEOCHEMICAL PLAN-ZINC

SCALE
0 meters 500

DRAWN BY: DATE:

FIG. 5-1 C