

GEOLOGICAL REPORT

on the

1977 TRENCHING PROGRAM

PESO - REX PROPERTY

SECRET CREEK - HAGGART CREEK AREA

MAYO MINING DISTRICT

106-D-4



<u>CLAIM</u>	<u>GRANT NUMBER</u>	<u>EXPIRY DATE</u>
Rex 1 to 8 incl.	61524 to 61531 incl.	March 4, 1978
Peso 1 & 2	59282 & 59283	February 22, 1978
Peso 11 & 12	59397 & 59398	February 22, 1978
Peso 7 & 8	59288 & 59289	February 22, 1978
Mic 1 to 4	YA15331 to YA15334 incl.	July 7, 1978
Mic 6 to 8	YA15336 to 15338 incl.	July 7, 1978

on behalf of

PESO SILVER MINES LIMITED

G. GUTRATH, P. ENG

ATLED EXPLORATION MANAGEMENT LIMITED

January, 1978

090444

1977 TRENCHING PROGRAM

PESO - REX CLAIMS GROUPS
PESO SILVER MINES LIMITED
MAYO MINING DISTRICT

INTRODUCTION

A bulldozer trenching program was carried out on the Rex Claim Group and Peso Claims Group from September 30 to October 4, 1977 at the request of D. M. Mercier, President of Peso Silver Mines Limited.

The trenching program was part of a re-evaluation of the Secret Creek silver veins by the present Peso management.

The trenching was done with a D7 Caterpillar operated by V. Falk and under the field supervision of the writer.

WORK COMPLETED

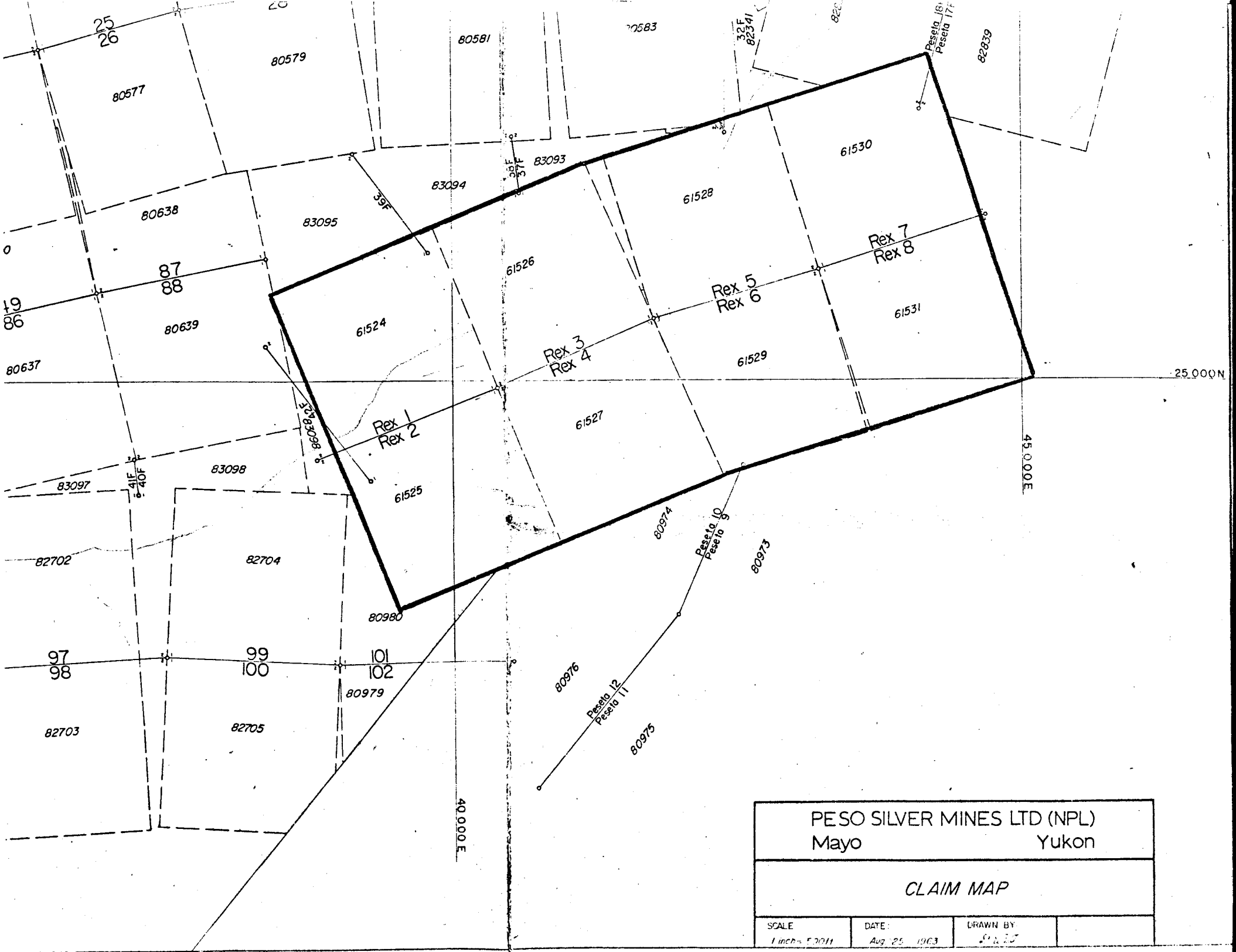
REX CLAIM GROUP

Two trenches were completed on the Rex claim.

	<u>Length</u>	<u>Width</u>	<u>Depth</u>	<u>Cubic Yards'</u>
Trench 1	275'	14'	2'	285 yd ³
Trench 2	290'	14'	3'	<u>451 yd³</u>
			Total	736 yd ³

The first trench was dug at S 70 W along the strike of the Rex vein in order to determine the continuity of the mineralization and to get fresh vein material for samples.

The second trench was dug at N 50 W across the strike of the Rex vein in order to see if the vein had been offset by faulting.



PESO SILVER MINES LTD (NPL) Mayo Yukon			
CLAIM MAP			
SCALE 1 inch = 500 ft	DATE Aug 25 1963	DRAWN BY J. J. J.	

a) RESULTS

The first trench traced the vein-zone for its entire length of 275 feet. Two samples were taken along the vein.

	<u>Number</u>	<u>Width</u>	<u>oz. IT Silver</u>	<u>oz. IT Gold</u>
Sample 1	54552	1.5'	9.96	0.001
	54553	3.0'	8.96	0.002
	Weighted Average	4.5'	9.29	0.0017
Sample 2	54554	5.0'	7.08	0.012

The vein-fissure zone could be traced 150 feet to the SW beyond the trench in broken rock-rubble that had been stripped of overburden. However, the vein weakens at this point and could not be traced any further to the southwest.

Trench 2 was dug across the strike of the Rex vein to see if the fault offset portion of the vein could be located. At the projected strike of the Rex vein the trench intersected a strong unmineralized yellow fault gouge zone. Seventy feet to the south west the trench uncovered a south westerly striking fissure vein zone that may represent the extension of the Rex vein. The zone is highly oxidized and is affected by the close proximity of the cross-cutting fault. Two grab samples of fresher material were taken from this zone for assay.

	<u>Silver oz. IT</u>	<u>Gold oz. IT</u>
#54553	7.92	0.005
(Grab.)	3.38	0.005

b) COMMENT

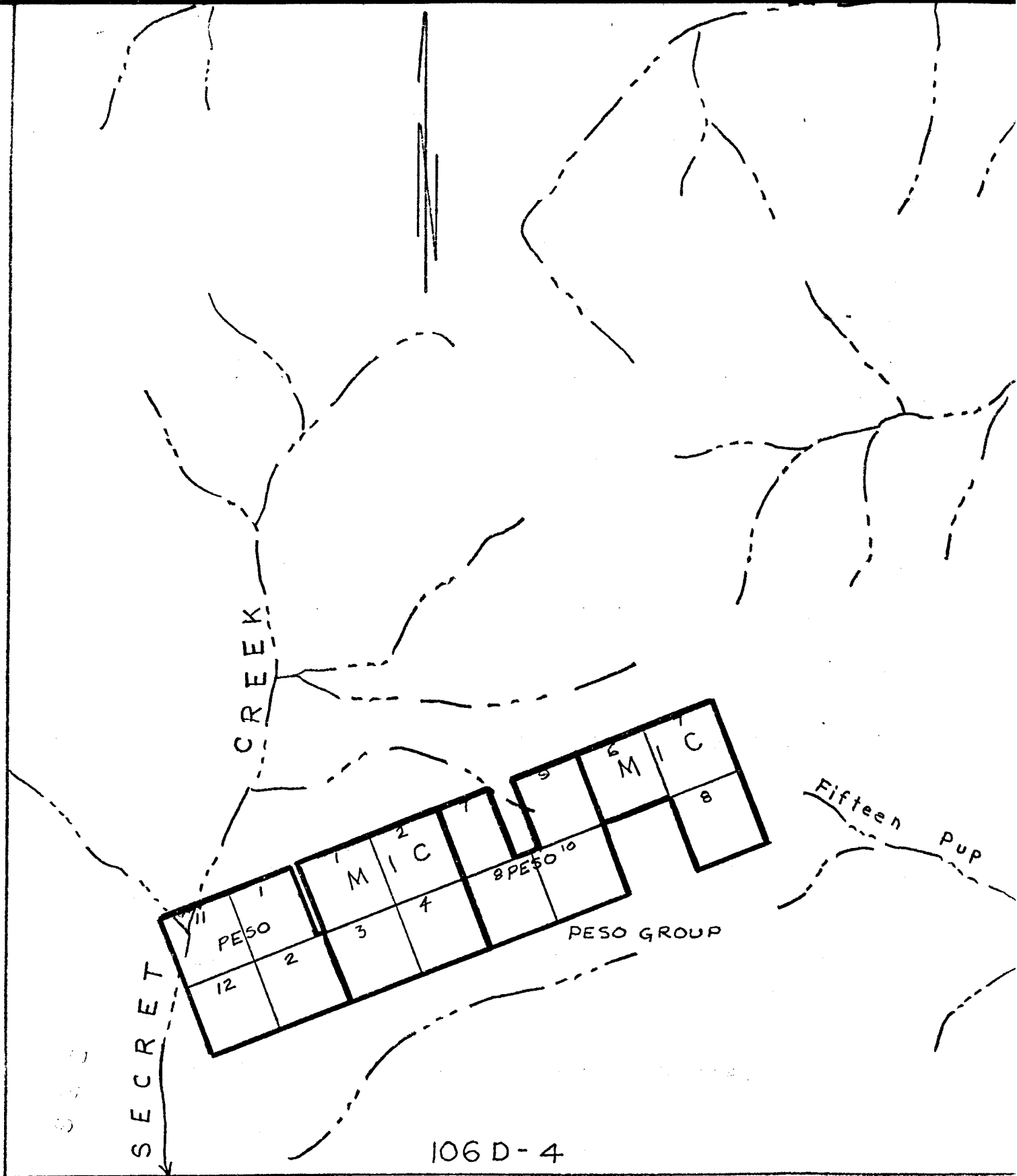
Additional trenching is required to the southwest of the newly located offset (?) portion of the Rex vein. Previous work had been concentrated to the southwest along the projected strike of the main vein.

PESO CLAIM GROUP

Ten trenches were dug along the strike of a northeasterly trending fissure-vein zone. This zone lies to the south of the main workings on the Peso Claim Group. Some old trenches had been dug with a narrow-blade bulldozer in the early 1960's. These trenches were cleaned out, widened and fresh rock exposed. Additional fill in trenches were dug to assist in tracing the zone along strike.

<u>Name</u>	<u>Length</u>	<u>Width</u>	<u>Depth</u>	<u>Cubic Yards</u>
T-1	60'	14'	3.0'	93 yd ³
T-2	85'	14'	3.5'	154
T-3	100'	14'	3.0'	155
T-4	90'	14'	3.0'	140
T-5	100'	14'	3.5'	181
T-6	110'	14'	3.0'	171
T-7	104'	14'	3.5'	188
T-8	120'	14'	3.5'	217
T-9	100'	14'	4.0'	207
T-10	155'	14'	4.0'	321
			Total	1827 yd ³

All the trenches were dug across the strike of the zone and the majority of the trenches reached solid, relatively fresh bedrock.



CLAIM MAP

SCALE 1/2 MILE = 1 INCH

a) RESULTS

Stibnite, galena, and sphalerite mineralizations associated with quartz veining in a fault-fissure zone is found in a number of the trenches. The sulphide content of the zone varies rapidly along strike. The zone appears to be offset by a number of northwesterly faults. The fissure-vein zone can be traced from T-3 to T-7 a distance of 400 feet.

Samples were collected for assay from a number of the trenches.

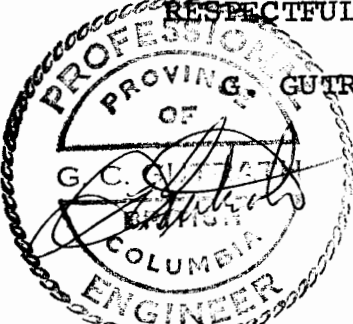
<u>Trench</u>	<u>Number</u>	<u>Width</u>	<u>Silver oz/T</u>	<u>Gold oz/T</u>
T-1	54557	2.0'	0.12	(0.003
T-3	54558	5.0'	0.04	0.003
T-4	54559	3.0'	0.02	0.003
T-5	54560	4.5'	0.42	0.003
T-6	54561	3.0'	0.18	0.003
T-7	54562	2.0'	0.20	0.003

The majority of the samples were quite lightly oxidized and it is possible that silver values have been leached out of the zone. However, this zone does not appear to have the grade or continuity of the Rex vein.

COMMENT

The vein is a very low priority exploration target and is of little economic interest.

RESPECTFULLY SUBMITTED
PROVING. GUTRATH, P. ENG.
OF
G. C. GUTRATH
COLUMBIA
ENGINEER



ENGINEER'S CERTIFICATE

I, GORDON C. GUTRATH, of 3636 Lakedale Avenue in the Municipality of Burnaby, in the Province of British Columbia, DO HEREBY CERTIFY:-

1. THAT I am a consulting geologist with a business address of 1024-355 Burrard Street, VANCOUVER, B.C. V6C 2G8
2. THAT I am a graduate of the University of British Columbia where I obtained my B. Sc., in geological science in 1960.
3. THAT I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia.
4. THAT I have practised my profession as a geologist for the past eighteen years and
5. THAT I have no interest in the property with which this report is concerned, nor do I expect to receive any such interest,
6. THAT I am a director of Peso Silver Mines Ltd.

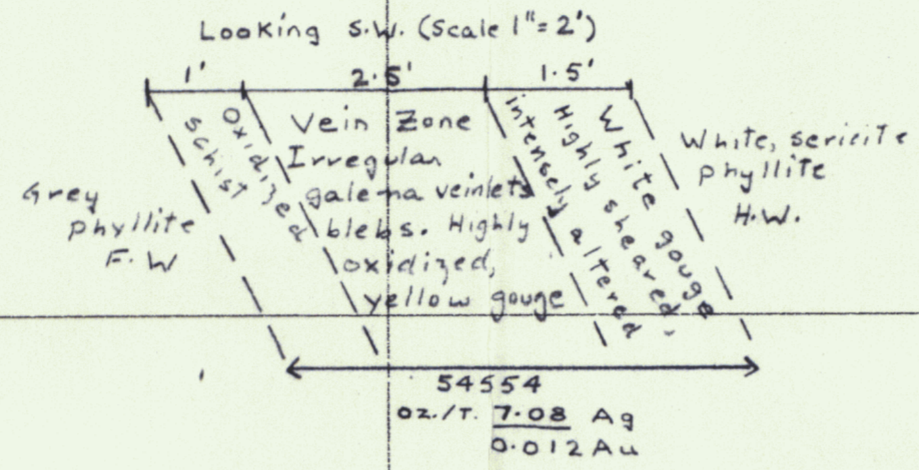


Gordon C. Gutrath, B. Sc., P. Eng.

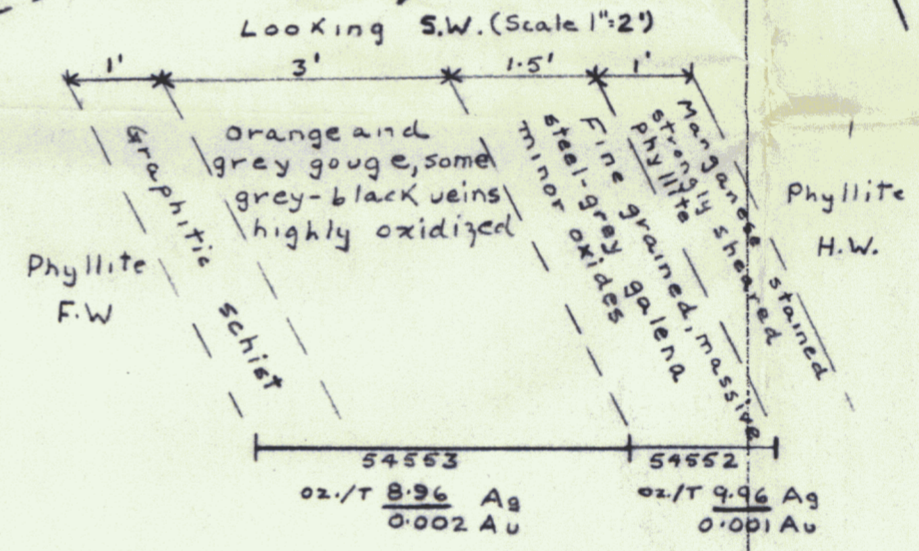
DATED at the City of Vancouver, Province of British Columbia, this 10th day of February, 1978.

REX 5

REX 7



REX 8



REX 6

2-3' quartz vein
Oxidized fissure vein zone
Possible extension of
Rex fissure-vein zone



PE SO SILVER MINES LTD (NPL)
Mayo Mining District, Yukon

TRENCHING
OCTOBER, 1977

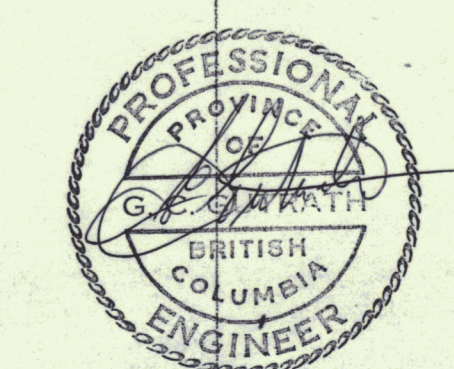
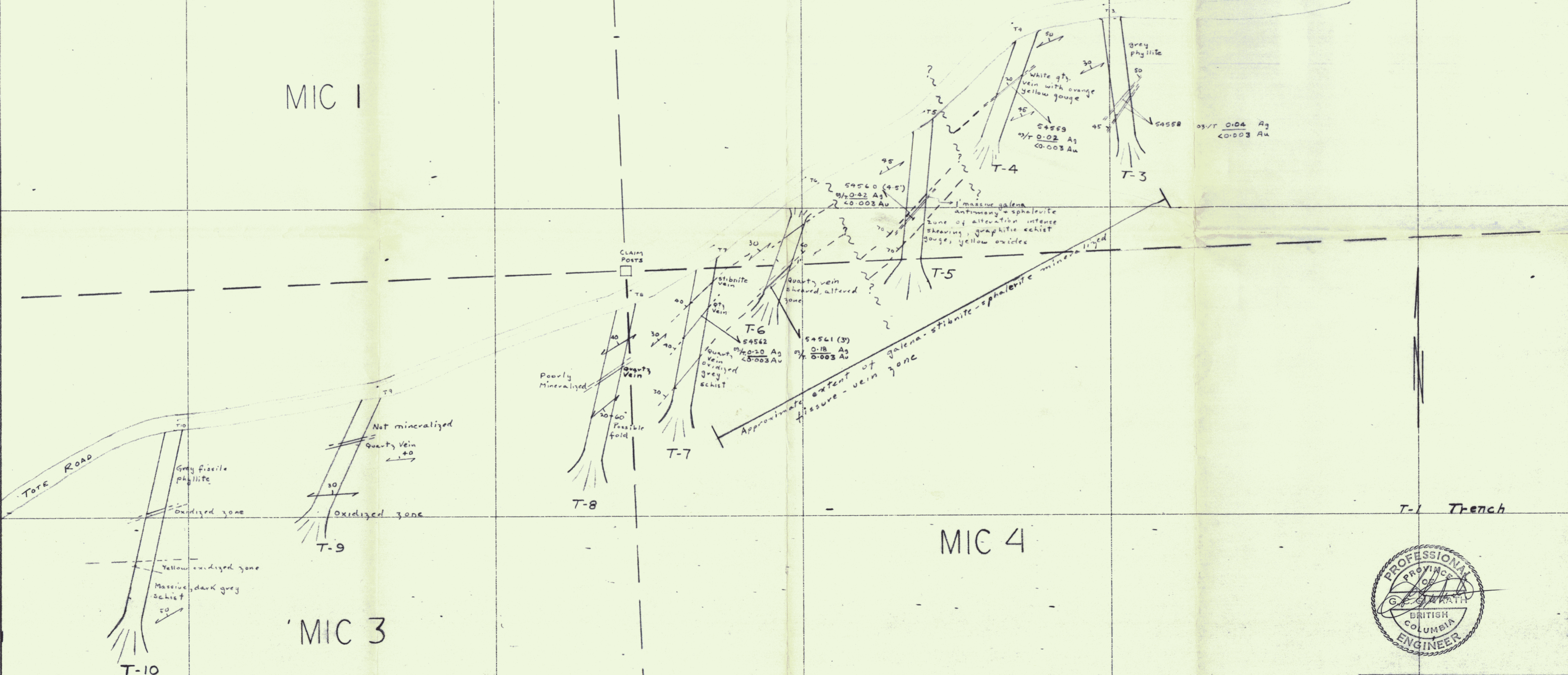
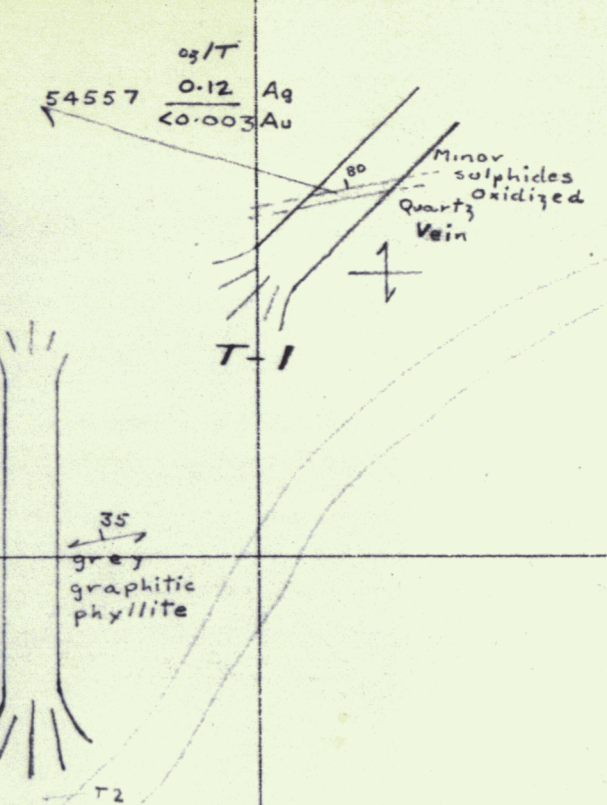
1 inch = 50 ft. Feb. / 78 G G

MIC 1

MIC 2

MIC 3

MIC 4



PESO SILVER MINES LTD (NPL) Mayo Mining District, Yukon			
TRENCHING OCTOBER, 1977			
1 inch = 50 ft	24 / 78	59	