IONA SILVER MINES LTD.

OK-8 and 10 claims

105-F-9, Watson Lake, M.D., Yukon

GEOCHEMICAL REPORT

by

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

February 23, 1980

Fieldwork: Intermittently between July 1-August 30, 1979

This report has been examined by the Geological Evaluation Unit and is recommended to the C[illegible] to be considered as [illegible] the amount of

$ 1600.00

J a Morin

[illegible] Geologist or
[illegible] Engineer

[illegible] work under
Section [illegible] Quartz Mining Act.

S. R. BAXTER
Supervising Mining Recorder

Commissioner of Yukon Territory

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ILLUSTRATIONS

IONA SILVER MINES LTD.

105-F-9, Watson Lake M.D., Yukon

OK-8 and 10 claims

Geochemical Report

1. Introduction

An extensive reconnaissance soil sampling survey for lead encompassing about 5200 soil samples was completed over a large portion of the present Iona Silver Mines Ltd. claims in 1968.

Small parts of the area thus surveyed were subjected to more detailed geochemical work in 1977 and 1978.

During the 1979 field season, an area which appeared of significant interest due to the abundance of high-lead soil values over an area equivalent to about 2 claims, was prospected and sampled in greater detail on the OK 10 and adjoining OK 8 and D 1 claims.

2. Program

The first part of the program consisted of prospecting the area upslope from the OK claims to find, if possible, showings in place, to gain an insight into the prevailing geological conditions, to prospect for float and ultimately, to choose an area where detailed soil-sampling appeared most promising.

3. Results

This work resulted in the discovery of float assaying

(sample 548, August 16, 1979) .14 oz/t Au, 13.9 oz/t Ag, 13.9% Pb and .60% Zn. This corroborated the presence of gold, first revealed about 300' to the East of the new location in 1978, were chips of various blocks of siderite-arsenopyrite assayed as follows: .44 oz/t Au, .26 oz/t Ag, .23% Pb.

Further prospecting located a showing averaging about 6" wide and exposable for a length of 30', assaying (sample 557, August 1979) .005 oz/t Au, 143.1 oz/t Ag, 73.8% Pb and .70% Zn.

The strike of this occurrence is nearly East-West, with a 15^{o} dip to the North.

Consequently, a base line striking 260^{o} was laid out and twelve grid lines were cut at right angles for a total length of 9800'.

4. Soil-sampling

Samples were taken at 50' intervals on all lines except the last one, where only 7 samples were taken at 100' spacing.

Samples were taken at depths varying from about 4" to in excess of one foot in holes dug with a mattock and/or pick.

Soil conditions were good with only occasional humus and an easily identifiable "C" horizon, due to sparse vegetation and a Southerly exposure of the slope. Overburden varies from 0 to possibly as much as ten feet.

Samples in Kraft paper bags were dried in camp and forwarded to Whitehorse assay office, where they were assayed by atomic absorption method after hot extraction.

All samples were assayed for lead, zinc, silver and gold, the first three in parts per million, and the latter in parts per billion.

144 samples were taken on the OK claims 8 & 10, and 41 samples on claim D-1.

5. Interpretation

Previous experience in the area indicates that the threshold values for lead and silver are of the order of 40-50 ppm lead and 2-3 ppm silver.

This survey suggests that the threshold values for zinc and gold are of the order of 100 ppm zinc and 20 ppb gold.

Very strong coincident anomalous trends were found to run slightly East of North, which is the most common vein direction in the area.

Values exceeding 5000 ppm lead suggest galena in place or in significant float nearby; values of the order of 1000 to 5000 ppm also generally indicate a nearby source of galena in place in this district, as do silver values in excess of 12-15 ppm.

The results suggest that the high grade vein in place may not be the main occurrence, but could represent an East-West more or less bedded occurrence joining perhaps 2 or more of the usual nearby North-South vein structures common to this district.

6. Recommendations

Bulldozer trenching across the area of interest in long

trenches about parallel to the base line is recommended in the area, both South and North of the base line.

The overburden-covered area along the base-line between 300W and 700W appears especially promising, as well as the area along line 10.

7. Summary and Recommendations

Soils highly anomalous in lead and silver have been found and appear to follow near North-South trends.

Bulldozer trenching along East-West lines is recommended to investigate the source of the anomalous soils.

February 23, 1980

Respectfully submitted,

P.H. Sevensma, Ph.D., P.Eng.
Iona Silver Mines Ltd.

APPENDIX "A"

Costs of a Geochemical program carried out on the OK claims 8 & 10, between July 1 and August 30, 1979, claim sheet 105-F-9, Watson Lake M.D., Yukon.

1. Personnel

P.H. Sevensma, 2 days supervision @ $250	= $500	
R. McIntyre, 4 days @ $100	= 400	
Bill Havdale, 10 days @ $80	= 800	$1,700

2. Supplies

Food supplies, 16 man days @ $25	= $400	
Transportation, shipping	250	$ 650

3. Assaying

Soil assays Whitehorse Assay Office

A 2154 - 144	$1,080	
A 2167 - 41	189	
1 Au, Ag, Pb, Zn	17	
		$1,286
Total Costs		$3,636

Signed: P.H. Sevensma

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

CANADA

YUKON TERRITORY

TO WIT:

I, Peter H. Sevensma, of 7052 Sierra Drive, Burnaby, B.C., hereby declare as follows:

That attached hereto, this my affidavit, and marked Appendix "A", is a statement of costs and a list of personnel employed in a Geochemical program on the OK-8 and 10 claims during July and August, 1979.

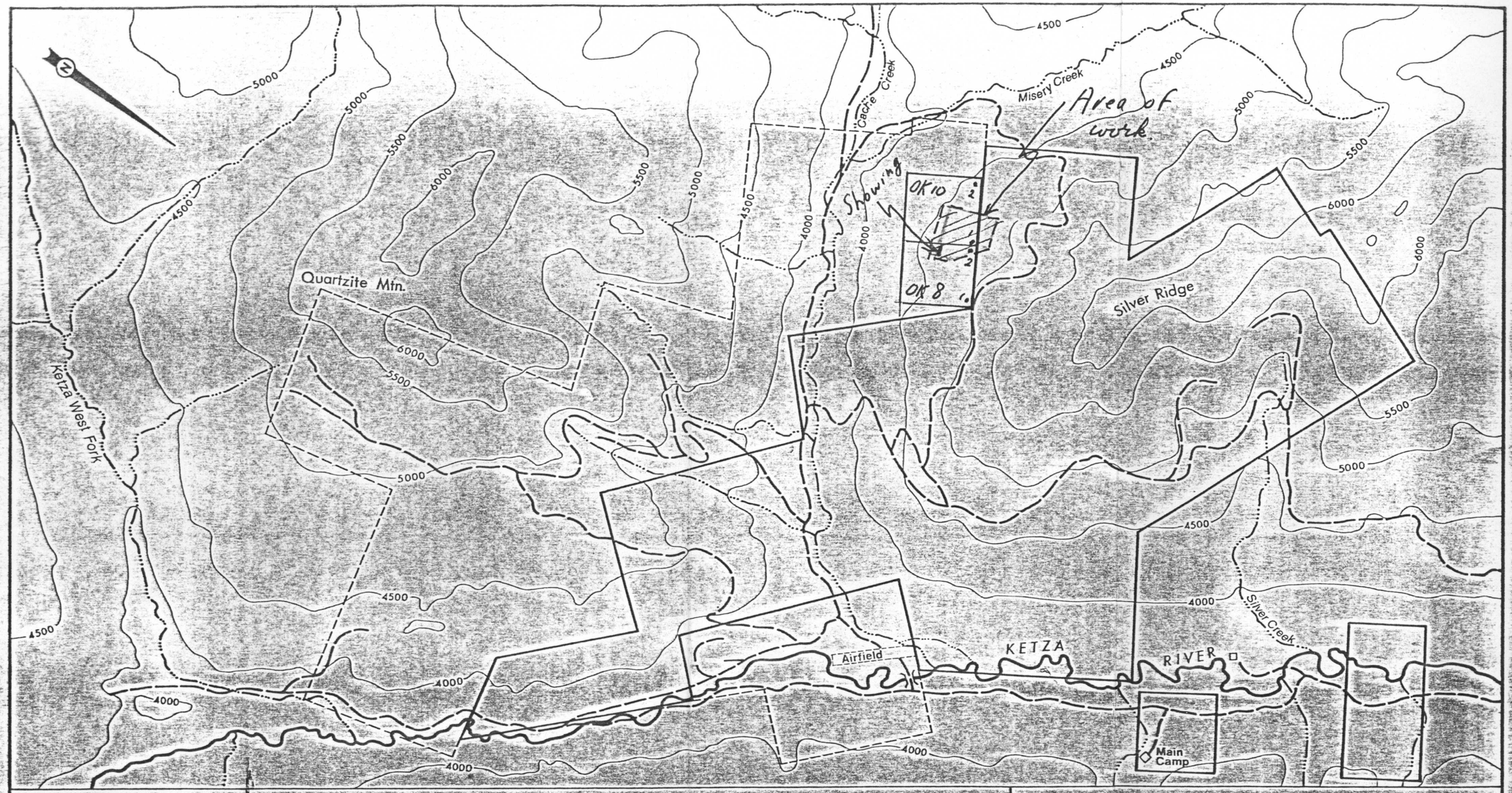
The work in the field was inspected by me on the ground.

All information contained in Appendix "A" is true and accurate to the best of my knowledge and belief.

DECLARED before me in
Watson Lake, Yukon Territory
this 27th day of February, 1980.

P. H. Sevensma

A Notary Public in and for the
Yukon Territory.



LEGEND

Iona Silver Mines Ltd. previous claims

New claims acquired 1977

To show location of Geochemical Program. 1979 On OK 8 & 10 M.C.'s.

J.H. Sevensma

IONA SILVER MINES LTD.

CLAIM LOCATION MAP

KETZA RIVER PROPERTY

WATSON LAKE M.D., Y.T. Part of NTS map 105 F-9

NEVIN, SADLIER-BROWN, GOODBRAND, LTD., VANCOUVER, B.C.

DATE: January, 1978

October, 1979

0 500 1000 m

0 2000 feet

FIG. 1

IONA SILVER MINES LTD.

KETZA RIVER PROJECT
D AND OK CLAIMS
GEOCHEMICAL SURVEY
LEAD IN PPM

WATSON LAKE M.D.

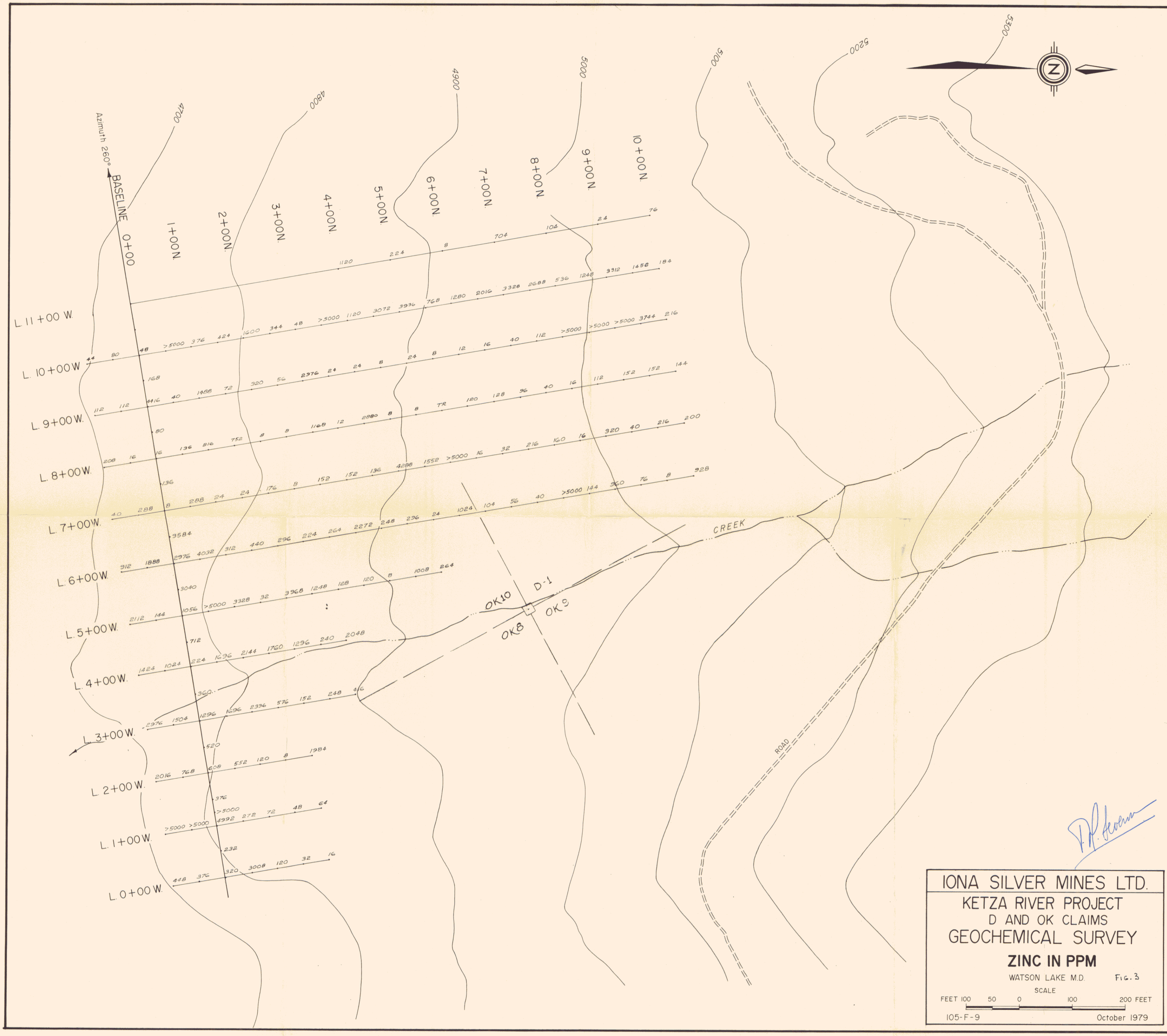
FIG. 2

SCALE

FEET 100 50 0 100 200 FEET

105-F-9

October 1979



IONA SILVER MINES LTD.

KETZA RIVER PROJECT
D AND OK CLAIMS
GEOCHEMICAL SURVEY

ZINC IN PPM

WATSON LAKE M.D. Fig. 3

SCALE

FEET 100 50 0 100 200 FEET

105-F-9 October 1979

Azimuth 260°

BASELINE 0+00

1+00N

2+00N

3+00N

4+00N

5+00N

6+00N

7+00N

8+00N

9+00N

10+00N

4700

4800

4900

5000

5100

5200

5300

L. 11+00 W.

L. 10+00W.

L. 9+00W.

L. 8+00W.

L. 7+00W.

L. 6+00W.

L. 5+00W.

L. 4+00W.

L. 3+00W.

L. 2+00W.

L. 1+00W.

L. 0+00W.

CREEK

OK10

D-1

OK9

OK8

ROAD

N

IONA SILVER MINES LTD.

KETZA RIVER PROJECT

D AND OK CLAIMS

GEOCHEMICAL SURVEY

SILVER IN PPM

GOLD IN PPB

WATSON LAKE M.D.

FIG. 4

SCALE

FEET 100 50 0 100 200 FEET

105-F-9

October 1979