

091829

REPORT

on the

ORO CLAIMS

**Watson Lake Mining District
Yukon**

for

YUKON MINERALS CORPORATION

11003 84 Avenue Edmonton
Alberta T6G 0V6

ORO Claims
Latitude 60° 12'N
Longitude 130° 27'W
NTS 105B/1W

by

Allan M. Frew B.Sc., F.G.A.C.

June 22 1986

This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 13,000.00.

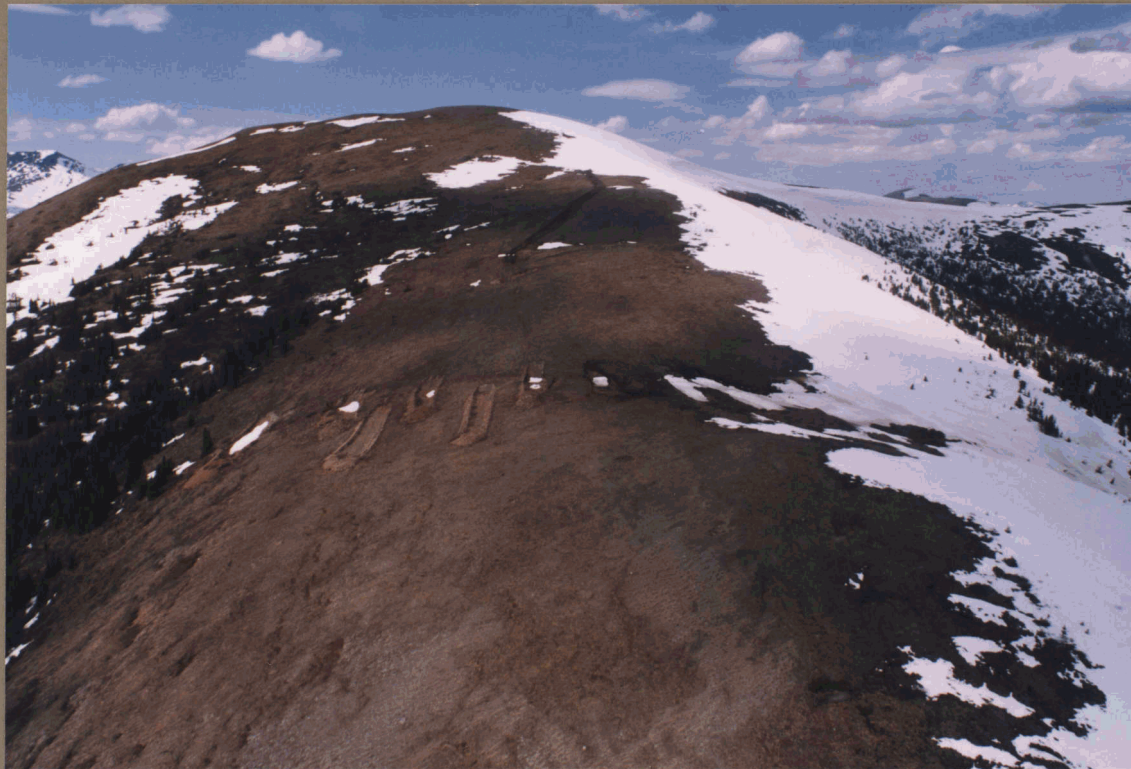
[Signature] 23 Sept '86.

Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.



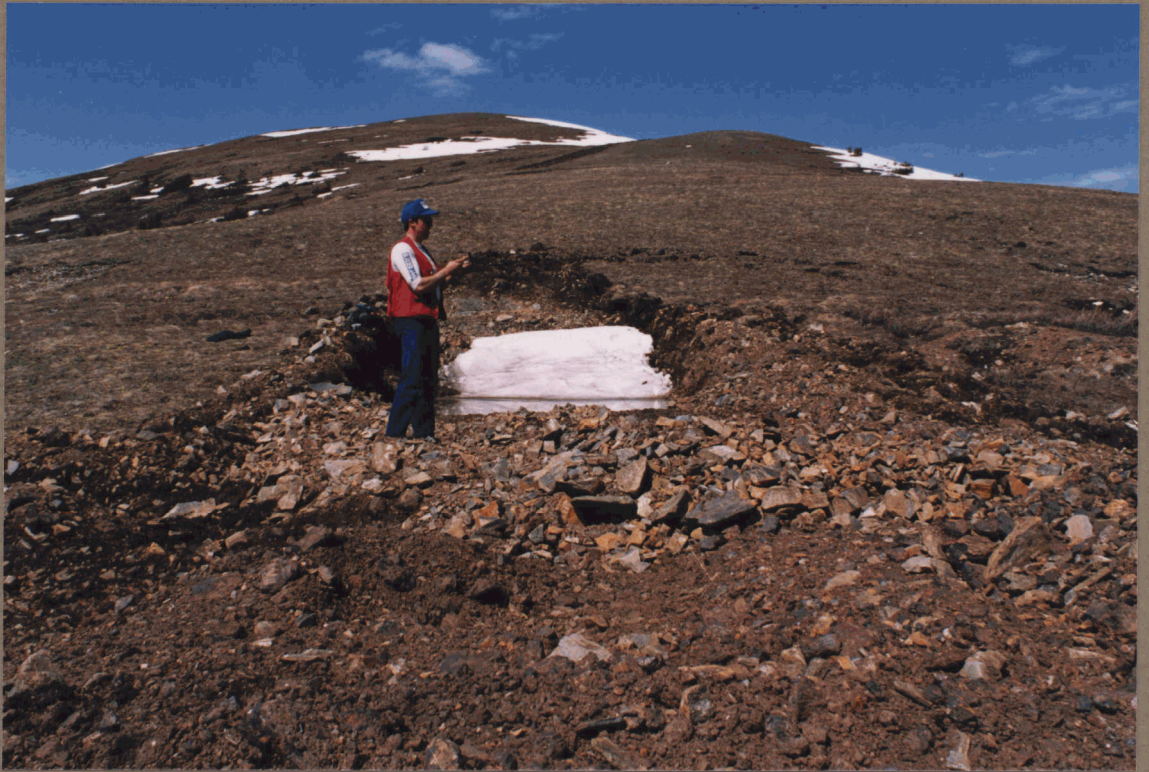
The west half of the ORO claims and the slope to Spencer Creek. The view is from the area of mineralization, toward the northwest and the headwaters of Spencer Creek.

Yukon, June 1986



ORO claims, north of Rancheria, Yukon. View from Spencer Creek to the northeast showing most of the trenches.

June 1986



The westernmost of the 1985 trenches, containing Mike Neilsen. View is from the southwest toward the highest point of the ORO claims.

Yukon, June 1986



Sampling the easternmost 1985 trench of the ORO claims in June, 1986.

Yukon, June 1986



View of the ORO property, Yukon, toward the south. Trenches are in the foreground. The far ridge hosts the Jack silver showings.

June 1986



View from the ORO trenches toward the northeast, along the structure containing the silver veins. Visible on the far ridge is the somewhat precipitous route to the Meister property.

Yukon, June 1986



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SUMMARY

Recently trenched structure on the ORO mineral property is seen to contain intriguing silver-lead mineralization which is similar to other major discoveries in this newly recognized silver-lead-zinc belt, which is known as *the McCrory Silver Belt*, in southeastern Yukon. Preliminary samples from one of the trenches assayed in excess of 45 oz/ton Ag and 75% Pb.

Characteristic manganese oxide, "wad", is pervasive throughout the observed surface expression of a major fault structure which crosses the claims. This fault is seen to have a strike length of several kilometres, extending northeast-southwest across the entire width of the property. Surface features indicate the existence of other parallel fault structures.

In 1985, a silver-lead discovery was made on the property which lies immediately southeast of the ORO. This discovery has grades averaging 115 oz/ton Ag across 18 inches. Varying degrees of success are being achieved on other nearby discoveries in this new Silver Belt. These properties include the *Meister* of Getty Minerals and Regional Resources and the *Wolf* of Pak-Man Resources. The *CMC* property of Silver Hart Mines is proceeding towards production. Geological characteristics of all these properties are much similar.

It is recommended that immediate consideration be given to acquisition of the ORO mineral claims and that an exploration program be implemented forthwith.

INTRODUCTION

In June 1986, Mr. Terence McCrory, president of Yukon Minerals Corporation, requested this writer to assess the exploration merits and potential of the ORO Mineral Claims, Watson Lake Mining District, Yukon. This assessment involved a review of the available data, and a visual examination of the property which took place during a visit there on June 6, 1986.

The property represents excellent exploration possibilities by virtue of the existence of silver-lead-zinc mineralization contained within a major fault structure, and further by virtue of its being bounded to the east and south by the JACK CLAIM GROUP, on which major high grade silver-lead-zinc discoveries were made in 1985. Certain similarities of geology exist as on properties in the general area, which properties are known as: the *Meister*, the *Wolf*, the *Midway* and *Silver Hart*, all of which are at varying stages of exploration and development.

This author is familiar with the JACK CLAIM GROUP because of organizing and implementing the 1985 exploration program there, and being responsible for the resultant discoveries of silver-lead-zinc veins.

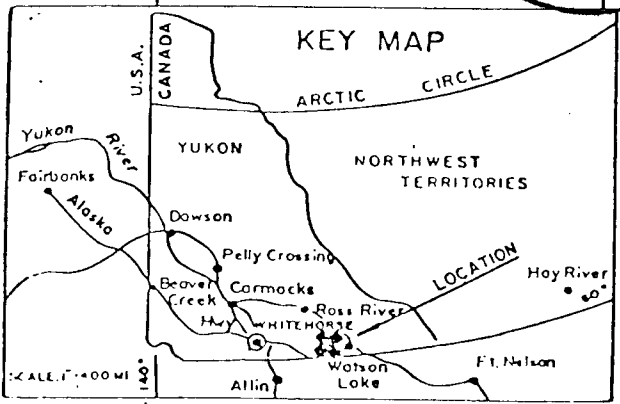
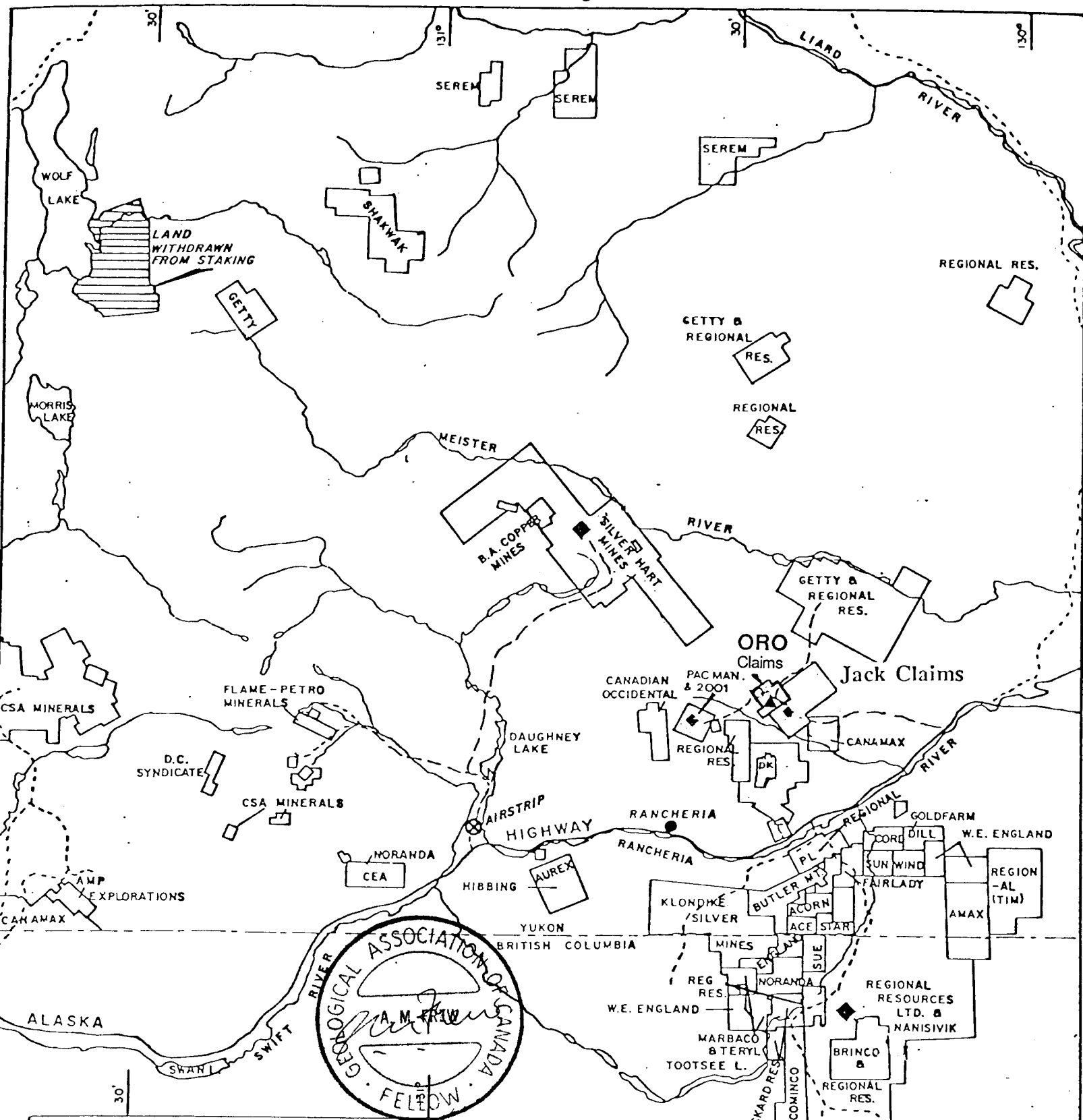
A program of exploration, and a budget for the evaluation of the ORO Mineral Claims is included with the following report.

LOCATION AND ACCESS

The ORO Mineral Claims property is located on the north side, and near the headwaters, of Spencer Creek, within the Watson Lake Mining District of southeastern Yukon (Figure 1.). More specifically, the centre of the property is situated at 60°12' North latitude and 130° 27' West longitude. Access to the property can be achieved by means of a gravel bush road, which begins at mile 692 along the Alaska highway and runs in a general northwesterly direction along the north side of Spencer Creek. The distance to the centre of the property is approximately 27 km (16 miles) distance from the starting point at mile 692. The centre of the property is also approximately 14 km northeast of the settlement of Rancheria, which is at mile 710 on the Alaska Highway (approximately 160 km, or 100 miles, west of Watson Lake).

The town of Watson Lake is serviced, on a regular basis by Canadian Pacific Airlines and has most services and amenities one would find in most large towns.

Rancheria has lodging accommodations and restaurant service available on a 24 hour basis. There is also a service station here, which, besides the routine supplies, offers limited mechanical repair.



YUKON MINERALS CORPORATION

ORO Mineral Claims

Watson Lake Mining District, Yukon

Figure No. 1

PROPERTY LOCATION

Report by A M Frew June 22 1986

HISTORY

It is not known exactly when mineralization was first discovered on the property. However, in 1969 an exploration program directed by P. Sevensma, uncovered silver, lead, zinc mineralization of which he stated: *"...an extremely encouraging assay was received from this narrow zone and together with its possibility of great length this becomes a showing of good merit."* This mineralization assayed 42 oz/ton Ag and 65.5% Pb across 6 inches.

In 1984, Douglas Schellenberg of Watson Lake restaked the property and carried out a soil geochemical survey, along lines at 750 foot (228 m) spacings, parallel to the claim lines, with samples taken at 200 foot (60 m) intervals. The results indicated two widely spaced lead anomalies which had a general N 55° E trend.

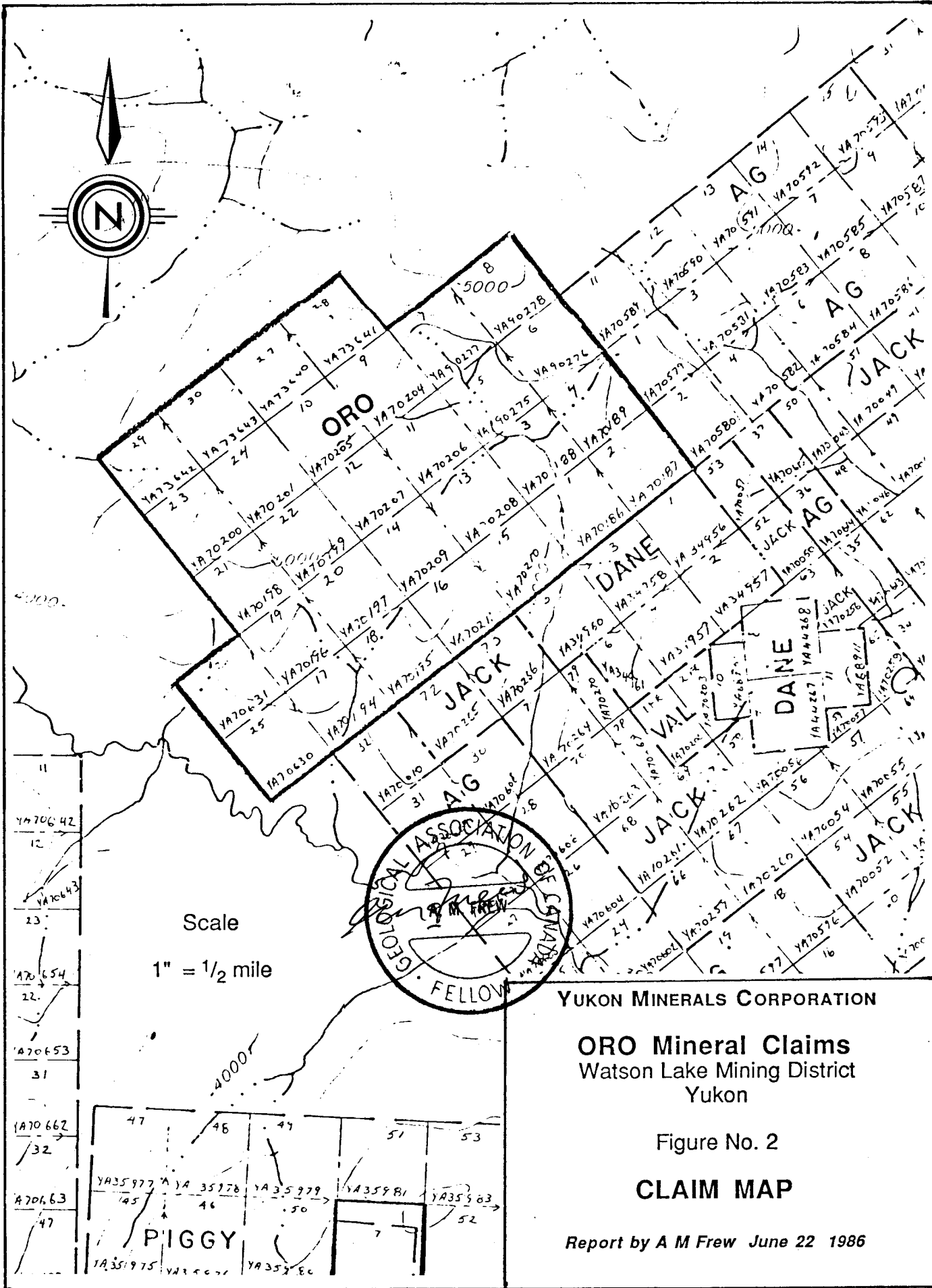
In September 1985, Anthony Rich optioned the property from Schellenberg, and put in two D-8 tractor trenches. These trenches were on the same structure as the earlier showing, but the depth was limited by permafrost. They are approximately 100 feet apart and the most westerly trench is approximately 1,000 feet northeast of the original Sevensma showing.

PHYSIOGRAPHY AND VEGETATION

The ORO Mineral Claims property is located over a high alpine to sub-alpine ridge, which occupies the western half of the property, and an inter-ridge valley which occupies the eastern half. The ridge is rounded to subdued, and mostly above tree-line. The lower slopes to the south, as well as the valley are tree covered. The vegetation consists of varying thicknesses of balsam spruce, scrub conifers, alder and dwarf birch. Above the tree-line the vegetation is predominantly mosses and lichen with occasional isolated clumps of dwarf birch.

PROPERTY

The property is comprised of the ORO Mineral Claim Group, which consists of the 30 Yukon Quartz claims, which are a group of contiguous claims known as ORO 1-30 inclusive (Figure 2.). They were optioned from Mr. Douglas Schellenberg by Anthony Rich in September 1985. All claims are in the Watson Lake Mining District on Mapsheet 105-B-1. Particulars are as follows:



YUKON MINERALS CORPORATION

ORO Mineral Claims
Watson Lake Mining District
Yukon

Figure No. 2

CLAIM MAP

Report by A M Frew June 22 1986

Claim Name:	Grant Number:	Record Date:
ORO 1 - 4	YA 70186 - YA 70189	July 5, 1986
ORO 5 - 8	YA 90275 - YA 90278	September 13, 1986
ORO 9 - 14	YA 70204 - YA 70209	July 6, 1986
ORO 15, 16	YA 70210 - YA 70211	July 13, 1986
ORO 17 - 24	YA 70194 - YA 70201	July 5, 1986
ORO 25, 26	YA 70630 - YA 70631	October 3, 1986
ORO 27 - 30	YA 73640 - YA 73643	August 9, 1986

assessment work is presently being filed. This will maintain the claims in good standing until at least July 1987

REGIONAL GEOLOGY

The geology of the general area, is dominated by the Cassiar Batholith, which is a north-westerly trending mass of mainly biotite quartz-monzonite and granodiorite of Jurassic/Cretaceous age. It intrudes Lower Cambrian to Devonian sediments and metasediments - *G.S.C. publication, Map 10-1960, Wolf Lake Yukon, Sheet 105B, by Poole, Roddick and Green*. The area appears to form major, nearly isoclinal, folds with numerous shears and tear faults which have a generally northeasterly trending orientation. The rocks underlying the ORO Mineral Claim Group belong to a Lower Cambrian age, limestone, dolomite, slate and phyllite sequence. (*Unit 3, map 10-1960*)

PROPERTY GEOLOGY

There is very little known of the detailed geology of the immediate area of the property. It is underlain by Lower Cambrian age, calcareous phyllite, limestone and slate. In the area of the two trenches there is a basic volcanic dyke present, which is most likely associated with the mineralization. Also in the area of the trenches there is a major shear/fault zone which transects the complete width of the property from northeast to southwest. The mineralization occupies this fault and the width of the zone of alteration, mineralization and shearing was seen to vary from 4 feet in the east trench to 15 feet in the west trench. Accurate sampling was prevented by snow and permafrost.

OBSERVATIONS

There are several encouraging and significant aspects of the recently visited trench area. There is an abundance of manganese oxide (wad) in the immediate area which is very common on the Silver Hart property, some 16 miles to the north west. Wad is invariably associated with the silver-lead-zinc mineralization on the adjoining Jack Claim Group property. Much of the "wad" is seen to contain argentiferous galena.

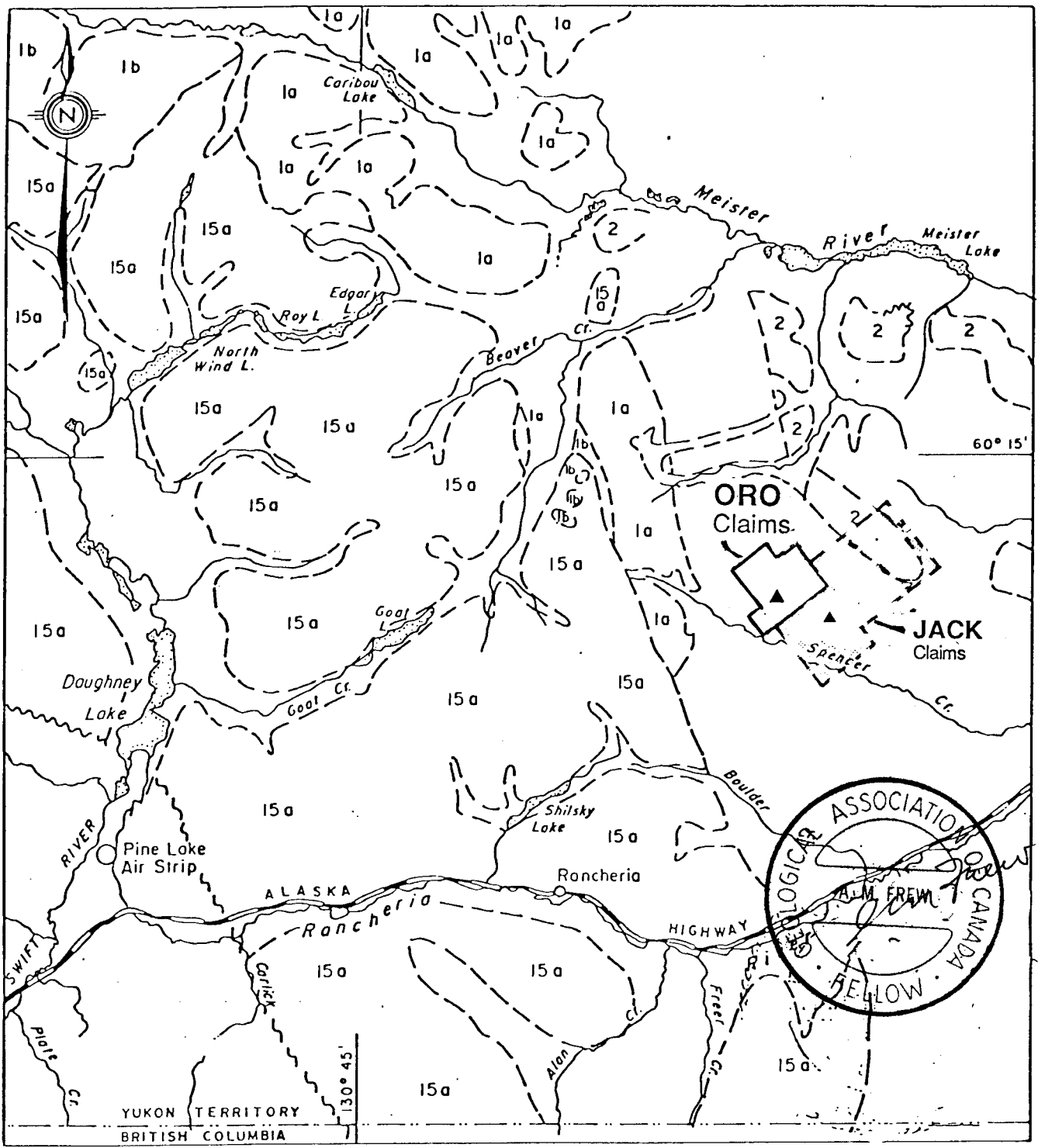


FIGURE 3

CRETACEOUS

15 CASSIAR BATHOLITH - quartz monzonite

CAMBRIAN AND (?) EARLIER

2 Quartzite, minor slate and phyllite, quartz grit and fine pebble conglomerate
2a, phyllite, minor slate; 2b, hornfels.

1 Probably metamorphic equivalents of 2;
1a, biotite schist and quartzite; 1b, marble and skarn; 1c, biotite schist and quartzite with sills, dykes, and irregular bodies of pegmatite; 1d, biotite schist and gneiss.

PRECAMBRIAN (?)
AND PALAEOZOIC

YUKON MINERALS CORPORATION

ORO Mineral Claims
Watson Lake Mining District
Yukon

Figure No. 3

REGIONAL GEOLOGY

Report by A M Frew June 22 1986

"Manganese Dioxide sols and gels carry a negative charge and strongly adsorb the positive silver ions to their surface"...so says R.W. Boyle in his Memoir, "The Geochemistry of Silver and its Deposits" - Geological Survey of Canada Bulletin No. 160 1968. Therefore, this writer suggests that it follows that argentiferous galena would attract the "wad" and act as a nucleus for its growth. The pervasion of wad in the area has been found to be indicative of silver-lead veins being present.

Dozer stripping of an area of wad on the Jack Claim Group revealed that once the leached surface was removed from the top of the structure, the fresh sulfides so exposed assayed an average of 115.1 oz Ag/ton, over 18 inches of vein width. The stripping in this case was over 10 feet in depth.

The following assays are of samples collected during the June 6, 1986 visit of the writer to the ORO property:

Sample No	Location	Sample Description	Ag oz/ton	Au oz/ton	Pb %	Zn %	Mn %
ORO F2	east trench	limonite, contains fragments of galena, yellow stained	3.44	-	1.88	1.75	0.03
ORO F3	east trench	massive black wad, specks of galena	tr.	-	0.06	2.60	5.30
ORO F 4	east trench	steel galena, l.s. inclusions, vuggy, limonite stain	48.66	-	71.45	1.15	-
ORO F 5	east trench	similar	47.52	-	77.22	-	-
ORO F 6	east trench	similar	47.42	-	75.73	-	-
ORO F 7	west trench	"wad" much limonite stain. specs of galena	0.86	-	0.52	-	4.61
ORO F 10	west trench	iron oxide, massive, dark maroon, vuggy	0.52	-	0.64	2.61	4.22
ORO F 11	west trench	limonite and wad	0.50	-	0.16	4.02	4.70
ORO F 12	west trench	gouge from shear zone	0.56	-	0.26	0.71	0.11
ORO F 13	300' w. of w. trench	fine gr. siliceous, l.s. with much mariposite	0.04	tr.	0.03	0.03	-
ORO F 15	300' w. of w. trench	silicified, rhyolitic (?) micro-stringers of qtz	0.08	tr.	0.03	0.02	-

The structure containing the mineralization tested by the two trenches has an orientation of approximately N50°E, and has a strike length of several kilometres, completely transecting the property. It appears to be near vertical in attitude.

There are several other depressions, which may be parallel structures; and these should be checked by geochemistry and trenching.

CONCLUSIONS & RECOMMENDATIONS

Based on this writer's visit to the property, the encouraging structure and mineralization observed, and the similarity of geology to that of Jack Claim Group, Silver-Hart, Meister, Wolf and Midway, it is concluded that the ORO Mineral Claim property warrants an immediate and extensive exploration program the results of which will in all likelihood produce additional discoveries of silver-lead-zinc veins of economic grade and tonnage.

The following program is recommended:

PHASE I

Establish base line and grid. Clear base line with dozer. Conduct soil-geochemical and electromagnetic geophysical survey over grid, trenching, geological mapping and prospecting.

PHASE II

Diamond drilling of anomalies resulting from Phase I. This should be at least 2000 feet of drilling with possibilities of up to 4000 feet if initial results are sufficiently encouraging.

BUDGET

PHASE I


Dozer (D 7 with ripper) clear beseline and trenching	\$25,000
Establish grid (10 miles of cross-line)	1,500
Soil sampling	3,000
Assays (270 samples)	2,300
Geophysics	2,000
Geological mapping	5,000
Prospecting	20,000
Management & Supervision	6,000
Field supplies	3,000
Camp and kitchen equipment	12,000
Food and expendibles	4,000
Travel and accomodation	7,000
Freight	1,200
Office supplies	800
	<hr/>
	92,800
Contingencies (12%)	11,136
	<hr/>
Total Phase I	103,936

PHASE II

Diamond drilling (2000 feet)	60,000
Management and supervision	3,750
Camp costs	1,500
Core logging and assays	5,000
Camp & kitchen costs	3,500
Freight	1,000
Travel and accomodation	5,000
	<hr/>
	79,750
Contingencies (12%)	9,570
	<hr/>
Total Phase II	89,320
Total Phase I & II	\$193,256

It is strongly recommended that Yukon Mineral Corporation implement the proposed program, as soon as possible, in order to take advantage of the short exploration season.

Respectfully submitted,



A. M. FREW

Allan M. Frew

Allan M. Frew, B.Sc., F.G.A.C.

June 22/86

CERTIFICATE

I, ALLAN M FREW, do hereby certify that:

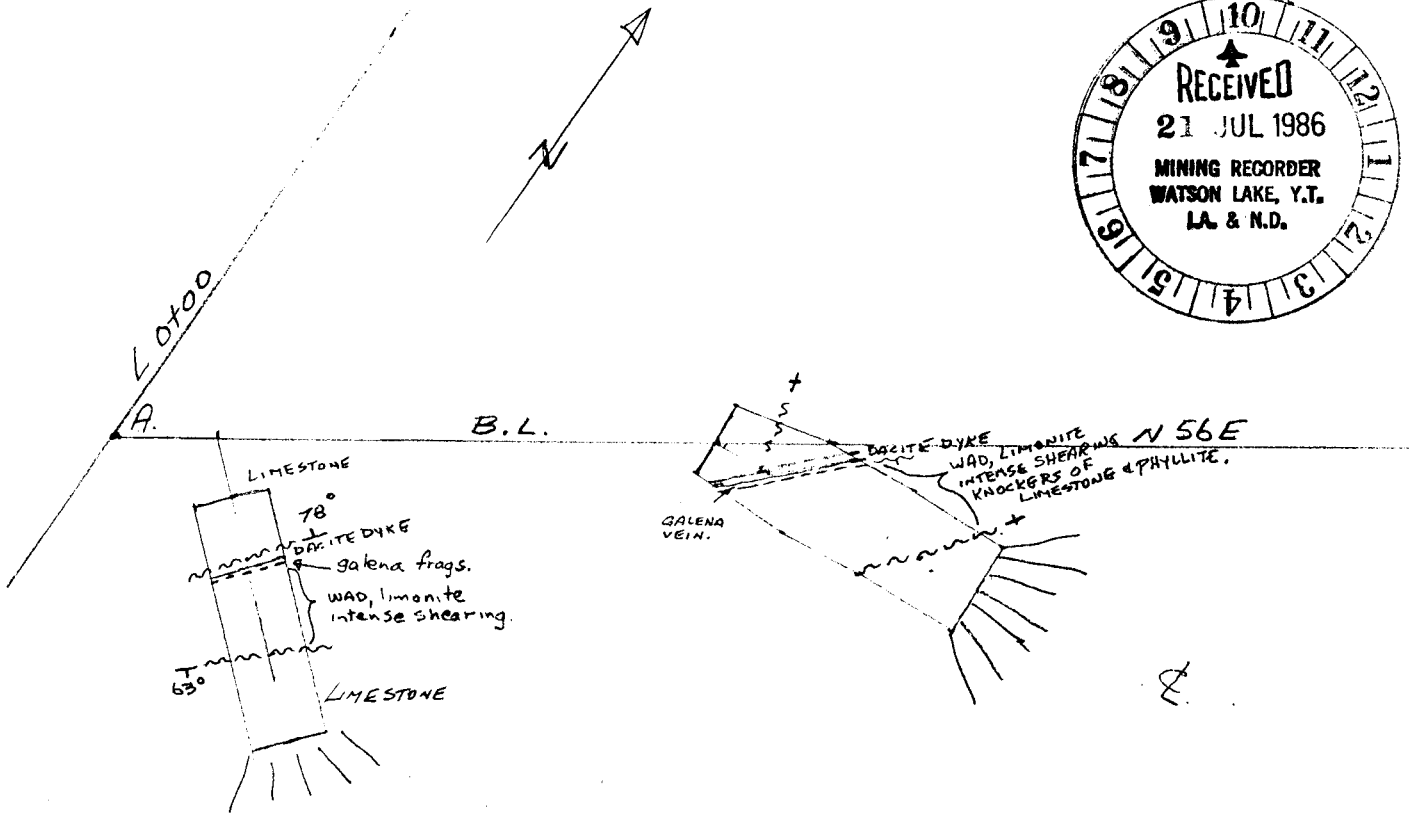
1. I am a consulting geologist, operating out of my residence at: 110 Michener Park, Edmonton, Alberta.
2. I studied geology at the University of New Brunswick and Memorial University of Newfoundland, from which I graduated with the degree of B.Sc., Geology. I have done graduate studies at the University of Alberta, Department of Geology.
3. I am a Fellow of the Geological Association of Canada.
4. I have been practising my profession since 1958. As an independent consultant and employee, I have worked for several major corporations in senior managerial positions. My experience has been acquired through extensive work throughout Canada, Latin America and the Caribbean.
5. This report is based on personal examination of the property on June 6, 1986 as well as a review of reports by Professional Engineers and government geologists who have worked in the area.
6. I hold no interest, directly or indirectly in the ORO property, nor do I own any shares of YUKON MINERALS CORPORATION or any affiliated company. Further, I do not expect to receive any shares in said corporation or affiliate.

Dated at Edmonton, Alberta this
22nd day of June, 1986.


Allan M. Frew, B.Sc., G.A.C.


BIBLIOGRAPHY

- BOYLE, R.W., 1968, the Geochemistry of Silver and its Deposits; Geol. Surv. Can.; Bull. 160.
- DARNEY, R., 1984, Geochemical Report on the ORO 1 - 26 Mineral Claims, Yukon Territory.
- FREW, ALLAN M., March 1986., Report on the Jack Property, Watson Lake Mining District, Yukon.
- POOLE, W.H., RODDICK, J.A. and GREEN, L.H., 1951 - 69; Map 10-1960, Geol. Surv. Can., Wolf Lake, 105B.



NOTE :- Post #2, YA 70194, Post No. 1, YA 70196
 Post #2, YA 70195, Post No. 1, YA 70197
 LOCATED 180m ALONG B.L. FROM
 A. AND 53m ON A BEARING OF 145°
 FROM B.L.

SKETCH of TRENCHES

ORD CLAIMS
 SHEET 105-B-1

SCALE 1:500

JULY 14, 1986

PREPARED BY: A.M. FREW

091829



Department of Indian Affairs and Northern Development
YUKON QUARTZ MINING ACT

FORM "C" - APPLICATION FOR A CERTIFICATE OF WORK

(This form required in duplicate with sketch showing location of work.)



OFFICE DATE STAMP

I (Name)	Anthony Rich and Yukon Minerals Corporation	Occupation	Geologist Exploration Co.
(Postal Address)	11003 84 Avenue Edmonton Alberta T6G 0V6		

MAKE OATH AND SAY, THAT :-

091829

- I am the owner, or agent of the owner, of the mineral claim(s) to which reference is made herein.
- I have done, or caused to be done, work on the following mineral claim(s):
(Here list claims on which work was actually done by number and name)

ORO 17 and ORO 19 YA 70194 and YA 70196

situated at 30 km north of Rancheria Claim Sheet No. 105 B 1
 in the Watson Lake Mining District, to the value of at least \$12,000
 dollars, since the 10th day of September 19 85,
 to represent the following mineral claims under the authority of Grouping Certificate No. _____
 (Here list claims to be renewed in numerical order, by grant number and claim name, showing renewal period requested.)

Claim Name	Grant #	Years Requested
ORO 1-4	YA70186-89	4
ORO 5-8	YA90275-78	4
ORO 9-14	YA70204-09	4
ORO 15,16	YA70210,11	4
ORO 17-24	YA70194-201	4
ORO 25,26	YA70630-31	4
ORO 27-30	YA73640-43	4

- The following is a detailed statement of such work: (Set out full particulars of the work done indicating dates work commenced and ended in the twelve months in which such work is required to be done as shown by Section 53)

Trenching carried out September 10-12 1985:
 Dozer work \$ 700
 Supervision A M Frew \$ 750
 \$1450

Geological and Economic Evaluation, June 6, 1986
 A.M. Frew \$ 250
 T McCrory \$ 250
 M Nielsen \$ 250
 Helicopter (Frontier) \$1016
 \$1766

and
 Report Preparation, June 25, 26
 A M Frew \$ 500
 Secretarial, reproductions etc \$ 200
 \$ 700

Trenching and associated geological work together with prospecting, June 26 - July 5 1986:

A M Frew, geologist 11x\$250/day \$2750
 L Willette cook 5x\$50/day \$ 250
 S Pownall assistant 5x\$60/day \$ 300
 Dozer work 20x\$110/hr \$2200
 M Nielsen supervisor 8x\$250 \$2000
 T McCrory 4x\$250 day \$1000
 Camp and supplies \$1500
 3/4 ton 4x4 truck @ \$60/day \$ 660
 4x4 ATV @ \$40/day \$ 440
 \$11,100

Total \$15,016

Sworn before me at Edmonton
 this 19th day of July 19 86

Notary Public in & for Alberta

Applicant.