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**091862**

ASSESSMENT REPORT

on the

ZULU LADY PROPERTY

WATSON LAKE MINING DISTRICT

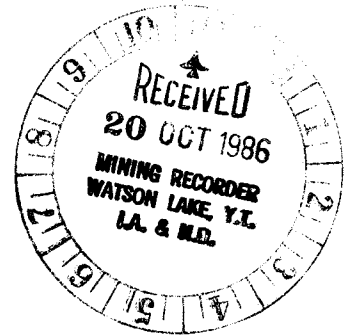
RANCHERIA AREA

YUKON TERRITORY

Latitude: 60° 05'N

Longitude: 130° 24'W

N.T.S. 105B/1



**OPERATOR:** Chase Resource Corporation  
P.O. Box 48360  
595 Burrard Street  
Vancouver, British Columbia  
V7X 1A5

**OWNER:** R.Stack  
Whitehorse  
Yukon Territory.



by

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&  
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&  
F. MARSHALL SMITH, P.Eng.

September 9, 1986.

**091862**

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 \$ 15,100.00.

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

## TABLE OF CONTENTS

SUMMARY.....	2
INTRODUCTION.....	3
LOCATION AND ACCESS.....	3
PHYSIOGRAPHY.....	3
CLAIM INFORMATION.....	4
HISTORY.....	5
REGIONAL GEOLOGY.....	6
Lithology.....	6
Structure.....	7
Mineralization.....	8
PROPERTY GEOLOGY.....	10
Lithology and Structure.....	10
Mineralization.....	11
CONCLUSIONS.....	14
RECOMMENDATIONS.....	15
BUDGET.....	16
COST STATEMENT.....	17
CERTIFICATES OF QUALIFICATIONS.....	19
BIBLIOGRAPHY.....	22

List of Figures

Figure 1 Location Map.....Following 3  
Figure 2 Claim Map.....Following 4  
Figure 3 Regional Geology Map.....Following 6  
Figure 4 Property Geology.....Map Pocket.

Appendices

- 1 Assay Results
- 2 Trench Sketches

## SUMMARY

The ZULU LADY property is located adjacent to the Alaska Highway in the Rancheria area of the Yukon Territory. It is central to the group of prospects bordering the Cassiar Batholith, which comprise the Rancheria Silver Belt; the Hart and Meister properties 30km to the north, the Luck, Fiddler, D.K., Oro, all between 2 and 10km north, and the Butler mountain property 5km to the south. Regional Resources Midway project is 25km to the south, and Keno Hill's Freer creek property is 8km to the southwest. All these properties show similar styles of lead zinc mineralization, with zones of high grade silver. The ZULU LADY claims were staked by Ronald Stack of Whitehorse and are currently held under option by Chase Resource Corporation of Vancouver, B.C.

The property was originally explored for silver/lead/zinc and tungsten mineralization, but now, in addition to the original showings, several new veins have been located and trenched. The present bulldozer trenching was carried out on the property to determine the style of mineralization along visible alteration zones. Hand and blast trenching on promising showings allowed sampling of some of the less weathered material.

One vein, the "Highway zone", contains near massive galena and freibergite weathered to pods and stringers in a highly oxidized vein which has a width up to 1.7 meters and outcrops over 18 meters. Extensions of this zone have been discovered to both the east (in limestone) and the west (in granite), giving a known 370m strike length to the mineralization. Assays on the "Highway zone" from weathered surface outcrop are to 9.25oz/ton silver. Attempts to blast trench into massive sulphides were unsuccessful.

Six additional mineralized zones containing stringers of galena and with the same strike, have been found at approximately 250m intervals up the hillside.

The property appears worthy of further extensive exploration, particularly along the intersections of the more competent quartzite beds and the presently mapped fault systems. The deep weathering of silver bearing galena veins is common in this area, with weathering to over 7m on the Oro claims, and over 50m on the Meister claims of Regional Resources. These depths of oxidation necessitate evaluation by drilling.

A programme of exploration and drilling is recommended in this report, with expenditure of \$250,000 in two phases.

## INTRODUCTION

At the request of Mr. Michael Foley, president of Chase Resource Corporation, a program of prospecting, mapping and trenching was commenced on the ZULU LADY property on July 22nd, 1986. The work was supervised and directed by F. Marshall Smith. Field work on the property finished on August 31, 1986.

## LOCATION AND ACCESS

The ZULU LADY CLAIMS are located at  $60^{\circ} 05'N$  latitude and  $130^{\circ} 24'W$  longitude in the Watson Lake Mining District of the Yukon Territory on NTS sheet 105B/1. The property crosses the Alaska Highway at Milepost 703 (Kilometer 1131), approximately 11 kilometers by highway east of Rancheria Lodge. The lodge provides hotel and restaurant facilities as well as fuel.

The higher parts of the property are accessed by four wheel drive roads and bulldozer trails.

## PHYSIOGRAPHY

Elevations on the property range from 861m (2825 feet) to 1421m (4661 feet) above sea level. The topography is moderately rugged with outcrop exposed on the ridge tops and on occasional small cliffs. The higher hillsides (above approximately 1050m) are covered by a thin layer of talus and soil while the lower hillsides consist of a series of benches, separated by small cliffs, which are under a relatively thick cover of soil and glacial debris. Treeline is at approximately 1050m.

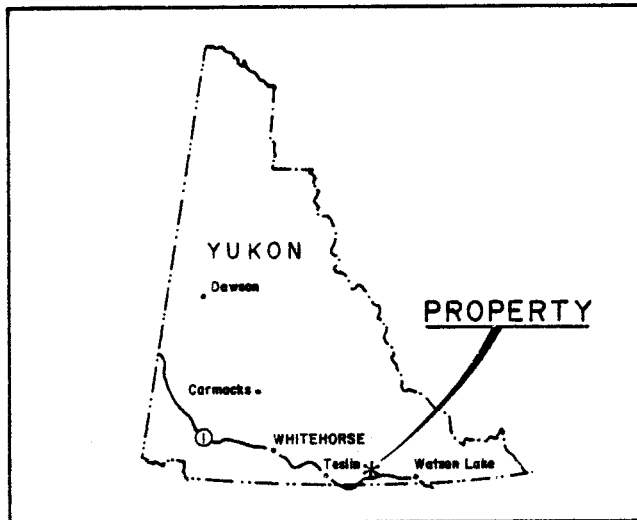
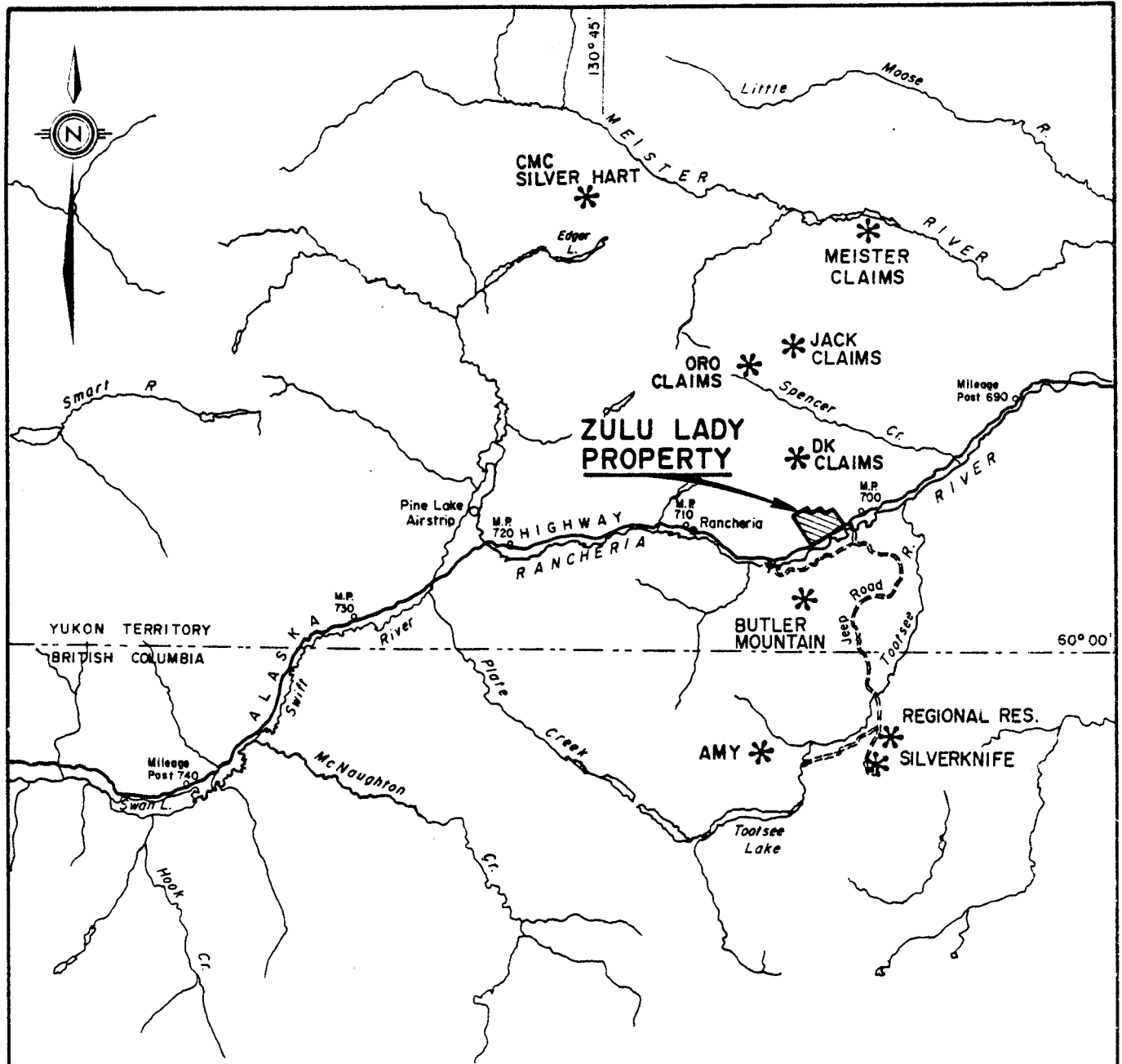



FIGURE I

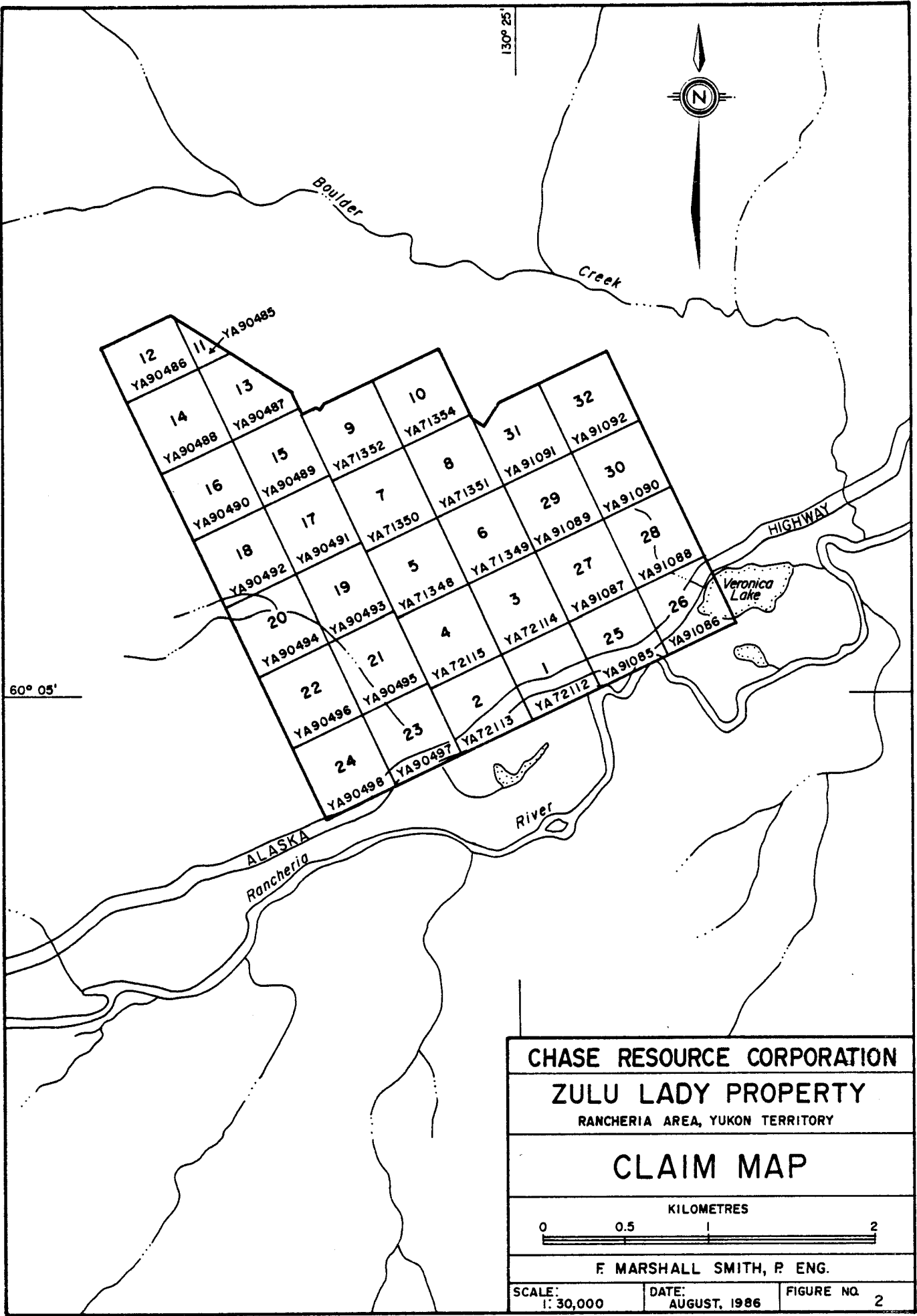
<b>CHASE RESOURCE CORPORATION</b>
<b>ZULU LADY PROPERTY</b> RANCHERIA AREA, YUKON TERRITORY
<b>LOCATION MAP</b>
KILOMETRES 0                      10                      20 
F. MARSHALL SMITH, P. ENG.

## CLAIM INFORMATION

The property consists of the ZULU LADY 1 to 32 mineral claims which were staked by and recorded in the name of Ronald Stack of Whitehorse, Yukon Territory. The claims are recorded in the Watson Lake Mining District of the Yukon Territory on NTS 105B/1, and are listed below. The claims are subject to an agreement with Chase Resource Corporation of Vancouver, B.C.

<u>CLAIMS</u>	<u>RECORD NUMBERS</u>	<u>RECORD DATE</u>	<u>EXPIRY DATE</u>
Zulu Lady 1-4*	YA 72112 - YA 72115	June 17, 1986	June 17, 1987
Zulu Lady 5-10*	YA 71348 - YA 71353	July 18, 1986	July 18, 1987
Zulu Lady 11-24	YA 90485 - YA 90498	Oct. 21, 1985	Oct. 21, 1986
Zulu Lady 25-32	YA 91085 - YA 91092	June 30, 1986	June 30, 1987

\* claims 1-10 presently are grouped for assessment purposes, however an application has been made to group all the claims in two groups with a common Oct. 21 expiry date.



130° 25'



Boulder

Creek

12 YA90486	11 YA90485						
14 YA90488	13 YA90487			9 YA71352	10 YA71354		
16 YA90490	15 YA90489			7 YA71350	8 YA71351	31 YA91091	32 YA91092
18 YA90492	17 YA90491			5 YA71348	6 YA71349	29 YA91089	30 YA91090
20 YA90494	19 YA90493			4 YA72115	3 YA72114	27 YA91087	28 YA91088
22 YA90496	21 YA90495			2 YA72113	1 YA72112	25 YA91085	26 YA91086
24 YA90498	23 YA90497						

HIGHWAY

Veronica Lake

River

ALASKA  
Rancheria

60° 05'

CHASE RESOURCE CORPORATION		
ZULU LADY PROPERTY		
RANCHERIA AREA, YUKON TERRITORY		
CLAIM MAP		
KILOMETRES		
0      0.5      1      2		
F MARSHALL SMITH, P. ENG.		
SCALE: 1: 30,000	DATE: AUGUST, 1986	FIGURE NO. 2

## HISTORY

Prospecting in the area began in the 1870's with the discovery of placer gold on Liard River and its tributaries, Rainbow, Scurvey, Sayyea and Cabin Creeks. In subsequent years, the area was largely neglected, except during the 1930's when bush flying came into practice. With construction of the Alaska Highway in 1942, prospecting was renewed but was generally restricted to the country adjacent to the Highway (Poole et al, 1960). During the 1950's and 1960's, interest was again regenerated in the district with the discovery of silver-lead-zinc mineralization and tungsten mineralization in several localities.

One of the tungsten prospects, the FIDDLER, is located immediately north of the ZULU LADY property. It consists of a series of wolframite and cassiterite bearing quartz veins in Lower Cambrian sediments. In the 1950's, extensive underground development was undertaken and a small mill built, the mill was later destroyed when a forest fire swept the area in the late 1950's.

The ZULU LADY property, formerly known as the STERLING, was originally discovered in the 1940's as a silver-lead vein showing. It was later hand and bulldozer trenched on a small scale until the 1960's, apparently for potential tungsten as well as the silver values.

The ground was tied up throughout the early 1980's by a ban on staking due to a proposed pipeline corridor next to the Alaska Highway. During this time, the property was recognized as conforming to the style of the Silver Hart property found by Mr. T. McCrory. It forms part of what is becoming known as the McCrory Silver belt, so when the pipeline corridor staking reserve was lifted in 1984, it was obtained in a series of staking programmes by Ronald Stack of Whitehorse, Yukon Territory.

## REGIONAL GEOLOGY

The following description of the regional geology is condensed from a report by Lowey and Lowey, 1986.

### LITHOLOGY

The area around the property can be divided generally into three belts of diverse rock types: Paleozoic sedimentary rocks of the Cassiar Platform underlie the area to the east; metamorphosed Carboniferous volcanic and sedimentary rocks of the Yukon Cataclastic Terrane underlie the area several kilometers to the west; and Cretaceous plutonic rocks of the Cassiar Batholith underlie the area between these two belts. The ZULU LADY Property straddles the contact between the Cassiar Batholith and the Paleozoic sedimentary rocks to the east.

Paleozoic strata includes: Cambrian quartzite, phyllite, interbedded limestone and phyllite, limestone and dolostone (Atan Group); Cambro-Ordovician phyllite and hornfels (Kechika Group); Siluro-Devonian dolostone, siltstone, quartzite and limestone (Sandpile Group); Devonian limestone (McDame Group); and Devonian-Mississippian quartzite, metaconglomerate and phyllite (Earn Group). These sediments were deposited in a shallow, marginal marine basin on the western edge of North America.

Metamorphosed Carboniferous strata includes Mississippian andesite and intercalated chert (Sylvester Group) and Mississippian-Pennsylvanian mylonite, quartzite and dolostone (unnamed unit). These rocks were thrust over the Paleozoic strata in late Jurassic - Early Cretaceous time.

The Cassiar Batholith, consisting predominately of granite and granodiorite, intruded both the Paleozoic and Carboniferous strata in early Cretaceous time.

Large scale movement on several right-lateral transcurrent faults (i.e., Tintina, Kechika and Cassiar) occurred during Late Cretaceous - Early Tertiary time and was followed by widespread emplacement of Tertiary dykes and veins.

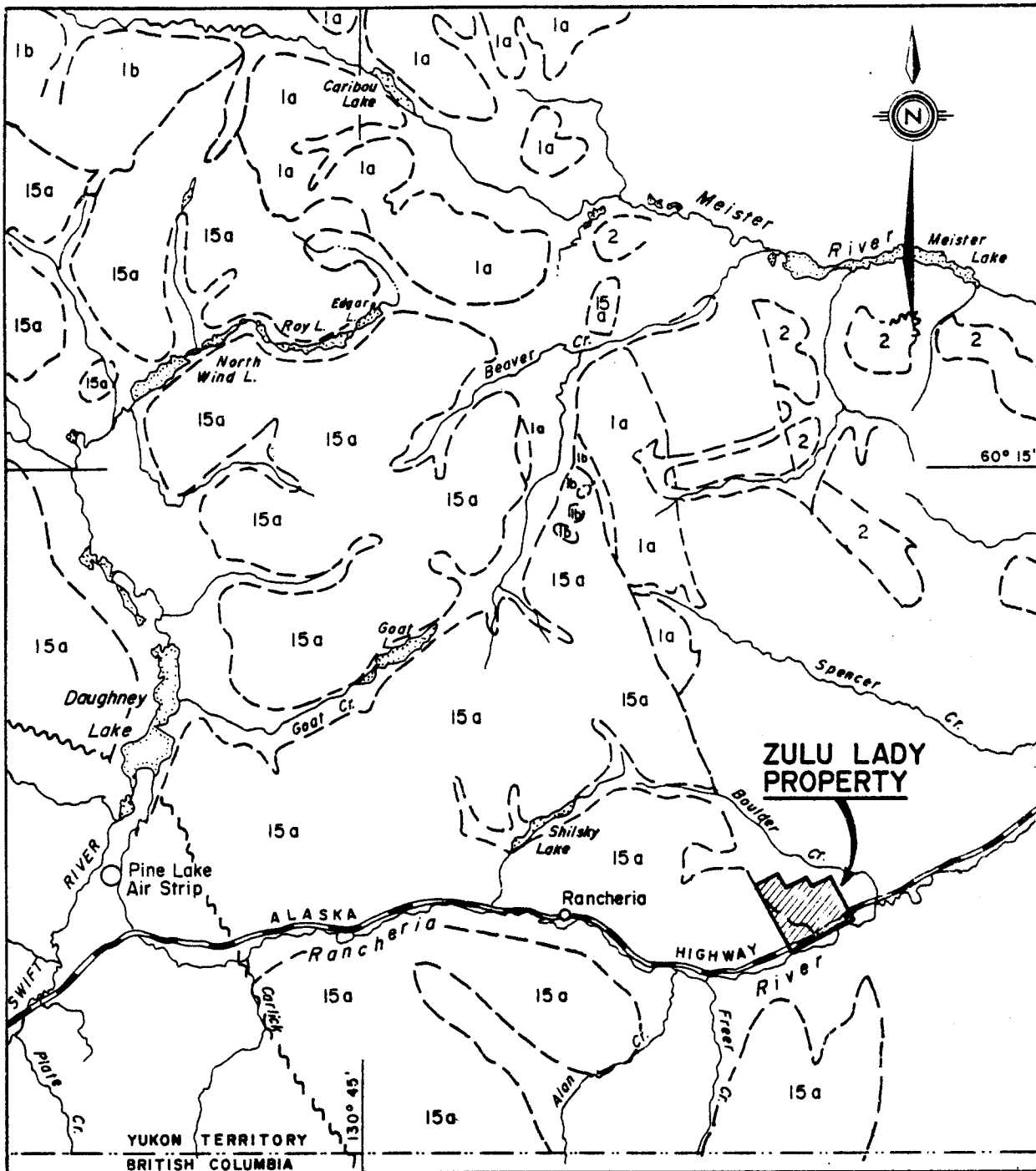


FIGURE 3

- PRECAMBRIAN(?) AND PALAEOZOIC
- CRETACIOUS
- 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.

CHASE RESOURCE CORPORATION

ZULU LADY PROPERTY

RANCHERIA AREA, YUKON TERRITORY

REGIONAL GEOLOGY



F MARSHALL SMITH, P. ENG.

## STRUCTURAL

The regional structural trend in the area of the ZULU LADY property is northwest, similar to that throughout most of the Cordillera. Poole et al (1960) recognized that the dominant structures were an anticlinal area occupied by the Cassiar Batholith that is flanked on either side by major northwest trending synclines. Lower Paleozoic strata to the southeast of the property were suggested by Poole et al (1960) to be isoclinally folded, but the repetitive nature of the strata (i.e. alternating bands of quartzite and limestone) together with the absence of certain stratigraphic units (i.e. phyllite, interbedded limestone and phyllite and dolostone), indicates that northeasterly directed imbricate thrust faulting may have occurred.

Three distinct phases of structures are recognized in the Rancheria area. The first phase includes bedding and slaty cleavage. The second phase trends northwest and includes crenulation cleavage and associated lineations and folds. The third phase is at approximately  $90^{\circ}$  to the second phase and trends east-west to northeasterly. It includes jointing and associated lineations and folds.

The third phase structure, a 10 to 100 cm, non-uniformly spaced jointing cuts the second phase structures. The joints strike  $060^{\circ}$  and dip  $85^{\circ}$  north. Several small scale folds are associated with the jointing, the fold axes and lineations trend  $070^{\circ}$  and plunge  $50^{\circ}$  northeast. It is this third phase jointing that is the structural control for the emplacement of the silver-rich quartz veins in the Rancheria area.

## MINERALIZATION

Several different types of mineral occurrences lie within the Rancheria district. These include quartz and carbonate veins containing galena, sphalerite, freibergite, tetrahedrite, pyrite and minor chalcopyrite in granite of the Cassiar Batholith and in Lower Cambrian sediments; replacement-type galena-sphalerite deposits with minor silver in the Lower Cambrian sediments; wolframite-cassiterite-bearing quartz veins in Lower Cambrian sediments; galena-sphalerite-bearing quartz veins in Carboniferous mylonite and quartzite; and tungsten-bearing skarns in roof pendants within the Cassiar Batholith.

All of the silver-rich mineral occurrences in the district exhibit similar characteristics which suggest a common genesis. The presence of silver-lead-zinc mineralization in quartz and carbonate veins appears to be controlled by three parameters:

- (1) the presence of a group of rocks with relatively high background values in silver, lead and zinc (i.e. the Lower Cambrian sediments),
- (2) close proximity to the margin of the Cassiar Batholith,
- (3) east-west jointing and faulting accompanied by injection of hydrothermal solutions of approximately 50 Ma age.

A proposed genetic model for mineralization is as follows (after Boyle, 1965 and Lowey and Lowey, 1986):

- (a) Early Cretaceous intrusion of the Cassiar Batholith into the Lower Cambrian sediments which concentrates silver, lead and zinc along its margins (replacement-type deposits),
- (b) Late Cretaceous-Early Tertiary dextral movement on large transcurrent faults such as Tintina, Kechika and Cassiar Faults results in the development of an east-west fracture system,
- (c) Early Tertiary (50 Ma) volcanism and dyke emplacement related to transcurrent fault movement resulting in a rise of the geothermal gradient and convective heat flow,

(d) Hydrothermal solutions migrate along the east-west fractures in the now enriched granites and Lower Cambrian sediments and minerals precipitate in dilatant zones. Several phases of injection take place temporally related to the fracturing event and dyke emplacement.

Vein mineralogy consists of galena, sphalerite, pyrite and chalcopyrite with lesser amounts of arsenopyrite, freibergite, tetrahedrite and pyrrhotite. The galena is always bladed or very fine grained, and commonly dendritic, parallel to oscillating bands of sulphide and gangue. Zinc is in bands only with tetrahedrite, giving a common association of freibergite with galena and tetrahedrite with sphalerite. The most common gangue minerals are quartz and siderite. The vein-wallrock contact is generally sharp, indicating that the veins are fissure fillings. Alteration envelopes surrounding the veins are up to 30 meters wide and are carbonate rich "epithermal" type. These veins are often intimately associated with a dark green andesitic dyke which appears to have intruded along the fractures before, during and possibly after the mineralized solutions. Weathered surfaces are almost always intensely manganese oxide stained, and retain only low silver values.

The replacement-type galena-sphalerite deposits with minor silver, the wolframite-cassiterite-bearing quartz veins, the galena-sphalerite-bearing quartz veins and the tungsten-bearing skarns in roof pendants all appear to be temporally associated with the intrusion of the Early Cretaceous Cassiar Batholith and contain much less silver than the Early Tertiary veining event. The galena in these deposits has simple cubic structure, and forms coarse crystals. The zinc generally forms massive replacement pods with or without galena. One area to the south in northern B.C. has recognized silver replacement as "ruby silver".

## PROPERTY GEOLOGY

### LITHOLOGY AND STRUCTURE

The ZULU LADY claims overlie the contact between the granitic Cassiar Batholith on the west and Lower Paleozoic sediments of the Atan Group to the east.

The Atan Group on the property consists primarily of limestone and dolostone with occasional interbedded limestone and phyllite. Some dark, fine grained, massive quartzite horizons were noted within the phyllitic sequence, and marble sometimes occurs near the contact with the granite.

The limestone subunit is mostly medium grey and weathers light to medium grey. It includes finely crystalline limestones and wackestones.

The dolostone subunit is light grey and weathers light red. It ranges from fine to medium crystalline dolomite and is rarely coarsely crystalline. The dolostone is generally massive.

The interbedded limestone and phyllite subunit consists predominantly of limestone and phyllite with minor amounts of interbedded marble and schist. The limestone is light grey, weathers light grey-brown, and is finely crystalline. The phyllite is medium grey and weathers light grey to light silvery grey. Both limestones and phyllite beds are generally less than 10 cm in thickness and are highly folded.

The marble subunit is light grey and weathers the same colour. It is coarsely to very coarsely crystalline.

The portion of the Cassiar Batholith exposed on the property is granite in composition. The granite is light grey, phaneritic, medium to coarsely crystalline and equigranular to porphyritic. It consists of approximately 40% alkali feldspars, 30% quartz, 20% plagioclase, 10% biotite and muscovite and less than 1% zircon and magnetite. Locally on the property, the granite contains up to 10% blue-green microcline.

A number of roughly east-west faults cross the southern portion of the property. The faults are accompanied by extensive hydrothermal clay alteration which, especially within the granite, has caused them to show very recessive weathering. Many of these fault zones are accompanied by quartz veins in which galena has been found as stringers and blebs. Figure 5 shows the ragged eastern contact of the granite, caused by the fault displacements.

The displacement on these faults was mapped as up to 500m, with a definite sinistral movement, indicated by classic drag folding, and outcrop patterns. Silica flooding, especially in the limestones, was characteristic alongside the fault traces.

## MINERALIZATION

Two types of mineralization have been seen on the property:

- (1) discontinuous blebs and massive pods (replacement-type?) galena-sphalerite deposits with minor silver in brecciated Lower Cambrian limestones.
- (2) confined silver-lead-zinc-bearing quartz and carbonate veins in both the granite and the Lower Cambrian sediments;

The first type deposits occur as small pods of galena and sphalerite within the limestone and dolostone subunits, often accompanied by small mineralized carbonate stringers filling fractures, and generally hosted in a brecciated matrix. The galena is generally a dull grey with low silver content. There is no wall rock alteration associated with this type of deposit.

There are several occurrences of this type on the ZULU LADY property, in fact, these are what the early prospectors concentrated on due to their abundance. The old "breccia pit" showing consists of irregular pods (to 30cm) of coarse grained galena, sphalerite and pyrite associated with a dolostone-limestone breccia, which the authors consider to be either an explosion breccia related to the intrusion of the granite or a fault breccia which formed during post mineralization fault movement. There are also several thin stringers of galena filling hairline fractures throughout the area. Silver values are low.

The second type of mineralization, the silver bearing quartz and carbonate veins, occur in all rock types on the property, although, because of the very recessive weathering nature of the altered granite, they are difficult to evaluate in this unit. These veins are all recent discoveries and were primarily found by looking for manganese oxide coating of the wall rock shards. They were undoubtedly overlooked by the early prospectors due to their recessive weathering nature.

To date, the mineralization of this type found on the property is composed of galena and freibergite with lesser amounts of sphalerite, pyrite and arsenopyrite in quartz and carbonate veins. The veins pinch and swell considerably, reflecting the dilatant areas or "rolls" in the fault zones they are filling. Dilatant zones appear to form at the interface of rock units, where the fault traces show refraction caused by the different rock strengths and the movement on these faults created the openings for sulphide infill.

For the district, there are major silver bearing veins known in granite, limestone, and limy argillites, but the best grade and size are in quartzites first and granites second. This relationship is thought to derive from the simple open fractures developed in quartzite, but the granites shatter to many parallel narrow veins. Brittle limy argillites give pinch and swell veins, but argillites are not known to host significant mineralization. From the experience of other operators in this area, the most promising areas for mineable deposits are at the interface of the known faults (trend 060-070degrees) and the competent quartz rich sediments within the phyllite sequences. The major pods of mineralization found on the Highway zone fault trace are near the boundary of the granite and a gradational sequence of phyllites and limestones.

Sampling was carried out on the highway zone exposures, and the other similar zones discovered further up the hillside. However even after a considerable amount of excavation with the dozer, followed by a week of drilling, blasting, and mucking, on the group of shows, the vein fill mineralization still showed heavy oxidation of iron and manganese. The samples taken do not represent the maximum expected silver values. Unweathered samples of the Highway zone mineralization can only be obtained by the development of an adit into the hillside or by drilling. A dozer track was completed to the bottom end of this showing in the last days of fieldwork, to facilitate further development.

The samples taken to date have been analyzed primarily for silver only, however selected samples were also analyzed for gold, lead, and zinc, as well as a selection of trace elements (by ICP). The silver and gold assay results are listed below, the ICP and geochemical. results are in Appendix 1.

<u>SAMPLE NO.</u>	<u>Ag. oz/ton</u>	<u>Au oz/ton</u>	<u>LOCATION</u>
R2 22929	39.48	0.005	Mikes Zone area
22757	3.53		Mikes Zone area
22758	14.0		Mikes Zone
22759	1.28		HWY Zone 14+00W
22760	0.14		HWY Zone 12+00W
22761	0.20		Hwy Zone 6+00W
22762	0.22		HWY Zone 2+00W
22763	1.04		HWY Zone 2+00W
22764	5.06		HWY Zone 16+00W
22765	5.06		HWY Zone 14+00W
22769	8.90		HWY Zone 4+00W
22770	1.10		HWY Zone 4+00W
22771	4.55		SD Zone, East end
22772	9.25		SD Zone, West end

In addition old assays (1947,1949,1956) are reported for this property by Archer Cathro these are 120oz/ton (breccia pit), 31.6 oz/ton Ag. over 6ft, and 31.6oz/ton Ag. grab (area not recorded),

## CONCLUSIONS

1.0 The silver mineralization discovered on the ZULU LADY property conforms to the style of other mineral properties which surround the Cassiar Batholith in the McCrory Silver District, Rancheria, Yukon Territories.

2.0 The significant mineralization on the property fills dilatant zones caused by local sinistral fault movement across phyllite and limestone sedimentary sequences, and within the granite body.

3.0 The major fault zones are identified by intense clay alteration of the granite, and silicification within the phyllites and limestones. This alteration is a consequence of hydrothermal solutions following the fault paths.

4.0 Manganese and iron oxide alteration is intense adjacent to significant silver-lead mineralization. Surface samples rarely show elevated silver values because of this oxidation. Locally (Oro claims) silver values are depleted to over 7m from surface, and, to the north on the Meister property, current drilling has shown weathering to over 50m from surface.

5.0 The Highway zone is the largest "pod" of massive manganese-galena-silver mineralization discovered on the property to date. Its precipitous location on the cliff face overlooking the Alaska Highway, has precluded excavation of the weathered zone to allow sampling of fresh rock.

6.0 The geological mapping of the property has shown fault offsets of up to 500m. The intersection of brittle massive sediment horizons (quartzites) with these fault zones are priority targets for future exploration for high grade silver mineralization.

## RECOMMENDATIONS

1.0 Excavate a short adit into the Highway Zone mineralization to obtain fresh rock samples for assay, and for bulk samples.

2.0 Geologically map the fault-offset limestone-phyllite-quartzite sequence in the vicinity of claim No's 2, 4, 5, 19, 21 and 23. Identify targets for trenching and possible drilling in the vicinity of the fault zone-quartzite intersection.

3.0 Drill test the depth extension of the Highway zone, the SD zone, the area of Mikes zone, the R.S. zone, and the Top Show mineralization, with particular emphasis to define the potential mineralization within the metasediments adjacent to the intrusive contact.

**BUDGET**

It is anticipated that the above recommendations be carried out in two phases, the second contingent on the success of the first phase.


**Phase I ZULU LADY CLAIMS**

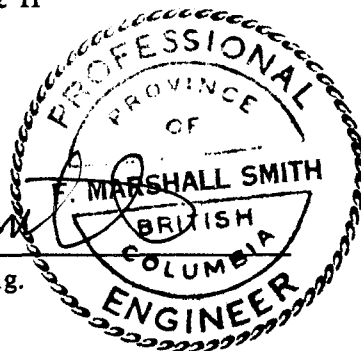
Salaries and wages	\$10,000
Geology, camp, support	\$12,000
Drilling	\$48,500
Dozer	\$5,000
Mob/Demob	\$2,500
Equipment Rental	\$2,500
Transport	\$1,500
Assays	\$1,000
Report & office	<u>\$2,000</u>
Total Phase I	\$85,000

The following is the expected Phase II budget which will be carried out if the results of the first phase as detailed above results in the definition of significant mineralization.

**Phase II ZULU LADY CLAIMS**

Salaries and wages	\$25,000
Geology, camp, support	\$20,000
Drilling	\$33,500
Drift Devpt. 200ft @ \$250	\$50,000
Dozer	\$15,000
Mob/Demob	\$6,500
Equipment Rental	\$3,500
Transport	\$6,000
Assays	\$2,500
Report & office	<u>\$3,000</u>
Total Phase I	\$165,000
Total Phase I & II	\$250,000

  
 F. Marshall Smith, P.Eng.  
 Sept. 8, 1986



COST STATEMENTZULU LADY CLAIMS

## DOZER HIRE

127.5 Hours @ \$115.50 excl. of fuel and accomodation.	\$14,726.25
Fuel	\$1,698.91

## TRENCHING

	\$8,692.73
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## ASSAYS

25 Ag assays @ \$9.00	\$225.00	
4 Ag assays @ \$9.30	\$37.20	
4 Au assays @ \$10.20	\$40.80	
1 Au assay @ \$8.10	\$8.10	
4 Pb @ \$7.50	\$30.00	
7 Zn @ \$7.50	\$52.50	
10 DCP multi-element @ \$15.60	\$156.00	
1 Ag, geochemical @ \$2.40	\$2.40	
Prep. charges. 25 @ \$4.50	\$112.50	
Prep. charges. 8 @ \$3.90	\$31.20	
Freight and bags etc.	\$51.12	
		\$746.82

## BOARDING EXPENSES

Accomodation and board, 120 man days	\$7,357.20
--------------------------------------	------------

## EQUIPMENT RENTAL

Misc camp equip: saws,	\$200	
radios, etc	\$600	
low bed	\$240	
		1,040.00

## TRANSPORTATION AND TRAVEL EXPENSE

Local Transport	\$1,528.91	
4X4 hire, two months	\$3,077.96	
Fuel and oil	\$944.55	
Air Tickets	\$2,402.04	
Helicopter	\$1,099.80	
		\$9,053.26

## SALARIES AND WAGES

R.Stack	25 days @ \$150.00	\$3,750	
S. Coombes	24.2 days @ \$225.00	\$5,445	
	2.0 day @ \$187.50	\$375	
P. Dasler	20 days @ \$240.00	\$4,800	
			\$14370.00

## SUPPLIES

\$557.51

## MANAGEMENT AND CONSULTANT FEES

F. M. Smith	5 days @ \$400	\$2,000.00	
Accounting		\$200.00	

## DRAFTING


\$686.34

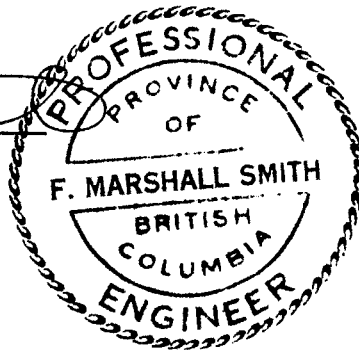
## ASSESSMENT REPORT COMPILATION

P. Dasler	5 days @ \$225	\$1,125.00	
S. Coombes	1 day @ \$187.50	187.50	
Office Expenses, Telephone, computer, etc.		\$ 577.90	

## TOTAL EXPENDITURE ON PROJECT:

\$63,019.42


  
 F. Marshall Smith, P.Eng.  
 SEPTEMBER 9, 1986.

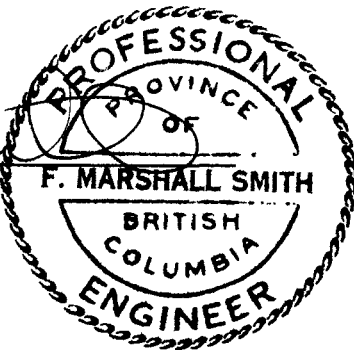


CERTIFICATE

I, F. Marshall Smith, do hereby certify that:

1. I am a consulting geologist and geochemist with offices at 218-744 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate at the University of Toronto with a degree of B.Sc., Honors Geology.
3. I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession continuously since 1967.
5. This report is based on reports by Professional Engineers and others working for the previous owners and operators of the property and several examinations of the claims in 1985, and 1986.
6. I have no interest in the properties or shares of Chase Resource Corporation or in any of the companies with contiguous property to the ZULU LADY claims.

  
F. Marshall Smith, P.Eng.  
Sept.8, 1986.



The seal is circular with a double-line border. The text inside the seal reads: "PROFESSIONAL" at the top, "PROVINCE OF" in the middle, "F. MARSHALL SMITH" in the center, "BRITISH COLUMBIA" at the bottom, and "ENGINEER" at the very bottom.

CERTIFICATE

I, Steven F. Coombes, do hereby certify that:

I graduated from the University of British Columbia with a B.Sc. degree (Geology) in 1983.

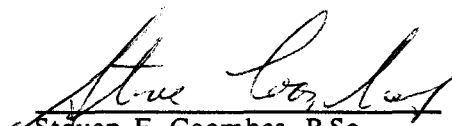
I have practiced my profession in western Canada for the past three years.

I am a geologist employed by Searchlight Resources Inc. with a business address of 218-744 West Hastings St., Vancouver, British Columbia, V6C 1A5.

This report is based on reports by Professional Engineers and others working for the previous owners and operators of the property as well as on personal examinations in the field.

I supervised the exploration work performed on the ZULU LADY Property between July 22 and August 14, 1986.

I hold no interest in Chase Resource Corporation or in the ZULU LADY mineral claims.

  
Steven F. Coombes, B.Sc.  
Geologist.

Sept. 8, 1986.

CERTIFICATE OF QUALIFICATIONS

I, Peter G. Dasler, do hereby certify that:

1. I am a geologist for Searchlight Resources Inc. with offices at 218-744 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate at the University of Canterbury, Christchurch, New Zealand with a degree of M.Sc., Geology.
3. I am an Associate Member in good standing of the Australasian Institute of Mining and Metallurgy, and a Member of the Geological Society of New Zealand.
4. I have practiced my profession continuously since 1975.
5. This report is based on information received from field surveys by myself, F.M. Smith, and S.F. Coombes during July and August 1986 and reports by Professional Engineers and others working for the previous owners and operators of the property.
6. I have no interest in the property or shares of Chase Resource Corporation or in any of the companies with contiguous property to the ZULU LADY claims.



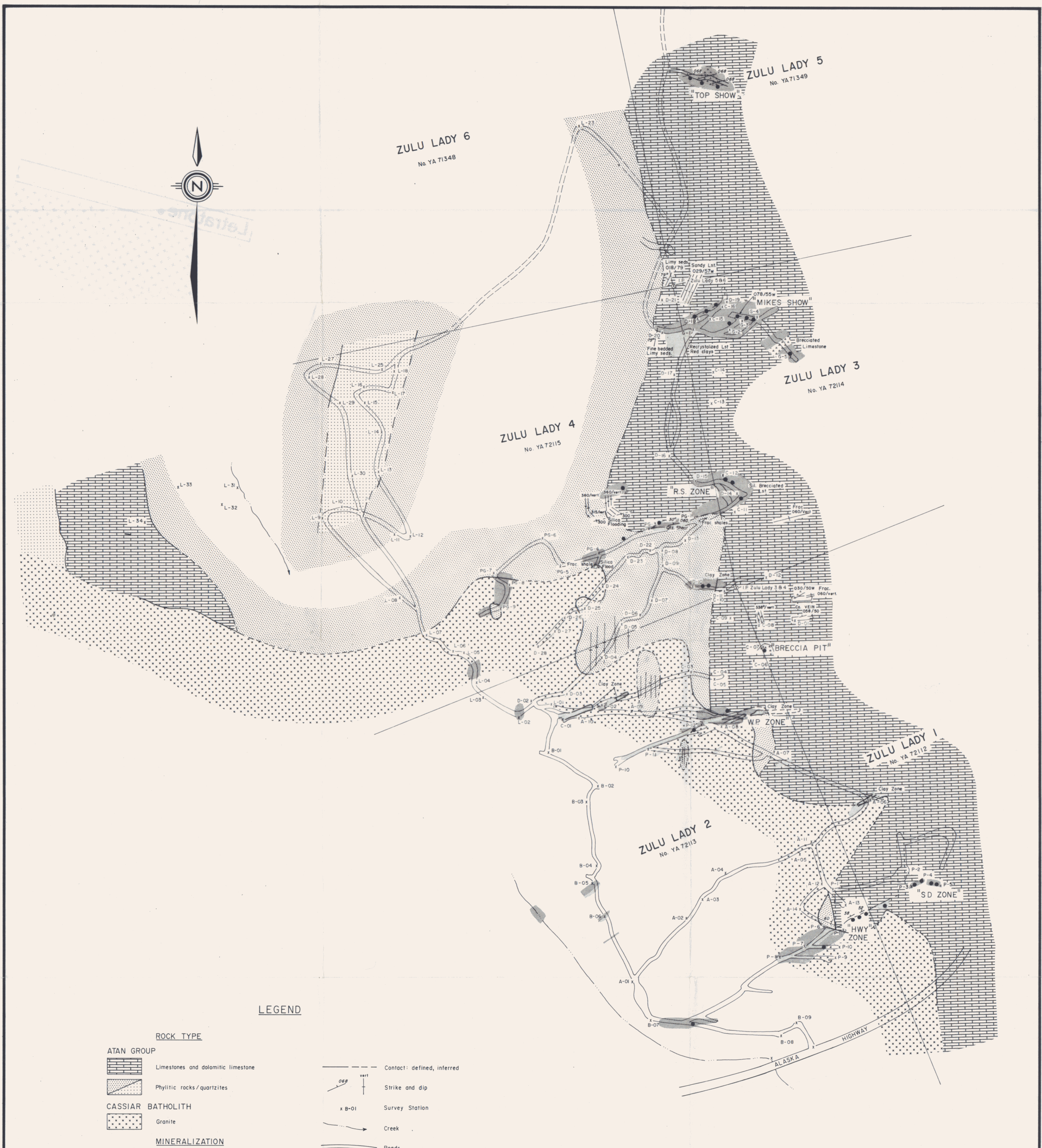
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Peter G. Dasler, M.Sc.

September 8, 1986.

**BIBLIOGRAPHY**

- Archer Cathro Mineral Inventory 1972: Archer Cathro and Associates, "Sterling," Occurrence No. 2.
- Boyle, R.W., 1965: Geology, Geochemistry and Origin of the Lead-Zinc-Silver Deposits of the Keno Hill-Galena Hill area, Yukon Territory; *Geol. Surv. of Canada*, Bull. 111.
- Lowey, G.W. and Lowey, J.F., 1986: Geology of Spencer Creek (105-b-1) and Daughney Lake (105-B-2) Map Areas, Rancheria District, Southeast Yukon; *Indian and Northern Affairs: Yukon Region*, Open File 1986-1, 111pp.
- Poole, W.H., Roddick, J.A. and Green, L.H., 1960: Wolf Lake; *Geol. Surv. of Canada*, Map 10-1960.



**LEGEND**

**ROCK TYPE**

**ATAN GROUP**

- Limestones and dolomitic limestone
- Phyllitic rocks / quartzites

**CASSIAR BATHOLITH**

- Granite

**MINERALIZATION**

- Manganese staining/mineralization
- Galena/sphalerite in fractures or breccias

**ALTERATION**

- Clay alteration (granite)
- Silicification (limestone/sediments)

**CONTACTS**

- Contact: defined, inferred

**OTHER FEATURES**

- Strike and dip
- Survey Station
- Creek
- Roads

SURVEY BY HIP CHAIN AND COMPASS.

CHASE RESOURCE CORPORATION  
 ZULU LADY PROPERTY  
 RANCHERIA AREA, YUKON TERRITORY

**PROPERTY GEOLOGY MAP**

0 50 100 150 200 METRES

F. MARSHALL SMITH, P. ENG.

SCALE: 1:2500    DATE: AUGUST, 1986    FIGURE No. 4

**APPENDIX 1**

**ASSAY RESULTS**

SUMMARY OF SAMPLE  
 AND ASSAY DATA

ZULU LADY

SAMPLE No.	LOCATION OR DRILL HOLE No.	INTERVAL SAMPLED (m)	LENGTH (m)	lab:		COMMENT / DESCRIPTION
				Ag. ass't.	Ag. ass't.	
22756	HWY ZONE 18100	grab			6.71	Steel galena, banded, Mn stained granitic
22757	C-02				.36	
22758	23m N of D-18	grab			3.53	Rusty cubic galena from vein
22759	33m O of D-18	grab			14.0	Cubic galena - Mike's show
22760	HWY ZONE 14000	1.0m chip			1.28	Red Mn stained vis galena
22761	HWY ZONE 12000	1.0m chip			0.14	V. sheared Mn stained no vis galena
22762	HWY ZONE 8000	1.0m chip			0.20	Weathered Mn Fe oxide
22763	HWY ZONE 2100	75m chip			0.22	V. weathered no vis galena
22764	HWY ZONE 2100	Top 4m chip			1.04	Yellow Fe oxide 1 Mn
22765	HWY ZONE 16100	grab			17 ppm	Malachite stained granite/blast
22766	HWY ZONE 14100	grab		5ppm	5.06	Composite of w. galena. sample
22767	HWY ZONE East of P6	grab				Fe oxide around hole in granite
22768	Near P8	grab				Granite - unweathered
22769	Near P9	grab				Blue altered granite 1 lb. min.
22770	HWY ZONE 41000	grab			3.90	Steel galena (after blasting)
22771	" "	grab	Zn 13.6%	Pb 28.0%	.005 1.10	Very Rusty, pyrite vein
22772	SD ZONE E END	grab			.002 4.55	Cubic galena + sphalerite
22773	SD ZONE W END	grab			.002 9.25	Cubic galena + sphalerite 3 lb blast
22774	TOP SHOW	grab			.35	Selected weathered galena samples
22775	Trench at D-18	grab			.002 .50	Rusty siliceous rock in trench end
22776	30m W of P5 02	grab			3.51	Thin galena veinlets in 1st block
22777	On NE of 22758	grab			2.00	Narrow veinlets in 1st block
22778	As 22776	grab			2.51	As 22776



## WET ASSAY ANALYSIS OF SILVER

A 2.00 gram weight of prepared sample (less for high grade samples) is placed in a beaker and digested with aqua regia on a hot plate until almost dry. The residue is dissolved in hydrochloric acid, boiled and diluted to 100 ml in 25% v/v hydrochloric acid. This solution is analysed by atomic absorption spectroscopy with background correction.

To prevent problems with silver chloride precipitating out of solution at high silver concentrations, the atomic absorption is run while the solutions are still warm and any samples producing over 50ppm silver in the solution are reassayed using a smaller sample weight.

**Bondar-Clegg & Company Ltd.**

136B Industrial Road  
Whitehorse, Yukon  
Canada Y1A 2V1  
Phone: (403) 667-6523



BONDAR-CLEGG & COMPANY LTD.

136B INDUSTRIAL RD, WHITEHORSE, YUKON Y1A 2V1

PHONE: (403) 667-6523

Certificate of Analysis

TO Searchlight Resources

REPORT NO. A46-265

DATE Aug 22, 1986

I hereby certify that the following are the results of analyses made by us upon the herein described rock samples

Table with columns for MARKED, oz/ton, and Ag. Data rows include sample IDs (22759F-22772F) and their corresponding Ag values (1.28, 0.14, 0.20, 0.22, 1.04, 5.06, 8.90, 1.10, 4.55, 9.25).

BONDAR-CLEGG & COMPANY LTD.

Handwritten signature



**BONDAR-CLEGG & COMPANY LTD.**

136B INDUSTRIAL RD, WHITEHORSE, YUKON Y1A 2V1

PHONE: (403) 667-6523

# Certificate of Analysis

TO Searchlight Resources  
\_\_\_\_\_  
\_\_\_\_\_

REPORT NO. A46-249

DATE Aug 19, 1986

I hereby certify that the following are the results of analyses made by us upon the herein described rock samples

MARKED	oz/ton								
	Ag								
22757F	3.53								
22758F	14.0								

BONDAR-CLEGG & COMPANY LTD.

*John Reeve*



# Certificate of Analysis

TO Searchlight Resources  
\_\_\_\_\_  
\_\_\_\_\_

REPORT NO. A46-294

DATE Aug 29, 1986

I hereby certify that the following are the results of analyses made by us upon the herein described rock samples

MARKED	oz/ton								
	Ag								
22773F	0.85								
22774F	0.30								
22775F	3.51								
22776F	2.00								
22777F	2.51								
22778F	5.56								
22779F	6.09								
22780F	1.44								
22781F	13.5								
22782F	2.30								
22783F	0.23								
22784F	0.71								
22785F	8.80								

*[Handwritten Signature]*

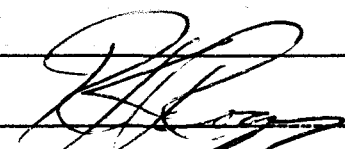


REPORT: 426-3806

PROJECT: ZULU LADY

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au OPT	Zn PCT	Pb PCT
P4 22770F		0.005		
P4 22771F		0.002	13.60	
P4 22772F		0.002	6.60	28.00

  
Registered Assayer, Province of British Columbia

REPORT: 126-3806

PROJECT: ZULU LADY

PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Co PPM	Ni PPM	Cr PPM	Mn PPM	Cd PPM	Ag PPM	Bi PPM
P4 22759E		527	>10000	>20000	14	4	12	9	>20000	151	35.2	<2
P4 22760E		65	1073	12300	15	3	12	18	>20000	36	<0.5	<2
P4 22761E		198	1470	>20000	19	5	12	28	>20000	58	<0.5	<2
P4 22762E		156	3979	>20000	22	<1	16	20	>20000	63	<0.5	15
P4 22763E		162	>10000	>20000	24	4	14	13	>20000	117	21.9	<2
R2 22764E												
R2 22766E		16	764	914	2	3	10	23	394	<1	1.9	<2
R2 22767E		21	250	203	2	6	8	56	390	2	<0.5	<2
R2 22768E		6	83	128	<1	1	11	33	309	<1	0.5	<2

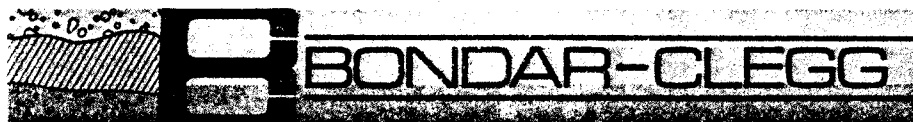


REPORT: 126-3806

PROJECT: ZULU LADY

PAGE 1B

SAMPLE NUMBER	ELEMENT UNITS	Fe PCT	V PPM	As PPM	Te PPM	U PPM	W PPM	Sb PPM	Se PPM	Sn PPM	Ag PPM	Au PPB
P4 22759E		>10.00	10	168	<10	<10	12	21	20	38		
P4 22760E		>10.00	10	212	<10	<10	<10	<5	<5	24		
P4 22761E		>10.00	8	131	23	<10	<10	<5	<5	27		
P4 22762E		>10.00	10	284	<10	<10	<10	19	39	25		
P4 22763E		>10.00	10	1323	10	<10	29	30	<5	47		
R2 22764E											17.0	5
R2 22766E		1.61	12	29	<10	<10	<10	7	<5	<10		
R2 22767E		1.26	16	<5	<10	<10	<10	<5	<5	<10		
R2 22768E		0.98	13	45	<10	<10	<10	<5	<5	<10		

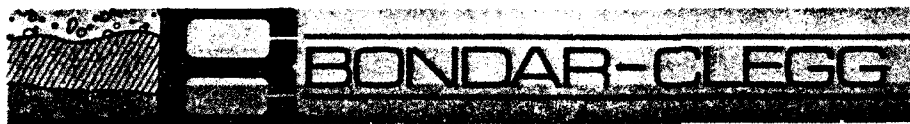


REPORT: 126-4699

PROJECT: ZULU LADY

PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Co PPM	Ni PPM	Cr PPM	Mn PPM	Ca PPM	Ag PPM	Pi PPM
R2 22773		150	>10000	16000	4	3	<1	5	7700	35	35.5	<2
R2 22784		83	3500	5000	5	2	<1	5	11000	35	33.7	<2



REPORT: 126-1093

PROJECT: ZULU LADY

PAGE 18

SAMPLE NUMBER	ELEMENT UNITS	Fe PCT	V PPM	As PPM	Te PPM	U PPM	W PPM	Sb PPM	Se PPM	Sn PPM
B2 22773		2.40	<1	588	<10	15	25	136	<5	20
B2 22734		2.40	<1	200	<10	10	15	158	<5	20

Copy



REPORT: 626-3806

PROJECT: ZULU LADY

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Pb PCT	Zn PCT
P4 22759F		2.46	5.95
P4 22761F			2.11
P4 22762F			2.26
P4 22763F		2.32	3.90

Bondar-Clegg & Company Ltd.  
130 Pemberton Ave.  
North Vancouver, B.C.  
Canada V7P 2R5  
Phone: (604) 985-0681  
Telex: 04-352667



Certificate  
of Analysis

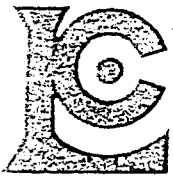
REPORT: 426-4093

PROJECT: ZULU LADY

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au OPT	Pb PCT	Zn PCT
R2 22774		0.002		
R2 22783			0.62	0.27

Registered Assayer, Province of British Columbia



# Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brookbank Ave.  
North Vancouver, B.C.  
Canada V7J 2S1

Phone: (604) 984-0221  
Telex: 043-52597

## CERTIFICATE OF ASSAY

TO : SEARCHLIGHT RESOURCES INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8616772-C01-A  
INVOICE # : 18616772  
DATE : 2-SEP-86  
P.C. # : NCNE  
T8MB/BERG/YM/ZL

Sample description	Prep code	Ag FA oz/T						
22751F-ZL	208	0.36	--	--	--	--	--	--
22754F-ZL	208	0.11	--	--	--	--	--	--
22755F-ZL	208	<0.01	--	--	--	--	--	--
22756F-ZL	208	6.71	--	--	--	--	--	--

.....*Annie Christie*.....  
Registered Assayer, Province of British Columbia

VOI rev. 4/85

UPDATED - APRIL/73

Property Name: Common STERLING Other

Location: Lat. 60°05' Long. 130°24' NTS . 105B/1

Metals: Major Silver, lead, zinc Minor CopperType of Mineral Deposit: VeinHistory and Previous Work:

Staked as Sterling cl (57203) in June/47 by Western Ranges Prospecting Syndicate (Conwest EL, Frobisher ECL and Nova-Co.EL) which was incorporated into Yukon Ranges EL in 1949. Restaked as (JRS) cl (60612) in Aug/51, as BIMBO cl (77182) in Oct/61, and as HG cl (Y29123) in May/69 by Rackla River ML; and as Fino cl (Y64775) in Sept/72 by J.E. Keplin (which are plotted slightly west).

Description:

A twelve inch wide vein was found 800 ft. from the Alaska Highway at a limestone-granite contact, and was traced for a length of 180 ft. A grab sample assayed 120 oz/ton Ag and 52% Pb. (Western Miner). Poole describes galena, sphalerite, pyrite and minor chalcopyrite replacing calcite cement of a dolomite breccia. Nearby, a thin shear cutting the batholith contains small crystals of galena and a few specks of native silver. Other assays reported are 31.6 oz/ton Ag, 11.7% Pb and 1.05% Zn in a 6 ft channel sample, and a grab sample assaying 60.6 oz/ton Ag, 21.8% Pb, and 6.2% Zn.

31.6 70 X

316. <sup>50</sup> N, low SilverReferences:

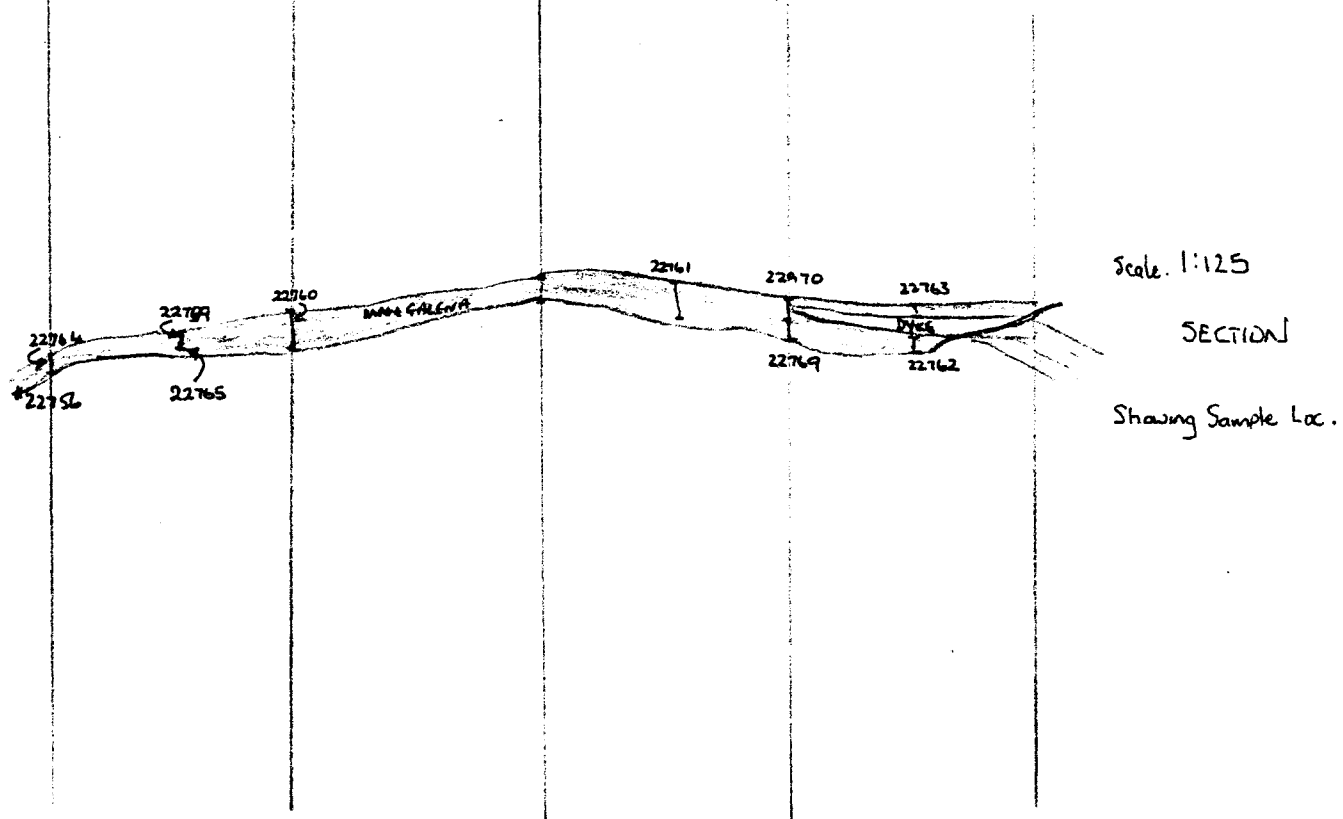
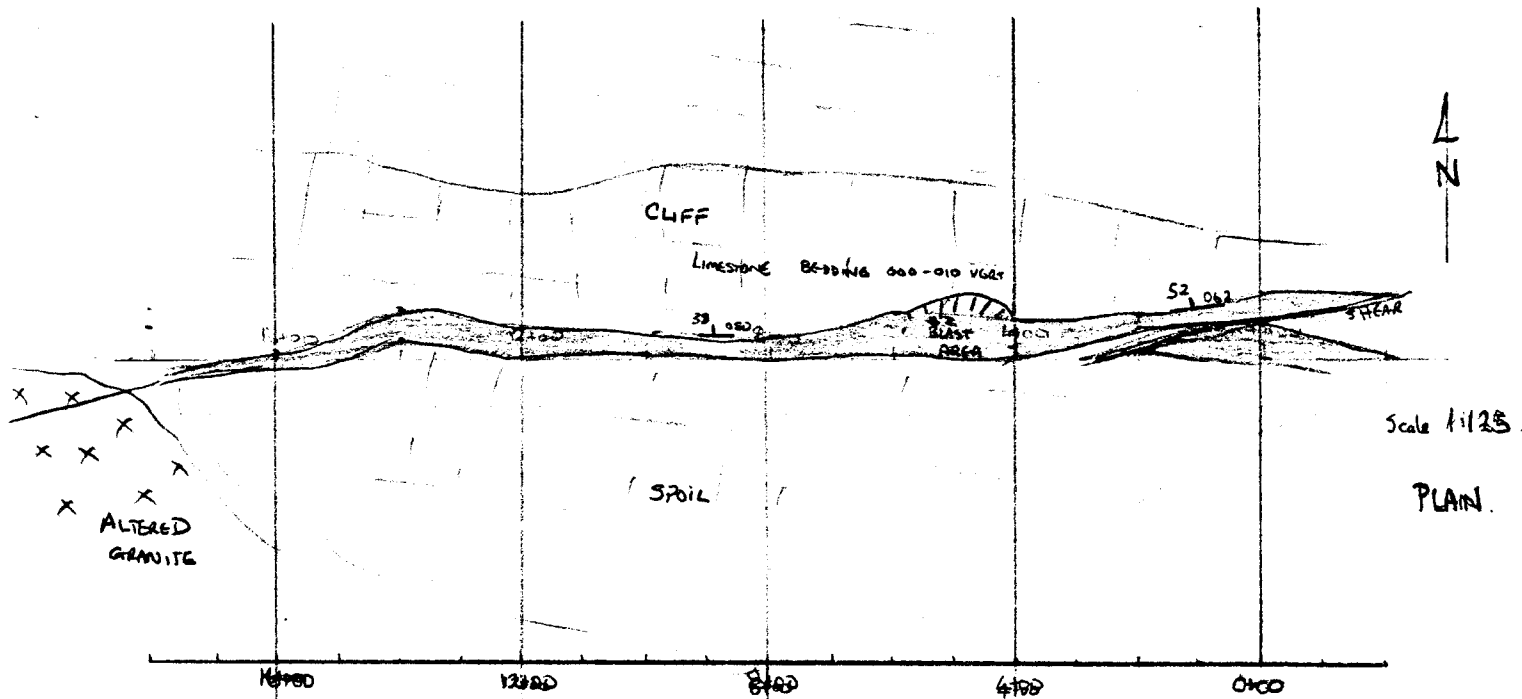
- NM, Jan 15, 1949  
 WM, Oct/47, p.68 and Dec/47, p.35  
 "Geology of the Cassiar Mountains", by W.H. Poole, unpublished PhD Thesis, Princeton University, 1956, p.240

SAMPLE NO.	LOCATION & DESCRIPTION	TYPE	WIDTH	ASSAYS						SAMPL BY
				PPM Cu	PPM Pb	PPM Zn	PPM Ag	PPM As	PPB. Au	
46479	Recrystallized sugar looking dolomitized limestone Limonite stain along fracture as well as minor malachite stain and MnO <sub>2</sub> dendrites - some sphalerite. Sample from Copper Pit.			8	73	4000	2.7	29	<5	
46480	Disseminated and patchy galena 15% in a highly altered dolomitic limestone. Intense clay and limonite alteration, minor pyrite. Sample from Red Pt. Minor sphalerite.			88	17.0%	2.23%	152.6	400	15	
46481	40% sulphides, mainly galena and pyrite in dolomitic limestone breccia with some silicification. Sul- phides are diss. and patchy. Heavy limonite and clay alteration as well as solution vugs. Minor sphalerite. Sample from Sterling Pit. Loc C07			290	6.46%	7.4%	123.8	>1000	150	

APPENDIX 2

TRENCH SKETCHES

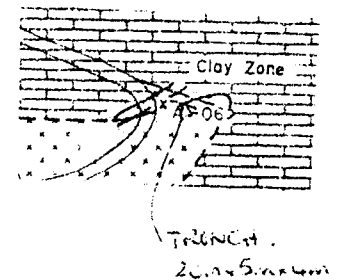
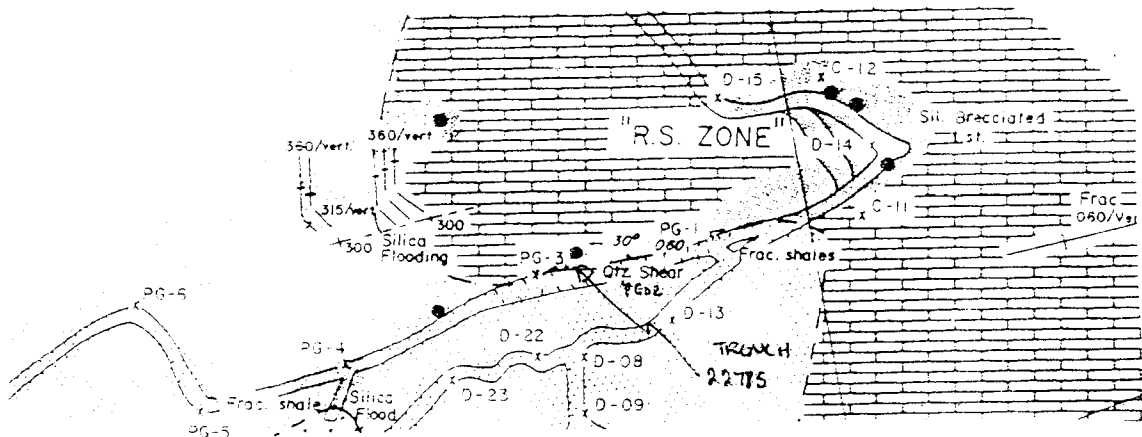
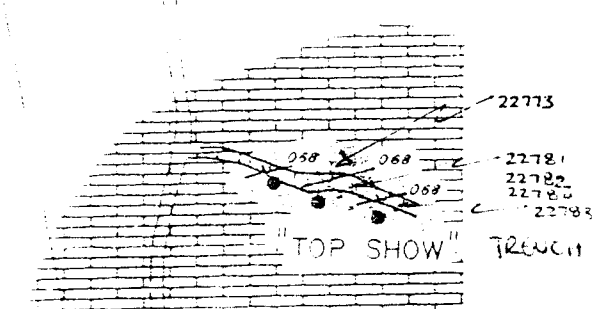
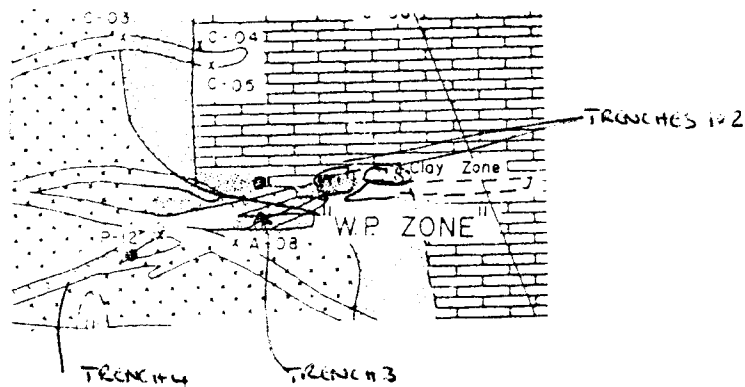
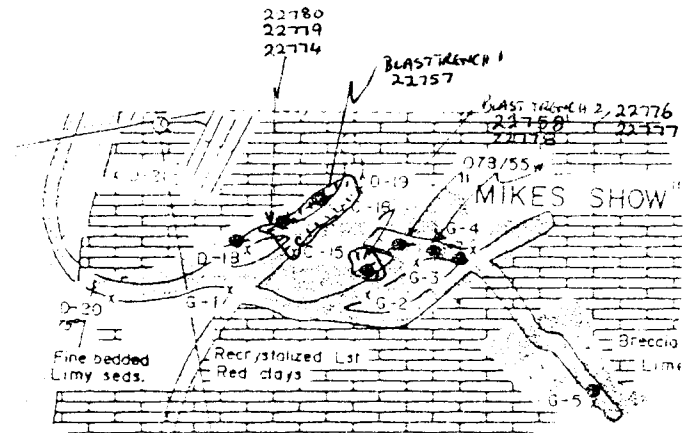
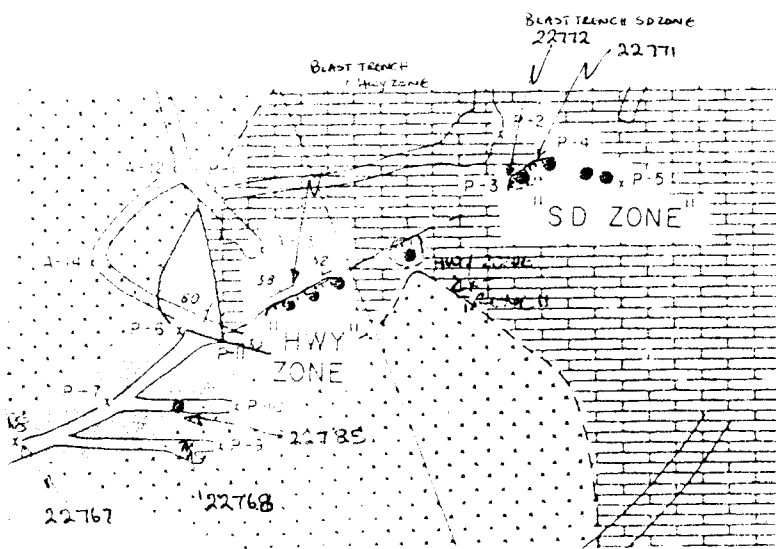
# HIGHWAY ZONE SKETCH:



# TRENCH OUTLINES AND SAMPLE LOCATIONS: ZULU LADY

SCALE: 1:2500

DATE: AUGUST, 1986



SUMMARY OF TRENCHES, EXCAVATIONS, AND ROADWAY DEVELOPMENT

Area of trench	Length	Width	Depth	Mucking
HWY ZONE	22m	3m	3m	Hand
HWY ZONE EXT	6m	4m	3m	Hand
SD ZONE	12m	4m	3m	Hand
WP ZONE 1	4m	3m	3m	Hand
WP ZONE 2	3m	3m	1m	Hand
WP ZONE 3	100m	3m	1m	Dozer
WP ZONE 4	112m	4m	2m	Dozer
MIKES SHOW 1	30m	6m	2m	Dozer
MIKES ZONE 2	5m	2m	2m	Hand
TOP SHOW	60m	5m	2m	Dozer
RS ZONE	100m	4m	2m	Dozer
BRECCIA PIT 1	20m	3m	.5m	Dozer
BRECCIA PIT 2	20m	3m	.5m	Dozer
A.06	20m	5m	4m	Dozer

ROADWAY EXPOSURE, TRENCHING:

CLAIM	LENGTH	WIDTH
ZULU LADY 1	330m	5m
ZULU LADY 2	2400m	5m
ZULU LADY 3	260m	5m
ZULU LADY 4	2180m	5m
ZULU LADY 5	380m	5m
ZULU LADY 6	430m	5m