REPORT

on the

JACK PROPERTY

Watson Lake Mining District
Yukon

for

CLAYMORE RESOURCES LTD

11003 84 Avenue Edmonton
Alberta T6G 0V6

Latitude 60° 12'N

Longitude 130° 25'W

NTS 105B1 W

by

Allan M Frew B.Sc. FGAC

March 7 1986

View from the central area of the Jack Claims toward the southwest.
Claymore Resources Ltd., Yukon, August 1985.

2

View of the Jack Property from a point a half mile north of AG 11 claim. View is toward the southeast . The northwest border of the AG claims lies parallel to the road and just above it.

Claymore Resources Ltd, Yukon, August 1985.

3

View toward the northwest from the centre ridge of the Jack property. The near ridge contains trenches 15-17 as well as the strontianite occurrence. The Meister property of Getty Mines/Regional Resources lies just beyond the ridge to the extreme left of the photograph.

Claymore Resources Ltd. Yukon, August 1985.

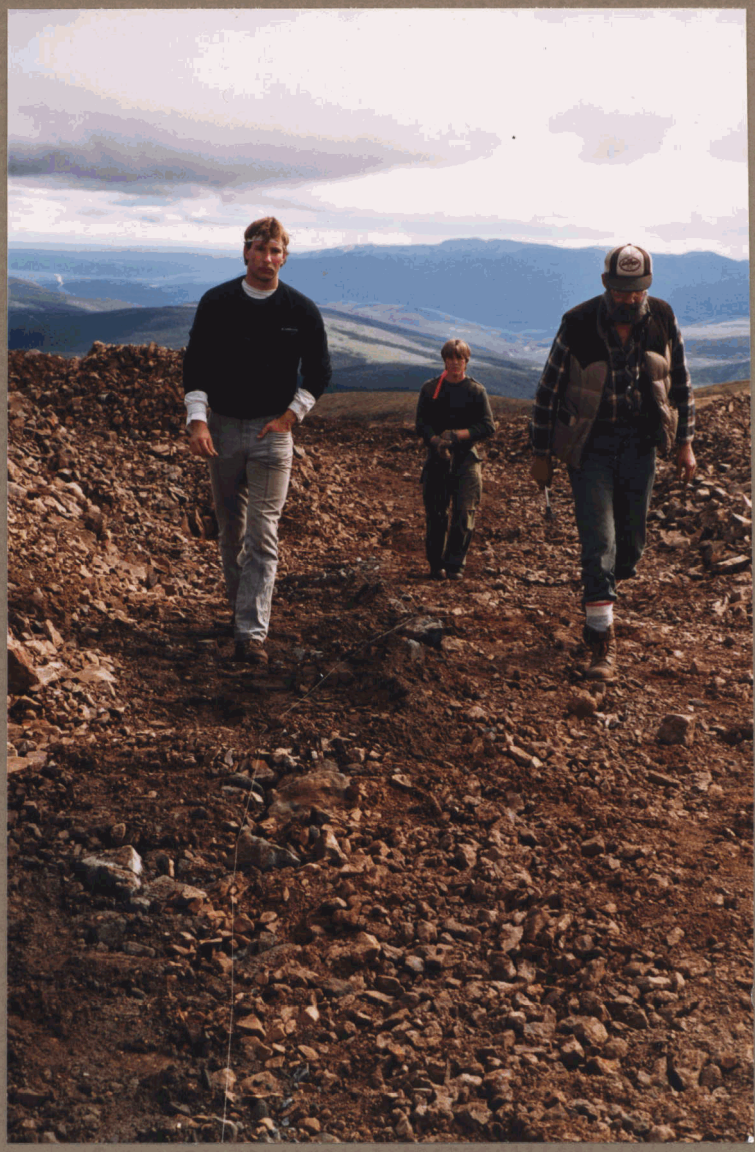
4

Discovery trench #19. This trench contains all four veins discovered in August of 1985. View is to the southwest, across strike. The hill in the background hosts the mineralization discovered previously on the property.

5

Discovery Vein, discovered August 23rd 1985. The trench is approximately fifteen feet deep at this point but there is virtually no primary mineralization visible above this point. The vein is 18 inches wide, where revealed, with assays averaging 115 oz/ton Ag. Chalcopyrite is also present which distinguishes this vein from the other three. Similar mineralization has been noted in trenches some 600 feet to the northeast along strike.

Claymore Resources Ltd., Yukon, August 1985.



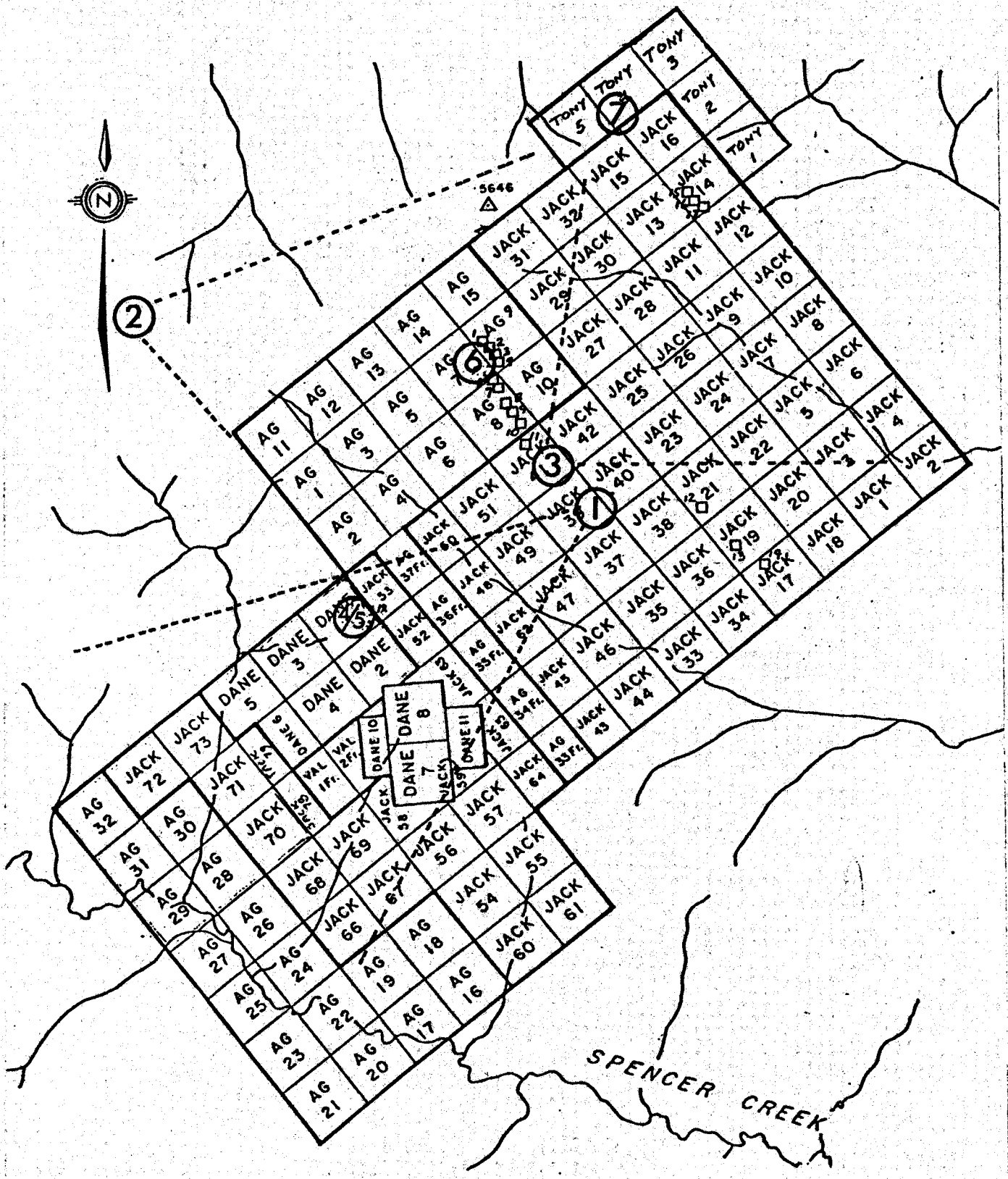
6

Trench #5, AG 7 claim; view to the south. An andesite dyke is visible on the left side of the photo, quartzite on the right. Geologists are David Melville, Ryan Wilson and Allan Frew.

Strontianite boulder , TONY 4 claim. There are several of these spectacular boulders near the top of a limestone knoll. Mineralization was not observed in place but the boulders are not far from source. Some of the crystals are almost three feet long.

Claymore Resources Ltd., Yukon, August 1985

7



Photograph Stations

JACK PROPERTY, YUKON

A. Rich, Claymore Resources Ltd
August 1985

REPORT

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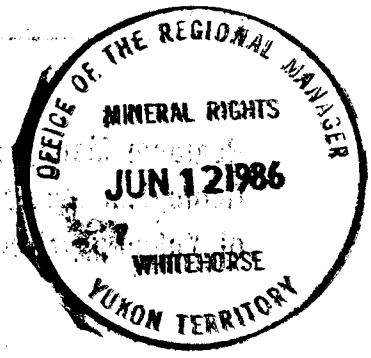

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Allan M Frew B.Sc. FGAC

March 7 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 $ 3,000.00

D D Emond

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

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LIST OF MAPS

INTRODUCTION

In June 1985, Mr. A Rich, president of Claymore Resources Limited, contracted the writer to organize and supervise a geochemical survey over the **JACK CLAIM GROUP**, a property recently acquired by that company.

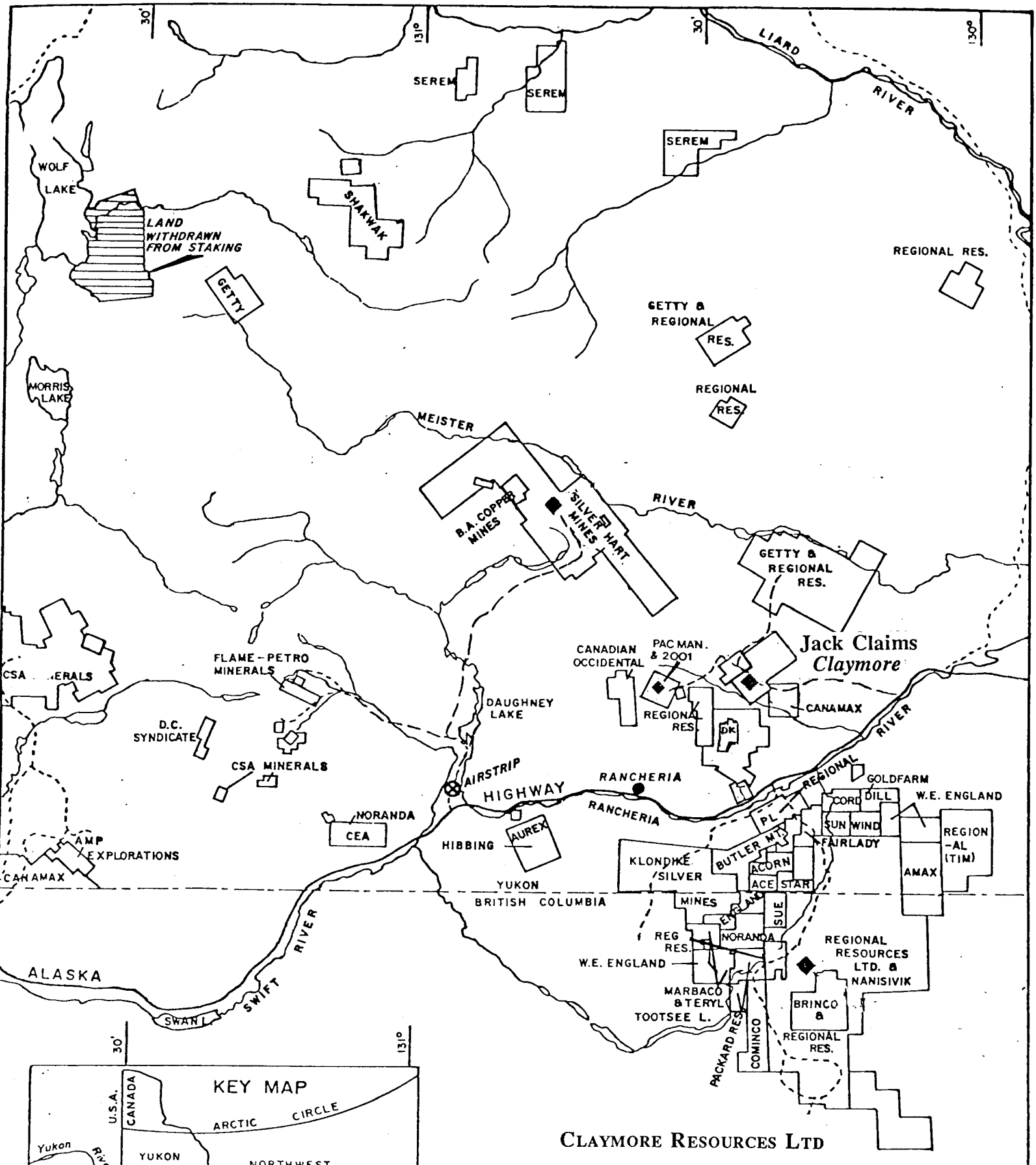
The mandate was to cover the property as completely and effectively as possible with stream sediment and soil sampling and to make cursory geological observations during the performance of the aforesaid geochemical program. Follow-up of the anomalous areas resulting from the survey, would involve: trenching, then mapping and sampling of the trenches.

The following report covers the work carried out and presents the results obtained.

PROPERTY (see figures no. 1 & 2)

The property is comprised of the Jack Group, consisting of 124 Yukon Quartz claims which were optioned from T. McCrory, J. Trace and W. Preston, as well as the Tony claims, consisting of 5 Yukon Quartz claims which were staked towards the end of the program. All 129 claims are in Watson Lake Mining District on Map Sheet 105-B-1. Particulars of these claims are as follows:-

CLAIMS	RECORD NUMBERS	RECORD DATE
VAL 1-2 (Fr.)	YA70202-YA70203	December 20, 1986
DANE 1-6	YA34956-YA34961	December 20, 1987
DANE 7	YA44267	December 20, 1987
DANE 8	YA44268	December 20, 1988
DANE 10-11	YA68910-YA68911	December 20, 1987
JACK 1-61	YA69999-YA70059	December 20, 1987
JACK 62-73	YA70255-YA70266	December 20, 1987
JACK 78-79	YA70269-YA70270	December 20, 1987
AG 1-32	YA70579-YA70610	December 20, 1987
AG 33-37 (FR.)	YA70611-YA70615	December 20, 1987
TONY 1-5	YA73695-YA73700	December 20, 1987



CLAYMORE RESOURCES LTD

Jack Group Property
Watson Lake Mining Division, Yukon

Figure No. 1
PROPERTY LOCATION

Scale 1" = 8 miles

LOCATION AND ACCESS (see figure no.1)

The Jack Group property is located on the north side of Spencer Creek within the Watson Lake Mining Distict of southeastern Yukon. More specifically, the centre of the property is approximately 16 km northeast of the settlement of Rancheria, which is at mile post 710 on the Alaska Highway (approximately 160 km , or 100 miles, west of Watson Lake). At mile 692 along the Alaska Highway, a gravel bush road runs to the north across the centre of the property, which is 21 (km) 13 miles distant.

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

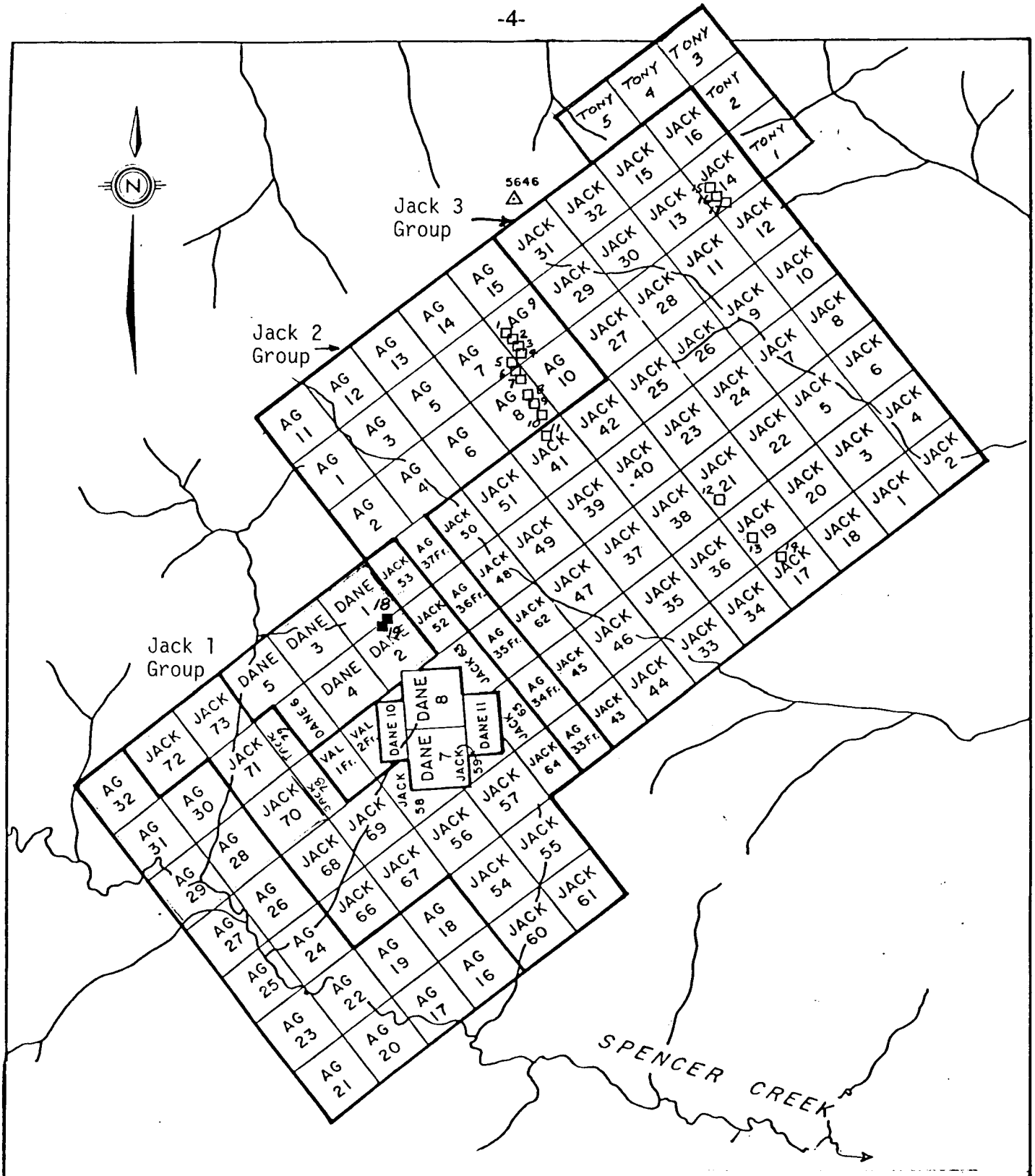
Rancheria is a settlement where accommodations and restaurant service is available on a 24 hour basis. There is also a sevice station here, which, besides the routine supplies, offers limited mechanical repair.

HISTORY AND PREVIOUS EXPLORATION

Lead, zinc and silver mineralization was first discovered in the area around 1966. The original owners constructed a bush road to the property, and hand and bulldozer trenched the showings. Minimal hand-mining of silver bearing galena is purported to have occurred at this time.

The property was allowed to lapse, and in 1977 was restaked by Mr. Jack Trace of Whitehorse. He subsequently upgraded the bush road, thereby making it passable to 4-wheel drive vehicles. He also carried out some drilling, blasting, and bulldozing of trenches, and in an area where a silver-bearing galena vein was revealed, he hand-mined approximately 3 tons of mineralized material.

In the early 1980's, the property was optioned by Hardy International Developments Inc. and in 1983, following minimal surface exploratory activity, a diamond drilling program was carried out. In all, a total of 7 holes were drilled between September 15 and September 21, 1983. These holes, spotted on the Dane claims, consisted of a total of 304.1 meters of NQ core. (See report by F. Marshall Smith, July 1984). The results were not sufficiently encouraging and Hardy consequently dropped the option.



Trenching carried out in 1985

trench location ■

Scale 1" = 1/2 mile

CLAYMORE RESOURCES LTD.

Jack Group Property
Watson Lake Mining District, Yukon

Figure No. 2
CLAIMS COMPRISING THE PROPERTY
showing locations of trenches

A M Frew January 1986

Activity to the south of Jack Group by Regional Resources and to the northwest by Silver Hart Mines Ltd has renewed interest in the area. Regional is outlining large tonnages of massive sulfide, in a polymetallic deposit, while Silver Hart is defining extensive high grade silver mineralization. Because of the similarity of the mineralization on the Jack Group to that at Silver Hart, Claymore Resources Limited acquired an option on the property in June of 1985.

PHYSIOGRAPHY AND VEGETATION

The Jack Claim Group property is located over several high alpine to sub-alpine ridges on the eastern side of the Cassiar Mountain range. The highest point in the area, just north of Jack Claim No. 31, has an elevation of 1,721 meters (5646 feet). The rest of the area ranges between 1,372 meters (4,500 feet) and 1524 meters (5,000 feet) elevations. The tops of the ridges are of rounded to subdued topography whereas the down-slope and valleys and stream courses are steep and rugged.

The tops of the ridges, including the areas of known mineralization, are above the tree-line. The remainder of the area consists of varying thicknesses of balsam spruce, scrub conifers, alder and ground birch. There are several large areas referred to as vegetation "kill zones" that have been suggested as representing areas of concentration of lead and zinc sulfides or barite rich sulfide zones, however since perma-frost is quite evident throughout the property and further, since late melting snow-banks dominate widespaced locations thereby hindering (and possibly preventing) growth, this writer feels that great caution should be placed on the interpretation of the cause of the "kill zones".

GEOLOGY

This summer's program has been this writer's first exposure to the Yukon and consequently and indepth knowledge of the geology is lacking. The following is an excerpt from a report by F. Marshall Smith, which information appears to have been gleaned from Geological Survey of Canada publication May 10-1960, Wolf Lake, Yukon Territory, Sheet 105B, as well as his years of field experience in the area. (see figure No.3)

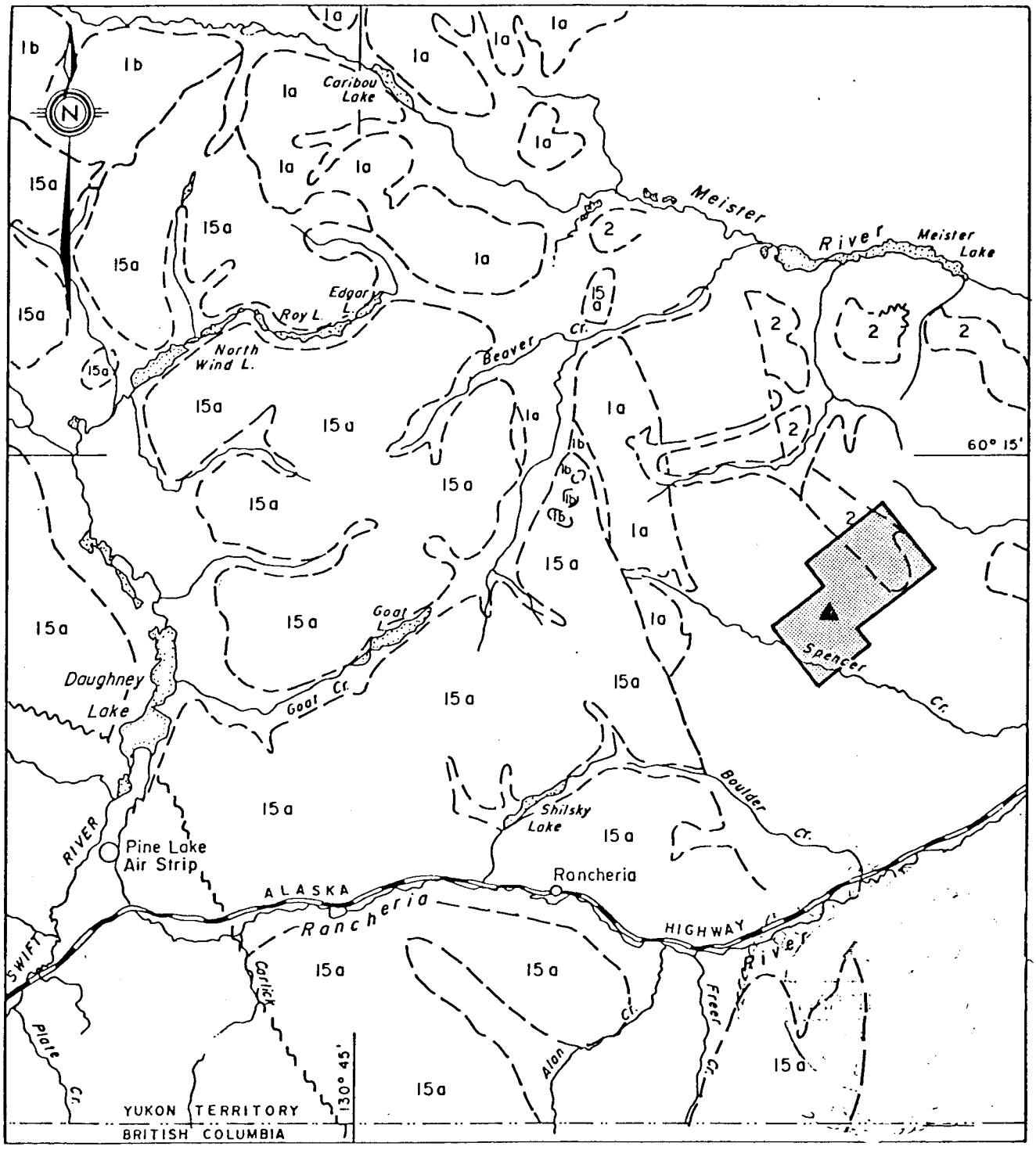


FIGURE 3

PRECAMBRIAN(?) AND PALAEOZOIC

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.

CLAYMORE RESOURCES LTD

Jack Group Property
Watson Lake Mining Division

Figure No. 3

REGIONAL GEOLOGY

Regional Geology

" The regional geology is described in the Geological Survey of Canada publication, Map 10-1960, Wolf Lake, Yukon, Sheet 105B. The rocks underlying the area in the vicinity of the Jack Group belong to a Lower Cambrian age limestone, dolomite, slate and phyllite sequence (Unit 3). The mineralization revealed by trenching and subsequently by diamond drilling on the property, occurs in this unit. A Lower Cambrian age or possibly older series of quartzite, minor slate and phyllite, quartz grit and fine pebble conglomerate rocks (Unit 2), occurs in a northwesterly trending belt across the northern portion of the claim group. This latter unit is intruded by a small diorite stock possibly related to the Cassiar batholith which outcrops to the west of the claims.

The map area appears to form major, nearly isoclinal, folds with numerous shears and tear faults oriented generally in a northerly trend.

Mineralization at the Hart property lies within the Cassiar Batholith and Unit 1 adjacent to the Batholith. Unit 1, according to the Geological Survey mapping is probably the equivalent of Unit 2 described above. Detail mapping on the Hart and on the Jack properties indicates that the mineralized sedimentary units are the same lithology, with limestone hosting replacement zinc sulphides on both properties.

The mapping by the Geological Survey was done as a very broad reconnaissance project and many changes of dates (ages of formations) have been proposed by more recent investigations. Also, the minor volcanic components within the sedimentary rocks were recognized by this early mapping."

Property -*recent observations* (see map no.1)

The geological mapping during the performance of the 1985 summer program was of a cursory nature, and as a consequence, the property has not been systematically mapped in detail. Observations made to date, indicate that the majority of the mineralization is hosted by calcareous phyllite and interbedded limestone. The argentiferous galena bearing veins appear to occupy steeply dipping fracture and fault zones which range in attitude from Azimuth 25° to 75°. Narrow, irregular stringers of galena also exist throughout most areas of mineralization.

Fractures, faults and shear zones are pervasive throughout the area. They are mostly steeply dipping and range in strike from Azimuth 35°-110°; the dominant strike from Azimuth 50°. In certain trenches, horizontal to sub-horizontal faults have been observed. In places these have cut off and offset the mineralized veins up to 10 feet. These are post-mineralization thrusts or lateral movements resulting from and related to intrusive caused uplift. The effect is to really "chew-up" the phyllite and make it extremely crumbly so that it consists of loosely packed small fragments. On the other hand, the limestone beds have been broken up into large angular massive blocks; some of which have been rotated and disorientated.

Observations by this writer indicate that almost always, there exists in close proximity to areas of mineralization, basic to intermediate dykes of varying thicknesses. These dykes are andestic in appearance, generally porphyritic and locally chloritic. It is not unlikely that there is a genetic relationship between the intrusives and the mineralization. Minor amounts of malachite stained rhyolite(?) were observed in the north east end of the property.

Large granodiorite and diabase masses are located in the central area on the north side of the property (Claims AG 15, JACK 31 and JACK 32). It is possible that the basic to intermediate dykes are apophyses of these masses. It is becoming obvious that basic to intermediate to acid volcanics are more prominent in the area, and they could very well underly the majority of the property. Much of it appears to be at rather shallow depths. Because of this one should not overlook the potential of the property containing polymetallic massive sulfide mineralization, somewhat similar to that at Regional Resources property to the south, as well as gold in economic concentrations.

WORK COVERED BY THIS REPORT

PRE-AMBLE

Good access to the property was not possible until the first week of July. Even then, there were still several long, deep, hard-packed snow banks widely spaced along the bush road which traverses the property. Roads were completely inpassable and did not completely clear until late July. This resulted in the program not commencing until July 10, 1985.

Since it was so late in the exploration season, and in view of the fact that the geology students on the crew had to return to university at the end of August, the program was organized so that it would produce maximum meaningful results in a short time period.

Emphasis was placed on geochemical coverage, with any subsequent trenching constituting the last stage, continuing as long as time and equipment availability permitted.

The program was plagued by many inconveniences, the major ones being vehicle and tractor break-downs and lack of parts and equipment, as and when needed. Nevertheless, the coverage and results were sufficiently encouraging for the program to be considered as having been very successful.

CREW

The field program was carried out by the following personnel:

NAME	POSITION	RESIDENCE
Allan M. Frew	Project Manager	Edmonton, Alberta
David Melville	Geologist / Fieldman	Redwater, Alberta
Ryan Wilson	Geologist / Fieldman	Edmonton, Alberta
Lillian Willette	Cook / Laundress	Edmonton, Alberta

SOIL AND STREAM GEOCHEMICAL SURVEY

INTRODUCTION

The property encompasses a rather large area to be covered in a short period of time. Very convenient to reaching the programs objective, there are three well spaced ridges which traverse the full length of the property; one on the west, one central and another on the east. Additionally, there are three creeks running along the base of these ridges which, along with their feeder-streams, allows one to obtain excellent coverage of the intervening ground.

Silt samples were collected from the creeks and their feeders at the point of juncture. Where there were wide gap between feeders, fill-in silt samples were taken from the creek. (See map no. 2) Soil samples were taken, at approximately 350 meter spacing, along the core of the western and eastern ridges and along both sides of the central ridge. (See map no. 2)

Two close spaced grids were established to check areas of known (and possible) mineralization: Grid No. 1, (See maps no. 2 & 3) covers an area between past trenching, hand-mining and diamond drilling; Grid No. 2 (See figure no. 4) tested an area where a narrow, discontinuous galena stringer was observed.

Along the creeks and ridges, sample sites were located on aerial photographs In the case of Grid No. 1 they were at 50 meter spacing along compass lines and 25 meter spacing in the case of Grid No.2, with distances measured by hip-chain. It should be noted that although the base line of Grid No. 1 was run at Azimuth 40°, the southern end of the lines swung towards the east- this was due to inexperience in running lines over mountainous terrain.

RESULTS

PROPERTY SURVEY (see map no. 2)

In his Memoir- *The Geochemistry of Silver and its Deposits- Geological Survey of Canada Bulletin No. 160, 1968,* R.W. Boyles states:

"Deciding what are anomalous silver values in soils, till, etc. will depend on the area and should be determined by preliminary surveys. The normal silver content of soils ranges from 0.1 to 0.5 p.p.m. The writer has found that values above 0.7 p.p.m are generally anomalous and should prompt the prospector to investigate the cause." (-- p. 217). Because of this, the writer considered any values of 0.5 and 0.6 ppm.as being possible anomalous, and 0.7 ppm and above, as being definitely anomalous.

Five small areas of interest were indicated along the western ridge, two within the boundaries of Grid No. 1, one between Grids Nos. 1 and 2, an area located in the north-east corner of claim Jack 60, and one just east of claim Jack 55.

The most northerly anomaly, within Grid No. 1 is the area of the "Discovery Veins" resulting from this year's program.

Over the central ridge there are three anomalous areas indicated. The largest of these begins along the bottom of claims AG 14 and AG 15 and extends southerly along the western side of claims AG9, AG 10, and JACK 42 at which point it extends to the southwest across claim JACK 39 and eastward across the top of claim JACK 40 and the south end of claims JACK 25 and JACK 26. (In the north end of this anomalous area float containing galena and limonite mineralization was observed)

The second anomalous area cuts across the north end of claim JACK 35 and JACK 36 and the south part of claim JACK 38.

The third and last anomalous area cuts diagonally across the north-west corner of claim JACK 34 and is open to the north and south.

It is quite possible that the long narrow extension to the east by the largest, northern anomaly could reflect drainage off a mineralized zone on the top of the ridge.

The majority of the eastern ridge is anomalous and it is most likely that the high silts in the creek reflect drainage from mineralization in the ridge.

DETAILED GRID NO. 1 (see map no. 3)

These are several widely spaced, small anomalous areas indicated. Most significant is the area between lines 1 south and 4 south and from base line to 100N. This is the area where Jack Trace put in his largest trench and hand-mined approximately 3 tons of argentiferous galena. It is also the area where the 1985 Discovery Veins were uncovered.

At line 4 south, 350 east there is an isolated anomaly which could reflect float in the top-soil.

At line 0, 500 east there is an extremely high anomaly which could be related to the anomalous zone which extends on both line 2 north and 3 north between 300 east and 1000 east. It should be noted that this area is in an area of slump on the east side of the western ridge and runs in approximately a north-south direction, which attitude is supposedly the most favourable on the Silver Hart property.

The possible anomalous zone located at line 2 north, 275-300 west is worthy of further testing.

DETAIL GRID NO. 2 (see figure no. 4)

The results of the detailed sampling over Grid No. 2 were discouraging. One isolated anomalous silver sample was detected at Line 1 wast, 100 north.

TRENCHING

Trenches 85-1,-2,-3,&-4 (see figure no. 5) were put in on claim AG9, in an area where, in addition to high soil values in lead and silver, there was also float which contained irregular stringers of galena and much limonite (possibly after galena and sphalerite).

The trenching revealed a limonitic shear zone cutting across quartzite which has been intruded by a narrow andesitic dyke. Minor phyllite interbeds were also observed. Permafrost hindered deepening trench 85-4.

Of interest here is the presence of detectable gold (0.002 oz/t) in the limonitic shear.

Trenches 85-5,-6 and -7 (see figure no. 6) were put in on claims AG7 and AG8. They revealed minor quartzite with intense shear bounded andesite and rhyolite(?). The shears are very puggy and highly limonitic with deep red-rust color. In the shear zone in trench 85-6 there was detectable gold values in the sheared material. Here the values were 0.004 oz/t and 0.028 oz/t across the shears.

Trenches 85-8,-9 and -10 (see figure no. 7) were put in on claim AG8. Here the only rock types uncovered were andesite and intermediate to acid volcanics, some of which are porphyritic. A strong, limonitic shear zone transects the area. No significant values were detected.

Trench 85-11 (see figure no. 8) was put in on claim JACK 41. It uncovered quartzite, andesite, acid volcanics and a 1.5 foot quartz vein. The andesite is cut by a strong shear, a sample from which showed detectable gold (0.002 oz/t)

Trench 85-12 (see figure no. 8) was put on claim Jack 21 and revealed quartzite transected by a strong, highly limonitic shear. Here, again, there was detectable gold (0.002 oz/t and 0.006 oz/t)

Trench 85-13 (see figure no. 9) was put in on claim JACK 19, and revealed quartzite containing a major, broad shear zone which has been transected by a narrow andesite dyke. A sample from the shear zone had detectable gold (0.002 oz/t).

Trench 85-14 (see figure no. 9) was put in on claim JACK 17, and uncovered quartzite in contact with basic volcanics. The contact is a shear zone. No significant assay results were produced from samples taken from this trench.

Trench 85-15,-16 and -17 (see figure no. 10) were put in on claim JACK 14. They revealed the area is underlain by limestone. Samples from both shear zones had detectable gold: one of 0.004 oz/t and the other of 0.002 oz/t and 0.086 oz/t. Much goethite and manganese wad was observed her as large angular fragments over 2 feet across. These are suspected of having rolled down over the high ridge the top of which was not tested by dozer-trenching. This should be a priority area since goethite and manganese have an affinity for growing over the upper parts of argentiferous galena veins. This, combined with the anomalous lead and silver soil samples along the ridge, enhances the potential of this ridge.

Trenches in the Discovery area (see figure no. 11) covered an extensive area and revealed the major rock types underlying the area are limestone and phyllite. Although no volcanics were observed, further exploration for such should be part of any additional work in the area.

Four argentiferous galena veins were uncovered in the north end of this cleared area. Three representative samples across the main vein (No. 1) assayed 64.7, 110.6, 170.1 ounces of silver perton, for an average of 115.1 oz Ag/t. The sample also assayed 0.11 oz Au/ton.

The veins did not show at surface, and are capped with alteration (limonite) and manganese crustation to considerable depth. The veins assay as follows:-

VEIN	WIDTH	DESCRIPTION	ASSAY in oz/ton Silver
Discovery (1)	18"	unaltered	115.1 average (plus 0.11 oz/Au)
2	6"	50% altered	58.0
3	10"	50% altered	62.7
4	12"	70% altered	28.2

A test pit was put down 150 meters along strike to the north-east of the Discovery vein and although the vein was not uncovered in place, angular fragments of mineralization; identical to that encountered in the Discovery vein, were found. The ground is badly "chewed-up" phyllite with large, angular, rotated blocks of limestone (almost like a melange). Nevertheless, the aforementioned mineralized fragments indicates the existence of the Discovery vein to at least this point along strike.

CONCLUSIONS AND OBSERVATIONS

CONCLUSIONS FROM GEOCHEMICAL SURVEY

Although the width of silver mineralized veins is narrow, a wide spaced sampling of the soils has revealed several interesting anomalous zones, worthy of detailed follow-up. There appears to be a close relationship between high lead and high manganese. Since the manganese has an affinity for silver it could well be that one should establish the suitable parameters for grade, and/or ratios of these two elements, and use it as a guide for detailed exploration.

Using 0.7 ppm. Ag as the lowest value for an anomaly, areas defined as such, and indeed isolated sites with such reading, should warrant follow-up visual inspection and possibly dozer trenching. This has been borne out by the discovery of new veins in one such area during 1985's program. Where the anomaly embraces a large area, a close spaced sampling should prove more definitive.

A lithogeochemical survey should be considered.

CONCLUSIONS FROM DOZER TRENCHING

Dozer trenching has proved effective in that of the 20 trenches put down in 1985, one discovery of high-grade silver mineralization was made. Although narrow discontinuous galena veins had been observed in the general area earlier, the high soil values lead to extending the area boundaries and digging to a depth much more easily achieved than by hand.

In other trench areas, the bedrock so exposed indicated the presence of much more volcanic rocks than previously acknowledged, as well as numerous major shear zones. Since these shears are possible loci for mineralization their length should be traced and further detail testing be carried out.

On the negative side- trenching does indeed leave major scars to the environment, and thought should be given to back filling all trenchs of no further interest.

CONCLUSIONS FROM GEOLOGICAL OBSERVATIONS

As mentioned earlier in this report, the extent of geological mapping was rather cursory. Nevertheless, many significant new geological features were observed. They are as follows:

1. Basic to intermediate rocks range from being porphyritic to tuffaceous and amygdaloidal hence indictating there has been extrusion activity in addition to the already recognized intrusive activity.

2. The presence of acid volcanics in conjunction with the aforesaid suggests the possibility of a geological situation similar to that which Regional Resources is currently exploring to the south of this property.

3. Much more faulting and shearing transects the property, is wide spread, and since they coincide with soil geochemical anomalies, could indictate structures containing metallic mineralization.

4. Some of the phyllite appears to have originally been tuffaceous material, and requires further testing.

5. There is a doubly-plunging anticline running across the north-east end of the property. In this area there could be dilatant zones developed which could host metallic mineral concentrations of economic proportions.

OBSERVATIONS RELATIVE TO MINERALIZATION

The significance of the discovery of large, angular blocks of strontianite is not known at this time. It is known that it is quite often found in association with metallic minerals,

and is understood to be in abundance at Pine Point. These blocks were found in the north-east end of property (see map no. 1) in close proximity to the doubly-plunging anticline. They were not in place, but this writer suspects they have been frost-heaved from a shallow-depth beneath the talus so the source is not too far from their present position.

Close study of hand specimens, and of the argentiferous galena veins in situ, indicate that manganese dioxide (wad) coats the sulfides. To the top of the vein the "wad" is rather extensive, whereas on the sides of the vein, it is restricted to coatings on both sides to a thickness of 1.5-2 inches.

"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 on Silver. . Therefore this writer suggests that it follows that argentiferous galena would attract the "wad" and act as a nucleus for its growth. Growth is expected to be slow, and will most likely go in the direction of least resistance, hence great amounts migrate upwards from the vein to the rather loosely packed, broken up phyllite, and resticted growth on the sides of the veins due to confining pressures. Since ferric oxide hydrosols and gels tend to carry a positive charge, it would lead one to believe that the goethite, found in association with the veins, would be attracted to the negative "wad" and hence not be found in direct contact with the argentiferous galena. Therefore when prospecting the area, one should watch for both goethite and "wad" fragments, and trace them to their source.

It is this writers contention that the above hypothesis of the "wad" growing in the direction of least resistance resulted in one of the diamond drill holes, put down in 1983, being drilled in the wrong direction. In this paricular instance, a "wad" filled fracture which had a general easterly-westerly attitude transpected a calcareous bed which had a northerly-southerly attitude, and which further had minor bedding plane movement. The "wad" grew in a diffuse manner along this northerly-southerly trend, and was subsequently drilled. This meant that the drilling was parallel to the main mineralized structure and the consequence was discouragement.

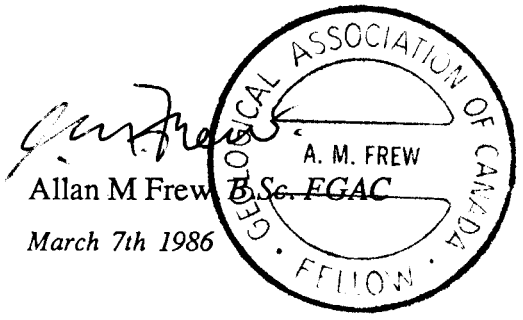
The argentiferous veins in the Discovery area comprised of rather massive coarse-grained galena on one side, grading across the vein into narrow bands of very soft, fine-grained, highly argentiferous galena. The vein is vuggy, in places some of the vugs are filled

with malachite, others are partially filled with reddish-brown limonite. Chalcopyrite occurs as irregular intergrowths up to two inches across and this is the most likely host for the gold values. Black manganese dioxide bounds both sides of the veins to a thickness of 1.5 - 2 inches and exists as an upward extension of the vein with minor remnants or no galena obvious. The coarse-grained galena appears to have been distorted and stretched by shearing movements.

GENERAL OBSERVATIONS

In view of the preceeding and the short time frame within which the results were obtained; and in spite of the fact that the second most promising geochemically anomalous area was not trenched (i.e. the extreme east ridge, south of trenches 85-15, 16&17) the program covered by this report can be considered as having been tremendously successful.

Respectfuly submitted:



Allan M Frew ~~B.Sc. FGAC~~

March 7th 1986

CLAYMORE RESOURCES LTD

Exploration Expenditures

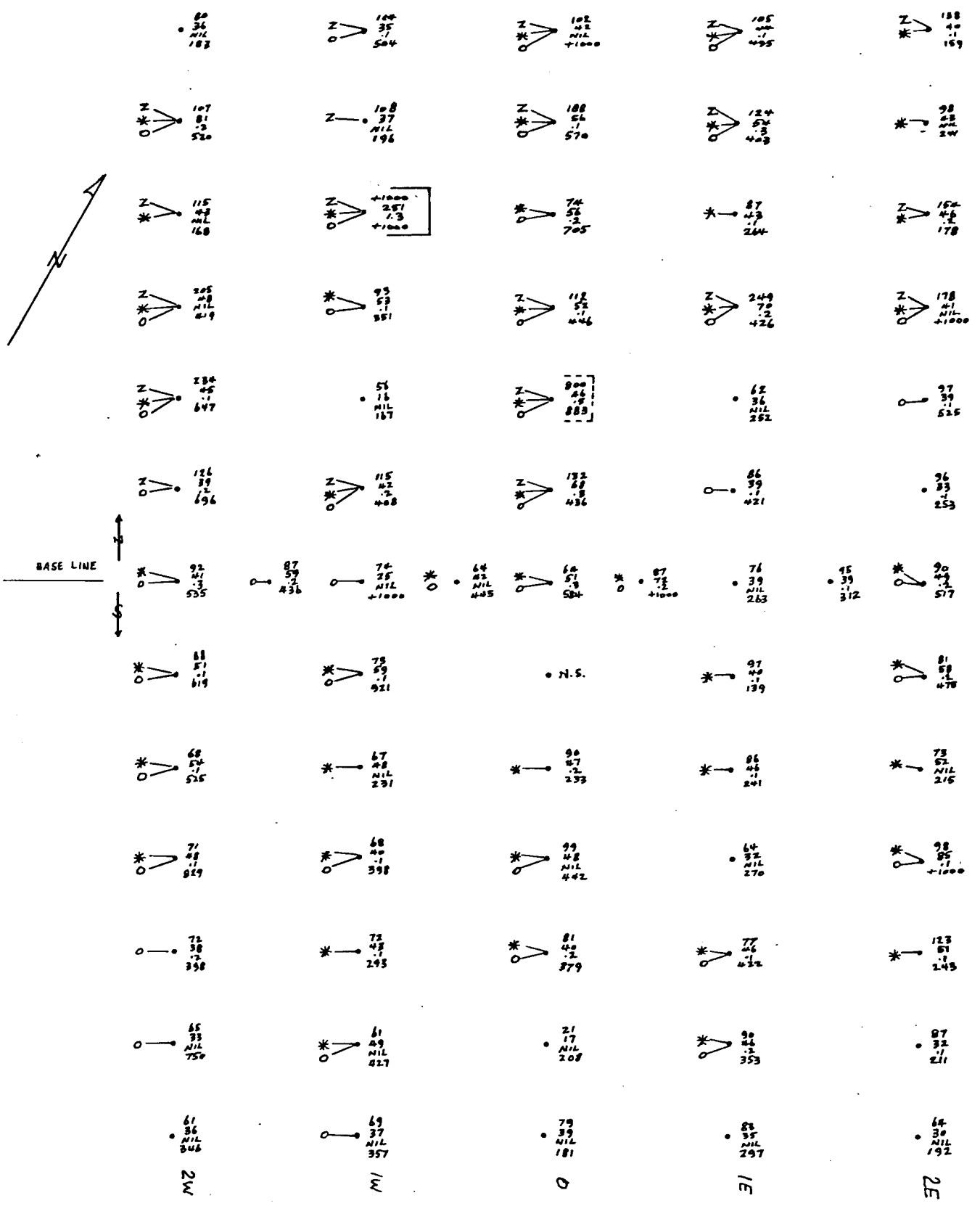
Jack Claims, Rancheria, Yukon, 1985/86

SALARIES		$
Allan M Frew, Geologist, Field Supervisor		
July 3 - Sept 14 incl	74 days @ $200	14,800.00
David M Melville, Geologist,		
July 5 - Aug 31 incl	58 days @ $120	6,960.00
Ryan D Wilson, Geologist		
July 5 - Aug 31 incl	58 days @ $120	6,960.00
Anthony Rich, P. Geol, Consultant		
between July1 and Sept 30	15 days @ $400	6,000.00
Lillian R Willette, cook		
July 3 - Aug 31, incl	60 days @ $60	3,600.00
		$38,320.00
TRAVEL AND ACCOMODATION		
Air Travel - A. Rich		593.40
Gasoline (per credit cards)		1,122.19
Total Cash Expenses of Employees*		
these include accomodation, gasoline, food:		
D.Melville		820.83
R.Wilson		619.94
A Frew		5,940.33
A Rich		1,424.04
(* it is estimated that less than 20% of these costs were incurred for mobilization from and demobilization to Edmonton, the balance was incurred out of Watson Lake and Rancheria)		
		$10,520.73
CAMP SUPPLIES		
Food - Watson Lake (other than those in employee expenses)		1,850.85
Safety supplies, flagging, sample bags, building materials etc		996.65
Propane		348.40
		$3,195.90
MAPS AND PUBLICATIONS		
Air Photos and Maps		$200.09
CHARTER AIRCRAFT		
Frontier Helicopters		$920.50
COMMUNICATIONS		
LD Tolls		$4,316.01
Radiophone lease	3 mo. @ $60	$180.00

Jack Claims, Expenditures, 1985/86

EXPEDITING		$
J Melnychuk, Watson Lake		600.00
Air Freight		152.25
Freight costs for samples sent for assay and geochem are included with assay costs, below		
FEES		
Consulting, F Marshall Smith- geological report		1,200.00
VSE fees, filing acquisition of property		560.00
Filing assessment work		3,240.00
ASSAYS		
Total rock assays and soil geochem analyses including freight , Loring Laboratories, Calgary		7,359.26
TRENCHING AND ROAD BUILDING		
J Corcoran Construction, Watson Lake		8,820.00
EQUIPMENT LEASE		
4 x 4 GMC	2.5 mo @ $1,200	3,000.00
ATC 110 Honda	2 mo @ $360.	720.00
Self contained travel trailer	2.5 mo @ $500	1,250.00
Self contained tent trailer	2.5 mo @ $300	750.00
		$5,720.00
Subtotal, Field Expenses		$85,304.74
ADMINISTRATION		
Office, Accounting, Secretarial, etc @ 8%		6,824.00
SUB-TOTAL (costs to December 31, 1985)		**$92,128.74**
REPORT PPREPARATION		
A.M. Frew		2,400.00
Drafting & Reproduction		450.00
Secretarial etc.		350.00
TOTAL - to March 7/86 -		**$95,328.74**

66 267



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Jack Group Property

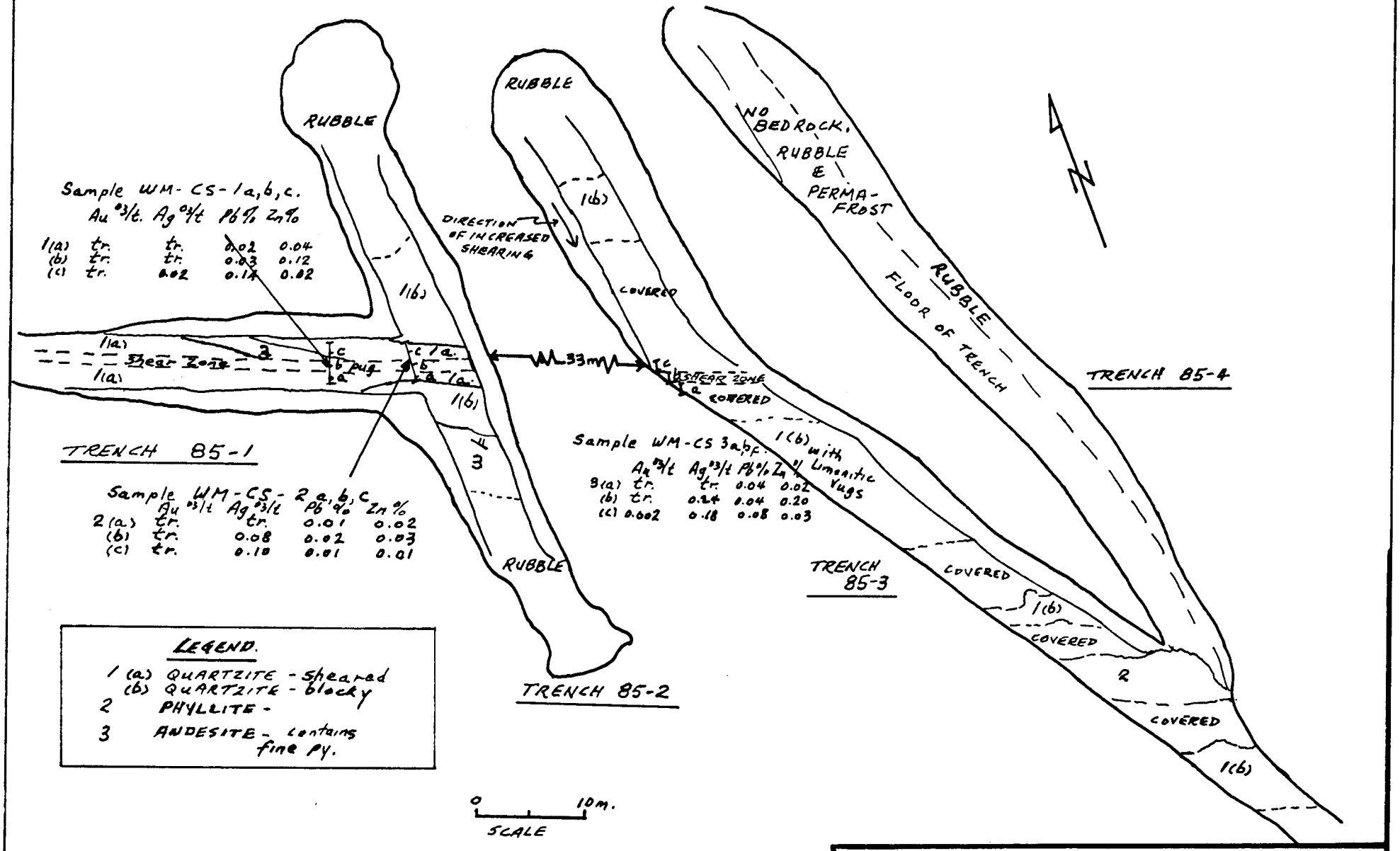
Watson Lake Mining Division, Yukon

Figure No. 4

SOIL GEOCHEMICAL SURVEY

GRID NO. 2

prepared by A.M. Frew February 1986



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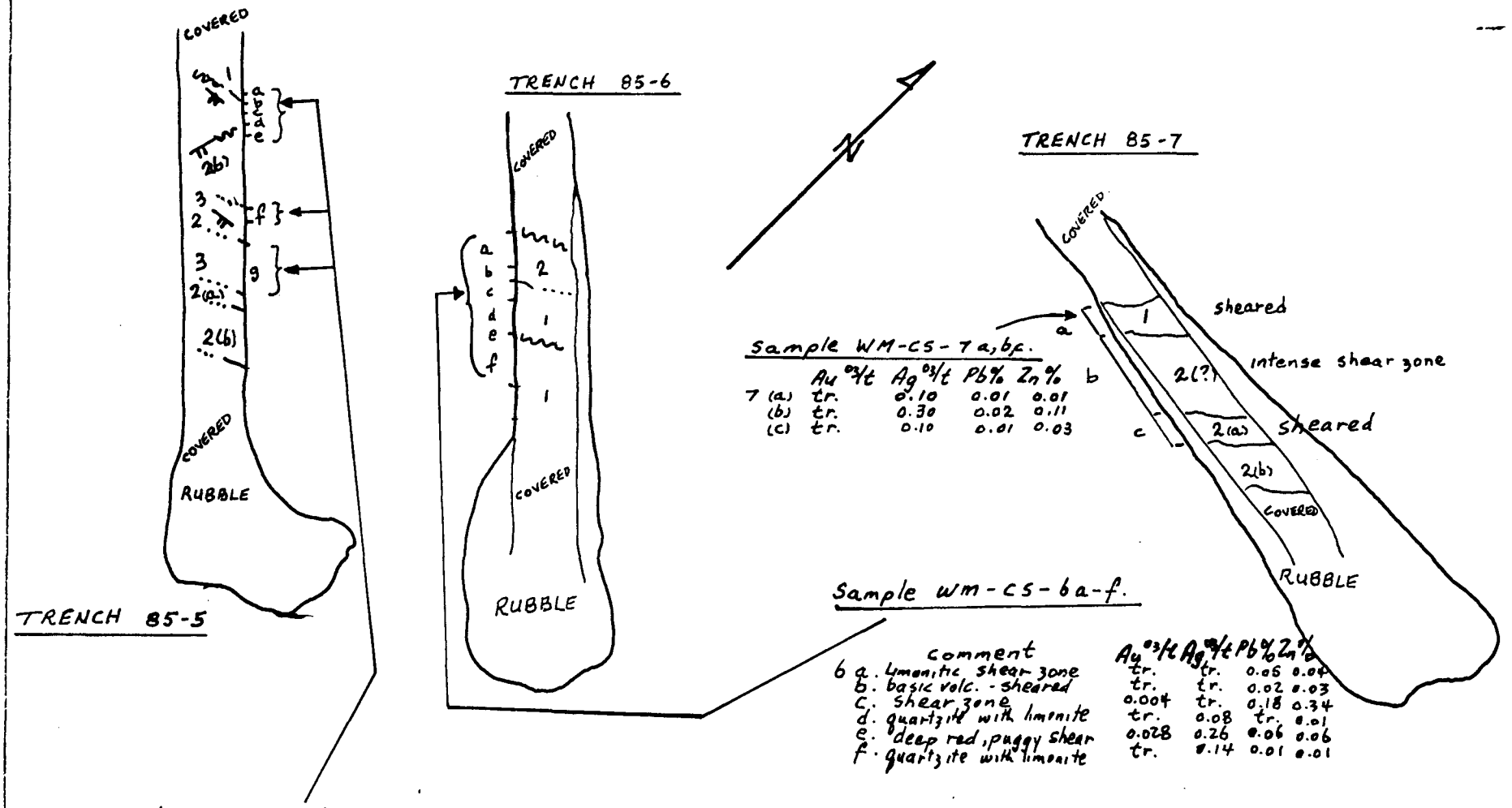
Jack Group Property

Watson Lake Mining Division, Yukon

Figure No. 5
TRENCH DETAILS, Claim AG 9

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986



Sample WM-CS-7 a,b,c.

	Au oz/t	Ag oz/t	Pb %	Zn %
7 (a)	tr.	0.10	0.01	0.01
(b)	tr.	0.30	0.02	0.11
(c)	tr.	0.10	0.01	0.03

Sample WM-CS-6 a-f.

	Comment	Au oz/t	Ag oz/t	Pb %	Zn %
6	a. Limonitic shear zone	tr.	tr.	0.05	0.04
	b. basic volc. - sheared	tr.	tr.	0.02	0.03
	c. shear zone	0.004	tr.	0.18	0.34
	d. quartzite with limonite	tr.	0.08	tr.	0.01
	e. deep red, puggy shear	0.028	0.26	0.06	0.06
	f. quartzite with limonite	tr.	0.14	0.01	0.01

Sample WM-CS-5 a-g

	Comment	Au oz/t	Ag oz/t	Pb %	Zn %
5	a quartzite, sheared.	tr.	tr.	0.02	0.02
	b pug - limonitic.	tr.	tr.	0.02	0.02
	c andesite, porphy., shistose.	tr.	tr.	tr.	0.02
	d limonitic shear	tr.	0.02	0.01	0.03
	e andesite - sheared	tr.	0.24	0.01	0.03
	f rhyolite - limonitic	tr.	tr.	tr.	0.06
	g sheared acid volcanic	tr.	0.10	0.07	0.09

0 10 m.
SCALE

LEGEND

1 QUARTZITE - locally limonitic

2 (a) ANDESITE - porphyritic - sheared
(b) ANDESITE - porphyritic - blocky

3 ACID VOLCANIC - possible rhyolite

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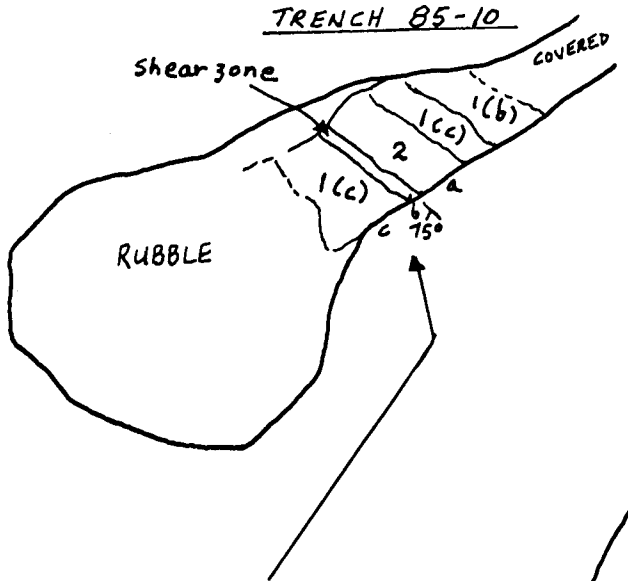
Jack Group Property

Watson Lake Mining Division, Yukon

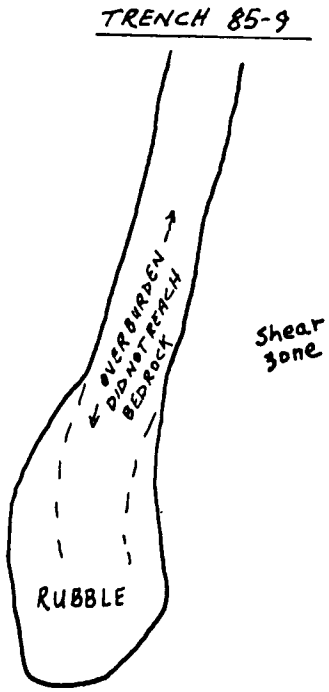
Figure No. 6
TRENCH DETAILS, Claims AG 7 & 8

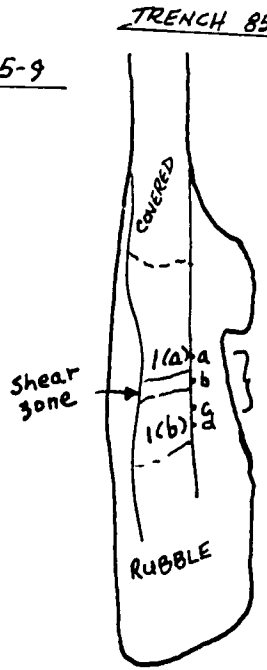
mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986

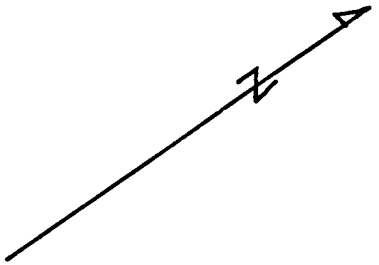


Sample WM-CS-10 a,b,c.

		Au oz/t	Ag oz/t	Pb %	Zn %
10	(a)	tr.	tr.	0.03	tr.
	(b)	tr.	tr.	0.01	tr.
	(c)	tr.	0.10	0.02	0.03







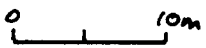
Sample WM-CS-8 a,b,c.

	Au oz/t	Ag oz/t	Pb %	Zn %
8 (a)	tr.	0.10	0.02	0.02
(b)	tr.	tr.	0.01	0.01
(c)	tr.	tr.	tr.	0.03
(d)	tr.	tr.	tr.	0.01

LEGEND

1 - Andesite, (a) blocky & fractured, weathers tan. (b) sheared, limonitic, (c) porphyritic.

2 - Intermediate volcanic, limonitic.



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Jack Group Property

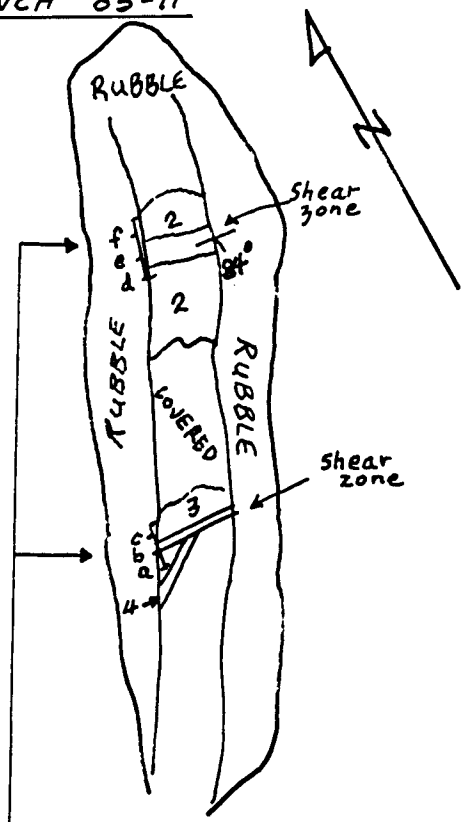
Watson Lake Mining Division, Yukon

Figure No. 7
TRENCH DETAILS, Claim AG 8

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986

CLAIM - JACK #1

TRENCH 85-11

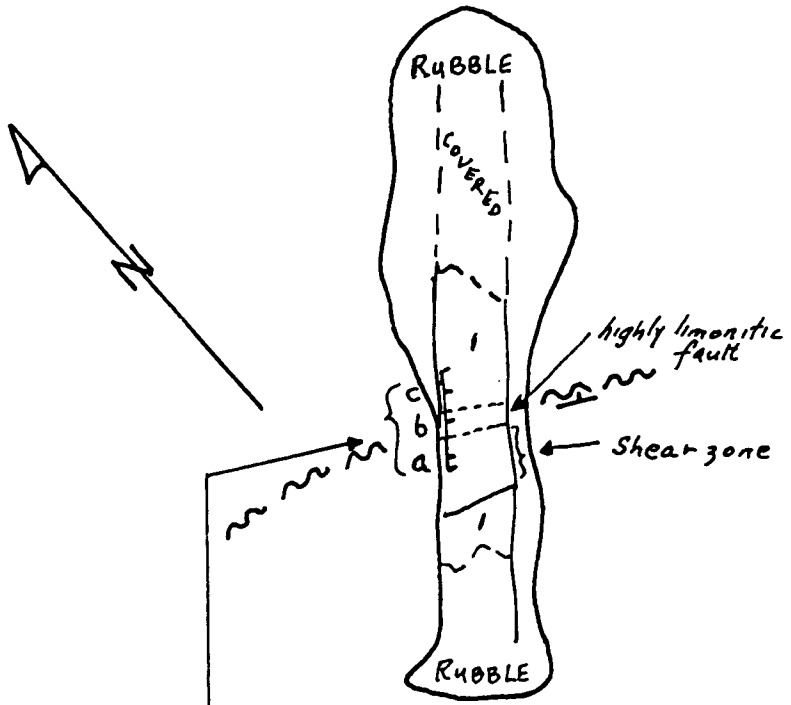


Sample W.M.-CS-11 a-f.

	Au oz/t	Ag oz/t	Pb %	Zn %
11 (a)	tr.	tr.	0.01	tr.
(b)	tr.	tr.	0.02	tr.
(c)	tr.	0.12	0.01	0.01
(d)	tr.	0.04	tr.	0.01
(e)	0.002	0.16	0.01	0.01
(f)	tr.	0.10	tr.	0.01

CLAIM TACK 21

TRENCH 85-12



Sample W.M.-C.S.-12 a, b, c.

	Au oz/t.	Ag oz/t	Pb %	Zn %
12 (a)				
(b)				
(c)				

0 10 m.
SCALE

LEGEND

1 - Quartzite
2 - Andesite
3 - Acid volcanics
4 - Quartz vein

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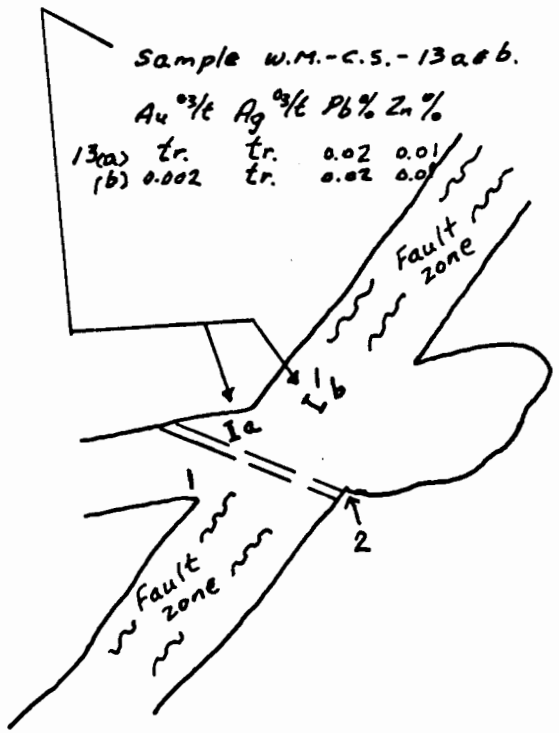
Watson Lake Mining Division, Yukon

Figure No. 8

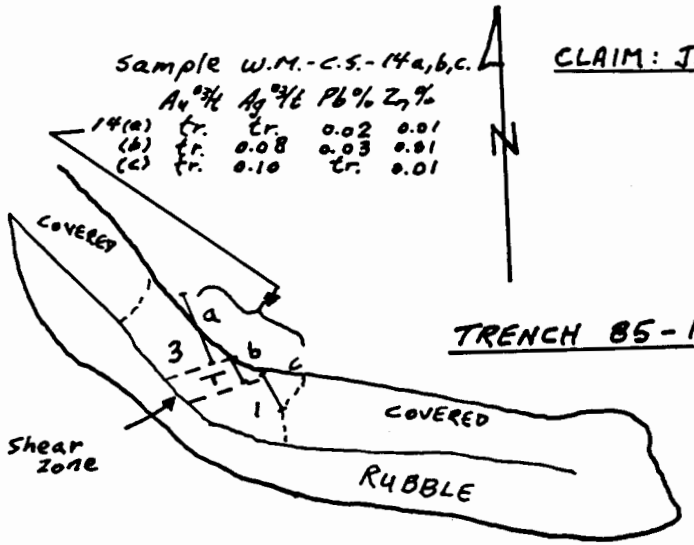
TRENCH DETAILS, Claim JACK 21

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986



TRENCH 85-13

CLAIM: JACK 19



LEGEND

1 - QUARTZITE.
2 - ANDESITE
3 - BASIC VOLCANIC - possible andesite

0 10m.
SCALE

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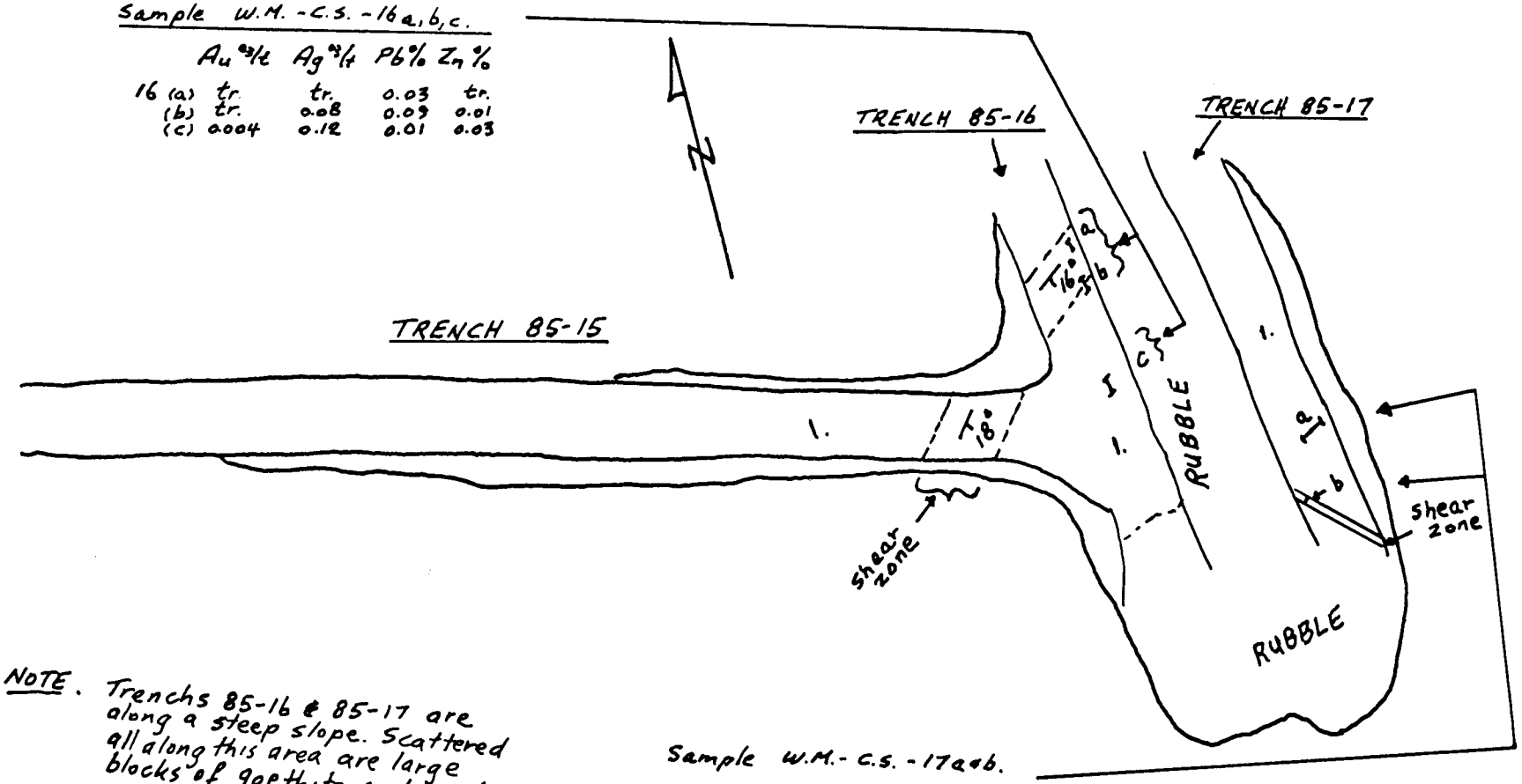
Jack Group Property

Watson Lake Mining Division, Yukon

Figure No. 9

TRENCH DETAILS, Claim JACK 19

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986



NOTE. Trenchs 85-16 & 85-17 are along a steep slope. Scattered all along this area are large blocks of goethite and wad.

LEGEND.

1- LIMESTONE

0 10m

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Jack Group Property

Watson Lake Mining Division, Yukon

Figure No. 10

TRENCH DETAILS, Claim JACK 14

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986

BIBLIOGRAPHY

Boyle, R.W. 1968 *The Geochemistry of Silver and its Deposits; Geol. Surv. Can.; Bull. 160. 264 p.*

Trace Jack, 1985. *Personal Communications.*

Smith, F.M., 1985. *Report on the Jack Group Property. Watson Lake Mining District, Yukon Territories for Claymore Resources Ltd.*

Poole, W.H. Roddick J.A. and Green L.H., 1951-69; *Map 10-1960 Geol. Surv. Can., Wolf Lake, 105B*

CERTIFICATE

I, **ALLAN M. FREW,** do hereby certify that:

1. I am a Graduate Student and 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 a degree of B. Sc., Geology.

3. I am a Fellow of the Geological Association of Canada.

4. I have been practising my profession since 1958.

5. This report is based on personal examinations and management of exploration of the property during the summer of 1985, as well as reports by Professional Engineers working for the previous owners and operators.

6. I hold no interest in the property or shares of Claymore Resources Ltd.

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

GEOLOGICAL ASSOCIATION OF CANADA
A. M. FREW
FELLOW

CLAYMORE RESOURCES LTD

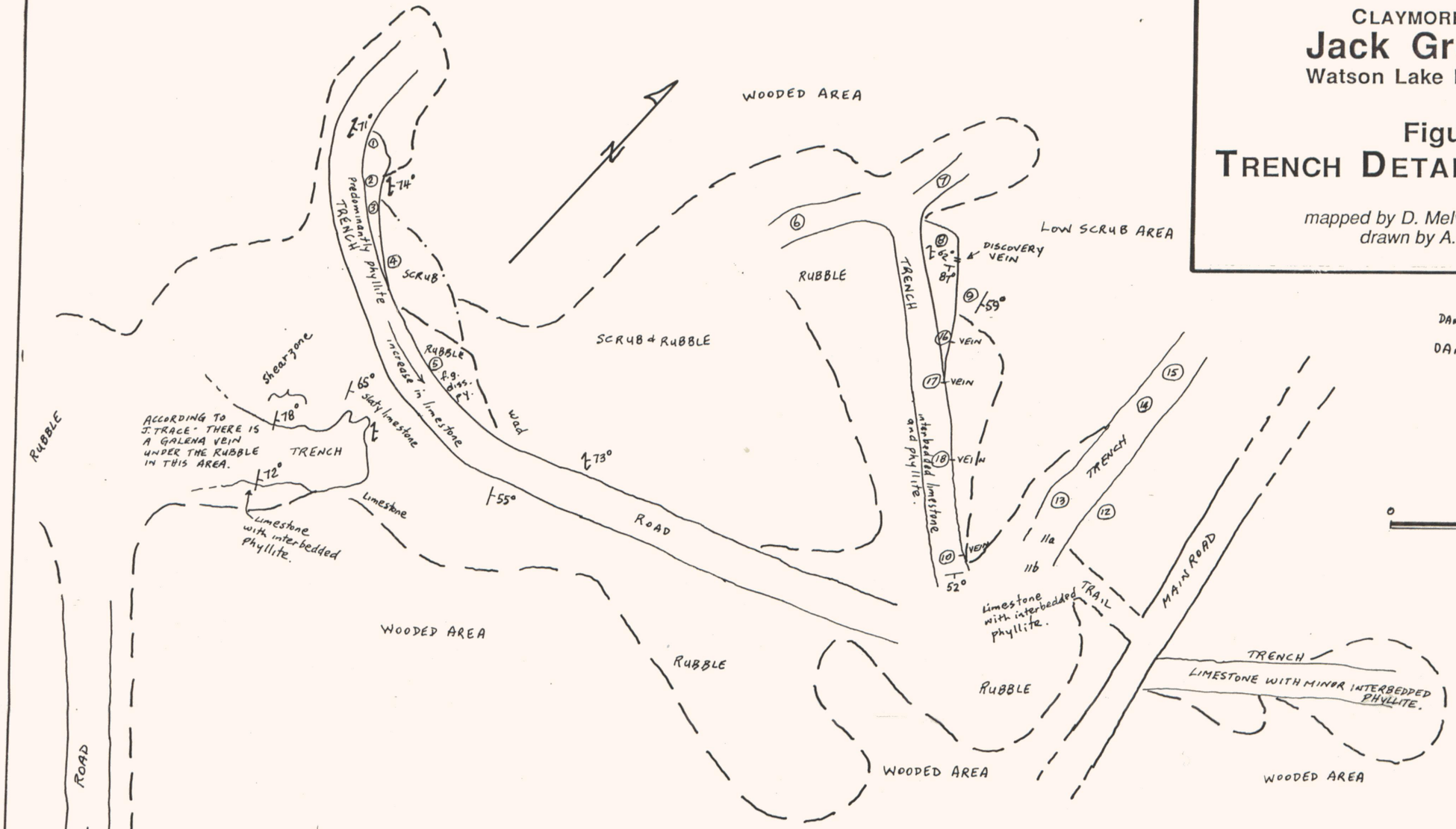
Jack Group Property

Watson Lake Mining Division, Yukon

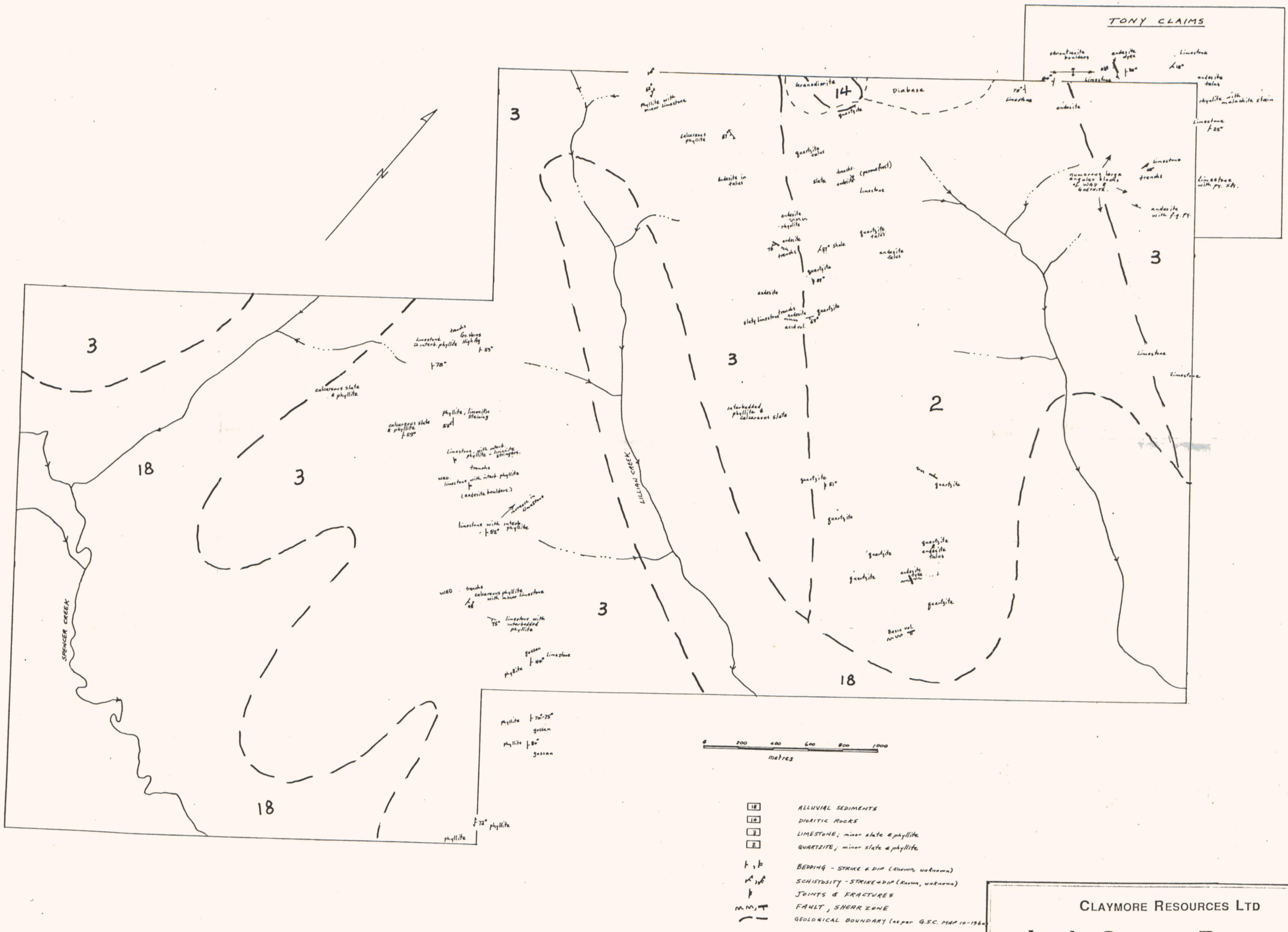
Figure No. 11

TRENCH DETAILS, Claims Dane 1 & 2

mapped by D. Melville & R. Wilson, August 1985
drawn by A.M. Frew January 1986



LOCATION	SAMPLE NO.	COMMENTS / DESCRIPTION	Au^{oz}/t	Ag^{oz}/t	Pb %	Zn %
8	W.M.-C.S.-18(a)	Phyllite with minor limonite as fracture filling	0.004	tr.	0.35	0.66
8	W.M.-C.S-18(b)	DISCOVERY VEIN - galena with possible freibergite	0.008	100.56	78.40	0.44
8	W.M.-C.S.-18(c)	Phyllite (as above)	tr.	0.16	0.15	0.17
10	W.M.-C.S.-19(a)	Phyllite with limonite stringers & fracture filling	tr.	0.16	0.19	0.85
10	W.M.-C.S.-19(b)	Wad containing galena in intensely sheared phyllite	0.008	6.18	11.78	0.69
10	W.M.-C.S.-19(c)	Limonitic shear zone	0.018	0.14	0.11	1.42
10	W.M.-C.S.-19(d)	Phyllite (as above)	tr.	0.26	0.33	0.55
11(a)	W.M.-C.S.-20	26 cm. wide limonitic zone, bounded by siliceous limestone	0.004	13.39	14.81	2.21
11(b)	W.M.-C.S.-21	ditto	tr.	1.46	1.38	1.50
14	W.M.-C.S.-22	Represents 1 m. of limonite, fracture filling in phyllite	tr.	tr.	0.02	0.03
15	W.M.-C.S. 23	" 0.3m " " " " "	tr.	0.14	tr.	0.02
16	A.M.F.-S-11	Vein No.2, much wad & limonite, with minor galena	0.010	159.21	81.46	-
17	A.M.F.-S-12	Vein No.3.	0.002	62.74	67.63	-
18	A.M.F. - 19	Vein No.4.	0.020	28.17	42.87	-
8	A.M.F.-S-1	DISCOVERY VEIN - crystalline manganese, void of galena	0.006	3.26	3.55	2.25
8	A.M.F.-S-2	DISCOVERY VEIN - galena, plus freibergite(?)	0.004	64.71	78.68	0.56
8	A.M.F.-S-3	DISCOVERY VEIN - galena, limonite, chalcopyrite, vuggy	0.116	170.07	75.11	1.13
8	A.M.F.-S-4	DISCOVERY VEIN - galena, vugs with white coating, limonite	0.022	110.61	77.99	0.74
8	A.M.F.-S-5	DISCOVERY VEIN AREA - highly schistose wall rock	0.004	0.45	0.76	0.78



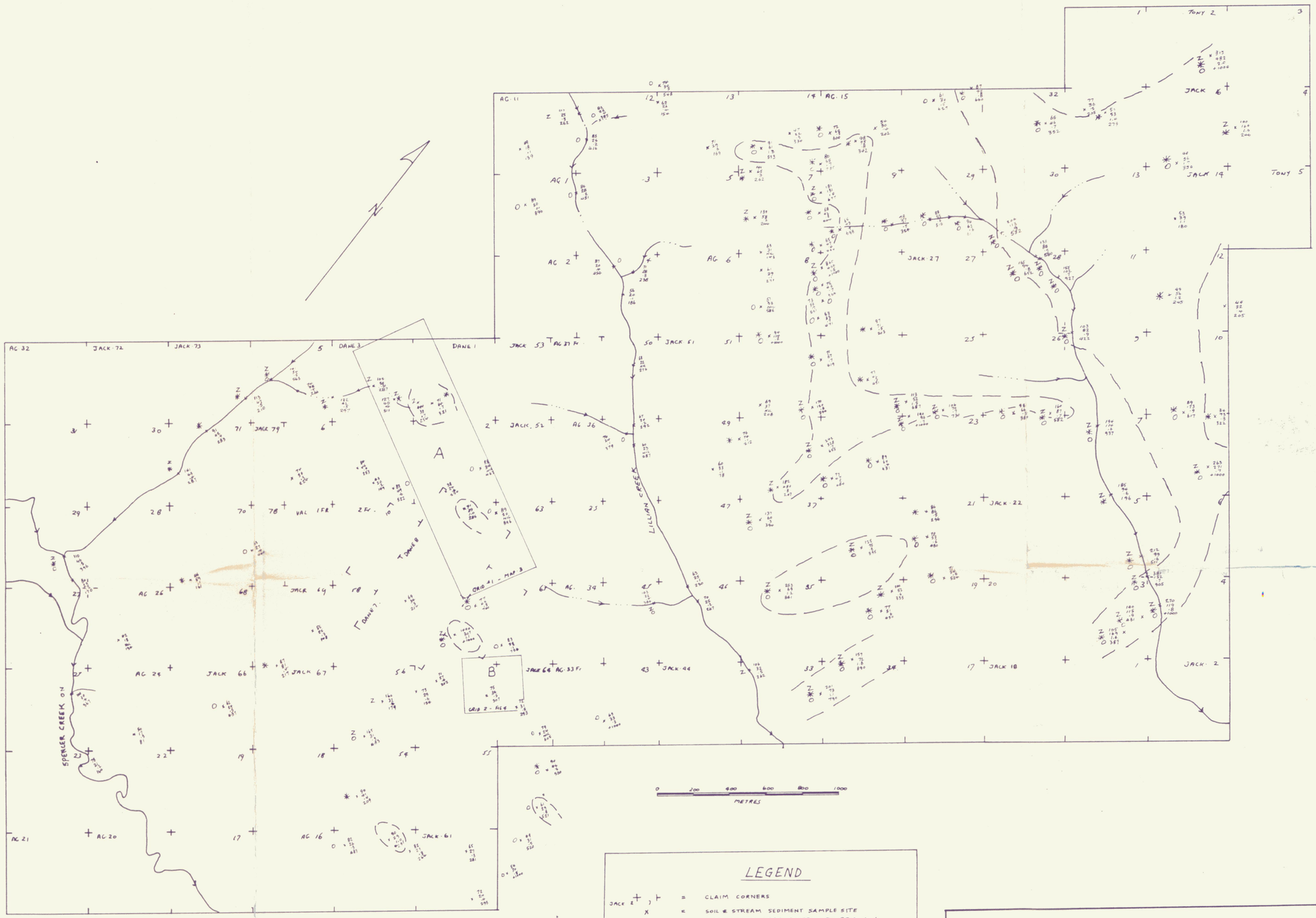
CLAYMORE RESOURCES LTD

Jack Group Property

Watson Lake Mining Division, Yukon

Map No. 1
GEOLOGY

geology by R. Wilson and D. Melville, July/August 1985
map prepared by A.M. Frew January 1986



LEGEND

JACK 2 +) ⊢	=	CLAIM CORNERS
X	=	SOIL & STREAM SEDIMENT SAMPLE SITE
A	=	APPROXIMATE AREA COVERED BY GRID NO. 1.
B	=	APPROXIMATE AREA COVERED BY GRID NO. 2.
( )	=	AREAS OF HIGH SILVER VALUES (0.7 p.p.m.+)
Z	=	SITE WITH HIGH Zn (100 p.p.m.+)
*	=	SITE WITH HIGH Pb (40 p.p.m.+)
O	=	SITE WITH HIGH Mn (350 p.p.m.+)
123 / 456 / -8 / 790	=	ASSAY RESULTS IN p.p.m {Zn, Pb, Ag, Mn}

NOTE: THIS BASE MAP IS AN ENLARGEMENT OF A PORTION OF CLAIM SHEET NO 105-B-1. SAMPLE SITES HAVE BEEN LOCATED ON AERIAL PHOTOS OF A SCALE ≅ 1:57,000 AND TRANSFERRED TO BASE MAP. THEREFORE SITE LOCATIONS ARE NOT PRECISE.

CLAYMORE RESOURCES LTD

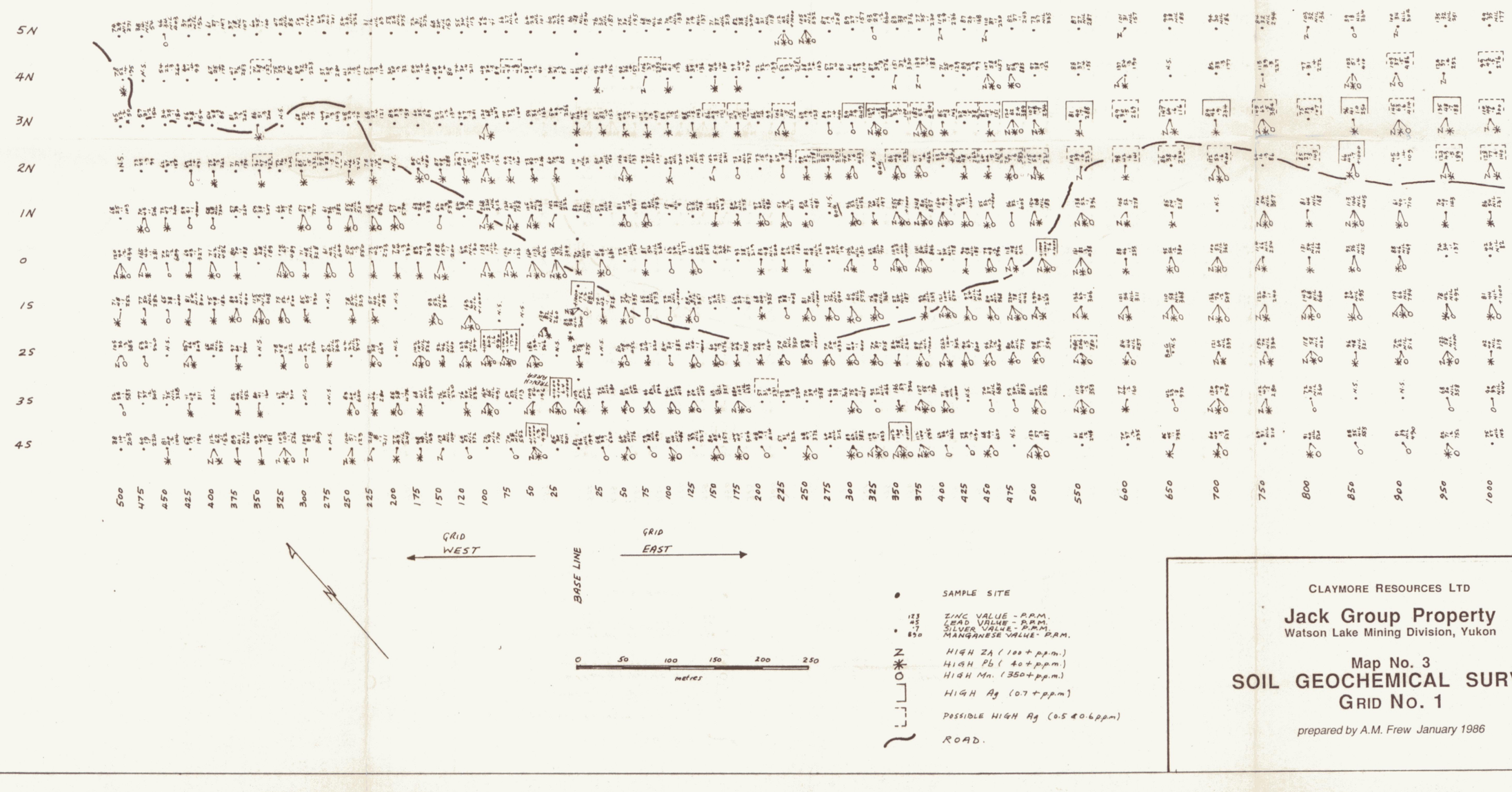
Jack Group Property

Watson Lake Mining Division, Yukon

Map No. 2

RECONNAISSANCE SOIL & STREAM GEOCHEMICAL SURVEY

prepared by A.M. Frew January 1986



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Jack Group Property

Watson Lake Mining Division, Yukon

Map No. 3

SOIL GEOCHEMICAL SURVEY

GRID No. 1

prepared by A.M. Frew January 1986