

MAP NO.: ASSESSMENT REPORT X
105 D 9 PROSPECTUS
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 092509
MINING DISTRICT: Whitehorse
TYPE OF WORK: GEOLOGICAL

REPORT FILED UNDER: Walhala Exploration Ltd.

DATE PERFORMED: September 4, 1987

DATE FILED: August 8, 1988

LOCATION: LAT.: 60°38'N

AREA: Mt Michie

LONG.: 134°09'W

VALUE \$: 1,800.00

CLAIM NAME & NO.: FOX 7-24 (YA96903-920)
FOX 31-48 (YA96927-944)

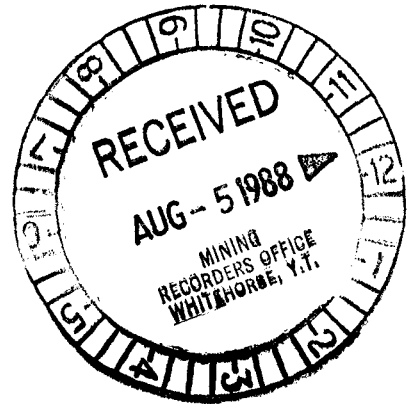
WORK DONE BY: Roger W. Hulstein; Aurum Geological Consultants Inc.

WORK DONE FOR: Walhala Exploration Ltd.

DATE TO GOOD STANDING:

REMARKS:

A 12.5 x 2.0 m chromite lens was located in 1988 and the surrounding area was mapped. Four rock samples were analysed for 6 elements and 14 soil samples were submitted for ICP analysis. A grab sample of the chromite assayed 28.10% Cr and one soil sample returned 130 ppb Au.



**REPORT ON THE 1987
GEOLOGICAL ASSESSMENT WORK
ON THE FOX CLAIMS**

Whitehorse M.D., Yukon
Sept. 4, 1987



Claims: Fox 7-24 (YA 96903-920)
Fox 31-48 (YA 96927-944)

Location: 1. 50 km SE of Whitehorse, Yukon
2. NTS Sheet 105 D/9
3. Latitude $60^{\circ} 37.6' N$
Longitude $134^{\circ} 08.7' W$

For: **Walhala Exploration Ltd.**
5 Teak Avenue
Whitehorse, Yukon
Y1A 4W5

By: Roger W. Hulstein, B.Sc.
Aurum Geological Consultants Inc.
604-675 West Hastings Street
Vancouver, B.C.
V6B 1N2

July 27, 1988

092509



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 \$ 1800.00.

J. J. Bremner

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

600300

TABLE OF CONTENTS

TABLE OF CONTENTS	i
INTRODUCTION	1
Terms of Reference	1
Location and Access	1
Property	1
History	4
Physiography	4
GEOLOGY AND MINERALIZATION	5
CONCLUSIONS AND RECOMMENDATIONS	6
REFERENCES	7
STATEMENT OF COSTS	8
STATEMENT OF QUALIFICATIONS	9

List of Figures

Figure 1; Location Map	2
Figure 2; Claim Map	3
Figure 3; Geology and Sample Locations	in pocket

Appendices

Rock Sample Descriptions
Analytical Reports

092509

1. INTRODUCTION

1.1 Terms of Reference

This report was prepared at the request of the directors of Walhala Exploration Ltd. Its purpose is to satisfy assessment requirements of the Yukon Quartz Mining Act through a description of an exploration program carried out on the Fox 7-24 and Fox 31-48 claims. A one day field examination was completed on September 4, 1987 by Roger Hulstein of Aurum Geological Consultants Inc. and Simon Ridgway of Walhala Exploration Ltd.

1.2 Location and Access

The Fox claims are located in south-central Yukon, about 50 kilometers southeast of Whitehorse (Figure 1). The claims cover part of the height-of-land between Marsh Lake and Michie Creek. Access is provided by helicopters based at Whitehorse.

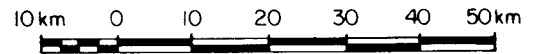
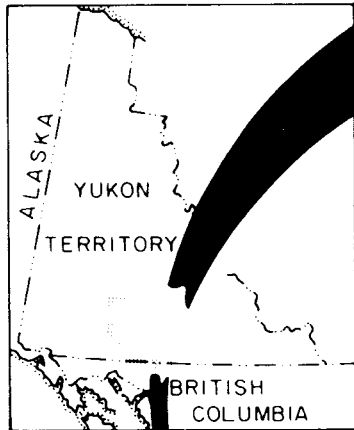
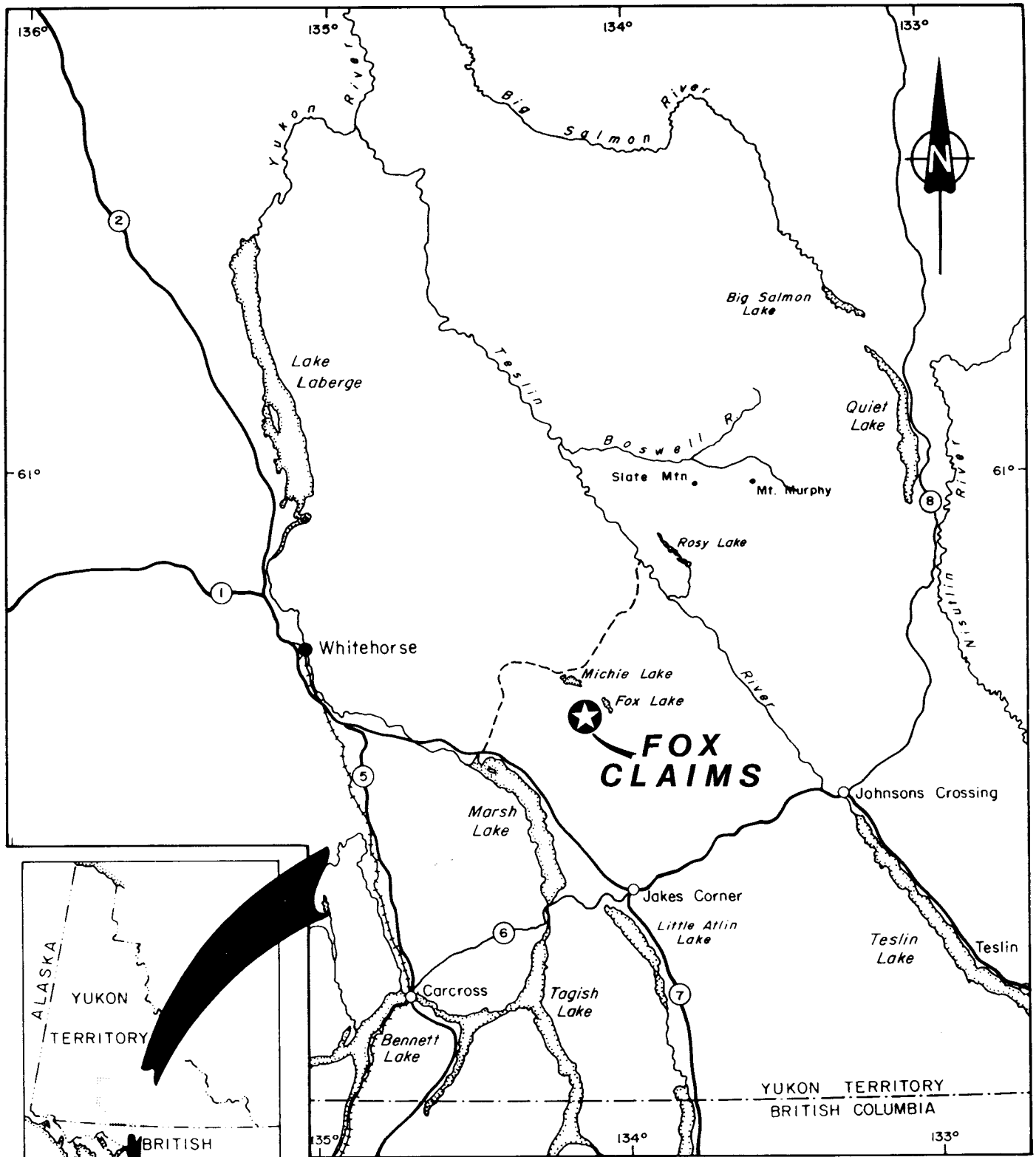
1.3 Property

The property consists of 36 contiguous unsurveyed mineral claims covering approximately 750 hectares staked according to the Yukon Quartz Mining Act in the Whitehorse Mining Division. Claim data are as follows:

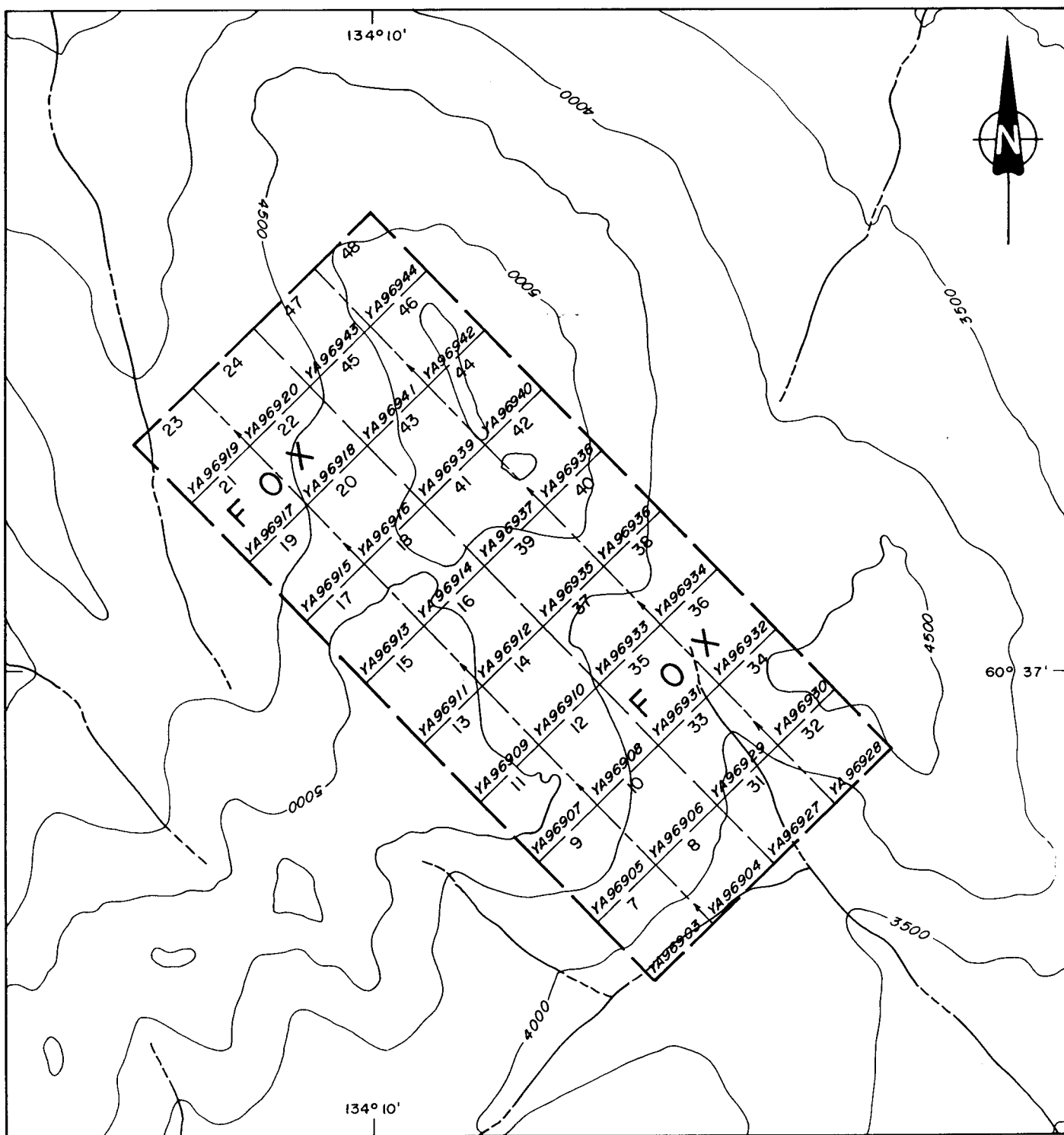
Claim Name	Grant No's	Staking Date	Expiry Date *
Fox 7-24	YA 96903-920	Feb. 15, 1987	Aug. 16, 1988
Fox 31-48	YA 96927-944	Feb. 15, 1987	Aug. 16, 1988

* subject to approval of 1987 assessment work.

The claims are owned by Walhala Exploration Ltd. and are shown on Yukon Quartz and Placer Sheet 105 D-9.

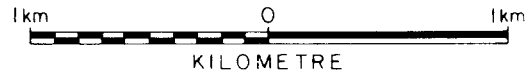


WALHALA EXPLORATION LTD.	
FOX CLAIMS WHITEHORSE MINING DISTRICT	
LOCATION	
Aurum Geological Consultants Inc.	OCTOBER, 1987
Drawn by NH	Scale 1:1,000,000
FIGURE: 1	



LEGEND

- claim boundary
- claim number
- tag number
- staking direction
- creek
- 3500— elevation contour; interval 500 ft.



WALHALA EXPLORATION LTD.			
FOX CLAIMS WHITEHORSE MINING DISTRICT			
CLAIM MAP			
Aurum Geological Consultants Inc.			JUNE, 1988
NTS: 105D/9	DRAWN BY NH	SCALE 1:31,680	FIGURE 2

Note: adapted from D.I.A.N.D. map sheet 105D-9; revised 24 May, 1988

1.4 History

Chromite mineralization was discovered in the Michie Lake area in 1923 by a topographic survey party (Archer, Cathro and Associates Ltd., Northern Cordillera Mineral Inventory, 105D; Occurrence Number 71). The occurrence was first staked in 1958 and held intermittently until 1975 (?). Trenching was carried out in 1963. In 1969, R. Hilker collected a sample of chromite which assayed 39.4% Cr_2O_3 and 5.7% Fe (Hilker 1969).

Walhala Exploration Ltd. staked the Fox claims in February 1987 to cover the reported chromite occurrence.

1.5 Physiography

Situated in the southern part of the Teslin Plateau, topography on the Fox claims is moderate to rugged. Physiography is dominated by glacial features such as U-shaped valleys, cirques, and outwash plains. Elevations on the property range from 850 meters at Greyling Creek to 1700 meters in the northeast part of the claims.

The climate in the area of the Fox claims is variable, with hot summers and long cold winters. Precipitation amounts to about 50 cm annually.

2. GEOLOGY AND MINERALIZATION

The Fox claims are located in the Intermontane Tectonic Belt. Wheeler (1961) has adequately described the regional geology.

The claims are centered on the northern of two Cretaceous ultramafic outliers mapped by Wheeler (1961) as intruding (?) Triassic Lewes River Group sediments. Mapping completed as part of the 1987 field examination on the Fox claims has identified peridotite (map unit Kum) exposures within the same area mapped as ultramafics by Wheeler. Locally, the peridotite has bands of magnetite. Alteration is typified by serpentine, chlorite, talc, and asbestos minerals, especially near shear zones.

Metasediments (map unit uTRLM) including limestone, marble and quartzite are exposed at the southwestern part of the claims. The contact between the ultramafics and the metasediments on the Fox claims is thought to be a fault.

Old trenches exposing poor quality asbestos mineralization were found, but trenches reported to expose chromite mineralization were not located. Hilker (1969) reports a single lens or pod of chromite approximately 3.7 meters long dipping 50° to the east in peridotite. A sample of massive chromite taken by Hilker returned 39.4% Cr_2O_3 and 5.7% Fe. The chromite mineralization is presumably hosted in the ultramafic rocks.

A total of two rock samples and three soil samples were submitted in 1987 to Bondar-Clegg and Company Ltd. in North Vancouver, B.C. for gold and mercury analyses. Rock descriptions are included in the Appendix to this report. No anomalous gold or mercury values were obtained.

3. CONCLUSIONS AND RECOMMENDATIONS

The Fox claims cover part of an ultramafic rock unit with previously reported chromite mineralization. Reconnaissance field work completed in 1987 was not able to locate any evidence of the chromite mineralization. Of the five rock samples submitted for geochemical analyses, no anomalous gold or mercury values were obtained.

The ultramafic rocks underlying the property are a potential host of chromite, platinum group element (PGE), and/or nickel-copper mineralization. Therefore the property should be further explored for these elements. The following work is recommended:

1. Locate the previously reported trenches with chromite mineralization.
2. Evaluate the chromite mineralization with geological mapping, rock geochemistry, and possibly trenching and magnetic surveying. The possibility of PGE and Ni-Cu mineralization associated with the chromite must also be addressed.
3. Reconnaissance exploration over the remainder of the property for chromite, PGE's, and possibly base and precious metals, should be carried out by prospecting, geological mapping, and rock and sediment geochemistry.
4. Any further work (geophysics, soil geochemistry, trenching, etc.) is contingent on results of the above work.

Respectfully submitted,

July 27, 1988

Roger W. Hulstein, B.Sc.

4. REFERENCES

Hilker, R.G., 1969:

Wind 1-6 Claims, Mitchie (sic) Lake, Yukon Territory, Chromite Prospect. D.I.A.N.D. Assessment Report No. 060006, October 6, 1969.

Wheeler, J.O., 1961:

Whitehorse Map-Area, Yukon Territory. 105D. Geological Survey of Canada, Memoir 312.

5. STATEMENT OF COSTS

Assessment Work Valuation; Fox 7-24 and 31-48 claims.

A. Fieldwork

Roger Hulstein, B.Sc. of Whitehorse, Yukon 1 day @ 300/day:	\$ 300.00
Simon Ridgway, Prospector, of Whitehorse, Yukon 2 days @ 250/day:	500.00
Meals and Accommodations:	170.00
Helicopter Charter:	697.79
Truck Rental:	115.00
Consumables:	25.00
Base Map Preparation:	223.41

B. Analytical Costs

5 rock samples analyzed for Au and Hg:	<u>70.00</u>
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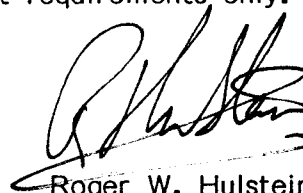
Total Valuation of 1987 Assessment Work:	<u>\$ 2,101.20</u>
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6. STATEMENT OF QUALIFICATIONS

I, ROGER W. HULSTEIN, hereby certify that;

1. I am a geologist with AURUM GEOLOGICAL CONSULTANTS INC., 604-675 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of Saint Mary's University, Halifax, with a degree in geology (B.Sc., 1981) and have been involved in geology and mineral exploration continuously since 1978.
3. I am a member of the Geological Association of Canada (A3572) and a member of the Yukon Professional Geoscientists Society.
4. I have no direct or indirect interest in the properties or securities of Walhala Exploration Ltd.
5. I am the author of this report on the Fox claims, Yukon, which is based on my personal involvement and supervision of exploration work carried out on September 4, 1987.
6. This report is intended to satisfy assessment requirements only.

July 27, 1988



Roger W. Hulstein, B.Sc.



LEGEND

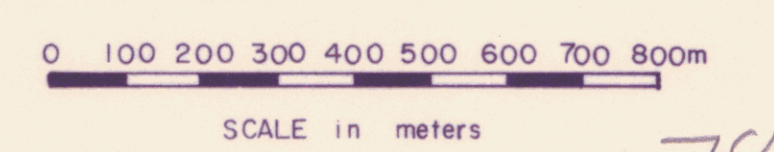
Lithologies

- Kum Cretaceous: peridotite
- JRLM Triassic: metasediments

Symbols

- pre 1987 trench
- Claim post location
- Fault
- Soil sample location, number/Au ppb, Hg ppm
- Rock sample location, number/Au ppb, Hg ppm
NA = not analyzed
- Elevation contour; interval 100 ft.

Notes - all locations subject to survey
 - geology by R. Hulstein; Sept. 4, 1987



WALHALA EXPLORATION LTD.	
FOX CLAIMS Michie Creek, Yukon Territory	
092509	
GEOLOGY & GEOCHEMISTRY	
Aurum Geological Consultants Inc. JULY, 1988	
NTS 105 D/9	Drawn by R.H./H.K. Scale 1:10,000 FIGURE 3



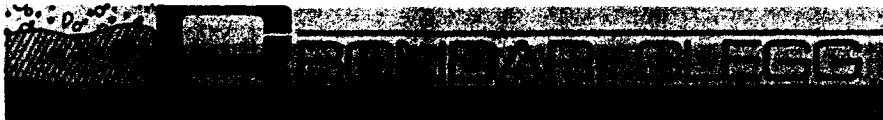
Appendix

AURUM GEOLOGICAL CONSULTANTS Rock Sample Location and Description Record
 Date: Sept. 4, 1987 Project: Fox Claims NTS: 105 D/9 Area: Michie Creek, Yukon Sampler: RH

Sample No.	Location	Description	Attitude	Width	Au ppb	Hg ppb
712001	75 m S of old claim posts: P1 81830 and P2 81828	Peridotite with magnetite bands and disseminations. Euhedral feldspar crystals; possibly anorthite.	Float		NA	NA
722003	200 m NW of posts: P2 of Fox 15 & 16.	Peridotite: carbonatized shear with talc. Rusty weathering. Brecciated with about 20 % carbonate veins.	Float		<5	135
722001	In gully below asbestos trench.	Carbonate/dolomite veining within bleached-carbonatized peridotite.	Float		NA	NA
712010	West part of claim block.	As above.	Float		NA	NA
721015	In trench in pass.	Quartzite or possibly silicified limestone. Light grey, fine grained. Chip sample.	110/90	1.0 m	<5	140

NA = Not Analyzed.

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



Geochemical Lab Report

REPORT: 127-7328 (COMPLETE)

REFERENCE INFO:

CLIENT: WALHALLA EXPLORATION LTD.
PROJECT: NONE GIVEN

SUBMITTED BY: M. GLYNN
DATE PRINTED: 2-AUG-88

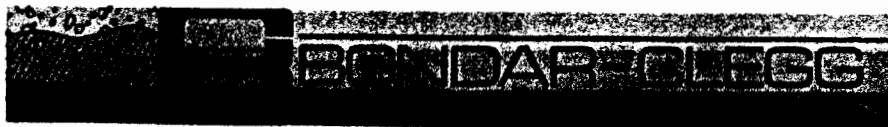
ORDER	ELEMENT	NUMBER OF ANALYSES	LOWER DETECTION LIMIT	EXTRACTION	METHOD
1	Hg Mercury	5	5 PPB	HN03-HCl HOT EXTR	Cold Vapour AA
2	Au Gold - Fire Assay	5	5 PPB	FIRE-ASSAY	Fire Assay AA

SAMPLE TYPES	NUMBER	SIZE FRACTIONS	NUMBER	SAMPLE PREPARATIONS	NUMBER
S SOILS	3	1 -80	3	DRY, SIEVE -80	3
R ROCK OR BED ROCK	2	2 -150	2	CRUSH,PULVERIZE -150	2

REPORT COPIES TO: WALHALLA EXPLORATION LTD.
HARMEN KEYSER

INVOICE TO: WALHALLA EXPLORATION LTD.

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
Canada V7P 2R5
Phone: (604) 985-0681
Telex: 04-332667



Geochemical
Lab Report

REPORT: 127-7328

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Hg PPB	Au PPB
S1 716002		10	10
S1 716003		10	5
S1 716004		10	5
R2 722003		135	<5
R2 721015		140	<5