

099
2 pages

MAP NO.: ASSESSMENT REPORT X
PROSPECTUS
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 092586
MINING DISTRICT: Whitehorse
TYPE OF WORK: Trenching, Diamond Drilling

REPORT FILED UNDER: R.A. Granger

DATE PERFORMED: July 12

DATE FILED: December 7, 1988

LOCATION: LAT.: 62 17IN
LONG.: 137 12IW

AREA: Mt. Freegold

VALUE \$: 6200.00

CLAIM NAME & NO.: RAG 1-29 including fractions (YA86809-YA86832 YA87059-YA 87060;
YA93755-YA93756; YA97125; May 1,3 YA87057-YA87058)

WORK DONE BY: A.J. Schmidt

WORK DONE FOR: Rea Gold Corp., Verdstone Gold Corp. J.V.

DATE TO GOOD STANDING:

REMARKS: # 130 RAG Gold occurs in a steeply-dipping north-trending shear zone about 8 m wide and a narrow northwest-trending vein 2 m wide which lies 20 m further to the east.

In 1988, several gold-arsenic geochemical anomalies were trenched and sampled and one NQ hole was drilled to cut the main shear zone near its intersection with the vein. Several 30 cm black graphitic shears at the base of the hole contained 1.95 g/t Au to 4.6 g/t over 2.0 m.



M.R. file no.
R.M.M.R. file no.
Date forwarded 7 Dec 1988

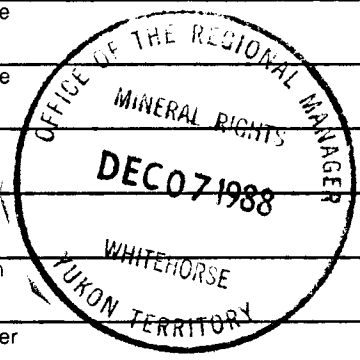
TRANSMITTAL FORM

From Mining Recorder at: *Whitehorse*

To Regional Manager, Mineral Rights at Whitehorse, Y.T.

For action are:

- NEW APPLICATION FOR PLACER LEASE TO PROSPECT Name
- RENEWAL APPLICATION PLACER LEASE TO PROSPECT Name Lease no.
- AFFIDAVIT OF EXPENDITURE ON PLACER LEASE Name Lease no.
- SECURITY DEPOSIT
- FINANCIAL ABILITY
- ASSIGNMENT OF PLACER LEASE NO. From To
- GROUPING APPLICATION UNDER SEC. 52(2) PLACER MINING ACT. Owner



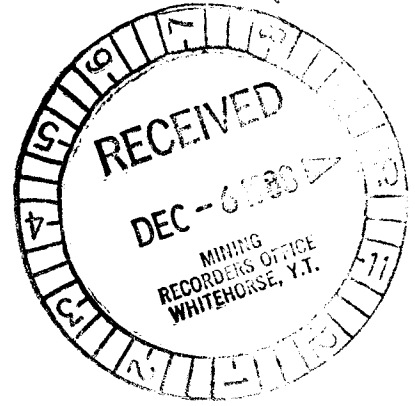
<input checked="" type="checkbox"/> DIAMOND DRILL LOGS	Claims <i>Req 1-29 VA36809 etc</i>	Claim sheet no. <i>115-1-6</i>
<input type="checkbox"/> QUARTZ ASSESSMENT REPORT	Claims <i>D.D. & Trenching</i>	Claim sheet no.
	Type of report	Submitted by
	Cls. work performed on	\$ req. for ren. application <i>6,200</i>

[Signature]
Signature

REPLY ACTION *For your info* Date returned
12 Dec. 1988

Approved as physical work - please note the map showing trench & drillhole locations is very difficult to relate to any features on the ground such as topography or even claim spots.

[Signature]
Signature



SUMMARY REPORT

TRENCHING, DIAMOND DRILLING

RAG AND MAY CLAIM GROUP

**WHITEHORSE MINING DIVISION
YUKON TERRITORY**

**62° 17' North Latitude
137° 12' West Longitude
N.T.S. 115 I/6**



for

**REA GOLD CORP./VERDSTONE GOLD CORP. J.V.
501 - 808 Nelson Street
Vancouver, B.C.**

by

**A.J. SCHMIDT, P.Eng.,
Consulting Geological Engineer
306 - 673 Market Hill
Vancouver, B.C.**

OCTOBER 28, 1988

092586

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**SUMMARY REPORT
TRENCHING, DIAMOND DRILLING
RAG AND MAY CLAIM GROUP**

1. SUMMARY

REA Gold Corp. and Verdstone Gold Corp. together have optioned the RAG and May claims which consist of 31 contiguous mineral claims located 53 kilometre northwest of Carmacks, Yukon. There is good road access to the property.

Gold bearing mineralization has been discovered on the property, with surface grab samples containing up to 4.3 ounces per ton. Grid-controlled geochemical soil sampling in 1986/87 located 3 large areas of anomalous gold and arsenic samples. Two of these areas are located peripheral to a Tertiary-age pink granite stock.

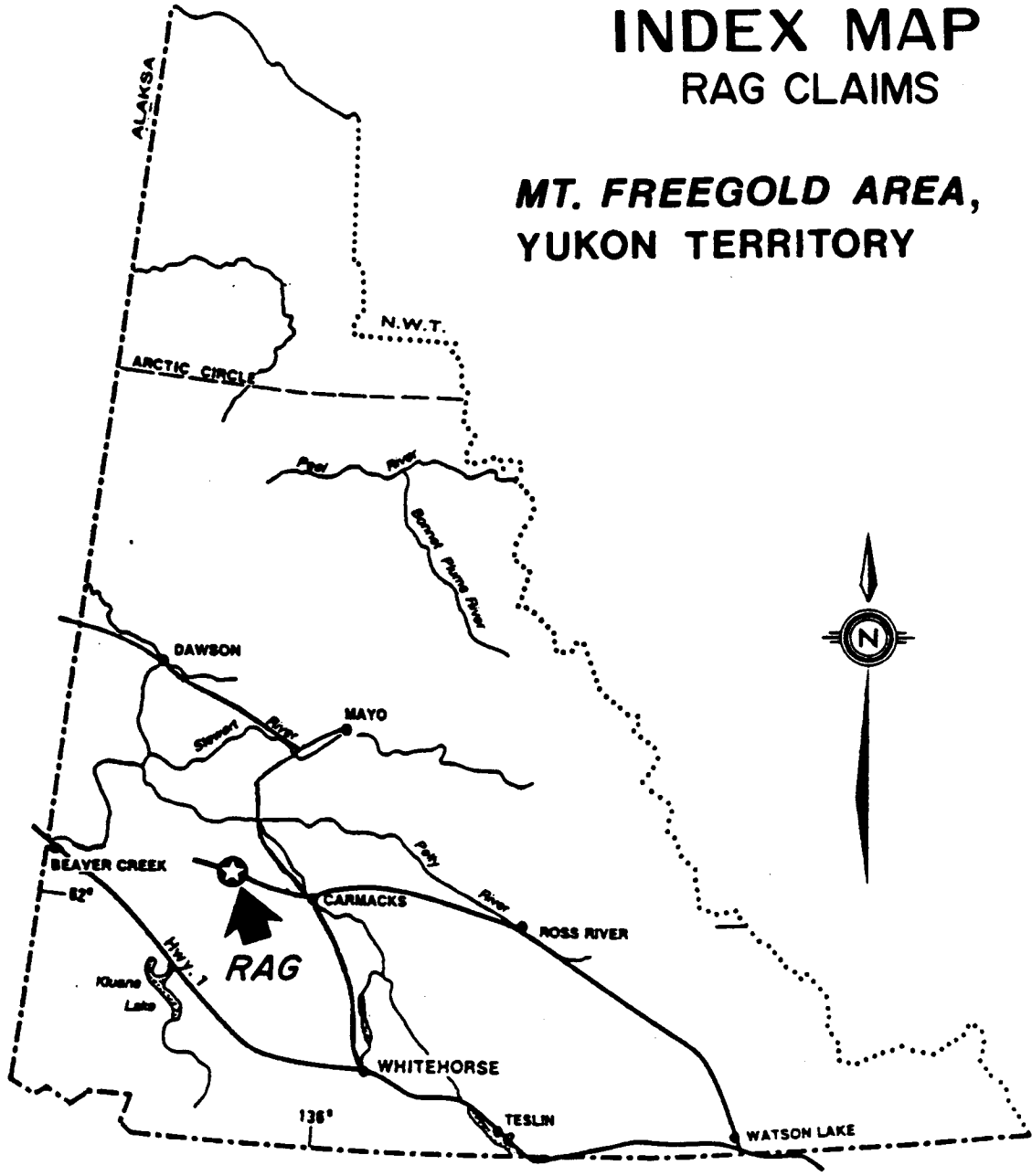
A program of road building, excavator trenching, mapping and sampling was completed in July/August 1988. This was followed by the drilling of one 100 metre diamond drill hole beneath the original showing from which the good gold values were obtained. Values up to 0.135 opt Au over 1.0 metre were obtained in this drill hole.

Additional excavator trenching of the anomalous areas is warranted to more fully explore their economic significance.

FIGURE 1
REA GOLD CORP. / VERDSTONE GOLD CORP.
JOINT VENTURE

INDEX MAP
RAG CLAIMS

MT. FREEGOLD AREA,
YUKON TERRITORY



SCALE



2. INTRODUCTION

In June, 1988, REA Gold Corp. commissioned the writer to conduct an exploration program of the Company's properties in the Mt. Freegold area in central Yukon Territory. The writer subsequently designed and completed such a program on the RAG and MAY claims, comprising road building, trenching and sampling, and diamond drilling. This work was directed towards exploring various geochemical anomalies and mineral occurrences previously documented (Edison, 1987) by Dominion Explorers Inc.

The writer wishes to acknowledge the invaluable assistance provided by Mr. Ron Granger, original vendor of the property.

This report summarizes the results of the exploration program, and provides recommendations for further work on the claims.

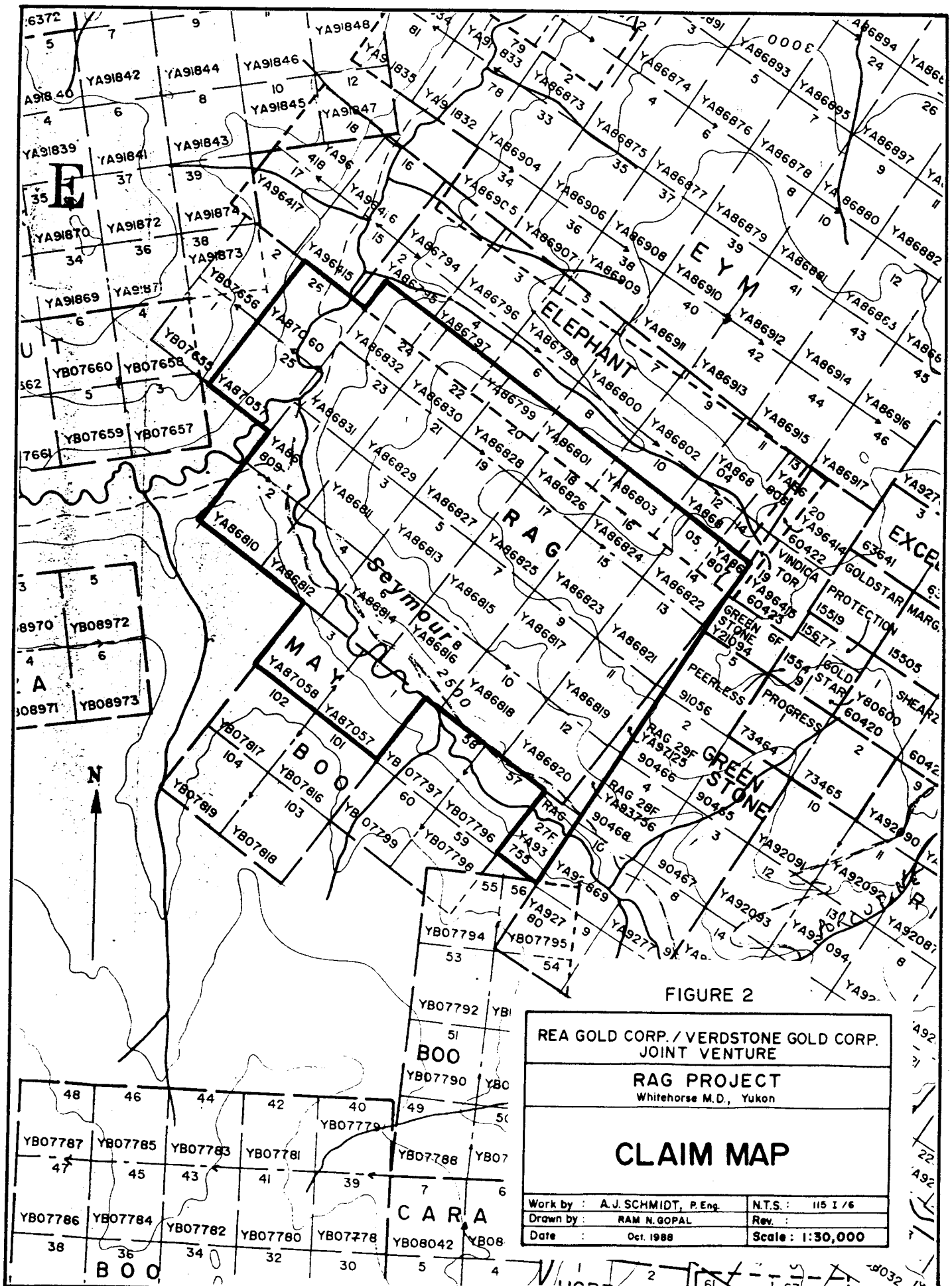


FIGURE 2

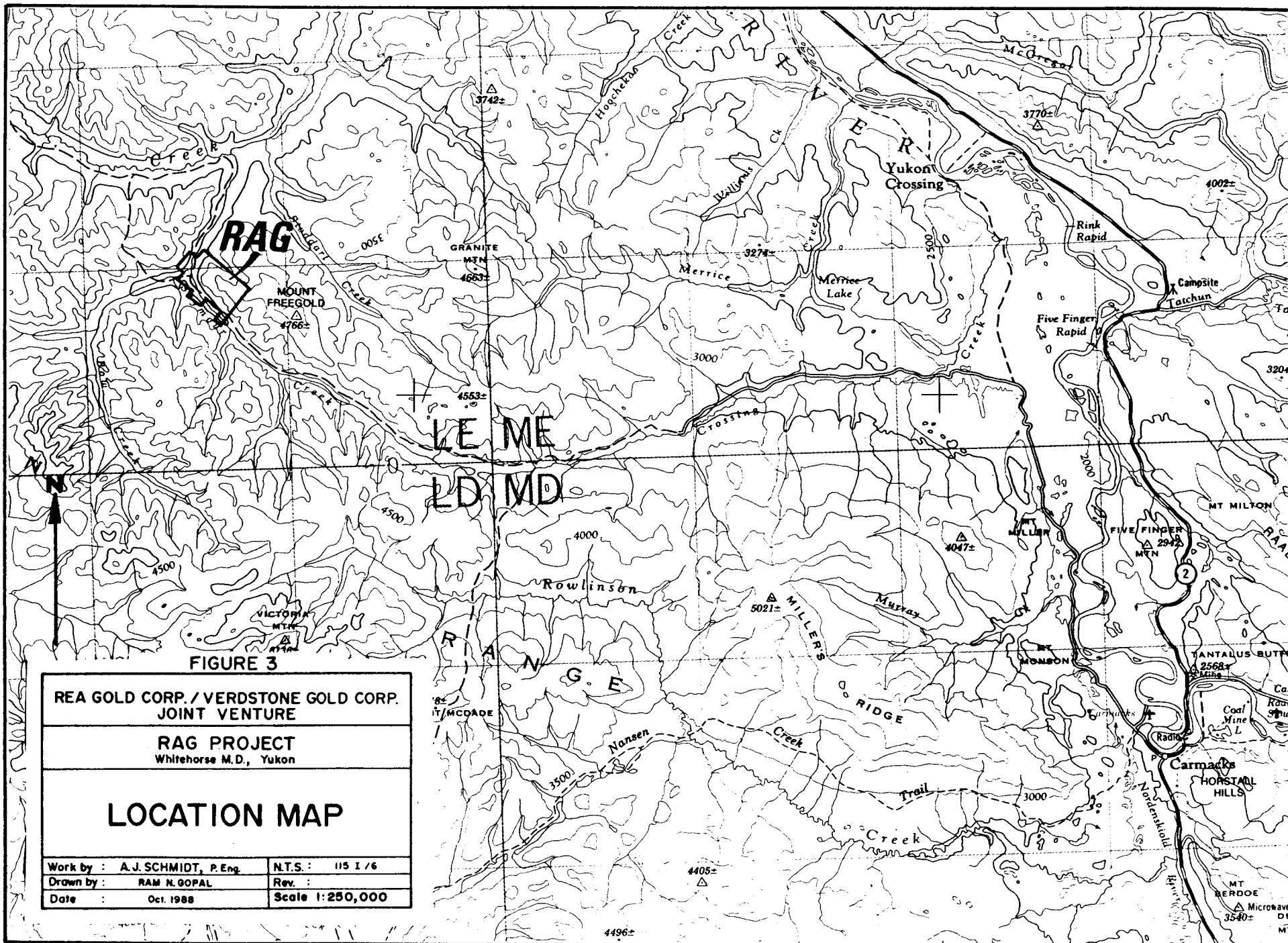
REA GOLD CORP. / VERDSTONE GOLD CORP. JOINT VENTURE	
RAG PROJECT Whitehorse M.D., Yukon	
CLAIM MAP	
Work by : A. J. SCHMIDT, P. Eng.	N.T.S. : 115 I / 6
Drawn by : RAM N. GOPAL	Rev. :
Date : Oct. 1988	Scale : 1:30,000

3. PROPERTY

Rea Gold Corp. and Verdstone Gold Corp. have formed a Joint Venture to acquire an interest in the RAG and MAY claims, held by Dominion Explorers Inc. The terms of those agreements are beyond the scope of this report.

The RAG property consists of 31 contiguous mineral claims (see Claim Map, Figure 2). A list of these claims, all located in the Whitehorse Mining Division, is given below:

<u>Claim Name</u>	<u>Grant Number</u>
RAG 1-24	YA 86809-YA 866832
RAG 25, 26	YA 87059, YA 87060
RAG 27 Fr, 28 Fr	YA 93755, YA 93756
RAG 29 Fr	YA 97125
MAY 1	YA 87057
MAY 3	YA 87058



4. LOCATION AND ACCESS

The RAG and MAY claim group is in south-central Yukon Territory, approximately 53 kilometres north west of Carmacks, as shown in Figure 3. The centre of the claims are at $62^{\circ} 17'$ North Latitude, $137^{\circ} 12'$ West Longitude, within N.T.S. map 115 I/6.

Access to the claim group is provided by a roughly maintained Territorial Government gravel/dirt road from Carmacks, a road distance of 75 kilometres. Carmacks is located on the paved Klondike Highway, about 180 kilometres north of Whitehorse, the Territorial Capital.

The claims cover the southwest facing slope of the ridge extending northwest from the summit of Mt. Freegold. Elevations range from about 725 metres at the junction of Bow and Seymour Creeks on RAG No. 1 claim, to about 1000 metres at the ridge crest on RAG No. 13 claim.

5. HISTORY

Lode gold mineralization was first found on Mt. Freegold in 1930 by Mr. P.F. Guder, although placer mining along Seymour Creek had been intermittent since at least about 1900. Guder's discovery brought many more prospectors into the

district who found and explored numerous mineral occurrences - primarily gold in the 1930's, but the emphasis changing in the 1960's to copper. Several attempts have been made to develop and mine underground higher grade gold quartz veins at the La Forma property, about 4 kilometres southeast of the RAG claims. More recently, low grade gold mineralization amenable to heap leaching has been found and explored on the Antoniuk prospect, about one kilometre east of the La Forma prospect. The Antoniuk prospect has reported reserves of about 4,087,000 tonnes grading 1.06 grams gold per tonne, using a 0.5 gm/t cutoff (i.e. 4,504,000 tons grading 0.031 troy ounces), with a stripping ratio of about 0.7 tonnes waste to ore (Howard, 1988). The La Forma deposit has reported reserves of about 181,000 tonnes grading 11.3 g/T Au (i.e. 200,000 tons @ 0.33 troy ounces) (McInnes, 1988). Kearney (1988) reports that recent drilling by Archer, Cathro & Associates of the Augusta and Margarete occurrences (Goldstar project) about 2 claim lengths east of the northeast corner of the RAG 13 claim, have indicated possible reserves of about 109,000 tonnes grading about 4.1 gms/T Au.

The RAG claims have been previously explored, probably both for copper and for gold, as evidenced by well cut grid lines (Circa 1970) extending northeasterly across the claims, as well as an overgrown bulldozer trail and numerous old trenches on the ridge crest within RAG 13, 15, 17, 5 and 9 claims. No

records of this previous work are currently available.

In 1985, Ron Granger obtained several interesting gold assays from a dark gossan exposed in a road cut above his placer claims, about 1.5 kilometres southeast of the junction of Bow and Seymour Creeks. Values ranged up to 4.3 ounces of gold in grab samples, and 0.054 ounces over 36 feet of rubble.

Durham Resources Inc. (later Dominion Explorers Inc.) optioned the RAG property from Granger later in 1985, and during 1986 and 1987 completed grid-controlled geochemical soil sampling and geological mapping over the entire claim block (Edison, 1987). The 1988 work program was designed to explore geochemical anomalies outlined by that work as well as the original "road showing".

6. GEOLOGY AND MINERALIZATION

The district has been geologically mapped several times - Bostock (1936), Tempelman-Kluit (1984), Carlson (1987) and McInnes (1988). The first two geologists provide excellent regional scale maps (1:250,000) and the latter two excellent large scale geological data (1:50,000 and 1:5,000).

The Mt. Freegold area is located within the Intermontane Belt at the contact of the Yukon Cataclastic Complex (a package

of Upper Paleozoic (Permian) extrusives and Mesozoic sediments) and the Yukon Crystalline Terrain (Early Paleozoic rocks metamorphosed and intruded by younger Jurassic to Cretaceous plutonic rocks).

The oldest rocks in the area are Paleozoic schists and gneisses (Yukon Group), intruded by large stocks and batholiths of granite, granodiorite and syenite (Jurassic to Cretaceous), all intruded by dikes and small stocks of Cretaceous to Tertiary age. The region is dominated structurally by the northwest striking Big Creek Fault.

The RAG and MAY claims are underlain mainly by the Early Cretaceous Casino granodiorite - coarse grained and massive. Paleozoic Yukon Group schists are located along Guder Creek, on the northern flank of the claims. The southwestern side of the property is underlain by the probable Tertiary age Bow Creek granite stock - pink, medium grained and massive. Edison (1987) notes the presence of felsic to intermediate dikes throughout the property.

As noted previously, Ron Granger obtained grab samples containing up to 4.3 ounces gold from a roadside rock cut on the RAG No. 8 claim. Later, two bulldozer trenches across this zone allowed more complete mapping and sampling (Kearney, 1988) of this area. The writer's mapping and sampling (see

Figure 6), done after the construction of an extension to the "Upper Trench" to allow for drill access, indicated a well defined, north-south trending, steeply dipping, shear zone, about 8 metres wide. Gold and silver values obtained from large channel samples across the shear were quite low. About 20 metres east of this shear zone, however, is a northwest trending, steeply dipping narrow shear/vein, about 2 metres wide. The easternmost one metre assayed as follows: 200 ppb Au, 46.0 ppm Ag, 1900 ppm Cu, 6550 ppm Pb and 2850 ppm Zn. No sulphides were visible. This shear/vein is also probably exposed about 90 metres further east in the new road cut, where chip samples assayed 500 ppb Au and 33.0 ppm Ag across 2 metres.

Edison completed 2 phases of geochemical soil sampling over the property - initially in 1986, and fill-in sampling in 1987. The collection and analysis of more than 500 soil samples outlined several areas of coincident anomalous Au and As values (Edison, 1987). The largest zone is located along a suspected northwest trending fault, north of the Bow Creek Granite contact. Anomalous gold and arsenic soil samples are coincident for about 800 metres from the top of Granite Gulch - gold values reaching 210 ppb, arsenic values reaching 949 ppm.

A second area of coincident anomalous gold and arsenic samples

is along a southwest flowing creek gully, very close to the southeast boundary of the RAG property. Here, the overall anomalous area is about 700 m EW by 250 m NS.

A third area of anomalous arsenic values extends eastward from the "road showing" for about 300 metres, but with few corresponding anomalous gold values.

7. TRENCHING

Phase I of the 1988 exploration program consisted of excavator trenching of the geochemical anomalies. A Caterpillar 225 hydraulic excavator was hired and brought to the property in mid-July. This tracked machine digs a trench 0.9 metres wide, and can reach down 7 metres.

A D-7 bulldozer was hired for 3 days to construct an access road from the existing road network along the crest of the Mt. Freegold ridge. Approximately 1300 metres of new road was built northwestward from the existing trail on RAG 13 claim to the head of Granite Gulch on RAG 5. The presence of permafrost under this north-facing slope prevented the bulldozer from assisting further with the trenching program

Trench 88 - R1 was dug east-west across the head of Granite Gulch for 130 metres to explore the gold and arsenic

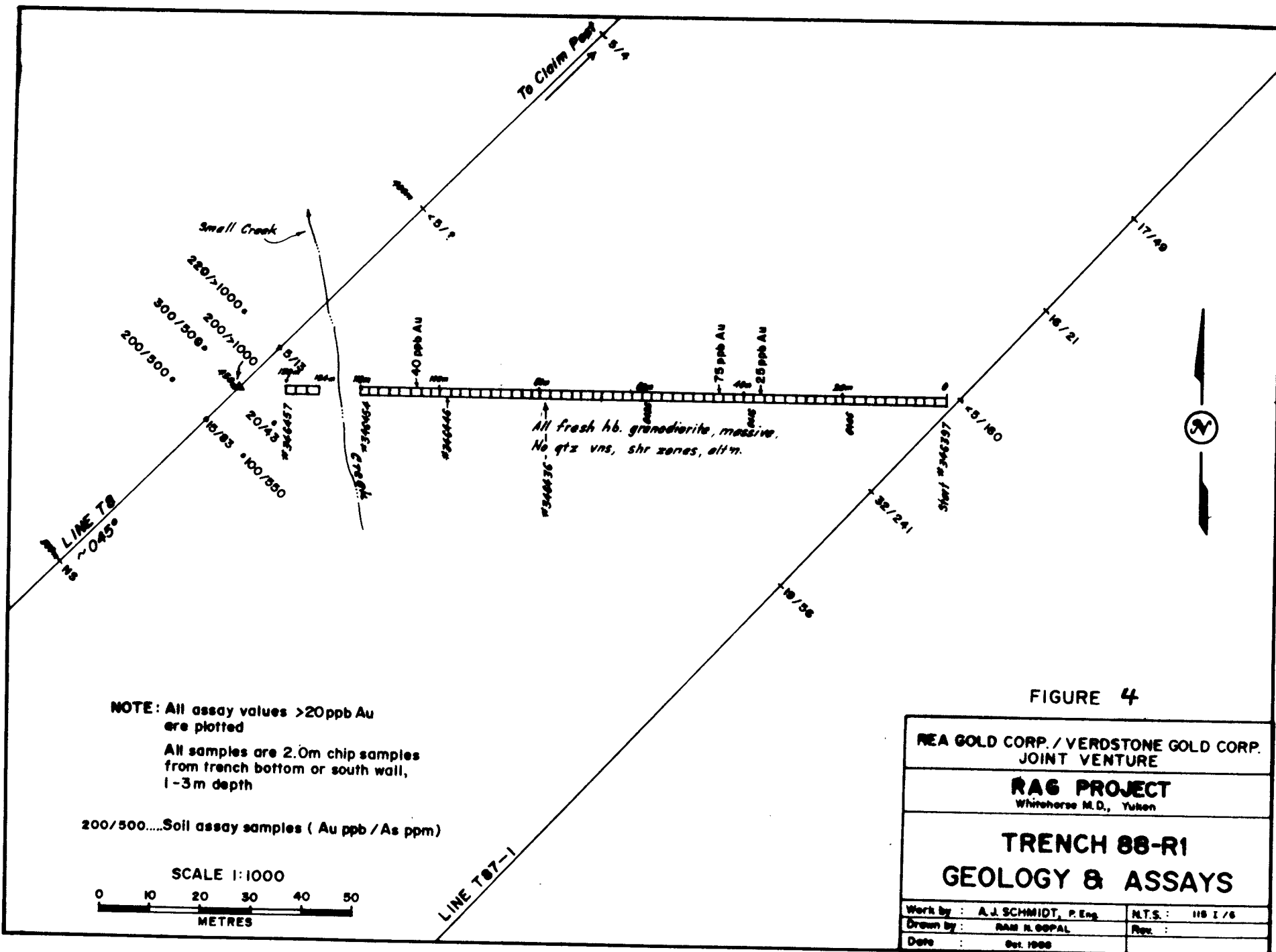


FIGURE 4

NEA GOLD CORP. / VERDSTONE GOLD CORP. JOINT VENTURE	
RAG PROJECT Whithorse M.D., Yukon	
TRENCH 88-R1 GEOLOGY & ASSAYS	
Work by : A.J. SCHMIDT, P.Eng.	N.T.S. : 118 I / 6
Drawn by : RAM N. GOPAL	Rev. :
Date : Oct. 1988	

NOTE: All assay values >20ppb Au are plotted

All samples are 2.0m chip samples from trench bottom or south wall, 1-3m depth

200/500.....Soil assay samples (Au ppb / As ppm)



geochemical soil anomaly defined previously (Figure 4) on lines T8 and T87-1. The trench exposed fresh, unaltered, massive hornblende granodiorite, with no evidence of quartz veining or pyritization. Large chip samples over 2.0 metres width were collected systematically from the trench and geochemically analyzed for gold - most values were less than 20 ppb (see Appendix B).

Although it was desired to dig two more trenches further down Granite Gulch to more fully explore this large geochemical anomaly, the presence of the underlying permafrost prevented the movement of heavy equipment further down the slope. Neither bulldozer nor excavator operators considered it safe or prudent to venture further down the ever-steeping buckbrush-covered slope.

The excavator was then moved to the southeastern side of the RAG property. The machine built a steep access trail for about 500 metres south from the ridge crest road. Trench 88-R2 was dug east-west across a southwest trending ridge between two creek gullies, for about 140 metres. Its purpose was to explore the gold and arsenic geochemical soil anomaly previously defined on lines T-20, T87-3, and T87-4 (Figure 5). Some very strong faults and shear zones were exposed in the trench, with gouges seams up to 2 metres wide, within generally fresh, massive hornblende granodiorite. The trench

was again systematically chip sampled - samples were taken over 2.0 metres, and weighed about 4 kilograms. Almost all gold geochemical values were less than 20 ppb - very disappointing, and considerably lower than some of the surface soil samples collected nearby, with values up to 620 ppb Au (see Appendix B).

8. DIAMOND DRILLING

In order to more fully explore the shear zone and vein structure exposed in the road cut where Granger had obtained such interesting gold assays in 1985, a diamond drill was mobilized onto the RAG property near the end of August, 1988.

A Longyear 38 drill, with NQ equipment, was supplied by Le Clerc Drilling Ltd. of Beaverdell, B.C. About 200 meters of drill access trail were first constructed by a D7 bulldozer, (see Figure 6) from the main road. DDH 88-R1 was drilled at - 50° at 075° to cut the shear zone at about 60 metres below surface (see Figure 7). The hole penetrated fresh biotite granodiorite, similar to that exposed on surface, and 6.5 metres of black, fine grained, siliceous dike. The projected shear zone was cored from 63.4 to 66.5 metres, and assayed about 85 ppb Au (see Appendix C).

Siliceous hornblende feldspar porphyry, probably a border

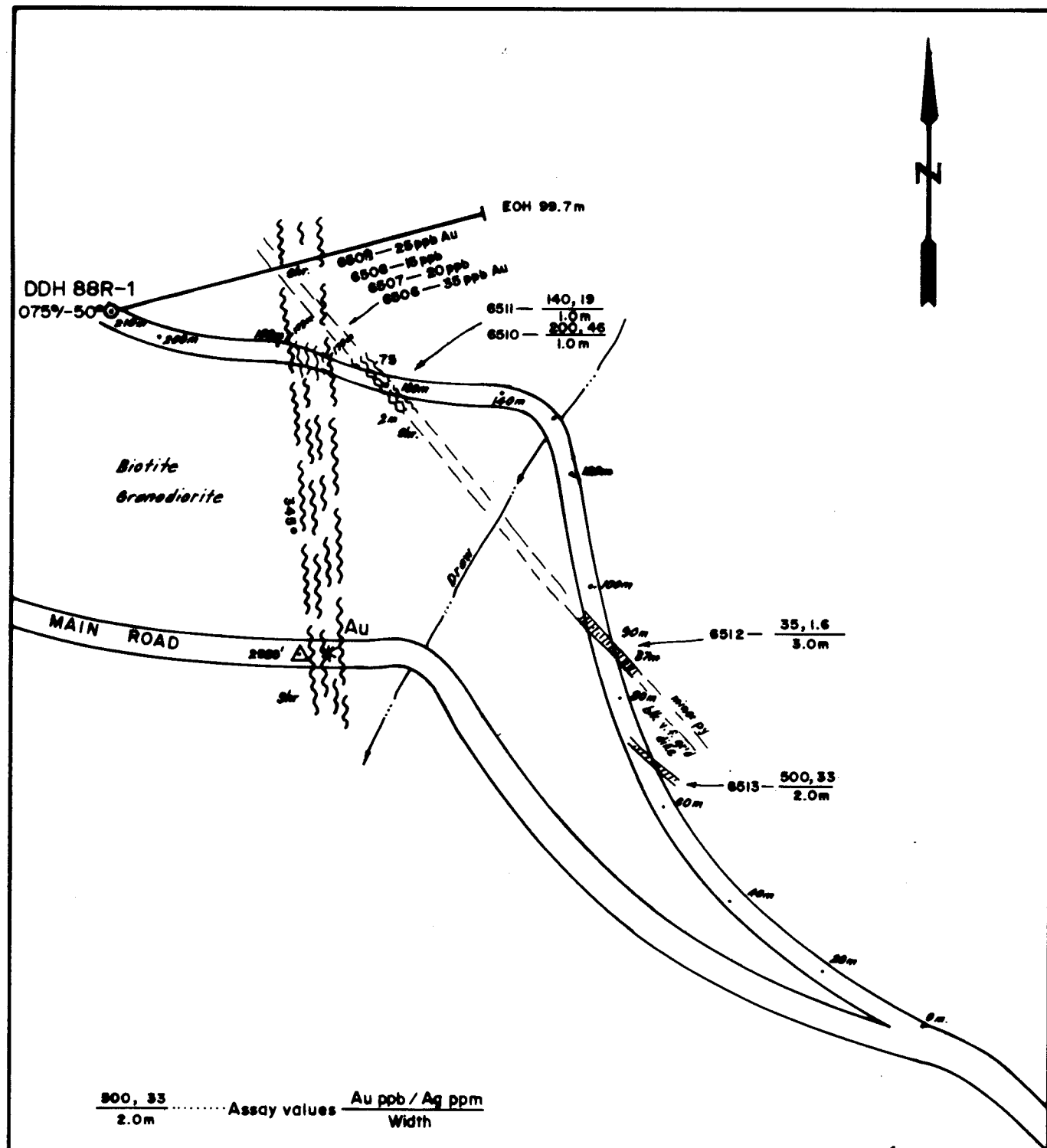


FIGURE 6

REA GOLD CORP. / VERDSTONE GOLD CORP. JOINT VENTURE	
RAG PROJECT Whitehorse M.D., Yukon	
'ROAD' ZONE	
GEOLOGY, DDH88R-1, SAMPLES	
Work by : A.J. SCHMIDT, P.Eng.	N.T.S. : 116 I/6
Drawn by : R.H.G.	Rev. :
Date : OCT. 1988	

phase of the Bow Creek Granite body, was cored below the shear zone for the next 24 meters, with some sections of argillically altered granodiorite included. From 74.8 to 89 metres the rock is anomalous in gold content - up to 250 ppb over 1.7 metres, but without any specific quartz or sulphide veins being apparent.

Near the lowermost porphyry - granodiorite contact (90.8 m) several 30 cm black graphitic shears were noted (89.0 - 89.3 and 90.6 - 90.9 m). These proved to contain interesting gold values - 1770 and 4600 ppb, respectively (0.097 opt and 0.135 opt).

9. CONCLUSIONS

- a) Rea Gold Corp. and Verdstone Gold Corp. together have an option agreement with Dominion Explorers Inc. to acquire an interest in the 31 claim RAG and MAY group, in the Whitehorse Mining Division. There is good road access to the property.
- b) The claims are underlain by Cretaceous to Tertiary granodiorite and granites, and traversed by a northwest trending splay of the Big Creek Fault.
- c) Several large areas of anomalous gold and arsenic soil

values have been outlined by previous work and have been briefly explored by excavator trenches.

- d) Gold values, ranging up to 4.3 ounces per ton, have been obtained from surface samples taken from a north-trending shear zone with accompanying galena and pyrite mineralization. More recent sampling of freshly excavated trenches have returned values up to 500 ppb Au.
- e) Diamond drilling beneath the observed surface mineralization has returned values of 0.057 oz Au/1.0 m and 0.135 oz Au/1.0 m. These values are probably contained in 30 cm wide graphitic shear zones.
- f) The claims are adjacent to other known gold deposits which have been the object of recent exploration work by other companies.

10. RECOMMENDATIONS

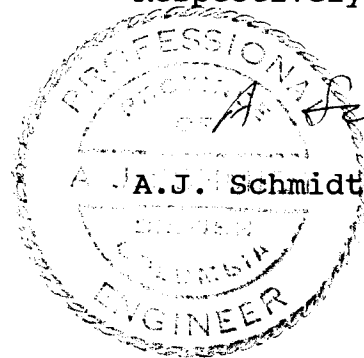
Additional trenching is warranted to more fully explore the know geochemical anomalies. At least one more east-west trench should be dug across Granite Gulch, say about 200 metres north of trench 88 R-1. As well, at least one more east-west trench should be dug across the gold/arsenic anomaly on RAG 29 Fr, say 100 metres north of trench 88 - R2.

Several more trenches are warranted across the strike extensions of the shear/veins exposed east of the collar of DDH 88 R-1. The hornblende feldspar porphyry - granite contact appears to be geochemically anomalous in gold and merits further investigation.

Respectively submitted,

October 28, 1988

Vancouver, B.C.



APPENDIX A

REFERENCES

1. BOSTOCK, H.S., 1936; Carmacks District, Yukon; Memoir 189, Geological Survey of Canada; 67 pg.
2. CARLSON, G.G., 1987; Geology of Mt. Nansen and Stoddart Creek Map Area, Dawson Range, Central Yukon; Open File 1987-2, Dept. of Indian and Northern Affairs, 181 pg.
3. EDISON, J.R., 1987; Rag and May Claims, Geological and Geochemical Report; 10 pg.; for Dominion Explorers Inc.
4. HOWARD, D.A., 1988; Antoniuk Property, Evaluation Report; 37 pg; for Big Creek Resources Ltd.
5. JOHNSTON, J.R., 1937, Geology and Mineral Deposits of Freegold Mtn., Carmacks District, Yukon; Memoir 214, Geological Survey of Canada; 21 pg.
6. KEARNEY, M.K., 1988; Report on Rag and Goldy Properties; 24 pg.; for Rea Gold Corp.
7. MCINNES, B.I.A., et al, 1988; Geology, Geochemistry and Geochronology of Subvolcanic intrusions associated with gold deposits at Freegold Mtn., Dawson Range, Yukon; Paper 88-1E, Geological Survey of Canada.
8. MCINNES, B.I.A. et al, 1988; Role of Structure in the Emplacement of gold-quartz veins and rhyolite dikes at Freegold Mtn. Dawson Range, Yukon; Paper 88-1E, Geological Survey of Canada.
9. TEMPELMAN-KLUIT, D.J., 1984; Geology, Laberge and Carmacks, Yukon Territory; Open file 1101, Geological Survey of Canada.

APPENDIX B

CHIP SAMPLE LEDGER

RE, GOLD/VERDSTONE GOLD

1988
CHIP SAMPLE LEDGER

Page 1 / 1

RAG # GOLDY Projects

ASSAY TAG No.	SAMPLE INTERVAL		SAMPLE LENGTH		ppb Au	Ag				Trench 88-R1 DESCRIPTION Aug. 7/88
	Metres	Feet	Metres	Feet						
346397	0 - 2		2.0		5					Start EASTEND. Mass. hb granodiorite. Fresh.
98	2 - 4		2.0		<5					Mass. hb. granodiorite; fresh. Frozen
99	4 - 6		2.0		<5					✓
6400	6 - 8		2.0		<5					✓
01	8 - 10		2.0		5					✓
02	10 - 12		2.0		<5					✓
03	12 - 14		2.0		<5					✓
04	14 - 16		2.0		<5					✓
05	16 - 18		2.0		<5					✓
06	18 - 20		2.0		<5					✓
07	20 - 22		2.0		10					✓
08	22 - 24		2.0		5					✓
09	24 - 26		2.0		<5					✓
6410	26 - 28		2.0		15					✓
11	28 - 30		2.0		<5					✓
12	30 - 32		2.0		<5					✓
13	32 - 34		2.0		<5					✓
14	34 - 36		2.0		<5					✓
15	36 - 38		2.0		25					✓
6416	38 - 40		2.0		<5					✓

RE, GOLD/VERDSTONE GOLD

1288
CHIP SAMPLE LEDGER

RAG # GOLDY Projects

ASSAY TAG No.	SAMPLE INTERVAL		SAMPLE LENGTH		ppb Au	Ag			RAG	Trench SR-R1 DESCRIPTION	Aug. 8/88
	Metres	Feet	Metres	Feet							
346417	40-42		2.0		<5				Mass. hb. granodiorite. Fresh. Frozen.		
18	42-44		2.0		20			-	✓	✓	
19	44-46		2.0		75			✓	✓	✓	
20	46-48		2.0		<5			✓	✓	✓	
21	48-50		2.0		<5			✓	✓	✓	
22	50-52		2.0		10			✓	✓	✓	
23	52-54		2.0		<5			✓	-	✓	
24	54-56		2.0		5			✓	✓	✓	
6425	56-58		2.0		<5			✓	✓	✓	
26	58-60		2.0		15			✓	✓	✓	
27	60-62		2.0		5			✓	-	✓	
28	62-64		2.0		<5			✓	✓	✓	
29	64-66		2.0		10			✓	✓	✓	
30	66-68		2.0		5			✓	✓	✓	
31	68-70		2.0		<5			-	✓	✓	
32	70-72		2.0		<5			✓	✓	✓	
33	72-74		2.0		10			✓	✓	✓	
34	74-76		2.0		<5			✓	-	✓	
35	76-78		2.0		10			✓	✓	✓	
6436	78-80		2.0		10			✓	✓	✓	

RE, GOLD/VERDSTONE GOLD

1988
CHIP SAMPLE LEDGER

RAG & GOLDY Projects

ASSAY TAG No.	SAMPLE INTERVAL		SAMPLE LENGTH		ppm Au	Ag			RAG	Trend 88-RL	DESCRIPTION		Aug 9/88
	Metres	Feet	Metres	Feet									
3464 37	80-82		2.0		<5					Mass. hb. gdr.	Fresh	Frozen	
38	82-84		2.0		<5				✓	✓	✓	✓	
39	84-86		2.0		<5				✓	✓	✓	✓	
40	86-88		2.0		<5				✓	✓	✓	✓	
41	88-90		2.0		10				✓	✓	✓	✓	
42	90-92		2.0		5				✓	✓	✓	✓	
43	92-94		2.0		10				✓	✓	✓	✓	
44	94-96		2.0		5				✓	✓	✓	✓	
45	96-98		2.0		20				✓	✓	✓	✓	
46	98-100		2.0		10				✓	✓	✓	✓	
47	100-102		2.0		10				✓	✓	✓	✓	
48	102-104		2.0		5				✓	✓	✓	✓	
49	104-106		2.0		40				✓	✓	✓	✓	
6450	106-108		2.0		15				✓	✓	✓	✓	
51	108-110		2.0		20				✓	✓	✓	✓	
52	110-112		2.0		20				✓	✓	✓	✓	
53	112-114		2.0		20				✓	✓	✓	✓	
54	114-116		2.0		5				✓	✓	✓	✓	
—	116-118		—						—	Left berm to hold water			
—	118-120		—						—	✓	✓	✓	

RE, GOLD/VERDSTONE GOLD

Page 5/81788
CHIP SAMPLE LEDGER

RAG & GOLDY Projects

ASSAY TAG No.	SAMPLE INTERVAL		SAMPLE LENGTH		ppb Au	Ag			RAG	Trench 88-RZ	
	Metres	Feet	Metres	Feet						DESCRIPTION	Aug. 11/08
346458	0-2		2.0		5			Start	WEST END. Fresh hb. granodiorite.		
59	2-4		2.0		5				Fresh, gy-fk hb. gdr.		
60	4-6		2.0		<5			✓	✓		
61	6-8		2.0		5			✓	✓	shv zone 1/2 m.	
62	8-10		2.0		<5			✓	✓		
63	10-12		2.0		<5			✓	✓	shv. @ 11 m	
64	12-14		2.0		<5			✓	✓	Cross. shv @ 13-14	
65	14-16		2.0		<5			✓	✓		
66	16-18		2.0		<5			✓	✓		
67	18-20		2.0		5				Rusty shv'd gdr.		
68	20-22		2.0		<5				Qtz-calc-hem in (> 8cm)		
69	22-24		2.0		<5				Rusty shv'd gdr.		
70	24-26		2.0		<5				Red-yell. ochre - fault gge.		
71	26-28		2.0		<5			✓	✓	shv'd.	
72	28-30		2.0		<5				Fresh hb. gdr.		
73	30-32		2.0		<5				Gauge 30-31 m. shv'd gdr.		
74	32-34		2.0		<5				Fresh hb. gdr.		
75	34-36		2.0		<5			✓	✓	Gge 35-36.5 m	
76	36-38		2.0		<5			✓	✓		
6477	38-40		2.0		<5				Gauge 38.5-40.5. Str'ly shv'd gdr.		

RE, GOLD/VERDSTONE GOLD

Page 6/8

1788
CHIP SAMPLE LEDGER

RAG # GOLDY Projects

ASSAY TAG No.	SAMPLE INTERVAL		SAMPLE LENGTH		ppb Au	Ag			RAG	Trench 88-R2 DESCRIPTION	Aug. 11/88
	Metres	Feet	Metres	Feet							
346478	40-42		2.0		<5				Go to 40.5 then shv'd grdr.		
79	42-44		2.0		<5				Fresh hb. grdr.		
80	44-46		2.0		5				Sm shr @ 44m. Str. shr. @ 47m		
81	46-48		2.0		5				Str'ly shv'd, soft, grdr.		
82	48-50		2.0		<5				✓	✓	
83	50-52		2.0		<5				✓	✓	. Yellow-bn goss
84	52-54		2.0		<5				shr. ends @ 52.5m.		
85	54-56		2.0		<5				Fresh hb. grdr.		
86	56-58		2.0		<5				Sm shr @ 56m. Hb grdr.		
87	58-60		2.0		5				Hb grdr. Sm shr 1/2 trench.		
88	60-62		2.0		290				✓	✓	
89	62-64		2.0		5				✓	✓	
90	64-66		2.0		<5				shr 64.5-67m. Yellow-red gossan.		
91	66-68		2.0		<5				✓		. Hb grdr.
92	68-70		2.0		<5				Sm shr @ 69m.		
93	70-72		2.0		30				△ Line T-20 @ 71m. Hb grdr.		
94	72-74		2.0		<5				Fresh hard hb grdr.		
95	74-76		2.0		<5				Shv'd grdr 74-75.5m		
96	76-78		2.0		<5				Hb grdr.		
6497	78-80		2.0		<5				sm shr @ 79m. Red goss.		

APPENDIX C

DRILL LOG, D.D.H. 88 R-1

APPENDIX D

GEOCHEMICAL ANALYSES CERTIFICATES



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 BROOKSBANK AVE. NORTH VANCOUVER,
BRITISH COLUMBIA, CANADA V7J-2C1

PHONE (604) 984-0221

REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project : RAG

Comments: ATTN: MS. S. TOPHAM CC: A. SCHMIDT

Page No : 1
Tot. Pages: 2
Date : 20-AUG-88
Invoice # : I-8820833
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8820833

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA												
346397	205	---												
346398	205	---	<	5										
346399	205	---	<	5										
346400	205	---	<	5										
346401	205	---		5										
346402	205	---	<	5										
346403	205	---	<	5										
346404	205	---	<	5										
346405	205	---	<	5										
346406	205	---	<	5										
346407	205	---		10										
346408	205	---		5										
346409	205	---	<	5										
346410	205	---		15										
346411	205	---	<	5										
346412	205	---	<	5										
346413	205	---	<	5										
346414	205	---	<	5										
346415	205	---		25										
346416	205	---	<	5										
346417	205	---	<	5										
346418	205	---		20										
346419	205	---		75										
346420	205	---	<	5										
346421	205	---	<	5										
346422	205	---		10										
346423	205	---	<	5										
346424	205	---		5										
346425	205	---	<	5										
346426	205	---		15										
346427	205	---		5										
346428	205	---	<	5										
346429	205	---		10										
346430	205	---		5										
346431	205	---	<	5										
346432	205	---	<	5										
346433	205	---		10										
346434	205	---	<	5										
346435	205	---		10										
346436	205	---		10										

CERTIFICATION : _____



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PHONE (604) 984-0221

1 REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project : RAG

Comments: ATTN: MS. S. TOPHAM CC: A. SCHMIDT

Page No .2
Tot. Pages: 2
Date : 20-AUG-88
Invoice # : I-8820833
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8820833

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA									
346437 RAG	205 ---	<< 5									
346438 Trench	205 ---	<< 5									
346439	205 ---	<< 5									
346440 BR-1	205 ---	<< 5									

CERTIFICATION :

[Handwritten signature]



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REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project : RAG
Comments: ATTN: MS. S. TOPHAM CC: A. J. SCHMIDT

Page No : 1
Tot. Pages: 2
Date : 25-AUG-88
Invoice # : I-8821167
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8821167

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA											
346441	205	---	10										
346442	205	---	5										
346443	205	---	10										
346444	205	---	5										
346445	205	---	20										
346446	205	---	10										
346447	205	---	10										
346448	205	---	5										
346449	205	---	40										
346450	205	---	15										
346451	205	---	20										
346452	205	---	20										
346453	205	---	20										
346454	205	---	5										
346455	205	---	15										
346456	205	---	5										
346457	205	---	10										
346458	205	---	5										
346459	205	---	5										
346460	205	---	< 5										
346461	205	---	< 5										
346462	205	---	<< 5										
346463	205	---	<< 5										
346464	205	---	<< 5										
346465	205	---	<< 5										
346466	205	---	< 5										
346467	205	---	5										
346479	205	---	< 5										
346480	205	---	5										
346481	205	---	5										
346482	205	---	<< 5										
346483	205	---	<< 5										
346484	205	---	<< 5										
346485	205	---	<< 5										
346486	205	---	<< 5										
346487	205	---	5										
346488	205	---	290										
346489	205	---	5										
346490	205	---	< 5										
346491	205	---	< 5										

CERTIFICATION : Hart Buchler



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P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project : RAG

Comments: ATTN: MS S TOPHAM CC: A J SCHMIDT

Page No. 1
Tot. Pages: 1
Date : 19-AUG-88
Invoice # : I-8821166
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8821166

SAMPLE DESCRIPTION	PREP CODE	Au ppb RUSH									
346468	255	--	<	5							
346469	255	---	<<	5							
346470	255	---	<<<	5							
346471	255	---	<<<<	5							
346472	255	---	<<<<<	5							
346473	255	---	<	5							
346474	255	---	<<	5							
346475	255	---	<<<	5							
346476	255	---	<<<<	5							
346477	255	---	<<<<<	5							
346478	255	---	<	5							

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REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
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V6Z 2H2

Project : RAG
Comments: ATTN: MS. S. TOPHAM CC: A. J. SCHMIDT

Page No : 2
Tot. Pages: 2
Date : 25-AUG-88
Invoice # : I-8821167
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8821167

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA										
346492	205	---	< 5									
346493	205	---	30									
346494	205	---	< 5									
346495	205	---	< 5									
346496	205	---	< 5									
346497	205	---	< 5									
346498	205	---	10									
346499	205	---	< 5									
346500	205	---	< 5									
346501	205	---	5									
346502	205	---	< 5									
346503	205	---	< 5									
346504	205	---	5									
346505	205	---	30									

CERTIFICATION : Hart. Buchler



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PHONE (604) 984-0221

To: REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project: RAG

Comments: ATTN: MS. SARAH TOPHAM CC: A. J. SCHMIDT

Page No. : 1
Tot. Pz : 1
Date : 13-SEP-88
Invoice #: I-8822466
P.O. #: NONE

CERTIFICATE OF ANALYSIS A8822466

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Cu ppm	Pb ppm	Zn ppm	Ag ppm Aqua R					
346506	205	---	35	24	170	1600	0.1	} RAG road showing			
346507	205	---	20	338	175	500	0.1				
346508	205	---	15	680	24	155	0.1				
346509	205	---	25	282	49	362	0.9				
346510	205	---	200	1900	6550	2850	46.0				
346511	205	---	140	830	2730	3600	19.0				
346512	205	---	35	530	73	142	1.6				

CERTIFICATION : Hart Bickler



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VANCOUVER, B.C.
V6Z 2H2

Project : GOLDY
Comments: ATTN: MS SARAH TOPHAM

Page No : 2
Tot. Pages : 2
Date : 19-SEP-88
Invoice # : I-8822704
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8822704

SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA									
347104 <i>28G-14</i> 347105 347106 347107 347108	205	---	70									
	205	---	20									
	205	---	20									
	205	---	5									
	205	---	35									
347109 347110 347111 347112 347113	205	---	5									
	205	---	65									
	205	---	< 5									
	205	---	160									
	205	---	< 5									
347114 <i>28R-1</i> 347115 347116 347117 347118	205	---	5									
	205	---	< 5									
	205	---	<< 5									
	205	---	< 5									
	205	---	95									
347119 347120 347121 347122 347123	205	---	80									
	205	---	< 5									
	205	---	<< 5									
	205	---	< 5									
	205	---	< 5									
347124 347125 347126 347127 347128	205	---	5									
	205	---	20									
	205	---	65									
	205	---	250									
	205	---	20									
347129 347130 347131 347132 347133	205	---	145									
	205	---	70									
	205	---	30									
	205	---	215									
	205	---	210									
347134 347135 347136 347137	205	---	1770									
	205	---	4600									
	205	---	30									
	205	---	35									

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CERTIFICATION : *Theresa Vink*



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REA GOLD CORPORATION
P.O. Box 12137, Nelson Square
501 - 808 NELSON ST.
VANCOUVER, B.C.
V6Z 2H2

Project : GOLDY
Comments: ATTN: MS. SARAH TOPHAM

Page No. 1
Tot. Pages: 1
Date : 22-SEP-88
Invoice # : I-8823926
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8823926

SAMPLE DESCRIPTION	PREP CODE	Au FA g/tonne									
347134 RESPLIT	214	1.99	DDH 88R-1	89.0 → 90.0 m	(0.0570gt)						
347135 RESPLIT	214	4.66	✓	90.0 → 91.0 m	(0.1350gt)						

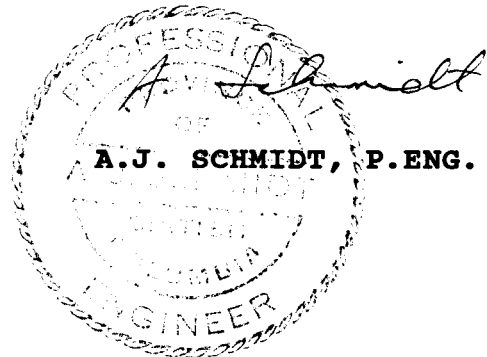
APPENDIX E

C E R T I F I C A T E

I, ANDREW J. SCHMIDT, do hereby certify,

1. That I am a Consulting Geological Engineer with offices at 306-673 Market Hill, Vancouver, B.C.
2. That I graduated in Geological Engineering from the University of British Columbia in 1961 with a Bachelor of Applied Science degree.
3. That I am a registered Professional Engineer in the Association in British Columbia.
4. That I have practiced my profession continuously since graduation.
5. That this report dated October 28, 1988, is based on my field work on the RAG and MAY claims during the period July 14 - September 3, 1988, and on a study of all available Company and Government maps and reports.
6. That I have no interest, nor do I expect to receive any interest, direct or indirect, in the securities or properties of REA Gold Corp., or Verdstone Gold Corp.

DATED at Vancouver, British Columbia, this 28th day of October, 1988.



APPENDIX F

PROJECT COSTS

RAG PROJECT COSTS

CAMP	Joint Expenditures - 21.6% of \$31,480.00	\$ 6,800.00	
WAGES	A.J. Schmidt, P.Eng., Vancouver, B.C, Project Geologist, 11 days @ \$300/day	3,300.00	
	B. Robertson, Whitehorse, Cook 6 days @\$200/day	1,200.00	
	E. Stretch, Whitehorse, Sampler 4 days @ \$150/day	600.00	
	P. Seybolt, Whitehorse, Field Assistant 11 days @ \$150/day	1,650.00	
		<hr/>	\$ 6,750.00
ROADWORK	D. Dodge, Whitehorse D7 Cat, 29.5 hrs (incl fuel) @ \$134.24/hr		3,960.00
EXCAVATOR	Floyd Brecker, Whitehorse 225 Cat, 50 hrs @ \$110/hr 29% of Excavator moving costs (50/171)	800.00	5,500.00
		<hr/>	6,300.00
ASSAYS	Chemex Labs Ltd. North Vancouver, B.C. Trench - 124 AA and FA Gold Drill - 26 AA and FA Gold Shipping	1,359.50 294.50 550.00	
		<hr/>	2,204.00
DRILLING	J.G. LeClerc, Beavercell, B. C. 327 feet (99.7m) @ \$40/foot		13,080.00
REPORT			4,000.00
		<hr/>	

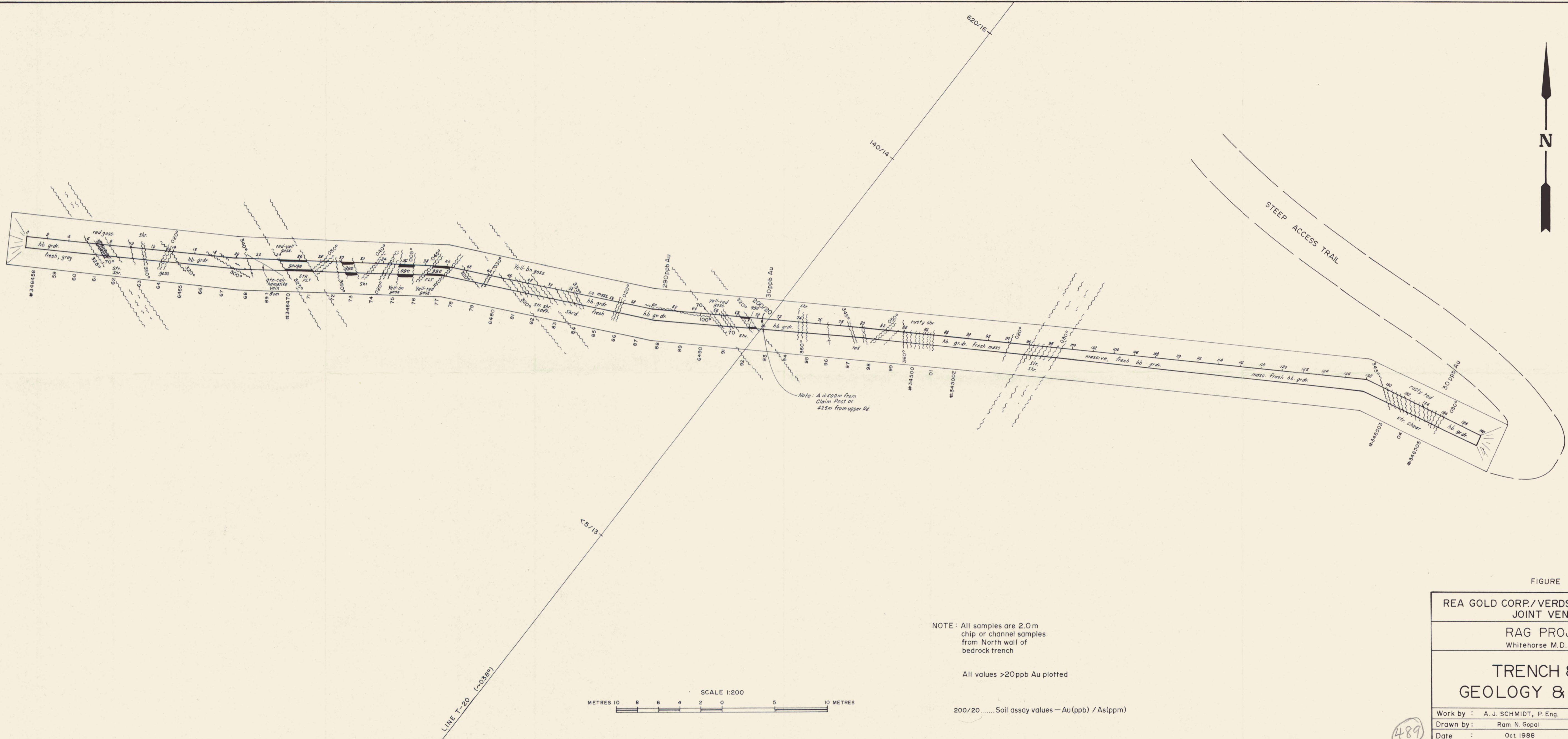
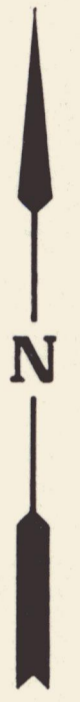
TOTAL

\$ 43,094.00

Analysis for Assessment Purposes:

Trench R-1 on Claim Rag 5 --4 days	36.5%	(4/11)
Trench R-2 1/2 on Rag 11 --1 day	9%	(1/11)
1/2 on Rag 28 Fr-1 day	9%	(1/11)
Drillhole 88R-1 on Rag 8 -- 5 days	45.5%	(5/11)

	RAG 5	RAG 11	RAG 28Fr	RAG 8
Joint Exp.	\$ 2,482.00	\$ 612.00	\$ 612.00	\$ 3,094.00
Schmidt	1,200.00	300.00	300.00	1,500.00
Robertson	800.00	200.00	200.00	---
Stretch	600.00	---	---	---
Seybolt	600.00	150.00	150.00	750.00
Road Constr.	1,445.00	356.00	356.00	1,803.00
Excavator	3,150.00	1,575.00	1,575.00	
Assays	680.00	340.00	340.00	294.50
Assay Shipping	137.00	137.00	137.00	137.00
Drilling				13,080.00
Report	1,460.00	360.00	360.00	1,820.00
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 12,554.00	\$ 4,031.00	\$ 4,031.00	\$ 22,478.00
	=====	=====	=====	=====



NOTE: All samples are 2.0m chip or channel samples from North wall of bedrock trench

All values >20ppb Au plotted

200/20 Soil assay values — Au (ppb) / As (ppm)

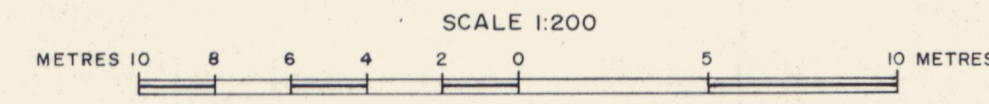


FIGURE 5

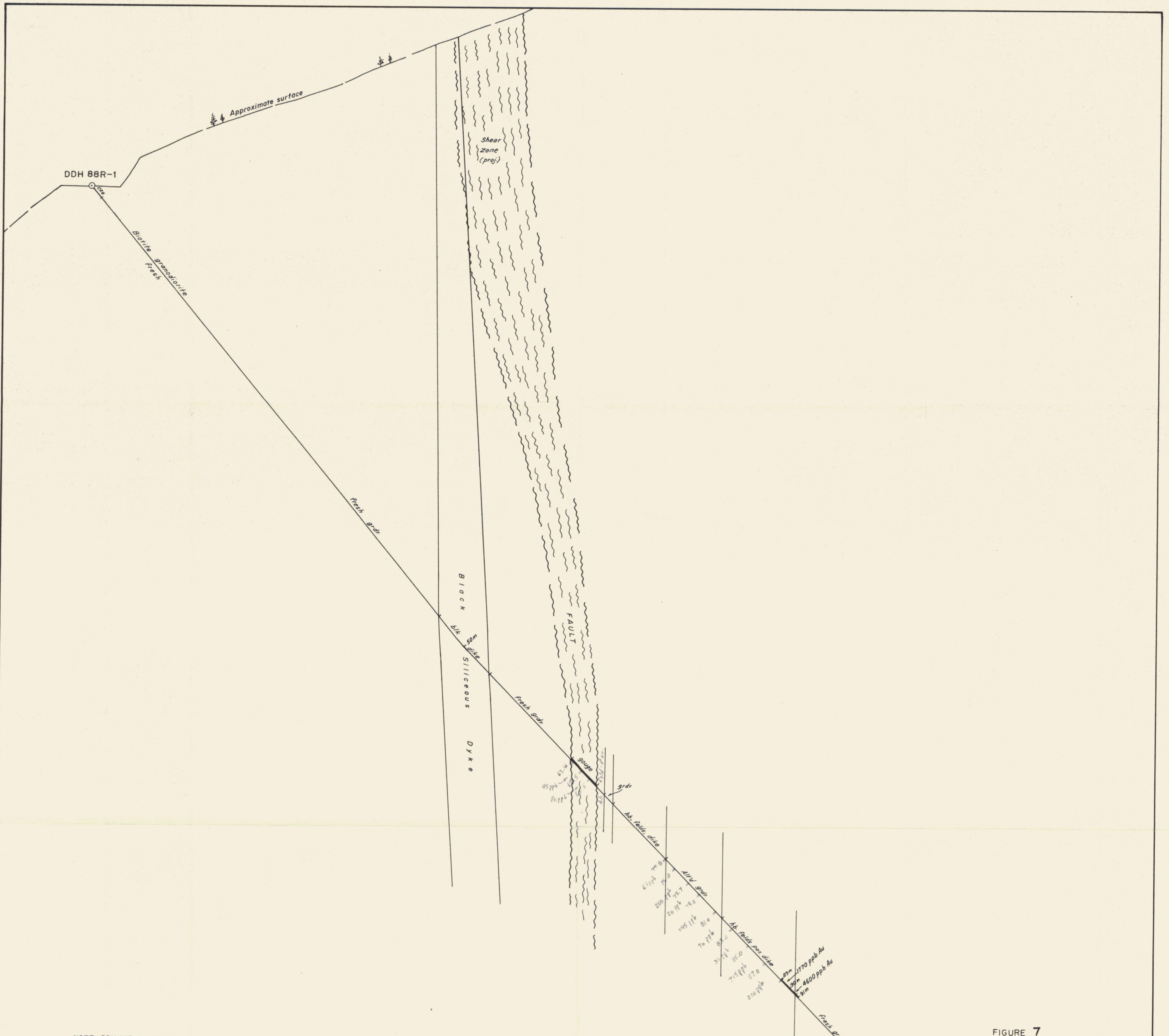
REA GOLD CORP./VERDSTONE GOLD CORP.
JOINT VENTURE

RAG PROJECT
Whitehorse M.D., Yukon

TRENCH 88-R2
GEOLOGY & ASSAYS

Work by : A. J. SCHMIDT, P. Eng.	N.T.S. : 115 1/6
Drawn by : Ram N. Gopal	Rev. :
Date : Oct. 1988	

489



NOTE: DDH 88R-1 drilled on Claim "RAG 8"

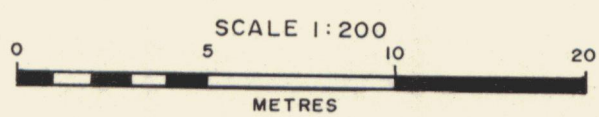


FIGURE 7

REA GOLD CORP. / VERDSTONE GOLD CORP. JOINT VENTURE	
RAG PROJECT Whitehorse M.D., Yukon	
CROSS SECTION 88R-1 GEOLOGY & ASSAYS LOOKING NORTHERLY	
Work by : A. J. SCHMIDT, P.Eng.	N.T.S. : 115 I / 6
Drawn by : RAM N. GOPAL	Rev. :
Date : Oct. 1988	

490