MAP NO.: 105 D 2/3	**ASSESSMENT REPORT** X **PROSPECTUS** **CONFIDENTIAL** **OPEN FILE** X	**DOCUMENT NO:** **MINING DISTRICT:** **TYPE OF WORK:**	092705 Whitehorse Geological, Geochemical

REPORT FILED UNDER: Lodestar Exploration Inc.

DATE PERFORMED:	August 1988	**DATE FILED:**	03 May 1989
LOCATION: **LAT.:**	60°05'N	**AREA:**	Millhaven Bay
LONG.:	~~135°00'~~W 134°58'W	**VALUE $:**	6200.00

CLAIM NAME & NO.: STONY 1-32 (YB13156-YB13187)
UCK 1-42 (YB13126-YB131155)

WORK DONE BY: B.A. Lueck

WORK DONE FOR: Lodestar Exploration Inc.

DATE TO GOOD STANDING:

REMARKS: #34 MILLHAVEN
Prospecting, mapping and sampling in 1988 identified fracture zones along east-trending faults which contain high levels of mercury and antimony. Massive stibnite veins were found in 2 separate areas and carbonate-mariposite alternation, brecciation and silicification are common. Rock samples contained up to 700ppb Au.

EXPLORATION REPORT

on the

STONY 1-32 (YB13156-YB13187)

and

UCK 1-42 (YB-13126-YB13155)

MILLHAVEN BAY AREA

NTS 105 D2,3

LAT. 60 05'N, Long. 135 00' w

Whitehorse Mining District

for:

LODESTAR EXPLORATIONS INC.

Suite 19 - 4078 Fourth Avenue

Whitehorse, Yukon Territory

By:

B. A. Lueck , Geologist

February, 1989

092705

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 $_____.

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

TABLE OF CONTENTS

INTRODUCTION

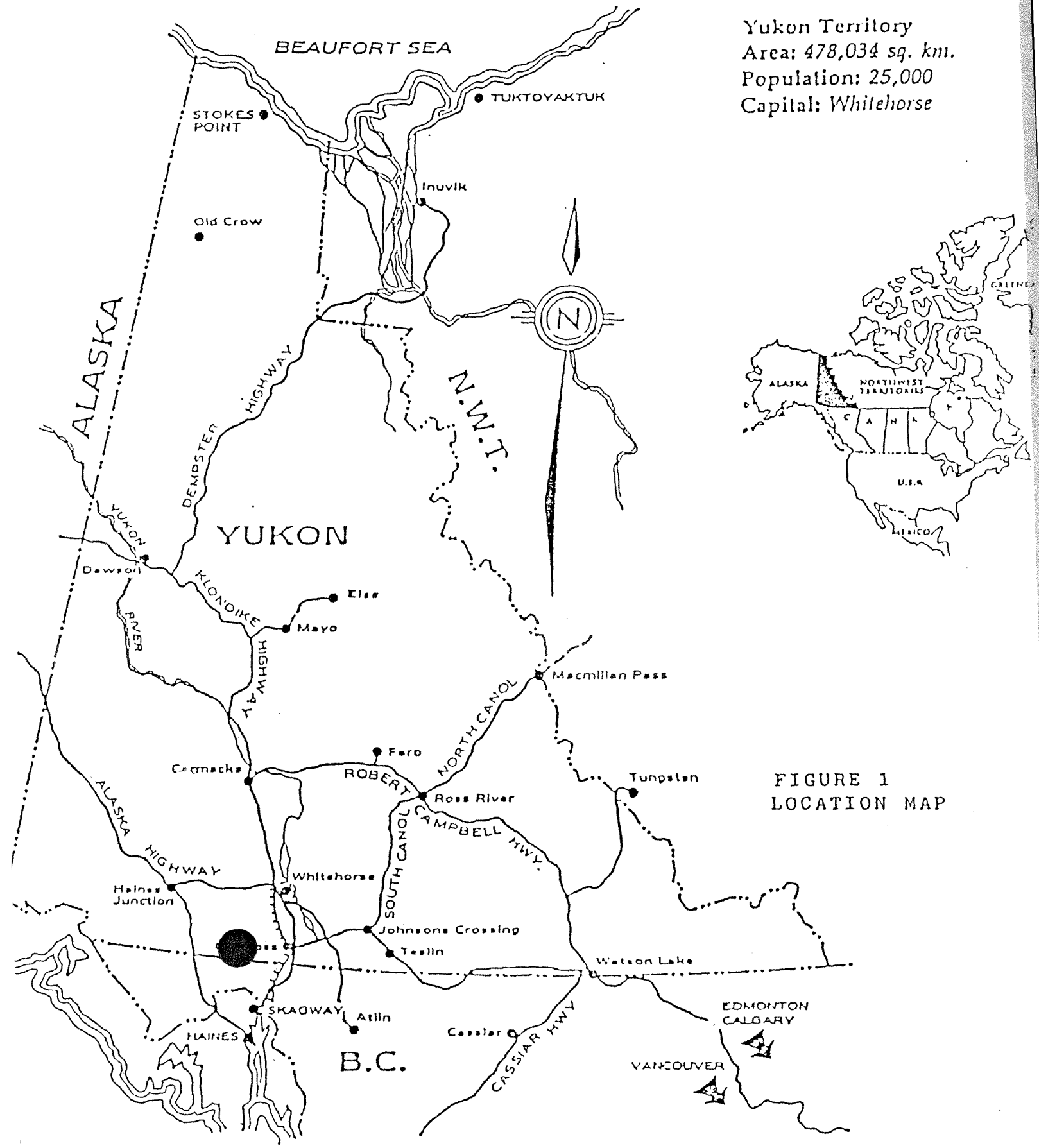
The UCK and STONY claims were staked in March, 1988 to cover several stibnite showings located north of Millhaven Bay on Bennett Lake in the southwestern Yukon Territory. This report, prepared at the request of Todd Peever of Lodestar Explorations Inc. describes a reconnaissance level exploration program conducted by Brian Lueck, G. Jurovich, B. Harris, K. Hennebury and T. Morgan in August, 1988.

LOCATION AND ACCESS

The property is located approximately 70 km south of Whitehorse on the west arm of Bennett Lake near Millhaven Bay. The claims are on NTS Map Sheets 105 D-2, 3 at longitude 135'00 west and latitude 60 05' north. Figures 1 & 2 show the property location.

Access to most of the claims is by helicopter. Charter machines are stationed in the Wheaton Valley in summer or are available on a year round basis in Whitehorse. Low lying areas are accessible from Carcross by boat. However, Bennett Lake is notorious for high winds and dangerous conditions.

The closest road to the claims is 9 km to the north on Partridge Creek. This road could be extended south along the Wheaton Valley to the property.



Yukon Territory
Area: *478,034 sq. km.*
Population: *25,000*
Capital: *Whitehorse*

FIGURE 1
LOCATION MAP

PHYSIOGRAPHY, CLIMATE, VEGETATION

The Bennett Lake district lies in the Boundary Ranges of the Coast Mountains, a rolling uplands area featuring several prominent peaks and steep-walled stream river valleys. Glacial action has modified major river and lake valleys to deep U-shaped depressions containing terrace and outwash deposits. Topographically the area becomes progressively more severe to the southwest, culminating in 2,500 m. mountains and extensive icefields.

The property covers low lying ground beside Bennett Lake and the steep eastern facing valley wall of the Wheaton River. The valley wall is incised by several steep gullies and by the larger Millhaven Creek. Elevation range from 1,700 m. on Stoney Mountain to 655 m. at Bennett Lake. Outcrop is abundant on steep slopes while glacial material and talus cover areas.

The southwestern Yukon has a dry sub-arctic climate, modified by the Pacific Ocean. Summer temperatures average 12 C. and annual precipitation totals 40 cm. . The exploration season lasts from May until October.

Below treeline at 1,200 m, vegetation consists of spruce, pine and balsam with patchy willow, birch and poplar. The uplands are windswept places featuring dwarf grasses, mosses and lichen.

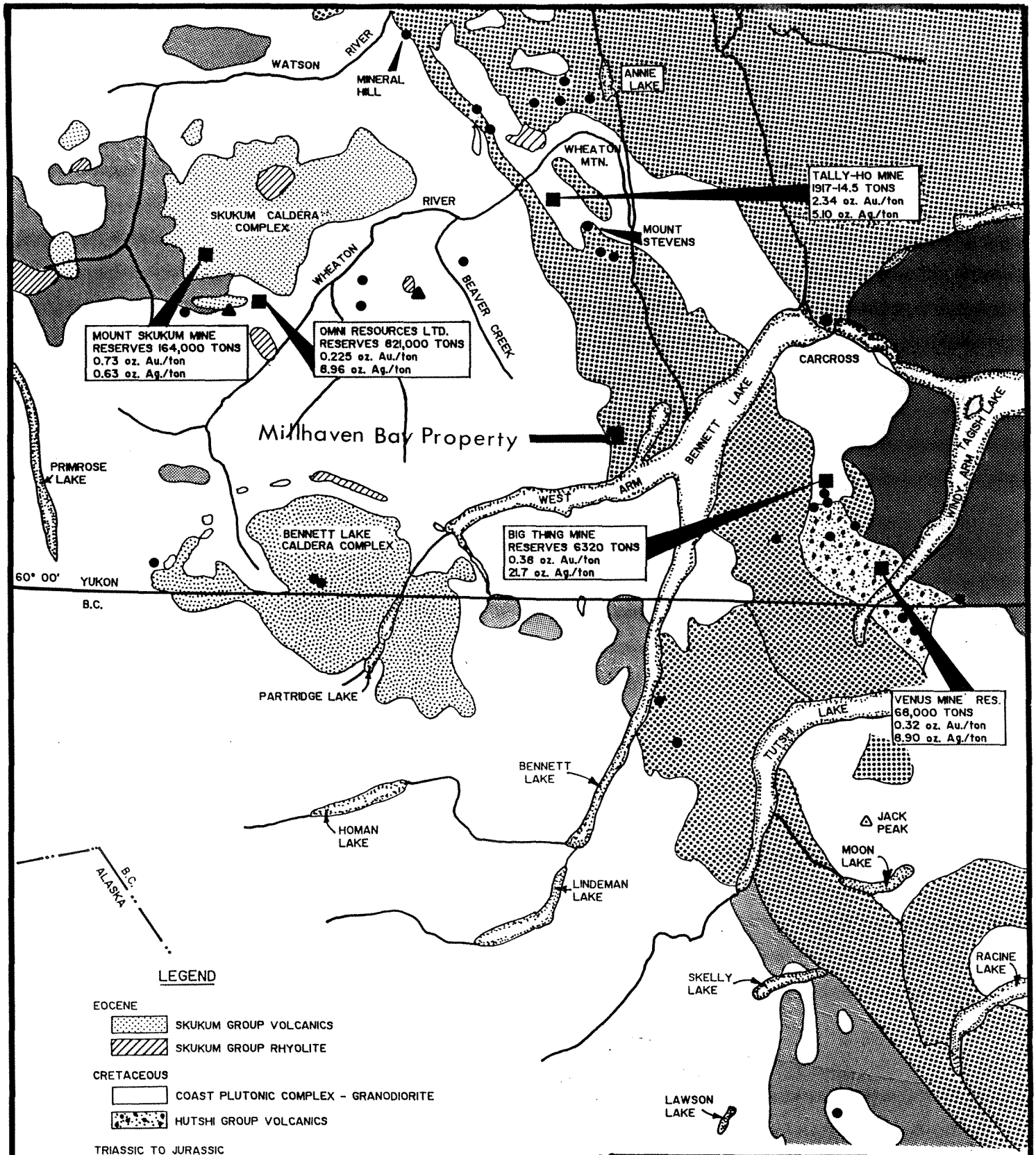
PROPERTY

The UCK 1-42 (YB13126-YB13155) and STONEY 1-32 (YB13187-YB131187) claims are held by T. Morgan and are registered with the district mining recorder in Whitehorse. The present anniversary date is 23 March, 1990. Figure 3 shows the claim plan.

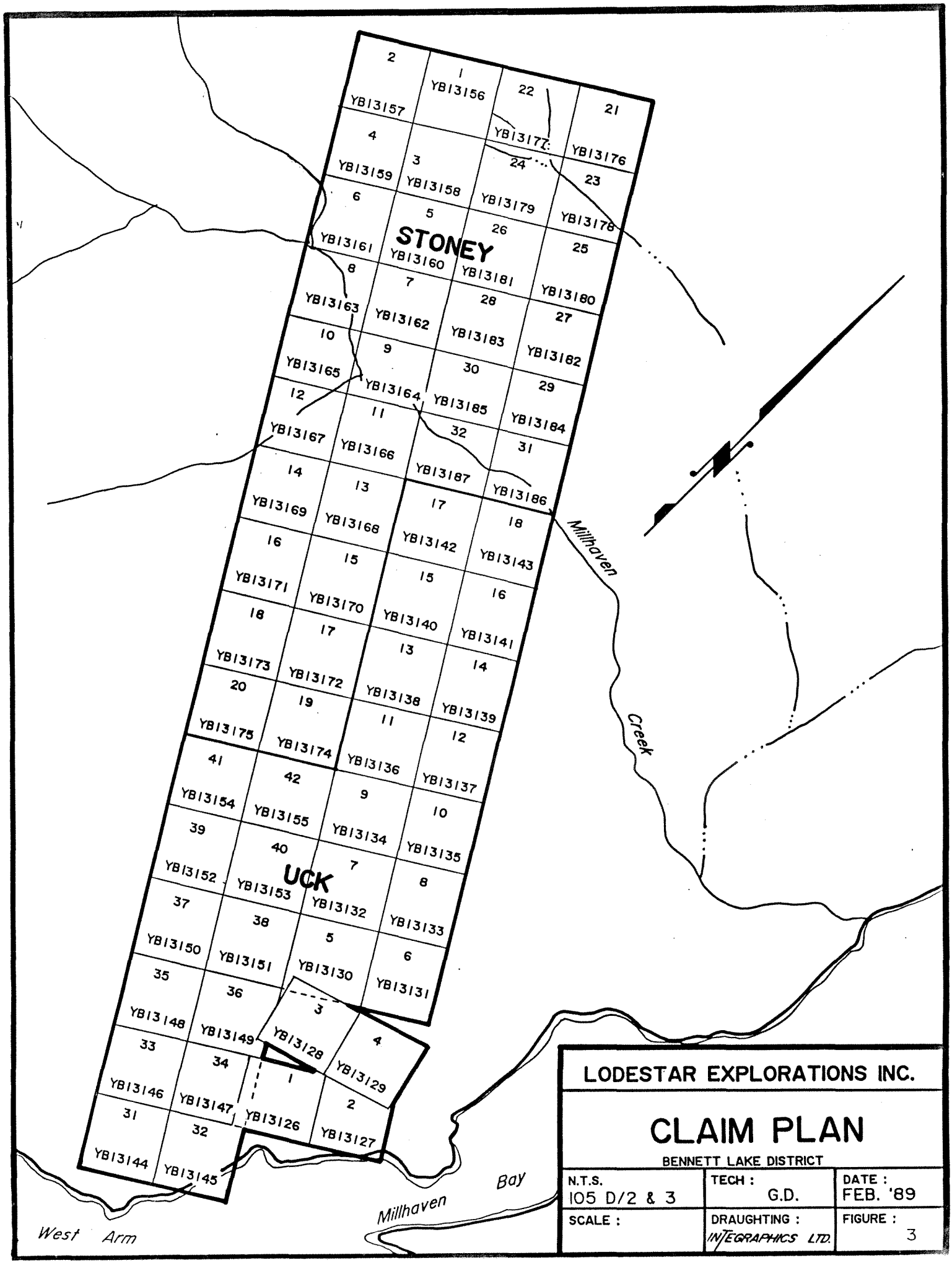
REGIONAL GEOLOGY

The geology of the Bennett Lake district was initially mapped by D.D. Cairnes of the GSC, and published in Memoir 312 (1961). Recently, the region has been remapped by R. A. Doherty and C.J.R. Hart and released as Open File 1988-2.

The district overlies two terrains: 1) the Whitehorse Trough consisting of Mesozoic and Paleozoic folded meta-volcanic and meta-sedimentary rock to the east, and 2) crystalline rocks of the Coast Plutonic Complex and Yukon Crystalline terrain consisting of meta-sedimentary rocks of the late-Precambrian and / or Paleozoic Yukon Group intruded by Triassic to Tertiary bodies of granitic rock. Both terrains are intruded and overlain by Eocene volcanics which include volcanic complexes at Mt. Skukum and Mt. Macauly, and small felsic plugs and dyke swarms throughout the region. Figure 2 shows the regional geology.



LODESTAR EXPLORATIONS INC.		
MILLHAVEN BAY PROPERTY BENNETT LAKE DISTRICT		
N.T.S.: 104M, 105D	TECH: G.D.	DATE: April, 1988
SCALE :	DRAFTING:	FIGURE: 2



LODESTAR EXPLORATIONS INC.

CLAIM PLAN

BENNETT LAKE DISTRICT

N.T.S. 105 D/2 & 3	TECH : G.D.	DATE : FEB. '89
SCALE :	DRAUGHTING : INTEGRAPHICS LTD.	FIGURE : 3

BOUNDARY (COASTAL)

MOUNTAINS

RANGES

CLAIM BOUNDARY

Millhaven Bay

Creek

Millhaven Creek

Stony Mountain

5500

03

04

2100 2400 2300 2200 3500 4800 5200 5000 4000 2600 2500 3200 4500 3600 3500 5300 4600 5700 3000

5114 5115 5116 5117 5118 5119 5120 5121 5112, 5113 (BLAST PITS) GOSSAN GOSSAN

5143 5144 5132 5109 5131 5130 5105, 5106 5103 5102

LEGEND :

- (4) ANDESITE PORPHYRY ("HUTSI GROUP")
- (3) COAST INTRUSIVE ROCKS
- (2) CONGLOMERATE - WHITEHORSE TROUGH SEDIMENTS "TANTALUS"?
- (1) ALTERED VOLCANICS - LARGELY GREENSTONES "LEWES RIVER GROUP"
- FAULT
- 4 GEOLOGIC CONTACT - KNOWN
- GEOLOGIC CONTACT - APPROXIMATE
- ADIT
- EXTENSIONAL FAULT (—O DOWNTHROWN SIDE)
- 5103 SAMPLE LOCATION & NUMBER

LODESTAR EXPLORATIONS INC.

MILLHAVEN BAY PROPERTY

092705

N.T.S.: 105 D/2,3	GEOLOGIST:	DATE :
SCALE : 1 : 10,000	DRAUGHTING : INTEGRAPHICS LTD.	FIGURE : 4

HISTORY

The Wheaton River and Bennett Lake districts were first explored by prospectors travelling along the major lakes and rivers of the southwester Yukon in the early 1890's. The original claims recorded in the district were those of Corwin and Rickman who, in 1893, located stibnite showings on Carbon Hill.

More intensive exploration began in 1906 after the discovery of gold bearing quartz veins on Gold Hill and the discovery of antimony-silver veins on Carbon and Cheifton Hills in the Wheaton Valley. Claims were staked on Gold Hill, Mineral Hill, Mount Stevens, Wheaton Mountain, Carbon Hill, Mount Anderson and Cheifton Hill. Claims were also staked along Windy Arm on Montana Mountain and west of Millhaven Bay.

The history of activity in the area of the STONY and UCK claims start in 1908 when three Crown Granted mineral claims, the Azurite, Malachite and Cromwell were surveyed on the hillside approximately 3 km west of Millhaven Bay. An adit was driven into a shear zone at the 1,200 m. level on the Azurite Crown Grant. No other records of the early work are known.

In the late 1960's Mogar Mines Ltd. acquired 44 claims which covered the expired crown grant claims. Very limited soil and rock sampling, and an EM survey were undertaken on two showings. The North Showing was

described as being closely related to an east-west trending fault that forms a pronounced gully. Several gossan zones lie along the gully and an adit at least 30 m. in length was driven into gossanous volcanics at the 1,200 m. level (R. J. Cathro, 1967). Downhill of the adit several grab samples were collected from quartz-carbonate veins containing galena and chalcopyrite. The best assay was reported as 6.9% Cu, 4.6% Pb and 9.3 oz / t Ag.

The South Showing was described as a series of narrow discontinues quartz-carbonate veins occurring in greenstone. Soil samples from the area produced anomalous copper and zinc values however rock samples returned trace precious metal values.

In 1985 Tally Ho Explorations Ltd. staked the area and conducted reconnaissance mapping and prospecting traverses. A showing was located on the south facing slope of Stoney Mountain. Samples returned silver values of 5 oz / t.

RECENT EXPLORATION

INTRODUCTION

Two seperate phases of exploration were done on the claim block during the 1988 field season. A five man crew was utilized during the first phase to carefully prospect the claim block, map the geology, and sample zones of alteration and veining. The crew was stationed in a travel trailer parked on a flat in the Wheaton River Valley. Helicopter support was used for set-outs and pickups.

LOCAL GEOLOGY

The claim block covers a major contact zone between Cretaceous granodiorite to the southwest and metamorphosed volcanics pelites and conglomerates. The contact runs northwest to southeast and is locally offset by east-west trenching brittle fault shears.

The granodiorite is equigranular with largely biotite for mafics, although some hornblende is present. The granodiorite is locally sheared with a fabric indicative of high temperature ductile strain. Near surface brittle alteration and deformation features near contacts include chlorite-muscovite retrograde alteration with deposition of calcite, quartz and pyrite in small veins and lenses. Fracture density increases dramatically near the contact with volcanics and sediments.

Volcanic and sedimentary rocks are complexly deformed and intercalated with one another. No attempt was made to subdivide the unit. Volcanics consist mostly of greenstone altered, andesitic porphyrys. Sedimentary rock include crushed,talc altered pelites, conglomerate and quartzite. Andesites are host to brecciated, stockwork quartz zones. Alteration in sediments includes extensive zones of slickensided, crushed and talc altered pelites; carbonitized volcanics and sediments containing extensive stockwork carbonate veinlets; silicfication and brecciation in quartzites; and muscovite-kaolinite alteration near massive stibnite veins.

MINERALIZATION

Alteration type, coupled with vein mineralogy and geochemistry, suggests that the vein system exposed on these claims is epithermal in origin and is indicative of the highest level of an epithermal system.

Crush zones adjacent to east-west trending faults contain very high mercury values. Antimony levels are also elevated and massive stibnite veins up to 1 m in width have been identified in two seperate areas. Carbonitized volcanics are found over extensive areas, and fuchsite or mariposite is a common alteration mineral in these zones. Brecciation and silicification are common in quartz rich sediments. Arsenic values are very high for many rock samples on the property.

SAMPLING

SAMPLE #	DESCRIPTION
5102-	-Pyritic altered volcanic (composite grab sample)
5130-	-0.5m chip from multicoloured gouge zone in sheared volcanics
5105-	- Composite grab sample of sulphide bearing, altered, oxidized vein material
5106-	-As above-lower outcrop
5109-	-Malachite stained, sheared pelite
5112-	-Cockade quartz veins with massive stibnite pods and lenses (2 splits)
5115-	-Quartz, Pyrite veining in altered greenstone volcanics, rusty shear zone adjacent to veining. 2 splits
5116 -	-Fracture filling of Fe-Cu sulphides in altered greenstone volcanics
5117-	-Carbonitized, rusty weathering, altered andesite volcanics
5118-	-As above-sample taken 150m upstream on same pup as 5117

5119- -Cockade quartz veining with massive stibnite veins up to 1m wide. Some arsenopyrite

5120- -Quartz carbonate veining in carbonitized-fuchsite bearing alteration zone

5130- -Grab sample of sulphide pod sheared granodiorite near contact with andesite porphyry

5132- -Composite grab sample-pyrite, magnetite bearing float from fractured granite zone

5143- -A-D- four samples from oxidized gouge zone near fault zone

A) 2m chip of gossanous material

B) 5m chip of yellowish, malachite bearing gouge

C) Grab of fractured volcanic with minor sulphides

D) .5m chip of best area from 5143 B

ANOMALIES

	Au	Ag	As	Cu	Mo	Pb	Sb	Zn	Hg
5102-	59	12.8	123			92			
5130-	32		64	243		253	71	482	295
5105-	61	1.1	125	138		109			
5106-	29								
5109-	23	16.0	57	18,238	89	81		487	1300
5112-	258	3.1	790	224	6	1105	> 2000	580	> 5000
	700	2.1	644	362	20	1823	> 2000	199	> 5000
5115-	39	1.3				694		700	
	58	1.3		453		333		350	
5116-	32	.8		5067		269		450	
5117-	22			199		385	125	503	185
5118-	34	.9	>2000	344			667		4700
5119-	56	7.7	1760	182		147	> 2000	1470	>5000
5120-	30	.5					680		475
5130-	49	1.9	78	156		843		1063	1550
5132-	80		>2000	339				201	100
5143-	35	1.6	>2000	339			9		>5000
	34		>2000	65				306	>5000
	34		266	148		97		246	>5000
	36		>2000	159			18		>5000

ANOMALIES

SOILS

	Au	Ag	As	Cu	Mo	Sb	Pd	Zn	Hg
5114-	33	<.5	34	88	2	5	13	79	165
5118-	56	<.5	902	97	3	<5	38	82	250
5121-	28	<.5	31	98	4	6	11	98	160
5144-	50	19.4	50	88	3	21	8	131	I.S.

DISCUSSION & RECOMMENDATION

There are several areas worthy of follow-up exploration on this property. The area on the lowlands near Millhaven Bay contains several old workings on lead-silver veins which could not be located. A number of prominent linears strike through this area and a reconnaissance geophysical survey is recommended to test for conductors along these linears.

It is also recommended that E.M. Geophysical surveys be conducted near the zones of veining and intense carbonate alteration, in order to test for controlling structures.

More extensive geochemical sampling is required to see where precious metal values are elevated. If a controlling structure near the stibnite showings can be identified then a trenching and / or diamond drill program is recommended to test for a high grade precious metals zone at depth. The area adjacent to the old adit does not appear to hold any promise of economic mineralization and no further work is recommended in this part of the claim block.

STATEMENT OF QUALIFICATIONS

I, Brian A. Lueck, of the City of Whitehorse in the Yukon Territory, hereby certify:

1. That I am a consulting geologist and I was present on the property during all phases of exploration work done in 1987.

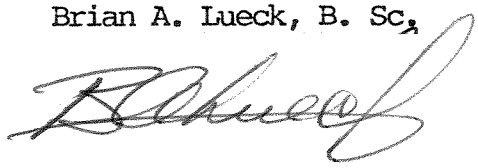
2. That I am a graduate in Honours Geology of the University of British Columbia (1985).

3. That I have been engaged in mineral exploration or have been employed as a geologist in the Yukon and British Columbia for a period of 5 years.

4. That I believe the contents of this report to be true and that I have supervised the collection of samples and believe them to be accurate representations of the mineralization which is present.

5. That I have attended Carleton University in a Masters geology program and that I have successfully completed one year of graduate studies.

Brian A. Lueck, B. Sc.



STATMENT OF COSTS

Stage 1-7 days	
Brian Lueck@ $300.00 / day	
T. Morgan,B. Harris, G. Jurovich, K. Hennebury @ $700.00 / day	7,000.00
Camp costs 7 x $40 x 5	$1,400.00
Helicopter 7 x .5 x $600	$2,100.00
Subtotal	**$10,500.00**
Stage 2-6 days	
X 2 men B. Lueck $300.00/day	
T. Morgan$200.00/day	$ 1,500.00
Chopper	$ 900.00
Camp, explosives, assays, etc.	$ 1,000.00
Subtotal	**$ 3,400.00**
Total for groundwork	**$14,900.00**
Report	$ 2,000.00
Total	**$16,900.00**

RECOMMENDED PHASE 2

Geophysics - Grid, etc.		
3 men x 15 days = $700 / day		$10,500.00
Equipment	15 x $150. / day	$ 2,250.00
Prospecting, mapping, sampling		
Hand trenching		
3 men x 6 days	$200./ day	$ 4,200.00
Chopper	21 x .5 x $600	$ 6,300.00
Camp	21 x $50 x 3	$ 3,100.00
Report		$ 2,000.00
		$28,350.00

Stage 3 Trenching, (Stibnite Zone)

-Cat walk in and haulage - D-8 - minor road building

-4 days x $1000 / day	$ 4,000.00
-17 days trenching	$17,000.00
-Geologist & Assistant 20 days x $500 / day	$10,000.00
	$ 31,000.00

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

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-05659.0 | PROJECT: NONE GIVEN | PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au 30g PPB	Au/wt G	Ag PPM	As PPM	Cu PPM	Mo PPM	Pb PPM	Sb PPM	Zn PPM	Hg PPB
S1 5144		50	15.0	19.4	50	88	3	21	8	131	IS
S1 5300		52	15.0	2.2	12	44	6	603	<5	358	IS
S1 5313		62	15.0	6.5	58	125	338	509	<5	231	IS
S1 5314		24	15.0	<0.5	14	60	7	142	<5	297	IS
R2 5-60cm		31	30.0	1.7	32	241	115	843	<5	189	3850
R2 6-2.5m		21	30.0	1.9	10	416	24	1231	<5	1243	1650
R2 5003		33	30.0	<0.5	16	6	<1	26	<5	203	70
R2 5003B		13	30.0	<0.5	84	<1	2	11	<5	70	20
R2 5006		287	30.0	>50.0	>2000	30	43	5422	26	224	50
R2 5007		159	30.0	22.7	>2000	65	72	1863	16	152	50
R2 5010		22	30.0	<0.5	38	<1	6	14	<5	20	30
R2 5010B		21	30.0	1.7	57	3	37	104	8	32	1100
R2 5011		19	30.0	<0.5	63	5	1	92	<5	72	60
R2 5011B		800	30.0	1.5	1845	14	18	2455	947	722	>5000
R2 5012		38	30.0	20.9	>2000	147	12	8121	15	249	1950
R2 5013		119	30.0	4.7	>2000	164	5	1634	6	727	225
R2 5041 SMALL BAG		25	30.0	0.6	38	112	13	33	<5	46	70
R2 5041 LARGE BAG		21	30.0	0.9	27	145	14	19	9	41	120
R2 5050		16	30.0	0.9	10	6	1	63	<5	18	95
R2 5050C		24	30.0	46.1	31	1609	9	8504	<5	350	95
R2 5051		22	30.0	<0.5	<5	11	4	56	<5	137	40
R2 5052		22	30.0	2.1	47	25	1	86	<5	75	50
R2 5053		33	30.0	<0.5	<5	20	2	21	<5	20	35
R2 5054		36	30.0	<0.5	<5	69	5	66	<5	478	30
R2 5055		26	30.0	9.3	21	313	7	177	<5	464	60
R2 5055B SMALL BAG		25	30.0	18.7	83	1447	5	118	6	3057	40
R2 5055B LARGE BAG		36	30.0	19.0	108	848	9	332	8	3756	25
R2 5056		27	30.0	0.7	<5	19	<1	9	<5	151	10
R2 5057		94	30.0	1.9	>2000	12	4	95	16	163	20
R2 5130		49	30.0	1.9	78	156	2	843	<5	1063	1550
R2 5130B		44	30.0	<0.5	79	6	<1	50	<5	116	65
R2 5132		80	30.0	<0.5	>2000	339	<1	11	13	201	100
R2 5143		35	30.0	<0.5	>2000	65	3	70	9	47	>5000
R2 5143B		34	30.0	1.6	266	148	<1	97	<5	306	>5000
R2 5143C		34	30.0	<0.5	>2000	159	<1	10	<5	246	>5000
R2 5143D		36	30.0	<0.5	>2000	57	1	6	18	23	>5000
R2 5145		19	30.0	<0.5	29	15	<1	21	<5	83	45
R2 5303		34	30.0	1.0	85	6	<1	47	<5	146	70
R2 5304		31	30.0	<0.5	<5	<1	<1	7	<5	44	50
R2 5306		40	30.0	>50.0	266	864	<1	>10000	<5	>20000	195

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

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-05660.0 | PROJECT: LODESTAR | PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au 30g PPB	Ag PPM	As PPM	Cu PPM	Mo PPM	Pb PPM	Sb PPM	Zn PPM	Hg PPB
S1 5114		33	<0.5	34	88	2	5	13	79	165
S1 5118		56	<0.5	902	97	3	<5	38	82	250
S1 5121		28	<0.5	31	98	<1	6	11	98	160
R2 5102		59	12.8	123	30	2	92	<5	45	15
R2 5103		32	<0.5	64	243	3	253	71	482	295
R2 5105		61	1.1	125	138	1	109	<5	60	40
R2 5106		29	<0.5	25	43	1	17	<5	35	25
R2 5109		23	16.0	57	18236	89	81	21	487	1300
R2 5112		258	3.1	790	224	6	1105	>2000	580	>5000
R2 5112B		700	2.1	644	362	20	1823	>2000	199	>5000
R2 5115		39	1.3	31	30	3	49	694	27	700
R2 5115B		58	1.3	43	453	4	26	333	22	350
R2 5116		32	0.8	<5	5067	2	<5	269	70	450
R2 5117		22	<0.5	19	199	<1	385	125	503	185
R2 5118		34	0.9	>2000	344	<1	12	667	97	4700
R2 5119		56	7.7	1760	182	3	147	>2000	1470	>5000
R2 5120		30	0.5	43	73	7	21	680	56	475
R2 5203		90	1.0	45	50	2	263	223	27	205
R2 5204		57	1.0	186	47	1	255	357	570	190