

MAP NO.: 105 D 6
ASSESSMENT REPORT X
PROSPECTUS
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 092780
MINING DISTRICT: Whitehorse
TYPE OF WORK: Geochemical

REPORT FILED UNDER: Skukum Gold Incorporated

DATE PERFORMED: 22 June-2 October, 1989 DATE FILED: 15 December, 1989

LOCATION: LAT.: 60°21'N AREA: West Arm, Bennett Lake
 LONG.: 135°14'W VALUE \$: 1 125.00

CLAIM NAME & NO.: MI 1-15(YA86833-9,YB20400-07); LT 1-10(YB13391-8,YB20398-9)

WORK DONE BY: H.F. MacKinnon

WORK DONE FOR: Skukum Gold Inc.

DATE TO GOOD STANDING:

REMARKS: LEGAL TENDER #39

The LUCKY BOY showing was explored in 1989. The vein is 40 m long and up to 2 m wide. Values up to 7743 ppm Pb, 1506 ppm Cu, 360.3 g/t Ag and 0.48 g/t Au were obtained. The mineralization proved to be sparse and discontinuous. Chalcopyrite, sphalerite, pyrite, malachite and azurite were found exposed over a 450 m strike length within the Tally-Illo shear zone. Rocks in this zone contained up to 9648 ppm Cu, 3482 ppm Pb, 2129 ppm Zn, 371.3 g/t Ag and 0.72 g/t Au.



SKUKUM GOLD INC.

GEOLOGICAL, GEOCHEMICAL AND TRENCHING
REPORT

ON THE

MH 1-7 (YAB6833-YAB6839)
MH 8-15 (YB20400-YB20407)
LT 1-8 (YB13391-YB13398)
LT 9,10 (YB20398, YB20399)
Mineral Claims

Mineral Hill Area

WHITEHORSE MINING DISTRICT
YUKON TERRITORY

N.T.S. : 105D/6

LATITUDE: 60 Degrees 20.5 Minutes North
LONGITUDE: 135 Degrees 14 Minutes West

JUNE 22 to OCTOBER 2, 1989

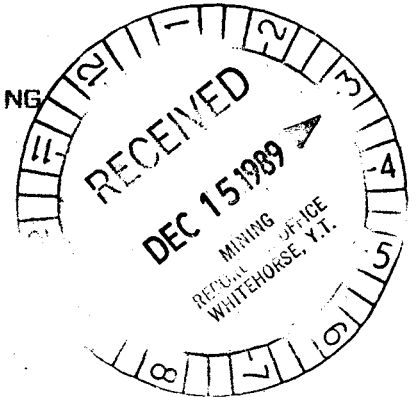
By

HUGH F. MacKINNON B.Sc.

NOVEMBER 8, 1989

For


Skukum Gold Inc.
990 - 840 Howe St.
Vancouver, B.C.
V6Z 2L2



092780

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 \$ 1125.00.


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

SUMMARY

This report describes the exploration work conducted by Skukum Gold on the MH and LT in 1989. The property consists of 25 contiguous mineral claims located between Mineral and Mule Hills in the Watson-Wheaton River area. Access is provided by a rough 4W road up the Thompson-Morrison Creek valley off of the all weather Annie Lake Road.

To the east the claims are underlain by Lewes River Group metavolcanic and metasedimentary rocks of the Upper Triassic to Jurassic Tally Ho Shear Zone. The Tally Ho Shear Zone trends northwest and is believed to be the northern extension of the Llewellynn fault. To the west the Property is underlain by Cretaceous Coast Plutonic Complex granodiorite. Northeast trending Eocene rhyolitic to dacitic dyke swarms cut the older units. Two mineral showings are present in the property area, the LUCKY BOY and LEGAL TENDER, and have been prospected and/or mined for silver, lead and copper since the early 1900's. Additional epithermal to mesothermal mineralized veins and faults occur throughout the Wheaton River area.

Preliminary prospecting and geochemical sampling, and examination of the LUCKY BOY Showing was the focus of the 1989 exploration program. Chalcopyrite and galena were found in the LUCKY BOY quartz vein and values of up to 7743 ppm lead, 1506 ppm copper, 10.51 oz/ton (360.34 gm/ton) silver and 0.014 oz/ton (0.48 gm/ton) gold were returned. The vein occurs in chlorite-metavolcanic schist, is up to 2 meters wide and strikes at least 40 meters. However the mineralization is very sparse and the vein discontinuous, therefore uneconomic at this time. Quartz veins and shears within the Lewes River-Tally Ho Shear Zone rocks were found over a 450 meter length of outcrop exposure in the OFF ROAD Zone and area. Chalcopyrite, galena, sphalerite, pyrite, malachite and azurite were found in the veins and shears and values of up to 9648 ppm copper, 3482 ppm lead, 2129 ppm zinc, 10.83 oz/ton (371.31 gm/ton) silver and 0.021 oz/ton (0.72 gm/ton) gold were returned. Propylitic alteration haloes accompany the veins. There appears to be several generations of veins and mineralization is believed to be pre and/or syn Eocene volcanism.

The location of the showing(s) where assay values of up to 9.52 oz/ton gold and 64.44 oz/ton silver were found was not located.

A program of prospecting, contour geochemical sampling, geophysical surveying and trenching is proposed for 1990.

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1. INTRODUCTION

1.1 LOCATION & ACCESS

The MH and LT claims cover the saddle, and north facing slopes, above the Watson River between Mineral and Mule Hill in the southern Yukon at 60 degrees 14 minutes north latitude and 135 degrees 20.5 minutes west longitude (NTS:10SD/6) (Figure 1). The property is accessible by driving 14 kilometers along the Thompson-Morrison Creek 4 by 4 road from the all weather Annie Lake road. Total distance by road to the claim groups from Whitehorse is approximately 75 kilometers. Alternate access, to the more remote sections of the property, is provided by helicopter, with the nearest permanent base being Whitehorse, Yukon Territory.

1.2 CLIMATE, TOPOGRAPHY AND VEGETATION

The climate in the Wheaton River area is variable with hot summers, enhanced by 18-20 hours of daylight, and long cold winters. Precipitation is moderate (60 centimeters annually) with about half falling as rain. The northern slopes and many of the gullies are snow covered till the end of June. Creeks and lakes are open from early May to mid October.

The LT claims cover a rolling, upland peneplain plateau and the moderate south facing slope above the headwaters of Morrison Creek. The MH claims cover the moderate to steep north facing slope of the broad U shaped Watson River Valley. To the northwest a deep V shaped, gully cuts the upper plateau and the Watson River Valley slope. Maximum relief in the area is approximately 837 meters (2750 feet) with valley floors of 900 meters (2950 feet) and the higher slopes at 1737 meters (5700 feet).

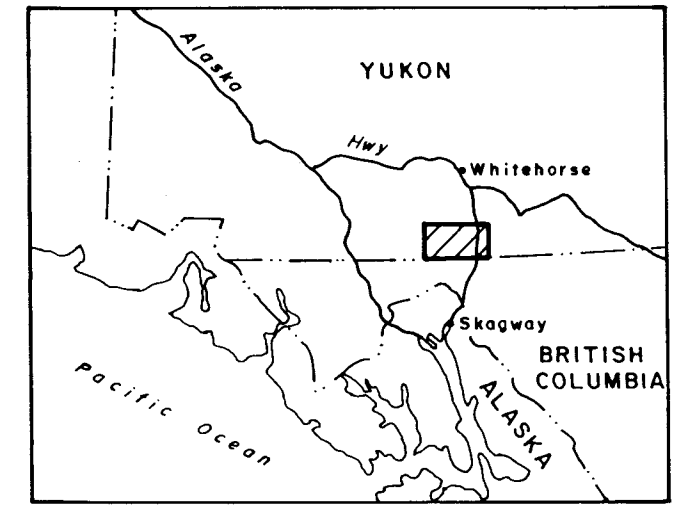
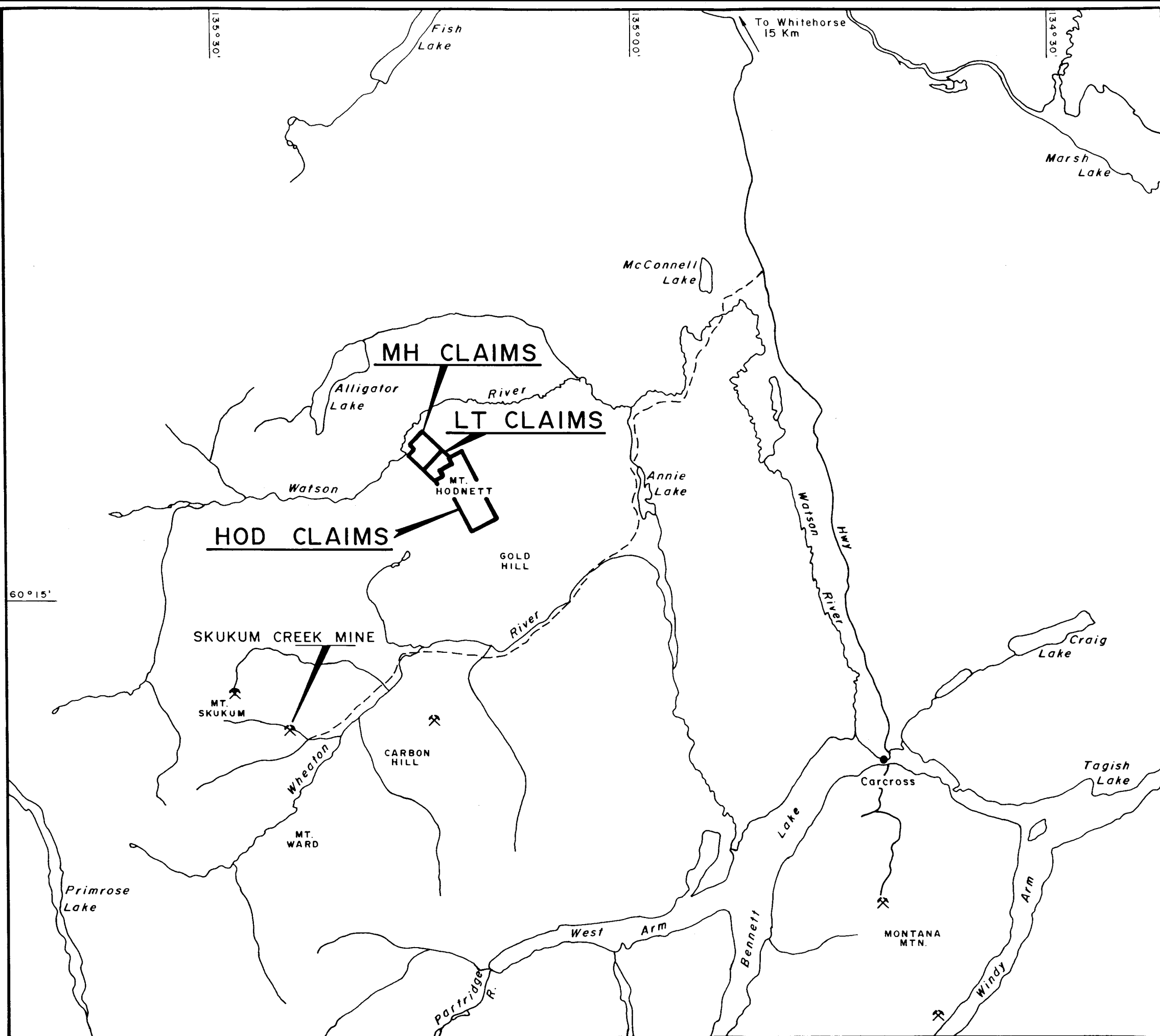
Roughly fifty percent of the property is below tree line. Higher elevations are cover by alpine grasses and shrubs, the intermediate slopes mixed stunted spruce, poplar, alder and 'buckbrush' and the valley floors spruce and alder.

1.3 PROPERTY & CLAIM STATUS

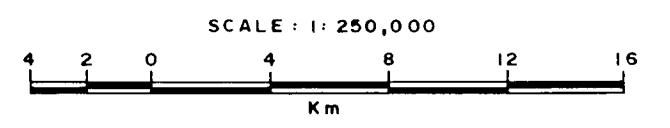
The LT and MH property consists of 25 contiguous 2 post claims located within the Whitehorse Mining District and staked under the provisions of the Yukon Quartz Mining Act (Figure 2). The claim status is listed in table 1 below.

Table 1: Claim Status

| Claim Name | Grant Numbers | Recording Date | Renewal Period* | Total Claims |
|------------|---------------|----------------|------------------|--------------|
| MH 1-7 | YA86833-839 | June 3, 1985 | Sept. 3, 1990 | 7 |
| MH 8-15 | YB20400-407 | July 11, 1988 | October 11, 1990 | 8 |



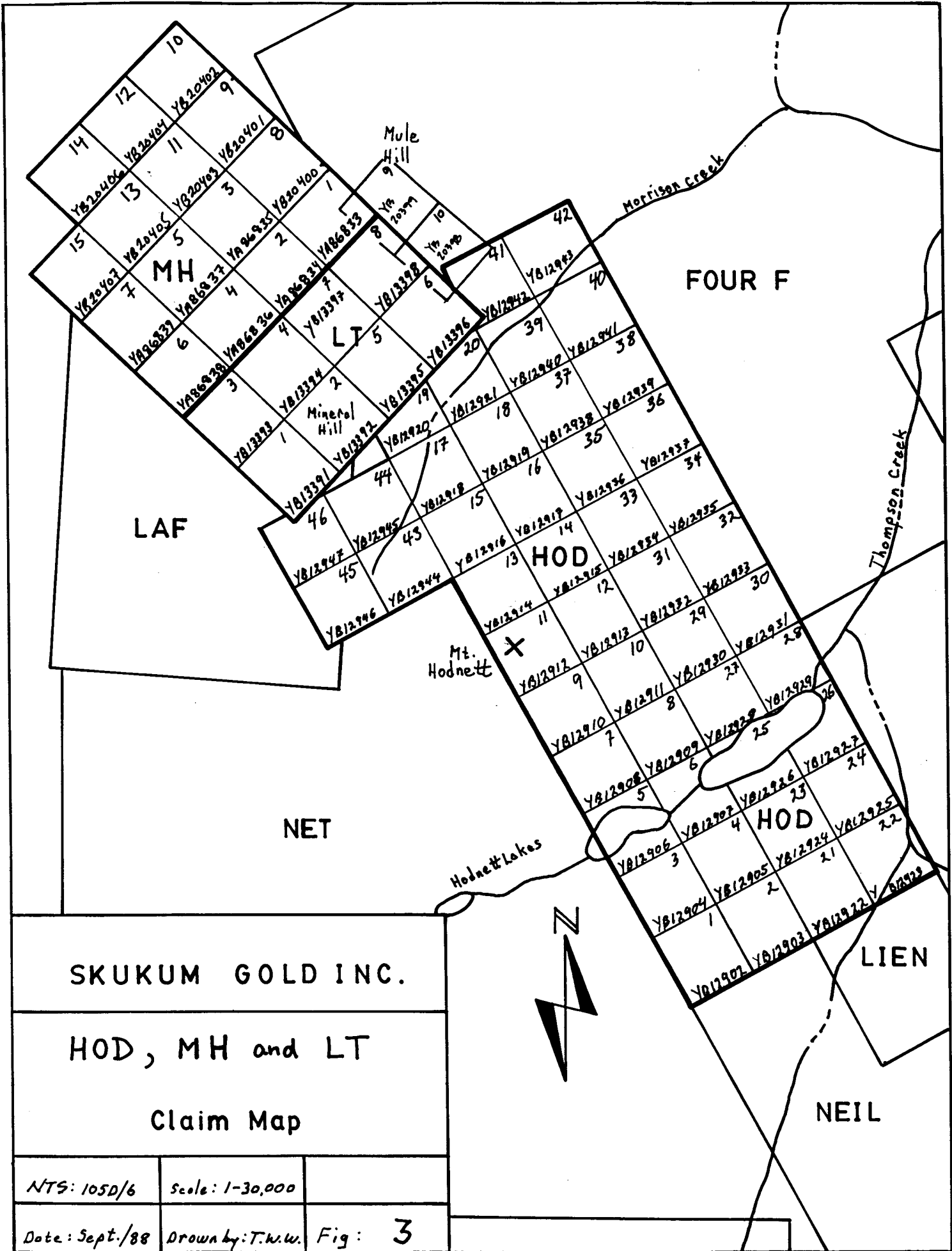
LOCATION MAP



SKUKUM GOLD INC.
 HOD-LT-MH CLAIMS
 WHITEHORSE MINING DIVISION - YUKON TERRITORY

LOCATION MAP

| | |
|--------------------------------|-------------------|
| N.T.S. 105D3 | FIGURE No. 1 |
| DRAWN BY: A.L.W., H.F.M., T.M. | DATE: APRIL, 1989 |



LAF

NET

FOUR F

LIEN

NEIL

Mt. Hodnett

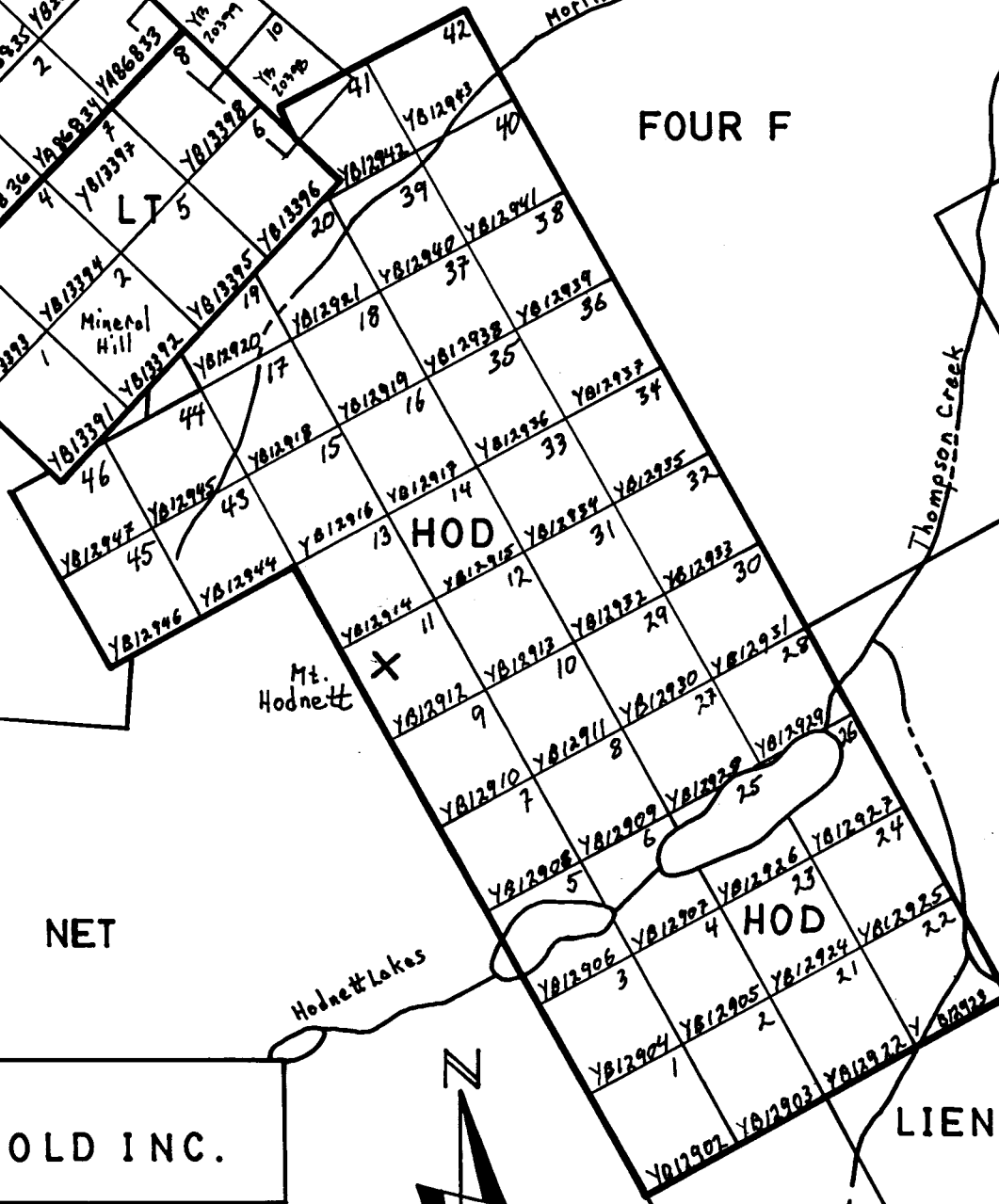
Mule Hill

Mineral Hill

Hodnett Lakes

Morrison Creek

Thompson Creek



| Claim Name | Grant Numbers | Recording Date | Renewal Period* | Total Claims |
|------------|---------------|----------------|------------------|--------------|
| LT 1-7 | YB13391-397 | April 21, 1988 | April 21, 1990 | 7 |
| LT 8 | YB13398 | April 21, 1988 | April 21, 1991 | 1 |
| LT 9, 10 | YB20398, 399 | July 11, 1988 | October 11, 1990 | 2 |

* Pending acceptance of assessment report.

The MH 1-7 claims are owned by Glen L. Harris of Whitehorse, Y.T., and were optioned to Skukum Gold Inc. in 1988. The remaining claims are all 100% owned by Skukum Gold Inc. of 990-840 Howe St., Vancouver, B.C..

1.4 PREVIOUS WORK HISTORY

The Lucky Boy Cu, Pb Showing on the eastern side of Mineral Hill on the LT claims was discovered in the early 1900's. The showing consists of a galena and chalcopyrite bearing quartz vein up to 2 meters wide occurring in greenschist. Hand trenching was intermittently performed on the showing till the 1930's but assay values were reported to be low (Cairnes, 1912 & Davidson, 1986). Bulldozer trenching in 1980 exposed the vein over a 40 meter strike length but mineralization was found to be very patchy. A gridded soil geochemistry program was conducted in the vicinity of the Lucky Boy showing in the summer of 1985. For the most part, the geochemical response was low, however some weak gold, silver, copper and lead anomalies were identified (Davidson, 1986).

The Legal Tender showing lies on the north face of Mineral Hill to the west of the MH and LT claims. The showing consists of a northwest striking, finely crystalline quartz vein up to 1.1 meters wide. In 1909, a 30 meter adit was driven along the vein and values were reported to average \$40.00 per ton of predominantly silver (Cairnes, 1912).

Six former mineral leases covered portions of the LT and MH claims. Several of these cover the Lucky Boy and Legal Tender showings but a pair of these to the northeast cover an area with no known showings. On early maps of the region this area was shown to contain the Legal Tender Showing. If the initial map location is correct then there may be two Legal Tender showings.

Glen Harris reports (Harris, 1987) that samples collected on the MH 1-7 claims in 1976 and 1977 ran as high as 9.52 oz/ton gold, 64.44 oz/ton silver and 25.31 oz/ton lead.

The Geological Survey of Canada conducted a regional geochemical stream sediment survey in the area in 1985 (G.S.C., 1985). Two creeks draining the claim area were sampled but were not anomalous in any elements.

Since the early 1980's there has been exploration conducted on numerous properties located in the area since the discovery and development of TOTAL ERICKSON's MT.SKUKUM gold-silver mine and OMNI RESOURCES-SKUKUM GOLD's SKUKUM CREEK gold-silver-base metal deposit. Skukum Gold and other companies are conducting exploration work throughout the Wheaton River area.

1.5 1989 EXPLORATION PROGRAM

The 1989 work program was carried out by a one to two person crew intermittently between June 22 and October 2, 1989 and consisted of preliminary prospecting, geological mapping, geochemical sampling and trenching. Several traverses, including a helicopter traverse, were run over the reported old location of the Legal Tender showing but no old adit or workings were found. Work was conducted out of the Skukum Gold - Omni Resources base camp at Skukum Creek, approximately 35 kilometers by road from the property.

The exploration was conducted by the following Skukum Gold Inc. personnel:

Hugh MacKinnon B.Sc.Project Geologist
Erik BergvinsonProspector

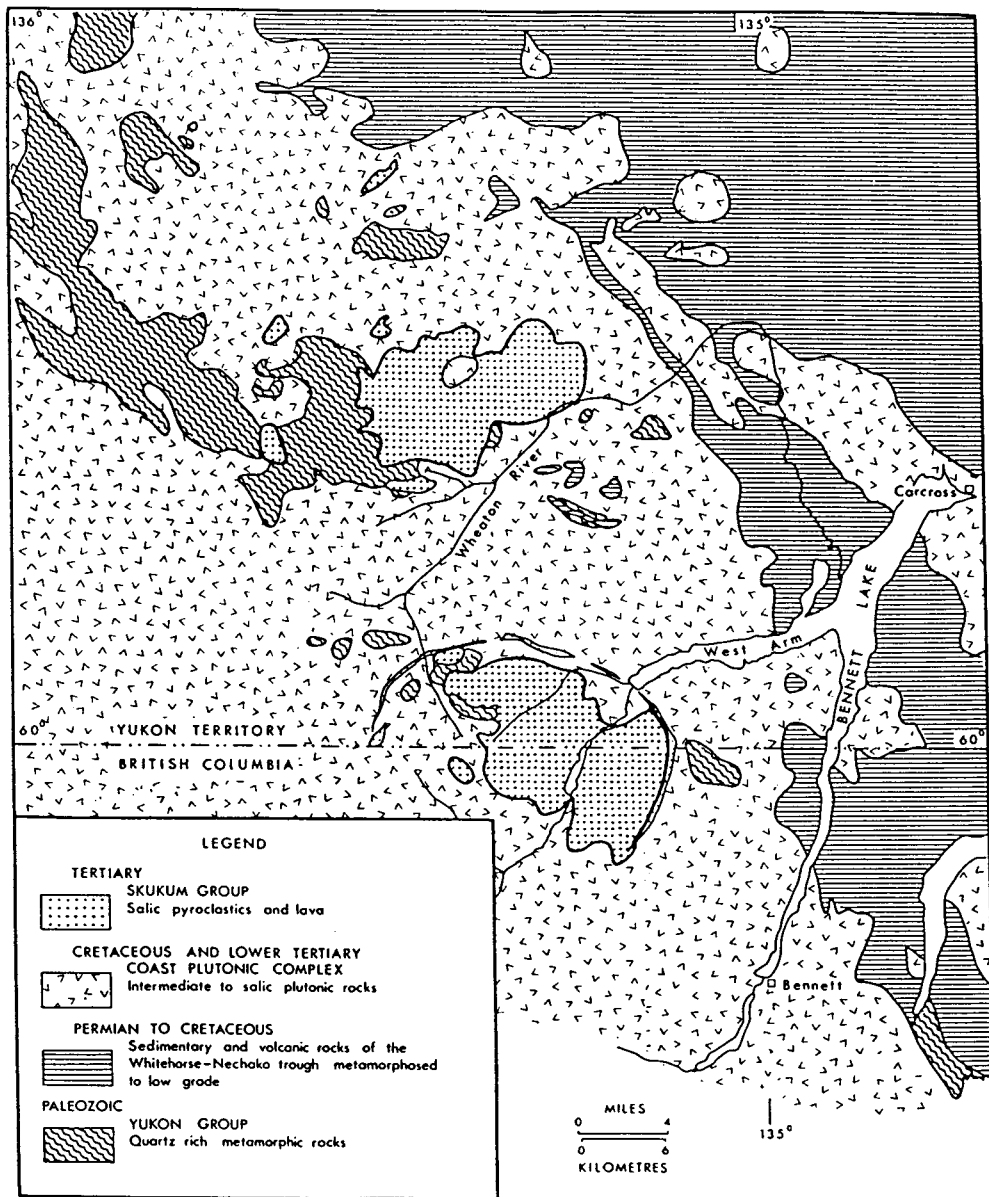
2. GEOLOGY

2.1 REGIONAL GEOLOGY

The regional geology is presented in figure 3.

The MH and LT claims lie on the border between the Nisling Terrane to the west and the Whitehorse Trough to the east. The Nisling Terrane is composed of rocks of the Proterozoic to Permian Yukon Crystalline Terrane and the Triassic to Tertiary Coast Plutonic Complex. The Whitehorse Trough consists of folded Mesozoic volcanic and sedimentary rocks. The Tally Ho Shear Zone separates the two terranes and consists of mafic volcanic and volcanoclastic rocks, augite porphyry, marble, and ultramafic intrusions variably metamorphosed to upper greenschist facies with a penetrative fabric indicative of semi-ductile to brittle deformation. Hart and Pelletier (1989) report that the Tally Ho Shear Zone represents the northern extension of the Llewellynn fault; a major fault undergoing extensive exploration to the south in British Columbia.

Lower Tertiary volcanics of the Skukum Group unconformably overlie and intrude the rocks of the Nisling Terrane. The Skukum Group, of Eocene age, is the northernmost part of the



SKUKUM GOLD INC.
REGIONAL GEOLOGY
After Lambert (1974)
Figure 3

Sloko volcanic province and outcrops in two distinct areas. The Mount Skukum Complex is the more northerly of the two complexes and consists of predominantly felsic to andesitic tuffs and flows and related epiclastics. Rhyolite dykes and stocks cross cut all the above units and are believed to be the last phase of Eocene volcanism.

Precious metal and base metal mineralized epithermal to mesothermal veins and faults occur throughout the Wheaton District. Mineralization is predominantly related to the Eocene volcanism.

2.2 PROPERTY GEOLOGY

Outcrop comprises about 20 percent of the property and is concentrate mainly in the northeastern claims. The remainder of the property is overlain by felsenmeer, glacial till, talus and glaciofluvial sediments.

Mapping and prospecting was conducted at a scale of 1:10,000 (Map 1) in 1989. Additional geological information was obtained from Doherty and Hart's 1988 report.

2.2.1 LITHOLOGIES & STRUCTURES

The western half of the property is underlain by Upper Triassic to Jurassic Lewes River Group volcanic rocks and sediments. The oldest unit (Mv) of this group is exposed at the head of the main gully at the eastern edge of the claims. Where observed this unit consisted of light green weathered andesitic tuffs and is moderately foliated with the foliation trending 350/67 NE. Mv is in fault contact with the other members of the Lewes River Group. The overlaying rocks of the Lewes River Group (Tkly) are exposed as a 700 to 900 meter wide northwest trending belt, which forms the northern extension of the Tally Ho Shear Zone -Llewellyn Fault(?). Dark green metaandesite, felty textured hornblende gabbro, dark grey porphyritic dacite and chlorite schist were the principal lithologies observed. Small, up to 10 meter, bands of grey, banded marble (uTklyc), siltstone, greywacke and polymictic conglomerate (uTklycg) occur locally. All the rocks are metamorphosed to upper greenschist facies and display a pervasive chloritic and epidote alteration. In addition they are locally sheared-mylonitized, fractured and or brecciated.

The eastern half of the property is underlain by Cretaceous Mt. Anderson medium grained granodiorite (mKgr). These granitic rocks have a blocky jointing, weather light grey to white and contain up to 20 % biotite and hornblende crystals.

Northwest trending steeply dipping Eocene rhyolitic to dacitic dyke (Erd) swarms intrude the granitic and Tally Ho Shear Zone rocks. The most common dykes are rusty orange to

pale brownish white weathering, spherulitic, flow banded, and/or aphanitic rhyolites. Minor chocolate brown weathering porphyritic dacites with 5% 1-2mm plagioclase phenocrysts also are present.

The Tally Ho Shear Zone is a major fault-suture zone and is defined by discrete ductile to brittle shears and shear bands in the volcanic and sedimentary rocks. The most common shear direction is northwest to north-northwest with steep dips to the northeast. A second set of shears trends north-northeast to northeast with steep dips to the southeast. Locally shear attitudes are variable. Several slickenside measurements indicate a right lateral sense of movement with plunges at 25 degrees to the northwest. This sense of movement is the same as that documented for the Tally Ho Shear zone by Doherty and Hart (1988).

Table 2: Table of Formations

QUATERNARY

PLEISTOCENE AND RECENT

Qs.....Glacial drift, glaciofluvial deposits, lacustrine deposits, alluvium.

Unconformity

TERTIARY

EOCENE (?)

SKUKUM GROUP

Erd.....Rhyolite to dacite dykes

Unconformity

CRETACEOUS

COAST PLUTONIC COMPLEX

mKgd.....Hornblende granodiorite.

Intrusive contact

UPPER TRIASSIC TO JURASSIC

LEWES RIVER GROUP

uTklc.....Marble and limestone.

Tkly.....Metamorphosed intermediate to basic volcanics and sediments.

Tklcg.....Polymictic conglomerate.

Mv.....Andesitic volcanic rocks.

2.2.2 MINERALIZATION & ALTERATION

Quartz sweats, pods and veins occur throughout the Lewes River Volcanic rocks and are occasionally mineralized. The largest quartz vein is the LUCKY BOY vein. This vein is well exposed over a 40 meter strike length, in a 1980 trench, and is up to 2 meters wide. The vein is more a series of en echelon (?) or boudinaged (?) quartz pods than a true vein and occurs in a dark green chlorite schist cut by two northwest trending felsic dykes. Chalcopyrite, pyrite, galena and malachite and azurite staining are very sparsely distributed through white bull quartz within several pods. The vein trends 135 degrees but is difficult to trace beyond the trench exposure.

The OFF ROAD Zone and area (figure 4) has two types of mineralization; 1) quartz vein hosted and 2) contact related altered shear bands. The quartz veins are like that of the LUCKY BOY vein in that they are discontinuous pods, sparsely mineralized, bull white quartz and commonly host chalcopyrite, galena, pyrite, sphalerite and malachite and azurite. Veins of up to 50 centimeters width were found in the OFF ROAD Zone. Unlike the LUCKY BOY vein most of the quartz veins are banded with up to 40% pyrite concentrated in one or more 1 to 15 centimeter bands. Veins containing economic minerals usually contain only trace to 1 % pyrite.

The second type of mineralization consists of chalcopyrite (with rare traces of galena) bearing, malachite and azurite stained chloritic-propylitic altered shear bands. Some of these zones occur at the contact with rhyolite dykes and others within sheared andesites and gabbros. Most are manganese oxide stained and are accompanied by hematite. The mineralized zones are patchy, usually < 20 centimeters in width, and strike no more than 20 meters.

Vein and mineralized zones attitudes are variable (table 3). In the OFF ROAD Zone the general trend is northeast-southwest and in the area south of the OFF ROAD Zone northwest to southeast trending.

Table 3: Mineralized Zones and Vein - Attitudes.

| | Attitude | Mineralization Type (1-Vein; 2-Shear) |
|----------------|-----------|--|
| OFF ROAD ZONE: | 026/80 SE | 1 |
| | 052/82 SE | 1 |
| | 050/71 SE | 1 |
| | 048/76 SE | 1 |
| | 248/18 NW | 1 |

LEGEND

LITHOLOGY ~

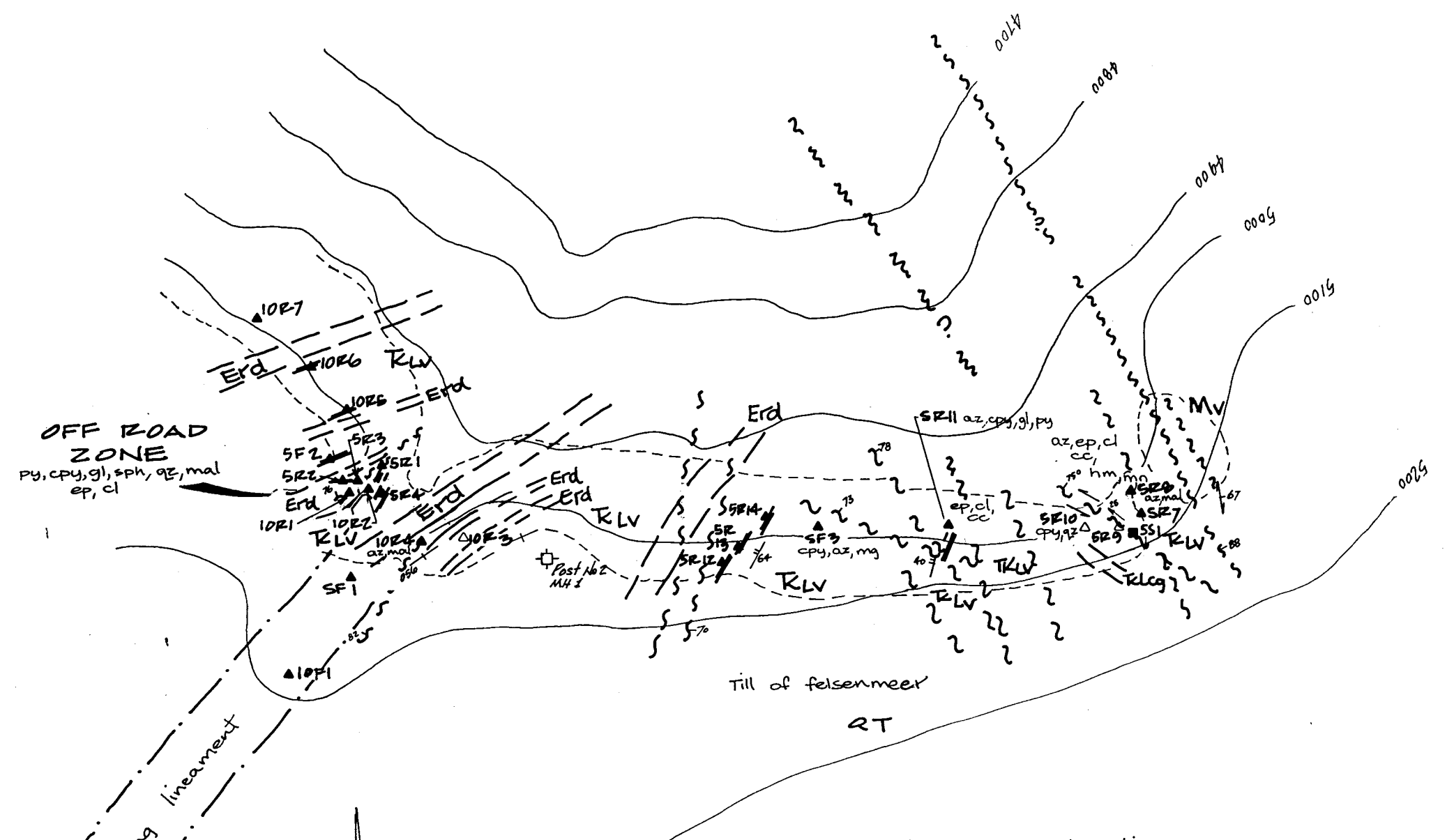
- QUATERNARY:**
- [RT] · Felsenmeer and glacial till
- EOCENE:**
- [Erd] · Rhyolitic to dacitic dyke
- UPPER TRIASSIC TO JURASSIC**
- [RLV] · Dacite porphyry hornblende gabbro, sheared andesite; chlorite schist; minor siltstone
 - [RLcg] · Polymictic conglomerate
 - [MV] · Intermediate tuff

SYMBOLS ~

- · Geologic contact
- - - · Outcrop outline
- ~ ~ ~ · Shear or fault and altitude
- + · Quartz vein and vein altitude
- ~ ~ ~ · Foliation attitude
- + · Contact attitude
- > · Plunge of slickensides
- · Trench location

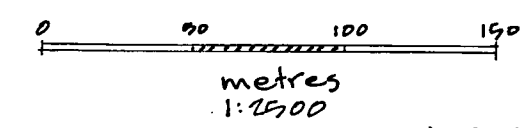
ABBREVIATIONS

- | | |
|--------------------|---------------------------|
| az - azurite | mg - magnetite |
| mal - malachite | ep - epidotization, |
| py - pyrite | cc - calcite veins and/or |
| gl - galena, | carbonatization |
| cpy - chalcopyrite | cl - chloritization |
| sph - sphalerite | hm - hematization |
| | mn - manganese oxide |



- ▲ SR1 Rock Sample Location
- SS1 Soil Sample Location

NOTE: All samples prefixed 89-7-
Contour interval in feet



NOTE: Contour interval in feet

| | | |
|----------------------------|-----------------|--------|
| SKOKUM GOLD INC | | |
| MH, LT CLAIMS | | |
| WHITEHORSE MINING DISTRICT | | |
| SKETCH MAP OF | | |
| OFF ROAD AREA | | |
| GEOLOGY | | |
| and SAMPLE LOCATIONS | | |
| Drawn by: HM/vh | Date: Oct. 1989 | FIGURE |
| NTS: 105/D3 | Scale: 1:2500 | 4 |

Table 3: cont'd

| | |
|--------------------------|---|
| OFF ROAD ZONE: 206/80 NW | 1 |
| 247/82-90 NW | 2 |
| 210/84 NW | 2 |
| OFF ROAD AREA: 350/67 NE | 2 |
| 308/69 NE | 2 |
| 198/40 NW | 1 |
| 284/73 NE | 2 |
| 210/64 NW | 1 |

Finely crystalline to cryptocrystalline quartz and drusy quartz veins and strongly pyritic zones were found south of the OFF ROAD Zone.

Because of the pervasive regional upper greenschist metamorphism it is difficult to define zones of hydrothermal (propylitic) alteration.

Rock sample descriptions are included in appendix 1.

3. GEOCHEMISTRY

3.1 INTRODUCTION

Rock and soil samples were collected from interesting lithologies, float, alteration and mineralization during the 1989 exploration season. A total of 1 soil sample and 25 rock samples were collected.

All sample locations are shown on Map 1 and figure 4. Analytical results for all samples are included in appendix 2.

3.2 SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Soil samples were collected in KRAFT gusseted paper bags and sent to ACME ANALYTICAL LABS of Vancouver, B.C.. At ACME, samples were oven dried at approximately 60 degrees Celsius and sieved to minus 80 mesh. Rock samples were collected in plastic bags and also sent to ACME. Samples were then crushed down to minus 3/16 of an inch, and then a 1/2 pound is pulverized to minus 100 mesh. A 0.5 gram sample of the minus 80 fraction of all samples was digested in hot, dilute aqua regia in a boiling water bath and then diluted to 10 ml. with distilled water. Soil samples were analyzed for silver, copper, lead, zinc and arsenic using the Induced Coupled Plasma (ICP) technique. In addition gold was analyzed from a 10 gm. fraction by the conventional Atomic Absorption (AA) technique. Most rock samples were analyzed for the same suite of elements but gold and silver were assayed using conventional assay techniques.

3.3 LITHOGEOCHEMISTRY

Of the 25 rocks sampled 3 are considered anomalous ($\geq .005$ oz/ton) and an additional 3 are considered possibly anomalous (.004-.002 oz/ton) in gold (Table 4). The highest gold value, within the property area, is 0.021 oz/ton from a strongly sulphidized, banded quartz vein in the OFF ROAD Zone. This vein is also strongly anomalous in silver and lead. Eight samples are strongly anomalous (> 1.00 oz/ton) and four anomalous (0.50 - 1.00 oz/ton) in silver. The highest value 10.83 oz/ton came the same sample as the highest gold value. Both samples from the LUCKY BOY Showing are strongly anomalous in silver. Eleven samples are strongly anomalous (> 400 ppm) in copper, most of which are also anomalous in one or more other elements. Thirteen samples are anomalous in lead with the highest value coming from the LUCKY BOY vein. Zinc is anomalous in only 8 samples and arsenic is at or below background value in all 25 samples.

Table 4: Anomalous Rock Samples

| Sample # | Location | Type* | Cu ppm | Pb ppm | Zn ppm | Ag OPT | Au OPT |
|----------|-----------|-------|--------|--------|--------|--------|--------|
| SR5 | Lucky Boy | 1 | 519 | 7743 | 15 | 10.51 | 0.014 |
| SR6 | " | 1 | 1506 | 866 | 190 | 2.69 | 0.003 |
| SR1 | Off Road | 1 | 78 | 664 | 14 | 10.83 | 0.021 |
| SR2 | " | 1 | 427 | 3482 | 73 | 7.75 | 0.003 |
| SR3 | " | 1 | 983 | 669 | 54 | 0.97 | 0.001 |
| SR4 | " | 1 | 23 | 117 | 1 | 0.99 | 0.001 |
| 10R3 | " | 2 | 7321 | 961 | 2129 | 1.93 | 0.001 |
| 10F1 | " | 1 | 115 | 2574 | 1161 | 0.07 | 0.001 |
| 10R4 | " | 2 | 9391 | 181 | 180 | 1.05 | 0.001 |
| 10R5 | " | 1 | 105 | 81 | 92 | 0.09 | 0.001 |
| 10R7 | " | 1 | 35 | 41 | 12 | 0.50 | 0.004 |
| 5F3 | Off Road | 2 | 6274 | 1087 | 257 | 2.14 | 0.002 |
| SR7 | Area | 2 | 6834 | 117 | 222 | 0.24 | 0.001 |
| SR8 | " | 2 | 28 | 32 | 3 | 0.62 | 0.020 |
| SR10 | " | 1 | 1017 | 45 | 155 | 0.12 | 0.002 |
| SR11 | " | 2 | 2075 | 106 | 69 | 0.43 | 0.002 |
| SR12 | " | 2 | 9648 | 358 | 145 | 1.65 | 0.001 |

* Type 1 - Quartz Vein ; Type 2 - Shear Band.

3.4 SOIL GEOCHEMISTRY

One soil was collected over sheared and altered gabbros. The sample returned 108 ppm lead and 3.1 ppm silver. No other elements were anomalous.

4. DISCUSSION

The LUCKY BOY Showing was briefly examined in 1989 to test its viability as a drill target. The vein is discontinuous and sparsely mineralized - those samples collected in 1989 represent the best mineralization exposed on surface - with less than 0.5 % of the vein containing sulphides. Although the vein is anomalous in gold, and returned up to 10.51 oz/ton silver it is uneconomic over mining widths. The vein could not be traced much farther than that exposed in the trenches and the soil geochemical survey performed by Davidson (1986) failed to pick up strike extensions of the vein. It appears that the vein may represent fluids emplaced in small dilation zones within the Tally Ho Shear Zone and the potential for strike and grade increases at depth are not good.

A large concentration of veins and mineralized shears occurs over a 450 meter outcrop exposure in the OFF ROAD Zone and area. The mineralization is associated with rhyolitic dyke swarms and numerous small shears. Veins are more pods or lenses of quartz than continuous veins and often occur along shear bands. Trenching of several veins, by Erik Bergvinson, showed the discontinuous and structural (?) nature of the veins as blasting removed all traces of the quartz vein leaving only the foot or hanging wall shear behind. Most of the veins are polymetallic and thus multielemental. Sphalerite is present in only a few samples and is difficult to recognize because of wad staining. Silver values do not correlate well with those of lead so the galena is likely not argentiferous and silver may occur as native silver or silver rich sulphosalts. Within the OFF ROAD Zone and area to the south the Type 2 -Shear hosted mineralization - tends to be copper rich relative to the Type 1 - Vein -mineralization.

Several generations of veins may be present based on;

- 1) variability in vein attitudes;
 - 2) sulphide banding in most veins;
 - 3) variability in mineralogy within and between veins in same area;
 - 4) presence of vuggy, drusy, and cryptocrystalline quartz veins along with bull quartz veins;
- and 5) mineralization related to the rhyolite contacts as well as apparent structurally controlled (boudins etc.?) mineralization.

More work will need to be done to determine the paragenesis of the mineralization.

Veining and mineralized shears both parallel and crosscut the foliation in the Tally Ho Shear Zone and most are spatially associated with Eocene felsic to intermediate dykes. In the OFF ROAD Zone, as in the LUCKY BOY Showing, most of the veins appear to have formed from fluids deposited in dilation zones within the Lewes River Group rocks. At the LEGAL TENDER

Showing, to the west, veining is present within granitic rocks. No veins were found within the Eocene dykes. All this suggests that the mineralization is pre- or syn- Eocene volcanism. Since the mineralization/veining appears to be structurally controlled, it may in part have formed from liberation of fluids and deposition of fluids during regional metamorphism and tectonic activity accompanying suturing of the Nisling and Intermontane Belt. The intrusion of the dykes may have provided the tectonic environment and additional heat source by which mineralized fluids were remobilized(?), and migrated and localized to form the two types of mineralization seen on the property.

Prospecting on foot and by helicopter has failed to locate the reported Legal Tender showing and duplicate Glen Harris's (1987) sample results.. Wilkins and MacKinnon (1988) state that the attitude of the "Legal Tender" vein on the adjoining LAF claims is different than that reported in old reports for the Legal Tender vein and conclude that the original vein may be on the MH claims. The presence of former mineral leases supports this view and suggests that the old workings may be caved or covered in talus.

5. CONCLUSIONS AND RECOMMENDATIONS

Several zones of anomalous samples and two types of mineralization have been discovered during the course of the 1989 exploration program. Chalcopyrite, galena, azurite, malachite, pyrite and sphalerite mineralization occur over a 450 meter long area within quartz pods and shears in the OFF ROAD Zone and area. Values of up to 0.021 oz/ton gold, 10.83 oz/ton silver, 9648 ppm copper, 3482 ppm lead and 2129 ppm zinc were returned from the showings. Both types of mineralization are hosted in Tally Ho Shear Zone - Lewes River volcanic and sedimentary rocks, are accompanied by propylitic alteration and spatially related to Eocene dykes. Chalcopyrite and galena were found in the LUCKY BOY Showing. Since the quartz veins and mineralized shears lack significant precious metal values, are too sparsely mineralized and too discontinuous, they are uneconomic at this time.

The showing from which Glen Harris (1987) reports up to 9.52 oz/ton gold and 64.44 oz/ton gold has not been located as yet.

Further work is recommended and should include:

- 1) Detailed prospecting of the slope overlooking the Watson River.
- 2) Contour talus fines surveying of the same slope with 50 meter sample stations on lines 500 feet apart.

3) Airborne geophysical survey, in conjunction with other surveys, utilizing EM-VLF for definition of structures, MAG for definition of the granodiorite-Tally Ho Shear Zone contact and alteration zones, and additional EM to pick up conductive or chargeability horizons/zones/veins.

4) Ground follow up of geophysical anomalies, by prospecting and mapping, gridded geophysical surveys (of a type similar to airborne survey), and possible geochemical C horizon survey.

5) Trenching contingent on above results to fulfill physical work requirement for assessment for MH 1-7.

6. REFERENCES

- Davidson, G.S., 1986 Geochemical Sampling: LT 1-8 claims.
Tally Ho Exploration Ltd. unpublished assessment report.
- Doherty, R.A., & Hart, C.J.R., 1988 Preliminary Geology of
Fenwick Creek (105D/3) and Alligator Lake (105D/6) Map
Areas; Department of Indian and Northern Affairs
Canada; Open File 1988-2, 80pp. With 1:50,000 scale
maps.
- G.S.C., 1985 Stream Sediment and Water Geochemical Survey
Southern Yukon Territory. G.S.C. Open File 1218.
- Harris, G.L., 1987 MH 1-7 Summary and assay certificates.
Unpublished promotional report for Harjay Explorations
Ltd..
- Hart, C.J.R., & Pelletier, K.S., 1989 Geology of Carcross
(105D/2) and part of Robinson (105D/7) Map Areas;
Department of Indian and Northern Affairs Canada; Open
File 1989-1, 84pp. With 1:50,000 scale maps.
- Wilkins, A.L., & MacKinnon, H.F., 1988 Geological and
Geochemical Report on the HOD and LT Mineral Claims;
Skukum Gold Inc. unpublished assessment report.

7. STATEMENT OF EXPENDITURES**Labour Costs:**

| | |
|--|-----------|
| H. MacKinnon; June 22,27,30 1989, 2.5 days field work, 4 days report preparation; 6.5 days at \$220 per day. | \$1430.00 |
| E. Bergvinson; June 27,30, October 2 1989 2.5 days at \$175 per day. | \$437.50 |

| | |
|---------------------------|------------------|
| Total Labour Costs | \$1867.50 |
|---------------------------|------------------|

Analytical Costs:

| | |
|--|----------|
| Talus Fines/Soils: 1 at \$9.85 per sample | \$ 9.85 |
| Rock Samples: 25 at \$19.50 per sample | \$487.50 |
| Sample Shipping: Estimated \$1.00 per sample | \$26.00 |

| | |
|-------------------------------|------------------|
| Total Analytical Costs | \$ 523.35 |
|-------------------------------|------------------|

Camp & Transportation Costs:

| | |
|---|----------|
| Truck Costs: 2.5 days at \$60.00 per day | \$150.00 |
| Truck Gas: | \$ 79.00 |
| Helicopter Costs: Oct. 2, 1989 0.5 hours at \$610 per hour + fuel at \$57 per hour | \$335.50 |
| Room & Board: 9 days at an estimated \$40.00 per day | \$360.00 |

| | |
|--|-----------------|
| Total Camp & Transportation Costs | \$922.50 |
|--|-----------------|

Report & Miscellaneous Costs:

| | |
|---|----------|
| Field Supplies (flagging, sample bags etc.) | \$ 20.00 |
| Drafting: Estimated | \$150.00 |
| Photocopying, binding, map copying; estimated 20.00 per report | \$120.00 |

| | |
|---|-----------------|
| Total Report & Miscellaneous Costs | \$290.00 |
|---|-----------------|


| | |
|--|--------------------------|
| Total 1989 exploration expenditures for assessment on the MH 8-15, LT 1-7 claims: | <u>\$3,603.35</u> |
|--|--------------------------|

8. STATEMENT OF QUALIFICATIONS

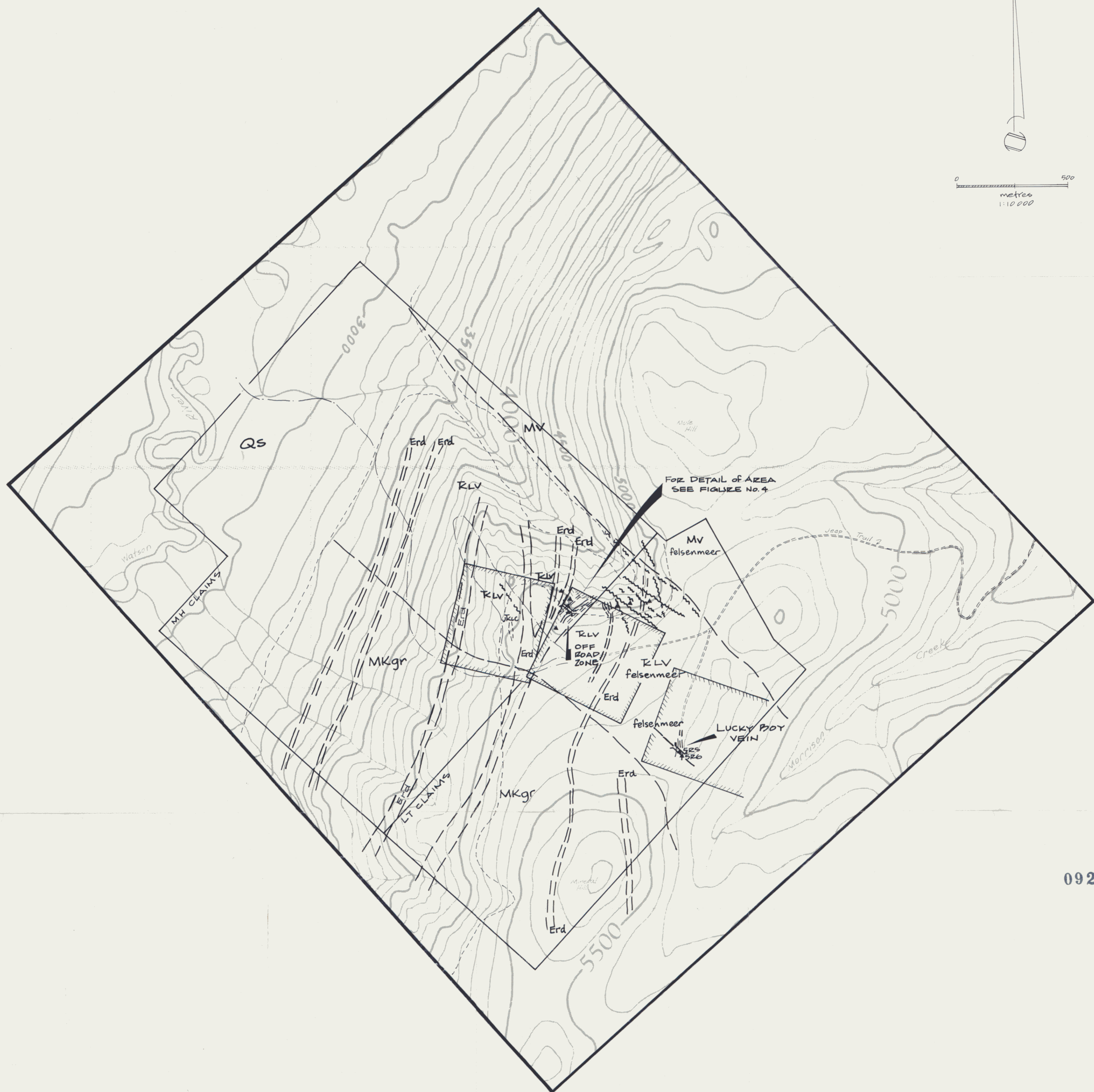
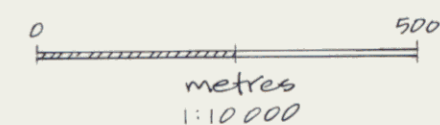
I, Hugh Francis MacKinnon of P.O. Box 1785, Rossland, B.C., hereby certify that:

- 1) I graduated with a Bachelor of Science Degree with Honours in Geology from Carleton University, Ottawa, Ontario, in 1986.
- 2) I have been engaged in mineral exploration since 1980 in Ontario, Saskatchewan, The Northwest Territories, British Columbia, Nova Scotia and The Yukon Territory.
- 3) I was the project geologist for Skukum Gold's regional claims program.
- 4) I was involved in the work performed on the MH and LT claims in the summer of 1989 and am the author of this report.

Dated this eighth day of November, 1989



Hugh F. MacKinnon, B.Sc.



092780

LEGEND ~

LITHOLOGIES ~

- QUATERNARY:
 - QS Glaciofluvial sediments and glacial fill
- Eocene:
 - Erd Rhyolitic to dacitic dyke or dyke swarm
- CRETACEOUS:
 - MKgr Medium grained granodiorite
- UPPER TRIASSIC TO JURASSIC:
 - RLV Intermediate to mafic volcanic rocks with minor sediments. Commonly sheared and altered.
 - JKc Massive pale grey marble
 - MV Andesite volcanic rocks

SYMBOLS ~

- Geologic contact
- Shear zones
- Approximate limit of outcrop
- ▲ Sample location, or area of numerous samples
- Trench location
- Property outline (approximate)
- ▭ Outline of former mineral lease (approximate)
- Eric Bergvinson prospecting traverse

(179)

SIKUKUM GOLD INC
 MH, LT CLAIMS
 WHITEHORSE MINING DISTRICT
 GENERAL
 GEOLOGY

Drawn by: HM/vh Date: Nov. 1989 MAP No:
 NTS: 105/03 Scale: 1:10,000 1

APPENDIX 1

SAMPLE DESCRIPTIONS

SAMPLE DESCRIPTIONS - SKUKUM GOLD INC.

PROJECT: MH, LT, HO D - #7

SAMPLER: HUGH MACKINNON & ERIC B.

| SAMPLE # | DATE | LOCATION | SAMPLE DESCRIPTIONS |
|----------|---------|---------------------|---|
| -10F1 | June 27 | MH | Qtz vein float in lineament |
| -5F1 | | MH | Rounded qtz vein float, slightly vuggy, coarsely crystalline |
| -10R1 | | MH - OFF ROAD ZONE | Tr. cpx, tr mal, 1-2% py in bull qtz pod up to 15 cm thick. |
| -5R1 | | MH " | Strongly sulphidized qtz vein up to 15 cm thick; banded up to 40% py (< 5 mm). |
| -10R2 | | MH " | Qtz vein up to 50 cm; tr gl, tr - 0.5% cpx, 1% py. |
| -5F2 | | MH " | Bull qtz pods up to 7 cm thick. tr py, chl patches. |
| -5R2 | | MH " | Rich qtz pods, up to 25 cm thick w 1% gl, tr - 5% cpx, tr py. |
| -5R3 | | MH " | Chip across 75 cm series of qtz pods w tr - 1% cpx, tr gl, tr py. |
| -5R4 | | MH " | Bull qtz vein w tr gl, tr py, up to 15 cm thick; rusty face. |
| -10R3 | | MH " | malachite & azurite (w tr cpx) stained chl + carb alt'd diorite? at contact w rhy. dyke. |
| -10R4 | | MH " | 40 cm alt mal & az. stained chloritic shear w tr cpx. |
| -10R5 | | MH | qtz veins |
| -10R6 | | MH | |
| -10R7 | | MH | |
| -5R5 | June 30 | LT - Lucky Boy Vein | -5R5 - ≈ 2% Galena; 5R6: tr cpx, tr gl. |
| -5R6 | | | Selected grabs from LB. vein, mineralization in bull white to sugary qtz hosted by mafic(?) schist. |
| -5R7 | | | Sheared & altered dacite(?) porphyry w strong azurite & malachite staining. Chl, hm, Mn, Cu. |
| -5R8 | | | As 5R7 but less Cu staining. strong carb & chl alt'n. |
| -5S1 | | MH | Soil |
| -5R9 | | MH | azurite stained chlorite calcite altered shear band, Mn stained. 25 cm band |
| -5R10 | | MH | Small qtz lenses & az stained band w tr cpx. Strong ep, chl, weak carb. |
| -5R11 | | MH | Very strongly azurite stained 12 cm pocket; tr cpx, tr gl. |
| -5F2 | | MH. | Small 5 cm x 7 cm cpx (2%), magnetite, azurite, galena (tr) band in sheared porphyry. |
| -5R12 | | MH. | Strongly gossanous small band. Carb & chl. alt'd; strong chl, ep. |
| -5R13 | | MH. | Chalcedonic qtz & drusy qtz small 3 cm band. Gossanous pyritic grab. |
| -5R14 | | MH. | 0.5% gl, tr cpx, in qtz pod. Strong ep, chl alt'n of ad. px. |

APPENDIX 2
ANALYTICAL RESULTS

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: SEP 12 1989

DATE REPORT MAILED: *Sept. 18/89.*

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER. THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: P1 SOIL P2 ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

SIGNED BY... *C. Leong* D.TOYE. C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

Skukum Gold PROJECT 7-MH,LT FILE # 89-3608 Page 1

| SAMPLE# | Cu PPM | Pb PPM | Zn PPM | Ag PPM | As PPM | Au* PPB |
|----------|-----------|-----------|-----------|-----------|-----------|------------|
| 89-7-5S1 | 54 | 108 | 104 | 3.1 | 2 | 1 |

ACME ANALYTICAL LABORATORIES LTD.
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: SEP 12 1989

Sept. 18/89.

DATE REPORT MAILED:

GEOCHEMICAL/ASSAY CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG.C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: P1 SOIL P2 ROCK AG** + AU** BY FIRE ASSAY FROM 1/2 A.T.

SIGNED BY *C. Leong* D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

Skukum Gold PROJECT 7-MH,LT FILE # 89-3608 Page 2

| SAMPLE# | Cu PPM | Pb PPM | Zn PPM | As PPM | Ag** OZ/T | Au** OZ/T |
|-----------|-----------|-----------|-----------|-----------|--------------|--------------|
| 89-7-5F1 | 9 | 12 | 5 | 3 | .03 | .001 |
| 89-7-5F2 | 16 | 15 | 11 | 2 | .02 | .001 |
| 89-7-5F3 | 6274 | 1087 | 257 | 2 | 2.14 | .002 |
| 89-7-5R1 | 78 | 664 | 14 | 2 | 10.83 | .021 |
| 89-7-5R2 | 427 | 3482 | 73 | 4 | 7.75 | .003 |
| 89-7-5R3 | 983 | 699 | 54 | 3 | .97 | .001 |
| 89-7-5R4 | 23 | 117 | 1 | 2 | .99 | .001 |
| 89-7-5R5 | 519 | 7743 | 15 | 4 | 10.51 | .014 |
| 89-7-5R6 | 1506 | 866 | 190 | 4 | 2.69 | .003 |
| 89-7-5R7 | 6834 | 117 | 222 | 3 | .24 | .001 |
| 89-7-5R8 | 28 | 32 | 3 | 2 | .62 | .020 |
| 89-7-5R9 | 66 | 4 | 20 | 2 | .01 | .001 |
| 89-7-5R10 | 1017 | 45 | 155 | 2 | .12 | .002 |
| 89-7-5R11 | 2075 | 106 | 69 | 5 | .43 | .002 |
| 89-7-5R12 | 9648 | 358 | 145 | 4 | 1.65 | .001 |
| 89-7-5R13 | 32 | 10 | 41 | 4 | .04 | .001 |
| 89-7-5R14 | 82 | 9 | 79 | 3 | .03 | .001 |
| 89-7-5R15 | 38 | 1240 | 1108 | 3 | .11 | .001 |
| 89-7-10F1 | 115 | 2574 | 1161 | 3 | .07 | .001 |
| 89-7-10R1 | 18 | 22 | 8 | 5 | .16 | .001 |
| 89-7-10R2 | 55 | 93 | 37 | 2 | .18 | .001 |
| 89-7-10R3 | 7321 | 961 | 2129 | 4 | 1.93 | .001 |
| 89-7-10R4 | 9391 | 181 | 180 | 2 | 1.05 | .001 |
| 89-7-10R5 | 105 | 81 | 92 | 3 | .09 | .001 |
| 89-7-10R6 | 82 | 13 | 15 | 2 | .04 | .001 |
| 89-7-10R7 | 35 | 41 | 12 | 2 | .50 | .004 |
| STD C | 62 | 42 | 135 | 40 | - | - |