MAP NO.:	**ASSESSMENT REPORT** X	**DOCUMENT NO:**	092799
	PROSPECTUS	**MINING DISTRICT:**	Whitehorse
	CONFIDENTIAL X	**TYPE OF WORK:**	Blast Trenching
105 D 3	**OPEN FILE**		

REPORT FILED UNDER: Skukum Gold Inc.

DATE PERFORMED: 25 September-1 October, 1990 **DATE FILED:** 25 January, 1990

LOCATION: **LAT.:** 60°01'N **AREA:** Bennett Lake

LONG.: 135°08'W **VALUE $:**

CLAIM NAME & NO.: PIM 1-109 (YA98388-400, YB05801-96)

WORK DONE BY: H.F. MacKinnon

WORK DONE FOR: Skukum Gold Inc.

DATE TO GOOD STANDING:

REMARKS: #15 LATREILLE

Eight grab and eight channel samples were collected from an altered zone mineralized with arsenopyrite and pyrite, exposed in a blast trench over a length of 14 m. The arsenopyrite occurs as fine needles in silicified and propylitically altered lapilli tuff of the Bennett Lake Caldera. The best channel sample returned 4 453 ppm As and 37 ppb Au across 1.4 m, with grab samples up to 14 911 ppm As and 350 ppb Au.

SKUKUM GOLD INC.

T R E N C H I N G R E P O R T

ON THE

PIM 1-13 (YA98388-YA98400)
PIM 14-109 (YB05801-YB05896)

Mineral Claims

Lemieux Creek - West Arm of Bennett Lake

WHITEHORSE MINING DISTRICT
YUKON TERRITORY

N.T.S. : 105D/3

LATITUDE: 60 Degrees 01 Minutes North
LONGITUDE: 135 Degrees 08 Minutes West

SEPTEMBER 25 to OCTOBER 1,1989

By

HUGH F. MacKINNON B.Sc.

NOVEMBER 13, 1989

For

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

092799

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 $9300.00.

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

SUMMARY

Exploration on the PIM claims in 1989 consisted of the excavation, mapping and sampling of one trench on the PIM 60 mineral claim. A total of eight channel samples and eight bulk grab rock samples were collected.

Mineralized alteration zones were exposed for 14 of the 15 meters of trench. The best channel sample returned 4,453 ppm arsenic and 37 ppb gold over 1.4 meters, and the best grab sample 14,911 ppm arsenic and 350 ppb gold. Arsenopyrite and pyrite are the principal metallic minerals present. The arsenopyrite occurs as very fine grained needles, needle aggregates and crystals within strongly silicified and propylitic altered lapilli tuff of the Eocene Bennett Lake Cauldron Subsidence Complex. The alteration zones trend northeast and likely extend across the cirque to the HL zone some 500 meters to the northeast.

The mineralogy and geochemistry of the HL EXTENSION ZONE differs from the HL zone in that the HL zone is base metal enriched and has higher gold values. These differences may be due to lateral and or vertical zonation in the hydrothermal system.

Porosity of the tuffs may be one of the factors which controls the mineralization and suggests a mesothermal origin for the mineralization. No apparent structural control to the system was observed however the zones cross lithological contacts.

Presence of a porphyry type system to the southeast, a volcanic center to the northwest and ring dyke intrusives adjacent to the zones make the area a promising exploration target.

An exploration program consisting of prospecting, mapping and sampling is proposed for 1990.

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1. INTRODUCTION

This report describes exploration work conducted by Skukum Gold Inc. on the PIM 60 mineral claim between September 25 and October 1, 1989. Exploration consisted of trenching and mapping and sampling of the trench.

1.1 LOCATION & ACCESS

The PIM 1-109 claims are located north of, and adjoining, the Yukon - B.C. border, on the southwest end of the West Arm of Bennett Lake in the southern Yukon at 60 degrees 01 minutes north latitude and 135 degrees 08 minutes west longitude (NTS:105D/3) (Figure 1). The property is accessible by helicopter or float plane with the nearest permanent base being Whitehorse, Yukon Territory. Alternate access is provided by boat from Carcross, Yukon Territory, but lake crossings are weather dependent.

1.2 PROPERTY & CLAIM STATUS

The PIM property consists of 109 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
PIM 1-13	YA9388-400	July 2,1987	Oct. 2,1990	13
PIM 14-57	YB05801-844	July 2,1987	Oct. 2,1990	44
PIM 58-63	YBO5845-850	July 2,1987	Oct. 2,1991	6
PIM 64-82	YB05851-869	July 2,1987	Oct. 2,1990	19
PIM 83	YB05870	July 2,1987	Oct. 2,1991	1
PIM 84	YBO5871	July 2,1987	Oct. 2,1990	1
PIM 85	YB05872	July 2,1987	Oct. 2,1991	1
PIM 86	YBO5873	July 2,1987	Oct. 2,1990	1
PIM 87	YB05874	July 2,1987	Oct. 2,1991	1
PIM 88	YB05875	July 2,1987	Oct. 2,1990	1
PIM 89	YBO5876	July 2,1987	Oct. 2,1991	1
PIM 90-109	YB05877-896	July 2,1987	Oct. 2,1990	20

* Pending acceptance of assessment report.

All the claims are 100 % owned by Skukum Gold Inc. of 990-840 Howe St., Vancouver, B.C..

1.3 PREVIOUS WORK HISTORY

Skukum Gold Inc. conducted a preliminary geological and geochemical survey of the property in 1988 (Wilkins & MacKinnon,1988). Numerous geochemical and talus fines

135°30'

135°00'

134°30'

60°15'

Fish Lake

To Whitehorse 15 Km

Marsh Lake

McConnell Lake

Alligator Lake

River

Watson

MT. HODNETT

Annie Lake

Watson Lake Hwy

GOLD HILL

River

SKUKUM CREEK MINE

MT. SKUKUM

Wheaton

CARBON HILL

Craig Lake

Carcross

Tagish Lake

MT. WARD

PIM Y.T. CLAIMS

Primrose Lake

West Arm

Bennett Lake

MONTANA MTN.

Windy Arm

Partridge R.

N

Alaska Hwy

YUKON

Whitehorse

Skagway

BRITISH COLUMBIA

ALASKA

Pacific Ocean

LOCATION MAP

SCALE : 1: 250,000

4 2 0 4 8 12 16

Km

SKUKUM GOLD INC.

PIM Y.T. CLAIMS

WHITEHORSE MINING DIVISION — YUKON TERRITORY

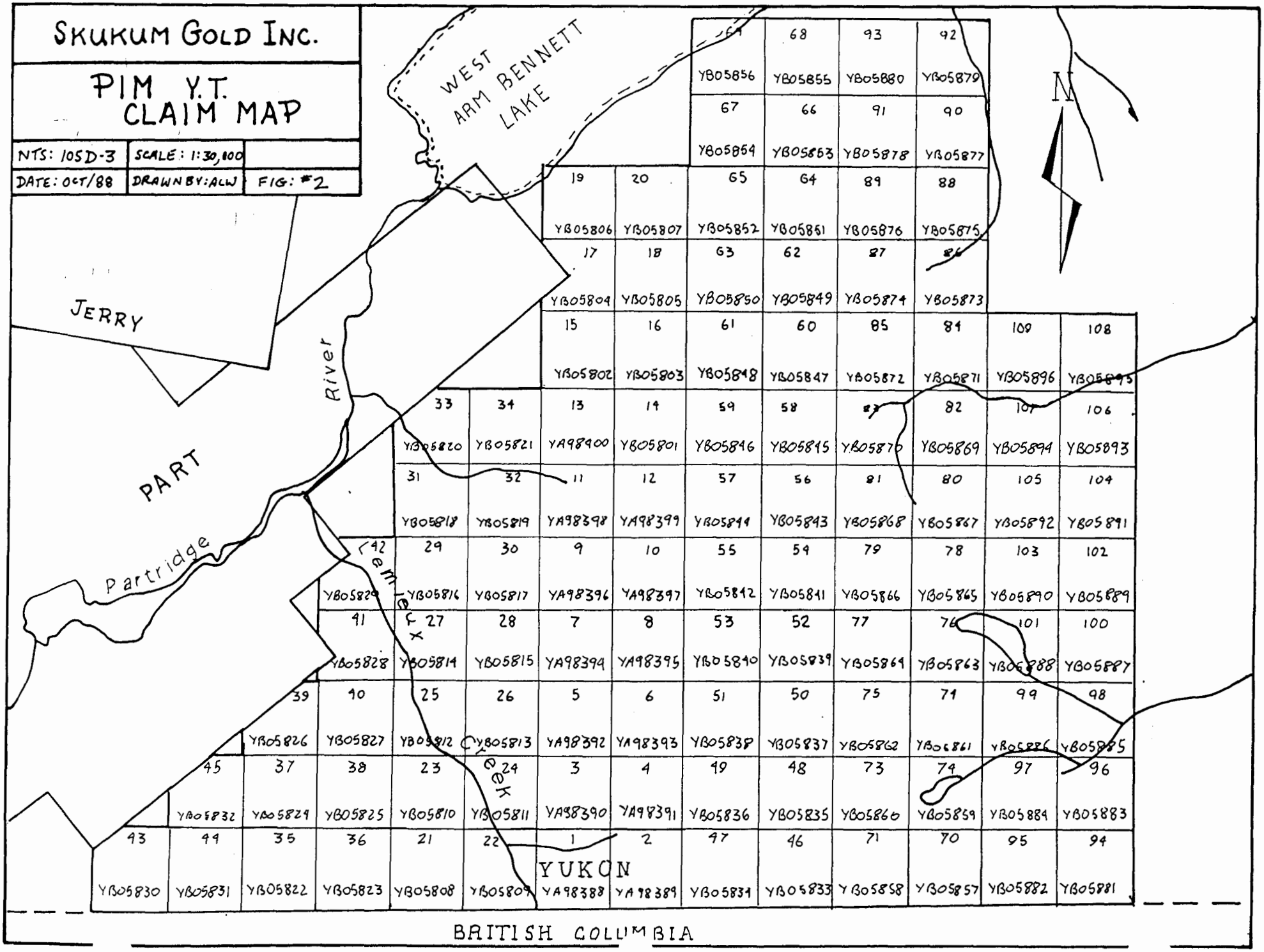
LOCATION MAP

N.T.S. 105D3	FIGURE No. 1
DRAWN BY : A.L.W., H.F.M., T.M.	DATE : NOV. 1988

SKUKUM GOLD INC.

PIM Y.T. CLAIM MAP

NTS: 105D-3	SCALE: 1:30,100	
DATE: OCT/88	DRAWN BY: ALW	FIG: #2



					68 YB05855	93 YB05880	92 YB05879				
				67 YB05854	66 YB05853	91 YB05878	90 YB05877				
19 YB05806	20 YB05807			65 YB05852	64 YB05851	89 YB05876	88 YB05875				
17 YB05804	18 YB05805			63 YB05850	62 YB05849	87 YB05874	86 YB05873				
15 YB05802	16 YB05803			61 YB05848	60 YB05847	85 YB05872	84 YB05871	109 YB05896	108 YB05895		
	33 YB05820	34 YB05821	13 YA98400	14 YB05801	59 YB05846	58 YB05845	83 YB05870	82 YB05869	107 YB05894	106 YB05893	
	31 YB05818	32 YB05819	11 YA98398	12 YA98399	57 YB05844	56 YB05843	81 YB05868	80 YB05867	105 YB05892	104 YB05891	
	42 YB05829	29 YB05816	30 YB05817	9 YA98396	10 YA98397	55 YB05842	54 YB05841	79 YB05866	78 YB05865	103 YB05890	102 YB05889
	41 YB05828	27 YB05814	28 YB05815	7 YA98394	8 YA98395	53 YB05840	52 YB05839	77 YB05864	76 YB05863	101 YB05888	100 YB05887
		39 YB05826	40 YB05827	25 YB05812	26 YB05813	5 YA98392	6 YA98393	51 YB05838	50 YB05837	75 YB05862	71 YB05861	99 YB05886	98 YB05885
	45 YB05832	37 YB05829	38 YB05825	23 YB05810	24 YB05811	3 YA98390	4 YA98391	49 YB05836	48 YB05835	73 YB05860	74 YB05859	97 YB05884	96 YB05883
43 YB05830	44 YB05831	35 YB05822	36 YB05823	21 YB05808	22 YB05809	1 YA98388	2 YA98389	47 YB05834	46 YB05833	71 YB05858	70 YB05857	95 YB05882	94 YB05881		

anomalies and mineralized showings were discovered, of which the HL Zone is the most significant. This zone covers an area of 300 by 250 meters and consists of small quartz veins and alteration zones which returned up to 5.59 oz/ton silver, 47,739 ppm arsenic, 17,933 ppm copper, 20,999 ppm lead and 1,155 ppb gold.

A regional stream sediment geochemical survey was conducted by the Geological Survey of Canada in 1985 and outlined a few anomalous streams draining the PIM claims (G.S.C.,1985).

No other work has been recorded for the PIM claims, however numerous companies conducted regional uranium exploration programs in the area in the 1970's and early 1980's. Precious metal exploration is ongoing in the area by several companies.

1.4 1989 EXPLORATION PROGRAM

Trenching was the focus of the 1989 exploration program and was performed between September 25 and October 1, 1989. A single trench was excavated in an alteration zone approximately 500 meters south west of the HL showings. This location was selected for the following reasons:

1) Reexamination of the HL showing showed that the veins and alteration zones are quite small and not worthy of trenching at this time.

2) Strike extensions of the HL zone, that are present on the cliffs, were inaccessible for trenching.

3) Since work was conducted late in the year snow cover was at a minimum and many previously snow covered gossans were exposed. It was decided that it would be advantageous to examine these exposures at this time.

4) One of these gossans, and associated alteration zone, was found at the head of a ice gully splay off of a prominent fault (?) ice gully along strike from the HL zone and cliff vein exposures. Initial examination showed that this alteration zone was at least 3 meters wide; much larger than at the HL zone. Several samples collected in 1988 of similar gossans in the immediate area returned up to 11,270 ppm arsenic and 139 ppb gold.

The work was conducted out of the Skukum Gold - Omni Resources base camp in the Wheaton River Valley using a Bell 206 helicopter for access. High winds and stormy weather conditions at this time of year made mobilization and demobilization of the crew and compressor difficult and thus more time consuming (expensive) than expected.

Exploration work was conducted by the following personnel:

Hugh MacKinnon B.Sc., Project Geologist, Skukum Gold Inc.

John Scarff, Blaster, M.J. Moreau Enterprises Ltd.
Louis McKenna, Blasters Helper, M.J. Moreau Enterprises Ltd.
Jacques Moreau, Blasting Supervisor, M.J. Moreau Enterprises Ltd.

1.5 TRENCHING METHOD

Trenching was undertaken by M.J. Moreau Enterprises Ltd. using the following techniques;

1) All loose material was mucked by hand, shovel and pick down to bedrock.

2) Two to six foot holes were drilled at regular intervals using a compressed air driven portable drill.

3) Holes were redrilled to remove ice as required and loaded with dynamite.

4) Fuses were set and the trench blasted.

5) Trench was mucked by hand, shovel and pick down to bedrock and walls stabilized.

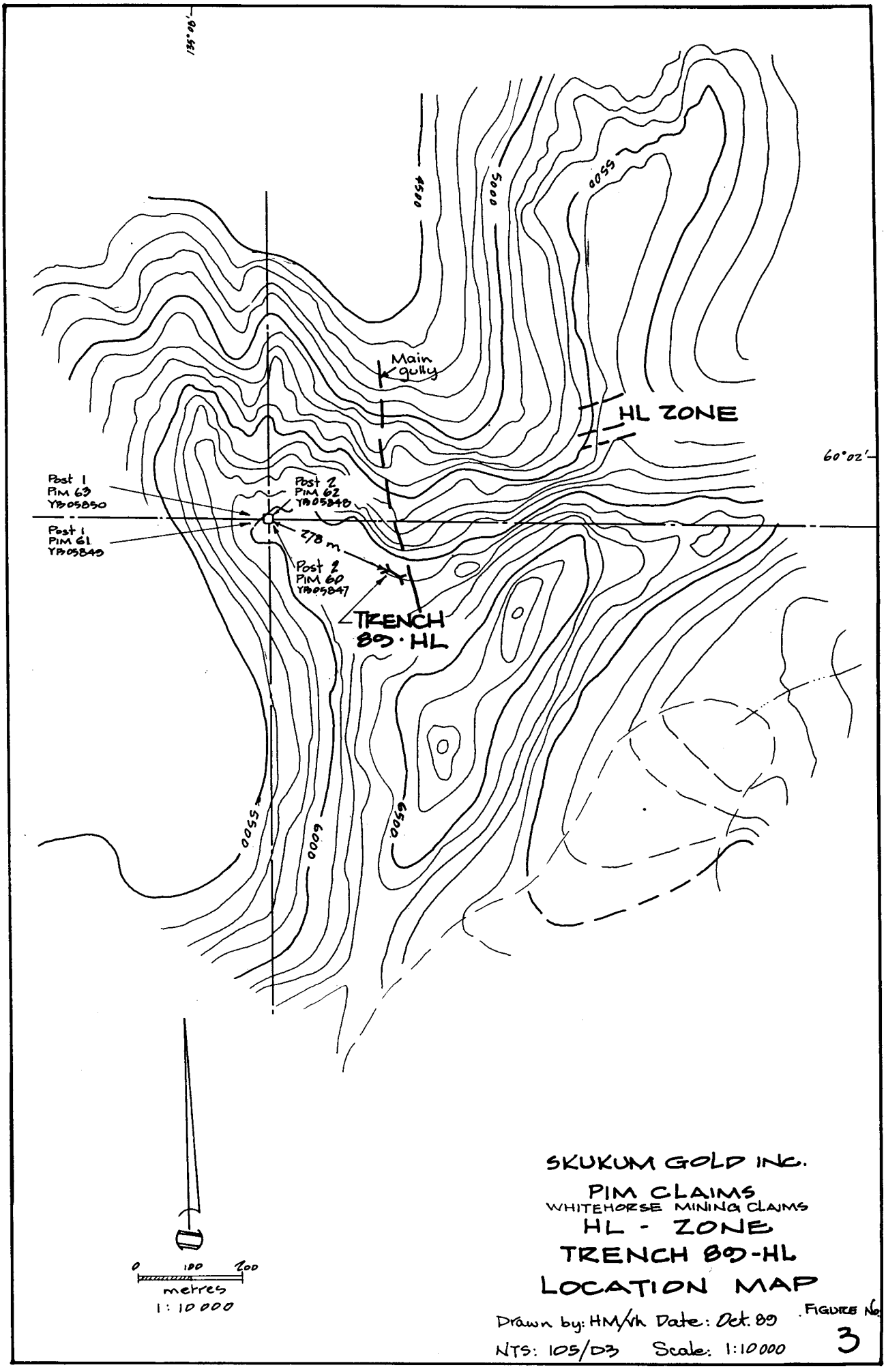
6) Trench walls were blasted with compressed air to clean face prior to mapping and channel sampling.

7) Drill-chipper was used for sampling when necessary.

2. TRENCH GEOLOGY

On the opposite side of the cirque from the HL showings are several subparallel to parallel gossanous alteration zones which are exposed on a ridge and precipitous cliff face. The zones trend east-northeast and can be partially traced on cliff faces toward the HL zone 500 meters to the east. One of these zones occurs at the head of a 040 azimuth trending ice gully. This gully is a splay off of a well defined north-south trending fault (?) ice gully lineament. Trench 89-HL was excavated at the top of the gully just below the escarpment edge and above the blue ice chute (figures 3 and 4).

Felsenmeer, glacial debris and talus covered the first 5 to 70 centimeters of the trench, the remainder of the trench was excavated in blocky, well jointed bedrock. At the center of the trench the till and bedrock were well cemented by ice. Insufficient time was available to completely excavate this



SKUKUM GOLD INC.

PIM CLAIMS

WHITEHORSE MINING CLAIMS

HL - ZONE

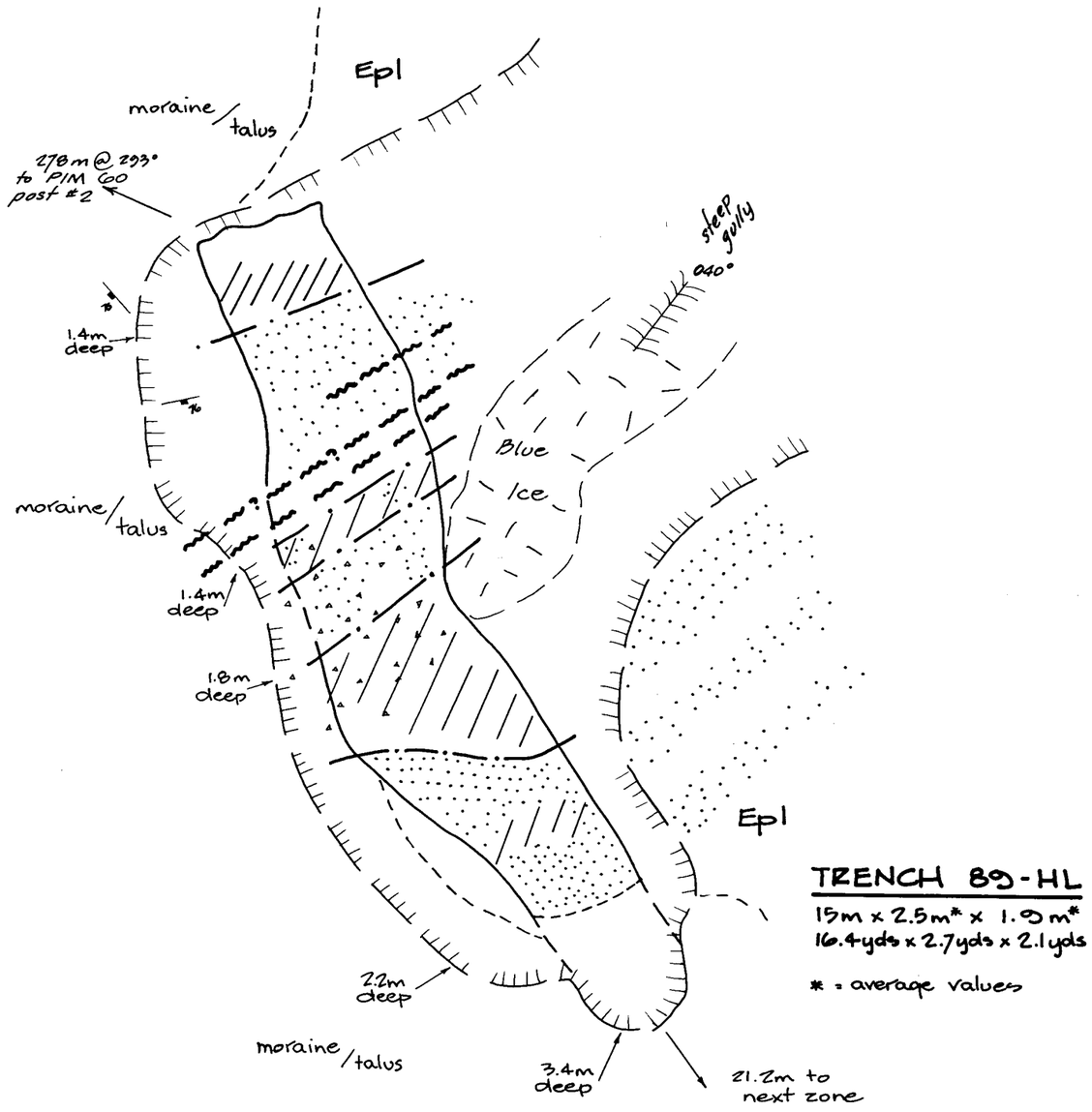
TRENCH 80-HL

LOCATION MAP

Drawn by: HM/vh Date: Oct. 89

NTS: 105/D3 Scale: 1:10000

FIGURE No. 3



TRENCH 89-HL

15m x 2.5m* x 1.9m*
16.4yds x 2.7yds x 2.1yds

* = average values

LEGEND

LITHOLOGIES:

TERTIARY (EOCENE?)

Rusty weathered, moderate to strongly silicified and propylitic altered tuff with disseminated and fractured filling pyrite and occassional arsenopyrite needles. Lithic fragments rarely visible.

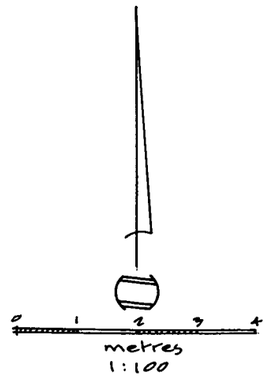
Rusty weathered, weak to moderately silicified and propylitic altered tuff with minor disseminated pyrite and arsenopyrite. Lithic fragments visible.

TERTIARY
EOCENE

Epl PARTRIDGE LAKE FORMATION: Pale grey weathered felsic lithic lapilli tuff.

SYMBOLS:

- Joint attitude
- Inferred alteration contact
- Limit of outcrop
- Escarpment edge
- Ice and talus



SKUKUM GOLD INC

PIM CLAIMS - HL ZONE

WHITEHORSE MINING DISTRICT

TRENCH 89 HL

GEOLOGY

FIGURE No. 4

Drawn by HM/vh Date: Dec. 89

NTS: 105/D3 Scale: 1:100

area so sampling over this area consisted of large grabs instead of channels.

2.1 LITHOLOGIES AND ALTERATION

Trench 89-HL was excavated in Eocene Partridge Lake Formation felsic lithic lapilli tuff. The tuff weathers a light greenish grey to buff pale grey and has a dark grey to grey fresh face. It is composed of < 1.5 mm crystal fragments, grey tuffaceous lithic fragments and < 1 cm black felsic volcanic fragments in a dark grey, aphanitic to very fine grained, fairly silicious (rhyodacitic ?) matrix. Additional information about this unit can be obtained from Wilkins and MacKinnon (1988), Doherty and Hart (1988) and Lambert (1974).

The trench bedrock is weakly to strongly altered throughout the 15 meters length of trench. Alteration starts as a weak to moderate silicification of the lithic fragments, as evident by rimming of most fragments, accompanied by weak to moderate choritization of crystal fragments and lithic fragment rims, and weak carbonate alteration with precipitation of calcite along fractures and joints. As the alteration intensity increases the rock becomes rusty weathered and limonite stained, and there is a pervasive silicification and propylitic alteration of all the rock. In the most strongly altered rock the original textures are obliterated by the alteration. Quartz veinlets and stringers, and grey cryptocrystalline(?) quartz are also present in the most strongly altered zones. The strongest zones of alteration appear to occur in 1 to 3 meter, east-northeast trending bands. The other alteration zones in the vicinity of the trench, including one 21 meters to the south, have a similar trend and most commonly occur on the south side of northeast trending gullies.

Rocks in the trench are well jointed. The principal joint attitudes are 139/75 SW and 076/76 SE. Several small northeast trending shear bands were observed in the trench and trend into the gully.

2.2 MINERALIZATION

Pyrite is the principal metallic mineral present and occurs disseminated throughout the rock and as fracture and joint filling. The most strongly altered rocks contain up to 6% fine grained pyrite. Up to 2% arsenopyrite occurs as very fine (<0.5mm) needles, needle aggregates and crystals disseminated in very strongly silicified tuff and quartz stringer bands. Lesser amounts of arsenopyrite were found disseminated throughout the moderate to strongly altered tuffs. Trace amounts of chalcopyrite, galena and possibly molybdenite are also present in the trench.

3. GEOCHEMISTRY

3.1 INTRODUCTION

A total of 16 rock samples were collected from the trench. Most samples are continuous chip/channel samples taken over one meter, or more, intervals. Additional samples were collected as large grab samples of interesting bands, less well exposed areas and blasted float. All sample locations and analytical results are shown on figure 5. Analytical reports for all samples are included in appendix 1.

3.2 SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

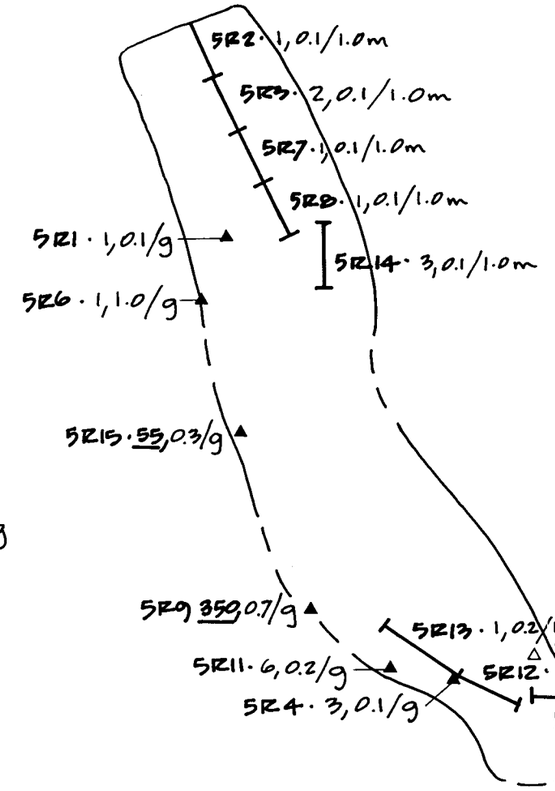
Rock samples were collected in plastic bags and sent to ACME ANALYTICAL LABS of Vancouver, B.C.. At ACME, samples were crushed down to minus 3/16 of an inch, and then a 1/2 pound is pulverized to minus 100 mesh. A 0.5 gram sample of the minus 80 fraction of all samples was digested in hot, dilute aqua regia in a boiling water bath and then diluted to 10 ml. with distilled water. All 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.

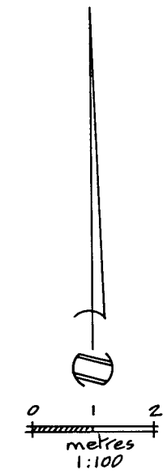
3.3 LITHOGEOCHEMISTRY

Of the 16 rocks sampled 15 are anomalous in arsenic (figure 5). Ten of these samples returned greater than 1,000 ppm arsenic including sample 5R12 which returned 4,453 ppm over 1.4 meters (table 2). Six samples are considered anomalous in gold and three possibly anomalous in silver. No other elements are significantly anomalous.

Table 2: Strongly Anomalous Rock Samples

Sample #	Width (meters) or Grab (G)	As ppm	Au ppb
89-4A-5R3	1.0	993	2
89-4A-5R4	G	1,472	3
89-4A-5R7	1.0	1,952	1
89-4A-5R8	1.0	126	1
89-4A-5R9	G	14,911	350
89-4A-5R10	1.0	3,251	38
89-4A-5R11	G	1,794	6
89-4A-5R12	1.4	4,453	37
89-4A-5R13	1.4	1,144	1
89-4A-5R14	1.0	810	3
89-4A-5R15	G	6,101	55
89-4A-5R16	G	13,484	260
89-4A-5R17	G	8,532	55





SAMPLE GEOCHEMISTRY –

Sample Number	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)
5R1	13	19	70	56
5R2	11	10	78	2
5R3	10	13	70	993
5R4	4	8	59	1472
5R6	8	15	73	64
5R7	6	14	71	1952
5R8	11	15	71	126
5R9	7	14	50	14,911
5R10	8	18	65	3251
5R11	11	4	69	1794
5R12	21	50	73	4453
5R13	17	21	73	1144
5R14	4	10	40	810
5R15	8	9	49	6101
5R16	7	23	58	13484
5R17	9	12	52	8532

LEGEND –

▲ · Grab sample

⊢ · Channel sample

5R12 · 37, 0.2/1.4m · 5R12 · 37, 0.2, /1.4 m (g)
Sample No, Au (ppb), Ag (ppm) / width in metres. (grab)

SKUKUM GOLD INC

PIM CLAIMS
WHITEHORSE MINING CLAIMS
HL - ZONE

TRENCH 89-HL

GEOCHEMICAL RESULTS

Drawn by HM/vh Date: 12/89 FIGURE No. 5

NTS: 105/D3 Scale: 1:100

4. DISCUSSION

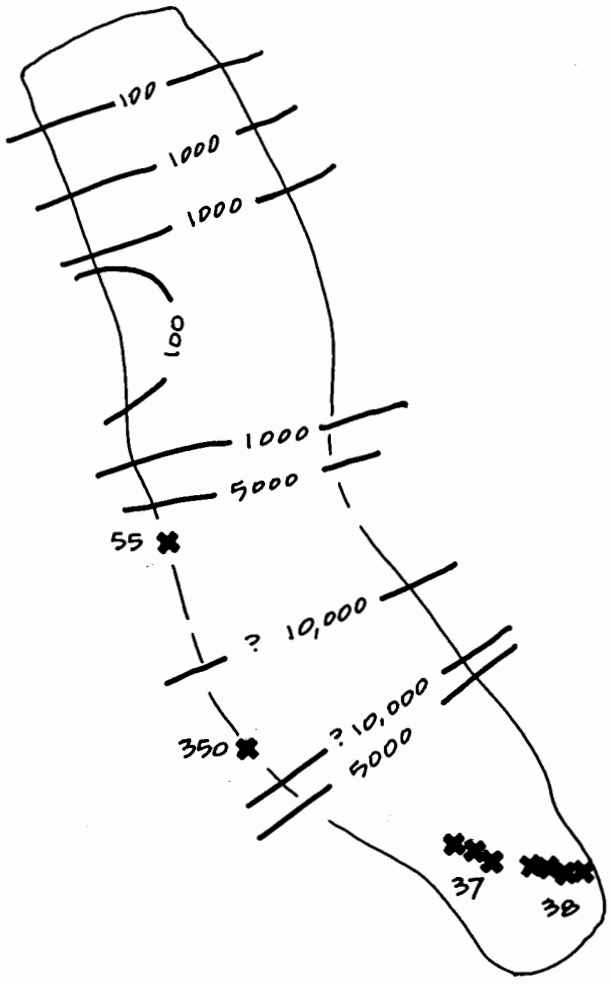
Arsenopyrite mineralization is present in all but the north end of the trench. Arsenic values are highest in bulk grab samples from the center of the trench, from samples blown free during blasting, and in the channel samples from the south end of the trench. Rough contouring of the results (figure 6) shows that there is an eight meter wide zone with values in excess of 0.1 % (1,000 ppm) arsenic. This zone roughly corresponds to the area of strongest silicification and iron oxide (gossanous) staining.

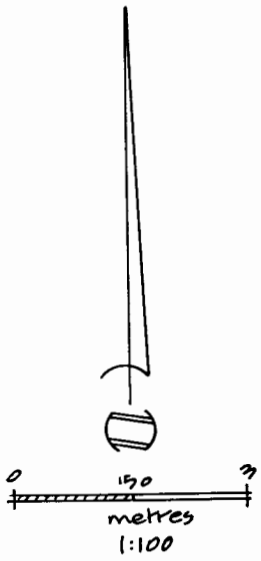
No evidence of structural control to the mineralization was observed other than a correspondence with the gully. In addition no strong quartz vein systems are present. Therefore the porosity of the lapilli tuffs may be the factor which controlled the fluid migration. This view is supported by the gradation from rimming of fragments and alteration of the matrix to complete fragment replacement, or obliteration of original textures, as the alteration increases. If porosity is a principal factor, then a mesothermal origin for the veins may be suggested. Since the alteration zones trend parallel to small gully splays off of the main north-south trending gully this larger gully may have acted as a conduit for fluid migration.

Low lead and copper geochemical results suggest that either galena and chalcopyrite were misidentified in hand samples or that they occur in very minute amounts.

The mineralogy and geochemistry of the trench differs from that of the HL zone, 500 meters to the northwest, in that the HL zone in addition to being anomalous in arsenic and gold is also strongly anomalous in lead, zinc, copper and silver. The HL zone is hosted in granitic instead of volcanic rocks and has somewhat stronger quartz veining systems, but similar alteration, as at the trench area. Based on the presence of gossan zones on the north facing cliff between the two zones it appears that the zones may be part of a large continuous series of mineralized zones which strike for over 500 meters. Wilkins and MacKinnon (1988) suggest that several clusters of anomalies to the west of this area may also be related to the HL zones and thus extend the system for a 2.1 kilometer strike length.

The differences between the zones may be a function of vertical and lateral zonation. As the HL zone is about 600 feet in elevation below the trench and has higher gold values than the trench there may be an increase in gold values at depth.





LEGEND:

—5000— Arsenic contour Values in ppm

350 ✖ · Anomalous Gold Results

SKUKUM GOLD INC

PIM CLAIMS - HL ZONE

WHITEHORSE MINING DISTRICT

TRENCH-89HL

ANOMALOUS GEOCHEMISTRY

Drawn by: HM/vh Date: Dec. 89

NTS: 105/D3 Scale: 1:100

FIGURE No. 6

Some of the proposed factors which may have been related to, or controlled, the genesis of the mineralization are summarized below:

1) Precious and base metal mineralization as a lateral continuation or outer shell of the Latreille porphyry copper-molybdenum system.

2) Proximity to the eruptive center, documented by Lambert (1974), and structural and hydrothermal activity, and dyking related to stages of eruption of this volcano.

3) Activity related to the intrusion of the ring dyke and dyke related rocks. Chalcedony veins and alteration associated with these rocks (Wilkins and MacKinnon, 1988) are evidence of at least one phase of hydrothermal activity.

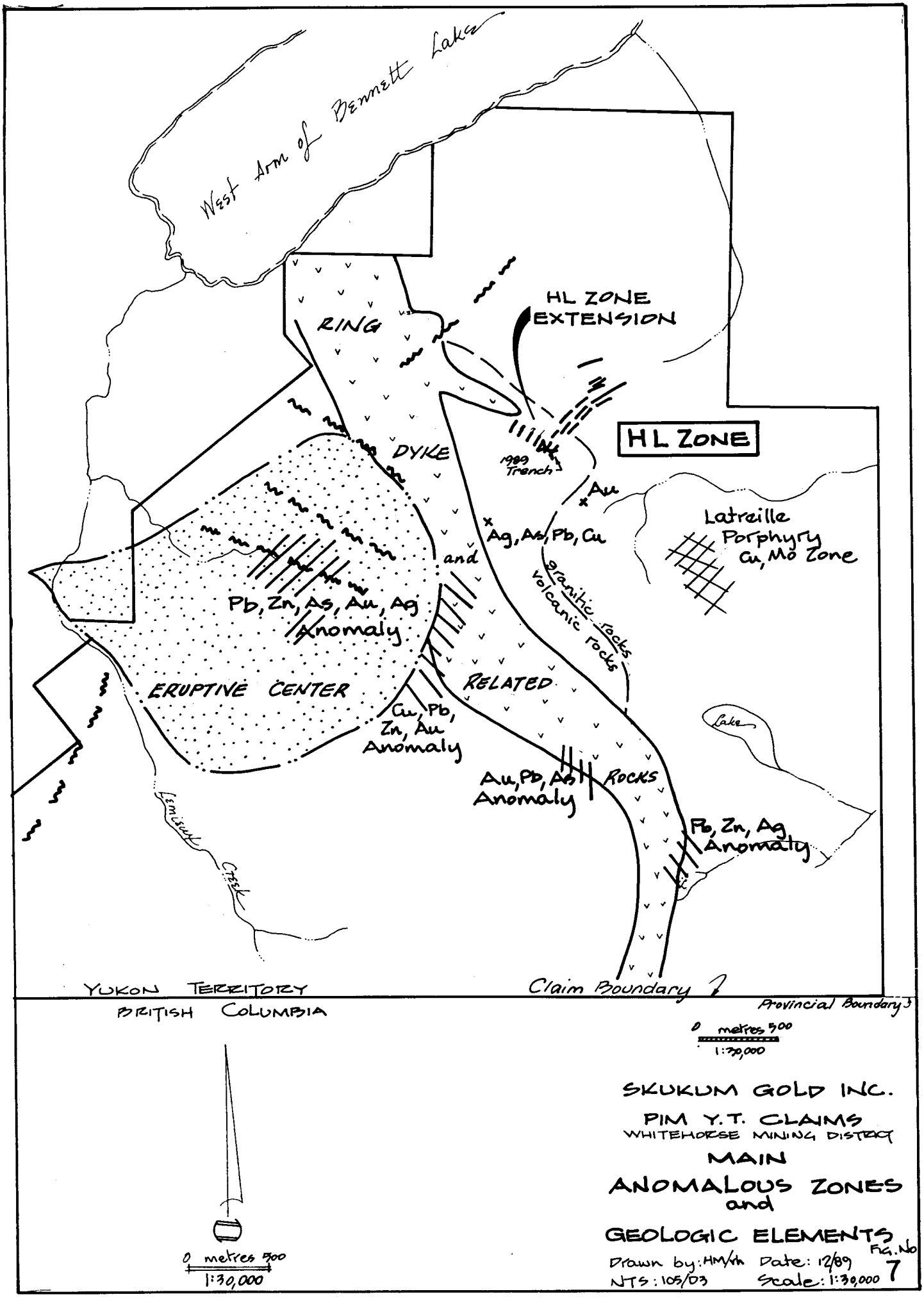
4) Potential buried (?) Eocene specialized granitic intrusives, as in the Mt. MacAuley area to the northwest, may have been a metal or heat source.

5. CONCLUSIONS AND RECOMMENDATIONS

Although no economic gold values were found in the 1989 trench the trenching can be considered a success on the basis of the discovery of a 14 meter wide alteration zone. Finely disseminated arsenopyrite was found in silicified and propylitic altered lapilli tuff within the trench and several zones parallel to this one may also be similarily mineralized. Values of up to 14,911 ppm arsenic and 350 ppb gold were returned from the trench. A brief examination of the cliff face between the HL zone and the trench suggests that these zones are probably part of the same mineralized system and thus the system strikes at least 500 meters. The alteration zone (HL EXTENSION) does not appear to be structurally controlled, however the zones are hosted in both granitic and volcanic rocks so some structural control is likely.

Several geological elements are present in the claims which could contribute to the formation of the zones. Figure 7 summarizes most of these elements and relates them to the anomalous areas discovered in 1988.

All zones of silicification should be carefully examined in 1990. Bruce Ballantyne of the GSC reports that gold in similar (?) alteration zones in the Bennett Lake Complex is very fine grained (< 200 mesh) and thus samples require special preparation to achieve accurate analysis. In addition since the arsenopyrite is so fine grained the gold may be refractory and therefore difficult to detect without fire assay.



SKUKUM GOLD INC.

PIM Y.T. CLAIMS
WHITEHORSE MINING DISTRICT

MAIN
ANOMALOUS ZONES
and
GEOLOGIC ELEMENTS

Drawn by: HM/th Date: 12/89
NTS: 105/03 Scale: 1:30,000

FIG. No 7

The exploration program outlined by Wilkins and MacKinnon (1988) is recommended for 1990. This program consists of:

1) Production of a professional 1:5,000 scale orthophoto and contour map for the northern and western portion of the claim block in the vicinity of the HL zone and the anomalies and showings to the southwest.

2) Further prospecting and mapping on a 1:5,000 scale in vicinity of the HL zone and the anomalies and showings to the southwest. Some of this terrain is rather precipitous requiring climbing equipment and climbing geologists.

3) Prospecting of the gossans in the cliffs adjacent to trench 89-HL, on the west side of the north facing cirque in which the HL zone is located. Again, the area is rather precipitous.

4) Follow up prospecting and mapping of the other anomalies on the property.

5) Completion of the talus fines sampling and prospecting traverses that were not covered in the 1988 exploration program.

6. REFERENCES

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.

Lambert, M.B., 1974 The Bennett Lake Cauldron Subsidence Complex, British Columbia and Yukon Territory. Geological Survey of Canada Bulletin 227, 213pp. With 1:25,000 scale map.

Wilkins, A.L., & MacKinnon, H.F., 1988 Preliminary Geological and Geochemical Report on the PIM 1-109 claims. Skukum Gold Inc. unpublished assessment report.

7. STATEMENT OF EXPENDITURES

Labour Costs:

H. MacKinnon; Sept. 25 & October 1, 1989
1 man day field work; 3 days report preparation and project supervision;
4 days at $220 per day..... $ 880.00

M.J. Moreau Enterprises Ltd. Contract
Trenching - Sept. 25 to Oct. 1,1989
5.5 days at $700.00 per day..... $3850.00
1 day at $450.00 per day..... $450.00

Total Labour Costs $5180.00

Trenching Costs Calculation (Weighted average depths used)

16.4 yds x 2.7 yds x 0.4 yds = 17.7 cu yds
at $6.00 per cu yd..... $106.27

16.4 yds x 2.7 yds x 1.7 yds = 75.3 cu yds
at $30.00 per cu yd..... $2259.00

Trenching Representation Work Costs $2365.27*

Analytical Costs:

Rock Samples: 16 samples at $12.00 per sample...$192.00

Sample Shipping: 98 lbs..... $ 54.80

Total Analytical Costs $246.80

Camp & Transportation Costs:

Helicopter Costs: 6.18 hours at $610.00
per hour + fuel at $57.00 per hour..... $4122.06

Camp Supplies and Room & Board: 12.5 man
days at an estimated $40.00 per day..... $500.00

Total Camp & Transportation Costs $4622.06

Report & Miscellaneous Costs:

Explosives, blasting caps and fuses..... $325.00
Compressor fuel..... $50.00
Field Supplies (flagging, sample bags etc.)..... $ 10.00

Drafting: Estimated.....	$150.00
Photocopying, binding, map copying; estimated 20.00 per report.....	$120.00
Total Report & Miscellaneous Costs	**$655.00**
Total Costs	**$13,069.13**

Total 1989 exploration expenditures for assessment on the PIM 1-109 claims: $13,069.13 - $2365.27* = **$10,703.86***

* Assessment cost is reported as actual expenditure rather than representation work/trenching costs; so calculated representation trenching costs (*) are not included in total.

8. STATEMENT OF QUALIFICATIONS

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

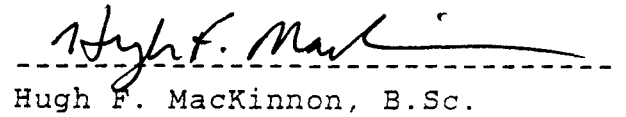
1) I graduated with a Bachelor of Science Degree with Honours in Geology from Carleton University, Ottawa, Ontario, in 1986.

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 PIM claims in the summer of 1989 and am the author of this report.

Dated this thirtieth day of November, 1989



Hugh F. MacKinnon, B.Sc.

APPENDIX 1

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: OCT 17 1989
DATE REPORT MAILED: Oct. 20/89.

GEOCHEMICAL ANALYSIS CERTIFICATE

) - .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: Rock Chips 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 Inc. PROJECT 4A-PIM FILE # 89-4320

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
89-4A-5R1	13	19	70	.1	56	1
89-4A-5R2	11	10	78	.1	2	1
89-4A-5R3	10	13	70	.1	993	2
89-4A-5R4	4	8	59	.1	1472	3
89-4A-5R6	8	15	73	.1	64	1
89-4A-5R7	6	14	71	.1	1952	1
89-4A-5R8	11	15	71	.1	126	1
89-4A-5R9	7	14	50	.7	14911✓	350
89-4A-5R10	8	18	65	.2	3251	38
89-4A-5R11	11	4	69	.2	1794	6
89-4A-5R12	21	50	73	.2	4453	37
89-4A-5R13	17	21	73	.2	1144	1
89-4A-5R14	4	10	40	.1	810	3
89-4A-5R15	8	9	49	.3	6101	55
89-4A-5R16	7	23	58	.8	13484✓	260
89-4A-5R17	9	12	52	.1	8532	55

✓ - ASSAY REQUIRED FOR CORRECT RESULT -