MAP NO.:	ASSESSMENT REPORT	X	DOCUMENT NO: 092824
	PROSPECTUS		MINING DISTRICT: Watson Lake
105 F 7, 10	CONFIDENTIAL	X	TYPE OF WORK: Evaluation Report
	OPEN FILE		

REPORT FILED UNDER: M. Sherman

DATE PERFORMED: Aug. 4-9, 1990 DATE FILED: Mar. 21, 1990

LOCATION: LAT.: 61°30'N AREA: Sheep Creek

LONG.: 132°48'W VALUE $: 3400.00

CLAIM NAME & NO.: PM 1-4 Y93766-69; MP 19-20, 33-34 YA36071-72, 85-86

WORK DONE BY: D.H. Waugh

WORK DONE FOR: M. Sherman

DATE TO GOOD STANDING:	

REMARKS: # 9 STORMY A brief property examination and retrieval drill core located on the property was done. Core was moved to the H.S. Bostock Core Library, was examined and sampled for gold potential. Garnet-diopside-pyrrhotite-scheelite skarn and diorite, both containing molybdenum were sampled, but gold values were low (up to 77 ppb Au).

A PRELIMINARY EVALUATION REPORT

on the

PM 1-4 & MP 19, 20, 33, 34
Quartz Claims
Stormy Mountain - Sheep Creek Area
N.T.S. 105 F-7 and 10
Watson Lake Mining District
Yukon Territory
Latitude: 61° 30′ N
Longitude: 132° 48′ W

For:

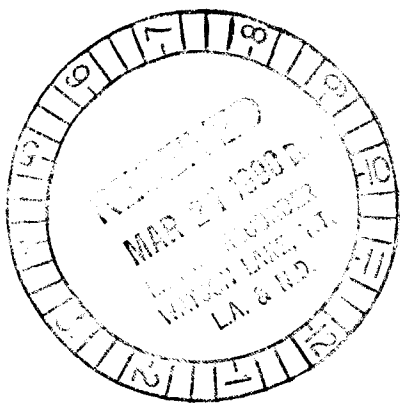
Marvin Sherman
Whitehorse, Yukon

By:

D. H. Waugh, Geologist

March 1990

092824



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 $ 3400.00 .

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

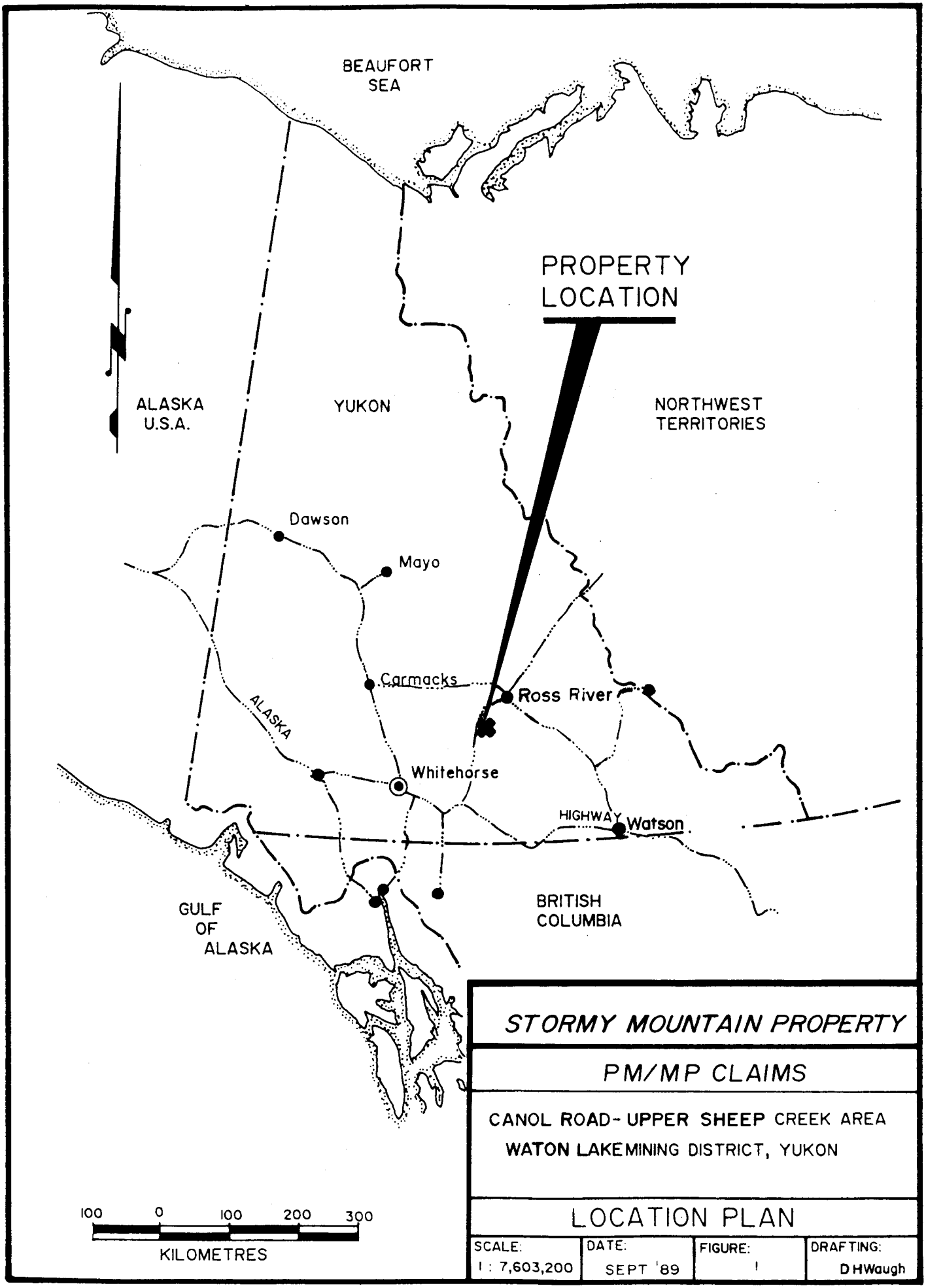
Table of Contents

Summary

The Stormy Mountain PM 1-4 and MP 19, 20, 33 and 34 claims are located in the south-central Yukon approximately 57 km south-southeast of Ross River. The property is owned by Marvin Sherman and comprises a contiguous block of eight claims located under the Yukon Quartz Mining Act in the Watson Lake Mining District. The property is accessible by 4 x 4 standard road from the South Canol HIghway.

On instruction from Mr. Sherman the author conducted a library research of assessment reports followed by a trip to the property to examine the drill core stored on the property and the property workings. Section of core considered to have possible gold values of interest were trucked to the Bostock Core Library, split, sampled and assayed for gold at Northern Analytical Laboratories in Whitehorse. Gold values were disappointingly low on all core sections.

The core storage shed built in 1959 is still in reasonably good shape but the old camp is generally in poor condition. The portal entrance is partially blocked by rock debris preventing easy access to the underground workings. The author made no attempt to enter the underground workings. Claim posts were located and local geology examined during the four day visit.



STORMY MOUNTAIN PROPERTY

PM/MP CLAIMS

CANOL ROAD- UPPER SHEEP CREEK AREA
WATON LAKE MINING DISTRICT, YUKON

LOCATION PLAN

SCALE:	DATE:	FIGURE:	DRAFTING:
1 : 7,603,200	SEPT '89	1	D H Waugh

Introduction

This report is written as a follow-up to a property examination and core recovery evaluation of the PM/MP claims on ~~Rusty~~ Stormy Mountain and as a representation work requirement. The research, fieldwork, sampling and analytical work was conducted during the periods of August 3rd through September 25th, 1989. The field work, travel and core retrieval occurred August 4th through August 8th, 1989. The property evaluation included an examination of all core stored on the property from the 1980 E & B Exploration Inc. drill program totalling eight holes and 690 metres of NG size core by Caron Diamond Drilling during the period of August 24th to September 11th, 1980. Some drill core from the 1959 and 1960 Canol Metal mines exploration work is at the old campsite, but in poor condition. Some core is also reportedly in the south drift 125 feet in from the portal.

The purpose of the core evaluation was to determine if precious metal values accompanied the molybdenum - tungsten - pyrrhotite skarn mineralization of the Stormy Mountain deposit.

Property and Ownership

The property consists of 8 contiguous quartz claims held by location. The claims are situated near the apex of Stormy Mountain on the southeasterly facing slope at about the average 1950 metre or 6400 foot elevation.

The claims are located on claims sheets 105 F-7 and 105 F-10 and are as follows:

Claim Number	Record Number	Expiry Date
PM 1-4	Y93766 - Y93769	22 March, 1994
MP 19, 20	YA36071, YA36072	22 March, 1994
MP 33, 34	YA36085, YA36086	22 March, 1994

The claims are currently in good standing, subject to acceptance of this report, and are owned by Marvin Sherman, Whitehorse, Yukon.

Location and Access

The molybdenum-tungsten skarn deposit known as the Stormy Mountain Property is located 12 miles east of mile 98 or kilometre 158, South Canol Road and 36 miles, or 57 kilometres, south-easterly from Ross River, Yukon near the headwaters of Upper Sheep Creek (61°29′ 30" N and 132° 48′ W) on the Sleep Creek map sheet 105 F-7. The deposit is exposed on surface at 6,200 A.S.L. and in an adit at that elevation on the southerly slope of a 2,000 km ridge. The property is accessible from Mile 837 Alaska Highway at Johnston's Crossing (80 miles southeast of Whitehorse, Mile 0 on the Canol Road). A 14 mile tote trail suitable for four wheel drive vehicles provides access from the Canol Road at km 280 to the property. The PM/MP claims are located on the boundary of Map Sheets 105 F7 and 105 F10.

History

The original discovery was staked by Arnold Racicot, a prospector for ConWest Exploration Ltd. in 1955. The property was explored in 1958 by hand-trenching eleven trenches across the granodiorite-limestone contact by Racicot and disseminated molybdenum was encountered in the trenches. Four of the trenches gave assay results of 4.2% to 9.3% molybdenum.

Canol Metal Mines Limited of Toronto, Ontario was formed in September, 1958 to explore the prospect and spent two seasons (1959 and 1960) performing access road and camp construction, underground work and diamond drilling and a detailed geological survey. The work is described in "Report on Underground Exploration - Canol Metal Mines Limited - Stormy Group, Y.T." by W. E. Field, P. Eng., 1959. The work consisted of 1,050 feet of lateral drifting and cross-cutting, mostly below the flat-lying granodiorite-limestone contact and 3,460′ of diamond drilling (A T X Core) from the underground workings.

In 1977 Noranda Exploration Ltd. performed a geological reconnaissance and minor geochemical program on the prospect. In March of 1970 Rio Alto Exploration Ltd., of Calgary, Alberta, entered into a preliminary agreement with M. Sherman to option the property for 1979 exploration. Rio Alto staked 96 new claims surrounding the optioned group (PM 1-4).

Geology and Deposit

The geology of the district has been described by Wheeler, Green and Roddick of the Geological Survey of Canada and their map 7 - 1960 of the Quiet Lake map sheet. R. Skinner of the Department of Mines and Technical Surveys-Canada, reviewed the nature of the deposit in Paper 61-23, Mineral Industry of Yukon Territory and Southwestern District of MacKenzie - 1960. A. J. Schmidt reported an unpublished thesis for a Bachelor of Applied Science degree at the University of British Columbia in April, 1961, after employment with Canol Metal Mines Ltd. at Stormy Mountain in 1960. His thesis is entitled "The Stormy Mountain Molybdenum Prospect of Canol Metal Mines Ltd., Yukon Territory".

The deposit itself is described by Skinner as a molybdenite showing at the north contact between a large granodiorite stock and the Middle and Upper Cambrian limestone and phyllite. The contact is conformable with the bedding of the overlaying limestone and phyllite. A skarn zone is present in the limestone near the contact with the granodiorite. The zone is about 20 feet thick where the bedding is flat-lying from 75 to 250 feet northeast of the adit portal and dips approximately 40° to the southwest of the adit. The molybdenum sulphide grade varied from 0.68% along 22 feet of skarn in the contact to 8.4% in over 12 feet in the granodiorite adjacent to the skarn contact. The adit was driven under the flat-lying skarn zone encountered in original surface trenching and only cut the molybdenum mineralization in a high grade pipe-like body from 95 to 120 feet inside the access adit and its grade is estimated to be 2.27% MoS_2 from 110 tons of muck samples.

Tungsten in the form of scheelite and powellite is present in both the skarn and in the granodiorite near the contact and is of higher grade in the skarn zone as reported by Field and Schmidt. Numerous small faults have slightly displaced the mineral deposit, and the diamond drilling did not preclude the possibility of extension zones to the known deposit bodies, faulted off bodies further in to the Stormy Mountain than penetrated by the adit or drilling therefrom, or the presence of other bodies indicated by the 1967 - 1968 prospecting and trenching of Jason Explorers Ltd.

TABLE I

DIAMOND DRILL CORE

Sample Descriptions

M. Sherman - PM/MP Claims - N.T.S. 105 F-7/10

Hole No.	Interval (m)	Width (m)	Sample No.	Description	Au ppb Assay
80 - 1	17.7 - 18.7	1.0	56253	Garnet-Diopside skarn, abundant pyrrhotite, scheelite mineralization and trace molybdenum	37
	29.8 - 30.6	0.8	56251	Skarn (altered metasediment) quartz veining pyrrhotite mineralization > 2%	34
	30.6 - 31.5	0.9	56252	Skarn with disseminated pyrrhotite (pyrite) mineralization + 2%, minor scheelite	
80 - 2	16.85 - 17.0	0.15	56252	Skarn, wollastonite?, abundant pyrrhotite	10
	61.3 - 61.5	0.2	56263	Metasediment (biotite schist), pyrrhotite + 5%	20
80 - 3	3.6 - 6.4	2.8	56265	Skarn, pyrrhotite abundant	40
	6.4 - 9.6	3.2	56266	Skarn, pyrrhotite abundant, fractured	21
	9.6 - 12.4	2.8	56267	Skarn, pyrrhotite abundant, fractured sparse molybdenum	48
	12.4 - 16.5	2.1	56268	Skarn grading to diorite, abundant molybdenum mineralization	27
	16.5 - 18.0	1.5	56269	Breccia zone, altered, iron stained, diorite grading to granite	31
80 - 4	5.7 - 6.6	0.9	56270	Skarn, sparse molybdenum, fractured	23
	10.5 - 11.1	0.6	56272	Diorite, good molybdenum	<10
	12.3 - 13.5	1.2	56271	Granite, fractured, iron staining, molybdenum	25

80 - 5	6.6 - 8.6	2.0	56254	Skarn, pyrrhotite, minor molybdenum	27
	8.6 - 9.6	1.0	56255	Skarn, pyrrhotite, minor molybdenum	49
	9.6 - 11.1	1.5	56256	Skarn, pyrrhotite, minor molybdenum	19
	11.1 - 12.6	1.5	56257	Skarn, pyrrhotite, minor molybdenum grading to diorite	25
	12.6 - 13.8	1.2	56258	Diorite, course grained, molybdenum abundant, scheelite	77
	13.8 - 15.5	1.7	56259	Diorite, good molybdenum mineral,	51
	15.5 - 17.0	1.5	56260	With abundant pyrrhotite,	26
	17.0 - 17.5	0.5	56261	Pyrite and scheelite	27
	80.5 - 81.0	0.5	56264	Granite, trace molybdenum	21

Note: The above core is stored at the Bostock Core Library, DIAND, Whitehorse in rack #42.

Survey

The author examined property reports that are on open file at the DIAND Geology offices in Whitehorse. They included Canol Metal Mines 1959 report by W. E. Field, Rio Alto Exploration Ltd. 1979 report by P. S. White and E. & B. Explorations Inc. 1980 report by B. Taylor. This report refers extensively to the above for geological and mineralogical data.

The old workings in the vicinity of the 1959 adit and 1980 drill hole sites were examined by the author along with the drill core and the mine adit dumps. The core was in some disorder due to vandalism and animal activity and two days were spent reassembling the core boxes in order and relabelling and measuring core sections. The sections of unspilled core were examined and selected for analysis. Sections containing abundant pyrrhotite and molybdenite were considered the best target for gold mineralization. Previous assaying did not include gold. Core sections from five holes 80-1 through 80-5 totalling approximately 775 feet or 236 metres were trucked to the Bostock Core Library in Whitehorse, washed, logged, split and sampled.

The core samples were assayed by Northern Analytical Laboratories Ltd. of 105 Copper Road, Whitehorse. Twenty two core samples were analyzed by 30 gram Fire Assay/Atomic Absorption Spectroscopy (AAS) method for gold and two samples were sent to Cavendish Analytical Laboratory Ltd., Burnaby, British Columbia for bismuth and multi-element analysis. Assay results are on the following two pages. A base map, Figure 2, was prepared to locate prominent property features and drill hole locations and is located in the map pocket of this report.

Conclusions and Recommendations

No significant values of gold were found in either the pyrrhotite rich sections of the skarn or with molybdenum-tungsten mineralization in the twenty two samples assayed. The two samples analyzed for multi-element showed very low values for bismuth and most other elements. Based on the analysis it appears that there is no gold-pyrrhotite association and possibly no molybdenum-tungsten-bismuth-gold association either. The molybdenum-tungsten mineralization at present prices is still considered uneconomic due to size and tenor.

No further testing of core samples by assaying is recommended at this time. The molybdenum-tungsten deposit is however considered to have future economic potential if tonnage can be increased and metal prices improve.

STATEMENT OF QUALIFICATIONS

I, **DAVID H. WAUGH**, of 118 Alsek Road, Whitehorse in the Yukon Territory, do hereby state that:

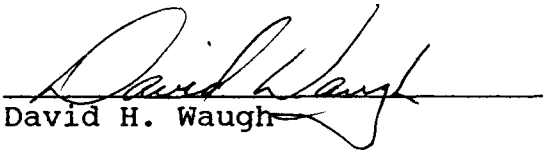
1. I have practised my profession as an exploration geologist for 26 years.

2. I was educated at Michigan Technological University, class of 1964, and majored in geological engineering.

3. I personally conducted the property evaluation work on the PM/MP quartz claim property during August 1989 which property is owned by Marvin Sherman of Whitehorse, Yukon.

4. The observations, conclusions and recommendations made in this report are those of my own unless otherwise disclosed.

DATED at Whitehorse, Yukon, this 15th day of March, 1989.



David H. Waugh

COST STATEMENT

Supplies: food, gas, maps, misc.	$ 232.50
Transportation: 4 x 4 truck rental, ATV	280.00
Assays: 22 gold, 2 multi-element	287.50
Geological Services: 7 days fees @ $300.00	2,100.00
Report: drafting, writing, photocopying	635.00
Sub Total:	**$3,535.50**
Filing and grouping fees:	175.00
Total:	**$3,710.00**

Northern Analytical Laboratories ltd.

August 29, 1989

D.H. Waugh Geological Services
Suite 22
4078 - 4 th Ave.
Whitehorse, Yukon
Y1A 4K8

ASSAY CERTIFICATE FOR SAMPLES PROVIDED

WORK ORDER # 29109

Sample	ppb Au
56251	18
56252	34
56253	37
56254	27
56255	49
56256	19
56257	25
56258	77
56259	51
56260	26
56261	27
56262	10
56263	20
56264	21
56265	40
56266	21
56267	48
56268	27
56269	31
56270	23
56271	25
56272	<10

Applied Science Technologists and Technicians of British Columbia
6992
GERALD F. HAYES
A.Sc.T.

105 Copper Road, Whitehorse, TY, Y1A 2Z7 Ph: (403) 668-4968 Fax: (403) 668-4890

CAVENDISH ANALYTICAL LABORATORY LTD.

2225 S. Springer Ave., Burnaby,
British Columbia, Can. V5B 3N1
Ph:(604)299-2560 Fax:299-6252

CERTIFICATE OF ANALYSIS

TO : NORTHERN ANALYTICAL LAB LTD
105 COPPER ROAD
WHITEHORSE, YT. Y1A 2Z7
PROJECT : 29109
TYPE OF ANALYSIS : ICP

CERTIFICATE # : 890821A2
INVOICE # : AUG 89
DATE ENTERED : 89/08/20
FILE NAME : ICP821A2
PAGE # : 1

PREFIX	SAMPLE NAME	PPM MO	PPM CU	PPM PB	PPM ZN	PPM AG	PPM NI	PPM CO	PPM MN	% FE	PPM AS	PPM U	PPM AU	PPM HG	PPM SR	PPM CD	PPM SB	PPM BI	PPM V	% CA	% P	PPM LA	PPM CR	% MG	PPM BA	% TI	PPM B	% AL	% NA	% SI	PPM W	PPM BE
	56251	2	78	28	36	0.1	26	13	471	2.36	55	NA	ND	ND	43	1	2	2	5	4.61	0.14	4	32	0.27	13	0.03	309	1.01	0.01	0.04	2	1
	56252	5	26	149	33	0.1	15	6	559	0.94	14	NA	ND	ND	73	1	2	2	11	5.22	0.17	9	33	0.24	16	0.04	76	1.35	0.01	0.05	48	2
	STD5	23	799	510	450	18.8	231	309	982	3.61	335	NA	57	626	810	174	916	431	123	0.41	2.58	1219	84	0.46	294	0.14	704	1.48	0.01	0.01	356	60

Bill for Bi only. OTHER ELEMENTS COMPLEMENTARY

CERTIFIED BY : C. Jones

Indian and Northern Affairs Canada | Affaires indiennes et du Nord Canada

September 8, 1989

Your file Votre référence

Our file Notre référence

To Whom it may concern:

RE: STORMY MOUNTAIN DIAMOND DRILL CORE

Diamond drill core from the PM and MP claims (NTS 115 F 7,10) drilled by Rio Alto in 1980, holes #80-1 to 80-5, NQ size totalling approximately 775 feet (236 metres) was delivered by D. Waugh to the H.S. Bostock Core Library in Whitehorse, Yukon in August 1989 and is now stored in rack #42. The property is now held by M. Sherman. Mr. M. Sherman and Mr. D. Waugh may view the core during regular business hours.

Bill LeBarge

Bill LeBarge
Staff Geologist
Geology Division
Northern Affairs Program
200 Range Road
Whitehorse, Yukon
Y1A 3V1
403 667-3134

Canada

0+675S 0+600S 0+525S 0+450S 0+375S 0+300S 0+225S 0+150S 0+075S 0+000 0+075N

0+100 W

1980 Base Line 0+000

0+100 E

0+200E

msed calmsed lms sk cgr arg

6300 6200 6100 6000 5900 5800 5700 5600 5500

DDH 80-1 DDH 80-2 DDH 80-3 DDH 80-4 DDH80-5 DDH 80-7 DDH 80-8

ADIT PORTAL

PM 1 PM 2 PM 3 PM 4

MP 33 MP 34

WASTE DUMP

Old Tram Line

1959 ore dump

MAIN ROAD

← 22 km to Canol Road

CORE SHACK 1959 CAMP

AREA OF MAP

2052m. elev.

NORTH

PM/MP CLAIMS
105F-7/10

SCALE : 1" = 1/2 mile

LEGEND

- DDH80-3 — DIAMOND DRILL HOLE LOCATION, number, direction
- GEOLOGICAL CONTACT, approximate, indicated
- CLAIM POST LOCATION
- ADIT PORTAL
- 1959 TRAMLINE REMAINS
- FAULT, assumed
- ACCESS ROAD, 4x4 use
- 6000 — CONTOUR INTERVAL 100'

msed (metasediment), calmsed (calcareous), lms (limestone), sk (skarn)
arg (argillite), cgr (coarse grained granite)

STORMY MOUNTAIN PROPERTY

105 E 7,10

PM/MP CLAIM GROUP 1989

1980 DIAMOND DRILL HOLE LOCATION PLAN

MAIN GEOLOGICAL AND PHYSICAL FEATURES ILLUS.

(MAP DATA REVISED FROM 1979-80 RIO ALTO EXPL. REPORT)

UPPER SLEEP CREEK—LOWER
SHEEP CREEK AREA

WATSON LAKE MINING DISTRICT, Y.T.

LATITUDE 61° 30' N, LONGITUDE 132° 48' W

SCALE:	DATE:	D.H. WAUGH GEOLOGICAL	FIGURE:
1:1000	JANUARY '90	SERVICES, WHITEHORSE	2

0 10 20 30 40 60 80 100 metres

092824