

MAP NO.: ASSESSMENT REPORT X
105 K 03 PROSPECTUS
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 093055
MINING DISTRICT: WHITEHORSE
TYPE OF WORK: PIT SAMPLING
GRID CUTTING

REPORT FILED UNDER: A. CARLOS

DATE PERFORMED: JULY 28 - AUG 21, 1992

DATE FILED: NOVEMBER 13, 1992

LOCATION: LAT.: 62°09'N

AREA: ROSS RIVER

LONG.: 133°09'W

VALUE \$: 10,000

CLAIM NAME & NO.: CANYON 302 (YA85407), CANYON 304 (YA85409), CANYON 305-311 (YA85410-416), CANYON 219 (YA81338), CANYON 221 (YA81340), CANYON 313 (YA85418), CANYON 315 (YA85420), CANYON 317 (YA85422), CANYON 319 (YA85424), CAN 102 (YB07981), CAN 104 (YB07983), CAN 106 (YB07985), CAN 108 (YB07987), CAN 110 (YB07989), CAN 145 (YB08022), CAN 147 (YB08024), CAN 149 (YB08025)

WORK DONE BY: A. CARLOS

WORK DONE FOR: A. CARLOS

DATE TO GOOD STANDING:

REMARKS: THIS WORK WAS PERFORMED AS A FOLLOW-UP ON A PREVIOUS AIRBORNE GEOPHYSICAL SURVEY. MOST OF THE WORK WAS DONE ON THE KM 410 ZONE.

ASSESSMENT REPORT
KM. 410
GREW CREEK PROPERTY

Whitehorse Mining District
N.T.S. 105 K-3
Latitude 62°09'
Longitude 133°09'



093055

by

ALLEN CARLOS

July 28 - Aug. 21, 1992

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 \$ 10,000.

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

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INTRODUCTION

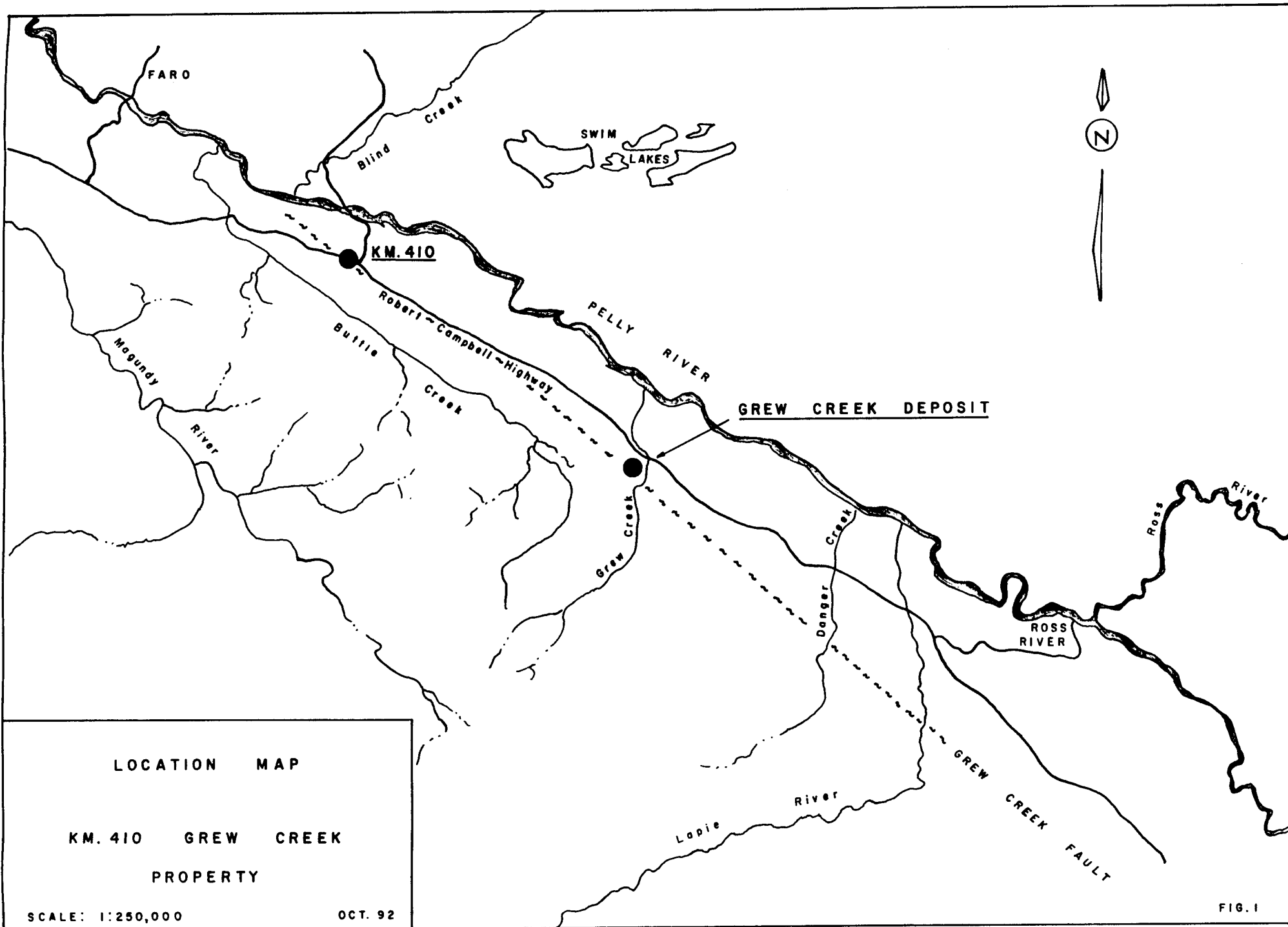
The Grew Creek Property at present comprises a 70 km long by 3 km wide claim block extending along the Tintina Trench from Faro to past Ross River. Interest was initially sparked in 1983 by the discovery in outcrop of volcanic hosted epithermal mineralization at Grew Creek. Subsequent exploration by several companies has resulted in the delineation of a modest Au-Ag deposit together with the establishment of numerous areas requiring further work. The following report details work performed in 1992 on one such target, the KM 410 ZONE occurring along the Tintina Trench 11 miles northwest of the main Grew Creek deposit.

PROPERTY, ACCESS & LOCATION (Fig. 1 & 2)

The general area of the KM 410 ZONE is covered by a large number of claims presently in good standing. At this time further assessment is to be applied to the following:

<u>Claim Name</u>	<u>Grant Numbers</u>	<u>No. of Claims</u>
Canyon 302	YA85407	1
Canyon 304	YA85409	1
Canyon 305-311	YA85410-YA85416	7
Canyon 219	YA81338	1
Canyon 221	YA81340	1
Canyon 313	YA85418	1
Canyon 315	YA85420	1
Canyon 317	YA85422	1
Canyon 319	YA85424	1
Can 102	YB07981	1
Can 104	YB07983	1
Can 106	YB07985	1
Can 108	YB07987	1
Can 110	YB07989	1
Can 145	YB08022	1
Can 147	YB08024	1
Can 149	YB08025	1

KM 410 of the Grew Creek Property is located along the Robert Campbell Highway 9 miles east of the Faro turn off.



LOCATION MAP

KM. 410 GREW CREEK
PROPERTY

SCALE: 1:250,000

OCT. 92

FIG. 1

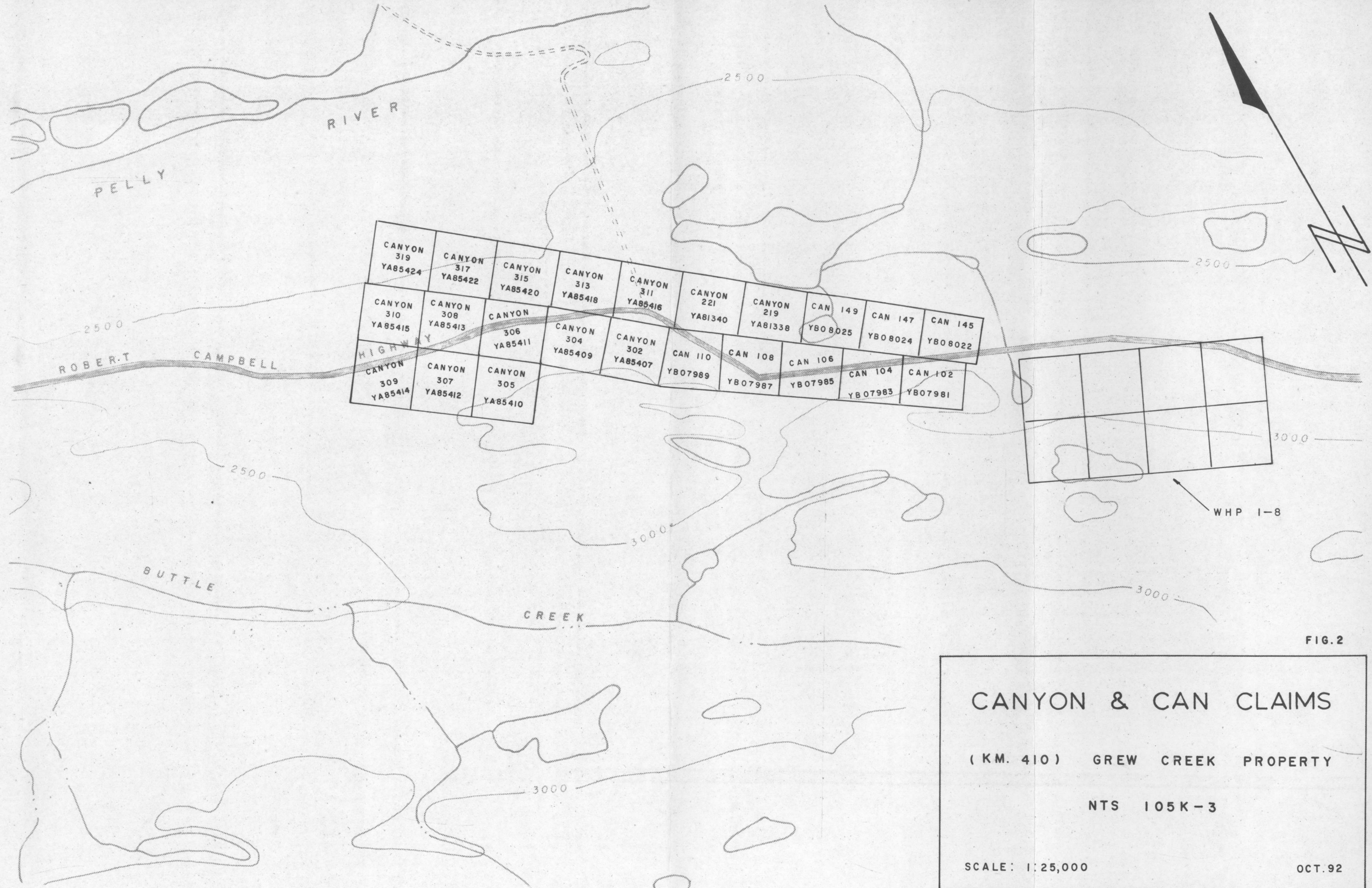


FIG. 2

CANYON & CAN CLAIMS
 (KM. 410) GREW CREEK PROPERTY
 NTS 105K-3
 SCALE: 1:25,000 OCT. 92

EXPLORATION HISTORY

The KM. 410 area was staked in early 1984 by Hudson Bay Exploration and Development (under an option agreement with A. Carlos) in recognition of the favourable geological and structural setting. Most of their work was concentrated at the original Grew Creek showing (Main Zone), but minor attention to KM. 410 resulted in an anomalous gold value (380 ppb) being obtained from gossanous "felsite" outcropping along the highway. Limited soil geochemistry established a coincident gold-mercury anomaly in the vicinity.

Hudson Bay dropped their option of the Grew Creek Property in early 1987.

Noranda in turn acquired the property in 1987 and formed a joint venture with the Prime Group. Other than conducting an airborne survey along the favourable trend, their attention was directed to the Main Zone, 11 miles to the southeast, where they drilled a total of 72,139 ft. to establish a geological reserve of 825,000 short tons grading .260 oz./ton Au and 0.98 oz./ton Ag.

Late in 1991 Prime Exp. carried out backhoe trenching in the KM. 410 area, primarily to meet certain assessment conditions required in the option agreement with A. Carlos. This work, in proximity to the iron - stained "felsite", exposed a 40 metre length of gossanous fine grained "volcanics" which are highly fractured with narrow, localized bleached and clay altered zones peripheral to fractures. Chip samples along the wall of the trench showed occasional elevated gold (75 ppb) values. This trench exposure has similar features to the surface alteration associated with the discovery of the Main Zone mineralization.

Drilling was recommended but not carried out, and the option was terminated in late 1991.

The airborne survey flown in 1988 resulted in the discovery of a 1.5 km. long combined E.M. and resistivity low anomaly centred to the west of the above trench and trending along the Grew Creek Fault. This anomaly, occurring as it does in a subdued and partly swamp covered area, led some experts to conclude that it was most likely caused by lake bottom sediments (varved clays).

Pit work in 1992 determined that intensely clay altered Eocene sediments were in fact the cause of the large airborne resistivity low.

GEOLOGY, STRUCTURAL SETTING AND MINERALIZATION

Geology and structure at KM. 410 is very similar to that occurring at the Main Zone of the Grew Creek Property, 11 miles to the southeast. The latter is well documented in Yukon Geology (volume 3) by Christie, Duke and Rushton.

Briefly, the Main Zone deposit is hosted by Eocene volcanic and sedimentary units deposited in a graben within the Tintina Fault Zone. The " Canyon Graben " is bounded between 2 major structures, the Grew Creek Fault to the south and the Danger Creek Fault on the north. These important faults and related graben trend northwesterly into the KM. 410 area. The deposit lies on the northern side of the Grew Creek Fault at a point where it intersects a north - south extensional fault. A west - northwest striking fault (E-W Fault) subdivides the Eocene rocks into a northern sequence of essentially fluvial sediments intercalated with basaltic pyroclastics, and a southern sequence of rhyolitic volcanics. The epithermal hot spring type mineralization strikes parallel and near to the E-W Fault, hosted within rhyolitic tuffs.

Hydrothermal alteration of the surface rhyolitic rocks is pervasive and consists of intermediate to intense argillic. The sedimentary units are little altered apart from a few metres immediately adjacent the E-W Fault. Reasons given are that a partly welded tuff unit confined hydrothermal fluids within the rhyolitic tuffs.

The KM. 410 ZONE area of interest occurs on the western flank of an Early Tertiary felsic intrusion and adjacent the Grew Creek Fault near the intersection with a north trending extensional fault (Aerodat). Also present is an east - west fault determined by Hudson Bay in their previous work.

The intense clay alteration of Eocene sediments in proximity to similarly altered and iron stained volcanics at the KM 410 ZONE is very significant because it represents evidence that a second hydrothermal system was at one time active within the Canyon Graben structure. Although the altered zones do not carry economic gold values, similar acid sulphate leaching with low to non existent gold values occurs near the Main Zone deposit at Grew Creek.

1992 PROGRAM(Fig. 3)

A 10.3 km power saw cut grid to assist future ground geophysics was established, its location guided primarily by structure and airborne geophysical data. Cross lines were positioned at 100 m intervals and picketed at 25 m.

Four of five hand dug pits were successful in explaining the airborne resistivity low as shown in Fig. 3.

PIT MATERIAL AND ASSAYS

Pit #1

- 5' x 5' x 5' deep.

Pit composition is of an intensely clay altered clastic fluvial sediment sequence. Present are alternating horizontal bands rich in hematite.

Sample #92-R-26 Au= 5 ppb. Hg= 462 ppb. Ba= 413 ppm.

Pit #2

- 5' x 5' x 4' deep.

Pit composition is of a grey glacial till. One hundred pounds of material was concentrated by panning into a 12.44 gram sample. Though no gold was observed in the panned material, many small fragments of a green (altered) volcanic were evident.

Sample #92-C-18 Au= 9320 ppb.

Pit #3

- 6' x 6' x 6' deep.

Pit composition is of a clay altered clastic fluvial sediment sequence. A quartz pebble rich horizon with occasional green clay patches dips southerly (Plate 1). In this section the quartz fragments are enclosed within a white powder (clay?). Carbon is abundant along the outer margin of this horizon and generally disseminated throughout, as is sericite. The greater portion of the pit consists of a dark clay with one instance of a large rusty weathering porphyry clast (Plate 11). Also obtained from within the dark clay was a specimen of carbonized plant material.

Sample #92-R-27-A Qtz. pebble horizon.

Au= 14 ppb. Hg= 31 ppb. Ba= 179 ppm.

Sample #92-R-27-B Qtz. pebble horizon.

Au= 10 ppb. Hg= 49 ppb. Ba= 214 ppm.

Pit #4

- 5' x 11' x 5' deep.

The south section of the pit consists of a dark clay as described. The north portion is a silica cemented quartz pebble conglomerate. Quartz pebbles are glassy and angular to partly rounded. Carbon occurs along fragment boundaries together with the occasional patch of green clay material, most likely derived from altered feldspar clasts.

Sample #92-R-28-A Siliceous section.

Au= 12 ppb. Hg= 21 ppb. Ba= 178 ppm.

Sample #92-R-28-B Clay section.

Au= 6 ppb. Hg= 52 ppb. Ba= 384 ppm.

Pit #5

- 5' x 7' x 5' deep.

Pit composition is of an intensely clay altered clastic fluvial sediment sequence. Present are alternating horizontal bands rich in hematite.

Sample #92-R-29 Au= 5 ppb. Hg= 233 ppb. Ba= 512 ppm.

Note:

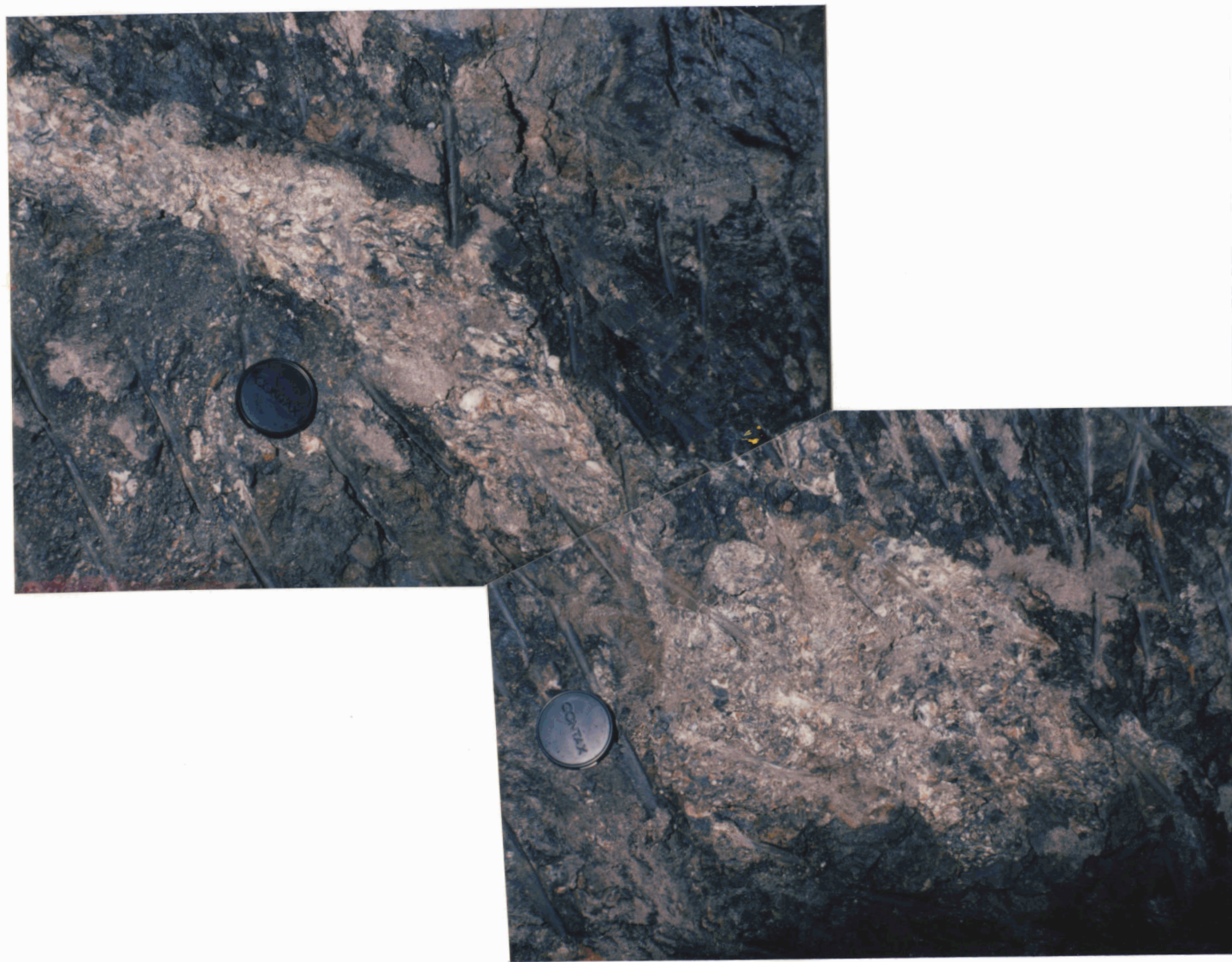
Of the above 4 pits in bedrock, the iron rich ones (1 & 5) carry significantly more mercury than the others and somewhat elevated values for barium.

CONCLUSIONS AND RECOMMENDATIONS

From the viewpoint of structure, geology and alteration, the KM 410 area is similar to that of a known gold deposit 11 miles away. Two gold rich till concentrate samples derived slightly down ice of the KM 410 ZONE further enhance the attractiveness of this target.

It is suggested that an IP survey be performed prior to any drilling.

PLATE # 1



PIT # 3

QUARTZ PEBBLE RICH FLUVIAL SEDIMENT

(DIP TO SOUTH)

PLATE # 2



PIT # 3

RUSTY PORPHYRY CLAST (14") WITHIN A

CLAY ALTERED FLUVIAL SEDIMENT.

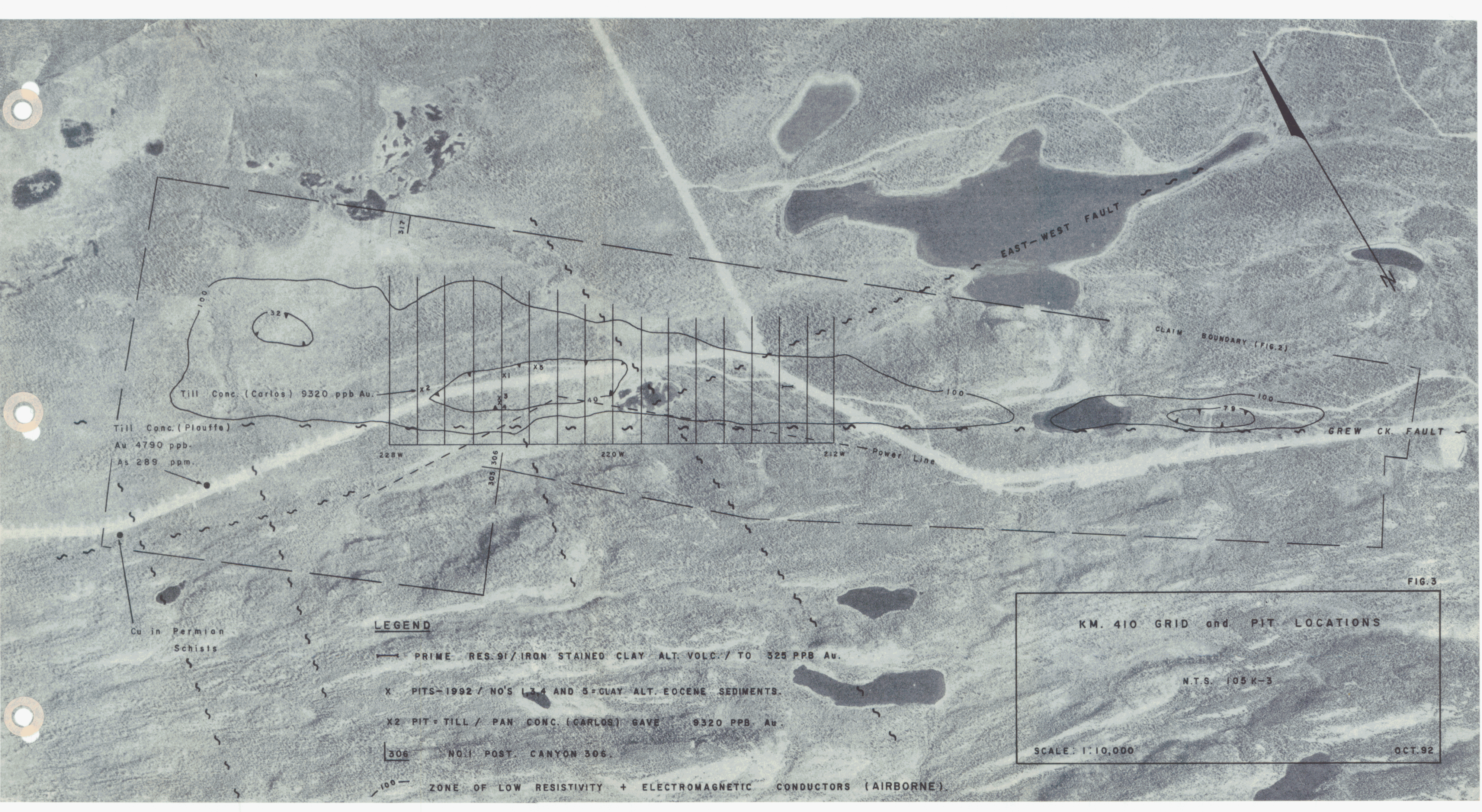


FIG.3

KM. 410 GRID and PIT LOCATIONS

N.T.S. 105 K-3

SCALE: 1:10,000

OCT.92

LEGEND

- PRIME RES. 91 / IRON STAINED CLAY ALT. VOLC. / TO 325 PPB Au.
- X PITS-1992 / NO'S 1,3,4 AND 5 = CLAY ALT. EOCENE SEDIMENTS.
- X2 PIT = TILL / PAN CONC. (CARLOS) GAVE 9320 PPB Au.
- 306 NO.1 POST. CANYON 306.
- 100 ZONE OF LOW RESISTIVITY + ELECTROMAGNETIC CONDUCTORS (AIRBORNE).

Till Conc. (Carlos) 9320 ppb Au.

Till Conc. (Plouffe)
 Au 4790 ppb.
 As 289 ppm.

Cu in Permian Schists

APPENDIX I

ANALYTICAL CERTIFICATES

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



Certificate of Analysis

A DIVISION OF INCHCAPE INSPECTION & TESTING SERVICES

REPORT: V92-01071,1 (COMPLETE)

DATE PRINTED: 10-SEP-92

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	wt/Au GM	Au mg mg
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C2 92-C-18		12.44	0.116
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$$\frac{.116}{12440} \times 1,000,000 = 9.32 \text{ ppm.}$$

Bondar-Clegg & Company Ltd.
130 Pemberton Avenue
North Vancouver, B.C.
V7P 2R5
Tel: (604) 985-0681
Fax: (604) 985-1071



Geochemical Lab Report

DATE PRINTED: 11-SEP-92

REPORT: V92-01071.0 (COMPLETE)

PROJECT: NONE GIVEN

PAGE 3A

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Au PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Ni PPM	Co PPM	Cd PPM	Bi PPM
92-R-26			<5	<0.2	11	11	41	2	9	6	<1.0	<5
Duplicate				<0.2	11	10	39	2	9	7	<1.0	6

Bondar-Clegg & Company Ltd.
130 Pemberton Avenue
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Geochemical Lab Report

DATE PRINTED: 11-SEP-92

PROJECT: NONE GIVEN

PAGE 3C

REPORT: V92-01071.0 (COMPLETE)

SAMPLE NUMBER	ELEMENT UNITS	La PPM	Al PCT	Mg PCT	Ca PCT	Na PCT	K PCT	Sr PPM	Y PPM
92-R-26		9	1.10	0.47	2.32	0.03	0.36	146	9
Duplicate		10	1.13	0.48	2.38	0.03	0.36	149	10

APPENDIX II

REFERENCES

- Tempelman-Kluit, D., 1972: Bulletin 208.
- Gordey, S.P., Irwin, S.E.B., 1987: Geology, Sheldon Lake and Tay River map areas, Yukon Terr.
- Stroshein, R., 1986: Report of the 1986 exploration program on the Canyon project.
- Haynes, L.R., 1991: Assessment report on the GREW CREEK PROPERTY, Ross River area, Yukon.
- Dvorak, Z., 1988: Report on combined airborne Magnetic, Electromagnetic, and V.L.F. survey, Pelly River area, Yukon.
- Plouffe, A., 1989: Drift prospecting and till geochemistry in Tintina Trench, southeastern Yukon.

APPENDIX III

Summary of Expenditures / Work Performed

(a) <u>Line Cutting</u>	
10.3 km. @ \$600.00 per	\$6180.00
(b) <u>Trenching</u>	
Pit #1 - drilling & explosives - 5' x 5' x 5' = 4.63 cu. yds. @ \$30.00 per	\$ 138.90
Pit #2 - till by hand - 5' x 5' x 4' = 3.7 cu. yds. @ \$6.00 per	\$ 22.20
Pit #3 - drilling & explosives - 6' x 6' x 6' = 8.0 cu. yds. @ \$30.00 per	\$ 240.00
Pit #4 - drilling & explosives - 5' x 5' x 11' = 10.19 cu. yds. @ \$30.00 per	\$ 305.00
Pit #5 - drilling & explosives - 5' x 5' x 7' = 6.48 cu. yds. @ \$30.00 per	\$ 194.40
(c) <u>Analysis</u>	
Pit samples	\$ 156.87
(d) <u>Food</u>	
\$25.00 per man (2) for 25 days	\$1250.00
(e) <u>Transportation</u>	
Truck rental - \$50.00/day for 25 days	\$1250.00
Fuel	\$ 195.34
(f) <u>General Costs</u>	
Supplies - dynamite	\$ 275.00
Report & drafting	<u>\$ 250.00</u>
Total work performed on KM. 410 claims	\$10,457.71