

**MOUNTAIN HIGHGRADE MINES LTD.**

**GEOPHYSICAL SURVEYS, TRENCHING  
AND UNDERGROUND REHABILITATION PROGRAM  
ON THE DALE PROPERTY, RANCHERIA AREA  
SOUTHERN YUKON TERRITORY**

**093277**

M.A. Power M.Sc. P.Geo.



**QUARTZ CLAIMS**

DALE 1-4  
DALE 5-6  
DALE 7-8  
DALE 9-40

YB46377 - YB46380  
YB47316 - YB47317  
YB56537 - YB56538  
YB57055 - YB57086

YMIP No.: 94-013

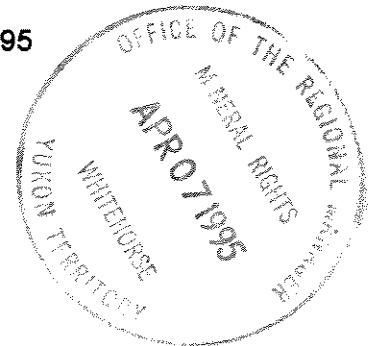
Work performed: February 28, 1994 - February 28, 1995

Mining District: Watson Lake

NTS: 105 B 1

Location: 60° 14' N 134° 39' W

March 25, 1995



## SUMMARY

A program of total magnetic field and VLF-EM surveys, excavator trenching and underground rehabilitation was conducted on the Dale Property in the Rancheria District from February 28, 1994 to February 26, 1995. The VLF survey successfully located a major fault controlling mineralization on the property. The magnetic field survey located zones of magnetite destruction and mapped diabase dykes in the hanging wall of the vein-fault. Two trenches were excavated in the fall of 1994, only one of reached bedrock. A trench in the glory hole was flooded out by ground water. The collapsed portal of an adit east of the showing was excavated and reconstructed and a topographic survey of all mine workings, drill holes and conductors axes conducted to assist in planning further underground exploration. Mineralization on the property consists of argentiferous galena, sphalerite and minor chalcopyrite in pods within a large east-trending regional fault. Best assays returned from grab samples were 102 OPT Ag and 0.129 OPT Au.

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## 1.0 INTRODUCTION

This report describes a program of geophysical and topographic surveys, trenching, and underground rehabilitation on the Dale Property, Rancheria area, southern Yukon Territory between February 28, 1994 and February 28, 1995.

## 2.0 PROPERTY

The Dale Property consists of the following Quartz Claims staked under the Yukon Quartz Mining Act and recorded in the Watson Lake Mining District:

<u>Claims</u>	<u>Grant Number</u>	<u>Expiry Date<sup>1</sup></u>		
DALE 1-4	YB46377 - YB46380	January 13, 1999		FROSTBITE 1-4
DALE 5-6	YB47316 - YB47317	March 2, 1999	✓	5-6
DALE 7-8	YB56537 - YB56538	October 31, 2000	✓	7-8
DALE 9-40	YB57055 - YB57086	February 10, 1996	✓	9-40

The Quartz Claims are owned by the following parties:

<u>Name / address</u>	<u>Percentage ownership</u>
Mike Power Site 6 Comp 11 Whitehorse, Y.T. Y1A 5V8	50%
Gary Lee Box 5348 Whitehorse, Y.T. Y1A 5L5	50%

<sup>1</sup>Expiry dates based on acceptance of the work described herein for assessment credit.

### 3.0 LOCATION AND ACCESS

The Dale Property is located at 60° 01' N 130° 28'W southeast of Rancheria, Y.T. in the Watson Lake Mining District, Yukon Territory (Figure 1). The property is approximately 350 km from Whitehorse by road. The route to the property is as follows:

<u>Section</u>	<u>Distance (km)</u>
Alaska Highway to Rancheria	330
Rancheria to Freer Creek microwave tower road	10
Alaska Highway to Freer Creek tower	5
Freer Creek tower to Dale Property	5

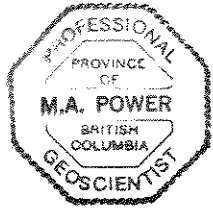
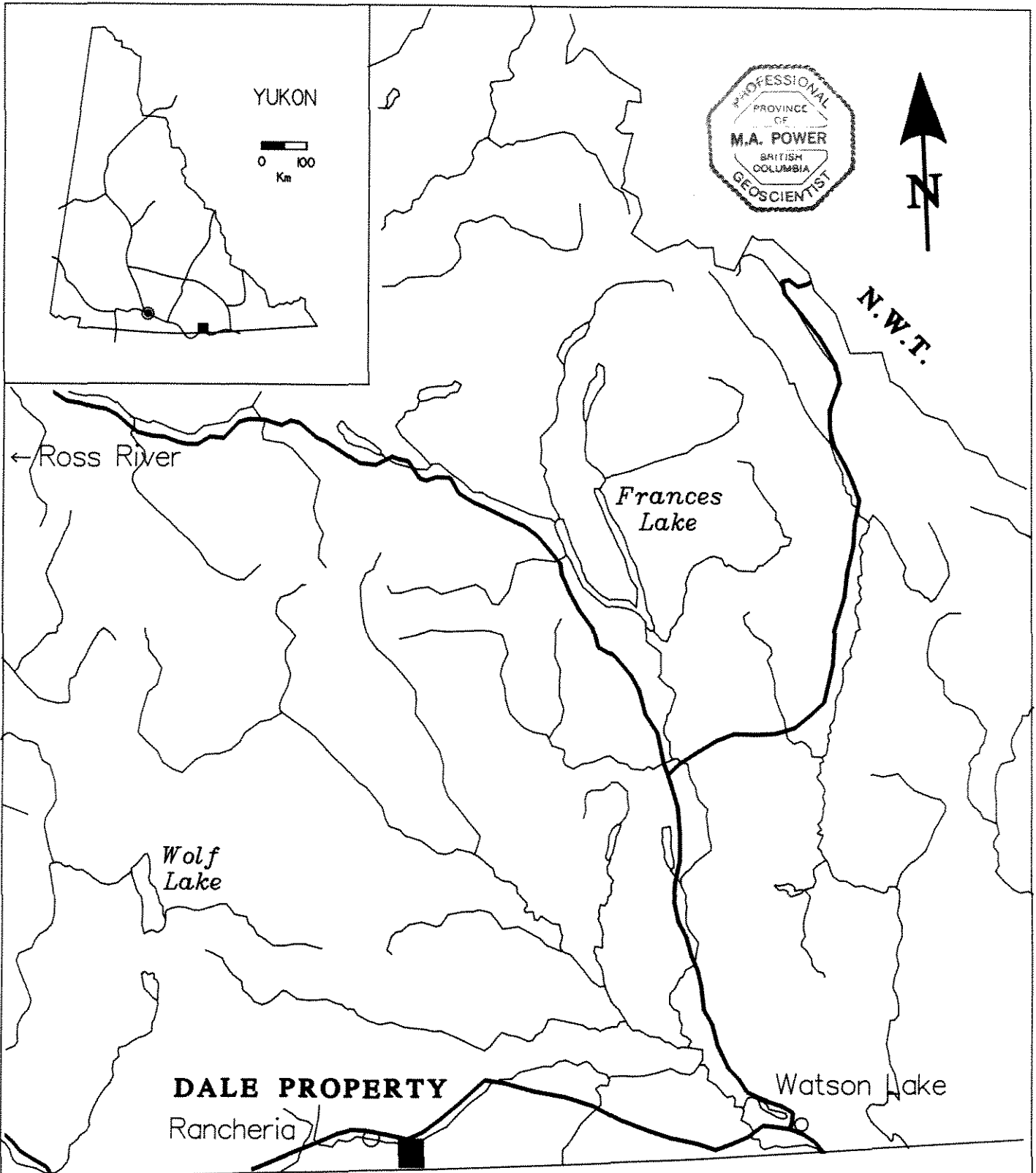
The Freer Creek tower road is a two wheel drive road, intermittently ploughed during the winter. A 4x4 access road in good condition runs from the Freer Creek tower road to the property. The turnoff for the road is approximately 300 m west of the Freer Creek microwave tower.

### 4.0 TOPOGRAPHY AND CLIMATE

The Dale Property is in the Cassiar Mountains of the southern Yukon Territory. It lies at elevations of between 4,000 and 5,800 feet above sea level. The terrain can be described as a dissected plateau with peaks to 7,000 feet rising from a plateau lying at an average elevation of 5,000 feet. Creeks and glaciation have incised steep walled valleys at lower elevations. West and south facing slopes are noticeably steeper than north and east facing slopes on the property. The local climate is northern continental with cool short summers and long cold winters. High winds are frequently encountered at high elevations. Water in quantities suitable for drilling is available in the creek valleys during the summer months. Timber suitable for underground support is difficult to find in the area although some timber of this size and quality can be found near the Freer Creek road.

### 5.0 REGIONAL GEOLOGY

The geology of the Rancheria area district is well documented by Lowey and Lowey (1987). The property is located in the mid-Cretaceous Cassiar Batholith, a 20 km wide belt extending 400 km from northern British Columbia into the southeast Yukon Territory. Rocks mapped in the batholith include granite (**Kgt**) and orthogneiss (**Kog**).



YUKON



N.W.T.

← Ross River

Frances Lake

Wolf Lake

**DALE PROPERTY**

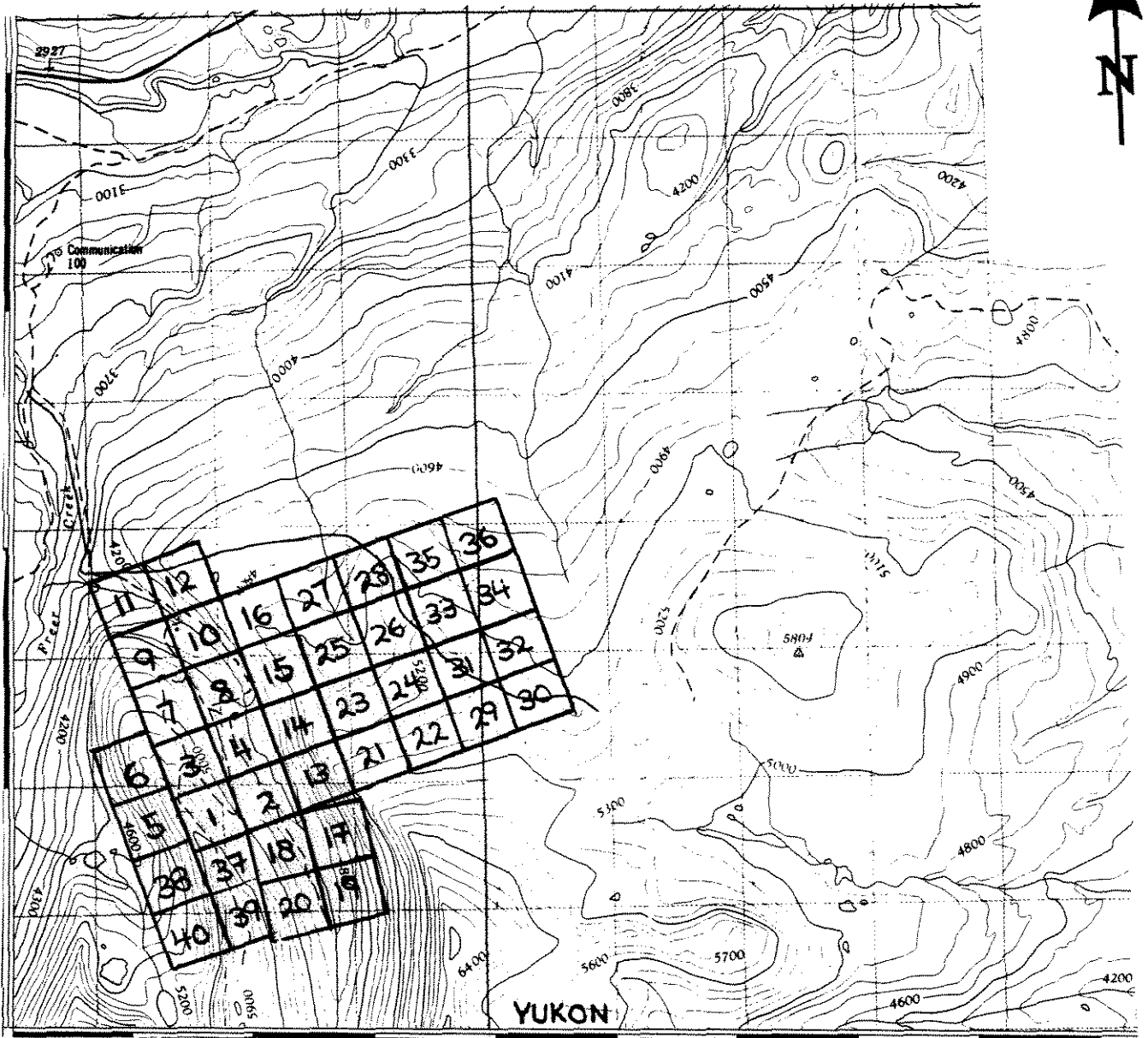
Rancheria

Watson Lake

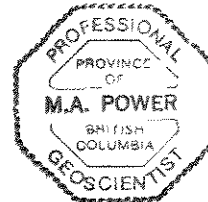
**British Columbia**



DALE PROPERTY		Claims: Frostbite I-40	
Location and access		Mining District: Watson Lake, Y.T.	
		NTS: 105 B I	Scale: 2:170,000(A)
Mountain Highgrade Mines Ltd.		Drawn by: M.A.P.	
		DATE: 05MAR95	Figure: 1



**British Columbia**



**40 Quartz Claim**



DALE PROPERTY	Claims: Frostbite I-40	
CLAIM LOCATIONS	Mining District: Watson Lake, Y.T.	
	NTS: 105 B 1	Scale: 1:50,000
Drawn by: M.A.P.		
Mountain Highgrade Mines Ltd.	DATE: 05MAR95	Figure: 2

These are intruded by Eocene diabase dykes generally less than 1 m wide, notably present in a major fault (Dale Fault) cutting the Cassiar Batholith.

The overall regional structure is dominated by the Kechika and Cassiar Faults lying southwest and northeast respectively of the Dale Property. These are large, northwest trending, steeply dipping dextral strike slip faults. Up to 170 km of Late Cretaceous to Oligocene displacement is inferred along the Kechika Fault (Gabrielse 1985) while no estimates of displacement have been made for the Cassiar Fault. Steeply dipping, apparent normal faults, some extending for several tens of kilometres have been identified between the Cassiar and Kechika Faults.

## 6.0 PREVIOUS EXPLORATION

Mining exploration in the Rancheria area commenced in earnest with the opening of the Alaska Highway and regional mapping by the Geological Survey of Canada in 1942. Exploration of the Dale Property is documented in the Yukon Minfile (Occurrence # 7 - 105B1). It was originally staked as the Tiger and Lion Claims in 1952 and hand trenched during 1953-55. The property lapsed and was restaked as the Dale Claims by Dale Mountain Mines Ltd. in 1956 which performed trenching and EM surveys followed by driving a 180 m adit in 1958 from which 69 m of underground diamond drilling was conducted. In 1967, the property was restaked by Paul Poggenburg as the L Claims. He trenched the property in 1968 and R. Kirkman shipped 8.7 tons of hand-cobbed ore in the same year to the American Smelting and Refining Co. in East Helena (Fowers 1971). The property was optioned to Ida Ore Mines Ltd. in 1970 which shipped 21.3 tons of hand-cobbed ore to the East Helena smelter the same year. It was then transferred to Mineral Hill Mines Ltd. and Mark IV Mines Ltd. which performed trenching, geological mapping and soil sampling in 1971 and 1973 and trenched in 1976 and 1980. The property was acquired by Grant Stewart (Loann Silver Mines Ltd.) in 1981 who conducted a VLF and mag survey and drilled 6 holes. The property was then rolled into Butler Mountain Mines Ltd. together with the nearby Lord Property (Minfile Occurrence # 1 - 105B1) who performed EM and geochemical surveys and geological mapping. The property lapsed and was restaked in January 1994 by G. Lee and M. Power.

## 7.0 PROPERTY GEOLOGY

The Dale Property is underlain by intrusive rocks of the Cassiar Batholith and is cut by Eocene dykes and a regional fault. Property geology is shown in Figure 3 (in pocket). The property is underlain by granite (**Kgt**) which is white to light grey, equigranular and locally porphyritic with phenocrysts of pink feldspar up to 2 cm long. It is locally sheared and chloritized. The granite is in turn cut by Eocene(?) mafic dykes and

quartz veins, mostly within the aforementioned regional fault. The dykes are black to dark grey with an aphanitic ground mass and biotite phenocrysts and are up to 1 m wide. An east-northeast trending, steeply-dipping fault (Dale Fault - informal) cuts the granitic rocks and controls the known mineralization on the property. In the vicinity of the main showing, the fault is oriented 70° 70° N and up to 20 m wide with strong footwall alteration. The fault zone is composed of clay gouge and silicified fault breccia within which quartz veins have developed in dilutant zones. Steeply dipping north trending small scale faults with restricted (<50 cm) alteration were observed underground.

The main showing is in the Dale Fault at the crest of the ridge between Dale and Freer Creeks. The earliest reliable description described it as a 10 to 12 m long and 50 cm wide vein of galena and sphalerite with quartz and hematite gouge (Laanela 1973). The 1968 shipment of 8.2 tons averaged 103 OPT Ag and 56% Pb and the 1970 shipment of 21.3 tons averaged 62.4 OPT Ag, 0.07 OPT Au and 49% Pb (Minfile). A series of grab samples were collected from waste piles north and east of the main showing in February 1995 by the author; descriptions and results are summarized in Table I. Sample locations are referenced to the geophysical survey grid. The assay results indicate that the highest grades are returned from massive, generally coarse crystalline galena with curved crystal faces or from massive, possibly sheared, fine crystalline galena.

**TABLE I. SAMPLE DESCRIPTIONS AND ASSAY RESULTS**

Sample Number	Line	Station	Description	Silver (OPT)	Gold (OPT)
Frost #1	5000E	5000N	Coarse galena (50%) and quartz	33.07	n/a
95FR-49905017	4990E	5017N	Kaolinite, quartz, sphalerite, no visible galena	0.43	0.002
95FR-49055002	4905E	5002N	Fine xl, sheared (?) galena (80%) and quartz.	78.02	0.011
95FR-50005005	5000E	5005N	Sphalerite, black mxl.	2.20	0.020

95FR-50724986	5072E	4986	Sphalerite, coarse (to 6mm) blackjack and honey w/quartz, kaolinite.	4.21	0.019
95FR-50014986	5001E	4986N	Weathered galena, coarse xl to 4mm (20%), chalcopryite and quartz.	86.05	0.129
95FR-50684986	5068E	4986N	Coarse xl galena (90%) to 6mm w/curved xl faces. Some chalcopryite.	102.5	0.037
95FR-50654986	5065E	4986N	Weathered galena (30%, fine xl <1mm), limonite, quartz.	40.61	0.104
95FR-50634989	5063E	4989N	Very fine xl galena (sheared?), massive	32.58	0.054
95FR-50604988	5060E	4988N	Blackjack & honey sphalerite.	11.49	0.028
95FR-50205005	5020E	5005N	Quartz vein w/30% cxl galena (to 4mm) w/curved faces.	11.27	0.020
95FR-50005010	5000E	5010N	White quartz (20%), kaolinite (40%), weathered galena to 2mm (10-20%). Black anhedral material coating.	1.91	0.004

## 8.0 GEOPHYSICAL SURVEYS

Total magnetic field and VLF-EM surveys were conducted over a grid centred on the showing. The grid baseline is oriented at 70° and the origin is at 5000N, 5000E (Figure3). Lines were picketed at 20 m intervals with half length wooden pickets and

scribed metal tags.

The VLF-EM survey was conducted with a Geonics EM-16 using the Cutler, Maine transmitter. The local station azimuth is 90° and thus it is well coupled with the Dale Fault (azimuth 70°). Readings were taken facing grid south and consequently a normal cross-over is a negative to positive in-phase response with or without following quadrature response when moving south to north along the survey lines. The survey results are plotted in stacked profile format in Figure 4 (in pocket). The Dale Fault is clearly evident in the VLF responses as a strong in-phase cross-over. The conductor axis, underlying the point of maximum inflection, is indicated by a thick dashed line in Figure 4.

The total magnetic field survey was conducted with a synchronized pair of Omni IV proton precession magnetometers using a base station at approximately 5000N, 5000E and a base station cycling interval of 20 s. Measurements were taken at 5 m intervals along the survey lines. Figure 5 (in pocket) is a contour map of the total magnetic field readings with data contoured at a 20 nT interval. Mafic dykes in the footwall and hanging wall of the Dale Fault produce strong positive magnetic responses (Trends **A** and **B** - Figure 5). The fault zone itself is a broad relative magnetic low, perhaps caused by magnetite destruction during wall rock alteration.

## 9.0 TOPOGRAPHIC SURVEY

In order to determine the precise location of the underground workings with respect to the known mineralization and to the Dale Fault, a topographic survey of the property was conducted with a Nikon TD-1 total station survey instrument by Gary Lee, P.Eng. Survey monuments consisted of 50 cm long sections of sharpened rebar driven into the ground and capped with drilled and painted wooden posts to which identification tags were nailed. Underground survey markers consisted of nails driven into the back of the drift. The plan location of the survey monuments is shown in Figure 6 (in pocket). Rebar monuments and nails in the back of the drift are prefixed by **IB** and **BN** respectively.

Elevations shown are best estimates of true elevation above mean sea level. No NTS elevation control points were near the survey area and consequently a road junction near grid coordinate 5160E 4960N at an elevation of 4100 feet on NTS map 105 B 1 was used as the elevation datum. Coordinates shown in the survey plan are in XYZ format, in metres and referenced to the grid origin at 5000E 5000N (**IB #1**). Figure 7 is a survey plan of the underground workings as found in February 1995. Although the drift is almost 40 years old, the timbers near the portal are in good condition and only minor caving near the end of the drift has occurred.

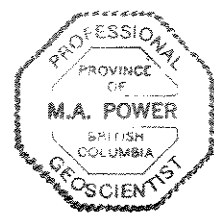
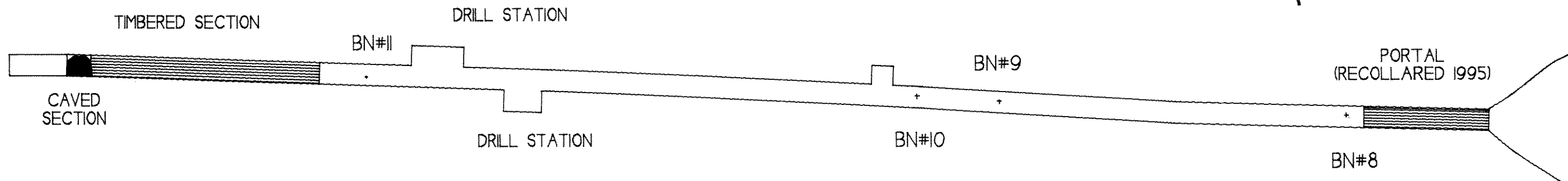
The location of the underground workings with respect to the Dale Fault is shown in Figure 8. The base line orientation is parallel with the mean strike of the Dale Fault; consequently it is possible to visualize the fault in section by an along-strike projection of the conductor axis locations and mapped fault locations on the survey grid. Conductor axis locations were surveyed-in during the topographic survey and are known quite accurately. The depth of the source conductors is undoubtedly from 3 to 10 m beneath the ground surface but for the purposes of this projection, they were assumed to be at surface. Consequently, the projection is a "worst case" indication of the distance between the underground workings and the Dale Fault. As is apparent in the diagram, the current working face is 78 m south of the Dale Fault and 140 m beneath the main showing (uppermost conductor axis locations).

## 10.0 TRENCHING

Two trenches were excavated in October 1994 with a John Deere 450 equipped with a quick detachable backhoe. Trench T94-1 was located in the old open cut workings and failed to reach bedrock at a depth of 2 m on account of flooding. Trench T94-2 was located on Line 5160E from 5000N to 5020N and centred on the conductor axis. Within the fault zone, the trench was excavated to almost 5 m but failed to encounter any sulphide mineralization. Clay-rich fault gouge was encountered south of a sharp contact with very competent hanging wall granite.

## 11.0 UNDERGROUND REHABILITATION

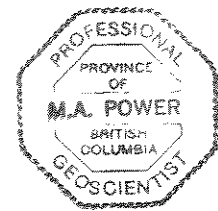
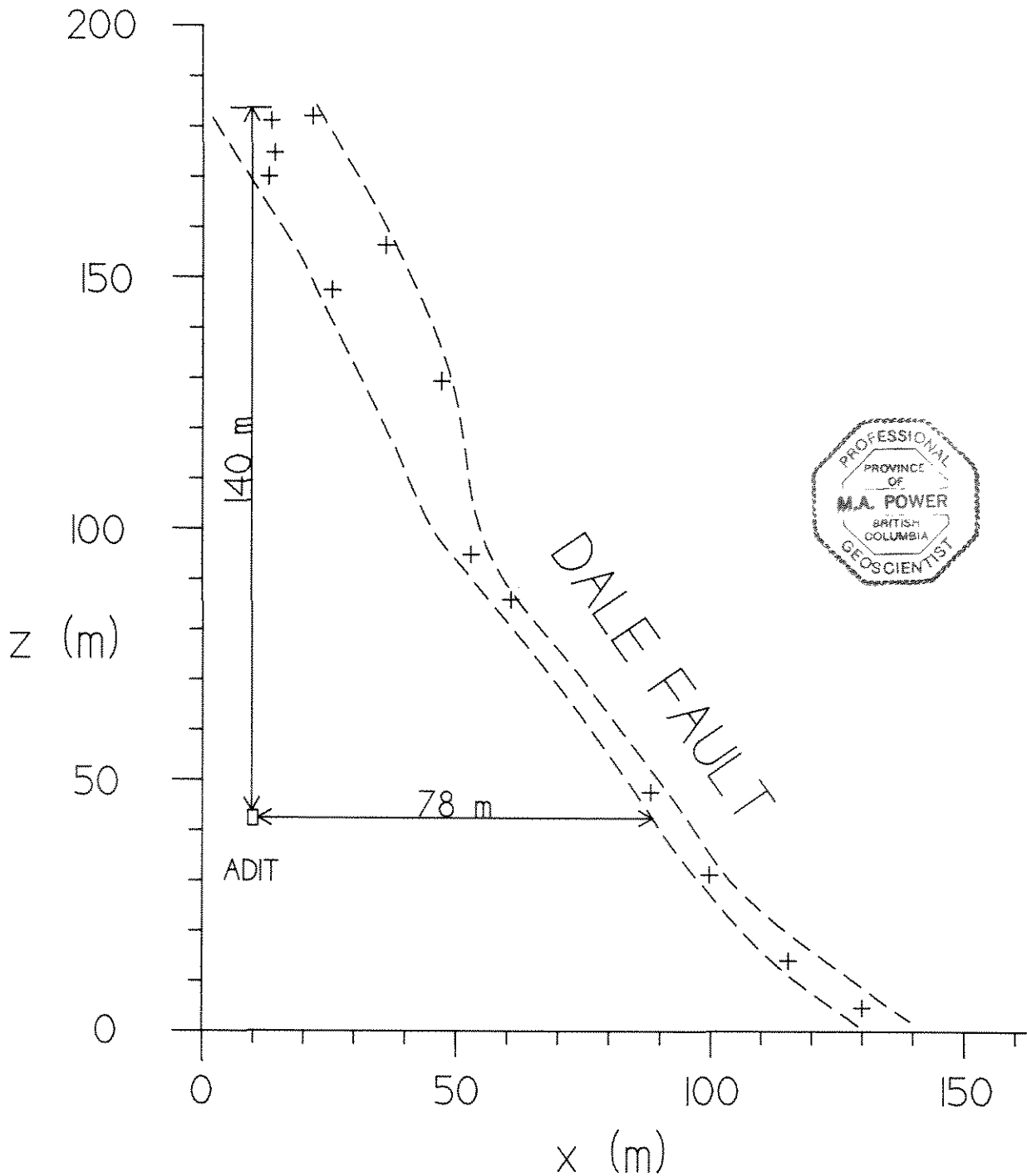
The adit driven in 1958 was relocated and reopened during February 1995. The portal had been removed and the mouth of the adit was buried beneath approximately 25 feet of frozen overburden. This was thawed with wood fires and excavated with the JD 450. A 28 foot long portal was constructed and anchored to the old sets still standing beneath fresh bedrock. The first 16 feet are timbered at 2 foot centres and the remaining 12 feet at 4 foot centres. The portal is lagged with 4 inch poles. The underground workings are in good condition with serious rot present only in the timbers near the end of the portal is a wet zone of chloritized granite. Most of the drift was driven in competent granite and requires no ground support. All track, air and water lines have been removed from the drift.



DALE PROPERTY	CLAIMS: FROSTBITE 1-40
UNDERGROUND SURVEY	MINING DISTRICT: WATSON LAKE
500 LEVEL ADIT	NTS: 105 B 1   SCALE 1:500
MOUNTAIN HIGHGRADE MINES LTD.	SURVEYOR: G. LEE PENG.
	DATE: 23 MAR 95   FIGURE: 7

S

N



CONDUCTOR AND ADIT LOCATIONS  
PROJECTED ALONG BASELINE

DALE PROPERTY	CLAIMS: FROSTBITE I-40
CONDUCTOR AXIS & ADIT ALONG STRIKE PROJECTION VERTICAL SECTION	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1   SCALE 1:250
MOUNTAIN HIGHGRADE MINES LTD.	SURVEYOR: G. LEE P.ENG.
	DATE: 23 MAR 95   FIGURE: 8

## 12.0 CONCLUSIONS

The 1994-95 exploration program accomplished the following:

- a. The location of the Dale Fault was established through VLF-EM and magnetic field surveys and through topographic surveys of the conductor axes. The location of the underground workings with respect to the Dale Fault and to the mineralization located to date was established.
- b. Trenching of the Dale Fault was performed east of the main showing.
- c. The underground workings have been reopened and a permanent portal constructed to permit safe year-round access.

The results of this work lead to the following conclusions:

- a. VLF-EM surveys are a very effective means of mapping the Dale Fault. Magnetometer surveys are useful in locating mafic dykes within or adjacent to the fault zone.
- b. The underground workings are approximately 80 metres from the Dale Fault. The workings are too far south of the fault to permit easy (ie. relatively inexpensive) access. The underground workings may be useful in providing drill stations for further exploration of the fault if additional mineralization is found east of the main showing at surface.
- c. The main showing is covered by overburden and fault gouge pushed along the fault zone during earlier high grading operations. The open cut workings can no longer drain and the main showing will require extensive CAT work to allow mining operations to resume.

### 13.0 RECOMMENDATIONS

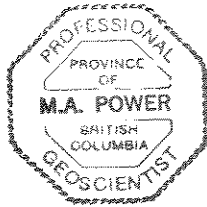
The following recommendations are made for further work on the Dale Property:

- a. The main showing should be tested by excavation. Initially, trenching should be conducted below the eastern margin of the push piles to determine if mineralization extends east of the main showing. If this is not the case, waste in the open cut workings can be pushed to the east over this area and the old workings drained and exposed.
- b. The survey grid should be extended to the east and magnetometer and VLF surveys conducted over this grid to map the Dale Fault. Float prospecting should be conducted along the fault trace.

Respectfully submitted,  
**MOUNTAIN HIGHGRADE MINES LTD.**



M.A. Power M.Sc. P.Geo.

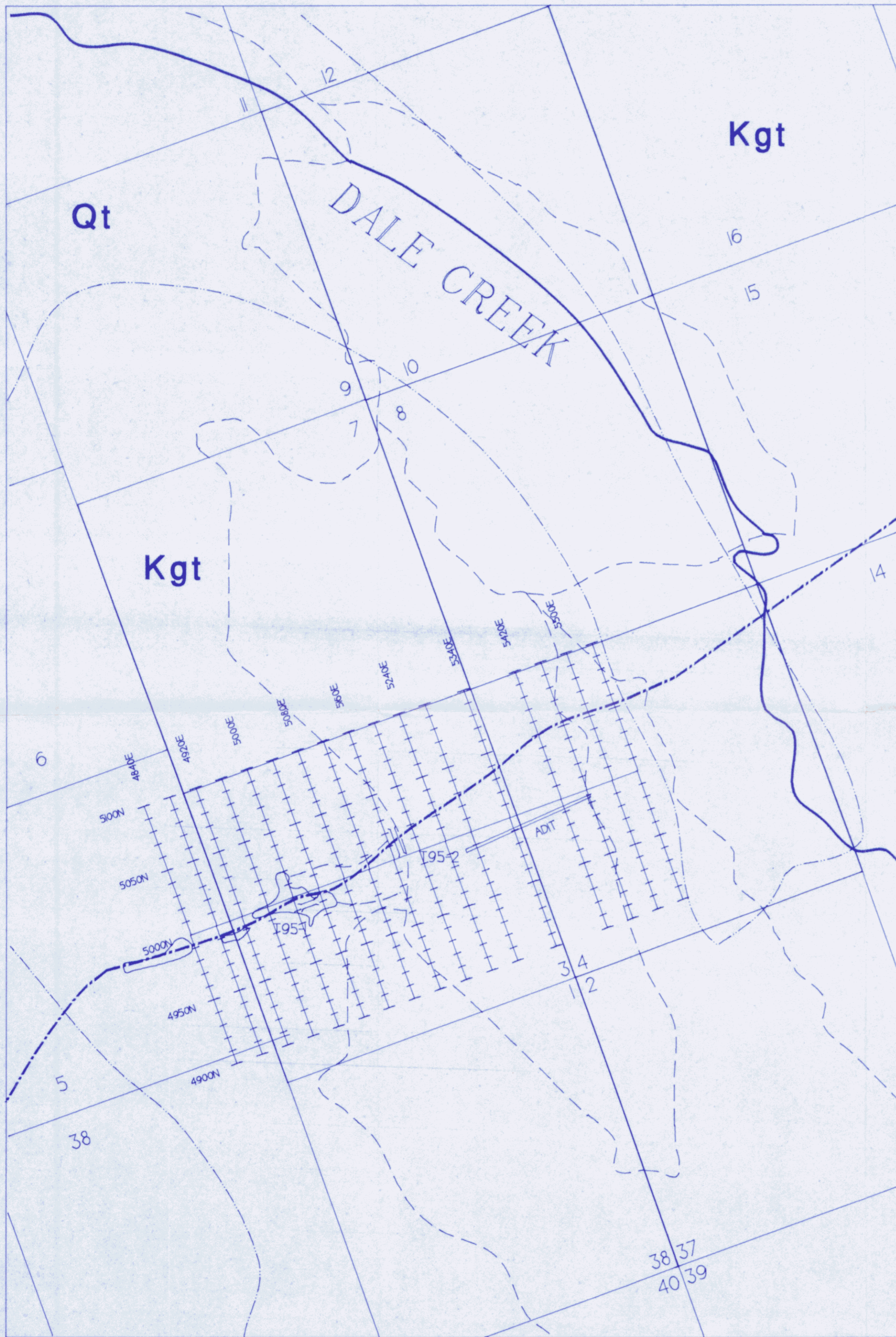


**REFERENCES CITED**

Fowers, W.A. (1971) Report on Mineral Claims L1&L2, L11-16, Mineral Claims Lola 1 and 2 and Dem 17-38, Mile 706, Alaska Highway. Watson Lake Mining Recorder: AR060785.

Gabrielse, H. (1985) Major dextral transcurrent displacements along the Northern Rocky Mountain Trench and related lineaments in north-central British Columbia. Geological Survey of America Bulletin Volume 96, p1-14.

Lowey, G.W. and J. F. Lowey (1987). Geology of Spencer Creek (105 B 1) and Daughney Lake (105 B 2) Map Areas, Rancheria District, Southeast Yukon. Indian and Northern Affairs Canada: INAC Open File 1986-1.



### LEGEND

**Qt**

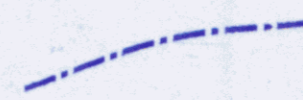
— QUATERNARY TILL

**Kgt**

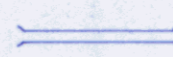
— CRETACEOUS GRANITE (CASSIAR BATHOLITH)



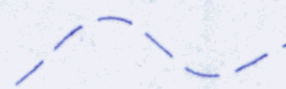
— GEOLOGICAL CONTACT



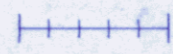
— FAULT



— TRENCH



— CAT TRAIL



— GEOPHYSICAL SURVEY GRID LINE



— CLAIM BOUNDARY

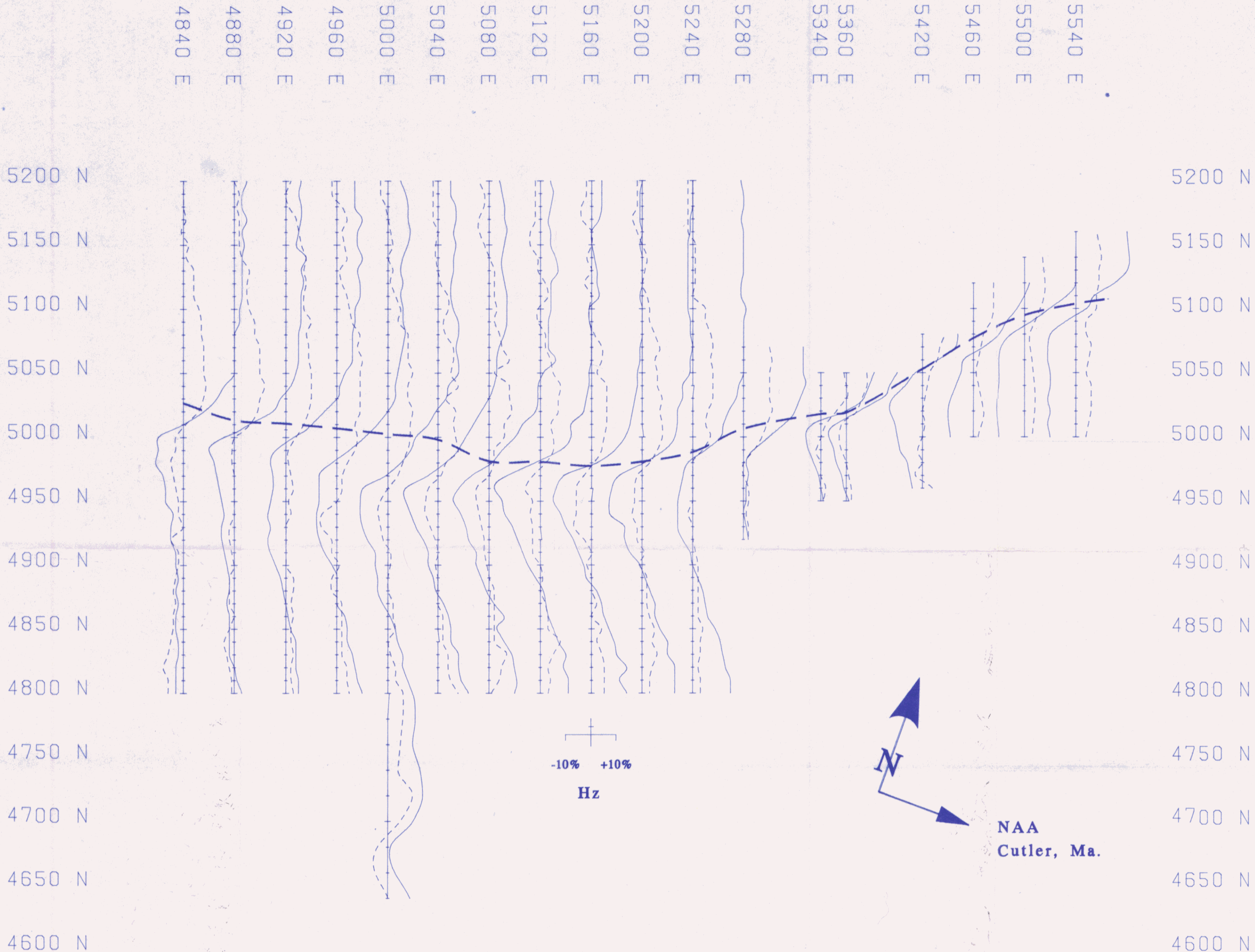


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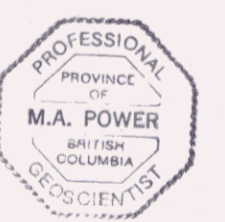


DWG ①

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
PROPERTY GEOLOGY	MINING DISTRICT: WATSON LAKE
SURVEY GRID & TRENCHES	NTS: 105 B 1   SCALE: 1:5,000
MOUNTAIN HIGHGRADE MINES	OPERATOR: G. LEE / M. POWER
	DATE: 21 MAR 95   FIGURE: 3



093277



DWG 2



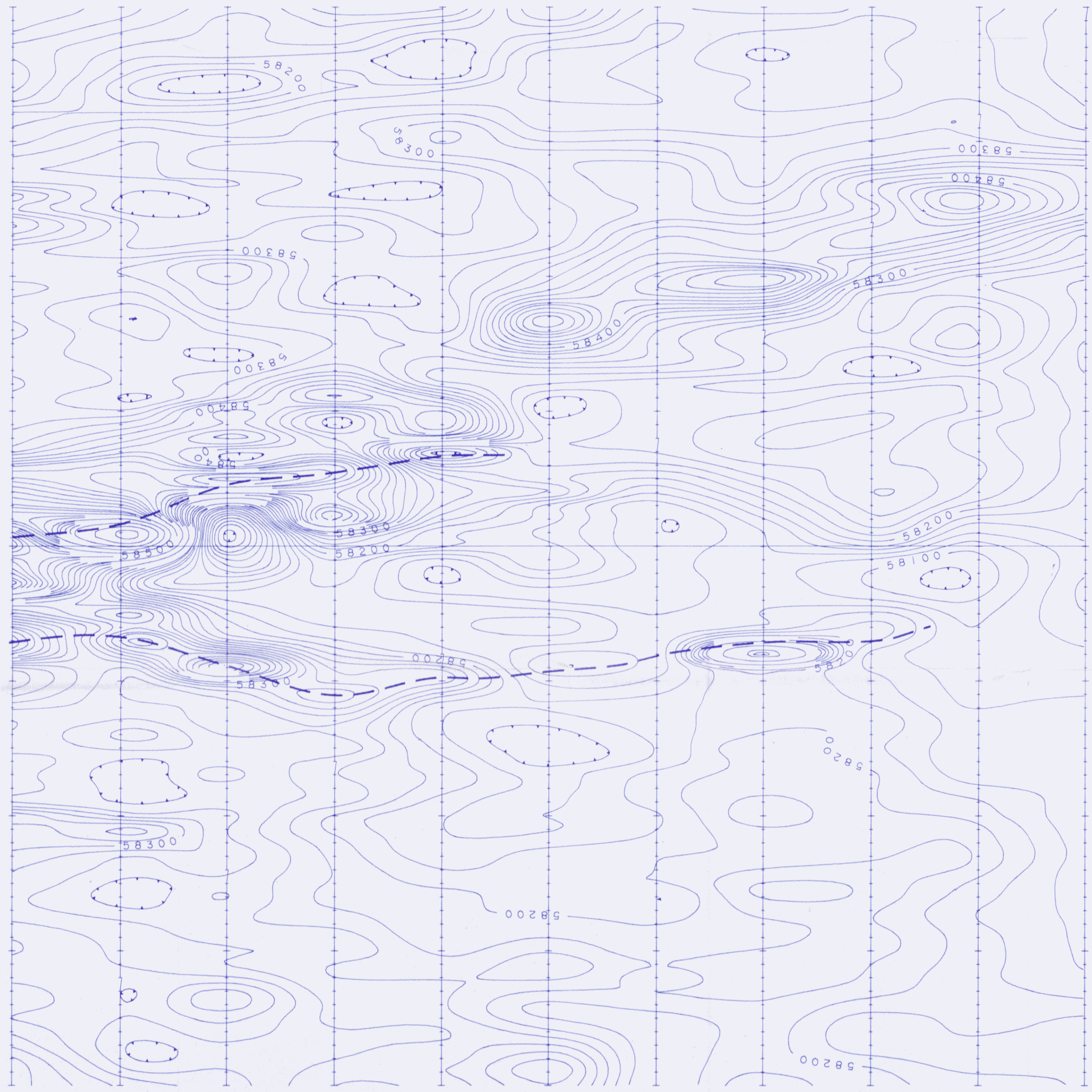
DALE PROPERTY	CLAIMS: FROSTBITE 1-40
VLF-EM SURVEY	MINING DISTRICT: WATSON LAKE
STACKED PROFILE MAP	NTS: 105 B 1   SCALE: 1:2,000
MOUNTAIN HIGH-GRADE MINES	OPERATOR: G. LEE / M. POWER
	DATE: 22 MAR 95   FIGURE: 4

4840 E 4880 E 4920 E 4960 E 5000 E 5040 E 5080 E 5120 E 5160 E 5200 E 5240 E

5200 N  
5150 N  
5100 N  
5050 N  
5000 N  
4950 N  
4900 N  
4850 N  
4800 N

5200 N  
5150 N  
5100 N  
5050 N  
5000 N  
4950 N  
4900 N  
4850 N  
4800 N

A  
B



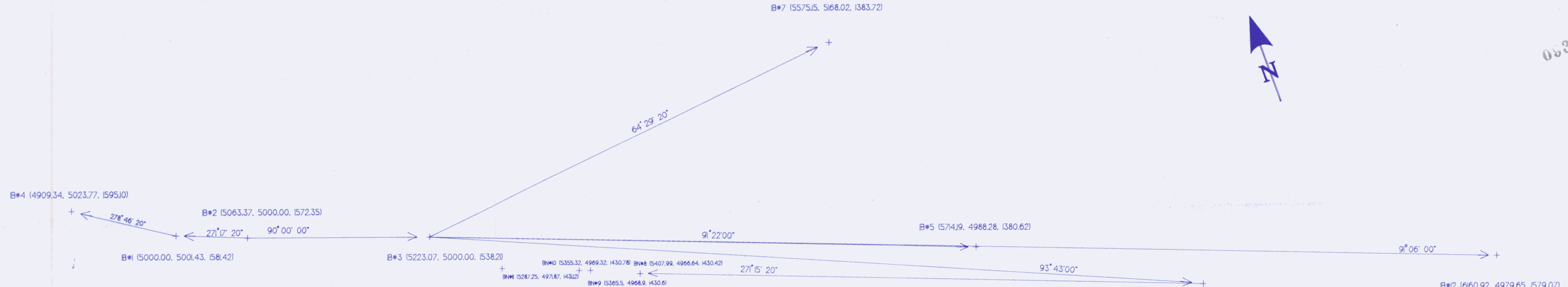
093277  
DWG 3



CONTOUR INTERVAL: 20 nT

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
TOTAL MAGNETIC FIELD	MINING DISTRICT: WATSON LAKE
CONTOUR MAP	NTS: 105 B   SCALE: 1:1000
MOUNTAIN HIGHGRADE MINES	OPERATOR: G. LEE / M. POWER
	DATE: 22 MAR 95   FIGURE: 5

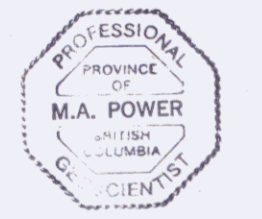
093277



- NOTES:
- 90° 00' 00" is the angle between B#2 and B#3.
  - All coordinates (X,Y,Z) in metres.
  - Elevations (Z) are referenced to road intersection near B#3 from which elevations were tied into MSL elevations.
  - Back nails (BN) in the drift, with the exception of BN#8 were surveyed from an unmarked turning point.



Dwg 4

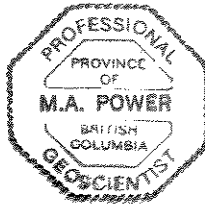


DALE PROPERTY	CLAIMS: FROSTBITE 1-40
TOPOGRAPHIC SURVEY	MINING DISTRICT: WHITEHORSE
MONUMENT LOCATION PLAN	NTS: 105 B 1 SCALE 1:2,000
MOUNTAIN HIGHGRADE MINES LTD.	SURVEYOR: G. LEE P'ENG
	DATE: 23 MAR 95 FIGURE: 6

**APPENDIX A. STATEMENT OF QUALIFICATIONS**

I, Michael Allan Power of Whitehorse, Yukon Territory, certify that:

1. I obtained a Bachelor of Science Degree with First Class Honors in Geology from the University of Alberta in 1986 and a Masters Degree in Geophysics from the University of Alberta in 1988. I am a Professional Geoscientist registered in the Province of British Columbia.
2. I have been employed in mineral exploration and geophysical research since 1984.
3. I performed or supervised the geophysical and topographic surveys and underground rehabilitation described in this report.



Michael A. Power M.Sc. P. Geo.

Whitehorse, Yukon Territory  
March 23, 1995

## APPENDIX B. PROJECT LOG

<u>Date</u>	<u>Activity</u>
Feb 28/94	Geophysical survey crew (G. Lee / M.Power) drive to Rancheria
Mar 1-5/94	Gridding, magnetic / VLF survey
Mar 6/94	Return to Whitehorse
Oct 13/94	Mobilize JD450 to Dale Property
Oct 14/94 to Oct 24/94	Trenching at Dale Property (less 2 days to repair hydraulic fitting)
Oct 25/9	Return to Whitehorse
24 JAN 95	Pick up last supplies, drive to Rancheria (G. Lee / M. Power)
25 JAN 95	Break trail into camp, clean out and repair shack
26 JAN 95	Finish preparing camp, move supplies in, locate collapsed portal
27 JAN 95	Plough road, cut and haul fire wood, begin thawing collapsed portal. (CAT 6.0 hrs)
28 JAN 95	Muck out portal, cut and haul firewood, thaw ground (CAT - 5.5 hrs)
29 JAN 95	Muck out portal, cut and haul firewood, thaw ground (CAT - 5.0 hrs)
30 JAN 95	Muck out portal, cut and haul firewood, thaw ground (CAT - 4.0 hrs)
31 JAN 95	Muck out portal, cut and haul firewood, thaw ground, cut timbers (CAT - 4.0 hrs)

- 01 FEB 95 Muck out portal, cut and haul firewood, thaw ground cut timbers and lagging (CAT - 2.5 hrs)
- 02 FEB 95 Disaster day: Muck out portal, cut haul timber, snowmobiles broke down: shot engine in Bravo and broke suspension in Tundra. Return to Whitehorse in evening. (CAT - 2.0 hrs)
- 05 FEB 95 Return to Rancheria early AM, haul timbers and begin timbering new portal
- 06 FEB 95 No assessment work. Staking extension claims.  
07 FEB 95
- 08 FEB 95 Thawing and mucking out portal.
- 09 FEB 95 Thawing and mucking out portal (0.5 day); rest of day staking
- 10 FEB 95 Supply run to Watson Lake; record claims; return and timber portal.
- 11 FEB 95 Timbering portal, cut and haul lagging.
- 12 FEB 95 Timbering portal, cut and haul lagging.
- 13 FEB 95 Timbering portal, cut and haul timbers
- 14 FEB 95 Timbering portal, cut and haul timbers and lagging.
- 15 FEB 95 Timbering portal, cut and haul lagging.
- 16 FEB 95 Timbering portal.
- 17 FEB 95 Timbering portal, putting out survey monuments, locating VLF conductors.
- 18 FEB 95 Survey VLF conductors, drill holes, grid, roads and underground  
to  
21 FEB 95 workings.
- 22 FEB 95 Move CAT down from mountain, prospecting and sampling near showing, board-up portal, tear down camp, move into Rancheria.

25 FEB 95 Return to Whitehorse.

Personnel

Mike Power  
Box 5709  
Whitehorse, Y.T.  
Y1A 5L5

Gary Lee  
Box 5348  
Whitehorse, Y.T.  
Y1A 5L5

Total Man Days:

M. Power            35 days

G. Lee                45 days

## APPENDIX C. STATEMENT OF EXPENSES

GEOPHYSICAL SURVEYS  
(FEB/MAR 94)

Groceries and meals	\$325.51
Accommodation - Rancheria	299.60
Fuel	151.70
Magnetometer rental	300.00
Geonics EM-16 rental	240.00
Snowmobile rental - 2 machines	1,440.00
Truck (4x4) rental - 2 trucks	800.00
G. Lee: 8 days @ \$250	2,000.00
M. Power: 8 days @ \$250	<u>2,000.00</u>
	\$7,556.81

TRENCHING (OCT 95) *1994*

Camp costs, propane, groceries, and hardware	\$825.00
John Deere 450 w/backhoe: 41 hrs @ \$60	2,460.00
G. Lee: 10 days @ \$250	2,500.00
5 Ton Truck mobilization	<u>486.00</u>
	\$6,271.00

UNDERGROUND  
REHABILITATION,  
TOPOGRAPHIC SURVEYS  
(JAN/FEB 95)

Camp costs, groceries, fuel, hardware	\$2925.00
Mining supplies: wedges, wire, mesh, rebar, etc.	1125.00
Chain saw rental (2 saws)	996.50
Snowmobile rental: 2 machines	4,875.00
CAT costs: 30 hrs @ \$60	1,800.00

Survey instrument rental	210.00
Assays	273.53
Trucks: 2 trucks, 27 days @ \$50 ea.	2,700.00
G. Lee: 27 days @ \$250	6,750.00
M. Power 27 days @ \$250	<u>6,750.00</u>
	\$28,405.03
<b>REPORT</b>	
Computer processing, CADD, interpretation, report preparation	\$2,400.00
Reproduction	<u>55.00</u>
	\$2,455.00
<b>TOTAL EXPENDITURES</b>	<b>\$44,687.84</b>
<b>FEB 94 - FEB 95</b>	

All expenses incurred during the Geophysical Surveys (Feb 28 - Mar 6/94) are to be applied against Frostbite 1-4. All expenses incurred during the trenching program are to be applied to Frostbite 1-6. During the period Jan 24/95 - Feb 9/95, pro-rated expense of \$12,498.21 are to be applied to Frostbite 1-8. During the period, Feb 10 to Feb 25/95, pro-rated expenses of \$15,906.82 are to be applied to Frostbite 1-40.

**APPENDIX D. ASSAY CERTIFICATES**

## ASSAY CERTIFICATE

AA  
LLAA  
LLMountain Highgrade Mines Ltd. File # 95-0636

Box 5709, Whitehorse YT Y1A 5L5 Submitted by: Mike Power

SAMPLE#	Ag** oz/t	Au** oz/t
95FR-4905 5002	78.02	.011
95FR-4990 5017	.43	.002
95FR-5000 5000	6.57	.015
95FR-5000 5005	2.20	.020
95FR-5000 5010	1.91	.004
95FR-5001 4916	86.05	.129
RE 95FR-5001 4916	86.12	.115
95FR-5020 5005	11.27	.020
95FR-5030 5006	.31	<.001
95FR-5060 4988	11.49	.028
95FR-5063 4989	32.58	.054
95FR-5065 4986	40.61	.104
95FR-5068 4986	102.55	.037
95FR-5072 4986	4.21	.019
95TV-3940 4780	.37	.002
STANDARD AG-1/AU-1	.97	.101

AG\*\* &amp; AU\*\* BY FIRE ASSAY FROM 1 A.T. SAMPLE.

- SAMPLE TYPE: ROCK

Samples beginning 'RE' are duplicate samples.DATE RECEIVED: MAR 6 1995 DATE REPORT MAILED: *March 13/95* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

11/01/94

Assay Certificate

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Gary Lee

WO#25474

Sample #	Ag oz/ton
FROST#1	33.07

Certified by

