

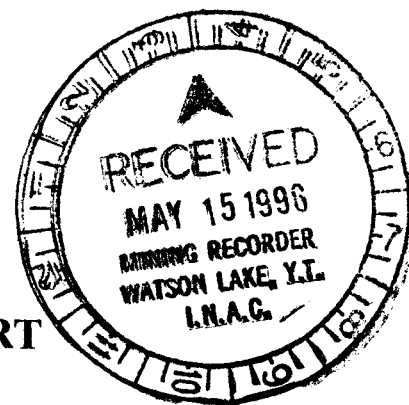
GENERAL PROSPECTING REPORT
ON THE
HIGRADE PROPERTY

Pete 1 - 5 Claims YB 59278 - YB 59282

NTS 105 F /10

LATITUDE 61° 36' LONGITUDE 132° 51'

WATSON LAKE MINING DISTRICT



093466

Prepared by

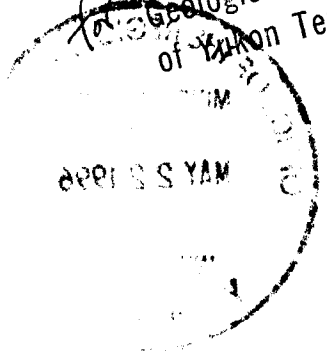
Ron S. Berdahl, B.Sc.
Box 5664
Whitehorse, Yukon
Y1A 5L5

For work performed between July 10 - October 10, 1995

December 15, 1995

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 \$ 1700.

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



SUMMARY

The Pete claims were staked over a high grade silver galena vein first discovered in 1979 by Pete Verslucce. Yukon Minerals bulldozer trenched and hand cobbled approximately 20 tons of argentiferous galena ore.

The claims were restaked in February of 1995. Field work in 1995 consisted of sampling the vein for representative grades in order to determine the potential of highgrading the ore zone. Soil lines were also run to explore for possible extensions of the silver zone. Sampling was also aimed at looking at the potential of the zone as something other than a simple vein system.

TABLE OF CONTENTS

Title Page	
Summary	Page 2
Table Of Contents	Page 3
Introduction	Page 4
Location and Access	Page 4
Physiology, Climate and Vegetation	Page 4
History	Page 5
Property	Page 5
Regional Geology	Page 6
Property Geology	Page 6
Methodology	Page 7
Conclusions and Recommendations	Page 8
References	Page 10
Statements of Qualifications	Page 11

APPENDICES

Appendix A. Statement of Costs
Appendix B. Project Personnel
Appendix C. Analytical Results
Appendix D. Sample Descriptions

FIGURES

Figure 1	Location Map
Figure 2	Claim Map
Figure 3	Regional Geology
Figure 4	Property Geology
Figure 5	Cross Section
Figure 6	Sample locations

INTRODUCTION

This report was prepared to satisfy the requirements for assessment work as set out under the Yukon Quartz Mining Act and to consolidate information collected during the 1995 field season.

LOCATION AND ACCESS

The Project Area consists of 5 claims located in the north central Pelly Mountains approximately 50 road miles south of Ross River in the upper Groundhog Creek drainage.

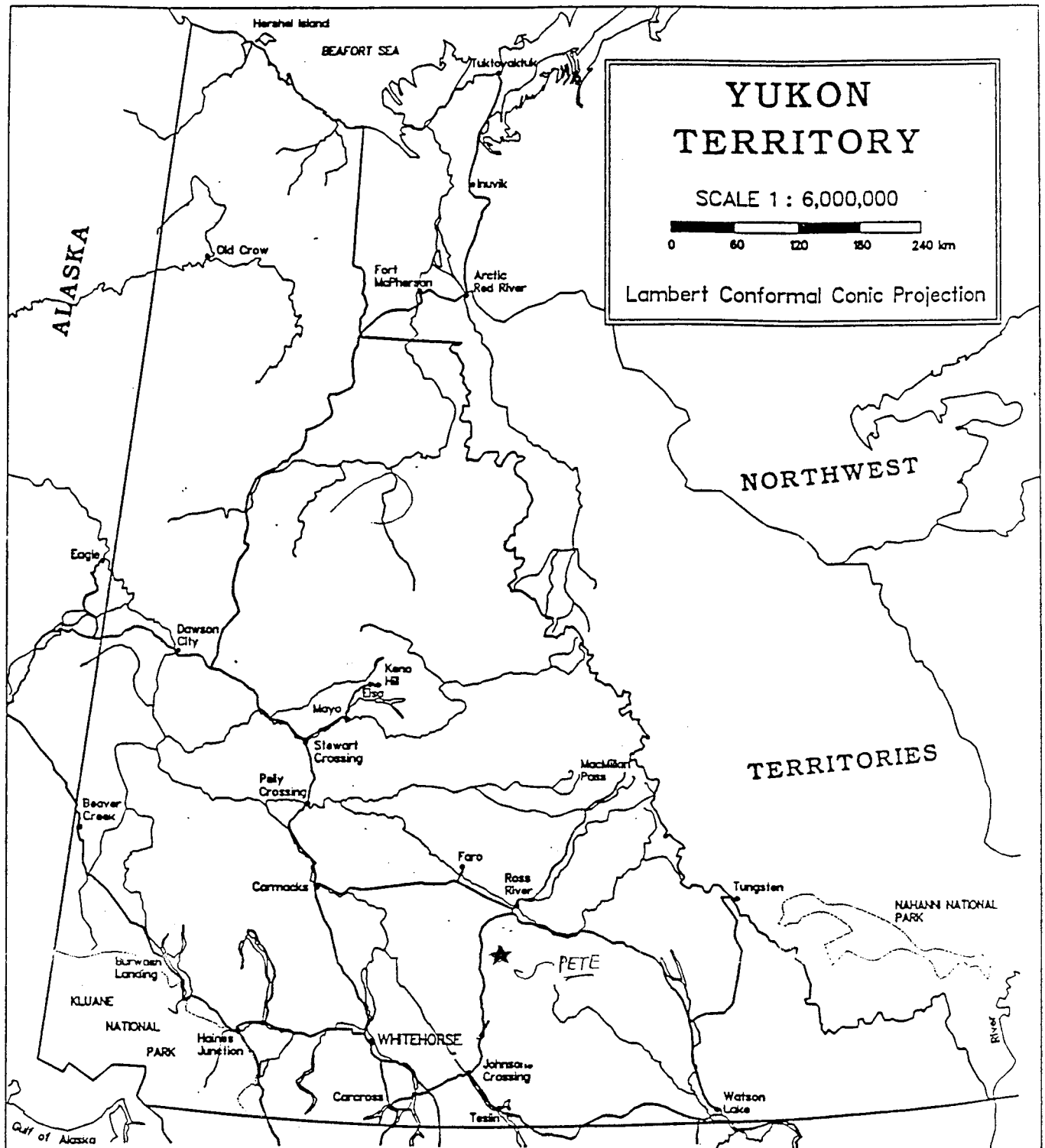
Access to the claims is via the South Canol Highway to the Groundhog Creek Road at kilometre 162. The property lies approximately 10 miles up Groundhog Creek. A cat road currently accesses the showing and is drivable with a four wheel drive vehicle.

PHYSIOLOGY, CLIMATE AND VEGETATION

The Pete Claims lie above treeline on the Upper Sheep/Groundhog/Seagull Creeks' divide. The hills are steep, but rounded, rising to just over 6,000 feet, or 1500 feet above the creek valleys in the immediate area.

Vegetation is low forbs and minor shrubs and other alpine plants. Treeline is generally below 4,500. Outcropping rock is not abundant except on cliff face. Winters are cold with a deep snow belt just south of the claim area.

The no snow field season can stretch from mid May to mid September or longer depending on the year.



**YUKON
TERRITORY**

SCALE 1 : 6,000,000

0 60 120 180 240 km

Lambert Conformal Conic Projection

LOCATION MAP

PETE CLAIMS

FIGURE 1

HISTORY

First, staked in August of 1979 by the Versluce brothers, Pete and Harry, after the discovery of massive galena float boulders. Yukon Minerals Corp. optioned the ground and in a joint venture with Perrex Resources, bulldozer trenched this and adjacent properties.

The property showing, on a cliff edge, was backhoe trenched and hand cobbled. A 20 ton bulk sample was reportedly shipped to Trail in 1988. It graded 75% Pb, .5% Zn, 1.2% Cu and 4354.2g Ag (140 opt Ag). This sample has been attributed to the pinnacle showing (min. file 105F74).

The claims were restaked as five Pete claims in February of 1995.

PROPERTY

The project consists of five unsurveyed contiguous claims covering approximately 250 acres, staked in accordance with the Yukon Quartz Mining Act. The claims were staked in 1995 as the Pete Claims for Pete Versluce who died on this claim block while prospecting in 1988 as follows:

<u>Claim Name/#</u>	<u>Grant #</u>	<u>Staked</u>	<u>*Expiry Date</u>
Pete 1 - 5	YB59278-82	February 95	04/03/99

* Upon acceptance of report.

S BRATS
YB56193

Creek

4500

5500

Hi GRADE
105 F/10
FIG 2

↑
N

43	8	YB56489	YB564
14	14		
16	16		YB56461
18	18	YB56465	YB56463
17	17		YB56462
24	24	YB56464	YB56471
28	28		YB56473
27	27	YB56475	YB56472
25	25	YB56474	YB56477
40	40		YB56477
39	39		YB56467

1	1	PETE	YB59278
4	2	PETE	
YB59281	YB59279		
5	3	PETE	
YB59282	YB59280		

6000

5500

4500

6000

143	MPR	YB00737
145	MPR	YB00739

(PELLEY)

72	71	YB00088	69
MPR	MPR		
YB00091	YB00090		
73	MPR		
YB00092			

PASS
PEAK

5500

Creek

REGIONAL GEOLOGY (Figure 3)

The Ketz - Seagull district is underlain by late Proterozoic to Triassic, miogeoclinal clastic, volcanic, and carbonate rocks that were deformed during Mesozoic arc-continent collision, and by mid-cretaceous intrusions that are thought to underlie the region. (Abbott, 1986).

The structural framework is dominated by a few large thrust faults, mainly the McConnell, Porcupine - Seagull - Ross Peak, Cloutier, and St. Cyr, and by the Ketz - Seagull Arch. The Ketz - Seagull Arch is a broad window in which strata in the Cloutier Thrust sheet are exposed beneath the Porcupine - Seagull Thrust. The Ketz Uplift and Seagull Uplift are two parts of the Ketz Seagull Arch. Shortening on the Porcupine - Seagull - Ross Peak Thrust alone must be at least 30 km. displacement on the others is probably less, but in the same order of magnitude. (Abbott, 1986).

PROPERTY GEOLOGY (Figure 4 & 5)

Mineralization on the property consists of argentiferous massive galena dipping 55° east in a north striking vein. Many mineralized structures in the Groundhog area are associated with northerly striking structures. The main showing vein averages between 6" - 12". 100 feet to the south the vein consists of numerous 1 - 2" stringers. A second (showing #2) system of ferricrate/quartz carbonate is exposed in a possible fault. A third area (showing #3), immediately west of the main vein, shows similar ore, though less concentrated.

An estimated 20 tons of hand cobbled argentiferous galena ± Cu has been removed from the main showing and the third showing. Approximately 25 strap bags (helicopter transportable) ore remains on the property (12 tons ±). A composit sample of the remaining high grade material averaged 3,755 g/tn Ag, 1.25% Cu, 66.9% Pb, and .481% Zn.

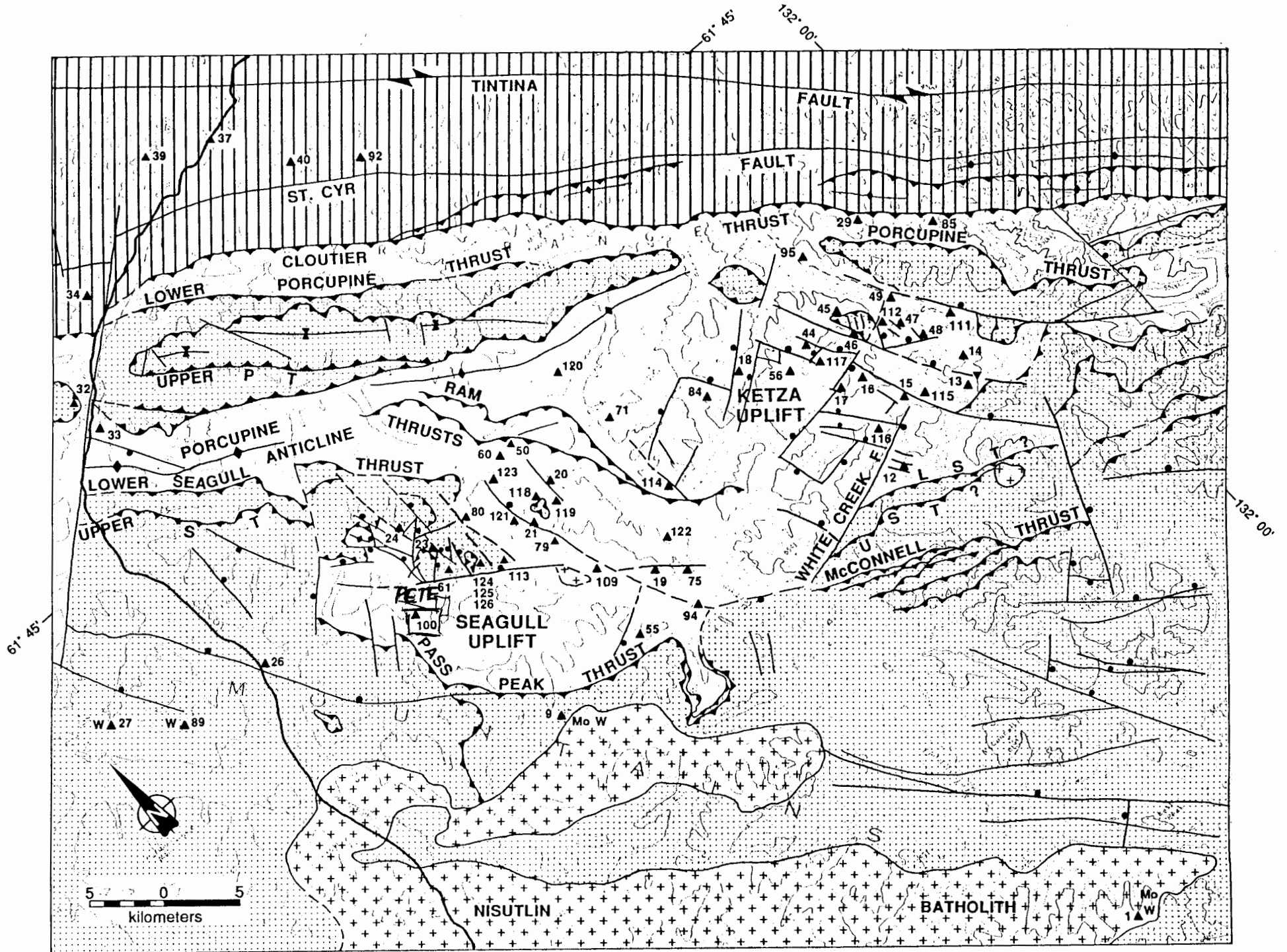


Fig 3

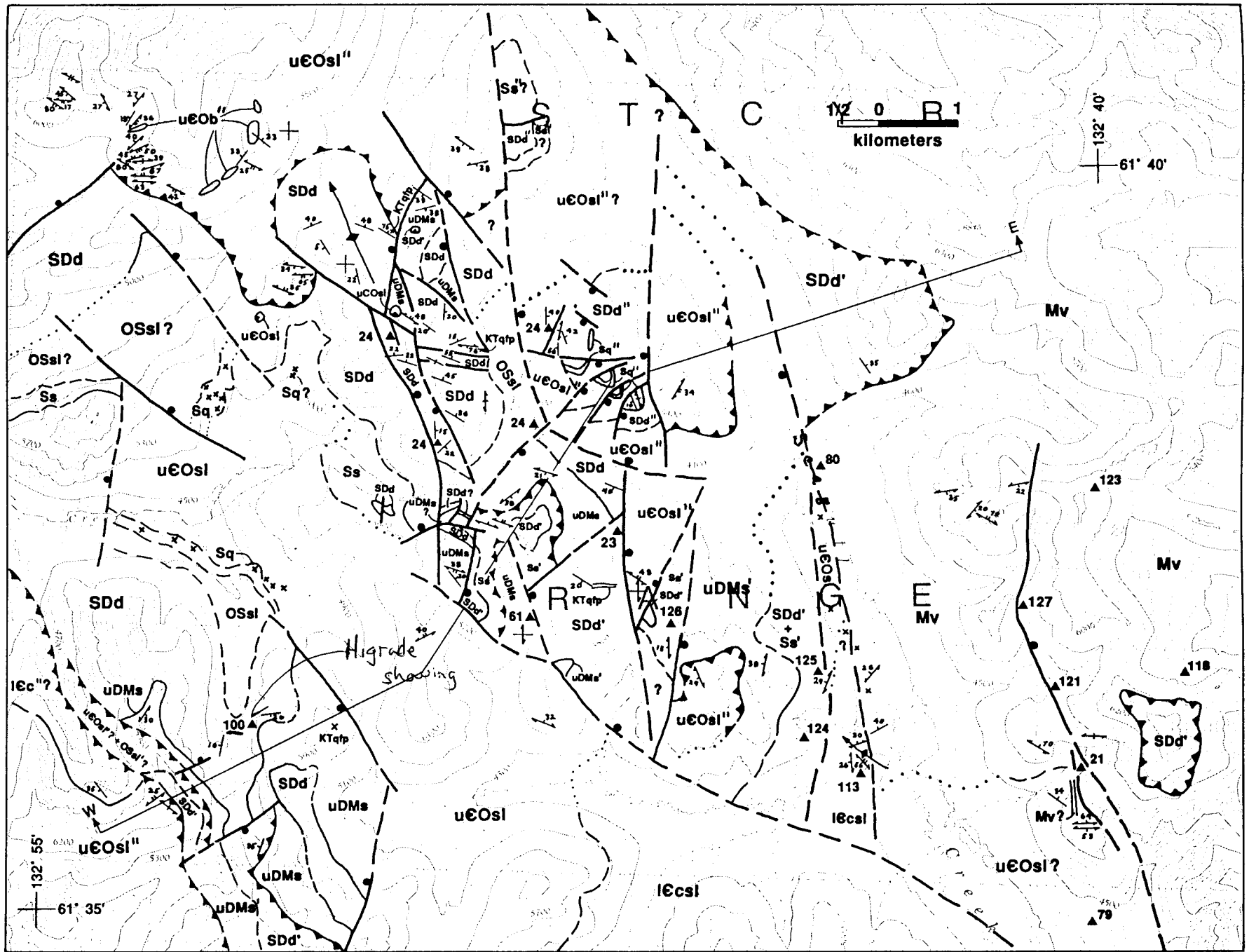
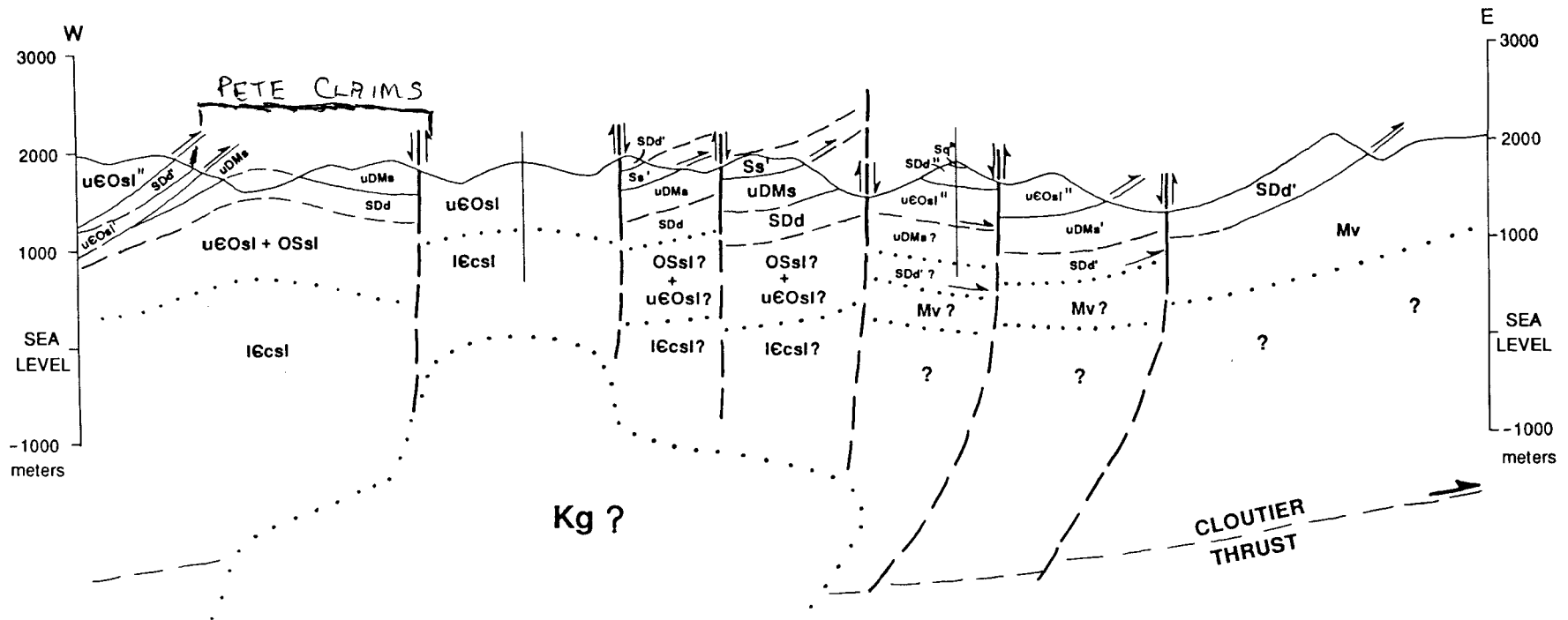


Figure 4. Geological map of the Seagull Uplift at the western end of Ketzá-Seagull Arch. This map and cross-section show the evidence that the Pass Peak and Seagull Thrusts are equivalent, and probably domed about a buried intrusion.



EXPLANATION
(Figures 1 & 2)

CRETACEOUS AND (?)EARLY TERTIARY

KTqfp Dark green, fine grained biotite-bearing mafic dikes. Minor quartz feldspar porphyry.

+ **Kg** + Homogenous, medium grained, biotite quartz monzonite.

LATE DEVONIAN AND MISSISSIPPIAN

Mv Undifferentiated felsic and mafic volcanics, hornblende syenite, and black shale.

uDMa Black shale, chert grit, and chert conglomerate.

SILURIAN, EARLY AND MIDDLE DEVONIAN

SDd Buff, grey, and red weathering dolomite, with lenses of massive quartz arenite.

Ss Grey weathering platy, thinly laminated dolomitic siltstone.

Sq Massive grey weathering quartz arenite.

ORDOVICIAN AND SILURIAN

OSsl Black, graptolitic shale, minor chert.


LATE CAMBRIAN AND EARLY ORDOVICIAN


uEOslv Grey-buff weathering thinly laminated calcareous phyllite, tuffaceous phyllite, with some mafic tuffs, and flows.


uEOb Resistant dark green mafic flow or sill.


EARLY CAMBRIAN


lEcsi Grey weathering calcareous mica schist and marble.


Footwall of the Cloutier Thrust Sheet 


Hangingwall of the Cloutier Thrust Sheet 


Strata above the Upper Seagull Thrust..... " 


Strata between the Upper and Lower Seagull Thrusts..... " 


Geological contact; defined, approx., assumed..... 

Bedding; inclined, vertical..... 

Foliation; phase 2, phase 1, inclined, vertical..... 

Steep dipping fault; sense of movement unknown..... 

Normal fault..... 

Thrust fault..... 

Epigenetic mineral occurrence or deposit..... 20 ▲

fig 5

METHODOLOGY

Twenty-five more or less full bags of argentiferous ore (\pm 900 lbs/bag) were each sampled with a small amount of representative material removed from each bag. This large sample was mixed and divided into three samples. These samples were then assayed (split #1, #2, #3) for Au, Ag, Cu, Pb, and Zn. The results were then averaged.

Samples were also taken across the main vein (5F91, 2, & 3) to test the galena vein. The Dolomitic country rock was not sampled as any shipped ore would be hand cobbled prior to shipment. One sample (R5F94) tested the altered zone on "Vein 2".

Two soil lines were run parallel to the usual North-South oriented vein structures in the Groundhog area. The two lines (11W & 12W) were run down slope of the probable vein orientation.

CONCLUSION AND RECOMMENDATIONS

The Higrade Project has a significant grade mineralization present on surface (100+ opt Ag \pm , 1-2% Cu, 66% \pm Pb, etc) to make a 'higrade' silver operation possible. The nature of the mineralization makes hand cobbing easy. Access to the property is already in place (4WD). However several impediments remain. At \$5.⁵⁰ US/oz and 25¢ lead, the project would be a marginal venture with a US short ton of ore worth approximately \$935 (US). At present smelter costs at Trail, B.C. would consume approximately 34% of the gross value. Transportation costs are critical and could easily exceed smelter costs. Once mining cost are considered, profit and contingency funds are limited are best. The Ag/Pb ratio is 110/67 or 1.6:1. Historically, mining of high grade silver generally is considered economic if ratios exceed 3-4:1.

Exploration potential on the property is good if for no other reason than the number of showings in the immediate area.

The soil lines, run parallel to the strike of the main showing, were slightly anomalous (>10ppb) near the main showing, '750' N, '800' N and '900' N on line 11 W, and '950' on line 12 W (75 ppb). '0' N on line 11 and '550' N on line 12 were slightly anomalous.

The ICP results run on the samples are misleading in that the high galena or mineral content minimized actual results. For instance the main vein runs over 100 opt Ag and 67% Pb with a conventional assay (split samples), yet the main vein ICP samples only ran 100+ ppm Ag and 1-2% Pb. The ICP does however show significant mineralogic associations, namely high Cu and Cd numbers. This along with the Au numbers near one gram suggest the possibilities of a VMS deposit. This despite the Cassiar Platform designation of the area on Tectonic maps. It may be possible that the depositional environment, so near known Yukon Tannana Terraine,

could be something other than classic Cassiar Platform. This is especially evident in several nearby 'stratiform' looking showings, also mapped in Cassiar Platform.

Recommendations include the following:

1. Detailed prospecting should be carried out over the claim block,
2. A geophysical/soils program should be considered. The geophysics, an EM, Mg, should first be tested over the main showing vein.
3. Claims should be staked to the south to cover other showings.
4. ICP should not be run with high grade material
5. More economic means of transportation and/or smelting of the ore should be investigated.

REFERENCES

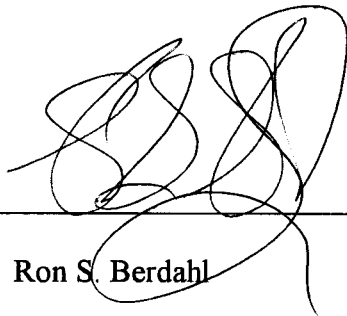
Abbott, J.G. 1986. Epigenic Mineral Deposits of the Ketzka - Seagull District, Yukon; in Yukon Geology, Vol. 1, Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada p. 56-66.

STATEMENTS OF QUALIFICATIONS

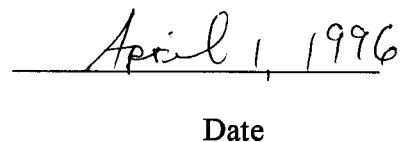
I, Ron Berdahl, declare I am an independent prospector who has worked on the Higrade Project 105F/10, during the 1995 field season. I have worked in adjacent Groundhog, Seagull, Ketza, Risby areas intermittently since 1988 and feel I am qualified to comment on the local geologic conditions.

I have taken several courses related to prospecting and make the bulk of my living directly from prospecting.

The data contained herein is true and correct to the best of my knowledge.



Ron S. Berdahl



Date

APPENDIX A

STATEMENT OF COSTS

HIGRADE PROJECT

PREPARED BY

Ron S. Berdahl

APPENDIX A: STATEMENT OF COSTS

Samples:

46 Samples @ \$20/sample \$ 920.00

Man Days:

2 @ \$150/man/day 300.00

Vehicle:

580 Km @ 42¢/km 243.00

Miscellaneous:

Sample bags, flagging, etc. 50.00

Report Preparation

200.00

\$ 1713.00

5 Pete Claims @ Assessment need of \$500/year

\$ 500.00

Apply for assessment of 3 years for 5 Pete Claims

\$ 1500.00

Apply for assessment of 1 additional year on Pete #2 & #4

200.00

\$ 1700.00

APPENDIX B

PROJECT PERSONNEL

HIGRADE PROJECT

PREPARED BY

Ron S. Berdahl

APPENDIX B: PROJECT PERSONNEL

Personnel	Address	Time Period	Tasks
R. Berdahl	Whitehorse, Yukon	July - October 1995	General
Prospecting			Report Preparation

APPENDIX C

ANALYTICAL RESULTS

HIGRADE PROJECT

PREPARED BY

Ron S. Berdahl

25/08/95


Assay Certificate

Page 1

Ron Berdahl

WO#15310

Sample #	Au oz/t	Ag g/t	Cu %	Pb %	Zn%
Split 1	0.002	3792	1.18	67.6	0.459
Split 2	0.002	4043	1.44	66.3	0.509
Split3	0.003	3430	1.12	66.7	0.475
Avg	.002	3,755g/t	1.25%	66.9%	.481%

Certified by 



20/09/95

Assay Certificate

Page 1

Ron Berdahl

WO#15372

Sample #	Au ppb
0 N 11 W	11
50 N 11 W	5
100 N 11 W	5
150 N 11 W	5
200 N 11 W	<5
250 N 11 W	7
300 N 11 W	5
350 N 11 W	7
400 N 11 W	5
450 N 11 W	5
500 N 11 W	5
550 N 11 W	9
600 N 11 W	<5
650 N 11 W	<5
700 N 11 W	7
750 N 11 W	12
800 N 11 W	12
850 N 11 W	5
900 N 11 W	26
0 N 12 W	<5
50 N 12 W	<5
100 N 12 W	<5
150 N 12 W	5
200 N 12 W	5
250 N 12 W	5
300 N 12 W	5
350 N 12 W	<5
400 N 12 W	<5
450 N 12 W	7
500 N 12 W	8
550 N 12 W	12
600 N 12 W	<5
650 N 12 W	<5
700 N 12 W	<5

Certified by



20/09/95

Assay Certificate

Page 2

Ron Berdahl

WO#15372

Sample #		Au ppb	
750 N	12 W	11	
800 N	12 W	<5	
850 N	12 W	9	
900 N	12 W	14	
950 N	12 W	75	
D5F9	12	6340	
D5F9	15	37	
D5F9	16	20	
D5F9	28	1290	
D5F9	44	548	
D5F9	59	10	
D5F9	60	<5	
D5F9	62	5	
D5F9	67	509	
D5F9	82	960	PETE
S5F9	72	<5	
S5F9	75	<5	
S5F9	79	5	
S	1	1576	
S	2	619	
S	3	682	
PILE	1	1307	
PILE	2	527	
PILE	3	841	
E	4	3430	
E	5	162	
OK		133	
R5F9	Z	11	
R5F9	3	118	} PETE
R5F9	4	185	
R5F9	6	119	
R5F9	7	97	
R5F9	8	>6667	
R5F9	10	156	

Certified by



20/09/95

Assay Certificate

Page 4

Ron Berdahl

WO#15372

Sample #	Au ppb
R5F9 58	57
R5F9 61	389
R5F9 64	33
R5F9 65A	494
R5F9 65B	423
R5F9 66	23
R5F9 68	108
R5F9 69	571
R5F9 70	92
R5F9 71	34
R5F9 73	12
R5F9 74	10
R5F9 76	6
R5F9 77	22
R5F9 78	454
R5F9 79	1116
R5F9 80	393
R5F9 81	5073
R5F9 81	49
R5F9 95	26
R5F9 99	931
R5F9 100	170

Bto

Certified by



APPENDIX D

SAMPLE DESCRIPTIONS

HIGRADE PROJECT

PREPARED BY

Ron S. Berdahl

APPENDIX D: SAMPLE DESCRIPTION

#	<i>Description</i>
R5F91	4" massive galena across portion of main showing vein
D5F92	Red 'soil' halo on main vein foot wall, 3" wide
R5F93	Channel across vein - 9"
D5F94	"#2 Vein" fericrete type rock in altered 'gossanous' fault
Soils:	ON - 11W to 900N 11W Sample every 50 m
	ON - 12W to 950N 12W Sample every 50m
	taken from B horizon

Split 1, 2, & 3: Sample of one representative 'handful' of ore from each of 25 sacked ore.

HIGH GRADE PROPERTY

105 F/10

093468

GEOLOGY:

YUKON TERRITORY

— — — Bulldozer trench

KTgfp - Mafic dikes + rare
qtz feldspar porph.

uDMs - Black shale / Conglomerate

--- 4WD access

SDd - Buff Dolomite

* * * * * SOIL LINE w/
sample sites

OSsl - Black Shale

SCALE
100 M

sample location / Ag / Pb / Zn / Cu

--- Geologic contact

⊗ R5F93/108, 1.98%, 1.49%, 1.1%

~ ~ ~ fault

PETE CLAIMS

