GEOPHYSICAL SURVEY

by

Gary C. Lee, P.Eng.

May, 1996

MEX and ICO Quartz Claims

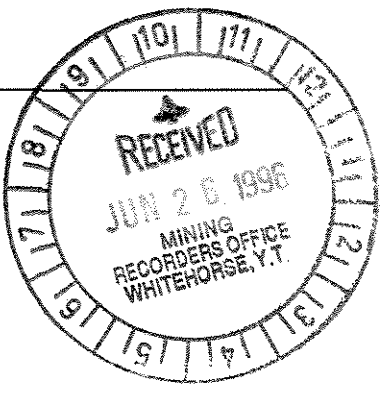
Whitehorse Mining Division

Grant Nos:
MEX 1-4: YB46669-YB46672
MEX 5-7: YB46677-YB46679
ICO 1-10: YB46750-YB46759
MEX 8-10: YB57515-YB57517

Owner: Wilson Creek Placers

Map 105 D/8
Latitude 60° 22', Longitude 134° 04'

Date submitted: _____



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INTRODUCTION

General

Between May 25 and May 28, 1996, a two-man exploration crew (the author and Marvin Sherman, both of the City of Whitehorse, Yukon Territory) completed a VLF and magnetometer survey on the ICO claim group, which is NW of and adjoining the MEX claim group.

The claim group consists of 20 quartz claims (MEX 1-4, YB46669-YB46672; MEX 5-7, YB46677-YB46679; ICO 1-10, YB46750-YB46759 and MEX 8-10, YB57515-YB57517) owned by Wilson Creek Placers.

Approximately 6 km of lines, tie line and crosslines were compassed, chained and flagged in.

Location and Access

The claims straddle the Alaska Highway 80 km southeast of Whitehorse and approximately 5 km northwest of Jakes Corner. The general location map (page 2) and the 1:50,000 grid and claim map (page 3) show the claim group location. The group is located at 60°22' north latitude and 134°04' west longitude. There is a cat trail running southwest through the MEX claims, and another cat trail originating from the Alaska Highway and proceeding NE into the west end of the ICO claim group.

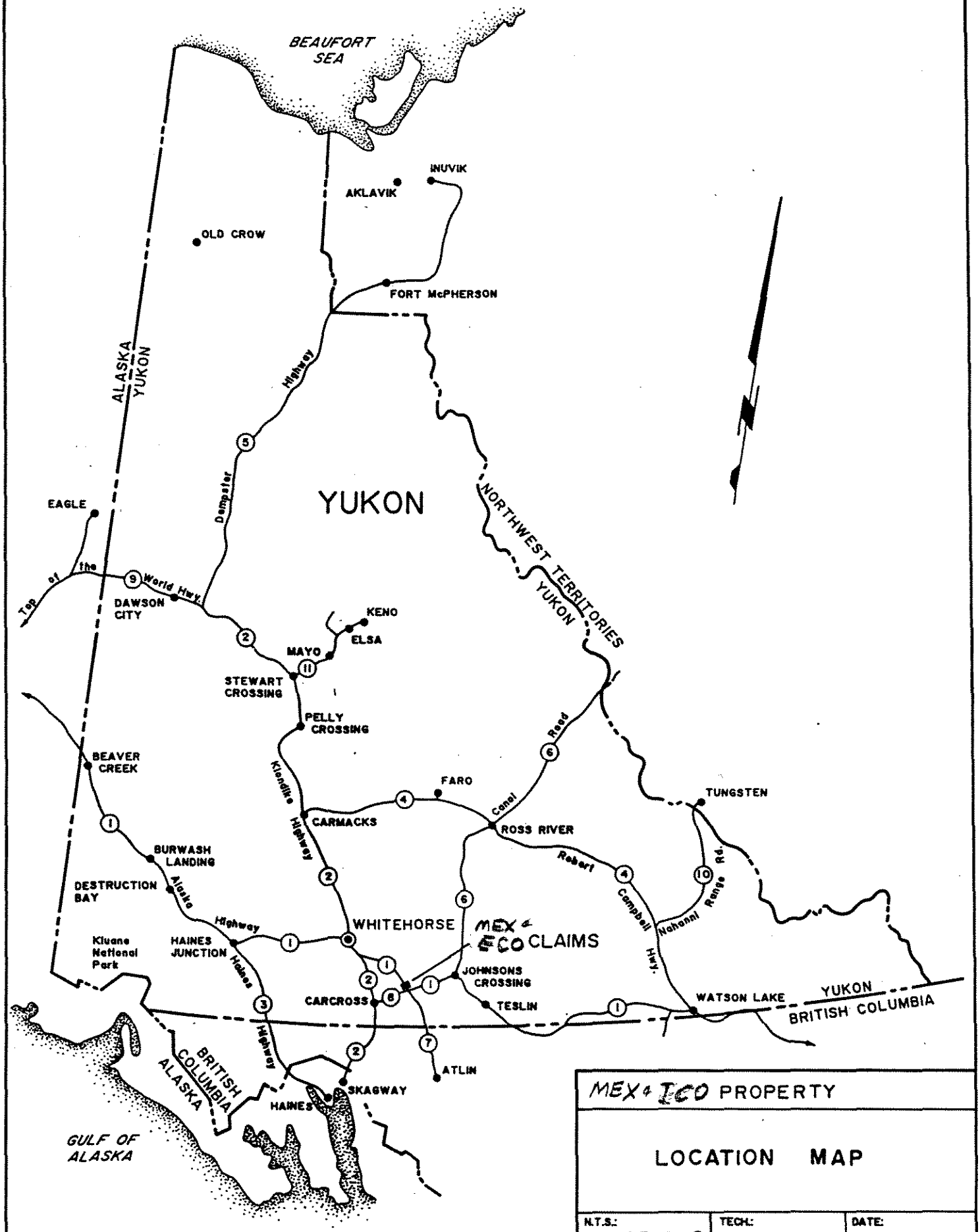
History

In the 1990 "Assessment Report on the NLC Claims" by Graham Davidson for L. Lebedoff, the following is outlined:

> "Ultramafic rocks and quartz-carbonate alteration zones around Marsh Lake were first examined in the late 1890s by prospectors en route to Dawson. Several gold prospects at the northeast and southeast ends of the zone were investigated by adits, shafts and trenches but no records of production exist. Ultramafic rocks were examined in the 1960s and 1970s for potential asbestos mineralization. International Mine Services contracted an airborne magnetometer survey in 1967, covering a large area east of Marsh Lake, including the NLC [MEX and ICO] claim area."

Along-strike of the ICO claims and near the Alaska Highway are quartz-carbonate-pyrite alteration zones which are anomalous in gold values.

From the above-mentioned report sample #17929, a quartz-siderite vein 15 cm wide with pyrite, ran 572 pbb Au and sample #17930, a grey-green chert cut by carbonate and pyrite veins, ran 19 ppb Au.



MEX & ECO PROPERTY

LOCATION MAP

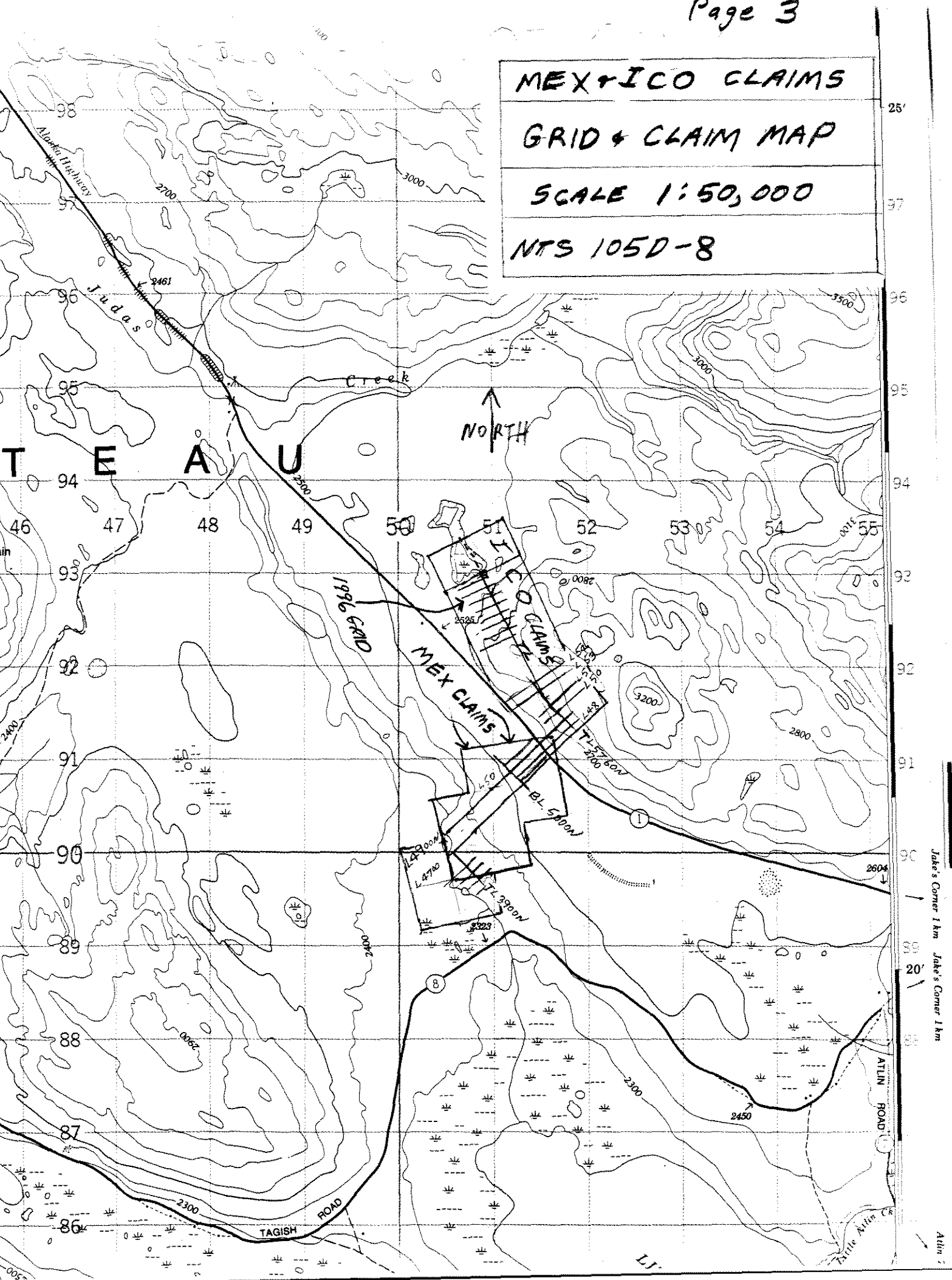
N.T.S.: 105 D-8	TECH:	DATE:
SCALE: 1" = 12.5 mi.	DRAFTING:	FIGURE: 1

MEXICO CLAIMS

GRID & CLAIM MAP

SCALE 1:50,000

NTS 105D-8



Topography

The property ranges in elevation from 2350 to 2900 feet. Vegetation consists of spruce and jackpine with some patches of poplar and alder.

Grid and Field Procedure

All lines were flagged with orange and blue flagging at 20 metre stations. Tie Line #2 was run along the ICO claim line at a bearing of 335°. Lines, for the most part, were run-in at 100 metre intervals. The grid layout can be seen on the maps contained in the pocket. Four-foot painted pickets were placed at 20-metre intervals on Tie Line #2.

A Geonics EM-16 was employed for the VLF survey, with readings being taken at 10 and 20 metre intervals. Both the in-phase and quadrature were read. All stations were read by facing the direction of the transmitting station and thence turning clockwise 90° before taking the readings. All lines were read on Cuttler, Maine, since Seattle, Washington, was off the air indefinitely for a major refit.

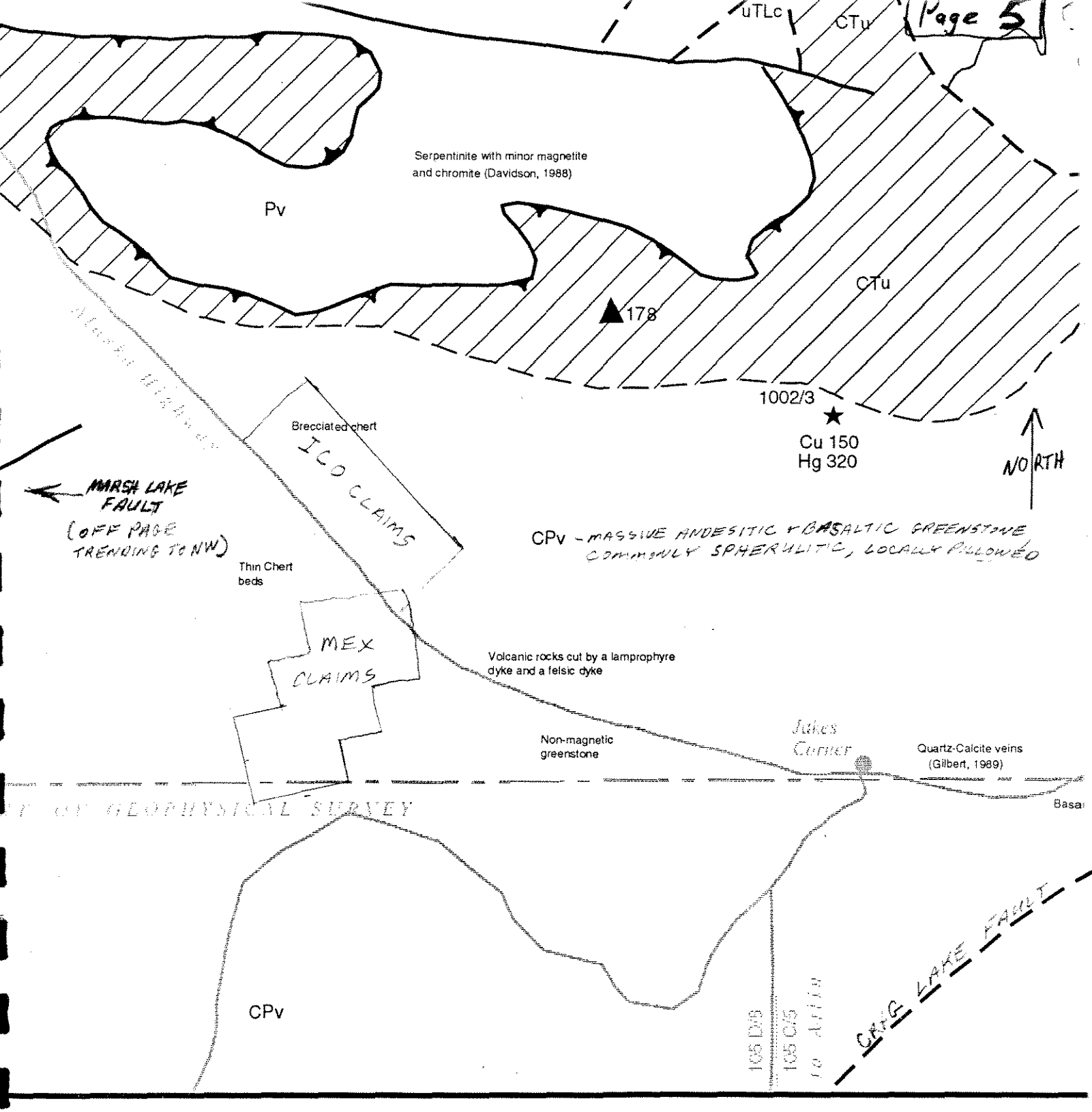
Magnetometer readings were taken at 5 metre intervals with a Scintrex MF-2 fluxgate magnetometer. The instrument reads the vertical component of earth's magnetic field. Readings were taken to the nearest 10 gammas in short loops and corrected for diurnal. Each loop was subsequently corrected to adjacent loops throughout the survey.

The magnetometer survey was tied into and corrected to the previous survey done by Graham Davidson in 1990, G. Lee (1995) and Marvin Sherman (1995).

ECONOMIC GEOLOGY

Rock types within the survey area are in the Cache Creek Group. These are grouped as (CPv) massive andesitic and basaltic greenstone, commonly spherulitic, and locally pillowed, as seen on the "Geology of the Jakes Corner Geophysical Survey Area" map on page 5. Volcanic rocks cut by a lamprophyre and a felsic dyke, thin chert beds and brecciated chert are some of the rock types to be found in or near the claim group.

Potential mineral deposit types, as outlined in "Geology of Jakes Corner Geophysical Survey Area, Southern Yukon" open file 1995-7(G) by J.A. Hunt, C.J.R. Hart and S.P. Gordey, are:



GEOLOGY OF THE

JAKES CORNER GEOPHYSICAL SURVEY AREA

(OPEN FILE 1995-7 (G) - HUNT, HART & GORDEY)

SCALE 1:50 000

Miles 1 0 1 2 3 Miles

Metres 1000 0 1000 2000 3000 4000 Metres

"(1) ultramafic-associated nickel-copper sulphide deposits, (2) chromite deposits, (3) volcanogenic massive sulphide deposits, (4) gold in listwaenite-hosted quartz veins, (5) structurally controlled epithermal vein deposits, (6) asbestos deposits and (7) skarn/replacement deposits in limestone."

Many of the above may show up as a ground geophysical signature as a mag contrast on a contact; alternatively, they may be indirectly indicated by a conductor as a related fault or shear gouge, or directly as massive sulfides. With this in mind, the "Airborne EM and Mag Survey, Jakes Corner Prospect D.I.A.N.A. Open File 1994-10(G)" shows a couple of anomalies (conductors) located roughly on the MEX 6 claim. These were followed up on the ground with L4700N and TL3900E (see 1995 report by G Lee).

RESULTS

The VLF results are plotted as profiles on the plan view contained in a map in the pocket. The location of the VLF conductor axes have been transferred to the "Magnetometer Plan and VLF Composite", contained in the pocket, in order to ease interpretation with regard to mag and VLF correlation.

INTERPRETATION AND CONCLUSIONS

The main conductor axes have been labelled H, I and J (A to G: see 1995 report) and have been transferred to the Mag Plan and VLF composite (in pocket). The station where the conductor axis crosses the grid line is marked on the map with a small arrow (e.g. 4520E ~~→). Consequently, the accurate location of the conductor axis can be picked off the map and will not be repeated here.

Conductor H, between 100E and 100W, is located with a reasonable amount of accuracy as seen on the Mag and VLF composite plan. However, conductor H cannot be located definitely west of 100W until Seattle, Washington, is read on VLF. Similarly, the location of conductors I and J cannot be located accurately until Seattle is read. Since Seattle is off the air for an indefinite period (from May 27, 1996 until ?) and Hawaii was off as well, further VLF interpretation will have to wait until these stations can be read.

A greenish coloured rock suspected as being Mariposite was dug up in a cat cut on Line 6500N at 75E and should be prospected for a type (4) deposit (gold in listwaenite-hosted quartz veins). This is especially important since it is located in a mag low (see Mag and VLF composite map) which is often typical of a listwaenite occurrence.

It should be noted that the gold does not necessarily occur in the listwaenite (Mariposite) but often occurs in the contacting rock (e.g. andesite-Yellow Jacket and Erikson gold occurrences in northern British Columbia). Contacts between mag lows and highs where they occur on the Mag map should be prospected.

Since the area is mapped (geology map, page 5) as having occurrences of massive andesitic and basaltic greenstone, any conductors should be prospected for the occurrence of type (3) deposits (volcanogenic massive sulphide deposits).

RECOMMENDATIONS

1. When VLF stations Seattle and Hawaii eventually come back on the air, Lines 6000N to 6700N should be surveyed on those frequencies.

2. The entire property should be prospected, with emphasis on covering the geophysical anomalies discussed in the previous section and the 1995 report by G. Lee covering both the ICO and MEX claims.

3. Dependent on the above, any one or combination of geochem sampling, trenching, drilling or expanding the geophysics could commence.

STATEMENT OF QUALIFICATION

I, **GARY C. LEE**, of the City of Whitehorse, Yukon Territory, HEREBY CERTIFY that:

1. I am a self-employed Geological Engineer.

2. I am a graduate of the University of Toronto, Toronto, Ontario, with a degree in Applied Science - Geological Engineering (Mineral Exploration option).

3. I am a member of the Professional Engineering Associations of the Yukon, British Columbia, and Ontario.

4. I supervised and carried out the work described in this report.

Gary Lee

Gary C. Lee, P.Eng.

Date: June 5/96

MEX AND ICO QUARTZ CLAIMS

WHITEHORSE MINING DIVISION

VALUE OF ASSESSMENT WORK

FIELD

Engineer: 4 days @ $350/day	$1,400
Assistant: 4 days @ $225/day	$ 900
Mag and VLF rental: 4 days @ $50/day	$ 200
Supplies	$ 75
Truck rental: 4 days @ $125/day	$ 500
Argo ATV: 4 days @ $100/day	$ 400

REPORT

Data reduction, plotting, contouring and report writing	$ 750
Typing	$ 40
Report reproduction	$ 85
	$4,350

L6700N
L6600N
L6500N
L6400N
L6300N
L6200N
L6100N
L6000N
L5900N
L5400N
NORTH
MAG. NORTH
28°
READING DIRECTION
OFF MAY 27,28/96
(OFF INDEFINITLY) (FOR MAJOR REFIT)
SEATLE
SCALE
0 20 40 60 80 100
METERS
1 : 2000
(SEE 1995 REPORT FOR LOCATION OF CONDUCTORS A-G)
H
I
J
XL 100E
100E
00
100W
200W
300W
400W
XL 100W
200W
300W
400W
TL#2 BRG 335°
TL#2 BRG. 335° AND CLAIM LINE
TL 5760E (1995 SURVEY)
ICO 10 (YB46759)
ICO 8 (YB46757)
ICO 9 (YB46758)
ICO 7 (YB46756)
POND
POND
093483
LEGEND
CAT TRAIL
CLAIM POSTS AND BOUNDARY
IN PHASE
VLF - LINES
QUAD
-20% -10% +10% +20% (+VE TO RIGHT OF LINE)
IN-PHASE
VLF CROSS LINES & TIE LINE
STRONG OR SHARP
VLF CONDUCTOR AXIS
6250N (LOCATION OF CONDUCTOR POS)
WEAK &/OR BROAD
#1
ICO CLAIM GROUP
CLAIM NOS: ICO1-10 YB46750 To YB46759
EM16 VLF SURVEY
WHITEHORSE MINING DISTRICT
DATE : MAY 1996
REVISED
MAP: 105D8
DRAWN BY : G. LEE
INSTRUMENT: VLF-GEONICS EM16


L6700N
L6600N
L6500N
L6400N
L6300N
L6200N
L6100N
L6000N
NORTH
MAG. NORTH
28°
SEATLE
SEATLE OFF FOR LATER PART OF MAY/96
SCALE
0 20 40 60 80 100
METERS
1 : 2000
093483
(SEE 1995 REPORT FOR CONDUCTORS A-G)
H
I
GREENISH ROCK (MARIPOSITE)
100E
XL100E
00
TL#2 BRG 335°
TL#2 BRG 335° AND CLAIM LINE
TL5760E (1995 SURVEY)
ICO10 (YB46759)
ICO8 (YB46757)
ICO9 (YB46758)
ICO7 (YB46756)
POND
POND
100W
XL100W
200W
200W
300W
300W
400W
400W
DRAW
TO ALASKA HWY.
L5300N
L5400N
5900N
5800N
5700N
5600N
5500N
LEGEND
CAT TRAIL
CLAIM POSTS
LINES (FLAGGED AT 20m INTERVALS) WITH MAG RDGS IN GAMMAS AT 5m INTERVALS
MAG HIGHS
MAG LOWS
STRONG OR SHARP
VLF CONDUCTOR AXIS
6250N (LOCATION OF CONDUCTOR AXIS)
WEAK &/OR BROAD
#2
ICO CLAIM GROUP
CLAIM NOS: ICO1-10 YB46750-59
MAGNETOMETER PLAN AND V.L.F. COMPOSITE
DATE : MAY 1996
REVISED
MINING DISTRICT WHITEHORSE
MAP : 10508
DRAWN BY : G. LEE
INSTRUMENTS: SCINTREX MF-2 FLUXGATE MAG