ASSESSMENT REPORT

(GEOLOGY, GEOPHYSICS, TRENCHING, SAMPLING and GRID)

Whitehorse Mining District

N.T.S. 105 K-2

Latitude 62° 04'

Longitude 132° 51'

by

Allen Carlos

July 28 - August 26 - 1998

This report has been examined by the Technical Evaluation Unit under Section 53 (4) Yukon Quartz Mining Act and is allowed as representation work in the amount of $ 7000.00.

M.B.

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

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ILLUSTRATIONS

INTRODUCTION

This report deals with the initial assessment of a carbonate hosted gold occurrence, located proximal to the Tertiary volcanic hosted Grew Creek deposit (detailed elsewhere).

PROPERTY, ACCESS and LOCATION

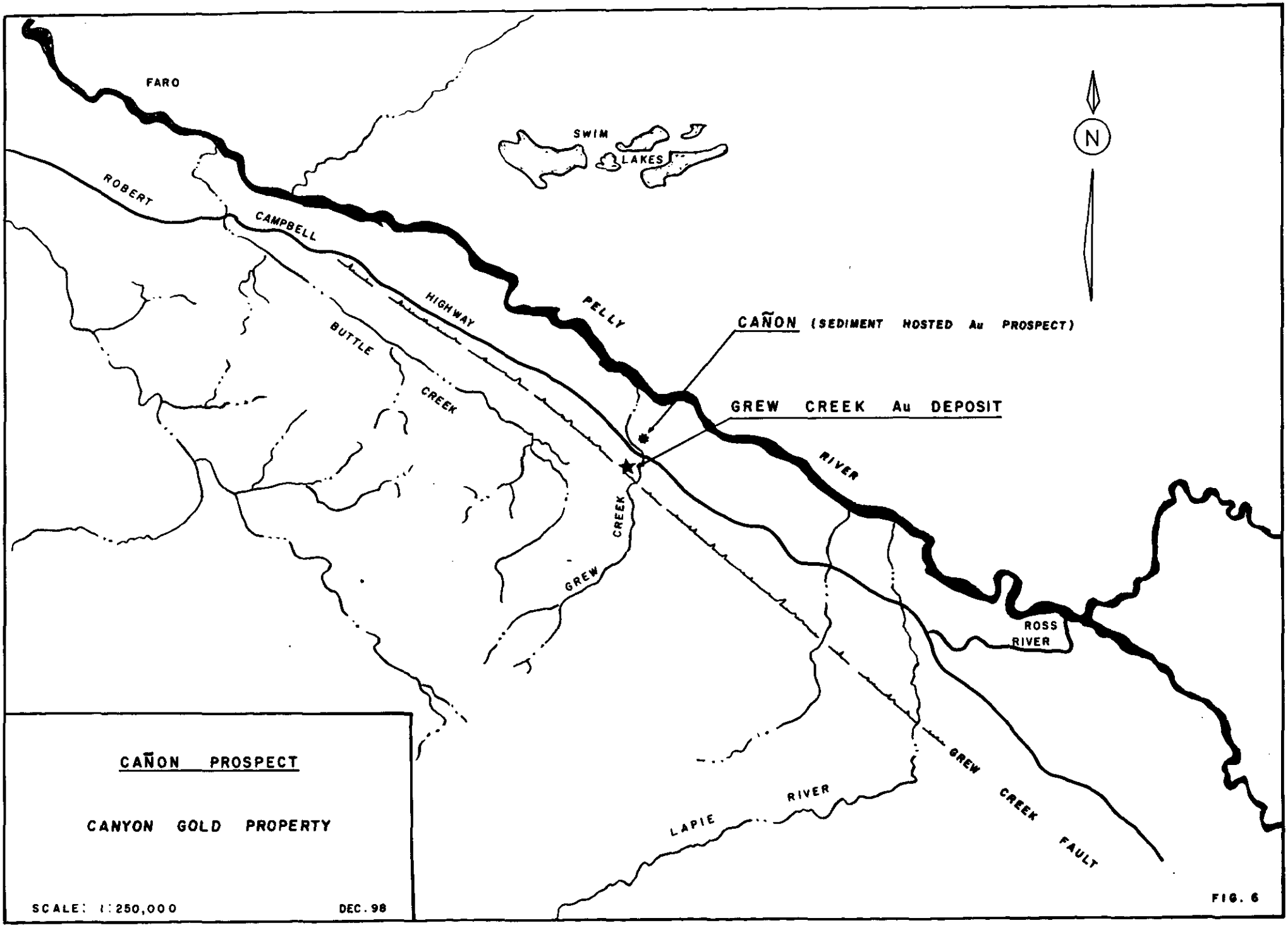
Newly located CANON claims cover the prospect, which in turn adjoin ground hosting the Grew Creek deposit to the south. Access to the property is gained by 4-wheel drive vehicle.

CLAIM NAME	GRANT NUMBERS	NO. of CLAIMS
Canon 1-6	YC08793-98	6
Canon 7-14	YC08939-46	8
		14

1998 PROGRAM

Sons Luke and Shane helped immensely with the heavier work while Alanna (daughter) and partner Paula supported the program in every way.

A cut grid totalling 7650 metres was established prior to detailed V.L.F. E.M. and magnetometer surveys. A total of 292 soil samples were collected at 25 metre intervals and at a depth of 1 metre. Line spacing was 50 metres. Trenching and prospecting were interspersed with other work to lessen monotony. To date the soil samples have not been analyzed, waiting hopefully for a sponsor to absorb the cost.


FARO
SWIM
LAKES
N
ROBERT
CAMPBELL
HIGHWAY
PELLY
CAÑON (SEDIMENT HOSTED Au PROSPECT)
BUTTLE
CREEK
GREW CREEK Au DEPOSIT
RIVER
GREW
CREEK
ROSS
RIVER
GREW CREEK FAULT
LAPIE
RIVER
CAÑON PROSPECT
CANYON GOLD PROPERTY
SCALE: 1:250,000
DEC. 98
FIG. 6

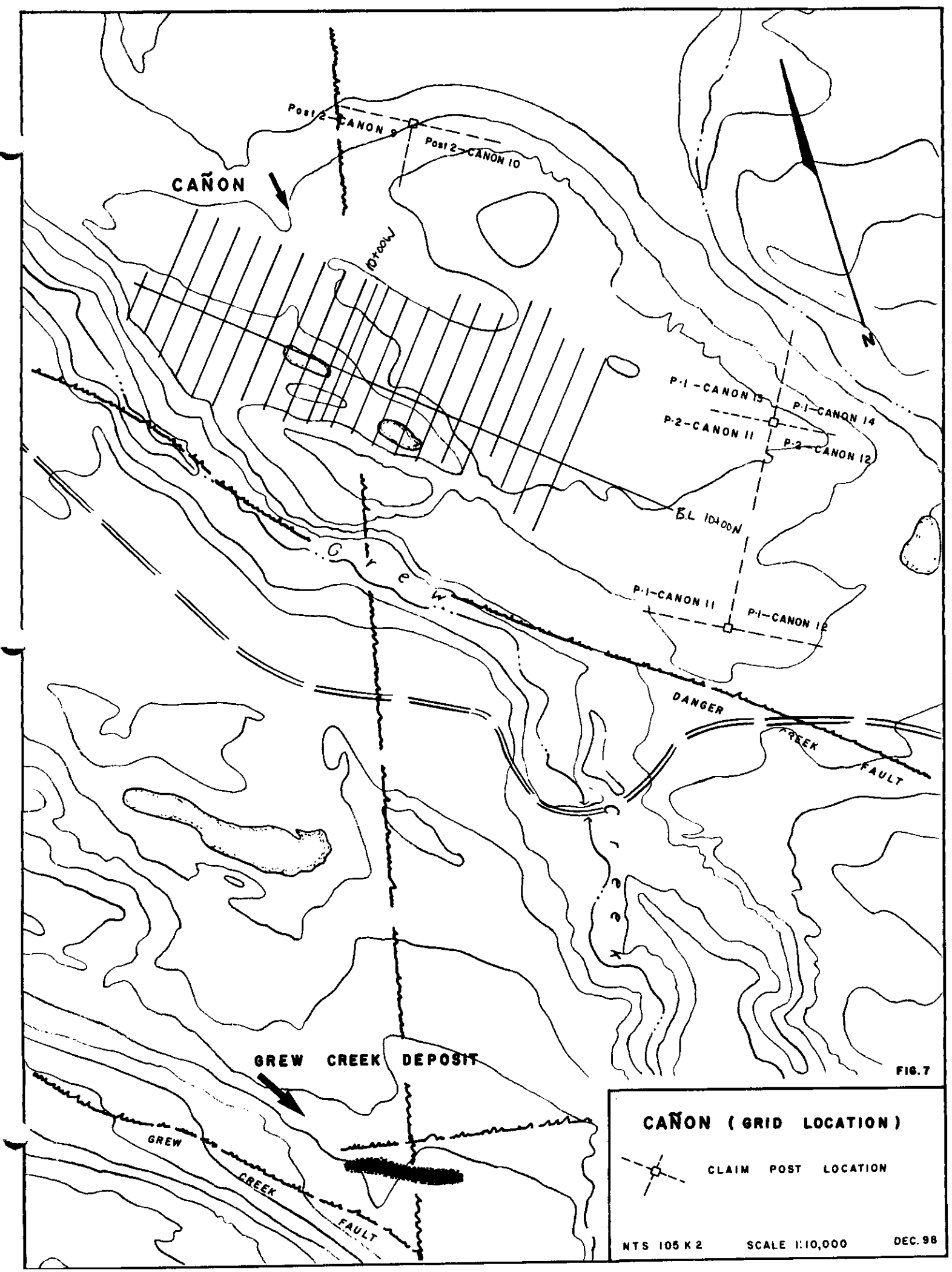

Post 2 – CANON 9
Post 2 – CANON 10
CAÑON
10+00N
N
P·1 – CANON 13
P·1 – CANON 14
P·2 – CANON 11
P·2 – CANON 12
B.L 10+00N
G r e w
P·1 – CANON 11
P·1 – CANON 12
DANGER
CREEK
FAULT
GREW CREEK DEPOSIT
GREW
CREEK
FAULT
FIG. 7
CAÑON (GRID LOCATION)
CLAIM POST LOCATION
NTS 105 K 2
SCALE 1:10,000
DEC. 98

FIG. 8

CANON CLAIMS

N.T.S. 105 K-2

Scale 1:31,680

DISCUSSION and RECOMMENDATIONS

Evidence of shearing in the mineralized (jasperoid)? noted in Fig.5, led to an initial belief that a fault structure was present along the major depression hosting the 2 ponds. This assumption, together with the mineralized float, determined the trench location. Dimensions were 16.7 metres in length by 1.3 metres in width. Height varied from 1 - 2.4 metres. A sticky black clay, hosting densely packed rock material, occurs below a surficial till. Geo-chem sample #73402 (clay and rock grab) gave a 9 PPb Au value. Upon washing, the generally rough, fist sized rock fragments are seen to be comprised entirely of limestone, brecciated to various degrees and silicified.

Somewhat surprising was the subsequent discovery of V.L.F. E.M. trend A-A. Sheared jasperoid at the pond site, together with faulting noted at the Cu showing to the west, supports a structural component to this anomaly. Its location in relation to the mineralized float and carbonate rocks lends to intriguing possibilities.

Anomaly D-D was essentially a result of the Seattle station V.L.F. survey. It is supported by airborne data.

Auger sampling adjacent the shore at the westerly extremity of V.L.F. E.M. anomaly B-B encountered highly gossanous till. The E.M. trend was determined by station Hawaii (Fig.3). This survey also established an anomaly immediately to the east, proximal to the basalt breccia exposure. A number of very gossanous and clay rich auger holes were noted on lines 9+550 - 600W, near the base line. Unresolved is the possibility that E.M. trend B-B and the one to the east are one of the same. A different type survey would be required for this determination.

While in the above vicinity, mention should be made of a siliceous and porous (very light) float fragment, noted on Fig.5 as a possible decalcified carbonate. This is open to debate and perhaps some study.

Further work should also be done on units identified as dacite and calc-silicate. These were named such after consultation with several government geologists.

A short discussion on possible fault structure is warranted. It is my belief that a westerly dipping fault may be present beneath the large basalt exposure, surfacing near or along its north-westerly margin. Unit 8 ultramafic is noted on Fig.5 and apparently continues to the south-east, below the basalt (Fig.4). The one exposure of this ultramafic is highly magnetic (some serpentine), while any basalt tested to date was not so. The location of a second possible fault (Aerodat, Fig.5) is not supported, at least in a precise sense, by the ground based geophysics.

In closing: The analysis of the 292 soil samples collected in the past season will be invaluable for guiding future work.

APPENDIX I

ANALYTICAL CERTIFICATES

Intertek Testing Services
Bondar Clegg

Geochemical Lab Report

CLIENT: MR. ALLEN CAROLS — PROJECT: NONE GIVEN

REPORT: V98-00863.0 (COMPLETE) — DATE RECEIVED: 03-JUN-98 — DATE PRINTED: 11-JUN-98 —

SAMPLE NUMBER	ELEMENT UNITS	Au30 PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Bi PPM	As PPM	Sb PPM	Hg PPM	Ba PPM
S1 73396 SOIL →		34	<0.2	115	19	33	3	<5	41	11	0.149	158
R2 73396 ROCK →		13	<0.2	46	4	10	3	<5	11	<5	0.038	70
S1 73397		5	<0.2	52	<2	4	3	<5	<5	<5	0.010	22
S1 73398		<5	<0.2	26	<2	26	<1	<5	<5	<5	0.118	142
S1 73399		15	0.3	34	2	63	5	<5	<5	<5	0.015	746
S1 73400		9	5.1	90	4	128	24	<5	45	18	0.202	178

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

Intertek Testing Services
Bondar Clegg

Geochemical Lab Report

CLIENT: MR. A. CARLOS

PROJECT: CANON

REPORT: V98-01676.0 (COMPLETE)

DATE RECEIVED: 14-SEP-98 DATE PRINTED: 29-SEP-98 PAGE 1 OF 3

SAMPLE NUMBER	ELEMENT UNITS	Au50 PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Ni PPM	Co PPM	Cd PPM	Bi PPM	As PPM	Sb PPM	Hg PPM	Fe PCT	Mn PPM	Te PPM	Ba PPM	Cr PPM	V PPM	Sn PPM	W PPM	La PPM	Al PCT	Mg PCT	Ca PCT	Na PCT	K PCT	Sr PPM	Y PPM	Ga PPM	Li PPM	Nb PPM	Sc PPM	Ta PPM	Ti PCT	Zr PPM
73401 →		15	<.2	10	4	36	2	16	4	<.2	<5	<5	<5	0.204	1.26	923	<10	261	117	6	<20	<20	6	0.58	0.74	6.61	<.01	0.11	180	5	<2	11	<1	<5	<10	<.01	3
73402 →		9	<.2	54	11	62	1	23	9	<.2	<5	9	<5	0.249	2.62	1072	<10	272	110	21	<20	<20	18	1.38	0.85	1.08	0.01	0.18	52	5	3	19	<1	<5	<10	<.01	5
73403		<5	0.4	9	2	9	<1	2	1	0.3	<5	<5	<5	0.025	0.30	1467	<10	94	14	1	<20	<20	4	0.10	0.23	>10.00	<.01	0.03	907	4	<2	<1	<1	<5	<10	<.01	1
73404		<5	<.2	21	6	61	1	20	15	<.2	<5	14	<5	0.130	4.72	780	<10	175	169	97	<20	<20	18	2.27	2.12	2.11	0.03	0.12	97	6	7	36	8	9	<10	<.01	8
73405		<5	0.2	16	2	12	2	10	1	<.2	<5	7	<5	0.052	0.93	94	<10	267	255	12	<20	<20	3	0.18	0.07	0.13	<.01	0.09	18	<1	<2	2	<1	<5	<10	<.01	3
73406 →		34	0.8	631	19	143	2	30	11	0.5	<5	7	<5	0.665	>10.00	675	<10	45	163	176	<20	<20	3	2.37	1.34	0.16	0.03	0.09	23	4	<2	6	15	10	<10	0.47	3
73407 →		<5	<.2	445	<2	45	1	26	31	0.2	<5	<5	<5	0.016	1.47	448	<10	59	196	22	<20	<20	<1	0.64	0.53	1.50	0.02	<.01	9	4	<2	2	2	<5	<10	0.07	1
73408		6	<.2	4	<2	25	<1	1238	56	<.2	<5	<5	<5	0.015	3.96	471	<10	66	1108	22	<20	<20	<1	0.40	>10.00	0.17	<.01	<.01	28	<1	<2	7	<1	<5	<10	<.01	<1
73409		<5	<.2	18	3	12	2	21	5	<.2	<5	14	<5	0.024	0.75	99	<10	27	288	3	<20	<20	3	0.16	0.11	0.02	<.01	0.07	4	<1	<2	2	<1	<5	<10	0.01	6

APPENDIX II

Summary of Expenditures / Work Performed

(a)	Line Cutting		
	7.65 Km. @ 600.00 per	.....	$4590.00
(b)	Trenching		
	48.58 cubic yards @ 6.00 per	.....	$ 291.52
(c)	Food		
	25.00 per man (3) for 30 days	.....	$2250.00
(d)	Transportation		
	Truck rental - 50.00/day for 30 days	.....	$1500.00
	Fuel	.....	$ 230.00
(e)	General Costs		
	Report & drafting	.....	$ 350.00
	Total work performed on CANON claims	.....	$9211.52

CANYON GOLD (CAÑON TARGET)

V.L.F. FRASER FILTER

CONTOUR INTERVAL 10

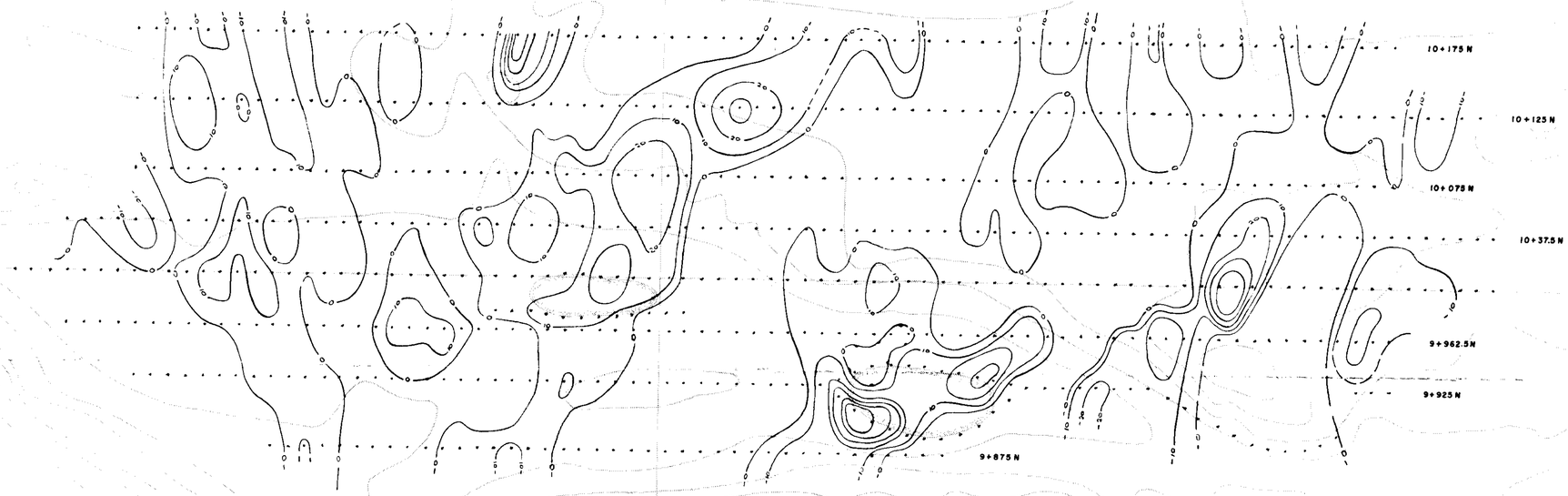
N.T.S. 105K-2 (DEC. 98)

SCALE: 1:2500

093915

FIG. 2

V.L.F. HAWAII



CANYON GOLD (CAÑON TARGET)

V.L.F. FRASER FILTER

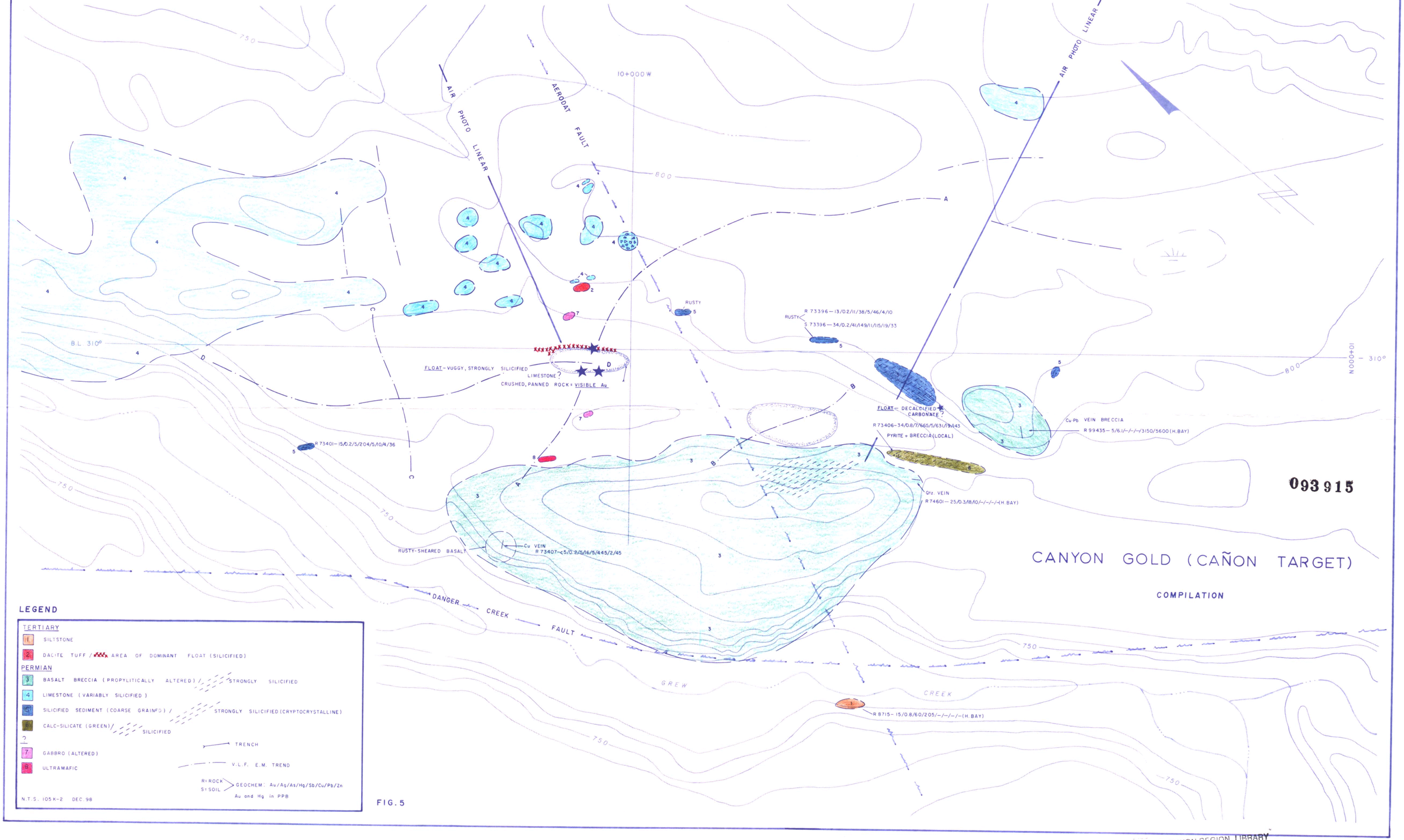
CONTOUR INTERVAL 10

N.T.S. 105K-2 (DEC. 98)

SCALE: 1:2500

093915

FIG. 3



093 915

CANYON GOLD (CAÑON TARGET)

COMPILATION

LEGEND

TERTIARY
1. SILTSTONE
2. DACITE TUFF / AREA OF DOMINANT FLOAT (SILICIFIED)

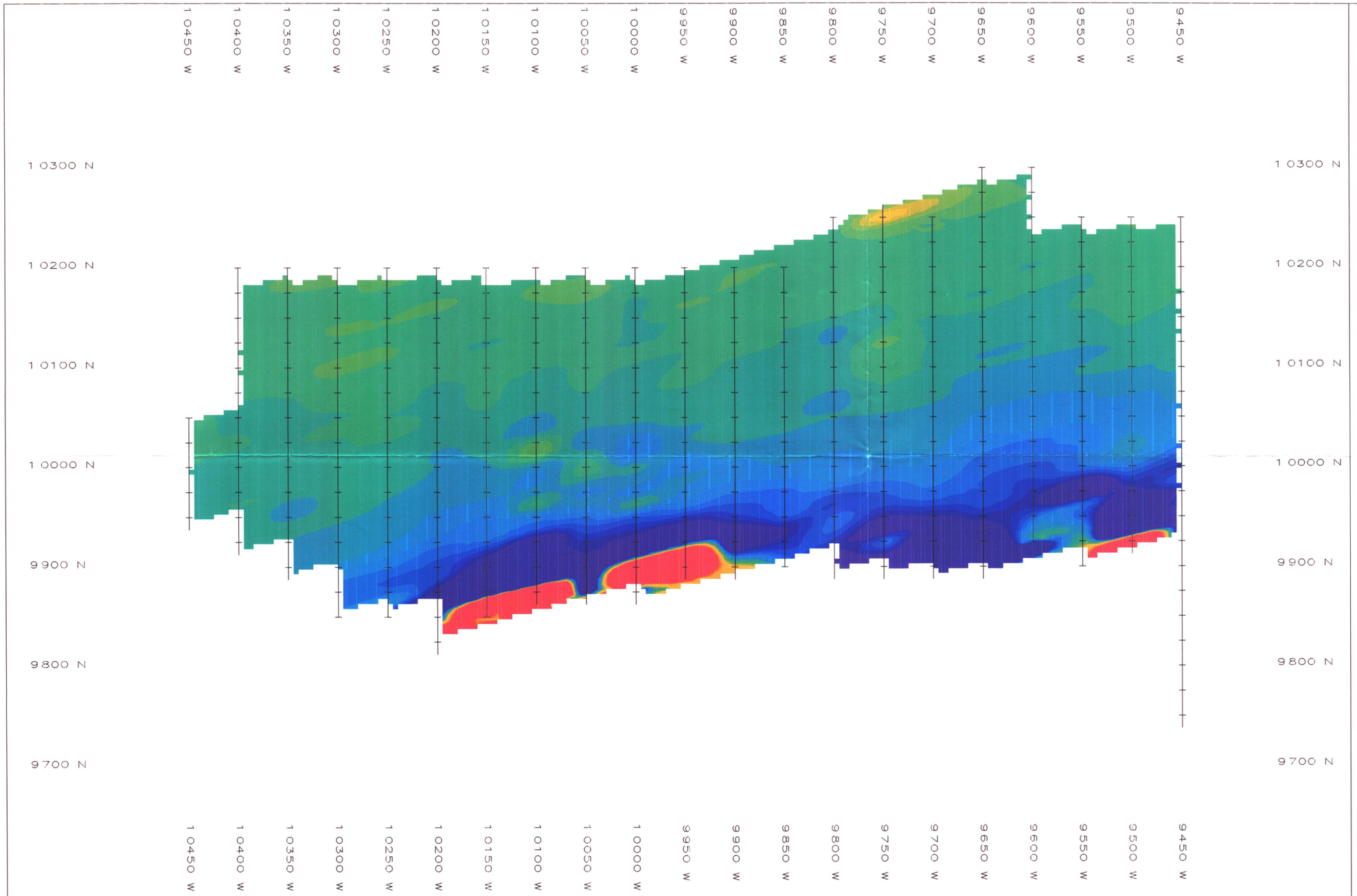
PERMIAN
3. BASALT BRECCIA (PROPYLITICALLY ALTERED) / STRONGLY SILICIFIED
4. LIMESTONE (VARIABLY SILICIFIED)
5. SILICIFIED SEDIMENT (COARSE GRAINED) / STRONGLY SILICIFIED (CRYPTOCRYSTALLINE)
CALC-SILICATE (GREEN) / SILICIFIED

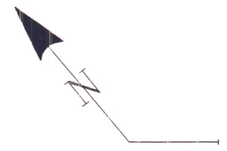
?
7. GABBRO (ALTERED)
8. ULTRAMAFIC

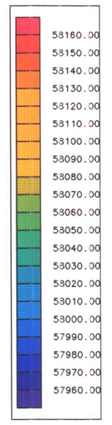
TRENCH
V.L.F. E.M. TREND
R=ROCK, S=SOIL > GEOCHEM: Au/Ag/As/Hg/Sb/Cu/Pb/Zn
Au and Hg in PPB

N.T.S. 105K-2 DEC. 98

FIG. 5







Total field in nT

0 200

metres

Scale: 1:2,500

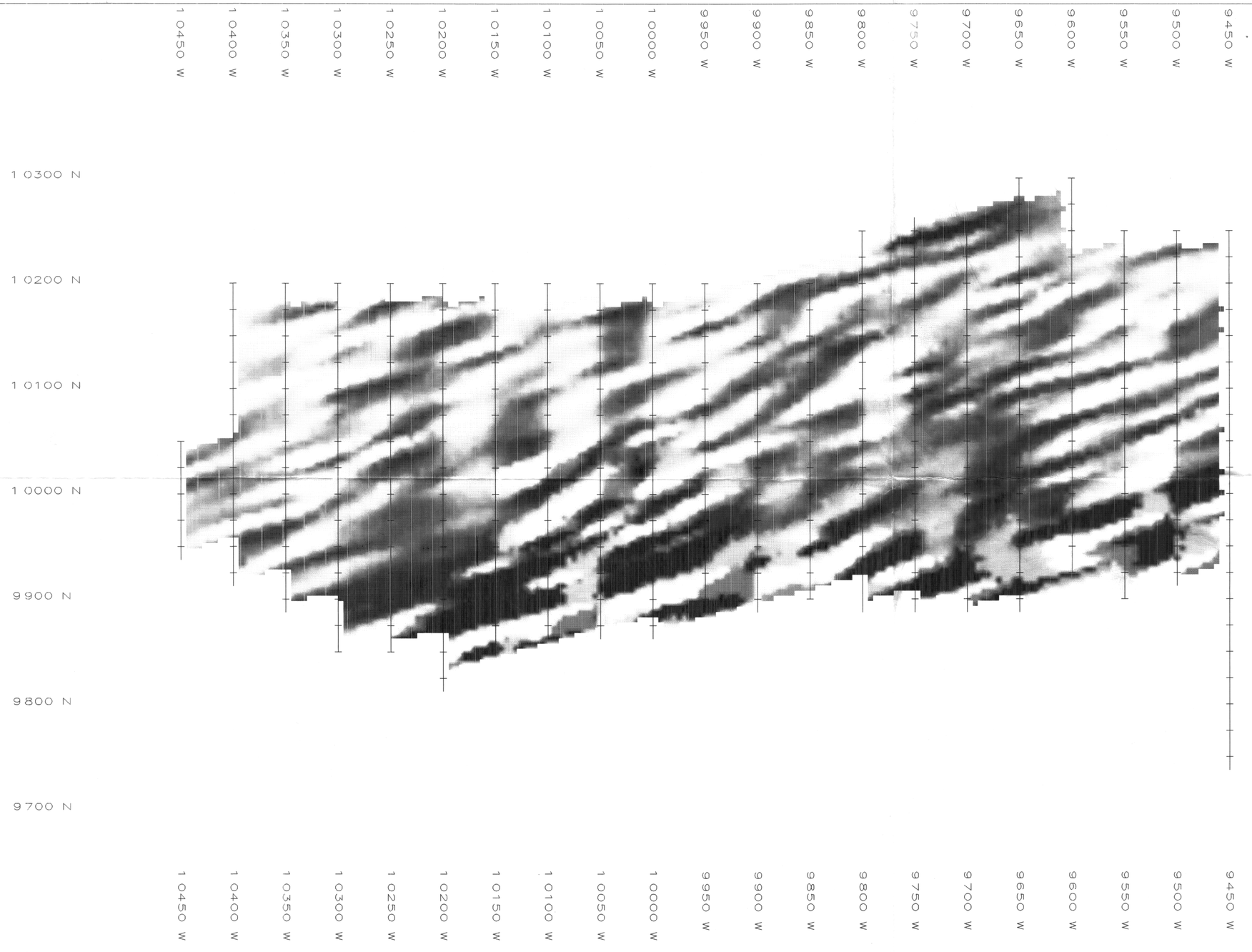
AL CARLOS

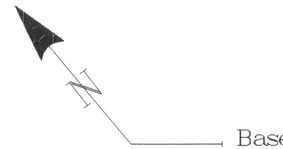
CANON PROPERTY
(NTS 105 K/2)

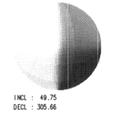
TOTAL MAGNETIC FIELD
CONTOUR MAP

093915

AMEROK GEOSCIENCES LTD.







Total field in nT

0 200

metres

Scale: 1:2,500

AL CARLOS

CANON PROPERTY
(NTS 105 K/2)

TOTAL MAGNETIC FIELD
CONTOUR MAP

093915

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