

MAP NO.: PLACER ASSESSMENT REPORT X
116 C 2 PROSPECTUS X
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 120128
MINING DISTRICT: Dawson
TYPE OF WORK: Auger Drilling

REPORT FILED UNDER: Granges Inc.

DATE PERFORMED: September 1989

DATE FILED: April 1990

LOCATION: LAT.: 64° 00'N

AREA: Sixtymile River

LONG.: 140° 45'W

VALUE \$: \$4403.00

CLAIM NAME & NO.: PL 7684

WORK DONE BY: A.J. O'Donnell

WORK DONE FOR: Granges Inc.

DATE TO GOOD STANDING:

REMARKS: Eight auger holes were drilled on PL 7684 in a program which included 20 holes. Total footage on the lease was 238 feet. The rig was a CME 750 auger drill mounted on all-terrain tires. The drill was equipped with six-inch solid shaft augers with a depth penetration of 50 feet. Two-foot interval samples were screened to -20 mesh, (oversize inspected), pan concentrated and fire assayed. Laboratory results were poor and it was decided to concentrate remaining samples in a sluice box and by further panning. Significant gold was recovered by this method on adjacent leases. The unconsolidated section on PL 7684 consisted of 6.5 to 36 feet of black muck and 9 to 13 feet of gravel and sand.

*Indexed
gas can Dec 19/90*

Open



AUGER DRILLING REPORT

FOR

PROSPECTING LEASE 7684

120128

SIXTYMILE RIVER

DAWSON MINING DISTRICT

NTS 116-C-2 / 115-N-15 (P)



April 5, 1990

A.J. O'Donnell



[Faint handwritten text]

Report has been examined by
Geological Evaluation Unit under
Section 41 Yukon Placer Mining Act
and is recommended as allowable
representation work in the amount
of \$ 4403.00.

for *W. Barge*
Chief Geologist, Exploration and
Geological Services Division, Northern
Affairs Program for Commissioner of
Yukon Territory.

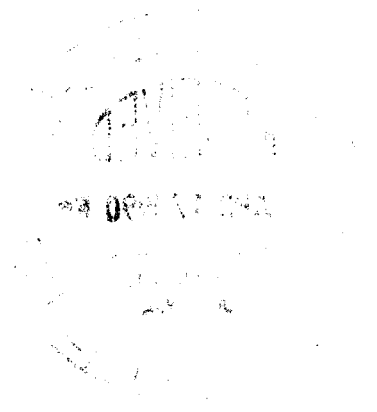


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EMCLOSURES

Plan of Prospecting Lease 7684, showing auger drill hole locations.

INTRODUCTION

An auger drill testing program was completed during the month of September 1989 over selected areas of prospecting lease 7684. The drilling was completed by Midnight Sun Drilling Co. Ltd. of Whitehorse, Yukon Territory, under the supervision of M.H. Sanguinetti, P.Eng., of Sanguinetti Engineering Limited of Vancouver, BC.

LOCATION AND ACCESS

The property is located 460 km northwest of Whitehorse in the Sixtymile River area, Dawson Mining District, Yukon Territory. The lease is described as follows: commencing from Post #1 which is on the right limit looking downstream on Sixtymile River approximately one mile upstream from its confluence with Fivemile Creek, thence upstream to a distance of three miles. The front boundary of the lease is a line parallel to and 1,000 feet back from the baseline of the river.

The Sixtymile River area is accessible by the 'Top of the World' highway, the route being 100 km west of Dawson City and then south at the Haner turnoff approximately 400 metres east of Miller Creek.

AUGER DRILLING

The auger drilling program was designed to test the lease area for possible economic placer deposit. Eight auger drill holes were completed on the lease for a total depth of 238 feet. The location of the holes is shown on the accompanying lease plan, and schematic drill logs for each hole are given in Appendix A.

The rig employed was a CME 750 auger rig mounted on all terrain rubber tyres, with a ground-bearing pressure of 5.2 PSI. The drill was equipped with six-inch solid shaft augers with a depth penetration of 50 feet.

Forty two bags of samples were shipped to Bacon Donaldson and Associates of Richmond, BC, for analysis. All samples were weighed prior to processing. The procedure consisted of mixing in hot water, separation using a Sweco 20-mesh screen (after which the coarse portion was inspected and rejected), and tabling the -20 mesh portion to recover fine gold. Gold was recovered from the table concentrates by fire assay methods. At present only 21 of the 42 samples submitted to the laboratory have been processed.

RESULTS OF ANALYSIS

Of the 21 samples processed to date, only 8 contained visible gold which assayed 7.636 mgs from the pan concentrates (Appendix B). The laboratory was instructed, in view of the location of the drill holes and the surprisingly low gold values obtained, not to continue processing the remaining samples.

It was decided to check the results of the analysis by reconcentration. This phase of the analysis included 17 samples obtained during the same drilling program on mining claims held by Granges Inc. in the vicinity of placer lease 7684.

Three drums of rejects (+20 mesh material and table tailings?) were concentrated in a small patented sluice box, and after further concentration by panning a significant amount of gold was recovered. The final concentrate was screened at 30 mesh and 145 mg of coarse gold recovered. The -30 mesh fine-grained gold as submitted to Bondar Clegg, assayers of North Vancouver, BC, for recovery of the gold, which weighed 152.47 milligrams (Appendix C). After correcting the weight of the +30 mesh gold for a 10% silver content, the total amount of fine gold recovered from the reject material was 283 mgs. This contrasts with 35.641 mg recovered by the laboratory, which represents only 11% of the gold in all the samples processed.

CONCLUSIONS

It is recommended that a small sluice box be used to process the remaining 21 auger samples. Further exploration will depend upon the results obtained.

Prepared on behalf on Joseph Muzylowski:



A.J. O'Donnell, P.Eng.
Exploration Manager
Granges Inc.

STATEMENT OF EXPENDITURES

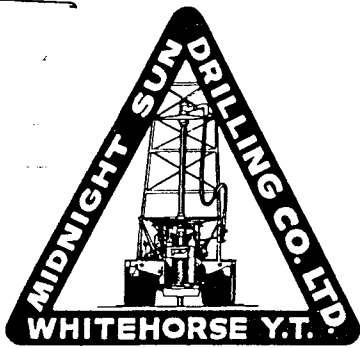
Auger drilling costs on placer lease 7684:

Contractor: Midnight Sun Drilling Co. Ltd., Whitehorse,
Yukon Territory

8 holes, 238 feet at \$18.50 per foot \$4,403.00

Invoices 1677 to 1682 for the time period September 21 to
September 26, 1989, are enclosed. The drilling program
comprised a total of 20 holes, only 8 of which were drilled on
prospecting lease 7684.





PHONE (403) 633-3070
 FAX 633-5758

#13 MacDONALD ROAD
 WHITEHORSE, YUKON
 Y1A 4L1

Granges Inc.
 885 West Georgia St.
 Vancouver, B.C.
 V6C 3E8

Invoice no.
 1677

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5019
				Sept. 21/89

1 Mob/Demob	\$10,335.00 L.S.	\$10,335.00	
3.5 Mob (Lowbed)	\$85.00 /hr	\$297.50	
1 Crew Time	\$75.00 /hr	\$75.00	
		\$0.00	
		\$0.00	

		\$10,707.50	\$10,707.50

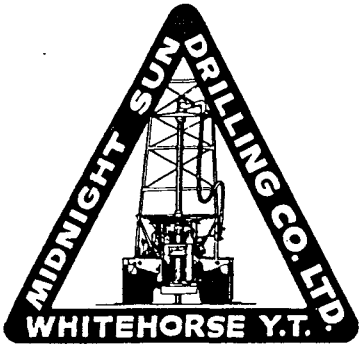
Granges Inc.
 885 West Georgia St.
 Vancouver, B.C.
 V6C 3E8

Invoice no.
 1678

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5020
				Sept. 22/89

3 Unscheduled Rig Time	\$145.00 /hr	\$435.00	
117.5 Augering	\$18.60 /ft	\$2,185.50	
		\$0.00	
		\$0.00	
		\$0.00	

		\$2,620.50	\$2,620.50



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#13 MacDONALD ROAD
 WHITEHORSE, YUKON
 Y1A 4L1

Granges Inc.
 885 West Georgia St.
 Vancouver, B.C.
 V6C 3E8

Invoice no.
 1679

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5021
				Sept. 23/89

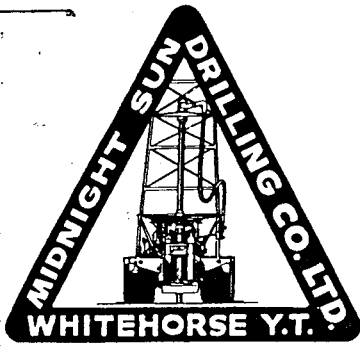
2.5 Unscheduled Rig Time	\$145.00 /hr	\$362.50	
123 Augering	\$18.60 /ft	\$2,287.80	
		\$0.00	
		\$0.00	
		\$0.00	
		<hr/>	
		\$2,650.30	\$2,650.30

Granges Inc.
 885 West Georgia St.
 Vancouver, B.C.
 V6C 3E8

Invoice no.
 1680

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5022
				Sept. 24/89

3 Unscheduled Rig Time	\$145.00 /hr	\$435.00	
93.5 Augering	\$18.60 /ft	\$1,739.10	
		\$0.00	
		\$0.00	
		\$0.00	
		<hr/>	
		\$2,174.10	\$2,174.10



PHONE (403) 633-3070
FAX 633-5758

#13 MacDONALD ROAD
WHITEHORSE, YUKON
Y1A 4L1

Granges Inc.
885 West Georgia St.
Vancouver, B.C.
V6C 3E8

Invoice no.
1681

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5023
				Sept. 25/89

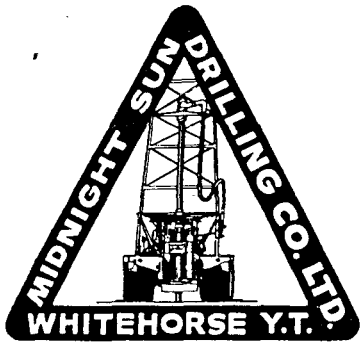
2 Unscheduled Rig Time	\$145.00 /hr	\$290.00	
94.5 Augering	\$18.60 /ft	\$1,757.70	
		\$0.00	
		\$0.00	
		\$0.00	
		<hr/>	
		\$2,047.70	\$2,047.70

Granges Inc.
885 West Georgia St.
Vancouver, B.C.
V6C 3E8

Invoice no.
1682

Authorized by	Rig no.	Charge	Invoice date	Time Sheet
Time Sheets	89-6-11	yes	Oct. 6/89	5024
				Sept. 26/89

1 Unscheduled Rig Time	\$145.00 /hr	\$145.00	
90 Augering	\$18.60 /ft	\$1,674.00	
		\$0.00	
		\$0.00	
		\$0.00	
		<hr/>	
		\$1,819.00	\$1,819.00



PHONE (403) 633-3070
FAX 633-5758
#13 MacDONALD ROAD
WHITEHORSE, YUKON
Y1A 4L1

Granges Inc.
885 West Georgia St.
Vancouver, B.C.
V6C 3E8

Invoice no.
1683

Authorized by Time Sheets Rig no. 89-6-11 Charge yes Invoice date Oct. 6/89 Time Sheet 5025
Sept. 27/89

4 Mob (Lowbed)	\$85.00 /hr	\$340.00
20 Augering	\$18.60 /ft	\$372.00
1 Crew Time	\$75.00 /hr	\$75.00
165 Sample Bags	\$1.25 /bag	\$206.25
1 Rock bit centre & bit repair	N/C	\$0.00

		\$993.25 \$993.25

		\$23,012.35
		000.00

ART:

My quick calculations said you
had money coming back, but it looks like
I'm wrong
THANK YOU FOR THE OPPORTUNITY TO WORK
FOR YOU ~~AGAIN~~ AND HOPE TO BE OF
SERVICE AGAIN

PAUL J. JAMIESON

CERTIFICATE OF QUALIFICATIONS

I, Arthur John O'Donnell, of Delta, British Columbia do hereby certify that:

1. I am Exploration Manager for Granges Inc. with offices at 2300-885 West Georgia Street, Vancouver, B.C. V6C 3E8.
2. I am a graduate of Saint Francis Xavier University, Antigonish, N.S. with a B.Sc. degree in geology. I also took an extra year of geology at Dalhousie University, Halifax, N.S.
3. That I have practised my profession for thirty years.
4. I have been a member in good standing of the Association of Professional Engineers of the Province of Ontario since 1970 and the Association of Professional Engineers of the Province of Manitoba since 1980.

DATED at Vancouver, British Columbia this 24th day of May, 1989.



A.J. O'Donnell, P.Eng.

APPENDIX A
SCHEMATIC AUGER DRILL LOGS

Relative Elevations

340'

330'

320'

310'

300'

A-3
el. 340.3'

A-2
el. 332.6'

A-1
el. 304.9'

300'

320'

27701 6.5'

27702

27703

27704

0.950-27705 15.5'

0 - 27706

20'

27707

27708

27709

27710

0 - 27711

0.203-27712

29'

39.6'

45'

27713

27714

27715

27716

27717

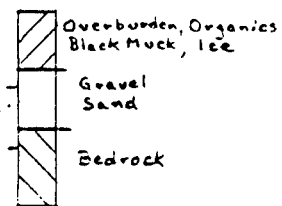
27718

36'

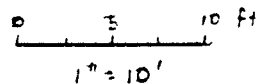
49'

52.5'

LEGEND



Sample Interval:
Au in mg-Tag No.



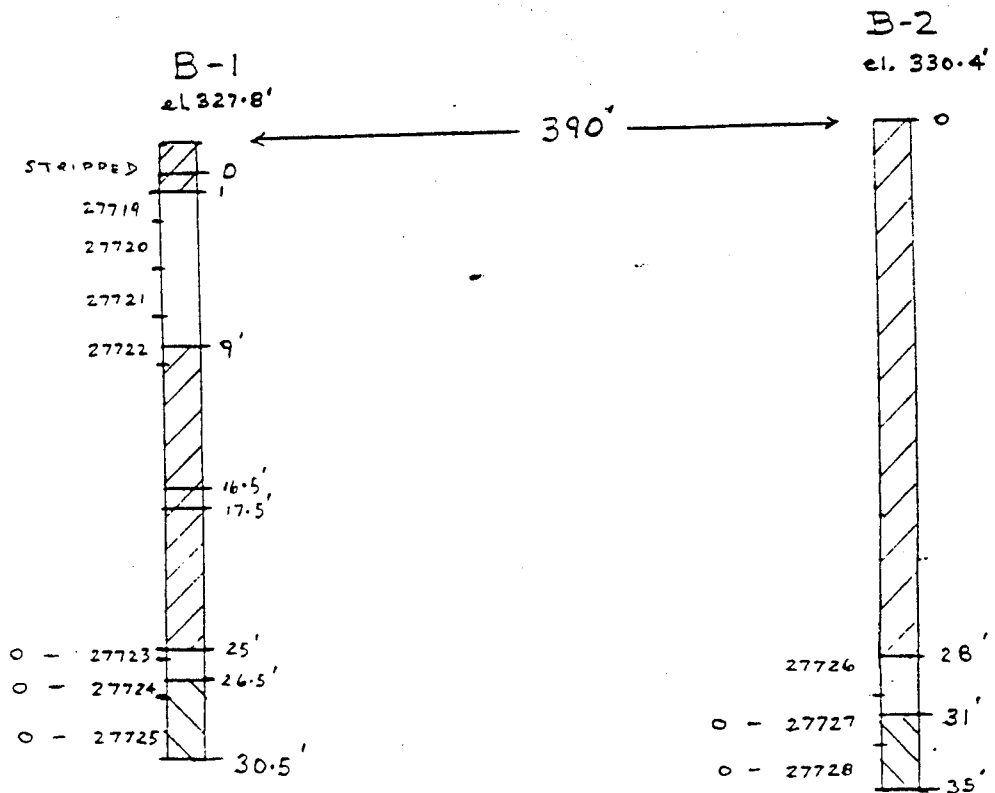
GRANGES INC.
60 MILE PLACER
Section looking NE

Relative Elevations

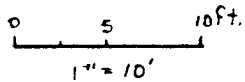
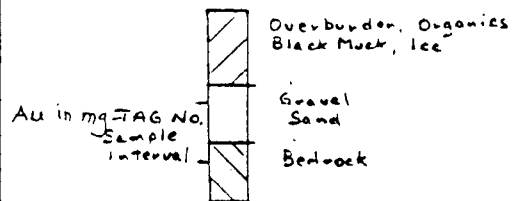
330'

320'

310'



LEGEND



GRANGES INC.
60 MILE PLACER
Section looking NE

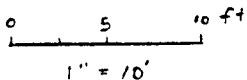
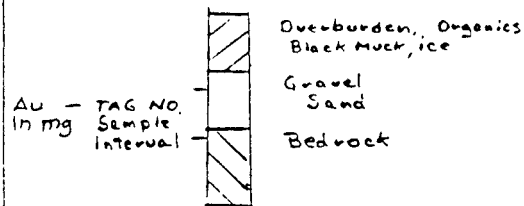
Relative Elevations

— 330'

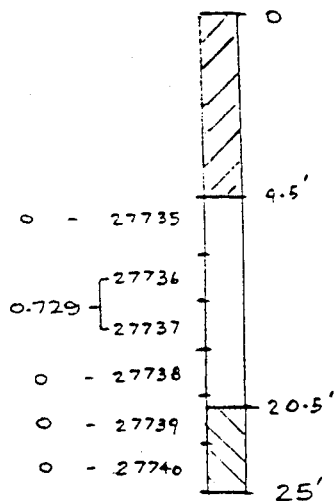
— 320'

— 310'

LEGEND



C-2
el: 323.3'



GRANGES INC.
60 MILE PLACER
Section looking NE.

Relative
Elevations

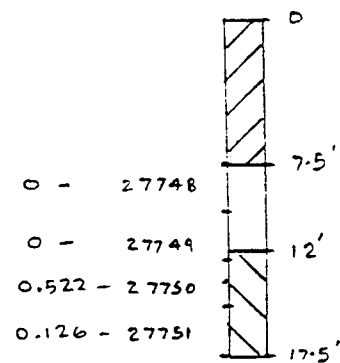
— 330'

— 320'

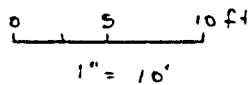
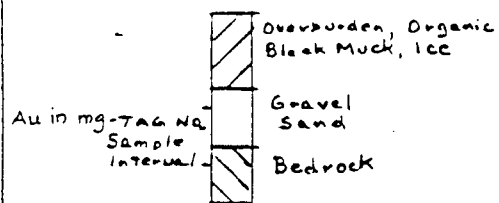
— 310'

D-2

el. 321.8'



LEGEND



GRANGES INC.
60 MILE PLACER
Section looking NE

Relative
Elevations

— 330'

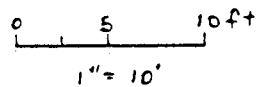
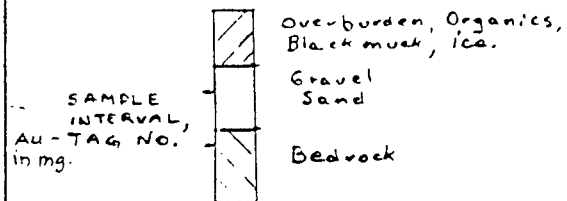
— 320'

— 310'

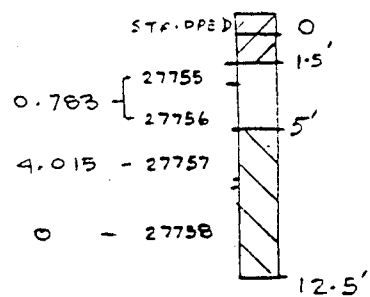
— 300'

Bedrock in PIT
303.4'

LEGEND



E-2
el. 316.3'



GRANGES INC.
60 MILE PLACER
Section looking NE.

APPENDIX B
GRAVITY PROCESSING RESULTS

M90-010: Gravity Processing of GRANGES Samples						
Sample No.	Client I.D.	Footage		-20 mesh Tabling Inspection	Assayed Gold in Pan Conc	Comments
		from	to			
A1	27705	15	17.5	2 Au Flakes	0.950 mg	2 Bags
A1	27706	17.5	20	No Visible Au	-	2 Bags
A2	27711	40	42.5	No Visible Au	-	
A2	27712	42.5	45	1 Tiny Au flake	0.203 mg	
A3	27717	45	47.5	3 Tiny Au flakes	0.308 mg	2 Bags
A3	27718	47.5	52.5	No Visible Au	-	
B1	27723, 27724	25	27.5	No Visible Au	-	
B1	27725	27.5	30.5	No Visible Au	-	
B2	27727	30	32.5	No Visible Au	-	2 Bags
B2	27728	32.5	35	No Visible Au	-	
C2	27735	9.5	12.5	No Visible Au	-	
C2	27736, 37737	12.5	17.5	1 Au Flake	0.729 mg	
C2	27738	17.5	20	No Visible Au	-	
C2	27739	20	22.5	No Visible Au	-	2 Bags
C2	27740	22.5	25	No Visible Au	-	2 Bags
D2	27748, 27749	7.5	12.5	No Visible Au	-	
D2	27750	12.5	15	5 Tiny Au Flakes	0.522 mg	
D2	27751	15	17.5	2 Tiny Au Flakes	0.126 mg	2 Bags
E2	27755, 27756	1.5	5	3 Au Flakes	0.783 mg	3 Bags
E2	27757	5	7.5	1 Au Flake	4.015 mg	
E2	27758	7.5	12.5	No Visible Au	-	3 Bags

APPENDIX C
CERTIFICATES OF ASSAY

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



Certificate of Analysis

DATE PRINTED: 9-MAR-90

PROJECT: NONE GIVEN

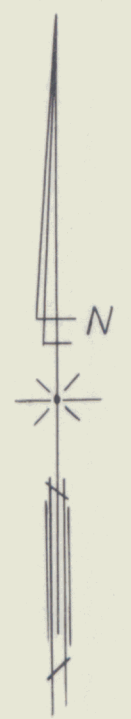
PAGE 1

REPORT: V90-00262.4

SAMPLE NUMBER	FINEST UNITS	Au Mg MG	Ag Mg MG
C4 NO NUMBER		152.470	16.91

APPENDIX D

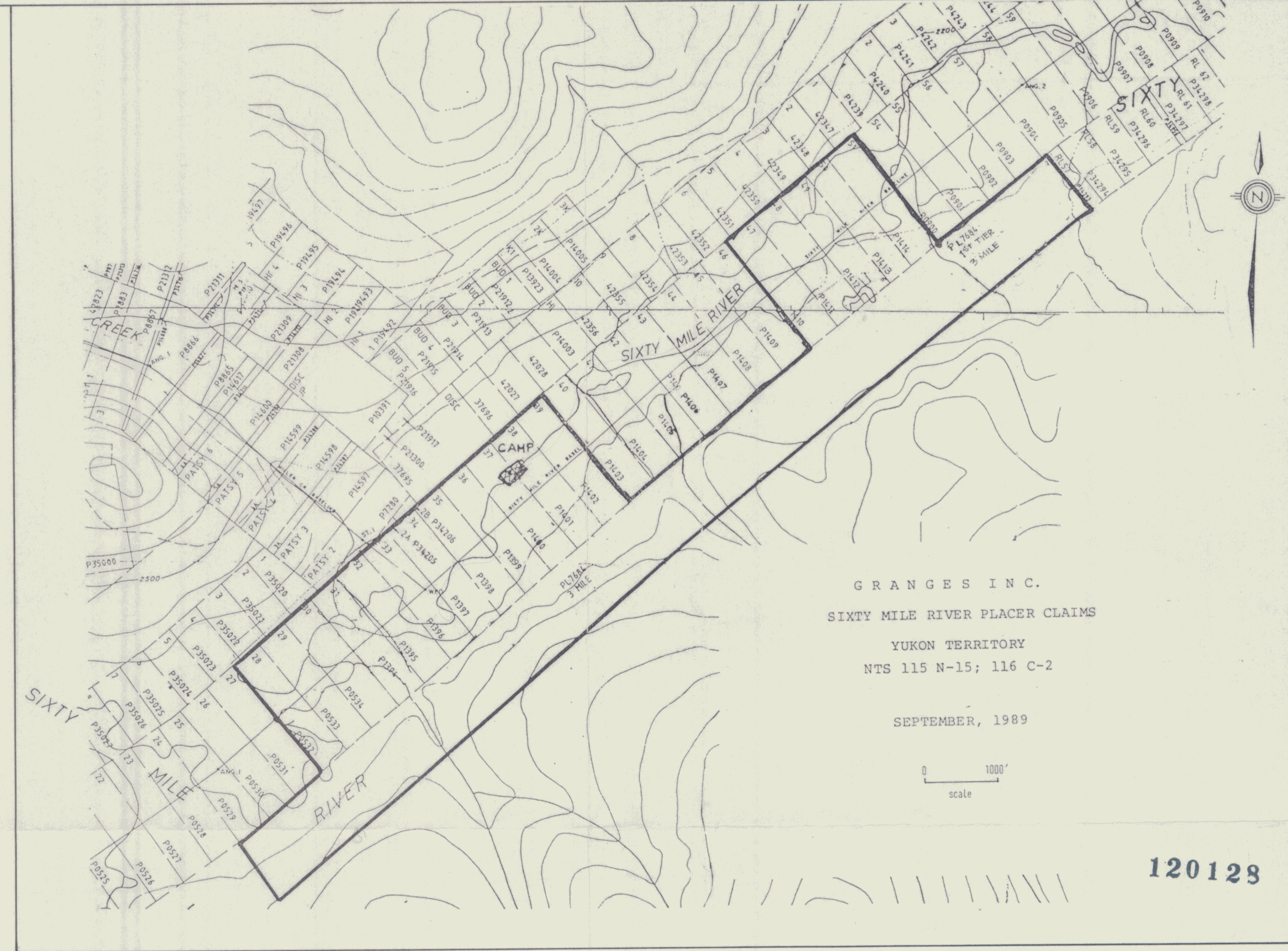
ADDITIONAL INFORMATION FOR LEASE TO PROSPECT FORM



ELEVATIONS
ASSUME Δ1 = 100 M

A-1	92.94 M
A-2	101.38 M
A-3	103.71 M
B-1	99.91 M
B-2	100.70 M
C-2	98.55 M
D-2	98.08 M
E-2	96.41 M

- ⊙ AUGER DRILL HOLE & NO
- △ ELEVATION STATION & NO
NO 1: NOMINAL 100 M



GRANGES INC.
SIXTY MILE RIVER PLACER CLAIMS
YUKON TERRITORY
NTS 115 N-15; 116 C-2

SEPTEMBER, 1989
0 1000'
scale

120128

GRANGES INC.
VANCOUVER, B.C.
PLAN OF PROSPECTING LEASE NO 7684
SHOWING AUGER DRILL HOLE LOCATIONS

SEPT. 1989
SIXTY MILE RIVER AREA, Y.T.
NTS. 116-C-2 / 115-N-15 (P)
0 100' 200'
scale

MAP# 116-C-2/115-N-15
26