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CANEX PLACER LIMITED
EXPLORATION DIVISION

Geochemical Report

Trout Lake Project

CX, CX1 and CX2 Claims

Atlin Mining Division, B.C.

(N.T.S. 104-N-10)

59⁰42'N ; 132⁰45'W

By

D.M. JENKINS, M.S., F.G.A.C.

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

NO. _____

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INTRODUCTION

A regional uranium exploration project conducted by Cordilleran Engineering Limited during 1976 resulted in the acquisition of 208 claim units. These claims were subsequently optioned to Canex Placer Limited.

The geochemical soil survey herein reported was conducted by Canex Placer Limited, during August of 1977, as a follow-up of an airborne geophysical survey conducted by the same company. The soil samples were collected by a four man crew based at Trout Lake. They were supplied by fixed wing aircraft from Watson Lake, Yukon Territory. Helicopter support was obtained from Mayo Helicopters' base at Atlin, B.C.

LOCATION AND PHYSIOGRAPHY

The property is located 34 miles east of Atlin, B.C. (Figure I) at approximately $59^{\circ}42'N$; $132^{\circ}45'W$. The claims lie west of the Snowdon Range in the valley of the Gladys River (Figure II) and west of Trout Lake (Figure III).

Trout Lake and its north flowing feeder and outlet streams comprise the topographically lowest (approximate elevation 2700 feet) features on the property. The west bank of Trout Lake is a low bluff eroded into glacial till. The bluff rises between 30 and 50 meters above the lake to an undulating near horizontal surface. This surface extends westward for a distance between 1 and 2 kilometers. The westernmost 500 meters of this surface slopes away from Trout Lake. Portions of this area are underlain by swamps which are largely filled with organic sediments. Other portions of this area are Lake (Beaver, Sand and Boulder Lakes) covered.

Westward from the swamps and lakes the land surface rises steeply to elevations in excess of 6000 feet. The highest elevation on the property is approximately 5000 feet.

SURVEYING

The base lines for the soil sampling grids were established using a "Hip Chain" measuring device and a Brunton compass. Grid lines were established at 200 meter intervals with stations every 30 meters. The grid maps were drafted at a 1:5,000 metric scale.

TROUT LAKE PROPERTY

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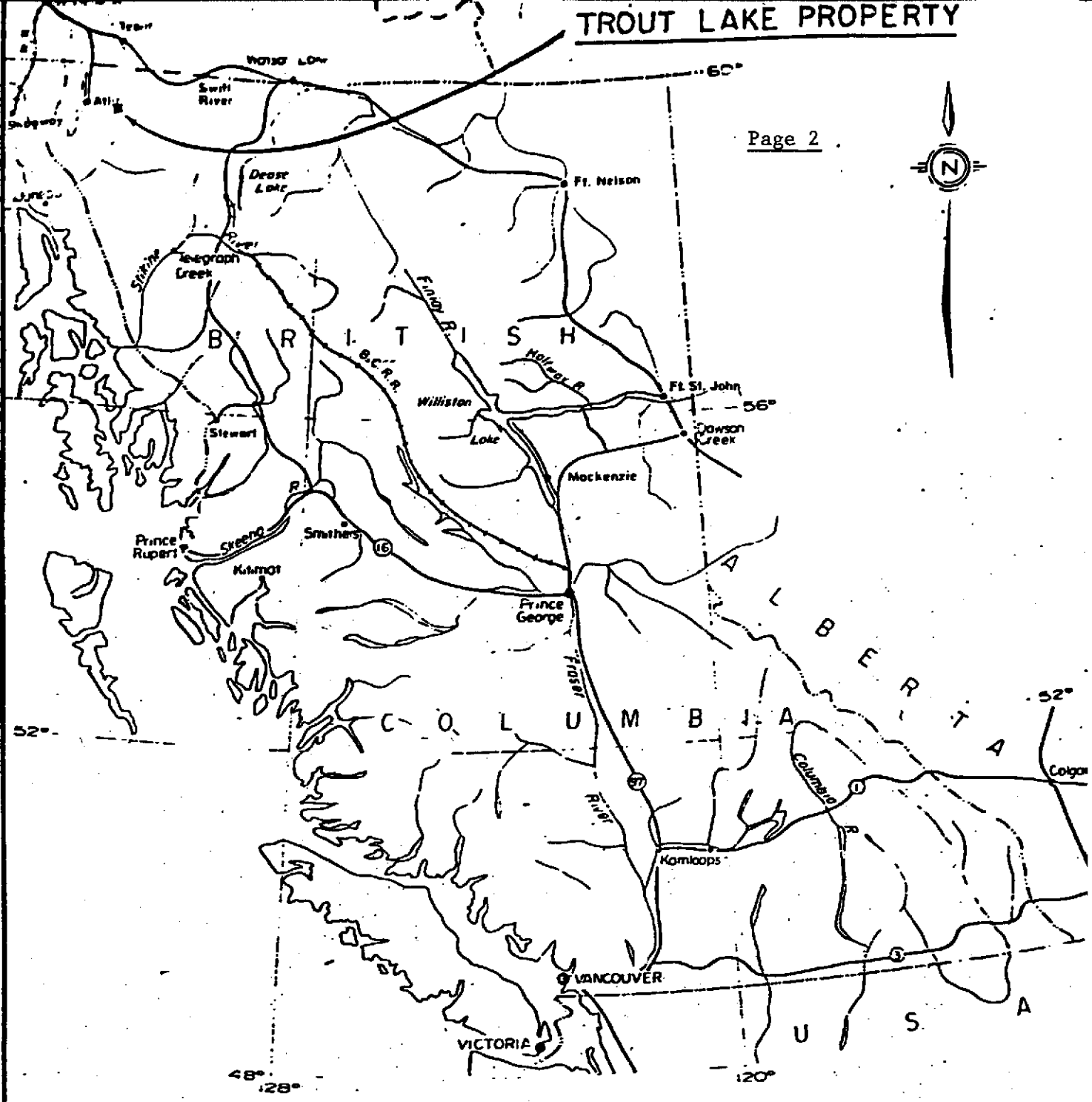
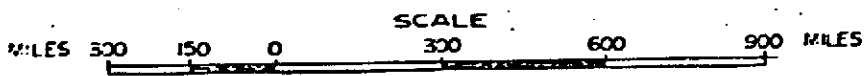


FIGURE I
CANEX PLACER LIMITED
LOCATION MAP
TROUT LAKE PROPERTY

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LEGEND

- QUATERNARY**
PLEISTOCENE AND RECENT
- 17 Glacial drift; alluvium
- TERTIARY AND QUATERNARY**
- 16 Olivine basalt and scoria; 16a, Tertiary; 16b, Pleistocene
- TERTIARY (T)**
- 15 15a, quartz monzonite; 15b, granophyre; 15c, gabbro and diorite
- CRETACEOUS OR TERTIARY**
SLOBO GROUP
- 14 Andesite, basalt, albite trachyte, albite rhyolite, dacite, and related pyroclastic rocks; conglomerate, sandstone
- CRETACEOUS**
- 13 13a, alkali; 13b, quartz monzonite
- JURASSIC** (May be in part older and younger)
- COAST INTRUSIONS**
- 12 Undifferentiated granitic rocks: 12a, Black Mountain body; 12b, Fourth of July Creek body; 12c, pink granite; 12d, Mount McMaster body; 12e, diorite; 12f, alkaline granite
- JURASSIC**
- LABERGE GROUP**
- 11 Volcanic greywacke, siltstone, mudstone, shale, conglomerate, minor concretionary sandy limestone
- TRIASSIC (T)**
- 10 Greywacke, chert, argillite, conglomerate, tuff, slate, greenstone, impure limestone, Jasper
- PENNSYLVANIAN AND PERMIAN**
ATLIN INTRUSIONS
- 9 Peridotite, meta-diorite and meta-gabbro; 9a, serpentine; 9b, carbonized serpentinite; 9c, talc-bearing (steatized) ultramafic rocks
- CACHE CREEK GROUP**
- 6, 7, 8 Chert, argillite, chert-pebble conglomerate and chert breccia, derived quartzite and schist; minor 7 and 8
7, Greenstone and volcanic greywacke; derived amphibolites; minor 6 and 8
8, Limestone and limestone breccia
- PENNSYLVANIAN AND/OR PERMIAN**
- 4, 5 Andesite, basalt, and related pyroclastic rocks; conglomerate, sandstone, shale
5, Limestone
May be in part or wholly equivalent to 6, 7, 8
- MISSISSIPPIAN AND/OR EARLIER**
SYLVESTER GROUP
- 3 3a, greenstone, chlorite schist, greywacke, quartzite, quartz-biotite schist; 3b, impure crystalline limestone
- PRE-PERMIAN**
- 2 Quartz monzonite
- YUKON GROUP**
- 1 Hornblende-quartz-feldspar schist and gneiss; quartzite, crystalline limestone. May be in part equivalent to 3
- A** Undifferentiated, mainly volcanic rocks of uncertain, possibly several, ages. Andesite, basalt, agglomerate, tuff, breccia; diorite and quartz diorite porphyries; rhyolite. In part probably Triassic, probably equivalent to 10
- Bedding (horizontal, inclined, vertical, overturned) + / \ / \ /
 Bedding (direction of dip known, upper side of bed unknown) + / \ / \ /
 Schistosity or slaty cleavage (inclined, vertical) + / \ / \ /
 Fault (defined, approximate, assumed) - - - - -
 Anticline (arrow indicates direction of plunge) ~ ~ ~ ~ ~
 Syncline (arrow indicates direction of plunge) ~ ~ ~ ~ ~
 Fault locality - - - - -
 Fossil locality (referred to in Table III) ⊙
 Mineral occurrence *
- MINERAL SYMBOLS**
(Local occurrences only)
- | | |
|---------------------|------------------|
| Copper Cu | Silver Ag |
| Gold Au | Tungsten W |
| Lead Pb | Uranium U |
| Molybdenum Mo | Zinc Zn |
| Nickel Ni | |

Geology by J. D. Aitken, 1951, 1952, 1953, 1954, 1955
 To accompany G. S. C. Memoir 307, by J. D. Aitken
 Cartography by the Geological Survey of Canada, 1959

Air photographs covering this map-area may be obtained through the National Air Photographic Library, Topographical Survey, Ottawa, Ontario

Approximate magnetic declination 31° 31' East

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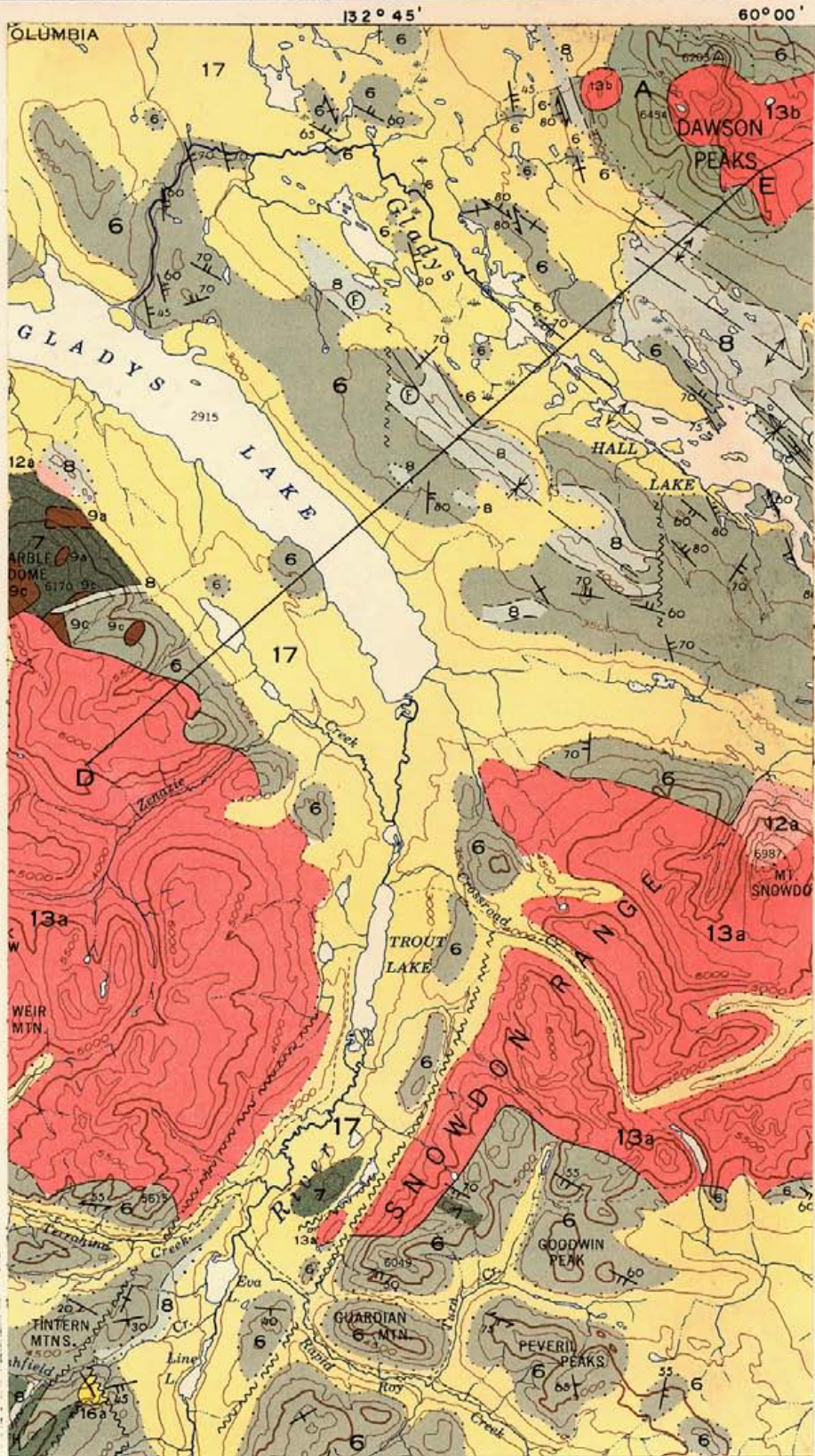


FIGURE II

REGIONAL GEOLOGY MAP

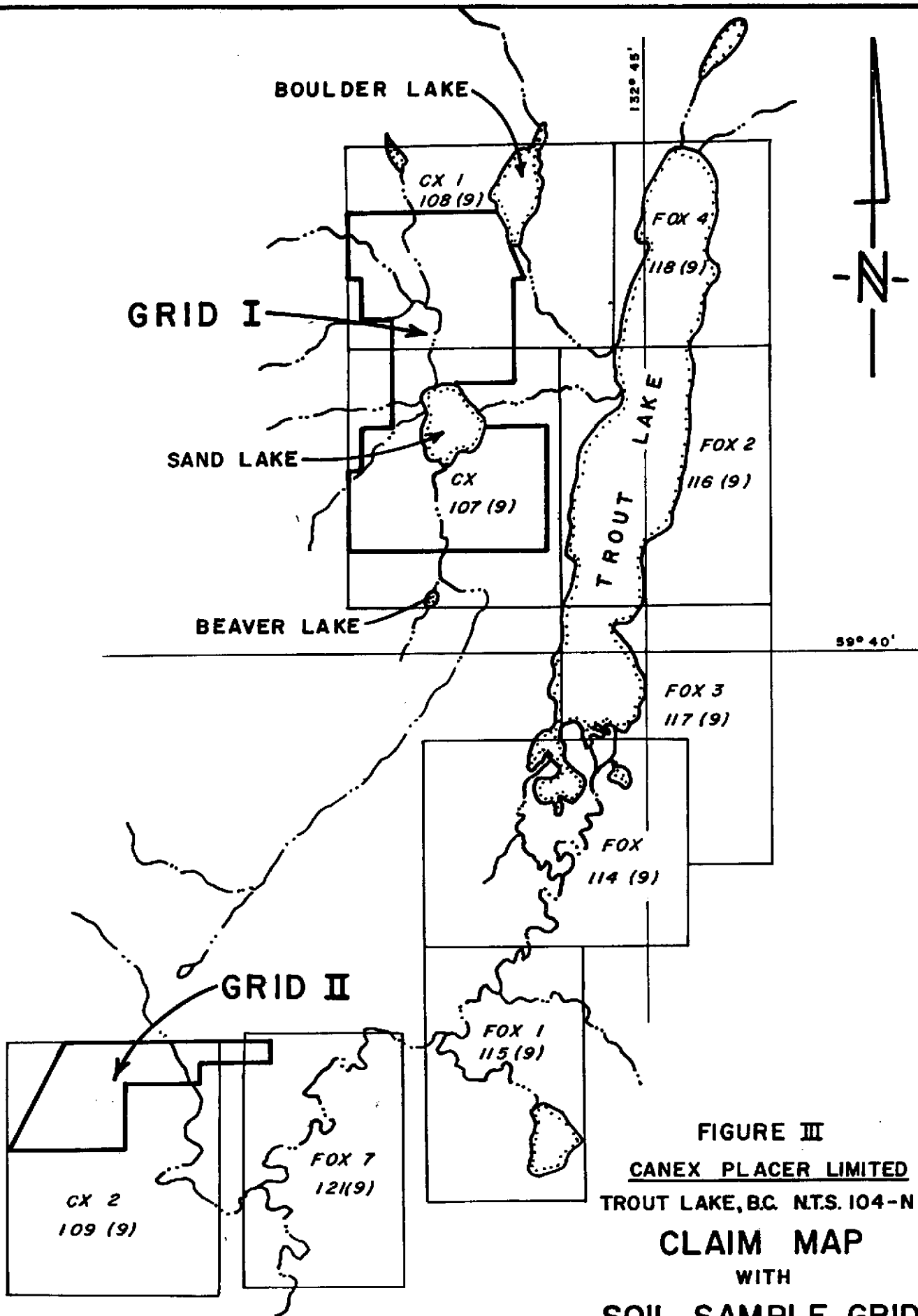
(AITKEN, J. D., 1959)

SCALE 1 : 253,440

OCT., 1977.

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SAMPLING METHODS

Soil sample pits were dug with a mattock to a depth of 15 to 30 centimeters. Because the "B" horizon was only sporadically developed the "C" horizon was sampled where possible. Numerous sample sites could not be sampled with a mattock. In certain of these cases profiles of samples were acquired by augering into the swamp deposits. Samples were taken at 30 cm. intervals. Analytical values for these samples are plotted in order of increasing depth on Figures IV and V, VI and VII of this report.

ANALYTICAL METHODS

Uranium analyses were carried out by the conventional fluorimetric method using a Turner Model III Fluorimeter. Dissolution was achieved with concentrated nitric acid.

Loss on ignition determinations were carried out by ashing in a furnace at 600° C. for 1 1/2 hours after air drying at 100° C.

RESULTS AND CONCLUSIONS

Analytical values for uranium and loss on ignition are plotted on Figures IV, V, VI and VII of this report. Uranium contents of these soil samples range up to 1400 ppm. Many of the samples were virtually 100 percent organic in composition. Sieving of these samples yielded little or no minus 80 mesh fraction.

A strong correlation exists between the highest uranium values and high organic matter contents. However, many of the highest organic matter contents contained relatively little uranium. The relationship of uranium to organic matter content is less well defined for that population of samples containing less than 100 ppm of uranium.

There exists also a strong positive correlation between active drainage systems with source areas underlain by intrusive rock and uranium contents of samples obtained within those drainages. This relationship is probably due to uranium leached from the drainage source area being trapped by organic matter in sediments along the drainage. Contours drawn in interpretation of the analytical results are drawn to demonstrate this relationship and are based in part on physiographic data collected by the soil samplers.

Large areas of both sample grids contain anomalous amounts of uranium. Unfortunately all of the larger anomalous areas can be explained on the basis of uranium absorption or precipitation by organic materials from surface waters. The data base currently available does not permit the identification of uranium anomalies immediately related to uranium mineralization.

The results of the soil sampling program do point to areas which might be profitably explored by combinations of additional soil sampling, water sampling, geological mapping and electromagnetic surveys. Near Grid I the most prospective areas appear to be the areas topographically higher than the sample grid and the main valleys traversing the western side of the sample grid. The most prospective areas on Grid II are from 7400 E to 8200 E. Due to the paucity of outcrop in this area water sampling and electromagnetic techniques are potentially most useful for exploration of this area.

STATEMENT OF EXPENDITURES INCURRED AT TROUT LAKE

Aug. 6 - Sept. 1, 1977

Assay Cost

Uranium @ \$2.50 for 424 samples/ CX claims	\$ 1,060.00
Uranium @ \$2.50 for 210 samples/ CX1 claims	525.00
Uranium @ \$2.50 for 100 samples/ CX2 claims	250.00
Lost Ignition @ \$1.50 for 424 samples/ CX claims	636.00
Lost Ignition @ \$1.50 for 210 samples/ CX1 claims	315.00
Lost Ignition @ \$1.50 for 100 samples/ CX2 claims	150.00
Total	\$ 2,936.00

Labour

D. Jenkins @ \$120.00/ 21 days	\$ 2,520.00
L. Kiss @ \$ 85.00/ 24 days	2,040.00
R. Beaty @ \$ 75.00/ 21 days	1,575.00
J. Page @ \$ 50.00/ 21 days	1,050.00
Total	\$ 7,185.00

Transportation

Watson Lake Air Service	\$ 965.40
C.P. (Van. - W.L.)	840.00
B.C. Yukon Flying Service	2,236.20
Mayo Helicopters	1,011.75
Total	\$ 5,053.35

Camp Operations

Groceries (Campground Services)	\$ 457.03
Lumber (Yukon Forest Products)	121.78
(Gilchrest Building Supplies)	450.70
Hardware (Watson Lake Hardware)	445.00
(Campground Services)	1,250.00
(Thompson Yukon Foods)	50.00
Total	\$ 2,774.51

Total Exploration Cost \$ 17,948.86

BREAKDOWN OF EXPENDITURES FOR GROUPING PURPOSES

Sept. 1, 1977

Group 1

Claims: CX (20) & Fox 2 (20) Projected Cost	\$8,000.00	
Assay Cost: Uranium \$1,060.00 & LI \$636.00		\$ 1,695.00
Labour Cost: Geology \$195.00, Geochem \$1,650.00		1,845.00
Camp Expenses & Support Overhead		<u>460.00</u>
Amount of Ass. Work Applied	\$ 4,000.00	

Group 2

Claims: CX1 (20) & Fox 4 (20) Projected Cost	\$8,000.00	
Assay Cost: Uranium \$525.00 & LI \$315.00		\$ 830.00
Labour Cost: Geology \$195.00, Geochem \$1,650.00		1,845.00
Camp Expenses & Support Overhead		<u>3,805.83</u>
Amount of Ass. Work Applied	\$ 6,480.83	

Group 3

Claims: CX2 (20) & Fox 7 (15) Projected Cost	\$7,000.00	
Assay Cost: Uranium \$250.00 & LI \$150.00		\$ 400.00
Labour Cost: Geology \$195.00, Geochem \$990.00		1,185.00
Transportation: (Helicopter)		1,011.75
Camp Expense & Support Expenses ie. Transportation		<u>4,403.25</u>
Amount of Ass. Work Applied	\$ 7,000.00	

Total Cost \$ 17,948.86

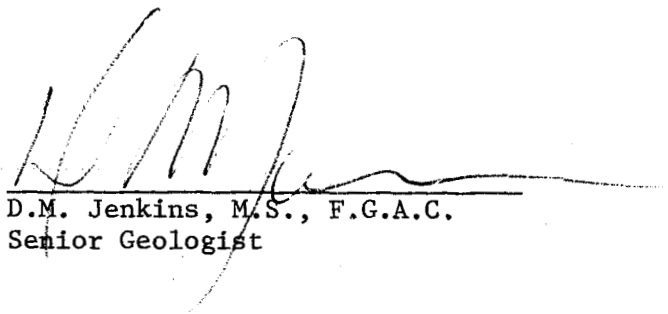
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17463.86

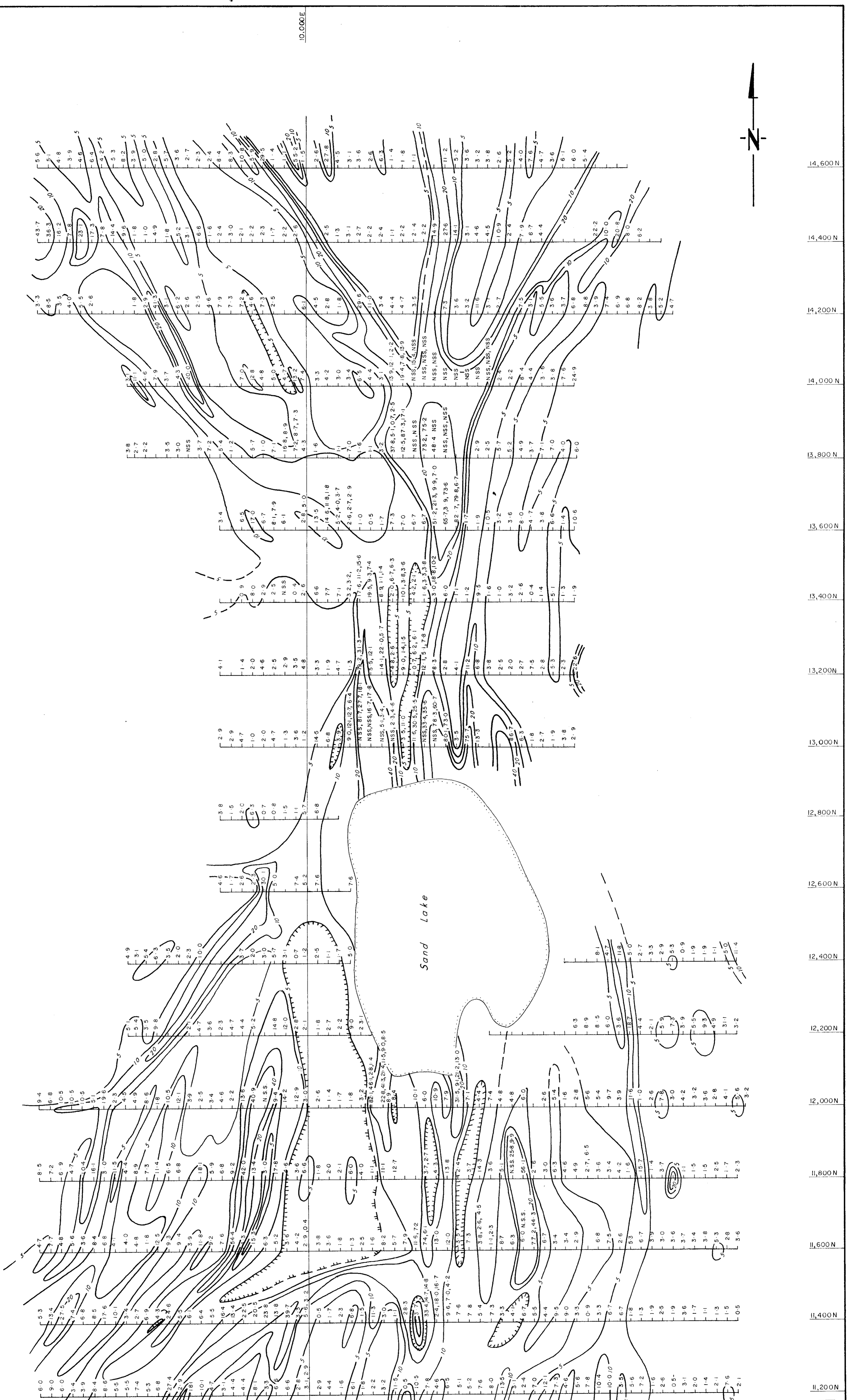
STATEMENT OF QUALIFICATIONS

I, D.M. Jenkins, with business address at 700 Burrard Building, Vancouver, B.C., V6E 3A8, do hereby certify that I have supervised the field work and have assessed and interpreted the data resulting from this geochemical survey on the CX, CX1, and CX2 claims.

I also certify that:-

1. I am a graduate of the University of South Florida (B.A. Geology, 1963).
2. I am a graduate of the University of Florida (M.S. Geology, 1966).
3. I was a graduate student at the University of Cincinnati from 1966 to 1970.
4. I have engaged in mineral exploration since 1970.
5. I am a fellow of the Geological Association of Canada.


D.M. Jenkins, M.S., F.G.A.C.
Senior Geologist



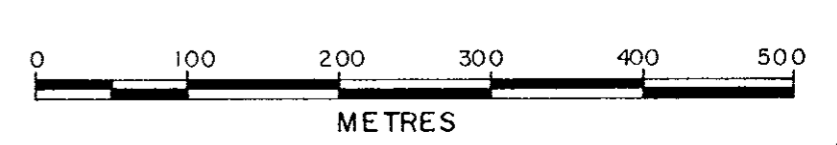
NOTE: INTERVALS CONTOURED 5%
10%
20%
40%

33-4,1,4,7,14,8 - AUGERED SAMPLES (1', 2', 3', ETC. DEPTH)
N.S.S. - NOT SUFFICIENT SAMPLE

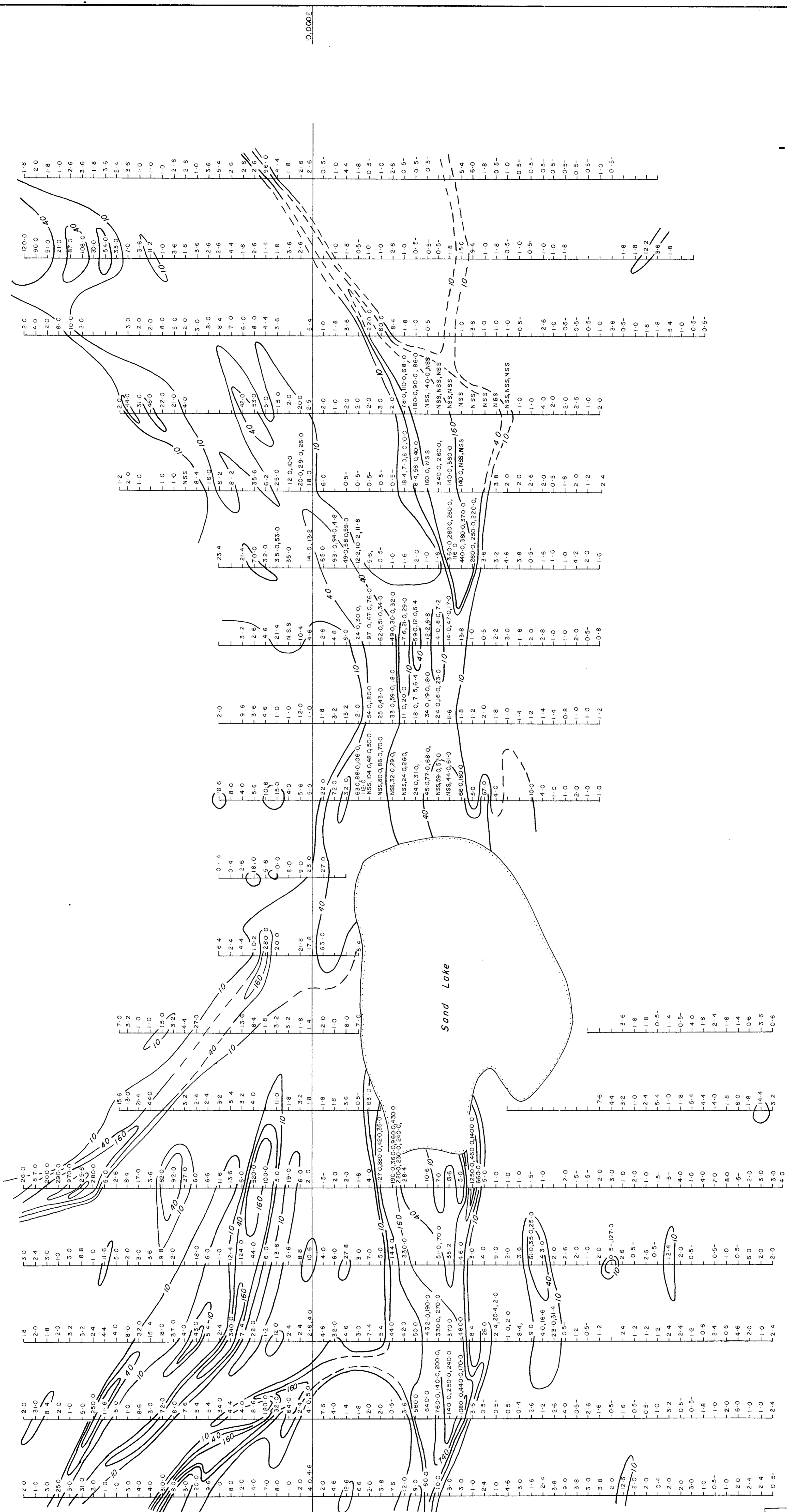
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FIGURE IV
CANEX PLACER LIMITED
TROUT LAKE, B.C. N.T.S. 104-N10

GRID I
PERCENT LOSS ON IGNITION
SOIL SAMPLES



SEPT, 1977. SCALE 1:5000 V-157 D.M.J.
TRACED J. [Signature]

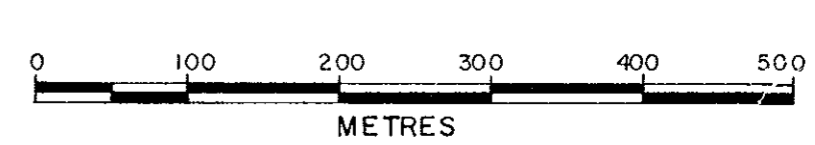


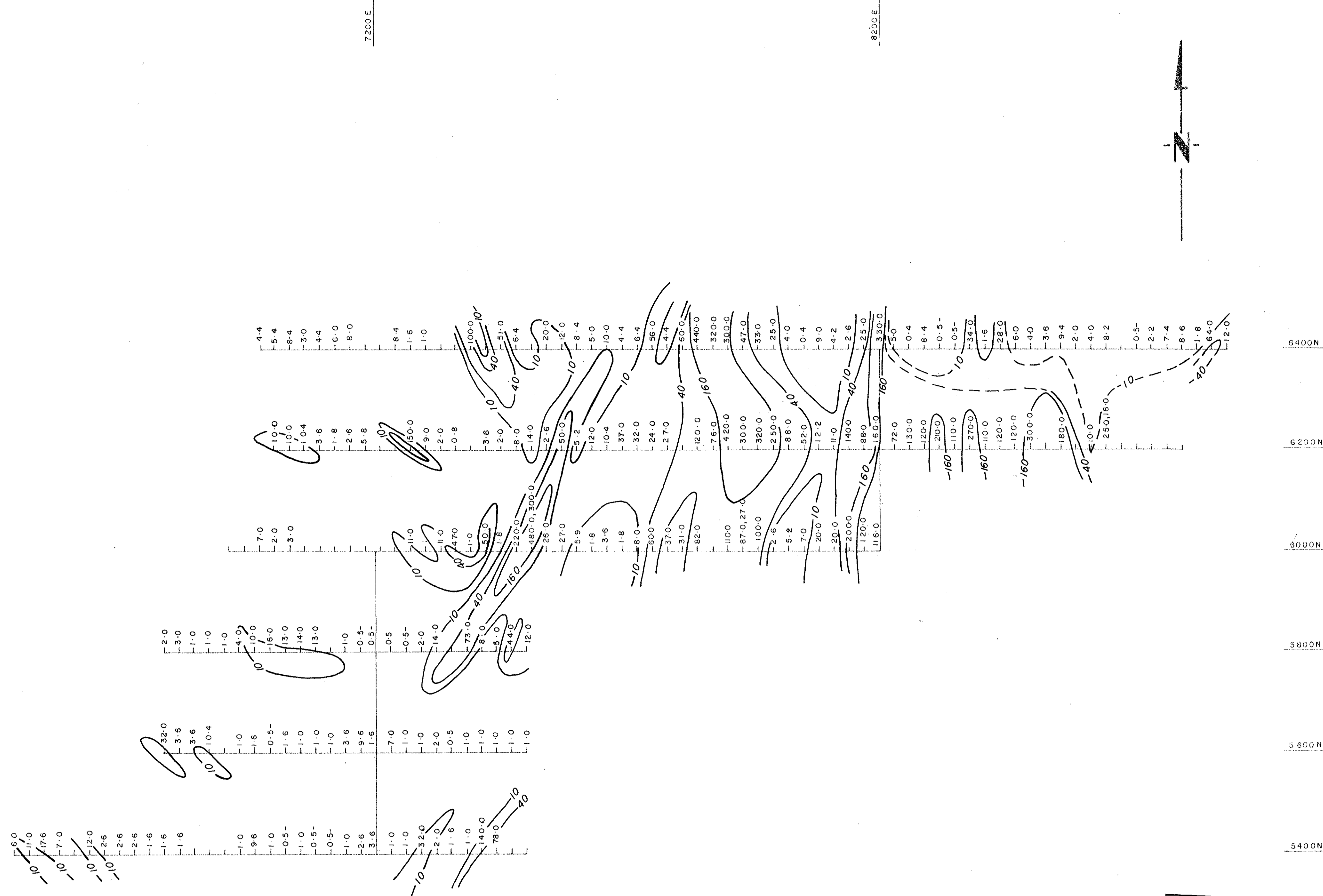
NOTE: INTERVALS CONTOURED 10 PPM
 40PPM
 160PPM
 740PPM

— 2.4, 2.0, 4.0 — AUGERED SAMPLES (1', 2', 3', ETC. DEPTH)
 -NSS- NOT SUFFICIENT SAMPLE.

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FIGURE V
 CANEX PLACER LIMITED
 TROUT LAKE, B.C. N.T.S. 104-N10
GRID I
 URANIUM CONTENT
 SOIL SAMPLES





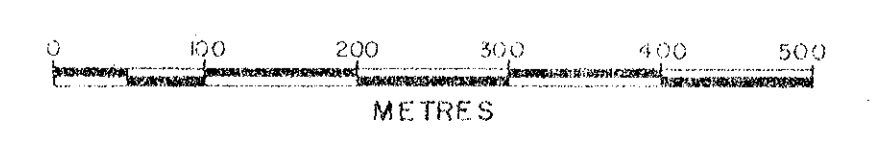
NOTE: INTERVALS CONTOURED 10 PPM
40 PPM
160 PPM

480.0, 300.0 — AUGERED SAMPLES (1', 2' DEPTH).
N.S.S. — NOT SUFFICIENT SAMPLE.

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FIGURE VII
CANEX PLACER LIMITED
TROUT LAKE, B.C. N.T.S. 104-N10

GRID II
URANIUM CONTENT
SOIL SAMPLES



SEPT, 1977 SCALE 1:5 000 V-157 D.M.J.
TRACED: J.L.

[Handwritten signature]