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DU PONT OF CANADA EXPLORATION LIMITED

GEOLOGICAL AND GEOCHEMICAL REPORT

ON THE GAUG PROPERTY

ATLIN MINING DIVISION

(BRITISH COLUMBIA)

LAT. 59°56'N, LONG. 134°53'W

NTS: 104-M-15W

OWNER OF CLAIMS: DU PONT OF CANADA EXPLORATION LIMITED OPERATOR: DU PONT OF CANADA EXPLORATION LIMITED

GEOLOGICAL BRANSEDHItted by: H. J. Copland ASSESSMENT REPORT : 1982 October

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INTRODUCTION

The GAUG 1, 2 and 3 claims were staked in June 1981 on the basis of an auriferous stream sediment sample. The sampling was undertaken as part of a large regional sampling programme known as the Kulta Project. This project covered rocks of the Intermontane Belt stretching from Carmacks, YT to Dease Lake, B.C. (Dwg. KU.81-1a).

Work on the property during the summers of 1981 and 1982 consisted of geochemical sampling and detailed geological mapping in an attempt to isolate the source of the gold found in the stream sediments.

LOCATION AND ACCESS

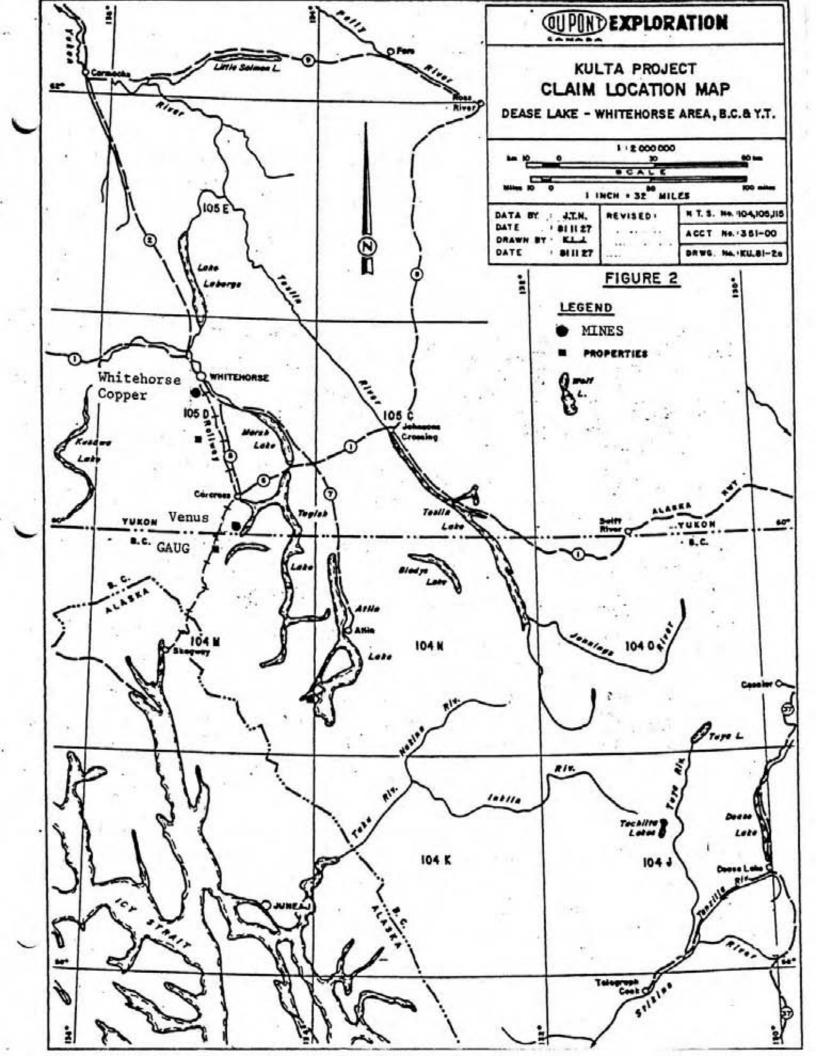
The GAUG claim is located within the Atlin Mining Division, NTS 104-M-15W (Lat. 59°56'N, Long. 134°53'W, Dwg. KU.81-2a, KU.81-244). The property is located on the east side of Bennett Lake, approximately 5 kilometres north of Paddy Pass. The nearest population centre is Carcross, YT, 28 kilometres to the north. The claims are accessible by helicopter from Carcross or by boat along Bennett Lake. The White Pass and Yukon Railroad passes along the east side of Bennett Lake and through the western portion of the claim. A very rough bulldozer road leads a few hundred metres up from the railroad tracks. Six kilometres to the east, the Carcross-Skagway Alaska highway runs along the western shore of Tutshi Lake.

TOPOGRAPHY AND VEGETATION

The property lies on the east side of Bennett Lake along the western slope of a small range of mountains separating Tutshi Lake from Bennett Lake. The western boundary of the claim is at Bennett Lake which is located at an elevation of 660 metres. These lower slopes have a cover of spruce and alders which give way to coniferous bushes and grasses above 1050 metre elevation. The eastern half of the claim consists of a grass covered plateau averaging 1400 metres in elevation. The centre of the plateau near the eastern limit of the claim marks the divide between water that flows west into Bennett Lake and water that flows east into Tutshi lake. The highest point on the claims occurs in the southwestern corner of GAUG 2 at an elevation of 1850 metres.

PROPERTY DEFINITION

The GAUG property consists of three claims: GAUG 1, 10 units; GAUG 2, 12 units; and GAUG 3, 6 units. See Dwg. No. KU.81-260 for claim location. The claims are in good standing until 1983 June 23.



Claim N	Name	Record No.	Tag No.	Date	Recor	ded
GAUG	1	1462	75818	1981	June	23
GAUG	2	1463	75819	1981	June	23
GAUG	3	1461	75817	1981	June	23

PREVIOUS WORK

Previous work appears to be limited to a number of short exploratory adits since no trenches or drill platforms were located.

There are a total of three adits on the property. Two occur along the stream flowing through the central portion of the claim and the third along the upper slopes in the northern portion of the claim. Equipment found in one of the former adits suggests that it was worked during the 1920's or 1930's. Since then, old claim posts in the area confirm that the area has been staked at various times.

The area was staked in June 1981 by Du Pont of Canada Exploration Limited. Follow-up work in the summer and fall of that year included stream sediment sampling, soil and rock geochemistry and geological mapping on the scale 1:10,000. In the summer of 1982, an extensive soil grid was completed over a large portion of GAUG 1 and geological mapping on a 1:5,000 scale commenced.

PERSONNEL

Property work was performed by the following people on the dates indicated:

1982	June	7:	H. Copland (Geologist) J. Peter (Senior Geological Assistant) D. Hooper (Senior Geological Assistant)
1982	June	9-11:	H. Copland, J. Peter, D. Hooper L. Cunningham (Senior Geological Assistant)
1982	June	20-21:	H. Copland J.T. Neelands (Senior Geologist)
1982	June	24:	H. Copland, J. Peter B. Yamamura (Jr. Geological Assistant)
1982	June	25:	H. Copland, J.T. Neelands
1982	June	26-27:	H. Copland
1982	June	28:	H. Copland, D. Hooper, L. Cunningham

GEOLOGY

Regional Geology

The property lies within the Intermontane Belt of the western Cordillera. The belt, consisting mainly of sedimentary and volcanic rocks stretches from the Yukon to southern British Columbia, averages 150 kilometres in width and trends northwest-southeast. Bordering the belt to the west are the granitic rocks of the Coast Mountain Intrusions, which stretch along the entire B.C. coast into Alaska.

Physiographically, the region is part of the Yukon Plateau. This area is characterized by glaciated mountain peaks generally under 2000 metres in elevation and long narrow lake-filled valleys. To the west, the rugged extensively glaciated peaks of the Coast Mountains dominate.

The Tagish-Bennett Lake area is dominated by rocks of the Intermontane Belt which have small plutons (2-8 km in size) of Late Cretaceous Coast Intrusions scattered throughout. The main front of the Coast Mountains occurs immediately west of the property. The rocks of the Intermontane Belt comprise Palaeozoic metamorphic rocks (schists and gneiss), Pennsylvanian (?) and Permian volcanic and meta-volcanic rocks (Taku Group), Lower and Middle Jurassic sediments (Laberge Group), and Upper Cretaceous volcanic rocks (Hutshi Group). See Table of Formations (Table 1) and Dwg. No. KU.81-2c (Kulta Project Regional Geology).

The lithology generally conforms to northwest trending belts as part of a large regional synclinorium (Wheeler 1961, p. 103). All Pre-Cretaceous rocks show this trend. Locally tight folding has been observed, possibly due to intrusions.

Local Geology

The basement in the area consists of Mississippian to Pennsylvanian mafic volcanic flows considered to be the basal units of the Atlin Terrane (MTc). This is overlain by Triassic Lewes River volcanics of the Takla-Nicola Belt (TJT) which in turn are overlain by Lower Jurassic sediments of the Laberge Group (JL). Volcanic rocks of mainly intermediate to felsic composition occur along the western boundary of the trough formed by the older rocks. These rocks are either called the Hutshi Group (KK) of Middle or Late Cretaceous age or the Mount Nansen Group (KTo) of Cretaceous to Oligocene age. Since the Mount Nansen Group of volcanics, originally called the Hutshi

TABLE 1

Table of Formations

Miocene to Pleistocene (TQW)

Wrangell-Garibaldi: Basic to intermediate volcanics.

Late Tertiary

Intrusive: (LTg) granite, quartz monzonite, granodiorite, quartz diorite.

Upper Cretaceous-Oligocene (KTo)

Ootsa Lake-Mt. Nansen (Hutshi Group?): Intermediate to acidic volcanic flows, tuff; non-marine.

Late Cretaceous and Early Tertiary

Nisling Range Alaskite, Nanika (KTg): Granite, quartz monzonite lesser granodiorite.

Babine (KTg): Granodiorite, quartz diorite, quartz monzonite, lesser quartz monzonite, diorite, monzonite.

Cretaceous

Kingsvale-Spences Bridge (KK): Varicoloured intermediate and acid volcanics; lesser basalt; minor sediments.

Early and Mid-Cretaceous

Intrusives: Quartz monzonite, granite, granodiorite, lesser quartz diorite, quartz monzonite (EKg); Gabbro, minor norite, diorite (EKd).

Middle Jurassic-Lower Cretaceous

Bowser-Dewdney (JB): Siltstone, greywacke, shale, conglomerate, coal, marine and non-marine.

Lower and Middle Jurassic (JL)

Laberge-Quesnel (Stuhini Fmn): Greywacke, argillite, conglomerate; marine.

Upper Triassic - Lower Jurassic (TJT)

Takla-Nicola (Lewes River Group): Augite porphyry, basaltic volcanics; siltstone, shale, limestone, conglomerate.

Mississippian - Triassic (MTC)

Cache Creek - Anvil Range: Chert, argillite, carbonate, basalt, associated diabase, gabbro, alpine ultramafic; marine.

Proterozoic (PP)

Central Gneiss - Skagit: Granitoid Gneiss, migmatite schist, amphibolite, plutonic rocks.

Group (Roots, C. F.) host the Venus Mine as well as other mineral occurrences in the Dawson Range, the importance of felsic volcanic rocks on the property similar to the Mount Nansen rocks, may have significant economic importance.

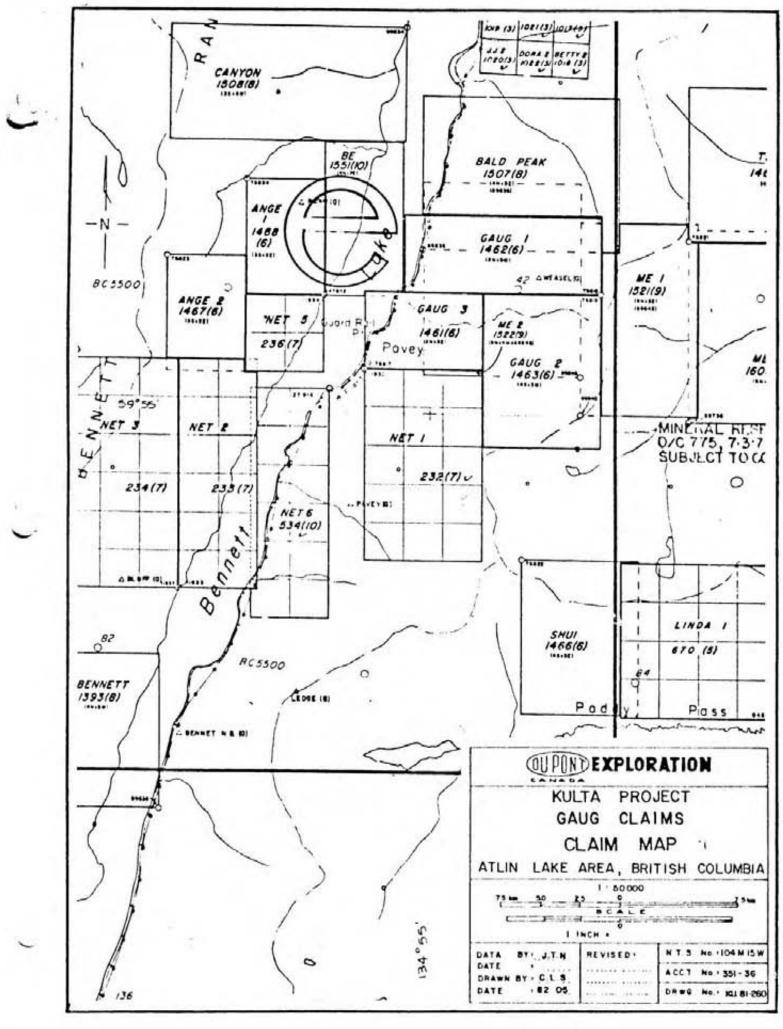
The Venus Mine, located 15 km northeast of the GAUG is reported to contain reserves of 77,600 tons grading 2.11% Pb, 1.38% Zn, 7.2 oz/ton Ag and 0.27 oz/ton Au across a width of 1.5 m. Morin (1981) has classified the Venus Mine as an epithermal deposit. The quartz vein cuts the Mount Nansen volcanics and syenite and follows sharp fractures of faults trending north and dipping west at 50°. The coarsely crystalline quartz veins have smooth walls, are gently sinuous and contain sulphide bodies that pinch and swell. According to Roots "the Venus vein shows characteristic symmetrical mineral zoning about the vein's centre with arsenopyrite on both walls followed by quartz and pyrite toward the centre and galena and sphalerite in the middle".

Property Geology

Approximately 50% of the GAUG claim has been geologically mapped on a scale of 1:5000. The mapped area centres on the original anomalous creek. The majority of the outcrop on the claims occurs on the upper mountain slope and in the creeks flowing west down this slope. No outcrop occurs on the large plateau region and rock is sparce near Bennett Lake.

The majority of the area mapped thus far is underlain by granodiorite of the Cretaceous Mountain Intrusions. This in turn, is cut by andesitic and dacitic dykes which so far have only been located in the intrusive unit. In contact with the intrusive along the main creek are sediments and metasediments. A zone of highly sheared and metamorphosed siltstone/phyllites suggests that the contact is faulted. Strong lineations on airphotos of the area support this fault contact theory and suggest it trends north-south across the entire claim. Indications of smaller shear zones are seen along the creek. A quartz eye porphyry rhyolite which hosts important quartzarsenopyrite veins (discussed in detail under mineralization) occurs between the siltstones to the east and tuffaceous units to the west. There is evidence that this rhyolite is in fault contact with both the tuffs and the sedimentary rocks. Although not examined in detail, the southern portion of the claims appear to be dominated by rocks of basaltic composition.

Summarized below are the major rock units observed thus far on the property:



1. Sedimentary Rocks

Siltstone

This unit occurs as a well bedded, 60 metre thick sequence exposed in the main creek between the rhyolite and the intrusive rocks. The siltstone is typically fine grained and dark green on both the fresh and weathered surfaces. Bedding measurements define its orientation as striking south-southeast with near vertical dips (75-88°) towards the northeast. Where the siltstone contacts the granodiorite to the east, it has been sheared and metamorphosed to a phyllite. Well developed foliation follows the original bedding attitude and heavy alteration to chlorite has occurred. This phyllite zone averages 20 metres in width. The phyllitic nature of the rock decreases away from the intrusion. The sediments are irregularly intruded by basalt/andesite dykes in the creek bed.

Limestone

The limestone occurs in two small isolated outcrops on the property. The first is a small wedge shaped zone, approximately 5 metres in thickness adjacent to the siltstones described above. The unit is white to light grey, weathering to a tan colour. It is thinly bedded, slightly argillaceous, with minor quartz stringers. Bedding attitude is similar to the adjacent siltstones (170/75°NE). Intense shearing occurs on the contact with the rhyolites which suggests a fault contact between the two units.

The second outcrop of limestone occurs at the far northern boundary of the claim. It occurs amongst the granodiorite although the contact with these rocks is not exposed. The limestone strikes north, northeast with a steep dip to the southeast. Lithologically, the unit is similar to the limestone in the main creek. A certain degree of recrystallization has occurred in the limestones.

Intrusive Rocks

. Granodiorite

The granodiorite is the most widely exposed unit on the property. In most cases it is highly altered and difficult to distinguish. In general, the rock is medium to coarse grained with anhedral to subhedral grains of feldspar (60%), quartz (20%) and mafic minerals (20%). The mafic minerals are altered almost entirely to chlorite. Chlorite may account for up to 60% of the rock in some cases. Fresh surfaces are difficult to obtain in the granodiorite, it tends to be grey with a pink and green tint weathering to a grey-brown colour. In one area the granodiorite has a xenolithic texture. Mafic rounded xenoliths up to 50 cm in size occurs in the upper portions of the main creek.

A zone of highly sheared, chloritized, and slickensided granodiorite occurs near the bottom of the slope. It has a northerly trend and may be evidence of a fault running through this area. The granodiorite is cut by numerous andesite and dacite dykes throughout the property.

. Quartz Diorite

Numerous small pods of this unit occur throughout the granodiorite. They do not appear to be dykes and in some cases a gradational contact occurs with the granodiorite. Generally, the rock is fine grained (<2 mm in size), equigranular with anhedral grains of plagioclase (45%), hornblende (30%), quartz (10%), and biotite (10%). Minor sulphides of pyrite, chalcopyrite and pyrrhotite (1%) are present in most cases.

. Aplite

Small dykes of aplite occur in the granodiorite at one location on the property. The colour of the aplite weathers either a light grey, a pale tan or a grey-white. The rock is fine grained with a high percentage of silica. Veinlets of calcite less than 1 mm in size cut the aplite.

3. Volcanic Rocks

. Rhyolite

The rhyolite occurs as an irregular shaped body in the centre of the property. The unit is very distinct weathering a bright tan to yellowish colour. On the fresh surface, the rock is either light grey or white. It contains K-spar and quartz phenocrysts. The groundmass is very fine grained and siliceous. Quartz "eye" phenocrysts are 5 mm in size, are subangular to subrounded and make up approximately 10-20% of the rock. K-spar phenocrysts are pale white, euhedral to subhedral, and have visible cleavage faces. The grains average 4 mm in size and comprise approximately 15% of the rock. Blebs to 2 mm in size of pyrite and pyrrhotite comprise less than 5% of the rhyolite.

An excellent exposure of the rhyolite/siltstone contact occurs in the main creek bed. The contact is very sharp and regular. The rhyolite near the contact is very fine grained and shows smooth deeply curving flow banding over a one metre wide area adjacent to the siltstone. The flow banded laminations average 0.5 to 5 mm in thickness. The lower contact of the rhyolite with tuffaceous units, to be discussed later, shows a highly sheared nature.

. Dacite

The dacite occurs as small dykes cutting the granodiorite along the main creek. The unit has typical medium to dark green colour and weathers a light green to grey. The rock is fine grained and contains dark green phenocrysts less than 1 mm in size. These phenocrysts constitute less than 10% of the rock.

Small dykes also cut the siltstones along the southern branch of the main creek. They are probably the youngest rock units on the property.

. Andesite

Andesite dykes occur in a similar manner to the dacites described above. The two appear only slightly different in hand specimen, the andesite being softer and a darker green colour.

Basalt

Rocks of basaltic composition crop out in the southern zone of the property. Two distinct basalt units can be observed on the claims although each appears to be related to one another. The first is a medium to dark green rock weathering to a brownish green colour. The rock is fine grained with small tabular phenocrysts of plagioclase only 1 mm x 2 mm in size. These phenocrysts make up less than 5% of the rock.

The second unit which is gradational with the first, is a porphyritic basalt. It is similar to the first except for the presence of tabular plagioclase phenocrysts 3 mm wide x 10 mm long composing 20 to 30% of the rock. Both units are vesicular with subrounded cavities up to 1 cm in size. The basalt is probably related to the andesite and dacite dykes described previously. Excepting the tuff described below, no contacts with the basalt and other units have been observed.

Tuff

The tuffaceous unit is exposed in the south and western limits of the claim. The rocks are generally dark grey to black, weathering to a dark brown. The rock is composed of siliceous grey angular to sub-angular clasts up to 1 cm in size. In general, these clasts are less than 5 mm in size. Evidence of flowing and stretching out of the clasts is seen in most areas. In one cliff face in the main creek, a 25 metre thick zone of bedded tuffs is clearly visible. Approaching the contact with the rhyolite, the groundmass of the tuff becomes more siliceous. The tuffs appear to be in fault contact with the rhyolites along the main creek.

STRUCTURE

Bedding orientations have been measured in the sedimentary units in the central portion of the property. The sediments have a consistent southeast strike with steep northeasterly dips. Bedded tuffs exposed in the main creek have a southeasterly strike but a shallow southwesterly dip.

These attitudes conform to the regional northwest trends observed in the area. All pre-Cretaceous rocks have been folded into broad northwesterly trending folds. GSC Map 19-1957 shows a series of anticlines and synclines occurring in Pennsylvanian to Triassic rocks three kilometres south of the property.

One large fault or shear zone runs north-south through the property. This corresponds approximately to the contact with the granodiorite and the volcanic and sedimentary rocks on the western portion of the claim. Numerous small shear zones and fault contacts are visible in the exposures along the main creek.

MINERALIZATION

General

Significant values of gold, silver, copper, lead and zinc are ' present on the GAUG property. Three different mineral associ- ations have been observed on the property:

1) Chalcopyrite-magnetite in a shear zone

- Arsenopyrite-quartz in veins
- Stibnite-arsenopyrite-galena-sphalerite-quartz in veins.

Each will be discussed in detail below.

Copper Mineralization

A zone of copper mineralization occurs along the west facing slope in the northern half of GAUG 1. The zone is a four metre wide sheared and altered section of granodiorite. This sheared rock is traceable on the surface over a length of 10 metres. The zone strikes east-southeast with a moderate dip to the northeast. An adit has been driven horizontally into the lower portion of this altered zone. The adit is in good shape and is approximately 1.0 x 1.5 metres in section and 15 metres long. It has been driven east into the hill then jogs to the north for seven metres.

Mineralization in the sheared rock is limited to a 30 cm wide section of massive to disseminated chalcopyrite and magnetite. Minor pyrite and bornite has also been noted in the rock. A strong malachite/azurite stain extends outward from the mineralization for a distance of one metre. Malachite staining covers the walls of the adit but only minor chalcopyrite was observed inside. Grab samples from inside and outside the adit varied from 3.3 to 9.5% copper. A sheared ourcrop of malachite-stained granodiorite 450 metres below the adit ran 0.5% copper (grab sample). This suggests the mineralized shear zone may extend for several hundred metres across the property.

A summary of rock samples and their anomalous assay values for this copper zone is given in Table 2.

TABLE 2

Copper Zone, Rock Descriptions and Assays

Sample #	Location	Description	Assay					
7700A	Above adit	Massive chalcopyrite, magnetite, malachite	Cu 9.49% Ag 2.74 oz/t					
9952A	Inside adit	Altered granodiorite malachite/azurite	Cu 3.26% Ag 0.83 oz/t					
995 3A	600 metres northwest of adit	altered granodiorite heavily chloritized malachite	Cu 0.585% Ag 0.50 oz/t					

TABLE 3

Arsenopyrite-Quartz Veins, Descriptions and Assay Results

Sample #	Location	Description	Assay
9951A (grab)	Inside adit	Width 2 to 30 cm qtz aspy, py; strike approx - 030°	Au: 0.685 oz/t Ag: 1.70 oz/t As: 20.50 %
8900A (grab)	10 m west of adit	Exposed area 150 cm x 30 cm qtz, aspy, py, jarosite; orientation - 040°/60SE	Au: 0.255 oz/t Ag: 0.66 oz/t As: 9.25%
8901A (grab)	20 m east of adit	Width 10 to 40 cm ex- posed length 10 m; orientation 55°/45SE qtz, aspy, jarosite	Au: 0.805 oz/t Ag: 1.42 oz/t As: 17.6%
8196D (chip across 70 cm)	15 metres above adit	Width, average 70 cm aspy, qtz, jarosite; strike approx. 060°	Au: 0.234 oz/t Ag: 6.19 oz/t ≭ As: 4.75%
8197D (chip across 30 cm)	15 metres above 8196D	Width, average 30 cm aspy, qtz	Au: 0.104 oz/t Ag: 6.92 oz/t As: 5.55% Pb: 1.08%
8190D	South branch main creek EL: 1120 m	15 cm wide, qtz-aspy vein, exposed over 10 metres; orientation - 000/10E	Au: 0.695 oz/t Ag: 0.90 oz/t

Arsenopyrite	-	aspy
Pyrite	-	py
Quartz	-	qtz
Chalcopyrite	-	cpy
Sphalerite	-	ZnS
Stibnite	-	Sb

TABLE 4

Stibnite-Arsenopyrite Quartz Veins, Descriptions and Assay Results

Sample #	Location	Description	Assay						
8938A (grab)	North side creek, 1+76m EL: 1410 m	Shear zone in grano- diorite 3 cm thick vuggy qtz 10% combined py, cpy, sb	Ag: Cu:	0.034 oz/t 1.57 oz/t 0.710% 0.28%					
8941A (grab)	South side creek, 4+28m EL: 1425 m	3 cm wide, qtz-py-aspy -sb vein; striking 050°	Ag: Pb:	0.069 oz/t 4.19 oz/t 3.53% 1.18%					
8942A (grab)	North side creek, 4+28m EL: 1375 m	3 to 40? cm wide, qtz-sb-ZnS-py vein; orientation 074/80SE	Ag: Pb: Zn:	0.670 oz/t 26.45 oz/t 6.44% 5.94% 0.110%					
8943A (grab)	South side creek, 5+20m EL: 1355 m	Altered granodiorite wall rock of vein described under 8944A taken 10 cm from vein		0.29 oz/t others low					
8944A (grab)	South side creek, 5+20m EL: 1355 m	40 cm wide, qtz(25%)- -aspy(50%)-cpy(10%)- -py(10%)- ZnS(minor); orientation 084/15S	Ag: Pb:	0.052 oz/t 9.60 oz/t 0.44% 0.24%					
9950A (grab)	South side creek, 5+10m EL: 1370 m	<pre>1 m wide, qtz-sb(60%)aspy (10%)-ZnS (10%)- cpy(5%) vein; orienta- tion 058/76 NW</pre>	Ag: Pb:	0.215 oz/t 11.20 oz/t 2.36% 4.93%					
8945A chip sample over 1m	South side creek 5+15m EL: 1345 m	1 m wide, qtz-sb(10%) -aspy(25%)-cpy (5%)-py(10%) vein swarm orientation; 083/82 NW	Ag: Zn:	0.352 oz/t 9.55 oz/t 0.32% 0.101%					

TABLE 4 - (continued)

Page 2

Sample #	Location	Description	Assay
8946A (grab)	South side creek 4+90 m EL: 1355 m	10 cm wide, qtz-aspy py vein, extension of vein in 8945A, 25 m east of 8945A	Au: 0.178 oz/t Ag: 0.20 oz/t
8947A (grab)	South side creek, 5+60m EL: 1330 m	<pre>10 cm wide, qtz-py(10%) -cpy(10%)-aspy(5%) vein, traceable over 20 m; striking: 098°</pre>	Au: 0.064 oz/t Ag: 9.95 oz/t Pb: 0.33% Zn: 0.89%
8948A (grab)	South side creek, 6+22m EL: 1345 m	50-100 cm wide qtz-py- galena-aspy-sb stringer vein zone strike: 090°	Au: 0.080 oz/t Ag: 7.08 oz/t Pb: 4.96%
8937A (grab)	South side creek	l m wide, qtz-sb- aspy-ZnS vein; orientation - 090/45S	Au: 0.358 oz/t Ag: 6.51 oz/t Pb: 0.30% Zn: 0.41%
8851A (talus)	South side creek, 8+27m	Talus from inacces- sible qtz vein, ex- posed over approx. 10 metres qtz boxwork strong goethite stain, minor py	Au: 0.142 oz/t Ag: 0.37 oz/t Pb: 0.26%
8852A (grab)	North side creek, 8+27m EL: 1205 m	Silicified zone in granodiorite py and boxwork to 20%, jaro- site & goethite stain	Au: 0.016 o/t
8853A Chip over lm	South side creek, 9+23m EL: 1170 m	Altered zone in grano- diorite silicified and feldspar altered, jarositic & hematitic soil	Au: 0.016 oz/t Ag: 0.085 oz/t Pb: 046%
8854A Chip over 1m	South side creek, 9+25m EL: 1180 m	Silicified zone in granodiorite 10 m above 8853A, jarosite stain, disseminated py	Ag: 0.10 oz/t

TABLE 4 - (continued)

Page 3

Sample #	Location	Description	Ascay
8856A chip over lm	South branch main creek near adits EL: 1230 m	l m wide, qtz-aspy- sb-py vein; orienta- tion - 090/55S	Au: 0.032 oz/t * Ag: 0.12 oz/t
8857A talus grab	South branch . main creek near adits	Talus sample of massive coarse bladed sb, 10 cm thick	Au: 0.233 oz/t Ag: 63.00 oz/t Cu: 0.955% Pb: 2.48% Zn: 1.39%
8858A (grab)	Above south branch main creek	10-100 cm wide, qtz-sb-aspy-py vein; striking approximate- ly 090°	Au: 0.512 oz/t Ag: 19.85 oz/t Cu: 0259% Pb: 0.90% Zn: 0.76%

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present in amounts less than 10% each. Gangue in the form of quartz is usually vuggy and medium to coarse grained. The veins have a distinct weathering pattern which allows them to be observed on the slopes from creek level. The sulphides are generally recessive leaving a sharp depression where the vein cuts the granodiorite. A deep hematitic red coloured soil is developed around the veins. Table 4 summarizes the veins, mineralogy and assay results.

GEOCHEMISTRY

Procedure

A total of 203 soil and 33 rock samples were collected during 1982. The rock samples have been discussed previously under "Mineralization". Soil sampling was carried out over a large grid covering the entire eastern half of GAUG 1 and portions of GAUG 2. In total, 15,700 metres of lines were completed. Soil lines were 100 metres apart with an average sample spacing of 100 m on each line. The samples were collected from the "B" soil horizon and placed in a kraft paper envelope. A length of flagging bearing the grid location and sample number was secured at the site.

All samples were shipped to Min-En Laboratories Ltd., North Vancouver for preparation and analysis. The soils were dried and sieved to -80 mesh and tested for Sb, Hg, Cu, Pb, Zn, Ag, As and Au. Rock samples were crushed to -100 mesh and assayed for Cu, Pb, Zn, Ag, Au and in a few cases U, Sb and As.

Treatment of Data

The results of the analysis are tabulated on the Frequency Distribution Table, Table 5. From the distribution of each element a normal population was selected and from this, the background and anomalous values were calculated as 50% and 95% respectively of the total population. These values are compared with the regional geochemical values, Table 6. In general lead, silver, mercury?, gold and antimony compare with the regional results. Copper and zinc are higher regionally and this is attributed to the copper-zinc anomalies sampled. Two soil samples were collected near mineralization to compare the effectiveness of the rock and soil sampling, Table 7. Very few of the grid soil samples collected contained values as high which suggests that a closer sampling or prospecting pattern may be more effective in locating veins.

Table 5

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Frequency Distribution of Elements

Sample Medium _ 5-;1

lass nterval																						
PM/PPB	Cu	Pb	Zn	Ag	Hg	As	An	56			_			-		-				-		-
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TABLE 6

Kulta Follow-Up

Background and Anomalous Values

Element		Medium													
	1	Mineral samples)	Silt (4	3 Samples)	Soil (461 samples)										
	Median	Anomalous	Median	Anomalous	Median	Anomalou									
CuF*	30.0	90.0	70.0	160.0	40.0	250.0									
PbF	20.0	60.0	20.0	30.0	20.0	50.0									
ZnF	60.0	160.0	80.0	100.0	90.0	200.0									
AgF	0.8	1.5	0.9	1.2	0.8	1.7									
AsF	10.0	50.0	15.0	45.0	15.0	120.0									
AuF	5.0	30.0	5.0	15.0	5.0	20.0									

F - Mines 80 fraction

Gaug Property

Background	and Anomalous	Values
Cu	25	45
РЪ	25	55
Zn	60	85
Ag	0.8	1.4
Hg	60	100
As	80	130
Au	5	30
Sb	15	35

TABLE 7

Maximum Values of Elements in Soils - GAUG 1982

	Sample	(oz/t) ppb	(oz/t) ppm	<u>Cu</u> (%) ppm	Pb (%) ppm	Zn (%) ppm	As (%) ppm	<u>Sb</u> (%) ppm	<u>Hg</u> ppb
Rock:	9950A	0.215	11.20	.035	2.36	4.93	5.26	10.40	350
Soil:	GH-003	4900	86.0	126	4000	12,000	71,200	1570	
Rock:	9951A	0.685	1.70	.006	0.22	0.07	20.50	0.17	3750
Soil:	GH-013	9200	164.0	140	38,000	724	5800	550	

(compared to rocks from which soil derived)

GH-003 - Soil developed directly on top of a weathered auriferous quartzstibuite-arsenopyrite vein, East of L2W, 3+75S.

GH-013 - Soil in rubble from an adit driven on an auriferous quartz vein, West of L7W, 5+30S.

Results and Interpretation

Complete soil geochemical results and rock assays for 1982 are tabled on Dwg. Nos. KU.82-6 and KU.82-5 respectively. Anomalous gold in soils was found in 44 samples. Disregarding the two "high grade" samples above, the highest value occurs on line 7+00W at 3+50S (1150 ppb Au). A series of samples over a length of 300 metres on this line were all anomalous. This line follows what is believed to be a large fault or shear zone cutting varying lithologies across the main creek bed. Other anomalous gold samples are scattered over the remainder of the grid. High gold values along the northern edge of the claim suggest a possible continuation of the anomaly to the north.

Silver anomalies in the soils correspond closely to gold. Two concentrations of high silver values occur in the two lines cutting across the gorge of the main creek. The highest values aside from the high grade soils were at 2+00W, 2+25S (44.0 ppm) and 2+00W, 3+50S (46.0 ppm) which occur in the gorge on both sides of the creek. All other anomalous silver were all less than 10.0 ppm and scattered mainly in the north central portion of GAUG 1 along line 5+00W where relief and erosion is extreme.

High copper in soils is centred about the chalcopyritemagnetite zone and continues to the north and west off the grid. The highest copper value in soils was 3830 ppm (GL-02) which occurs directly downslope of the adit into the copper mineralization. The remaining 12 anomalous values average 200 ppm.

The lead anomaly in the soils follows very closely to that of gold and silver. The highest value excepting the two samples taken directly over the veins was 1950 ppm on line 2+00W, 2+255. This occurs on the north side of the gully where no veins have been observed. There are 31 anomalous samples which all average between 60 to 1000 ppm. All these occur in the creek gully or on the west facing slope of GAUG 1. No anomalous values occur on the plateau in the eastern portion of the claim.

High zinc correlates very closely with lead. There are 11 anomalous samples, the highest being 900 ppm occurring at the same location as the highest lead mentioned above. The pathfinder elements Hg, As and Sb all correlate with the Au anomaly.

In general, it can be said for the distribution of anomalous elements in the soils on GAUG, that the highest concentration of them occur in the gorge carved by the main creek. Not only do they occur in the vicinity of visible mineralized quartz veins on the south slope of the gorge but the high values extend up to the north side of the gorge where no veins are visible. This, along with the extension of various anomalies to the north along the west facing slope, suggests the presence of more mineralized quartz veins north of the main creek. The plateau region in the eastern portions of GAUG 1 & 2 is barren of any anomalous values except for spotty gold and silver values, and mercury anomalies.

An examination of the assay results from the various veins on the property indicate a strong correlation between gold and arsenopyrite and between silver and stibnite. The highest gold assay (0.805 oz/ton) occurred in a quartz-arsenopyrite vein in the rhyolites and the highest silver (63.00 oz/ton) occurred in a talus sample of massive stibnite. Silver/gold ratios showed no pattern and range from a low of 1.7 to a high of 270. In general, high lead and zinc occur together. The highest combined value was 12.4% (8942A). There are no correlations between high lead zinc and any other of the metals in the rock.

CONCLUSIONS AND RECOMMENDATIONS

Numerous auriferous quartz-arsenopyrite and quartz-stibnitearsenopyrite veins have been outlined on the GAUG property. Exposed on the surface, these veins are narrow and discontinuous. In addition to gold, these veins contain significant values of silver and in some cases, copper, lead and zinc. A mineralized shear zone of chalcopyrite and magnetite also occurs on the property. The exact extent of this is not known at the present time.

Geology on the scale of 1:5000 should be completed in those areas to the south and west of the zone covered in 1982. In addition, it is recommended that selected veins be trenched to This will allow better understanding of the expose fresh rock. size and orientation of the veins and provide an opportunity to collect chip samples over the entire width of the exposed Additional soil and rock samples should be undertaken veins. on the north side of the main gorge in an attempt to discover veining in that area. Soil geochemistry suggests the possibility of mineralized veins in this area. Geophysical techniques including VLF-EM and magnetometer over the present , grid would aid in tracing subsurface contacts and delineation of the chalcopyrite-magnetite zone. Any attempts to define a geochronological sequence of events for the mineralization would require more geological mapping.

Hugh J. Copland Geologist 1982 October

HJC/krl

1.	Wages							Cost
	1 Senior Geologist, 1 Geologist, 3 Sr. Geol. Assistants	1 manday 5 mandays 3 mandays	(1982 J (1982 J (1982 J	June 3	24-28)		\$	187.74 391.70 210.55
							Ş	789.99
2.	Room & Board							
	Location Rate	Date		10.0	o. of ays			
	Pooley Pt. on Windy Arm \$30.00	1982 June	24-28		9		\$	270.00
3.	Transportation							
	a. Truck Rental (Avis 3 days @ \$40/day b. Helicopter in supp	ort of field	l work @				\$	120.00
	\$475.00/hr inclu Airlift Corp. of			Y				
	Dates (1982): June	24-28	1	No. c	of Hrs.:	2.2	ş	1,045.00
							\$	1,165.00
4.	Analytical Services							
	Type of No. Fraction					Unit		

Sample	of	Analy	zed			I	Elemen	ts i	Ana.	lyz	ed				Price		
		-100		Mo C	u	Pb	Zn Ni	Ag	Hg	As	Mn	Au	Sb U	J			
Soil	104		x		х	x	x	x	x	x		x			17.20		1,788.80
Rock	19	x			x	x	x	x				x	2	x	49.50		940.50
Preparat		Rock Soil		1	.04	6	\$0.85 \$1.10		-							ş	16.15 114.40
Digestic	m -	- Soil		1	.04	6	\$0.85	/sa	mpl	e						_	88.40
																Ş	2,948.25

Price Per Element:

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5. Report Preparation

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Drafting, 4 days @ \$100/day Typing, 1 day @ \$95/day Map preparation 6 maps @ \$0.20/square foot	\$	400.00 95.00 10.80
	ş	505.80

GRAND TOTAL:	\$ 5,679.04

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REFERENCES

- Christie, R. L.; "Geology: Bennett (104M)", G.S.C. Preliminary Series Map No. 19-1957, 1957.
- Holmgren, L., Neelands, J.T.; "Geological and Geochemical Report on the GAUG Property", B.C. Assessment Report, 1982 May.
- Morin, J. A.; "Element Distribution in Yukon Gold-Silver Deposits" pp. 68-80 in "Geology and Exploration 1979-80" Indian and Northern Affairs Canada, 1981.
- Roots, C. F.; "Geological Setting of Gold-Silver Veins of Montana Mountain", pp. 116-123 in "Geology and Exploration 1979-80", Indian and Northern Affairs Canada, 1981.

QUALIFICATIONS

- I, Hugh J. Copland Jr., do hereby certify that:
- I am a geologist residing at 5250 Ash Street, Vancouver, British Columbia and employed by Du Pont of Canada Exploration Limited.
- I am a graduate of the University of British Columbia with a B.Sc. (Honours) degree in Geology and McMaster University with a B.Eng. (Mechanical).
- I have practised my profession in geology for the past three years in British Columbia and the Yukon Territory.
- In the summer of 1982, I participated in the field programme described in this report on behalf of Du Pont of Canada Exploration Limited.

HIA Copland

H. J. Copland 1982 October

QUALIFICATIONS

- I, John Thomas Neelands, do hereby certify that:
- I am a geologist residing at 118-B W. 14th Ave, Vancouver, British Columbia and employed by Du Pont of Canada Exploration Limited.
- I am a graduate of Carleton University (1971) in Ottawa, Canada, and hold a B.Sc., degree in Geology.
- I am a member of the Geological Association of Canada and of the Association of Exploration Geochemists.
- I have been practising my profession for the past twelve years and have been active in the mining industry for the past eighteen years.
- In June 1982, I supervised and particapted in the field programme described in this report on behalf of Du Pont of Canada Exploration Limited.

J.T. Neelands 1982 February

PHONE 980-5814

APPENDIX A

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments Corner 15th Street and Bewicke 705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA

ANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORK

PROCEDURES FOR Mo, Cu, Cd, Pb, Mn, Ni, Ag, Zn, As, F

Samples are processed by Min-En Laboratories Ltd., at 705 W. 15th St., North Vancouver Laboratory employing the following procedures.

After drying the samples at 95°C soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed by a jaw crusher and pulverized by ceramic plated pulverizer.

1.0 gram of the samples are digested for 6 hours with HNO3 and HC10, mixture.

After cooling samples are diluted to standard volume. The solutions are analyzed by Atomic Absorption Spectrophotometers.

Copper, Lead, Zinc, Silver, Cadmium, Cobalt, Nickel and Manganese are analysed using the CH₂H₂-Air flame combination but the Molybdenum determination is carried out by C₂H₂-N₂O gas mixture directly or indirectly (depending on the sensitivity and detection limit required) on these sample solutions.

For Arsenic analysis a suitable aliquote is taken from the above 1 gram sample solution and the test is carried out by Gutzit method using Ag CS₂N (C₂H₅)² as a reagent. The detection limit obtained is 1. ppm.

Fluorine analysis is carried out on a 200 milligram sample. After fusion and suitable dilutions the fluoride ion concentration in rocks or soil samples are measured quantitatively by using fluorine specific ion electrode. Detection limit of this test is 10 ppm F. PHONE 980-5814

APPENDIX A

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments Corner 15th Street and Bewicke 705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA

ANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORK

PROCEDURE FOR GOLD GEOCHEMICAL ANALYSIS.

Geochemical samples for Gold processed by Min-En Laboratories Ltd., at 705 W. 15th St., North Vancouver Laboratory employing the following procedures.

After drying the samples at 95°C soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed and pulverized by ceramic plated pulverizer.

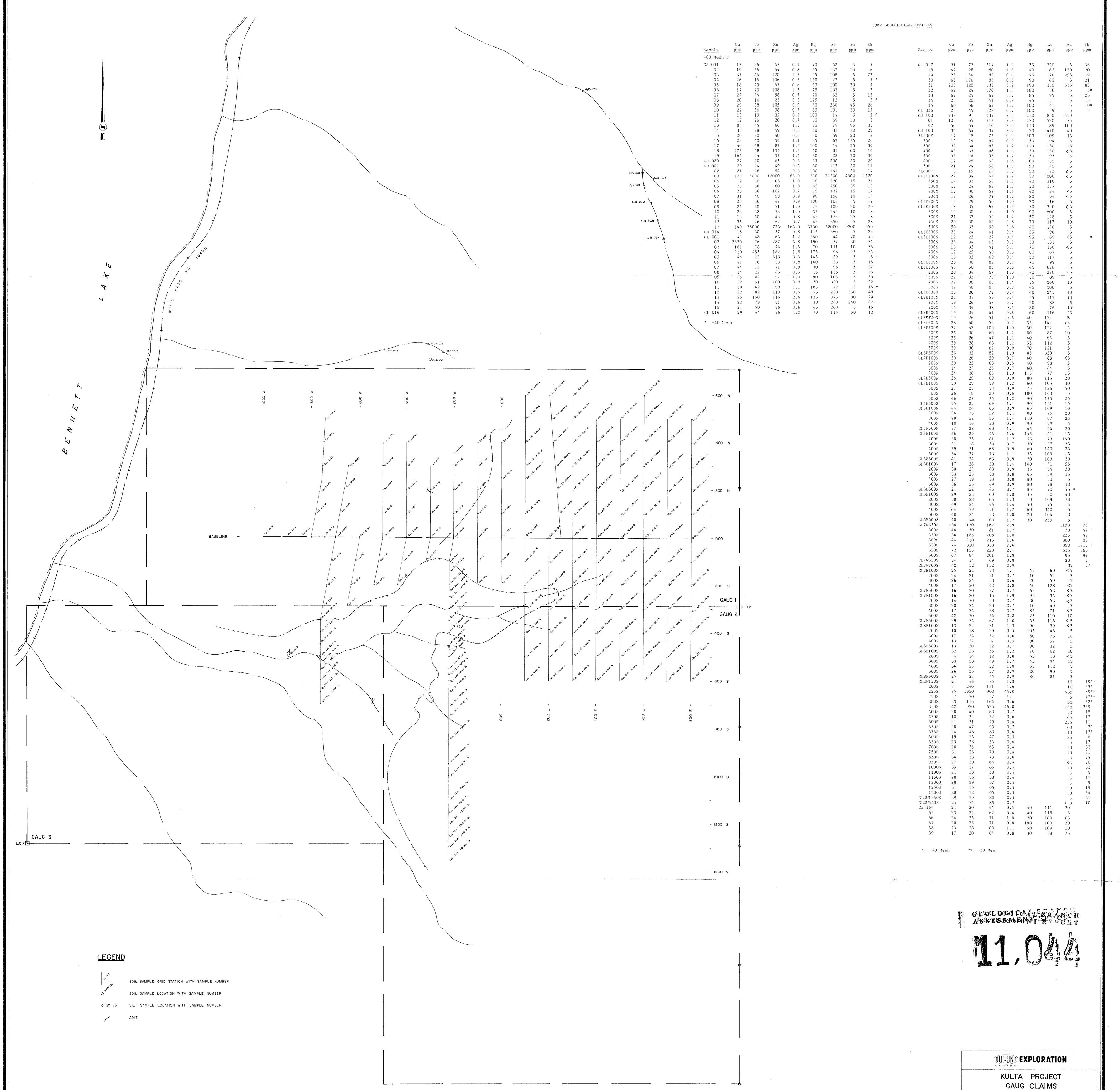
A suitable sample weight 5.0 or 10.0 grams are pretreated with HNO, and HClO, mixture.

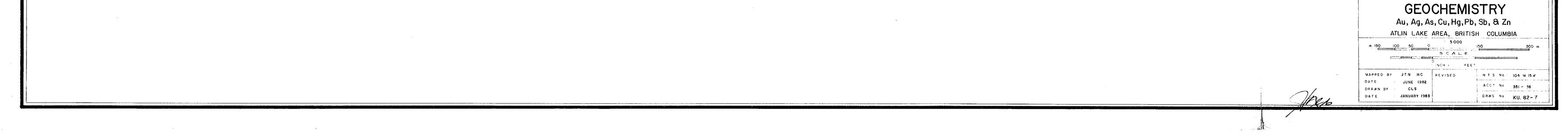
After pretreatments the samples are digested with <u>Aqua Regia</u> solution, and after digestion the samples are taken up with 25% HCl to suitable volume.

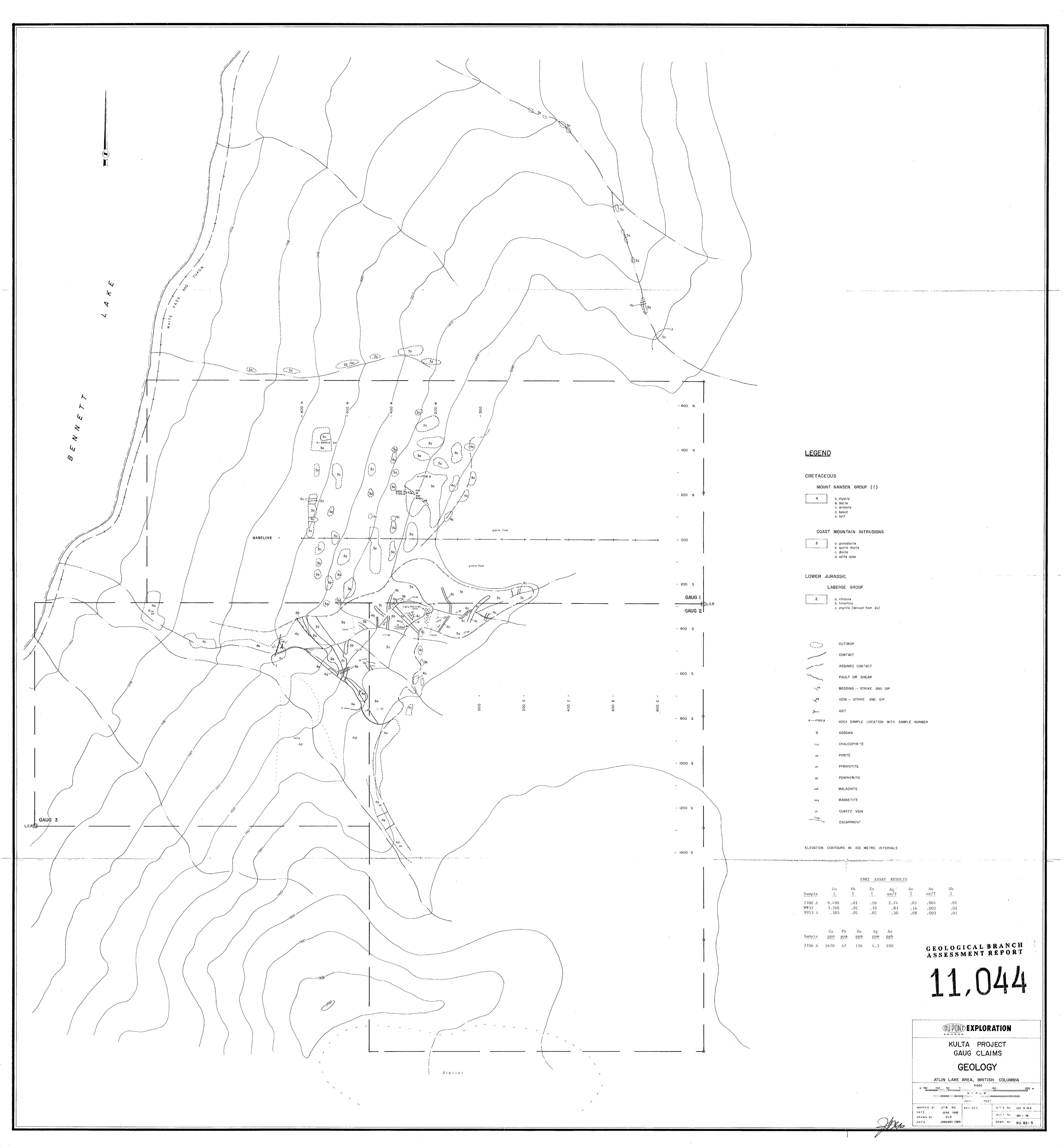
At this stage of the procedure copper, silver and zinc can be analysed from suitable aliquote by Atomic Absorption Spectrophotometric procedure.

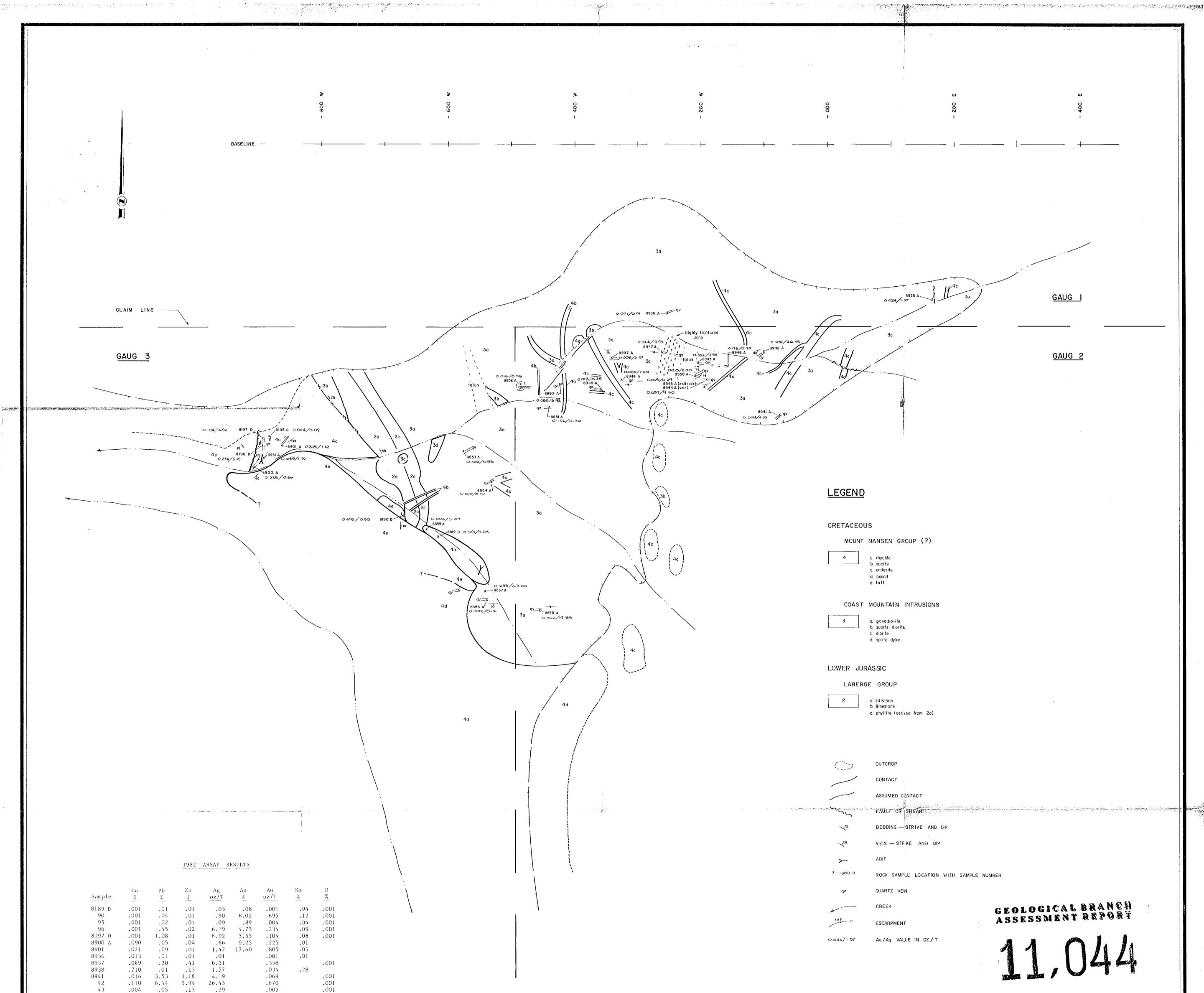
Further oxidation and treatment of at least 75% of. the original sample solutions are made suitable for extraction of gold with Methyl Iso-Butyl Ketone.

With a set of suitable standard solution gold is analysed by Atomic Absorption instruments. The obtained detection limit is 5 ppb.









44 .092			9.60		.052	.001						
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46 .002	.0	1.02	.20		.178	.001						
47 .043	.3	3.89	9.95		.064	.001						
48 .010	4.96	. 07	7.08		.080	.001						
894 9 .003			.40		.018	.001						
885 0 A .060	.9	5.66	6.92		.082	.001						
51 .001	. 20	5.01	. 36		.142	.001						QUPONDEXPLORATION
52 .001	.02		.08		.016	.001						CANADA
53 .005			.85		.016	.001						
54 .002			.10		.007	.001						KULTA PROJECT
55 .002			.07		.004	.001						
56 .005			.12		.032	.001						GAUG CLAIMS
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9950 .035			11.20		.215 10.40							DETAILED GEOLOGY
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