

exploration Itd. GEOLOGY · GEOPHYSICS MINING ENGINEERING

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

Rec'd

MAY 2 0 1986

ASSESSMENT REPORT

on the

SUBJECT _

FILE

VANCOUVER, B.C.

JEN 1 and 2 CLAIMS

Omineca Mining Division - British Columbia

Lat. 56° 47.7N

Long. 126° 34.5'

N.T.S. 94D/15E

FILMED

for

Owner/Operator:

SEASTAR RESOURCE CORPORATION

GEOLOGICAL BRANCH ASSESSMENT REPORT

Gary M. Allen, P. Eng. (Ont.)

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SUMMARY

The JEN 1 and 2 claims, comprising 35 claim units, are situated in the McConnell Creek area of north central British Columbia. The claims were staked by Gunsteel Resources Incorporated to cover a gold geochemical anomaly (100-250 parts per billion) obtained in a regional stream sediment survey. The claims were subsequently sold to Seastar Resource Corporation. The property is underlain by Takla Group basaltic flows, breccias and tuffs which are intruded by a stock and related dikes of the Omineca intrusions. The Takla Group volcanics contain minor amounts of pyrite. This report describes soil, silt and rock sampling and geological mapping completed on the claims.

The regional stream sediment survey returned anomalous samples from the northwest corner of the claims. The sample assayed 100-250 parts per billion gold.

CONCLUSION

The fieldwork completed in 1985 did not confirm previous silt sampling results on the JEN claims. Twelve soil, eight silt and seven rock samples were taken to verify past sample analysis. More work on the claims is necessary to follow-up slightly anomalous copper and gold.

RECOMMENDATIONS

Further work is recommended to evaluate the JEN claims. This work will consist of three phases, Phase I involves geological mapping, prospecting, and geochemical sampling to locate the source of the anomalies and to outline drill targets, road locations and trenching; Phase II, depending on the results of Phase I, will consist of diamond drilling of any targets outlined. Phase III will be continued diamond drilling, depending on the results of Phases I and II. Estimated cost of Phase I and II are \$55,000 and \$76,000 respectively, for a grand total of \$131,000. Costs of Phase III, dependant upon the other two phases, have not been estimated.

ESTIMATED COSTS OF RECOMMENDATION

| Phase I | Geological map trenching. | oping, prospecting, g | eochemical s | ampling | and |
|--|------------------------------|-------------------------|--------------|---------|-----|
| Salaries | | | | | |
| Geolol | gist | 1½ months @ \$6,000/mo | \$ | 9,000 | |
| Geolog | ical Assistant | 1 months @ \$3,000/mo | | 3,000 | |
| Room and | board | 90 man days @ \$35/day | | 3,150 | |
| Vehicle r | ental and expens | | | 2,000 | |
| | al analysis and | | | 8,000 | |
| Helicopte | er support | 5 hours @ \$500/hr | | 2,500 | |
| Equipment | rental and supp | olies | | 2,000 | |
| Bulldozer | | | | | |
| Trench | ing | 100 hours @ \$100/hr | | 10,000 | |
| Mobili | zation and demol | oilization | | 2,500 | |
| Managemen | t and consulting | 3 | | 5,000 | |
| Report pr | eparation and ma | aps | | 2,000 | |
| | | Subto | tal \$ | 49,150 | |
| | | Contingenc | ies | 5,850 | |
| | | Total Phas | e I \$ | 55,000 | |
| | | ond drilling and trench | ing. | | |
| Diamond d | rilling | 1,000 feet @ \$45/ft. | | 45,000 | |
| Bulldozer | | | | | |
| Road c | onstruction | | | | |
| and dr | ill site | | | | |
| prepar | ation | 100 hrs. @ \$100/hr. | | 10,000 | |
| Mobilizat | ion | | | 2,500 | |
| Engineeri | ng. supervision | | | | |
| A STATE OF THE STA | rerhead | | | 10,000 | |
| Expeditin | g services | | | 1,500 | |
| | | Subto | tal | 69,000 | |
| | | Contingenc | ies | 7,000 | |
| | | Total Phase | 11 \$ | 76,000 | |
| | GI | RAND TOTAL Phases I and | 11 \$ | 131,000 | POT |

INTRODUCTION

Seastar Resource Corporation holds the Jen claims comprising 35 claim units in the McConnell Creek area of north central British Columbia. The property was staked by Gunsteel Resources Incorporated following a regional stream sediment survey. The survey, conducted by A & M Exploration Ltd. for Gunsteel, yielded a geochemical anomally (100 to 250 ppb gold in silt). This report is the result of work completed by G. Allen and T. Blasko in September, 1985.

LOCATION, PHYSIOGRAPHY AND ACCESS

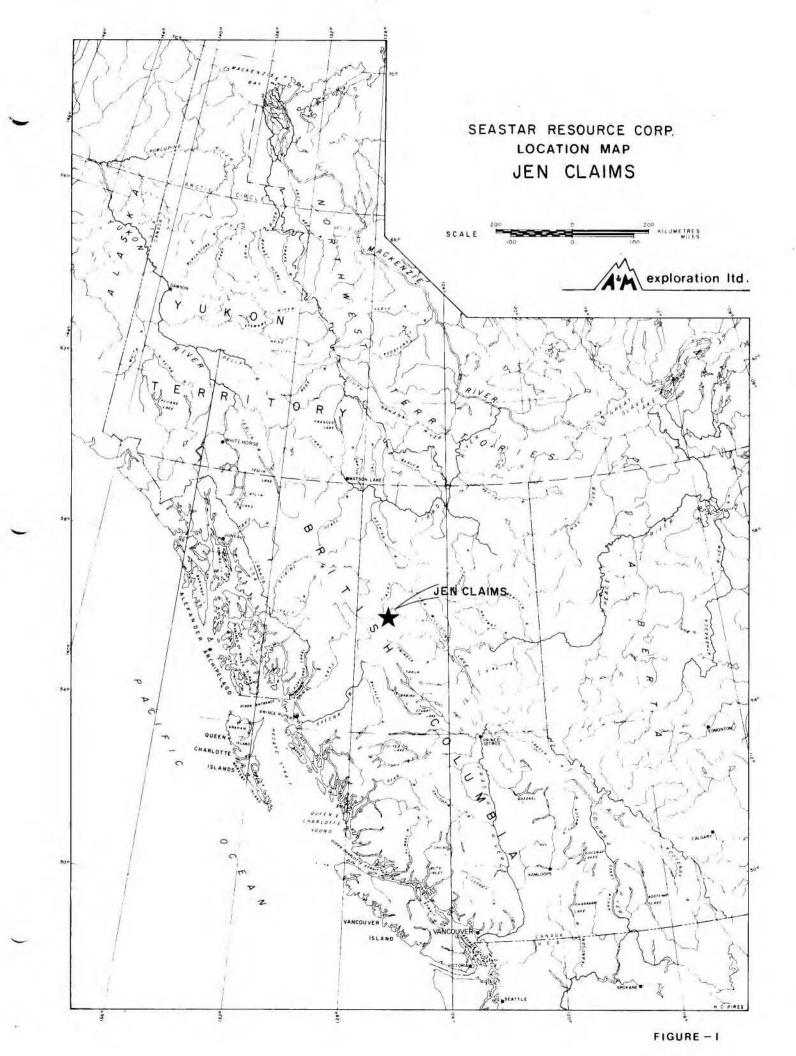
The Jen claims are situated in the McConnell Range of the Skeena Mountains, (see Figure 1). These ranges are characterized by sharp peaks, prominent cirque basins and broad valleys between the ranges.

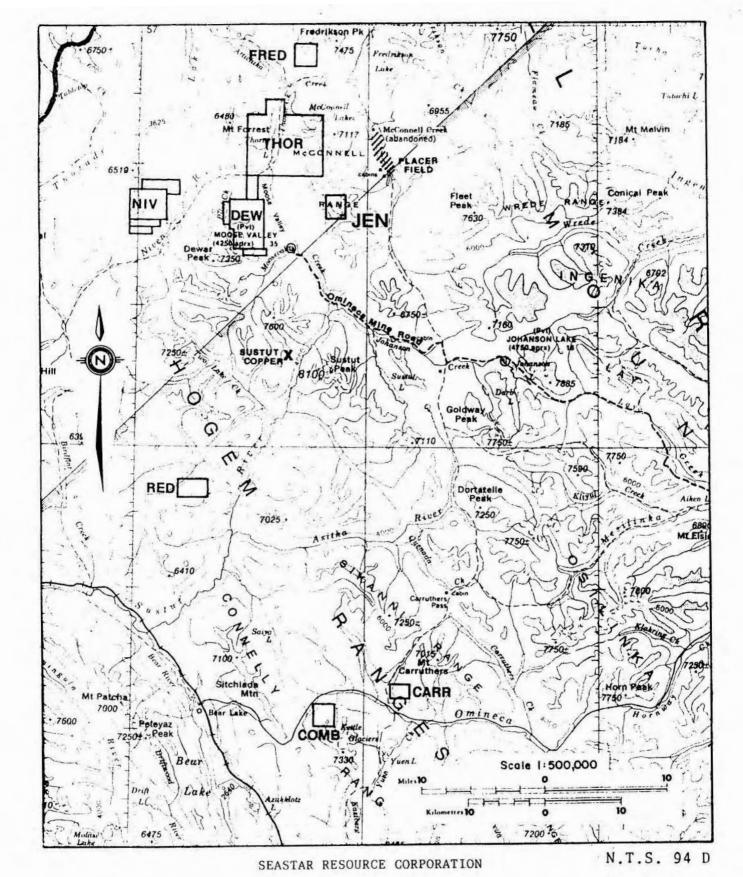
The claims lie on the east side of Moose Valley, (Figure 2 and 3) on a tributary of Thorn Creek which, in turn, flows into Attichika Creek. Elevations range from 1700 to 2100 metres. Most of the claim area is above the tree line.

The Omineca Mine Road, the terminus of which is at the Moosevale airstrip, provides access to within five kilometres of the property. Access to the claims by bulldozer would be comparatively easy, but helicopter support is available in the summer months at Johanson Lake, 30 kilometres to the southeast.

CLAIM DATA

The Jen claims, comprising 35 claim units, are registered in the name of Seastar Resource Corporation. Claim data are as follows:



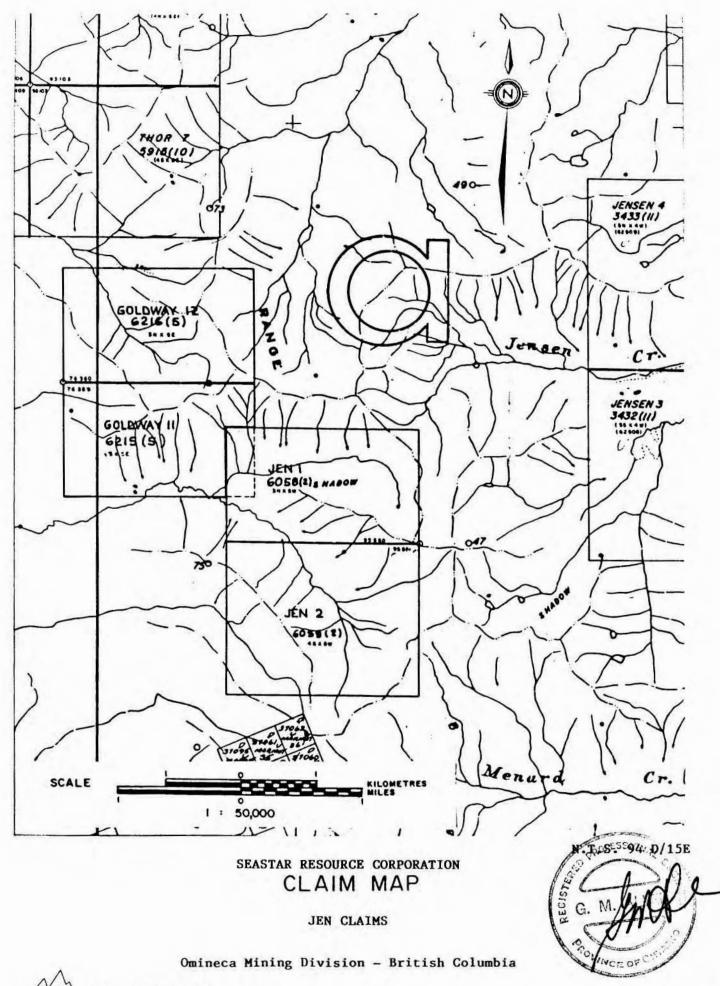


ACCESS MAP

JEN PROPERTY

Omineca Mining Division - British Columbia





exploration Itd.

Figure 3

| Claim | Name | No. of Units | Record No. | Expiry | Date | <u>*</u> |
|-------|------|--------------|------------|----------|------|----------|
| JEN | I | 15 | 6058 | February | 23, | 1987 |
| JEN | II | 20 | 6059 | February | 23, | 1987 |

^{*} Assuming that fieldwork represented by this report is accepted for assessment purposes.

The claims were staked using the Modified Grid System.

GEOLOGY

Regional Geology

The JEN claims are in the McConnell Creek Map-Area, reported on by Lord (1948) and Richards (1977). They lie in a fault-bounded belt of volcanic rocks of the Takla Group (Triassic-Jurassic age) that extends much of the length of British Columbia. In the immediate area, this belt is about 30 kilometres wide. Metamorphic rocks of the Omineca crystalline belt (Proterozoic-Lower Cambrian) lie to the east of the belt. Sedimentary rocks of the Sustut (Cretaceous-Tertiary), volcanic and sedimentary rocks of the Hazelton (Jurassic) and Asitka (Permian) Groups outcrop to the west. Granitic plutons of the Omineca intrusions have invaded the Takla-Hazelton and older stratigraphic units.

Property Geology

The Jen claims are underlain by volcanoclastics and flow basalt of the Savage Mountain Formation of the Takla Group. Quartz monzodiorite of the Omineca Intrusions outcrop in the southeastern part of the claim. Pyrite mineralization occurs sporadically in the volcanic rocks. Epidote associated with quartz veining is common. The quartz veins are small and carry only minor amounts of pyrite.

SAMPLING PROGRAM

A total of 27 samples were taken on the claims on September 14 and 15, 1985. These samples consisted of 12 soil, 8 silt and 7 rock samples. Soil samples were taken on selected traverse lines crossing the property. The soil material sampled consisted mainly of fine talus. The samples were placed in Kraft paper bags and shipped to Rossbacher Laboratory Ltd. for multi-element analysis by standard atomic absorption techniques. Analytical results are presented in Appendix I and sample locations are plotted on Figure 4.

Weakly anomalous gold and copper were found. Several values returned 0.8 parts per million and copper values ranged from 26-446 parts per million.

TABLE 1

ROCK SAMPLE DESCRIPTION

| Sample | No. | Description |
|--------|-----|--|
| GT | 7 | Rusty green andesite with less than 5% pyrite, quartz stringer with epidote through rocks. |
| GT | 11 | Rusty andesite with small amounts of pyrite present. |
| GT | 12 | Rusted andesite with less than 5% pyrite. |
| GT | 13 | Rusted andesite with small amounts of pyrite. |
| GT | 14 | Rusted andesite with pyrite. |
| TT | 8 | Rusty granite, coarse-grained. |

REFERENCES

- Allen, D.G. and MacQuarrie, D.R. (1984). Geological and Geochemical Report on the Gunsteel Project Claims for Asitka Resource Corporation and Gunsteel Resources Incorporated. Private Report, May 5, 1984.
- Allen, D.G. (1984). Geological Report on the Jen Property for Seastar Resource Corporation. Private Report, July 18, 1984.
- Lehtinen, J., (1984). Geological and Geochemical Survey, Asitka Property. Private Report, December 12, 1984.
- Lord, C.S. (1948). McConnell Creek Map Area, Cassiar District, British Columbia. Geo. Survey of Can., Memoir 251, 1948.
- Meyer, W. (1985). A Review of the Gold Potential of the Thor, Niv, Dew, Moose, Fred, Red, Carr and Comb claims for Gunsteel Resources Incorporated. Private Report, June 8, 1985.
- Richards, T. (1975). McConnell Creek Map Area. O.F. 342, 1975.

CERTIFICATE

I, Gary M. Allen, certify that:

- 1. I am a Consulting Mining Engineer with offices at Suite 614, 850 West Hastings Street, Vancouver, British Columbia.
- 2. I am a graduate of the Haileybury School of Mines and South Dakota School of Mines and Technology (B.Sc. 1968, M.Sc. 1970).
- 3. I have been practising my profession since 1970.
- 4. I am a member in good standing of the Association of Professional Engineers of Ontario.
- 5. This report is based upon fieldwork carried out by myself and T. Blasko on September 14 and 15, 1985, and on References listed in the text of this report.
- I hold no interest, nor do I expect to receive any, in Seastar Resource Corporation.
- I consent to the use of this report in a Statement of Material Facts by Seastar Resource Corporation.

January 28, 1986 Vancouver, B.C.



APPENDIX I
Analytical Results

ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

2225 S. SPRINGER AVENUE BURNABY. B.C. V5B 3N1 TEL: (604) 299 - 6910

TE : A&M EXPLORATION LTD.

614-850 W. HASTINGS STREET

VANCOUVER B.C.

PROJECT: 288

TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 85424

INVOICE#: 6119

DATE ENTERED: OCT.10.1985 FILE NAME: A&M85424

PAGE # : 1

| PRE FIX | SAMPLE | NAME | -40M | PPM Mo | PPM Cu | PPM Ag | PPM Zn | PPM Pb | PPB Au | PPM As | |
|------------|----------|-------------|------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|--|
| 5 | GRACE | GS 1 | | 3 | 260 | 0.6 | 282 | 18 | 10 | 8 | |
| S | | 2 | | 2 | 78 | 0.6 | 160 | 12 | 10 | 8 | |
| S | | 3 | | 2 | 34 | 0.4 | 182 | 10 | 10 | 10 | |
| S | | 4 | | 1 | 64 | 0.4 | 96 | 20 | 10 | 16 | |
| S | | 5 | | 1 | 42 | 0.4 | 74 | 6 | 10 | 10 | |
| S | | 6 | | 10 | 212 | 0.8 | 64 | 6 | 90 | 12 | |
| S | | 7. | | 6 | 230 | 0.6 | 66 | 2 | 10 | 12 | |
| S | | 8 | | 3 | 30 | 0.4 | 186 | 2 | 10 | 12 | |
| S | | 9 | | 2 | 22 | 0.4 | 94 | 6 | 10 | 12 | |
| S | GRACE: | GS10A | | 1 | 34 | 0.2 | 132 | 8 | 10 | 10 | |
| S | | 10B | X | 18 | 418 | 1.6 | 138 | 26 | . 10 | 26 | |
| S | | 11 | | 7 | 410 | 2.0 | 114 | 16 | 10 | 10 | |
| S | | 12 | | 4 | 100 | 0.8 | 198 | 10 | 10 | 4 | |
| S · | | 1.3 | | 1 | 16 | 0.4 | 218 | 4 | 10 | 2 | |
| S | | 14 | | 1 | 38 | 0.2 | 36 | 4 | 10 | 2 | |
| 9 | | 15 | | 1 | 158 | 0.6 | 80 | 2 | 10 | 10 | |
| | | 16 | | 1 | 48 | 1.0 | 66 | 4 | 10 | 8 | |
| 3 | | 17 | | 1 | 12 | 1000 | . 34 | 2 | 10 | 2 | |
| S | | 18 | | 1 | 12 | 0.4 | 62 | 4 | 10 | 2 | |
| | | 19 | | 1 | 12 | 0.2 | 122 | 4 | 10 | 2 | |
| S S | GRACE | 6820 | | 1 | 38 | 0.2 | 54 | 2 | 10 | 4 | |
| S | | 21 | | 1 | 282 | 2.0 | 84 | 2 | 10 | 78 | |
| S | GRACE | GS22 | X | 1 | 82 | 0.4 | 70 | 2 | 10 | 6 | |
| L | JEN | GL 1 | | 1 | 70 | 0.2 | 74 | 2 | 10 | 6 | |
| L | | 2 | | 1 | 180 | 0.4 | 88 | 2 | 10 | 38 | |
| S | | GS 3 | | 1 | 120 | 0.2 | 74 | 2 | 10 | 20 | |
| S | | 4 | | 1 | 26 | 0.4 | 72 | 2 | 10 | 6 | |
| S | | 5 | | 1 | 30 | 0.2 | 96 | 2 | 10 | 8 | |
| S | | 6 | | 1 | 128 | 0.2 | 76 | 2 | 40 | 22 | |
| AF | JEN | GT 7 | | 1 | 150 | 0.2 | 96 | 16 | 50 | 18 | |
| AF | | 8 | | 1 | 188 | 0.2 | 106 | 10 | 10 | 44 | |
| L. | | GL 9 | | 1 | 174 | 0.2 | 80 | 2 | 10 | 28 | |
| S | | 6810 | | 1 | 54 | 0.2 | 78 | 2 | 10 | 14 | |
| AP | | GT11 | | 3 | 282 | 0.2 | 100 | 10 | 10 | 10 | |
| L. | | 12 | X | 1 | 70 | 0.2 | 80 | 6 | 10 | 8 | |
| L | | 13 | | 1 | 244 | 0.2 | 86 | 10 | 10 | 72 | |
| L | | 1.4 | | 1 | 62 | 0.2 | 68 | 6 | 10 | 6 | |
| AF | NIV | GT 1 | | 1 | 26 | 0.2 | 48 | 2 | 10 | 10 | |
| 5 | 5.7.42.3 | 6S 2 | | 1 | 50 | 0.2 | 92 | 14 | 10 | 10 | |
| S | NIV | GS3 | | | 40 | 0.2 | 72 | 10 | 10 | 8 | |
| ===== | | | | 1 | 40 ====== | | | | | | |

CERTIFIED BY :

J. Horsbook

ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

BURNABY, B.C. V5B 3N1

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TE : A&M EXPLORATION LTD.

CERTIFICATE#: 85424 INVOICE#:

614-850 W. HASTINGS STREET B.C.

6119

DATE ENTERED: OCT.10.1985

VANCOUVER PROJECT: 288

FILE NAME:

A&MB5424

TYPE OF ANALYSIS: GEOCHEMICAL

PAGE # :

| PRE FIX | SAMPLE | NAME | -40M | PPM Mo | PPM Cu | PPM Ag | PPM Zn | PPM Pb | PPB Au | PPM As | |
|---------------|--|------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| s | FRED | GS15 | | 1 | 134 | 0.4 | 96 | 10 | 10 | 16 | |
| AP | FRED | GT16 | | 1 | 116 | 0.4 | 92 | 4 | 10 | 10 | |
| S | GRACE | TS 1 | | 4 | 910 | 2.0 | 98 | 32 | 10 | 16 | |
| S | | 2 | | 4 | 30 | 0.4 | 74 | 8 | 10 | 4 | |
| S | | - 3 | | 6 | 650 | 2.2 | 192 | 30 | 10 | 24 | |
| S S | | 4 | | 1 | 22 | 0.4 | 152 | 12 | 10 | 8 | |
| S | | 5 | X | 1 | 26 | 0.6 | 66 | 12 | 10 | 8 | |
| S | | 6 | | 1 | 8 | 0.2 | 62 | 6 | 10 | 2 | |
| S | | 7 | | 1 | 28 | 0.4 | 100 | 10 | 10 | 4 | |
| S S | GRACE | TS 8 | | 1 | 28 | 0.2 | 68 | 14 | 10 | 4 | |
| | | 9 | C-0/// | 1 | 34 | 0.2 | 64 | 8 | 10 | 6 | |
| S | | 10 | | 2 | 16 | 0.2 | 56 | 6 | 10 | 2 | |
| S | | 11 | | 1 | 12 | 0.2 | 58 | 6 | 10 | 2 | |
| S | | 12 | | 6 | 96 | 0.4 | 142 | 6 | 10 | 4 | |
| S | GRACE | TS13 | | 1 | 16 | 0.2 | 46 | 8 | 10 | 6 | |
| Ŗ | JEN | TS 1 | AP 44 | 1 | 164 | 0.4 | 96 | 16 | 10 | 18 | Law State of the S |
| (| | 2 | | 1 | 178 | 0.4 | 104 | 10 | 10 | 14 | |
| 3 | 6 | -3 | | 1 | 100 | 0.4 | 76 | 14 | 10 | 8 | |
| S | | 4 | | 1 | 68 | 0.4 | 72 | 12 | 10 | 10 | |
| <u>S</u> S | JEN | TS 5 | | 1 | 198 | 0.6 | 120 | 26 | 10 | 28 | |
| S | JEN | TS 6 | / ******* **************************** | 1 | 300 | 0.8 | 104 | 16 | 10 | 24 | |
| S | | 7 | | 1 | 108 | 0.4 | 78 | 12 | 10 | 20 | |
| L | | TL 8 | | 2 | 148 | 0.4 | 68 | 8 | 10 | 6 | |
| L | | 9 | X | 1 | 68 | 0.4 | 58 | 6 | 10 | 2 | |
| L | | 10 | | 1 | 106 | 0.4 | 110 | 12 | 10 | 16 | |
| L | | 1.1 | | 1 | 446 | 0.8 | 188 | 12 | 10 | 22 | |
| AF | | TT12 | | 1 | 82 | 0.2 | 32 | 4 | 10 | 6 | |
| L | JEN | TL13 | X | 1 | 78 | 0.2 | 80 | 8 | 10 | 6 | |
| AP | NIV | TT 1 | | 1 | 22 | 0.2 | 52 | 4 | 10 | 10 | |
| <u>S</u> | NIV | TS 2 | o transitivo mantiti a manti | 1 | 28 | 0.4 | 118 | 8 | 10 | 12 | |
| 5 | | 3 | | 1 | 38 | 0.2 | 86 | 8 | 10 | 12 | |
| S | | 4 | | 1. | 50 | 0.2 | 90 | 10 | 10 | 14 | |
| S | | 5 | | 1 | 38 | 0.2 | 76 | 14 | 10 | 16 | |
| 9 | | C | | 1 | 40 | 0.2 | 80 | 8 | 10 | 4 | |
| 5 | | 7 | | 1 | 42 | 0.2 | 90 | 10 | 10 | 10 | |
| S | or entire () (sure reductions () (in the (in the | 6 | | 1 | 52 | 0.4 | 116 | 16 | 1.460 | 12 | |
| S | NIV | 15 9 | | 1 | 46 | 0.2 | 94 | 12 | 10 | 12 | |
| S | RED | (5 1 | | 1 | 52 | 0.2 | 80 | 6 | 10 | 8 | |
| S | | 2 | | 1 | 28 | 0.2 | 48 | 4 | 10 | 6 | |
| S | RED | TS 3 | | 1 | 46 | 0.2 | 78 | 6 | 10 | 6 | |

CERTIFIED BY :

APPENDIX II

Affidavit of Expenses

AFFIDAVIT OF EXPENSES

This will certify that the work program covered by this report was carried out September 14 and 15, 1985 on the Jen Claims, Omineca Mining Division, McConnell Creek Map area, British Columbia, to the value of the following:

| Salaries | |
|-------------------------------|------------|
| G. Allen | \$ 400.00 |
| T. Blasko | 400.00 |
| Room and board | 80.00 |
| Helicopter | \$1,680.00 |
| Geochemical analysis | 275.00 |
| Telephone | 25.00 |
| Vehicle, travel expenses | 200.00 |
| Materials and supplies | 200.00 |
| Report preparation Salary | |
| G. Allen | 400.00 |
| Drafting, typing, compilation | 200.00 |

TOTAL \$3,860.00

