on the
HEMLO WEST GROUP
Iskut River Area
NTS 104-B/11 E
Latitude 56°42:7 West
Longitude 131°09 North
Liard Mining Division

PART O OF 3

November 21, 1986

British Columbia

9/87

for

AMERICAN ORE LTD.
Calgary, Alberta

Owner: D. Wallster Operator: Delaware Resources Corp.

by

FILMED

L. J. Nagy, B.A. (Geol.Sci.)

TAIGA CONSULTANTS LTD. #100, 1300 - 8ch EtQLL O.GICAL BRANCH Calgary, AlbeAt& S2E 1335 MENT REPORT

PART 15, 336

TAIGA CONSULTANTS LTD.

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INTRODUCTION

American Ore Ltd. has acquired an option from Delaware Resources Corp. to earn a 50% interest in the Hemlo West Group of mineral claims (67 units) in the Iskut River area, 60 km west of Bob Quinn Lake on the Stewart-Cassiar highway.

Sporadic exploration activity in this area in the past by a number of major mining companies and more recently by Skyline Exploration and Cominco/Delaware has confirmed the presence of several potentially economic gold/silver deposits associated with shear zones within the "Snippaker Volcanic" belt.

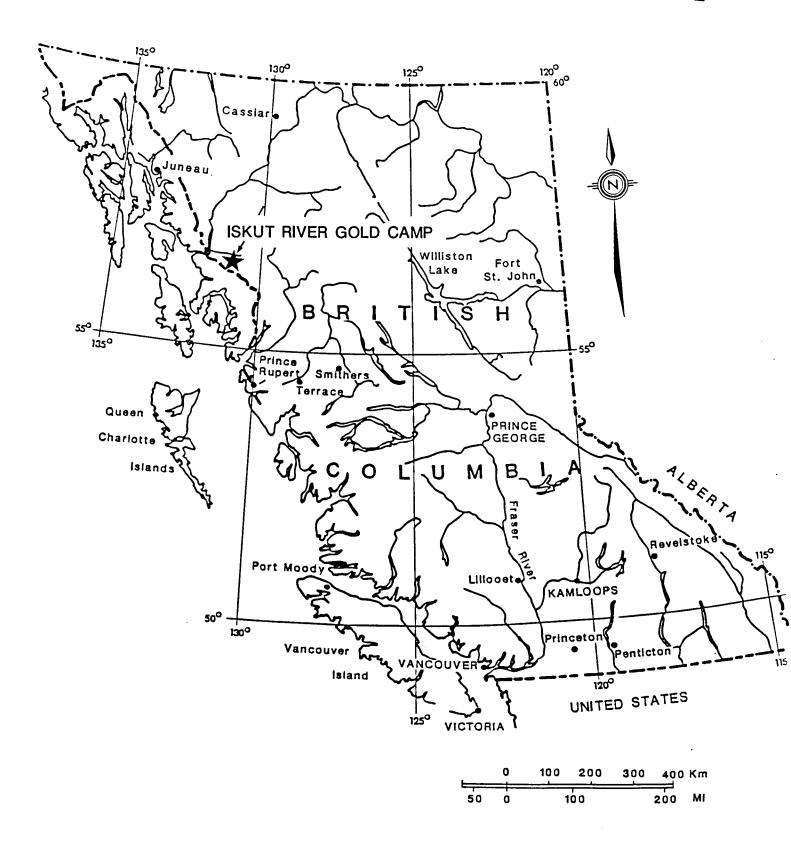
This report summarizes the results of approximately one week of field work completed on the Hemlo West Group in September 1986. The main objective of this work was to confirm the presence of anomalous zones reported by Apex Energy Corp. by infill soil/silt/rock geochemical sampling.

The results obtained to date are encouraging and a much expanded exploration program for 1987 is warranted.

Location and Access

The Hemlo West Group straddles the Iskut River in northwestern British Columbia, within NTS map-sheet 104-B/11 E at $56^{\circ}42'$ West latitude and $131^{\circ}07'$ North longitude (Figure 1).

Stewart, B.C. is located 120 km southeast and Wrangell, Alaska is 85 km due west. Ocean-going barges can navigate to Johnson's Landing, 35 km downstream on the Iskut River. Future road access will likely follow the Iskut River Valley from Bob Quinn Lake. The site of B.C. Hydro's planned development of a hydroelectric generating facility on the Iskut River is about 10 km upstream from the property.



PROPERTY LOCATION - LIARD, M.D., NTS 104 B/11 E.1/2

FIGURE 1



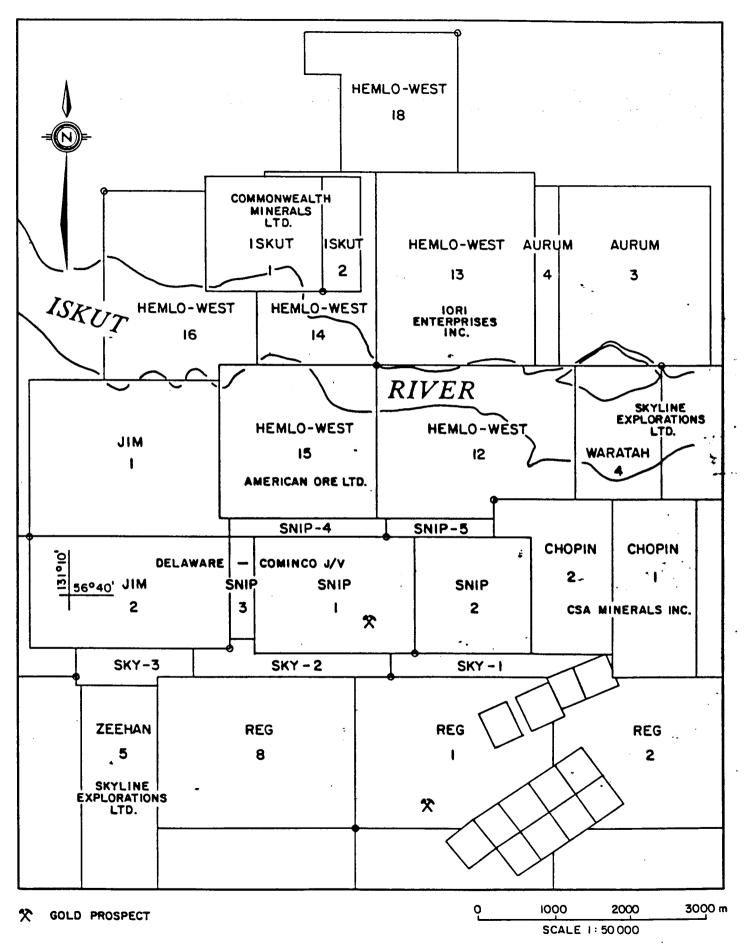
Northern Mountain Helicopters bases a helicopter at the Snippaker Airstrip during the summer field season and at the Skyline Exploration camp for the balance of the year. The 2800' gravel airstrip at Snippaker Creek has been in use for years. In 1986, Skyline Exploration completed a 2000' strip on Johnny Flat, 4 km south of the Hemlo West Group. Transprovincial Airlines maintains scheduled flights to the Snippaker strip three days a week during the summer field season and will also land at the Skyline strip if requested.

Claim Status

The American Ore Ltd./Delaware Resources Corp. claims (Figure 2) are listed in detail below:

Claim Name	Record No.	<u>Units</u>	Record Date	Expiry Date
Hemlo West 14 Hemlo West 15 Hemlo West 16 Hemlo West 18	2520 (9) 2521 (9) 2522 (9) 2632(12) TOTAL	15 16 20 <u>16</u> 67 unit	Sep. 29, 1982 Sep. 29, 1982 Sep. 29, 1982 Dec. 16, 1982	Sep. 29, 1987 Sep. 29, 1987 Sep. 29, 1987 Dec. 16, 1987

The claims were staked by Dale Wallster of Vancouver, and are being acquired by Delaware Resources Corp. and American Ore Ltd.



CLAIM OWNERSHIP

NTS 104 B/11 E.1/2

FIGURE 2

REGIONAL AND LOCAL GEOLOGY

Regional mapping by the Geological Survey of Canada in 1935 (Map 311A) and 1957 (Map 9-1957) indicate that the Iskut River area is underlain by Mesozoic sediments and volcanics of the Takla and Hazelton Groups which have been intruded by granitic rocks of the Coast Plutonic Complex.

Over the past 20 years, geologists with exploration companies active in the area have amassed much geological information and descriptions of various showings in the Iskut River area and can be studied in reports filed for assessment credits. (See Geological Compilation Map in back pocket).

The regional geological environment is comprised of three sedimentary and volcanic series which are intruded by younger granitic rocks and locally overlain by recent volcanic flows.

The oldest sequence consists of Permian to lower Triassic shales, siltstone, conglomerate, and limestone overlying andesitic flows and tuffaceous sediments.

The middle series, referred to locally as the "Snippaker Volcanic" assemblage, is comprised of Triassic to lower Jurassic volcanic/sedimentary rocks with related high-level subvolcanic felsite and quartz-feldspar-porphyry bodies. Breccias, tuff breccias, and siliceous pyroclastic rocks are common.

Conglomerate, greywacke, and argillite (Jurassic or younger in age) unconformably overlie the "Snippaker Volcanic" sequence.

The Hemlo West Group of claims is underlain by volcanic and sedimentary rocks of the "Snippaker Volcanic" sequence. The gold occurrences currently being explored by Cominco/Delaware and by Skyline Exploration on Johnny Mountain are also hosted by this sequence.

In 1983, a report summarizing the known mineral occurrences in the Iskut River area was prepared by R. J. Cathro for Apex Energy Corp. and is enclosed in the Appendix of this summary report.

Time did not permit resampling of the reported mineral occurrences on the Hemlo West Group in 1986; however, re-opening and resampling of the old trenches is one of the objectives of the 1987 field program. W. G. Jeffery's 1966 report of his examination and sampling of these showings (then held as the Ray and Joann claims of Iskut Silver Mines Ltd.) is reproduced in full on the following pages. The claim boundary of the Hemlo West 16 has not been surveyed and is shown in its approximate position. The Don 1-4 mineral claims are now covered by the SNIP claims, Cominco/Delaware joint venture.

Ray, Joann Iskut Silver Mines Limited By W. G. Jeffery

(56° 131° N.E.) Company office, 625, 925 West Georgia Street, Vancouver 1. R. D. Wesemann, president. There are 34 recorded mineral claims

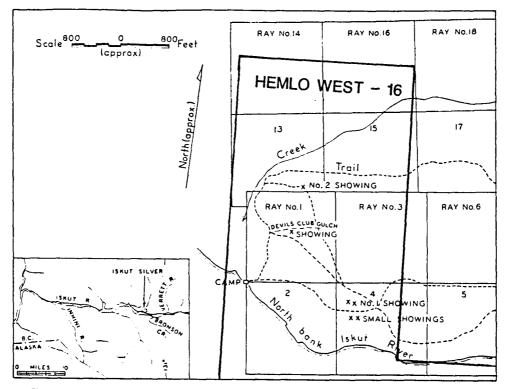


Figure 5. Iskut Silver Mines Limited. Sketch of showings, from enlarged air photographs.

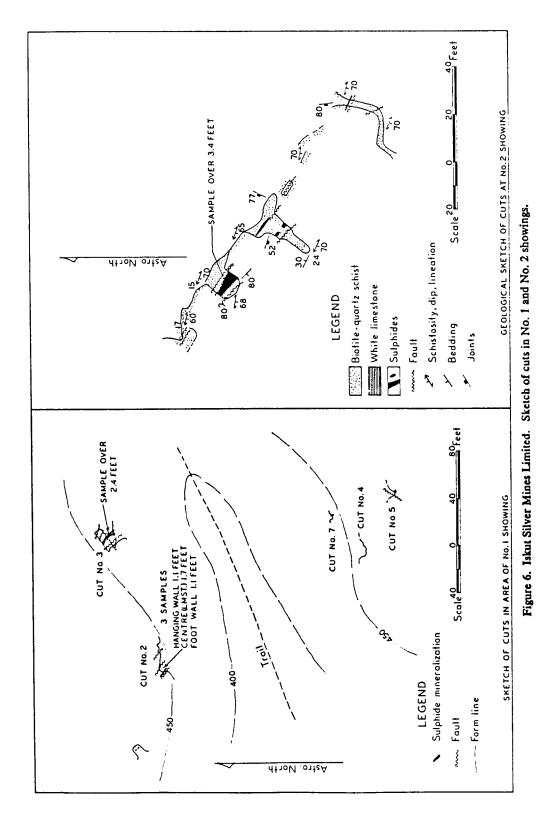
situated on the north side of the Iskut River, 3½ miles east of Twin River and 3 miles northwest of the mouth of Bronson Creek (see Fig. 5). The property is accessible by aircraft, which land on a short airstrip on a sandbar in the Iskut River. In 1965 and 1966 work, under the direction of R. D. Wesemann, has consisted of geochemical soil-sampling, a ground magnetometer survey, hand trenching and stripping, and 228 feet of packsack diamond drilling in four holes.

The property is on the north bank of the Iskut River in heavily timbered rolling and gullied country, at approximately 500 feet elevation. The area has very few natural outcrops. Geochemical prospecting provided the initial indications of mineralization. Further detailed geochemical soil-survey work led to the exposure of mineralization in several hand-made cuts and trenches. Excavations in some places have failed to reach bedrock due to excessively deep overburden.

Lead-zinc mineralization with values in gold and silver and in places some copper mineralization occur in showings Nos. 1 and 2 and Devils Club Gulch (see Fig. 5).

Showing No. 1 consists of several cuts on either side of a steep-sided gully (see Fig. 6).

Cut No. 2 reveals quartz-biotite and biotite-quartz-feldspar schists with some garnet and chloritoid in places. At one end of the cut is a 1- to 2-foot band of coarsely crystalline limestone with faults along both contacts. The faults and margins of the limestone are irregularly mineralized with sphalerite and galena. The limestone bed, the foliation in the schists, and the faults all strike northwesterly and dip at 55 degrees to the southwest. Chip samples were taken across the mineralized zone. On the hangingwall of the limestone bed a sample over 1.1 feet consisted of sulphides with iron and manganese oxide stained fault rock and clay gouge assayed: Gold, 0.04 ounce per ton; silver, 1.3 ounces per ton; lead, 0.14 per cent; zinc, 2.0 per cent.



The limestone bed with scattered blebs and masses of sulphide over a width of 1.7 feet assayed: Gold, 0.04 ounce per ton; silver, 4.5 ounces per ton; lead, 0.96 per cent; zinc, 10.30 per cent.

The limestone footwall sample over 1.1 feet included fault material and 3 inches of strongly schistose rock on the footwall of the fault. The results were: Gold, 0.22 ounce per ton; silver, 43.8 ounces per ton; lead, 1.37 per cent; zinc, 1.80 per cent.

Cut No. 3 exposes strongly fractured and faulted biotite-quartz schists with muscovite, some cherty siliceous patches, and areas of dispersed pyrite. The over-all schistosity is northwesterly to westerly with a 55-degree dip to the south and west. Massive sphalerite, chalcopyrite, galena, pyrite, and quartz occur in an irregular lens or pod cutting across the schistosity and cut by some of the faults. A chip sample over 2.4 feet at the widest part of the mineralization assayed: Gold, 0.53 ounce per ton; silver, 51.6 ounces per ton; lead, 2.68 per cent; zinc, 9.3 per cent; copper, 8.92 per cent.

At showing No. 1 there are three other small cuts, all in fractured quartz-biotite schists with pyrite, each showing small lenses and stringers of quartz and pyrite with a little sphalerite. Cut No. 4 exposes a distinct overturned fold with a gentle southerly plunge in the schists. The core of the fold is a cherty siliceous zone with traces of sphalerite.

Showing No. 2 is approximately 2,000 feet northwest of showing No. 1, with no outcrop discovered on the line between the two showings. At showing No. 2, stripping and trenching has partly uncovered bedrock and mineralization over an area about 130 feet long and up to 25 feet wide. The rock is mainly quartz-biotite schist, with the quartz and biotite in varying proportions. Some parts of the schist have a feldspar-quartz matrix, and some dispersed garnet was observed in two specimens. The foliation strikes northwest and dips southwest at 70 degrees. A crystalline limestone lens up to 2 feet wide with a strongly faulted hangingwall contact is exposed in part of the cut. The limestone strikes northwest and dips 80 degrees southwest. Another strike fault occurs in the schists a few feet from the footwall of the limestone. Sphalerite occurs as massive pods, dispersed in siliceous schists along the footwall of the limestone, and as thin stringers along the fault in the quartz-biotite schists. The sulphide is associated with quartz, biotite, muscovite, chlorite, and small amounts of garnet. A chip sample over a 3.4-foot width of dispersed stringers of sphalerite in schist on the footwall of the limestone bed assayed: Gold, 0.02 ounce per ton; silver, 0.2 ounce per ton; lead, 0.04 per cent; zinc, 5.6 per cent; cadmium, 0.03 per cent.

In Devils Club Gulch, about 800 feet south of No. 2 showing, a small cut reveals thin stringers of sphalerite along the foliation of an open fold in quartz-biotite schist that plunges to the west at 30 degrees. There is also a little sphalerite and quartz on a fault plane.

In summary the cuts have exposed small amounts of sulphide mineralization with some high values in gold and silver. There is evidence that in different places, faults, fractures, and folds in the host rock can all be features that control the mineralization.

Approximately 1½ miles east-northeast of the sulphide showings a trench has exposed magnetite with a little disseminated chalcopyrite. The magnetite is variably dispersed through an epidote-quartz-tremolite skarn, probably an altered volcanic rock. The overburden is considerable, and the extent of this mineralization is unknown. This magnetite showing is approximately 1,000 feet north of the contact to a syenite porphyry stock. Kerr (1948) has mapped this intrusive stock straddling the Iskut River. A specimen taken not far from the contact showed zoned orthoclase phenocrysts set in a matrix of altered feldspar with about 5 per cent quartz. There are clusters of brown biotite, calcite, and possibly allanite that may represent exotic fragments.

[References: Kerr, F. A., 1948, Geol. Surv., Canada, Mem. 246; Assessment Report No. 921.]

Copper-Gold

Bron, Don, Son, Pang
(56° 131° N.E.) Field office, 1150 Bay Avenue, Trail.

Cominco Ltd.

T. W. Muraro, senior exploration geologist. This group of 89 recorded claims and 14 Crown-granted claims held under option is at the mouth of Bronson Creek on the south side of the Iskut River, 28 miles from the Stikine River. The original work was done by F. E. Bronson between 1908 and 1919 on the south side of the creek at 3,000 feet elevation. A crew of four under the supervision of L. J. Nagy worked for a month on the Don 1 to 4 mineral claims on Mount Johnny. A topographic map made by Hunting Survey Corporation Limited of an area 4 miles by 1 mile was used as a base for geologic mapping by L. J. Nagy. Bedrock was stripped by hand and blasted over an area 1,400 square feet. The property was serviced by a helicopter based at Stewart. The camp was not visited.

[Reference: Minister of Mines, B.C., Ann. Rept., 1965, p. 43.]

SOIL GEOCHEMISTRY

A total of 153 soil samples, 17 silt samples, and 8 rock samples were collected on the Hemlo West Group of claims in 1986. The samples were analyzed by Bondar-Clegg in Vancouver for Au and Ag by a fire assay/AA finish method. The objective of this sampling was to confirm areas with anomalous gold values as reported by Apex Energy Corp. in 1983 by resampling selected lines and by collecting additional samples from new intermediate grid lines. Hip-chain and compass surveys provided control for the sampling. Silt samples were collected upstream from anomalous gold heavy mineral concentrate samples reported by Apex Energy Corp. The Au and Ag results are plotted on Maps 2 and 3 respectively (in back pocket).

Previous sampling by Apex on the Hemlo West 15 reported anomalous gold values from soils collected on L.23+00E, L.24+00E, and approximately 15+00N. Three short fill-in lines run in 1986 confirmed two parallel gold/silver anomalous zones roughly 50 m wide and 150 m long, reporting up to 560 ppb Au and 12.0 ppm Ag (Anomaly A). Sulphide-bearing quartz float found in the area returned 90 ppb Au and 7.2 ppm Ag (sample LN-14). Bedrock in the area consists of highly fractured and sheared siltstones with local epidote and quartz veinlets. This area warrants detailed prospecting and mapping in 1987. VLF-EM-16 and magnetometer surveys would also assist in selecting trenching sites.

Isolated anomalous values of +50 ppb Au occur about 200 m north and 250 m due west of this area. Further sampling is required to determine the significance of these values. Silt geochemical values of up to 120 ppb Au, obtained from samples collected on the Hemlo West 15, are strongly anomalous, and appear to confirm results reported by Apex heavy mineral concentrate sampling (up to 14,500 ppb [TH-4]from the -80 mesh fraction). The limited field work completed to date on the Hemlo West 15 suggests that there is potential for one or more shear-controlled gold mineralized zones; however, further geochemical sampling, mapping, and prospecting must be done to focus targets for trenching and possibly diamond drill testing.

The bulk of the grid soil sampling by Apex Energy Corp. in 1983 was conducted on the Hemlo West 16 claim. At present, the best exploration targets appear to be on the Hemlo West 16 but this could be a reflection of the fact that more sampling on closer spaced lines has been done here.

The gold values from soil samples collected from the Hemlo West 16 suggest that at least five anomalous areas are present. Anomaly B at the southeastern corner of the grid is open to the south and east, and may reflect in part the continuation of known gold-bearing shears at the No.1 Showing sampled by W. G. Jeffery in 1966 (0.53 oz/ton Au across 2.4 feet).

Geochemical contour lines surrounding gold anomalies C, D, and E suggest a northwesterly trend for an underlying gold-bearing structure. This direction is consistent with shear orientations reported by Jeffery at the No.1 and No.2 Showings.

Rock sample LN-17, collected from within the area of Anomaly D, reported geochemical values of 1100 ppb Au and 0.8 ppm Ag. All of the anomalous areas warrant further prospecting, magnetometer and VLF-EM surveys, and trenching.

Anomaly F straddles the northern boundary of the Hemlo West 16 and is open to the north. Soil geochemical values of up to 9500 ppb Au and 1.6 ppm Ag are recorded from this area. The open ground to the north of the Hemlo West 16 is recommended for staking (18 units), and systematic grid soil sampling, mapping, and geophysical surveying should be expanded to cover the new claim area.

Soil geochemical sampling has proven extremely effective in identifying and tracing gold-bearing shear zones on the adjoining SNIP property, and similar methods should be effective on the Hemlo West Group. The results to date are encouraging, and both grid and contour soil geochemical surveys should be extended to cover prospective areas of the Hemlo West 14, 15, 16, and 18, and over the area north of the Hemlo West 16.

CONCLUSIONS AND RECOMMENDATIONS

The limited field work completed in September 1986 confirmed the presence of several areas reporting anomalous gold values in soil and silt samples collected in 1983 by Apex Energy Corp. These areas will require further detailed fill-in soil sampling, prospecting, and geophysical surveying before trenching. Contingent upon encouraging results from trenching and bedrock sampling, shallow diamond drilling would follow.

Regional mapping suggests that rock types found on the SNIP property are also present on the Hemlo West Group. It follows that detailed grid soil sampling, mapping, prospecting, and geophysical surveying (magnetometer and VLF-EM-16) should be done over the entire property. Because of the topography, the surveys are expected to be time consuming and somewhat more costly than normal.

Several old, caved trenches on mineral occurrences on the Hemlo West 16 should also be opened and resampled. A sample collected from this area in 1966 by W. G. Jeffery (B.C. Dept. of Mines Geologist) assayed 0.53 oz/ton Au, 51.6 oz/ton Ag, 2.69% Pb, 9.3% Zn, ad 8.9% Cu across 2.4 feet.

The 1987 proposed exploration program of soil geochemistry, mapping, prospecting, and trenching is estimated to cost \$150,000.

PROPOSED 1987 EXPLORATION BUDGET

STAGE I

Objective:

to locate gold/silver-bearing structures on the Hemlo West Group of claims by systematic soil/stream/rock geochemical sampling, prospecting, geological mapping, magnetometer/VLF-EM surveying, followed by trenching and sampling; trenches on known gold/silver showings will be re-opened, mapped, and sampled.

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airphoto	interpretation,	logistics,	base m	map	preparation	\$ 2	,000

Field Program

5 days @ \$350 30 days @ \$300 30 days @ \$250 2 x 30 days @ \$150 30 days @ \$100	1,750 9,000 7,500 9,000	
30 days @ \$300 30 days @ \$250 2 x 30 days @ \$150	9,000 7,500	
30 days @ \$250 2 x 30 days @ \$150	7,500	
2 x 30 days @ \$150	•	
	9,000	
30 days @ \$100		
3 • .	3,000	30,250
		3,000
155 man days @ \$25	3,875	
• •	8,400	
mob/demob	15,000	
50 hours @ \$500	25,000	
	4,000	
	3,000	59,275
3000 samples @ \$ 9	27,000	
200 samples @ \$ 9	1,800	
200 samples @ \$12	2,400	31,200
al and blasting crew		
15 days @ \$750		11,250
als:		
•		1,140
eparation		
	mob/demob 50 hours @ \$500 3000 samples @ \$ 9 200 samples @ \$ 9 200 samples @ \$12 al and blasting crew 15 days @ \$750 als:	30 days @ \$1003,000 155 man days @ \$25

Data compilation, repo	rt preparation,	
drafting, secretarial,	reproductions	6,885

Contingency Allowance	5,000
	\$150,000

STAGE II Diamond drilling and detailed trenching program

\$300,000

SUMMARY OF PERSONNEL

Name / Address	<u>Position</u>	<u>Dates</u>	Man Days
R. K. Netolitzky, M.Sc., P.Geol. Taiga Consultants Ltd. #100, 1300 - 8th Street S.W. Calgary, AB T2R 1B2	Project Supervisor	Sep. 9	1
L. J. Nagy, B.A.(Geol.Sci.) 2137 Kaslo Court Kelowna, BC V1Y 8B9	Project Geologist	Aug.25,28,29,30 Sep.1(½),4,5,6,8	(½) 8
E. G. Nagy Box 1213, R.R.1 Red Deer, AB T4N 5E1	Field Assistant	Aug. 25, 28, 29, 30 Sep. 1(½), 4, 5, 6, 8	(½) 8
N. C. Leeson 1053 Calmels Crescent Kelowna. BC V1Y 4L6	Field Assistant	Aug. 25, 28, 29, 30 Sep. 1(½), 4, 5, 6, 8	(1/2) 8

CERTIFICATE

- I. Lawrence J. Nagy, of 2137 Kaslo Court in the City of Kelowna in the Province of British Columbia, do hereby certify that:
- 1. I am a Consulting Geologist with the firm of L. J. Nagy and Associates with offices at 2137 Kaslo Court, Kelowna, British Columbia.
- 2. I am a graduate of the Faculty of Arts and Science, University of Saskatchewan, B.A.Geol.Sci. (1969).
- 3. I have practised my profession continuously since graduation, including 14 years as a senior Project Geologist with Cominco Ltd.
- 4. I am the author of the report entitled "1986 GEOCHEMICAL REPORT on the HEMLO WEST GROUP, Iskut River Area, NTS 104-B/11 E, Liard Mining Division, British Columbia" dated November 21, 1986. I spent 8 days on the property supervising the field crew and collecting data.
- 5. Other sources of information supplied in this report include data from published material including assessment files and from my own experience gained from involvement in several exploration programs conducted in the Iskut River area beginning in 1965.

DATED at Calgary, Alberta, this 21st day of November, A.D. 1986.

L. J. Nagy, B.A.Geol.Sci.

PERMIT TO PRACTICE TAIGA CONSULTANTS LTD.
Signature Muy k Mussell

Date Dec 01, 1486

PERMIT NUMBER: P 2399

The Association of Professional Engineers, Geologists and Geophysicists of Alberta

BIBLIOGRAPHY

British Columbia Ministry of Energy, Mines and Petroleum Resources: assessment reports:

921, 3374, 3002

Iskut Silver Prospect, Apex Energy

769, 1657, 9964

Bron Prospect (SNIP)

630, 1657, 9090

Reg (Skyline Exploration)

Cathro, R.J. (1983): Summary Report on Mineral Occurrences and Geology of the Iskut Property, Apex Energy Corp. (private company report)

Geological Survey of Canada:

Map 311A (1935)

Map 9-1957 (1957), Stikine River Area

Jeffery, W.G. (1966): Report on Iskut Silver Mines Ltd.; <u>in</u> B.C. Min.Mines, Petrol.Res., Ann.Report 1966, pp.34-37

Kerr, F.A. (1948): Lower Stikine and Western Iskut River Areas, B.C.; Geol. Surv.Cda., Mem.246

APPENDIX

Itemized Cost Statement - 1986 Field Work

Geochemical Lab Reports

Correspondence, Ministry of Mines, Energy & Petroleum Resources

Rock Sample Descriptions

Summary Report on Mineral Occurrences and Geology of the Iskut Property Apex Energy, by R. J. Cathro

ITEMIZED COST STATEMENT

<u>Pre-Field Preparation</u> split 50/50 with Aurum Group Topo map enlargements, airphotos, review previous assessment report, data compilation (\$1,400 /2)		\$ 700.00
	350.00 2,400.00 <u>2,400.00</u>	5,150.00
<pre>Camp Costs Cost of lumber & plywood bought by contractor and delivered to field camp: Jempland Ltd., Prince George, B.C. Canvas tent, 14'x16', fly; oil stove</pre>	1,500.00	
	1,302.89 2,802.89	1,401.45
Food Meals provided by Cominco camp 3 men x 7 days @ \$25/diem		525.00
Truck Rental Mazda King Cab & canopy; Kelowna-Terrace-Kelowna 16 days @ \$45/diem gasoline split 50/50 with Aurum Group	720.00 108.00 828.00	414.00
Fixed-Wing Support Transprovincial Airlines, Terrace Air Services Islander and Cessna 206, Terrace-Snippaker Strip Total cost \$1,789.62 split 50/50 with Cominco = \$894.81 Balance split 50/50 with Aurum Group (\$894.81 /2)	447.41	
Central Mountain Air (Beech 18) Snippaker Airstrip-Terrace Split 50/50 with Aurum Group (\$1,129.75 /2)	564.88	1,012.29
<pre>Helicopter Northern Mountain Helicopter 7.4 hours flying @ \$435/hour fuel @ \$3.50/gal x 28 gal/hr x 7.4 hours oil @ \$1.00/hour x 7.4 hours Split 50/50 with Aurum Group</pre>	3,219.00 725.20 7.40 3,951.60	1,975.80

Traithalon; Vancouver, B.C.

1:40,000 scale colour and 1:15,000 scale B+W photos

Total cost split with Cominco = \$4,140.00

Balance split 50/50 with Aurum Group (\$4,140 /2)

2,070.00

Geochemical Analysis

Bondar-Clegg; Vancouver, B.C.

Au and Ag only, by fire assay/AA method

 soils
 153 samples @ \$ 8.65/each
 1,323.45

 silts
 17 samples @ \$ 8.65/each
 147.05

rocks 8 samples @ \$11.00/each <u>88.00</u> 1,558.50

Disposable Supplies

Topofil, sample bags, flagging, notebooks, paper, etc. 500.00

Travel Expenses

Airfares: L. J. Nagy Aug 25 to Vancouver,

Aug 26 to Terrace, Sep 22 to Kelowna.

\$460.00 split 50/50 with Aurum Group 230.00

Post-Field

Final report preparation 1,500.00

TOTAL \$17,037.04

L. J. Nagy

Geochemical Lab Report

REPORT: 126-4556 (COMPLETE)

REFERENCE INFO:

CLIENT: TAIGA CONSULTANTS LTD.

PROJECT: NONE GIVEN

SUBMITTED BY: L NAGY

DATE PRINTED: 24-SEP-86

ORDER

ELEMENT

NUMBER OF LOWER

ANALYSES DETECTION LIMIT EXTRACTION

METHOD

Ag 2 Αu Silver Gold - Fire Assay 12 12 0.2 PPM 5 PPB HNO3-HCL HOT EXTR FIRE-ASSAY

Atomic Absorption Fire Assay AA

SAMPLE TYPES

NUMBER

SIZE FRACTIONS

NUMBER

SAMPLE PREPARATIONS NUMBER

R ROCK OR BED ROCK

12

-150

12

CRUSH, PULVERIZE -150

12

REMARKS: ASSAY OF HIGH AU TO FOLLOW ON 626-4556.

REPORT COPIES TO: MR. RON NETOLITZKY

HR. LARRY NAGY

INVOICE TO: HR. RON NETOLITZKY

HR. LARRY NAGY

130 Pemberson Ave. Nonth Vancouver, B.C. Canada V7P 2R5 Phone: (604) 985-0681 Telex: 04-352667



REPORT: 126-4556	PROJECT: NONE GIVEN PAGE I
SAMPLE ELEMENT AS AU NUMBER UNITS PPH PPB	
R2 LN-1	
R2 LN-11	
R2 LN-14 7.2 90 R2 LN-17 0.8 1100	
42.	

Telex: 04-352667

Geochemical Lab Report

ALL HOTER DRE

REPORT: 126-4261 (COMPLETE)

REFERENCE INFO: SHIPMENT ONE

CLIENT: TAIGA CONSULTANTS LTB.

PROJECT: ISKUT

SUBMITTED BY: L. NAGY

DATE PRINTED: 15-SEP-86

ORDER

ELEMENT

NUMBER OF LOWER ANALYSES DETECTION LIMIT EXTRACTION

1 Ag

Silver

96

0.2 PPM

HNO2-HCL HOT EXTR

METHOD

Atomic Absorption

2 Αu Gold - Fire Assay

96

5 PPB

FIRE-ASSAY

Fire Assay AA

SAMPLE TYPES

NUMBER

SIZE FRACTIONS

NUMBER

SAMPLE PREPARATIONS NUMBER

S SOILS

96

.1 -80

96 🔅

DRY, SEIVE -80

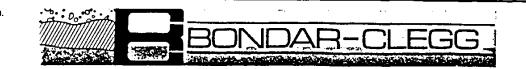
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96 ...

REPORT COPIES TO: HR. RON NETOLITZKY

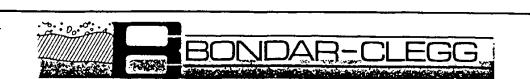
HR. LARRY NAGY

INVOICE TO: HR. RON NETOLITZKY



	REPORT: 10	6-4261			·		Proje	77. IS/8	-		PAGE 1
	Sample Redmun	element Units	Ag PPM	Au PPB		mple Mber		EMENT UNITS	Ag PPM	Au	
	S1 L42+00N S1 L42+00N		0.7 0.8	<5 10	· · · · · · · · · · · · · · · · · · ·	L45+50N			0.8	5	
	S1 L42+00N		0.4	10 <5		L46+00N L46+00N			017 3.8	35	
	SI L42+00N		<0.2	5		L46+00N			2.1	75 220	
	S1 L42+00N		0.6	<5		L46+00N			1.2	30	
Γ.,	S1 L42+00N		0.4	(5	and the second of the second o	L46+00N			0.5	10	
	S1 L42+00N		0.4	15	AND THE RESERVE THE PROPERTY OF THE PROPERTY O	L46+00N		1 - 1	0.9	25	Section (sec.
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	SI L42+00N SI L42+00N		0.2 0.4	₹5 ₹5		L46+00N L46+50N			0.3	. 110	
			V.4	. (3		NUCTUPI	14+006		0.5	, , a .	
	S1 L42+00N		0.6	5		L46+50N			0.6	₹5	· · · · · · · · · · · · · · · · · · ·
	S1 L43+50N		2.9	30		L46+50N			0.7	. (5	
	S1 L43+50N S1 L43+50N		2.6	15	-	L46+50N			0.8	25	The second second
	SI L43+50N		1.0 2.1	45 90		L4G+50N L4G+50N		·	1.0	3.	and the second second
			4.1		31	HUCTOPJ	134236		0.9	13	
	S1 L43+50N		0.4	25		L46+50N			0.4	₹ 10	
	91 L43+50N		0.4	. 20		L46+50N			8.5	5	THE RESERVE THE PROPERTY OF THE PERSON OF TH
	\$1 L43+50N	•	1.0	320		. L46+50N		: ,	0.4	. 5	
	SI [44+50N		2.5	35		L46+50N	•		0.9	√	
<u></u>	'S1 L44+50N	14+23E	1.4	85		L46+50N	16+50E		0.6	100	
	S1 L44+50N		0.6	10		L51+50N		-	0.6	30	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Ì	S1 L44+50N	-	0.5	20		L51+50N			0.6	10	
	S1 L44+50N S1 L44+50N		0.8 1.3	5 70		L51+50N			0.4) (E	
	S1 L44+50N		0.5	/0 <5		L51+50N L51+50N			0.4	√ 5 √ 5	
<u> </u>			V.J		31	LOITOUR	134/55		0.3		
	S1 L44+50N		0.9	.5		L51+50N			0.5	10	
Ì	S1 L44+50N		0.4	15		L51+50N			0.4	(5	
	S1 L44+50N		0.5	10		L51+50N			0.3	5	
!	SI L44+50N SI L45+50N		1.3	10		. 1.51+50N . 1.52+00N			0.5	₹ 5	
_	51 £43730A	144005	1.2	15		. LUZTVVN	127/35		<0.2	35	
	S1 145+50N		2.0	∢5		L52+00N			0.3	30	
	SI 145+50N			20		L52+00N			0.4	√5	
İ	S1 L45+50N		0.3	90		L52+00N			0.9	420	
ĺ	S1 145+50N		1.3	75		L52+00N).3	50	
	S1 L45+50N	13+45E	3.4	.5	Si	L52+00N	14+00E		0.4	(5	
	\$1 L45+50N		1.5	3		L52+00N		·	0.2	180	٠,
-	Si L45+50N		1.1	₹5 -=		152+00N			0.4	15	•
	S1 L45+50N		9.8	35		LEZ+OCH			3.3	15	
!	SI L45+50N SI L45+50N		0.7 3.1	100 330		. U52+00N . U52+00N				9500	
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130 Pemberton Ave. North Vancouver, B.C. Canada V7P 2R5 Phone: (604) 985-0681 Telex: 04-352667



REFORT: 12	6-4251					PROCECT: ISKUT		PAGE 2	
SAMPLE NUMBER	TRAMELE STINU	Ag PPM	Au PPB		ample Under	SLEMENT STINU	99 899	Au PPB	
S1 L52+00N	15+50E	1.5	(5						
SI L52+00N	15+75E	0.5	<5						
S1 L52+00N		0.3	15					t en	
SI 152+50N		I.I	20						
S1 L52+50N	13+258	2.4	340		<u>-</u> ,				
S1 L52+50N		0.5	30						
S1 L52+50N		0.8 5.0	320		55				
SI L52+50N		0.8	220 10						
S1 L52+50N		0.5	< 5		٠.				,
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S1 L52+50N		0.2	15						
\$1 L52+50N		0.5	20			*		**	
S1 L52+50N S1 L52+50N		0.4	20		1, ,	***			* i
\$1 L52+50N		0.2	20 40	·•					•
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S1 L52+50N	16+00E	0.4	40			1274		eth that is a line	
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Telex: 04-352667

Geochemical Lab Report

REPORT: 126-4361 (COMPLETE) REFERENCE INFO: SHIP# 2 CLIENT: TAIGA CONSULTANTS LTD. SUBMITTED BY: L NAGY PROJECT: ISKUT DATE PRINTED: 19-SEP-86 NUMBER OF LOWER ORDER ELEMENT ANALYSES DETECTION LIMIT EXTRACTION METHOD 1 Ag Silver 242 0.2 PPM HNO3-HCL HOT EXTR Atomic Absorption 2 Gold - Fire Assay 242 5 PPB Αu FIRE-ASSAY Fire Assay AA SAMPLE TYPES NUMBER SIZE FRACTIONS NUMBER SAMPLE PREPARATIONS NUMBER S SOILS 191 -80 242 DRY, SEIVE -BO 242 T STREAM SEDIMENT, SILT 51 INVOICE TO: MR. RON NETOLITZKY REPORT COPIES TO: MR. RON NETOLITZKY MR. LARRY NAGY MR. LARRY NA6Y

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	REPORT: 125	-4561			•		PROJECT: ISKU	T	PAGE	1
	SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au 895		SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB	
!					! !	· · · · · · · · · · · · · · · · · · ·				
					=					
!										
					-					
						S1 L21E 16 S1 L21E 16 S1 L21E 16 S1 L21E 16 S1 L21E 26	3+50n 7+00n 7+50n	0.9 0.6 3.0 0.7 0.7	5 <5 45 <5 10	
						51 L21E 20 S1 L21E 20 S1 L21E 20 S1 L21E 20 S1 L21E 20	1+00N 1+50N 2+00N	0.2 0.2 <0.2 0.6 0.2	5 10 <5 <5	
- - - - - -						S1 L21E 2 S1 L21E 2 S1 L21E 2 S1 L21E 2 S1 L21E 2	3+50n 4+00n 4+50n	0.7 0.6 0.8 1.1 0.5	<5 <5 10 <5 10	
						S1 L21E 2 S1 L21E 2 S1 L21E 2 S1 L21E 2 S1 L22+50	6+00N 6+50N 7+00N	0.3 0.4 0.4 0.2 4.5	5 10 5 5	
					-	S1 L22+50 S1 L22+50 S1 L22+50 S1 L22+50 S1 L23E 1	E 15+00N E 15+25N E 15+30N ~	0.7 1.3 1.2 0.4 0.6	20 25 <5 <5 <5	
					=	S1 L23E 1 S1 L23E 1 S1 L23E 1 S1 L23E 1 S1 L23+50	5+25N 5+50N 5+75N	2.8 5.4 1.2 4.0 0.6	120 15 <5 30 <5	

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	REFORT: 126-436	1				PROJECT: ISKU	ī	PAGE 2	2
	SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB	SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB	
	S1 L23+50E 14+7 S1 L23+50E 15+0 S1 L23+50E 15+2 S1 L23+50E 15+5 S1 L23+50E 15+7	ON 5N ON	0.5 0.5 0.6 1.6 0.6	560 <5 <5 15 10					
_	S1 L24E 15+25N S1 L24E 15+50N S1 L24E 15+75N S1 L24E 16+25N S1 L24+50E 15+0	ON	0.8 6.9 12.0 0.5 6.6	150 150 240 5 300					
	S1 L24+50E 15+2 S1 L24+50E 15+5 S1 L24+50E 15+7 S1 L24+50E 16+0	ON '5N	0.9 2.0 1.0 0.4	<5 5 10 15					

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REPORT:	126-4361					PROJECT: ISKUT		PAG	ε 3
SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PP3		SAMPLE NUMBER	ELEMENT UNITS	Ag PFM	Au PPB	
C1 TI A/	AAL AF		Mar. 1. 11						
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				All And					
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;					T1 ST-36 T1 ST-37		(0.2	\5 \5	
				i	T1 ST-38 T1 ST-39		(0.2 0.4	<5 120	
	<u> </u>	0.6	65		T1 ST-40 T1 ST-41		⟨0.2 ⟨0.2	20 <5	
					T1 ST-42 T1 ST-43		0.3 0.2	45 75	
-					T1 ST-44		1.0	. 10	
					T1 ST-45 T1 ST-46 T1 ST-47		0.8 0.7	10 5 15	
					T1 ST-48 T1 ST-49		0.6 0.5 2.7	15 (5 90	

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	REPORT: 126-	4361					PROJECT: ISK	บา	PAGE	4
	SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB		SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB	
····	T1 ST-50 T1 ST-51	.,,,,	2.8 1.3	110 45	····			· · · · · · · · · · · · · · · · · · ·		
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ROCK SAMPLE DESCRIPTIONS

<u>Sample</u>	Location	<u>Au ppb</u>	Ag ppm	Comments
LN-01	Hemlo West 16	130	<0.2	tuffaceous rock, dark grey, massive, with 2 to 5% disseminated pyrite.
LN-03	Hemlo West 16	150	0.4	rhyolitic tuff(?), light grey, laminated, 3 to 5% disseminated pyrite, traces chalcopyrite.
LN-04	Hemlo West 16	not	assayed	float quartz vein material, very angular, 20 cm diameter, mafic fragment inclusions.
LN-05	Hemlo West 16	15	<0.2	mafic volcanic rock, dark grey, with calcite and ankerite veinlets, trace sphalerite, pyrite; from north facing gossanous cliff face.
LN-06	Hemlo West 16	240	1.3	sericitic tuff; 10 to 30% disseminated and banded pyrite; heavy gossan developed on outcrops.
LN-11	Hemlo West 15	45	<0.2	siltstone, heavily epidotized, chloritized, 1 to 3% disseminated pyrite.
LN-12	Hemlo West 15	10	0.4	siltstone, dark brown, foliated, sandy interbeds, trace disseminated pyrite.
LN-13	Hemlo West 15	45	0.4	phyllitic quartzite/siltstone, strong shearing parallel to creek gully, quartz and pyrite on fracture surfaces.
LN-14	Hemlo West 15	90	7.2	quartz float, trace pyrite, chalcopyrte
LN-15	Hemlo West 15	not	assayed	siltstone bedrock, grey, near LN-14; trace malachite on joint face.
LN-17	Hemlo West 16	1100	0.8	andesite(?), dark grey, massive; 5 to 10% pyrite.

SUMMARY

American Ore Ltd. recently acquired the option from Delaware Resources Corp. to earn a 50% interest in the Hemlo West Group of four mineral claims (67 units) situated in the Iskut River area in northwestern British Columbia.

The Hemlo West claims are adjacent to the Cominco/Delaware SNIP gold property where in 1986, a \$500,000 diamond drilling program (managed by Cominco Ltd. and funded by Delaware) has begun to explore a major, newly discovered gold deposit(s).

Cominco/Delaware reported significant ore-grade intercepts from 10 of the 13 drill holes completed to date. The last hole of the field season, DDH 86-12, reported 55.7 feet assaying 0.586 oz/ton Au including 6.6 feet assaying 4.535 oz/ton Au. Exploration expenditures on the SNIP property are likely to exceed one million dollars in the 1987 summer field season with underground exploration to commence by late fall or the spring of 1988.

The American Ore/Delaware Hemlo West 14, 15, 16, and 18 mineral claims are geologically well situated and may host strike extensions of known gold-bearing shear zones on the adjacent SNIP property and/or entirely new auriferous shear zones.

The most recent exploration on the Hemlo West Group consisted of limited reconnaissance prospecting and geochemical sampling in 1983 by Apex Energy Corp. This work identified several streams reporting highly anomalous gold values in heavy mineral concentrate silt samples. The company also collected soil geochemical samples from about 20% of the Hemlo West 15 and 16, and identified a number of isolated anomalous areas. Due to a lack of exploration funds, only limited follow-up mapping, prospecting, and fill-in geochemical sampling were done by Apex in 1983, and eventually the claims reverted to the original owners.

The property remained idle until 1986 when Delaware optioned the claims and signed a joint venture agreement with American Ore Ltd. to explore the Hemlo West Group.

In September 1986, a Taiga Consultants Ltd. field crew, under contract to American Ore Ltd., spent approximately one week exploring the Hemlo West Group. A total of 153 soil samples, 17 silt samples, and 8 rock samples were collected and analyzed for Au and Ag by Bondar-Clegg in Vancouver, B.C. The objective of this work was to confirm and further delimit the anomalous areas reported by the Apex Energy Corp 1983 sampling. Selected lines were resampled and fill-in grid lines were sampled at 25 m intervals to provide better target definition for trenching.

The 1986 work confirmed the presence of at least two zones on the Hemlo West 15 claim with anomalous gold values, and six or seven anomalous gold zones within the Hemlo West 16. On the Hemlo West 15 claim, anomalous soil geochemical values range from 50 to 560 ppb Au. The Hemlo West 16 reported values ranging from 50 to 9500 ppb Au. Near the northern boundary of the Hemlo West 16, anomalous values reported on L.52+00N were confirmed by the 1986 work, and results obtained from fill-in line 52+50N suggest that the area may be the southern edge of a significant gold soil anomaly. Additional staking is recommended to cover this anomalous area.

Funds and time did not permit detailed prospecting or mapping on the Hemlo West Group in 1986. No field work was done on the Hemlo West 14 and 18.

Regional mapping by Kerr in 1948 and Map 9-1957 (G.S.C.) and mapping by geologists with Apex Energy and Cominco Ltd. suggest that rock types mapped on the SNIP property extend northward into the Hemlo West 15 and 16.

The distinctive pyritized (up to 30% pyrite) felsic tuff unit (TSS) found in the immediate area of the SNIP gold showings also crops out prominently along the southeastern boundary of the Hemlo West 16 and dips at a shallow

angle to the west. The soils in this area are moderately anomalous in gold. The area warrants further sampling, detailed prospecting, and trenching in 1987.

In conjunction with an aerial photo survey flown by Cominco/Delaware over the SNIP property, the contractor was requested to extend the survey lines and provide 1:15,000 scale black-and-white and 1:40,000 colour photographs over the adjoining Hemlo West Group. The photos will assist in identifying and tracing significant geological structures on the property.

The 1987 proposed exploratin program of grid-controlled soil geochemistry, mapping, prospecting, and trenching is estimated to cost \$150,000.

