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Suite 614-850 WEST HASTINGS STREET, VANCOUVER, B.C.
TELEPHONE (604) 681-0191 V6C 1E1

GEOLOGICAL AND GEOCHEMICAL REPORT

on the

GRACE 1 to 5 CLAIMS

Omineca Mining Division - British Columbia

Lat. 57° ^{10.8'} ~~41'~~ N.

Long. 126° ^{50.1'} ~~82'~~ W.

N.T.S. 94 E/2W

for

Owner/Operator: ASITKA RESOURCE CORPORATION

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

15,375

Michael Smith (F.G.A.C.)

Donald G. Allen, P.Eng. (B.C.)

RECEIVED

DEC 22 1986

GOVERNMENT AGENT,
SMITHERS, B.C.

FILMED

December 16, 1986

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SUMMARY

Asitka Resource Corporation holds 59 claim units, the Grace Group, situated in the Toodoggone River area of north central British Columbia. Access is by fixed wing aircraft, a distance of 250 kilometres north of Smithers, to the Sturdee Airstrip (used to service the Baker Mine) and thence by helicopter fourteen kilometres to the property. Road access to within three kilometres of the property may be available in the near future.

The Grace property is one of a number of important prospects in the Toodoggone gold-silver camp which recently became the target of intense exploration activity.

The property is underlain by three main rock units. Granodiorite is part of the northwest-trending pluton of Middle Jurassic age. Marble and siltstone of the Permian Asitika Group forms at least three roof pendants within the granodiorite. Volcanic and volcanoclastic rocks of the Toodoggone volcanics outcrop on the eastern part of the claims. Main types of mineralization on the property include:

1) copper+zinc+gold in skarns along marble-granodiorite contacts, 2) gold in siliceous zones and chloritic veins with coarse pyrite in pyritic metasiltsstones, and 3) gold in brecciated and silicified volcanic rocks of the Toodoggone volcanics.

In 1986 Asitka undertook a program of geochemical sampling and geological mapping, mainly on the Grace 5 claim. This work outlined a strong multielement soil geochemical anomaly (Cu-Ag-As) over an area of up to 800 by 200 metres. Follow-up trenching and/or diamond drilling are proposed.

CONCLUSION

Most of the gold-silver deposits in the Toodoggone "camp" are of the epithermal type. They are related to caldera and block fault structures associated with Lower Jurassic volcanism (Toodoggone

volcanics). The mineralization discovered on the Grace 5 claim is of this type. The skarn occurrences on the Grace property probably represent a deeper level of mineralization associated with plutonic rocks that are approximately the same age as, and possibly the source of, the Toodoggone volcanics.

Results of drilling and sampling of the skarn occurrences of the Grace property have revealed low but significant gold and silver values. Additional work is required to outline the gold bearing skarns.

The strong multielement geochemical anomaly outlined in the Grace 5 claim occurs along a strong linear feature and in an area where quartz-cemented breccia containing anomalous gold values occur. Follow-up trenching and diamond drilling is warranted.

RECOMMENDATION

A two-phase program is recommended to follow-up results of previous work on the Grace property and to evaluate the geochemical anomaly and quartz breccia zones on the Grace 5 claim. Phase I will comprise additional geochemical soil sampling, on the Grace 5 claim, to fully outline drilling targets along with geological mapping, VLF-electromagnetic resistivity and possibly induced polarization surveys.

Phase II will, in part, depend on whether or not the access road to SEREM's Lawyers property is constructed. Assuming that the road is constructed, then a road should be constructed to provide access to the Grace claims. Trenching and/or diamond drilling and additional sampling should be undertaken on the skarn zone, on the East Gold Anomaly and on the GRACE 5 anomaly.

INTRODUCTION

The Grace claims cover vein-type gold mineralization and skarn-type copper-zinc-gold showings in the Toadoggone River area of north central British Columbia. The Toadoggone River area recently has been subject to intensive exploration activity for epithermal gold-silver deposits.

According to Schroeter (1986), an estimated six million dollars were spent on exploration in the Toadoggone area. The largest and most significant program was carried out by SEREM Inc. on their Lawyers property 25 kilometres to the northwest. SEREM has estimated reserves of 509,600 tonnes grading 7.2 grams per tonne gold and 260 grams per tonne silver on their Amethyst zone. Exploration by Multinational Resources is continuing on the nearby Baker Property (17 kilometres to the northwest) which produced 1,287,676 grams of gold and 25,446,258 grams of silver between 1980 and 1983. Other companies active in the area are Energex Minerals, St. Joe Canada Inc., Imperial Metals, Cassidy Resources, New Ridge Resources, Manson Creek Resources Ltd., Bart Resources Ltd., and E and B Mines Ltd., etc.

This report summarizes results of fieldwork carried out to date on the Grace property as well as results of geochemical sampling and geological mapping carried out by M. Smith, J. Weick and F. Renaudat during the period September 11 to 15, 1986.

LOCATION, ACCESS, PHYSIOGRAPHY

The Grace property is situated 250 kilometres north of Smithers in the Toadoggone River area (Figure 1). Access is by fixed wing aircraft to the Sturdee Airstrip near the Baker Mine and thence by helicopter 14 kilometres to the property (Figure 2). A road may soon provide access to within three kilometres of the claim boundary because the Provincial Government and SEREM Inc. have agreed, once a production decision has been made by SEREM, to share in the cost of extending the Omineca Resource Road to the Sturdee airstrip.

GRACE CLAIMS
LOCATION MAP
ASITKA RESOURCE CORPORATION

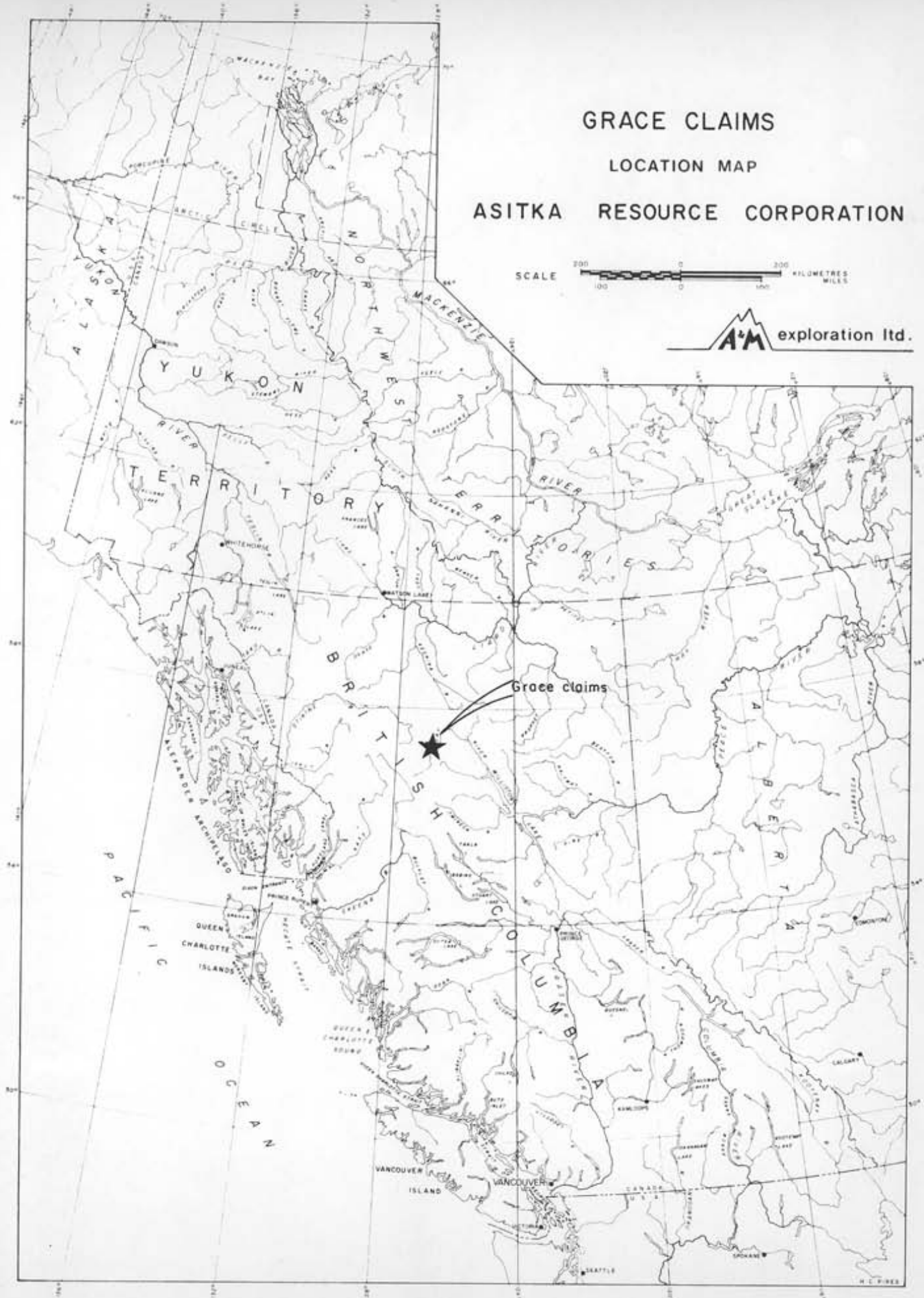
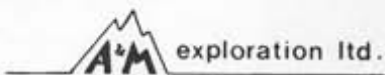
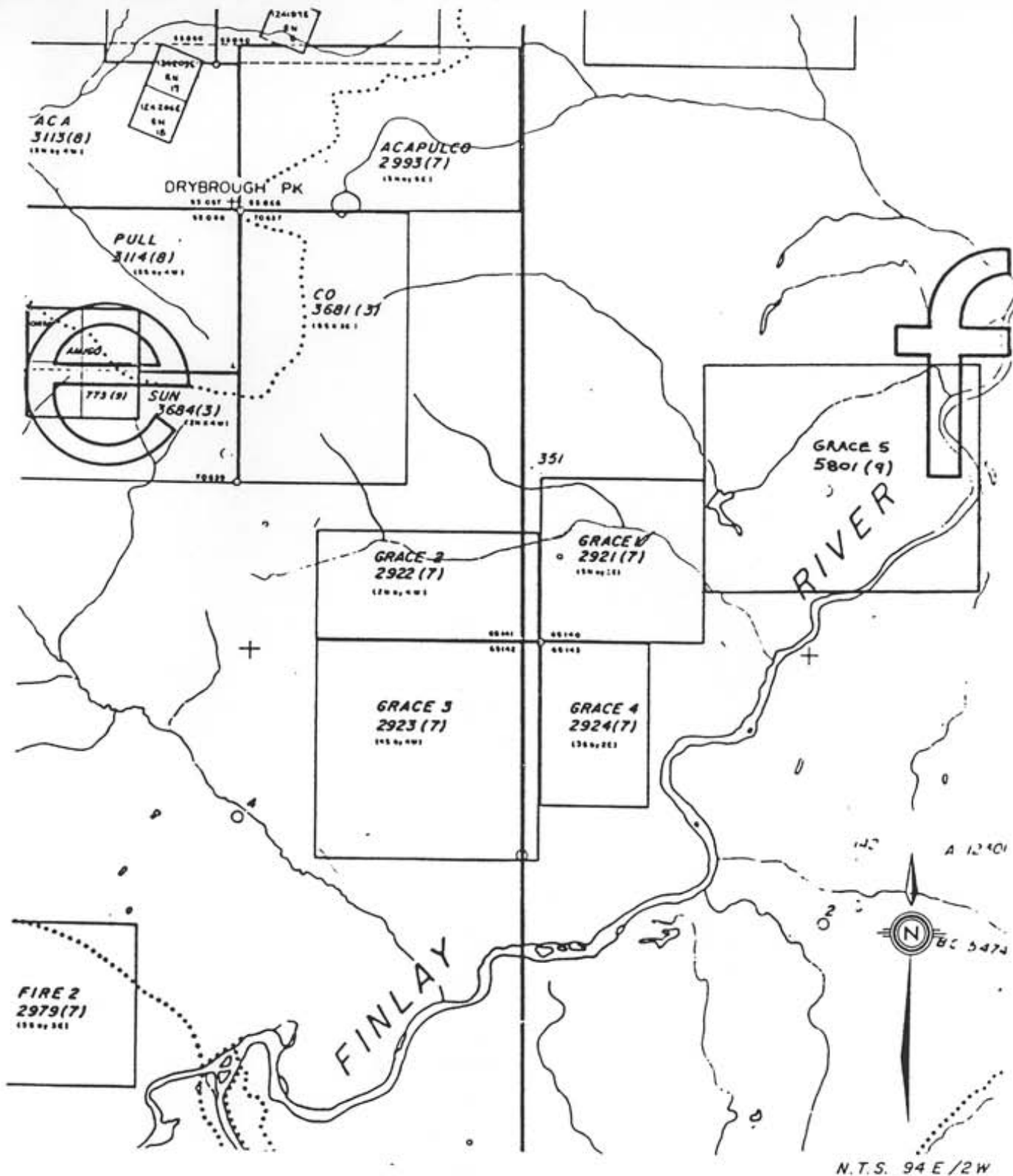


FIGURE - 1



ASITKA RESOURCE CORPORATION
 GRACE CLAIMS

OMINECA MINING DIVISION BRITISH COLUMBIA

CLAIM MAP

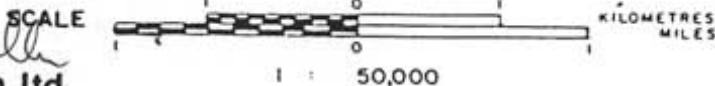
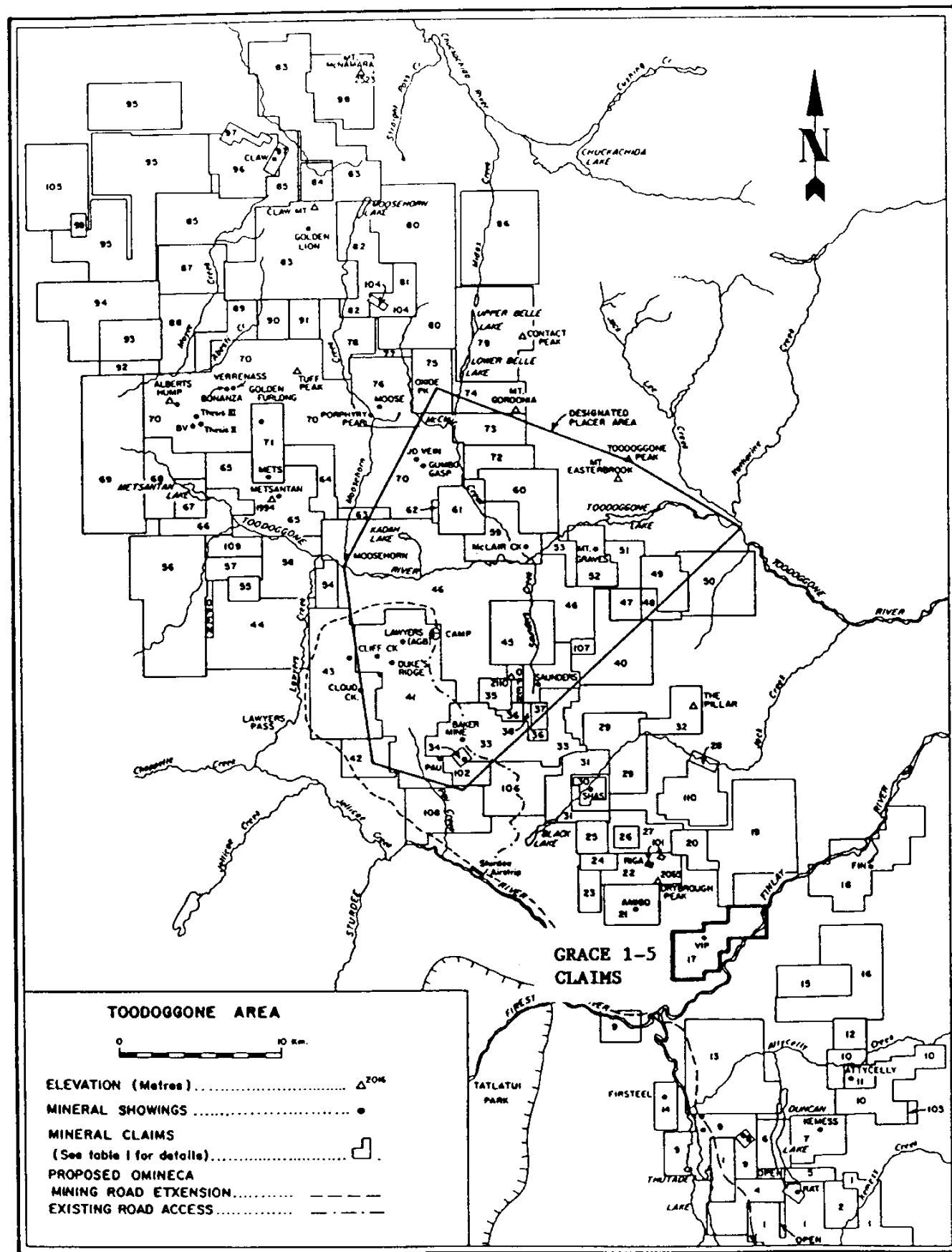


FIGURE 2

TOODOGGONE RIVER AREA MINERAL PROPERTIES



NO.	CLAIMS	MINERAL INVENTORY NUMBER (94E)	OPERATOR	NO.	CLAIMS	MINERAL INVENTORY NUMBER (94E)	OPERATOR
1	RON 1-11	13, 14, 15	Pacific Ridge Res.	55	GOLDEN STRANGER, GOLDEN STRANGER 2	76	Western Horizons
2	DU, DU 2	—	Pacific Ridge Res.	56	LASSIE 1-4, LADD 1-4	—	Alexim
3	RAT	25	Cominco	57	SB 3, 4	—	S. Young
4	TUT 1, 2	—	Univex Mining	58	LAINIEY 1-4	—	Deep South Pet.
5	DU 1, 2	—	Pacific Ridge Res.	59	MAC III, HYFLY I, II	1	C. Ashworth
6	DUNCAN 1-4	—	Asitka Res.	60	MAC I, II, IV	—	Hi-Tec Res.
7	NEW KEMESS 1, 2	21	Keneco	61	BELLE 1, 2, 4	—	Manson Creek Res.
8	CROWN-GRANTED CLAIMS	12	Cominco	62	BIG LODE	—	Alexim
9	LAKE 1-5	—	Pacific Ridge Res.	63	KEY	—	Duke Minerals
10	KEM 1-9	—	Inca Res.	64	LEXIM 1-3, GWP 42	—	Mandusa Res.
11	AUDREY WEST, AUDREY EAST	22	ABM Mining Group	65	METSANTAN 1-9	64	Bart Res.
12	AWESOME	81	Inca Res.	66	SY 2-4	—	A. L. Constantine
13	ARK 1-7	—	Ark Energy	67	DISCOVERY 4	—	Black Diamond Res.
14	FIRESTEEL	—	SEREM	68	DISCOVERY 1-3	—	Duke Minerals
15	WRICH 1-3	82	SEREM	69	INDIAN GOLD 1-4, TOODOGGONE 1-4	—	Alexim
16	RICH 1-5	—	Golden Rule Res.	70	AL 1-8, BERT, ERNIE, WINKLE, BULL, CHUTE, SURPRISE, GEROME, CALF MOOSE, ANTOINE LOUIS, TOUR, COW MOOSE, STURDEE, JM, JS, KADAH 1-2, BIG BIRD, GAS I, JR, JB, JD	66, 65, 80, 78, 85, 84, 79, 91, 32	Energex
17	GRACE 1-5	48	Asitka Res.	71	METS 1, 2	—	Manson Creek Res.
18	FIN 1-9	16	B. Pearson	72	PEREGRINE, FALCON A	—	C. Ashworth
19	JOCK 4, 6-12	—	Golden Rule Res.	73	JOANNA III, JOANNA IV	—	International Westward Dev.
20	GOLDEN RING, GOLDEN RING 2	—	Newmont Expl.	74	JOANNA I, II	36	Armour Res.
21	STAR, PULL, SUN	58	SEREM	75	AMETHYST, KIDVIEW	—	Geostar
22	PARADISE 3, 4	—	Phillip Res.	76	SCREE 1-3, MOOSE 1-3, BULLMOOSE, GAS 2	31	New Ridge Res.
23	DALE	—	M. Bell	77	OXIDE 1	—	Alexim
24	LEGHORN	—	Kidd Creek Mines	78	HORN 1-5	20	Norman Res.
25	JERRY	—	Phillip Res.	79	LAKE I-IV, MAGIC I, II	23	Hi-Tec Res.
26	DAWN	—	Newmont Expl.	80	CAT 1-4, MID 1-3, BELL 1-3	59	A. L. Constantine
27	SHASTEX, PARADISE 2	—	Alexim	81	GORD DAVIES, GORDON DAVIES 2	53	Lacana
28	BRENDA 1-8	8	Caminc Dev.	82	HORN 1-4, AS 1-3	—	Deep South Pet.
29	JK 1-5	39	Golden Rule Res.	83	GUARD, LYNX 1-8, GOLDEN LION 1-11, HUMP 1-2	77, 19	Newmont Expl.
30	SHAS, SHA 1-2	50	International Shasta, Newmont	84	SPAR MOUNTAIN	—	C. Kowall
31	SHASTA 3-5, SILVERREEF 3	—	Arctic Rod Res.	85	PAW, PIKA, CAL 1, YET 1, SUET, GACHO	—	Hi-Tec Res.
32	ATLAS, HERCULES	42, 83	SEREM	86	ORO I, II, URUS I-IV	—	Hi-Tec Res.
33	CHAPPELLE	26, 71	Multinational Res.	87	RANGER 1-4	—	Cusac Industries
34	CROWN-GRANTED CLAIMS	27	O. McDonald	88	MOYEZ 1, 2, 4	—	Geostar
35	PEL	—	Multinational Res.	89	SPIKE, WOLF I	—	Duke Minerals
36	XT 1, 3	—	D. Stczyk	90	WOLF II	—	Texpez Oil and Gas
37	DAVE PRICE	—	Western Horizons	91	WOLF III	—	Skeena Res.
38	XT 2	—	Golden Rule Res.	92	CHUCK 1, 2	—	Miramar
39	GOLDEN NEIGHBOUR 1-4	37	Alban Expl., Lacana	93	MOYTAN 1, II	—	Yukon Gold Placers
40	IAN, ADRIAN, PAUL, OTTO	—	Rhyolite Res.	94	ADOOG 1-5, STIK 1-4	—	Delaware Res.
41	NEW LAWYERS 1-4, LAW 1-3, BREEZE, ROAD 1-3, PERRY 1, 2, MASON 1, 2, GTW 1-3, ATTORNEY 2	66, 67, 74, 72, 73	SEREM	95	GACHO 1-3, WILDCAT 1-3, HEAVY METAL 1-8, SHEEP ROCK 1, 2	54, 62	Alexim
42	ATTORNEY 1, 2	—	Alexim	96	COPPERKING 1-5 NAMERA IV	—	Western Horizons
43	SILVER POND, ASAP, SILVER SUN, SILVER CLOUD 1-3, SILVER CREEK	69, 75	St. Joe	97	CLAW	46	Unex
44	PC 1-4, MM 1-4	—	Tanker Oil and Gas	98	WOLVERINE I-IV	—	Hi-Tec Res.
45	SAUNDERS 1-4	40	Golden Rule Res.	99	DAR	90	Newmont Expl.
46	GWP 1, 10-30, 34, 40, 41, 43, 200	86	Cassidy Res., Western Pacific Energy, Imperial Metals	100	SILVER REEF	—	Newmont Expl.
47	DEBRA LYNN	—	Kelley-Kerr Energy	101	RN	3	Windarra
48	MARKER	28	Kelley-Kerr Energy	102	CASTLE MT. I	—	Dynamic Oil
49	SAMMY, SUN	89	Newmont Expl.	103	MESS 4	70	SEREM
50	KNIGHT, KEVIN, BISHOP, CASTLE	—	Hi-Tec Res.	104	HAR	53	Keneco Expl.
51	GRAVY II, IV	—	Hemlo Expl.	105	STIK 1-4	—	Delaware Res.
52	GRAVES 1, 2	7, 87	Miramar	106	BLACK	—	Hi-Tec Res.
53	GRAVY I, II, TODD	—	Kelley-Kerr Energy	107	ARGUS 2 plus?	—	Rhyolite Res.
54	KODAH 1-2	68	SEREM	108	HECKLE, JECKLE, TITAN	—	M. Bell
				109	SB 1, 2	—	P. Crook

Figure 3: Claim Ownership Map - TOODOGGONE RIVER AREA
(After Schroeter, Diakow, and Panteleyev, 1985)

Topography in the area is characterized by rugged mountain ranges and peaks, separated by broad stream valleys. The Grace claims lie on gentle slopes of the Finlay River valley between elevations 1100 and 1500 metres (3,600 to 5,000 feet).

CLAIM DATA

The property consists of the Grace 1 to 5 claims (59 claim units, Figure 2). Claim data are as follows:

<u>Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date</u>
Grace 1	2921	9	July 15, 1988
Grace 2	2922	8	July 25, 1988
Grace 3	2923	16	July 25, 1988
Grace 4	2924	6	July 25, 1988
Grace 5	5801	20	Sept. 20, 1987

HISTORY

The claim area was originally staked by AMAX Exploration Inc. in 1973 to cover copper, molybdenum and zinc anomalies. In 1974 the company carried out 23 line kilometres of magnetic surveys, geochemical soil sampling and geological mapping (Hodgson and Lebel, 1974 Assessment Report 5144). The claims were subsequently allowed to lapse. The property was restaked in 1978 by D. R. MacQuarrie who carried out further geochemical soil sampling, VLF-electromagnetic surveys, geological mapping, prospecting, trenching, line cutting and additional claim staking in 1978 to 1980. In 1981, Tunkwa Copper Mines Ltd., under the direction of D. G. Allen, completed 44 metres of trenching, and some detailed mapping and sampling. The property was acquired in 1983 by Asitka who undertook a program of induced polarization and magnetic surveys and 291 metres of diamond drilling.

GEOLOGY

Regional Geology

The Grace claims lie within a northwesterly-trending belt of Upper Triassic basic flows and volcanoclastics of the Takla Group. The Takla Group and the Omineca intrusions form a "basement" which is unconformably overlain by Lower Jurassic Hazelton Group and Middle and Upper Jurassic Toodoggone volcanic rocks. A brief description of the main units in the region follows.

Oldest rocks in the area are wedges and roof pendants of siltstone, metasiltstone and limestone that are correlated with the Asitka Group of Permian age. The Takla Group consists of andesitic to basaltic flows and breccias of which augite and feldspar porphyries are most abundant. The Hazelton Group consists of dacitic to rhyolitic volcanic conglomerates, breccias and lahars.

The "Toodoggone" volcanics outcrop over an area of 90 by 15 kilometres and appear to be localized in the Takla belt by a system of block faults (Schroeter, 1981 a). They are hosts for numerous spectacular gossans, alteration zones, and a number of significant, silver-gold deposits which are the target of much of the activity in the Toodoggone camp. The volcanic rocks are up to 1000 metres thick and consist of pyroclastics and flows of dacitic to rhyolitic composition. Age determinations range from 179 to 181 million years (Cann and Godwin, 1980, after Carter, Gabrielse, and others). Some quartz-feldspar porphyry and syenomonzonite intrusions may have been feeders to the Toodoggone volcanic rocks.

The Omineca Intrusions of Lower to Middle Jurassic age are common in the eastern and central part of the belt. Age determinations on Unit C near the Kemess deposit range from 187 to 207 million years (Cann and Godwin, 1980).

The Takla belt is bounded on the west by Upper Cretaceous to Tertiary sedimentary rocks of the Sustut Group and fault-bounded on the east by metamorphic rocks of the Omineca Crystalline belt.

Four main types of mineralization occur in the Toodoggone River area:

- 1) Porphyry copper+molybdenum+silver+gold - mainly associated with Omineca Intrusions, e.g., Kemess and Fin. Gold values are reported by Schroeter (1981 b) to exceed 0.015 oz/ton and silver values 0.1 oz/ton in these deposits.
- 2) Skarns - copper+galena+sphalerite with magnetite along intrusive-limestone contacts, e.g., Grace, Castle Mountain near the Baker Mine, and several showings west of the Kemess deposit.
- 3) Epithermal gold-silver+copper+lead+zinc fissure veins and alteration zones, related to block faulting and crater and caldera development at the time of deposition of the Toodoggone volcanics, e.g., Baker Mine, Metsantan, McClair and Lawyers.
- 4) Stratabound - copper disseminated in Takla Group volcanic rocks and galena+sphalerite+chalcopryrite occurring in or adjacent to limestone with interbedded chert in Takla Group agglomerates and tuffs.

Property Geology

The Grace property is underlain by four main rock types - granodiorite, marble, metasiltstone, and rhyodacite. The granodiorite (Unit 5, Figure 5) is part of a northwest-trending pluton, 35 by 5 to 8 kilometres wide, which in the claim area contains three fault-segmented roof pendants. Composition of the pluton ranges from granodiorite to quartz monzonite to syenodiorite. The rock is generally coarse-grained and contains abundant hornblende. A pinkish orange hematite? alteration is common. Each roof pendant appears to have a core of coarse-grained marble surrounded by fine-grained phyllitic metasiltstone (see 1984 reports). The metasiltstone is usually foliated with a phyllitic to weakly schistose texture and contains biotite, local sericite and scattered garnet crystals. The rock in places has a siliceous appearance and locally grades into a quartzite. Pyrite occurs irregularly disseminated (0 to 10%) in the unit. A body of chloritic augite andesite forms a unit up to 70 metres wide in the westernmost



LEGEND

TERTIARY AND UPPER CRETACEOUS

18 SUSTUT GROUP : Nonmarine conglomerate, shale, siltstone, tuff.

MIDDLE AND UPPER JURASSIC

17 BOWSER ASSEMBLAGE : Shale, siltstone, conglomerate.

LOWER AND/OR MIDDLE JURASSIC

16 'TOODOGGONE' volcanic rocks : Dacite, latite, rhyolite, tuff, breccia, flows; includes intrusive equivalents.

LOWER JURASSIC

15 HAZELTON GROUP : Volcanic conglomerate, breccia, lahar; abundant pink feldspar porphyry sills and dikes, may include some 14 and 16.

UPPER TRIASSIC

14 TAKLA GROUP : Plagioclase porphyry, augite porphyry, tuff, agglomerate; 14a limestone; may locally include 15.

UPPER PALEOZOIC

13 ASITKA GROUP : Chert, argillite, limestone, greenstone.

12 : Sericite and chlorite phyllite, foliated chloritic greenstone, grit; acidic tuff, minor red chert.

GRANITIC ROCKS

LOWER JURASSIC

C Quartz monzonite and granodiorite, locally megacrystic.

D Granodiorite, leucocratic, pink; fine to medium-grained.

E Hornblende quartz diorite, commonly contains biotite; foliated.

--- Geological contact

~ Fault

▲ Gold-silver occurrences

Geology after Gabrielse et al (1977)

TUNKWA COPPER MINES LTD.

GRACE CLAIMS

OMINECA MINING DIVISION BRITISH COLUMBIA

REGIONAL GEOLOGY



N.T.S. 94 E

roof pendant. Bedding and foliation in the roof pendants generally trends northeasterly. Two porphyritic monzonite porphyry dikes and a number of small lamprophyre or andesite dikes have been noted on the property.

Except for the southwestern tip, the Grace 5 claim is underlain by various textured phases of rhyolite and rhyodacite (Units 1-3, Figure 5).

Mineralization

Mineral showings on the property consist of four main types:

1) copper+zinc+gold-bearing skarns within or adjacent to the marble unit; 2) diffuse gold-bearing quartz-chlorite-pyrite veins in metasiltsone; 3) molybdenite in aplite and quartz veinlets and 4) quartz breccias in Toodoggone volcanic rocks.

1986 WORK PROGRAM

In 1986 a program of soil geochemical sampling was carried out over the Grace 5 claim. The purpose of the work was to fully outline the anomalies obtained in 1985. An attempt was made to map the quartz breccia zones in the southwestern corner of the claim, but outcrops were found to be of limited extent.

Method

As an aid for sampling a flagged grid was established over the south central part of the Grace 5 claim. A total of 196 soil samples and 16 rock samples were collected at 50 metre intervals on lines spaced 100 metres apart. Soils were taken generally at a depth of at least 20 centimetres, well below the "A" horizon. Soil material consisted either of rubbly lines or glacial till which was placed in Kraft paper bags and shipped to Rossbacher Laboratory Ltd. for gold, copper, silver, zinc, lead, and arsenic analyses by standard atomic absorption techniques. Results are presented in Appendix I and copper and arsenic values along with anomalous silver values are plotted on Figure 6.

Discussion

The plot of soil sample results reveals three clusters of anomalous copper values (100 to 660 parts per million). The largest of which is at least 100 by 300 metres. Associated with the anomalous copper values are anomalous silver (up to 5.8 ppm) and arsenic (up to 188 ppm). A cluster of anomalous silver values (up to 1.4 ppm) also occurs on the hilltop in the central part of Figure 6.

Gold analysis of soil revealed only scattered gold values up to 80 parts per billion. Gold does not appear to be useful for defining the gold anomalies obtained in rock. This may be because of the rubbly leached nature of the soil.

Follow-up trenching and diamond drilling is warranted to determine the source of the multielement anomalies.

EXPLORATION POTENTIAL

Areas of interest defined to date on the Grace property are as follows:

1) Skarn Zones

Diamond drilling has established the presence of modest skarn zones containing low but interesting gold and silver values. Additional sampling either by trenching or by drilling is warranted to fully outline the gold-bearing skarn zones, especially Zone 2 and the northern part of the west skarn zone.

2) East Gold Anomaly

In the vicinity of the East Gold Anomaly, previous sampling revealed gold values of 0.023 ounces per ton over a length of 12.5 metres in a sheared and pyritized quartzite indicating that potential exists for large tonnage low-grade material.

3) Grace 5 Claim

Mapping and sampling in 1984 and 1985 on the Grace 5 claim has revealed the presence of quartz-cemented breccia in volcanic rocks of the Toodoggone group, which contain anomalous gold (up to 170 parts per

billion) and silver (up to 1.7 parts per million). The quartz breccias lie in a strong multielement geochemical anomaly and adjacent to a prominent north-northwest-trending linear feature which undoubtedly is a fault contact. An attempt should be made to fully delineate the area of interest with geochemical and geophysical surveys.

Ronald G. Allen

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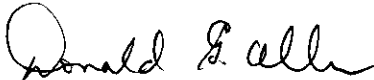
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CERTIFICATE

I, Donald G. Allen, certify that:

1. I am a Consulting Geological Engineer, at A & M Exploration Ltd., with offices at Suite 614, 850 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia with degrees in Geological Engineering (B.A.Sc., 1964; M.A.Sc., 1966).
3. I have been practising my profession since 1964 in British Columbia, the Yukon, Alaska and various parts of the Western United States.
4. I am a member in good standing of the Association of Professional Engineers of British Columbia.
5. This report is based on field work carried out by Michael Smith, J. Weick and F. Renaudat.

December 16, 1986
Vancouver, B.C.


Donald G. Allen,
P. Eng. (B.C.)

CERTIFICATE

I, Michael D. Smith, certify that:

1. I am a consulting geologist with offices at 12-1039 Cedar Glen Gate, Mississauga, Ontario.
2. I am a graduate of Brock University (Hons., B.Sc., 1975).
3. I have been working in mineral exploration since 1961.
4. I am a Fellow of the Geological Association of Canada.
5. This report is based on fieldwork carried out by the author, James Weick and Frank Renaudat, and on references cited in the text of this report.

December 16, 1986

M. D. Smith, B.Sc.,
F.G.A.C.

APPENDIX I
GEOCHEMICAL RESULTS

ROSSBACHER LABORATORY LTD.

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

CERTIFICATE OF ANALYSIS

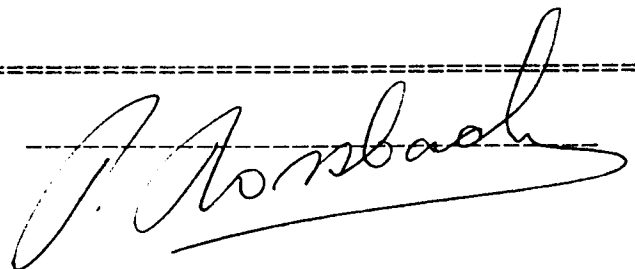
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 614-850 W. HASTINGS STREET
 VANCOUVER B.C.

CERTIFICATE#: 86507.A
 INVOICE#: 7087
 DATE ENTERED: 86-10-25
 FILE NAME: A&M86507.A
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PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
T	80-342-630001 Soil	118	0.2	88	2	5	4
T	630002 Soil	116	0.2	94	2	5	2
T	630003	36	1.6	28	2	140	160
T	630004	36	2.4	66	4	10	182
T	630005	32	1.8	54	4	20	140
T	630006	36	1.8	50	4	5	188
T	630007	46	2.2	82	6	10	166
T	630008	10	0.2	52	2	5	12
T	630009	30	0.2	82	2	5	2
T	630011	214	1.0	96	2	5	6
T	630012	22	0.2	72	8	5	6
T	80-342-630013	44	0.2	62	2	5	2
T	342-631028	16	0.2	74	2	5	4
T	631043	18	0.2	66	2	5	10
T	631048	158	0.2	80	2	5	2
T	631050	26	0.2	22	2	5	2
T	631058	24	0.2	78	2	5	2
T	342-631059	42	0.2	82	2	5	2
T	? 80-340-632001 No sample Site. <i>for rock, but have sample No. for soil</i>	22	0.2	70	10	5	12

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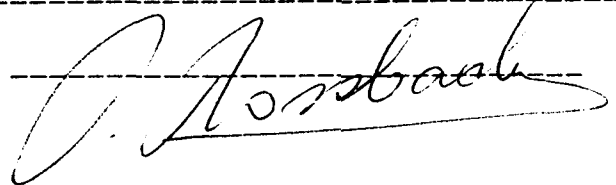
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 VANCOUVER B.C.

CERTIFICATE#: 86507
 INVOICE#: 7035
 DATE ENTERED: 86-10-05
 FILE NAME: A&MB6507
 PAGE # : 1

PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	342-631001	28	0.6	74	12	5	18
S	631002	20	0.2	80	8	5	18
S	631003	18	0.2	62	8	5	16
S	631004	22	0.2	50	4	5	20
S	631005	16	0.4	60	6	5	14
S	631006	20	0.2	48	6	5	12
S	631007	18	0.2	64	6	5	12
S	631008	16	0.2	56	4	5	12
S	631009	8	0.2	62	6	5	12
S	631010	18	0.6	142	8	5	14
S	631011	14	0.6	78	10	5	20
S	631012	20	0.4	104	8	5	16
S	631014	10	0.4	144	6	5	12
S	631015	16	0.4	124	12	5	20
S	631016	20	0.4	76	6	5	14
S	631017	12	0.2	40	6	5	12
S	631018	12	0.4	56	6	5	16
S	631019	22	0.4	44	4	5	12
S	631020	18	0.4	44	6	5	10
S	631021	20	0.2	76	4	5	12
S	631022	20	0.2	68	8	5	16
S	631023	20	0.2	54	6	5	12
S	631024	8	0.2	42	6	5	12
S	631025	10	0.4	56	4	5	16
S	631026	46	0.4	52	18	5	14
S	631027	20	0.4	52	4	5	10
S	631029	42	0.4	42	6	5	10
S	631030	16	0.6	54	6	5	12
S	631031	26	1.0	56	6	5	16
S	631032	28	0.8	62	6	5	18
S	631033	22	0.4	102	6	5	16
S	631034	30	0.4	56	4	5	14
S	631035	48	0.6	70	8	5	16
S	631036	24	0.4	44	4	5	10
S	631037	32	0.4	62	6	5	12
S	631038	22	0.4	74	6	5	10
S	631039	10	0.8	104	6	5	20
S	631040	348	0.4	152	6	5	12
S	631041	86	1.0	76	4	5	26
S	342-631042	22	0.6	160	10	5	16

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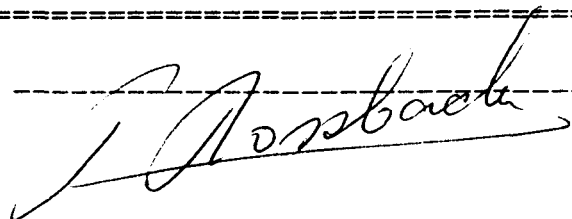
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PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	342-631044	20	0.2	72	2	5	20
S	631045	138	0.4	84	6	5	36
S	631046	44	0.4	66	10	5	24
S	631047	24	0.4	114	8	5	10
S	631049	32	0.4	66	6	5	10
S	631051	20	0.8	58	10	5	10
S	631052	36	0.2	64	8	5	12
S	631053	26	0.4	62	6	5	14
S	631054	22	0.2	48	6	5	14
S	631055	18	0.4	54	8	5	12
S	631056	36	0.4	64	8	5	28
S	631057	62	0.4	86	6	5	30
S	631060	14	0.4	70	8	5	10
S	631061	36	0.2	68	6	5	16
S	631062	34	0.4	94	18	5	12
S	631063	22	0.4	68	8	80	18
S	631064	14	0.2	62	6	5	20
S	631065	34	0.4	60	10	5	20
S	631066	198	0.8	100	8	5	28
S	631067	660	1.4	82	14	5	14
S	631068	60	0.6	70	10	5	20
S	631069	122	0.6	68	2	5	14
S	631070	44	0.6	64	2	5	16
S	631071	10	0.2	38	10	5	10
S	631072	60	0.6	92	4	10	20
S	631073	30	0.6	74	8	5	18
S	631074	18	0.6	74	4	5	24
S	631075	20	0.6	72	8	5	20
S	631076	14	0.4	92	20	5	16
S	631077	24	0.2	56	2	5	14
S	631078	36	1.0	76	2	5	20
S	631079	20	0.8	92	8	5	20
S	631080	34	0.4	84	12	5	18
S	631081	52	0.4	102	18	5	26
S	631082	28	0.8	98	8	5	20
S	631083	36	0.8	62	14	5	16
S	631084	12	0.8	68	12	5	18
S	631085	26	0.8	92	12	5	22
S	631086	30	1.4	264	54	5	16
S	342-631087	56	0.2	82	18	5	22

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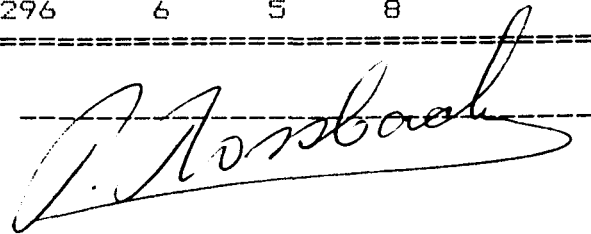
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PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	342-631088	32	0.4	96	24	5	28
S	631089	22	0.2	68	8	5	20
S	631090	18	0.4	84	6	10	16
S	631091	16	0.4	62	4	5	16
S	631092	10	0.4	98	4	5	16
S	631093	24	0.2	92	6	5	12
S	631094	26	0.2	118	6	5	10
S	631095	40	0.2	74	8	5	22
S	631096	24	0.2	74	6	10	12
S	632001	70	0.2	108	4	5	10
S	632002	78	1.6	34	4	5	14
S	632003	86	1.4	78	14	5	136
S	632004	258	5.8	118	16	5	68
S	632005	150	1.8	54	2	5	14
S	632006	388	1.6	90	2	5	18
S	632007	68	0.6	70	10	5	6
S	632008	510	1.2	62	6	5	16
S	632009	212	0.2	84	4	5	18
S	632010	28	0.2	86	6	5	20
S	632011	72	0.2	118	2	5	20
S	632012	12	0.4	78	6	5	12
S	632013	104	0.8	96	8	5	20
S	632014	18	0.6	142	10	5	20
S	632015	52	0.4	96	4	5	16
S	632016	80	1.6	86	8	5	98
S	632017	46	4.2	82	42	5	68
S	632018	12	1.2	22	18	5	16
S	632019	28	1.0	56	10	5	16
S	632020	22	1.0	38	4	5	12
S	632021	8	0.4	26	8	5	14
S	632022	14	1.0	30	8	10	16
S	632023	34	1.8	18	10	5	14
S	632024	18	1.0	118	16	5	16
S	632025	14	0.4	122	12	5	14
S	632026	26	1.0	72	18	5	18
S	632027	10	1.4	92	12	5	12
S	632028	16	0.6	140	6	5	20
S	632029	10	0.6	86	8	10	10
S	632030	32	0.8	164	14	5	14
S	? 342-632031 No Sample Site	510	1.6	296	6	5	8

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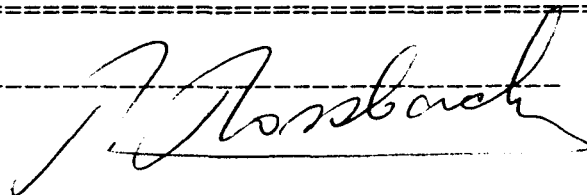
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PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	342-632032	370	1.2	62	24	5	2
S	632033	540	1.6	40	10	5	2
S	632034	42	0.4	80	4	5	2
S	632035	38	1.0	62	2	5	28
S	632036	22	0.6	68	12	5	8
S	632037	42	1.0	84	6	5	8
S	632038	10	0.4	44	2	5	2
S	632039	20	0.8	48	6	5	6
S	632040	18	0.6	52	6	50	10
S	632041	14	0.6	50	6	5	4
S	632042	8	1.4	42	4	5	4
S	632043	20	1.2	82	2	5	2
S	632044	18	0.6	44	2	5	2
S	632045	12	0.4	46	2	5	2
S	632046	18	0.2	56	4	5	2
S	632047	6	0.2	24	2	5	2
S	632048	8	0.2	46	4	5	2
S	632049	20	0.6	50	2	5	2
S	632050	14	0.4	144	8	5	6
S	632051	6	0.2	38	6	5	2
S	632052	16	0.8	50	4	35	2
S	632053	14	0.6	48	8	5	4
S	632054	14	1.0	120	6	5	2
S	632055	50	0.6	18	6	5	2
S	632056	12	0.2	52	6	5	2
S	632057	8	0.2	34	4	5	2
S	632058	8	0.2	38	6	5	2
S	632059	16	0.4	28	6	5	2
S	632060	6	0.2	34	4	5	2
S	632061	16	0.4	48	4	5	4
S	632062	10	0.4	48	6	5	2
S	632063	8	0.4	34	6	5	2
S	632064	10	1.2	42	6	5	2
S	632065	8	0.2	62	4	5	2
S	632066	26	0.6	54	6	20	2
S	632067	68	2.2	88	156	5	140
S	632068	40	0.2	54	6	5	8
S	632069	44	0.6	60	8	10	2
S	632070	40	0.4	34	8	5	2
S	632071	490	1.4	52	16	5	2

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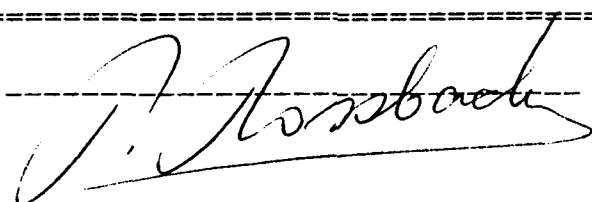
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PROJECT: GRACE
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As	
S	342-632072	74	1.0	6	2	5	2	
S	632073	54	1.4	40	6	5	102	
S	632074	36	1.2	72	2	5	140	
S	632075	12	0.2	4	4	5	2	
S	632076	228	3.2	8	2	5	8	
S	632077	74	1.8	54	6	5	32	
S	632078	92	1.2	148	12	5	64	
S	632079	70	1.8	104	14	5	134	
S	632080	88	2.0	94	8	5	106	
S	632081	296	3.2	84	4	5	106	
S	632082	34	0.6	74	6	5	4	
S	632083	64	0.4	82	2	5	94	
S	632084	52	2.2	58	2	5	32	
S	632085	284	0.6	12	2	5	2	
S	632086	28	0.4	62	8	5	10	
S	632087	30	1.4	28	6	5	2	
S	632088	MISSING						
S	632089	40	0.6	92	14	5	16	
S	632090	8	0.2	66	10	5	4	
S	632091	12	0.2	102	14	5	2	
S	632092	10	0.2	90	12	5	4	
S	632093	14	0.4	72	14	5	8	
S	632094	36	0.8	124	22	5	14	
S	632095	18	0.6	162	26	5	14	
S	632096	20	1.4	160	28	5	20	
S	632097	20	0.2	112	14	5	22	
S	342-632098	42	0.6	90	30	5	18	
S	340-632001	32	0.2	78	14	5	20	
S	632002	44	0.2	88	10	5	28	
S	632003	56	0.4	106	12	5	30	
S	632004	48	0.6	100	10	5	18	
S	632005	54	0.4	104	12	5	20	
S	632006	36	0.8	104	14	5	24	
S	632007	40	0.6	94	12	5	24	
S	632008	48	0.6	94	10	5	22	
S	632009	40	0.4	76	12	5	26	
S	632010	32	0.6	72	12	5	24	

Belongs to
 NIV
 Claims

CERTIFIED BY :



APPENDIX II
AFFIDAVIT OF EXPENSES

AFFIDAVIT OF EXPENSES

This is to certify that geological mapping and geochemical sampling was carried out on September 11-15, 1986 on the Grace Claims, Toodoggone River Area, Omineca Mining Division, British Columbia, to the value of the following:

Mobilization

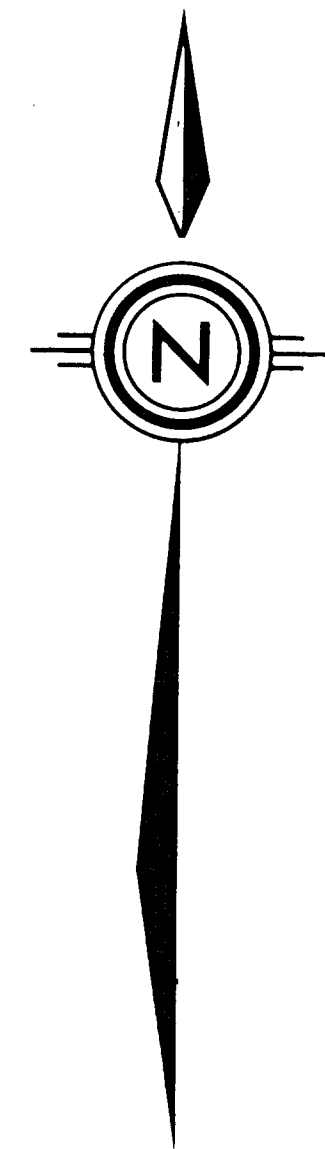
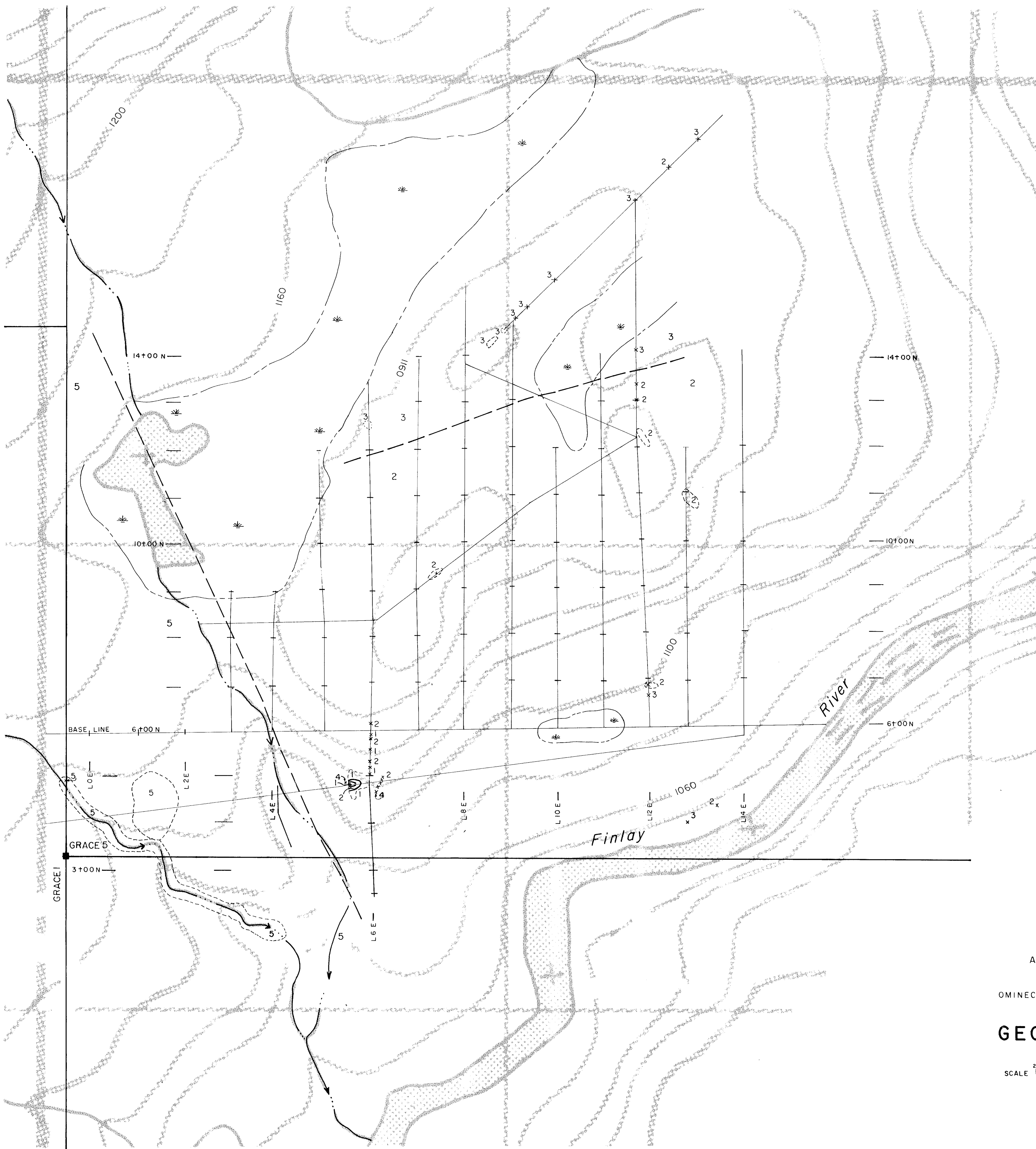
Salaries

M. Smith	- Party Chief	4 days @ \$350/day	\$1,400.00
J. Weick	- Geologist	4 days @ \$200/day	800.00
F. Renaudat	- Prospector	4 days @ \$150/day	600.00

Helicopter	1 hr. @ \$600/hr.	600.00
Mob/Demob - Vancouver return - 3 people (pro rated)		400.00
Analyses	212 samples x \$10/sample	2,120.00
Camp costs	3 men 4 days x \$50/day	600.00
Reporting, compilation, drafting		<u>500.00</u>

TOTAL **\$7,020.00**

Donald S. Allen



LEGEND

- INTRUSIVE ROCKS**
- 5 Granodiorite
- TOODOGGONE VOLCANICS**
- 4 Quartz breccia
 - 3 Flow breccia
 - 2 Crystal tuff
 - 1 Agglomerate

SYMBOLS

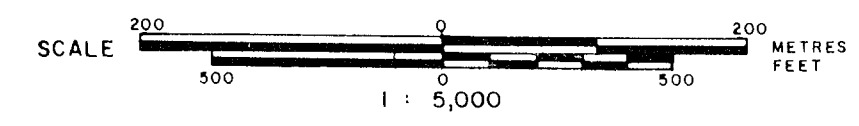
- Outcrop; float
- Geological contact; fault
- Bedding, dip direction
- Creek, Swamp
- Topographic contours (contour interval = 20 metres).
- Claim boundary, legal corner post.

GEOLOGICAL BRANCH ASSESSMENT REPORT

15,375

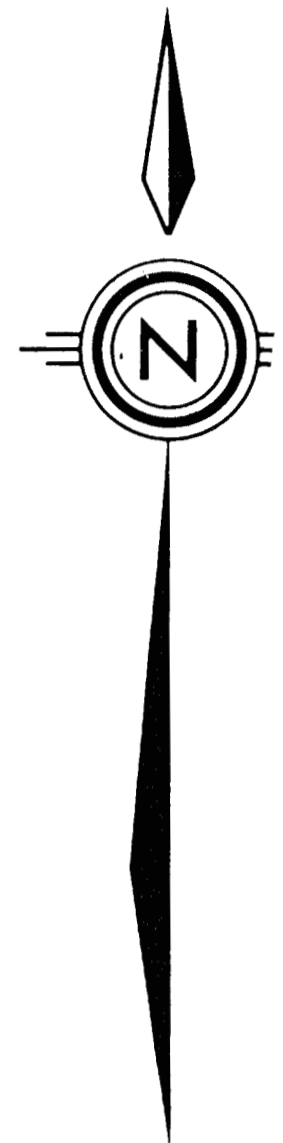
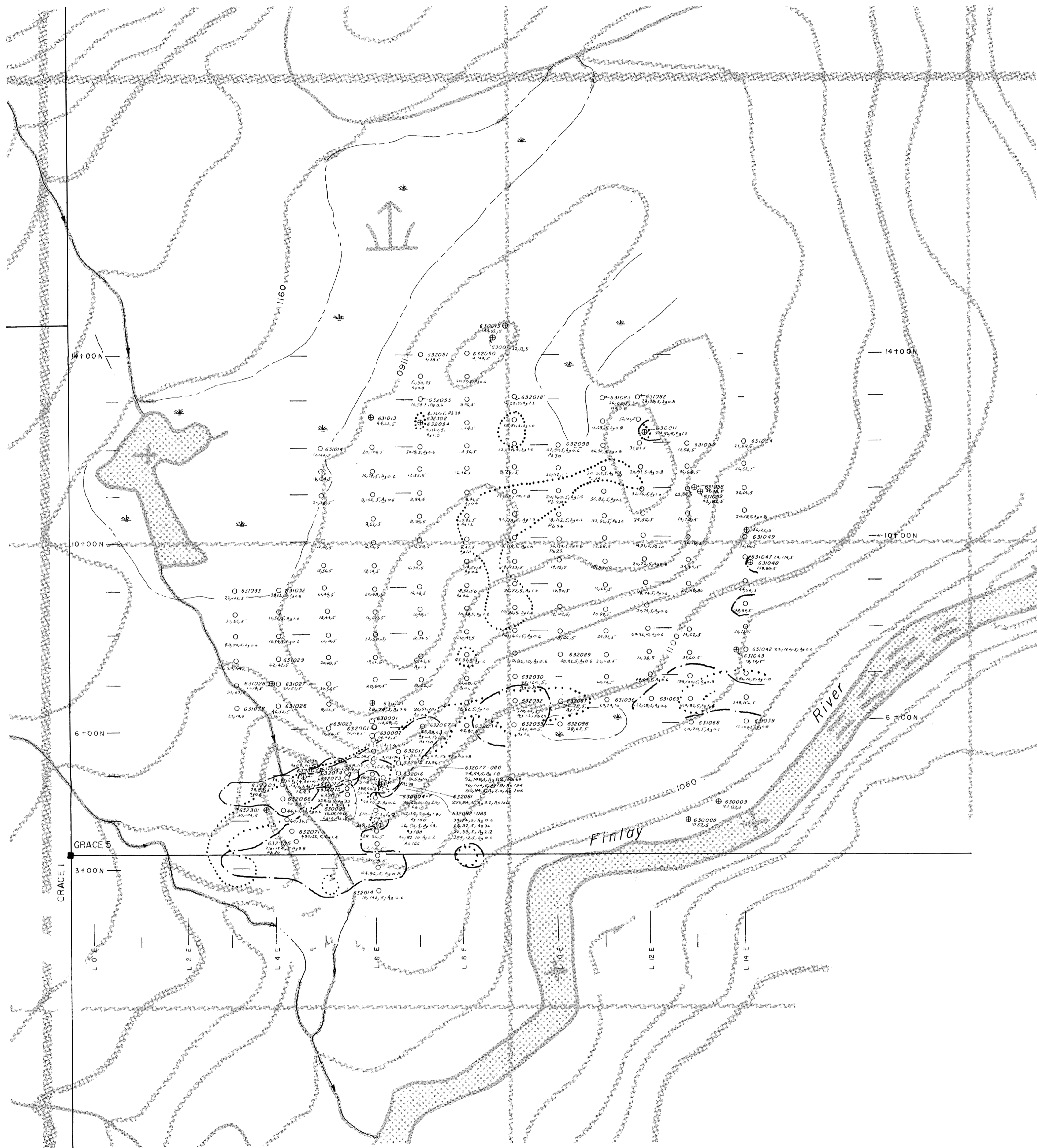
ASITKA RESOURCE CORPORATION
GRACE CLAIMS
 OMINECA MINING DIVISION - BRITISH COLUMBIA

GEOLOGICAL MAP



NOVEMBER, 1986

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LEGEND

- Geochemical anomaly, ppm Cu \geq 100, ppm Ag \geq 1.0, ppm As \geq 40
- Soil
- Rock
- Silt
- Creek, Swamp
- Topographic contours, contours interval 20 metres
- Claim boundary, legal corner post

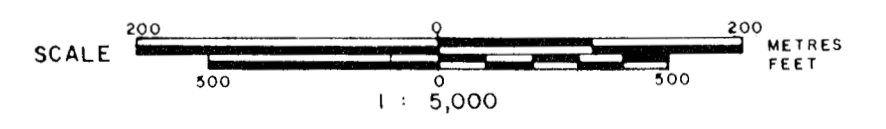
NOTES: Other geochemical results plotted where ppm Ag \geq 0.6, ppm Pb \geq 20, ppm As \geq 40

GEOLOGICAL BRANCH ASSESSMENT REPORT

15,375

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GEOCHEMICAL MAP



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