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DRILIIING REPORT
EAST GOLDD PROPERTY

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M.R. \# $\qquad$ \$
VANCOUVER, B.C.

Owner(s) = E.T.C. Soucie, D. Halfyard, R.M.Kay

Skeena Mining Division
N.T.S. $104 \mathrm{~B} / 8 \mathrm{E}$

Lat.: $56^{\circ} .17^{\prime} \mathrm{N}$
Long. : $130^{\circ} 04^{\circ} \mathrm{W}$


16,198
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## 1:1 Location

The East Gold Property (Rollin Claims) is located 36 kms north of Stewart, B.C. (fig. 1), and 250 kms north east of Prince Rupert, B.C. in the Skeena Mining Division, NTS 104B/8E.

## 1:2 Access

Access to the claim group is from the regional supply centre of Stewart, by Tide Lake mining access road (former access point to Granduc Mine.)

Tide Lake road is accessible between late June and late October. Outside that period, road access is difficult and costly because of heavy snowfall.

Road access to the property, from Tide Lake airstrip, approximately 3.5 kms . from the Bowser Creek bridge, requires a four wheel drive vehicle.

Air access may be gained from a helicopter base in Stewart.

## 1:3 Topography

The East Gold property is located at elevations from 2100' to 3200' A.S.L. ( $650 \mathrm{~m}-975 \mathrm{~m}$ ). It is located on the west side of Tide Lake valley, a former ice dammed lake. Be low 680 m , there is a veneer of glacial lake clays. Above that, sporadic rock outcrop is present, with intermittent scrub alder and spruce trees.

## 1:4 Claim Status

The East Gold property comprises 6 (six) two-post claims. Registered owners of the claims are -

1) A.Soucie
2) D.Halfyard
3) R.McKay all of the same address, Box 33, Stewart, B.C. VOT 1 Wo.
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| Name | \# | Date Rec. | Standing* |
| :---: | :---: | :---: | :---: |
| Rollin'\# 1 | 35647 | 22 July 1970 | 22 July 1997 |
| Rollin \# 2 | 35648 | 22 July 1970 | 22 July 1997 |
| Rollin \# 3 | 35649 | 22 July 1970 | 22 July 1997 |
| Rollin \# 4 | 35650 | 22 July 1970 | 22 July 1997 |
| Rolin \# ${ }^{\text {Rollin \# }} 6$ | 35651 | 22 July 1970 | 22 July 1997 |
| Rollin \# 6 | 35652 | 22 July 1970 | 22 July 1997 |



* 10 years of assessment work was applied for.

A drilling report was filed as assessment work on the claims.

## 1:5 Previous Work

The property was prospected in the 1920s, staked in 1927, optioned to Cominco in 1929. Cominco carried out a drill program and, despite one good intersection, dropped the property option.

In the 1930s, claim owners drove an adit to intersect the high grade drill intersection and mined a limited tonnage of high-grade gold-silver mineralization (B.C. Department of Mines (BCDM) reports, 1929-1946).

The presence of electrum initially was not recognised.
In 1945, mapping and sampling was carried out by geologist Allan Fawley, who incorporated his study of ruby silver and electrum as a thesis (Fawley, 1946, 1947).

Up to 1961, claim owners and lessees conducted limited mining and underground exploration.

In 1961, Utica Mines optioned the property and conducted an underground exploration program on the lower workings. Utica drove a 415' drift, carried out 743' of underground drilling (BCDM, Ann. Rept. 1963) and dropped the option in 1962.

Data from the 1961 program is not available.
Data on the property is summarised in BCDM annual reports, (1927, 1930, 1959, 1940, 1941, 1946: 1948: 1949, 1950, 1953, 1963, 1965).

In 1965, property owner Al Phillips died in a blasting accident. The claims lapsed and subsequently were staked as the Rollin claim group by the current owners.

In October 1986, the claims were optioned to Sun Valley Gqld Mines Ltd. Heavy snow aborted a brief program of surface mapping and sampling.

The most recent program objective was to define strike and dip extensions of previously mined high grade precious metal mineralization.

Roy Wares P.Eng. M.Sc. supervised the program from July 6 to July 25, 1987. Wilson Gewargis, geologist, took over program supervision July $25,1987$.


## 2:1 Regional Geology

Regional geology of the property, described in a number of publications (Grove, 1971, 1986, Alldrick, 1983, 1985) essentially comprises a suite of deformed volcanic and sedimentary rocks, cut by intrusive suites of different ages.

The East Gold property lies along a linear belt of Jurassic sediments and volcanic rocks, cut by Mesozoic and Tertiary intrusions. Along this belt, a number of gold and gold-silver deposits range in size from small showings to producing, or formerly productive, mines.

Since 1985, precious-metal exploration has accelerated in an area adjacent to East Gold: Numerous deposits with similar narrow and high-grade gold/silver mineralization lie within 30 kms of the property. Potentially productive properties include Newhawk, Magna Ventures and Catear Resources.

All such deposits occur in structurally complex environments where there has been an overprinting of vein specific alteration on a regional alteration sequence.

## 2:2 Detailed Geology

Detailed geology of the East Gold property has been described in BCDM Annual reports, in the thesis and paper by Fawley (1946, 1947) and is summarised in the report by Wares ( 1986).

Essentially it comprises fault bounded, altered metasediments. Much of the metasedimentary sequence is probably tuffaceous in origin. Fine grained siltstones predominate with minor clastic horizons.

Within the property, a pervasive alteration overprints the sedimentary sequence. Lower levels of alteration produce a quartz-carbonate matrix, with minor pyrite, producing a property wide, reddish hue to outcrops. More advanced alteration results in the developoment of quartz-sericite schists. The latter alteration is especially evident at the margins of shear/fault zones.

Concomitant with the development of the quartz-sericite schists are networks of quartz and quartz carbonate veins, which locally swell to stringer vein systems up to 2 m in width. Generally, the vein systems carry variable concentrations of pyrite.

Focus of economic interest was on the main zone where high grade gold mineralization was found. The vein system at this locality, as described by Fawley, comprised two intersecting or splay faults. The predominant type was a quartz system with pyrite, minor sphalerite and galena. The subordinate type, but the one of prime economic interest, was a narrow vein that carried pyrite, sphalerite and galena, but in higher concentrations than the shear zone type. Associated with this was ruby silver, electrum and tetrahedrite.

The high grade zones are either inaccessible or have been worked out, (at least at the present level of observation).

All previous descriptions attest to the fact that the high grade zones, with assays of 5-10 ozs Au/t, merge into indistinct veins, visually similar to the shear zone pyrite stringer zones. Along strike, they were noted to merge, with no marked mineralogical boundaries.

## 2:3 Structural Geology

Both field and document search show the structural geology of the main zone is complex. The control structure is a northerly trending shear zone (160), with a dip to the west of $65-80$. Splay faults from this structure, trend 120 -130, with steep, southerly dips.

Mapping in 1986 (Wares, 1986), showed the high grade zone was controlled at and close to the junction of the main structure and splay. The high grade zone, on this evidence, appeared to have a plunge of 70 at a 250 bearing.

Other splays from the main structure were shown to be geochemically anomalous (Wares, 1987), but did not carry large high grade zones.

The objective of the 1987 drill program was to trace this junction zone at depth and along strike, to determine if repetitions or parallels existed.

Field evidence shows the presence of other shear zones on the property, but has not, to date, demonstrated the presence of any high grade zones in similar structures.

## 3 DRILL PROGRAM : GEOLOGY

## 3:1 Ŕock Types

The predominant rock type on the property is an altered siltstone, or tuffaceous siltstone, with minor clastic horizons.

Within the drilling area, is a transition from the pervasively altered units, propertymwide, to specific alteration envelopes that surround vein and/or fault zones.

Three distinct alteration phases present, all transitional are present.

Vein types are classified into three types, one a pyrite stringer type, the second a pyrite stringer type with minor sphalerite and galena and the third, a massive sphalerite and galena type.

Tectonic units are enigmatic. Some of the clastic units are clearly sedimentary in origin, others with cross cutting relationships, appear to be breccia dykes, while a third type is clearly structural in origin.

In the area of the drilling, only one dyke, a basalt was recognised, though other porphyry dykes are present elsewhere on the property.

## 3:2 Weak Alteration Assemblage (3b)

This unit is the predominant unit in drill core.
It is a grey/green, medium coloured unit, with sparse pyrite and', a matrix that is a fine grained quartz-carbonate admixture. Some bedding differentiation was recognised but the unit has the regional alteration overprint. Fine hairline fractures with pyrite are present but generally less abundant than in more advanced alteration.

## 3:3 Moderate Alteration Assemblage (3c)

This unit developed from 3b, is marked by a lighter colour to a pale grey/ green, with occasional talcose sections.

It is marked by a higher pyrite content, and generally more abundant hairline fractures with a pyrite coating. Frequently, but not invariably, there is a greater frequency of fine quartz stringers, which occasionally swell into pyrite stringer zones.

A mottling effect is quite common. This is particularly evident in holes \# 87-3, 4, where the mottling effect is marked. The mottling appears to be caused by progressive carbonate introduction into less altered units, giving, on occasion a pseudo-breccia appearance. Examples of this are seen in holes \#87-1, 3.

This unit is particularly present near shear zones and/or quartz stringer zones.

The alteration assemblage frequently is marked by a pale grey, mottled, hue. The mottling often disappears at, and close to, vein systems. Not all stringer vein or fault systems are marked by this assemblage, only that it predominates in the area of breaks. A fine network of quartz stringers is often present. The presence of talc imparts a greenish coloration.

Scale of the unit is from a few inches to 10-15' in width around faults.

Examples are seen in hole \# 87-5, where a complete transition is noted.

Occasional porphyroblasts were recognised in the altered envelope. On fresh core, porphyroblast units resemble altered dykes, but no contacts were recognised.

## 3:5 Vein Types (4a,4b,4c)

Sulphide, in the form of pyrite, is ubiquitous in the drill core.

In weaker alteration zones, pyrite is present in a form of hairline fractures with a pyrite coating, occasionally swelling into stringer zones.

Stringer zones, as noted, generally comprise a network of quartz veinlets. Such networks occasionally give rise to widths of $2-3 \mathrm{~m}$ (true width) of strong pyrite concentrations.

A transitional vein type is $4 b$, a pyrite stringer with quartz, occasionally minor barite, and traces of sphalerite and galena. On occasion, as in hole \# 87-2, from 65.0 m to 65.40 m , galena and sphalerite amount to $5-8 \%$ of the vein type.

In holes \# EGS-87-1,2, insignificant traces of ruby silver and electrum were recognised but identification was not proven by section assays.

Minor visible gold was recognised in sections of veins, especjally where oxidation had occurred; Assays indicated visible gold is rare.

Unit 4c. massive sphalerite and galena, is rare. Hole EGS-87-3, a section from 12.81 m to 13.17 m , comprised banded massive sphalerite and galena, over 0.2 m , with a second minor band of tetrahedrite and arsenopyrite.

No intersections of massive sphalerite and galena comparable to that of the mined high grade zone, or segments with electrum, were identified.

Samples of high grade zone were not encountered.

## 3:6 Tectonic Units ( $5 \mathrm{a}, \mathrm{b}, \mathrm{c}, \mathrm{d}$ )

Unit 5a, blocky and broken core, is widely distributed. On occasion it has a marked iron oxide coating, or if near surface, substantial clay admixture.

Unit 5b, cataclasite, was rarely recognised. Deformation of the rocks has been largely brittle in nature. Shear zone breccias, where recognised, show evidence of elongation and development of laminar, deformed margins.

Unit 5c, mylonite, is present only in holes $87-2,5$, where it appears to represent a major fault.

Unit 5d, breccia units, is enigmatic. Units appear to represent shear zone breccias in some case, in others, breccia dykes, with apparent cross cutting relationships. Relationship to mineralization, if any, is unknown. Breccia zones, where they cross cut, carry trace to $1 \%$ pyrite.

## 4 DRILL PROGRAM : DRILLING AND ASSAY DATA

## 4:1 Objectives

Drill program objectives were to test, at depth and along strike, a zone that hosted previouslymined high-grade gold-silver mineralization.

Program aimed to evaluate development potential of a small-tonnage, high grade ore body that accommodates seasonal mining, or shipment of ore to other milling facilities.

Drill sites were chosen with a view to establishing this prime objective. Less emphasis was given to testing lower priority targets that may better be tested by trenching.

Drill sites were surveyed using a transit, and tied to the surfage grid. Surveys also tied drill sites to the upper and lower workings. The latter were surveyed using chain and transit.

4:2 Holes EGS-87-1,3.
These holes were drilled along the same section, \# 1 at -45 , and \# 3, at - 58 .

They were designed to test the inferred down dip extension of the high grade stope in the upper drift ( fig.3,4).

Hole \# 1 encountered three zones carrrying sulphide mineralization. From 33.4 m to 36.4 m , a stringer zone with pyrite was noted. Minor sphalerite was noted with traces of ruby silver and electrum. Assays of this section gave disappointing results. The upper section appears to be the down dip extension of an easterly trending zone noted on surface. The zone was traced down dip in hole \# 3, where comparable quartz-sphalerite and trace galena was recognised ( 30.8 m to 32.8 m ).

A second zone in both holes was noted from 65.2 m to 66.2 m in hole \#1, and 64.0 m to 64.6 m in hole \# 3. On the basis of the structural data, this appeared to be the down dip extension of the main zone mapped in the upper drift. Visual identification of sphalerite and galena was made with tentative recognition of trace visible gold and ruby silver. Assays were disappointing. Re-assay of samples and resplit of the core (technical notes, Wares), did not change the relative low order of the intersections.

A third zone was encountered in hole \# 1, from93.6m to 94.1 m , carrying minor sphalerite, and galena. Assays were poor.

In hole \# 3, a massive section of sphalerite and galena was encountered from 12.8 m to 131.2 m , with a section of tetrahedrite and arsenopyrite from 13.1-13.2m. Banding was at 60 to core axis. Assays gave 0.092 ozs Au/t and 12.52 ozs. Ag/t. The section was not traced in hole \# 1.

The section indicated that the gully, along which the drill sites were located, is the locus of faulting and alteration.

The section shows the presence of an alteration assemblage that envelops the vein/fault systems but did not trace the down dip extension of the high grade zone.

4:3 Hole EGS-87-2
This was drilled to a depth of 89.62 m , at -40 .
Objectives were to test down dip extensions of the high grade zone. (fig 3,5).

Results show low assay values.
The hole cut a stringer zone at $5.95 \mathrm{~m}-6.86 \mathrm{~m}$, with traces galena and sphalerite. Values were low.

From $33.5 \mathrm{~m}-36.7 \mathrm{~m}$, a stringer zone with trace tetrahedrite, sphalerite and galena was noted, at 30 to core axis. The hole cut broken ground from $57.6 \mathrm{~m}-59.8 \mathrm{~m}$, which appears to be the trace of the control fault.

From $72.3 \mathrm{~m}-76.8 \mathrm{~m}$, a zone with porphyroblasts was encountered, which may be an altered dyke. Intense alteration was present from $70.1 \mathrm{~m}-82.3 \mathrm{~m}$, with a mylonite zone from $82.3 \mathrm{~m}-83.0 \mathrm{~m}$.

Cleavage traces show a marked change below this level, with cleavage at 20 to core axis.

## 4:4 Holes EGS 87-4,5

This fence of holes was drilled to test downdip extension of a shear zone with heavy pyrite mineralization, exposed on surface (hole \# 4), and to test the north trending extension of the upper and lower workings (fig. 3,6)

Hole EGS-87-4 (-45), drilled to a depth of 110.37 m , encountered heavy pyrite mineralization, in stringer type sections at low angle to the core axis. Some breccia zones were present.

At least four stringer type sections were encountered, including the down dip extension of the area trenched on surface. The zone from $8 \mathrm{~m}-12 \mathrm{~m}$, appears to be the extension of zone \# 1, exposed on surface 45 m north west of the drill site.

At a depth of $108.2 \mathrm{~m}-108.4 \mathrm{~m}$, a stringer quartz-barite vein was encountered, with galena and sphalerite. This assayed ( 12813), $0.049 \mathrm{ozs} / \mathrm{t} \mathrm{Au}$, and 0.96 ozs.t Ag. The vein was at 20 to core axis. Assays of all stringer sections ran background values.

Hole EGS-87-5 (-60), intersected high alteration material, and broken, crushed zones to 16 m , with alteration greater than in 87-4. A shear/mylonite zone was present from $38.1 \mathrm{~m}-38.3 \mathrm{~m}$. It may cut off the down dip extension of the mineralization in the upper drift.

## 4:5 Holes EGS 87-6,12

Hole \# 6 was drilled to test the down dip extension of a pyrite rich zone, exposed on surface in a trench. (fig.3,7) The hole passed out of moderately altered siltstone, with minor talc, and hairline pyrite fractures to less altered material down dip.

The pyrite zone on surface was intersected in hole \# 4, and was not drilled to depth since fractures were at shallow angles to the core axis.

Hole \# 12, ( - 45 ) was drilled to investigate the northern extension of the upper, main drift. The hole cut a zone of fault gouge from 35 m to 44 m , with fine disseminated pyrite and stringer quartz-pyrite mineralization. Assays of the section, all ran background values.

The hole suggests that the control structure continues along strike but does not carry precious metal values of economic interest.

4:6 Holes EGS-87-7, 8,9,10,11
These holes were drilled to test the strike and down dip extensions of the splay stringer zone encountered in holes \# 1 \& 3 . (fig. $3,8,9$ )

Holes \# 7,10 \& 11 were drilled along section at $-40,-60$, and -80.

Hole \# 7 encountered highly altered zones associated with the gully fault, to 20m. A pyrite stringer zone from 23.2 m to $24.4 \mathrm{~m}(1.22 \mathrm{~m})$ with pyrite, sphalerite and galena, assayed $0.131 \mathrm{ozs} / \mathrm{t} \mathrm{Au}$, and $8.11 \mathrm{ozs} / \mathrm{t} \mathrm{Ag}$.
$\therefore$
Hole \# 10, encountered a wide stringer zone or two separate splays. From 22.22 m to 22.87 m , the section assayed 0.161 ozs/t Au, and $9.57 \mathrm{ozs} / \mathrm{t} \mathrm{Ag}$.

Hole \#11 intersected faulted portions of the stringer zone in 7 \& 10, with associated microbreccias, carrying fine pyrite.

From 65.09-65.4m, galena and sphalerjte were encountered. The assay sample for this section is missing. From $65.4 \mathrm{~m}-66.01 \mathrm{~m}(0.61 \mathrm{~m})$, the sample assayed $0.148 \mathrm{ozs} / \mathrm{t} \mathrm{Au}$.

The zone appears to to be part of a downward extension of the main zone.

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Holes ## 8 & 9, were drilled to check strike extensions. In
# 8, from 20.7m - 20.9m, a quartz vein with galena and
tetrahedrite was noted. Assay from 19.79-21.31m (1.52m)
ran 0.053 ozs/t Au, and 2.61 ozs/t Ag. From 21.34m - 22.87
m, the assay was 0.029 ozs/t Au, and 2.82 ozs/t Ag.
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Other assays were low.
Hole \# 9 intersected a broken zone from $22.9 \mathrm{~m}-28.9 \mathrm{~m}$, with heavy pyrite mineralization. An assay from $22.87 \mathrm{~m}-25.91 \mathrm{~m}$, ran 0/038 ożs/t Au.

The sequence of holes showed a structure striking 130 , and dipping $75-80$ to the south. This is the extension of the splay structure noted on surface.

## 4:7 Interpretation

Evidence from holes EGS-87-1,2 \& 3, indicate the main zone diminishes at depth, and was not encountered in drill core with values comparable to that previously mined.

The long section (fig 10) shows intersections of drill holes with the inferred structure: Down dip and strike extensions were present and did not indicate economic values.

Data suggests the dip steepens.
Structural data from underground (fig.11), (Wares, 1987). suggest a west-south-west plunge of the ore zone, not readily evident from drill core. Neither are northward extensions of the high grade zone evident.

Holes $1,2,3,7,8,9,10,11$ intersected the down dip extension of a structure exposed on surface. Assay values, though of interest, are well below the grades obtained in mining.

Underground mapping (fig 11) Wares, 1987, shows a set of splay faults from the main, northerly trending structure. $\because$
In the lower drift, ( 703.5 m ), mapping shows a strong west trending shear zone that appears to cut off the high grade zone southern extension.

Assays of the north drift shear were low and of no economic interest.

Drill data clearly shows the high grade zone diminishes below known mineralization, apparently cut off by a shear to the south.

The structure continues to the north and no high grade values were were encountered.

The gully along which drill sites were located is clearly the locus of alteration, brecciation and small sphalerite galena stringers. This zone is largely inaccessible from surface drilling. In any continued program, drilling from underground would be required to test this structure.

Two drill holes $(4,5)$ across separate shears to the west, though revealing pyrite zones, failed to outline grades of . economic interest. The structures have a westerly dip.

Economic potential of the property will depend on delineating target areas outside the area drilled. in 1987.

The core is stored beside a shack on the property.

July, 1987, East Gold property drill program objectives included:

- Gaining intelligence on main-zone potential leading to a low-tonnage, high grade precious metal deposit.
- Focussing on zone of high grade gold-silver mineralization mined in previous operations.

The program, comprising 12 holes totalling 800.3 m (2625.'). showed no evidence of strike and dip extensions in the high grade zone, which appears to be either or both faulted out, or changes dip. Gold-silver values comparable to previously mined values were not located along strike to the north or down dip.

Holes \# EGS-87-1,2,3, were directed at the immediate down dip extension. Results show the structure appears to steepen and high values disappear. A splay structure in holes \# EGS-87-1,3,7,8,9,10,11, while showing some continuity in strike and dip from surface to drill intersections, returned values below immediate economic interest.

Holes EGS-87-4,6 tested structures to the west of the main zone. Heavý pyrite mineralization and one sphalerite-galena was encountered. Values were low.

Holes EGS-87-5,12, drilled to test northward extensions of the main zone, encountered no zones of precious metal mineralization.

Similar deposits under active exploration in the area show variability, and better strike extensions than were found on the East Gold property.

Potential of other zones is largely untested. Testing of the pyritic shears requires rock geochemical sampling and trenching.

Estimated costs of a sampling program are


I, Roy Wares, with a business address in the city of Vancouver, B.C., do hereby certify that -
a) This report is based on field work carried out on the East Gold property in October, 1986, and July 1987.
b) I am registered member, in good standing, of the Association of Professional Engineers of B.C.
c) I have practised my profession for 23 years in B.C., Yukon, Ontario, U.S.A. and the U.K.
d) I am a graduate of Aberdeen University with a B.Sc. (Hons) Geology and Queen's University, Kingston, Ontario, with an M.Sc.
e) I have no interest in any property, or any company holding a property within 10 km . of the East Gold property.
f) I have received no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the securities of Sun Valley Gold Mines Ltd. or any affiliate, nor do I beneficially own, directly or indirectly, any securities of Sun Valley Gold Mines Ltd. or any affiliate.
g) To the best of my knowledge, all the information above, and within the report, is factual correct and true.
h) Field work was carried out by Roy Wares, P.Eng. and Wilson Gewargis, B.Sc., F.G.A.C.. Mr Gewargis has over 15 years experience of exploration in Canada, including work at Granduc Mines, Scottie Gold Mines, all within 20 kms . of the East Gold property.

Dated at Vancouver, British Columbia, August 1987.


| \# | N | E | $\mathrm{Clev}(\mathrm{m})$ | AZ |  | Dip |  | Feet | Metres |
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| EGS-87-1 | 49,962.46 | 49.972 .3 | 751.8 | 032 | $10^{\prime}$ | -44 | $50^{\prime}$ | 359 | 109.73 |
| EGS-87-2 | " 1 | " 1 | " | 042 | 00 | -40 | $10^{\prime}$ | 292 | 89.02 |
| EGS-87-3 | " " | " 1 | ' | 032 | 00 | -58 | $20^{\prime}$ | 357 | 108.84 |
| EGS-87-4 | , 49,994.5 | 49,971.6 | 750.2 | 240 | $30^{\prime}$ | -45 | $10^{\prime}$ | 362 | 110.37 |
| EGS-87-5 | 49,995.5 | 49,972.5 | 750.2 | 042 | 00 | -59 | $40^{\circ}$ | 163 | 49.39 |
| EGS-87-6 | 50,023.6 | 49,970.8 | 748.5 | 240 | 00 | -45 | 30 | 133 | 41.77 |
| EGS-87-7 | 49,977.3 | 49,973.4 | 751.2 | 073 | $20^{\prime}$ | -40 | 00 | 155 | 47.25 |
| EGS-87-8 | " " | " 1 | 1 | 061 | $00^{\prime}$ | -45 | 00 | 157 | 46.65 |
| EGS-87-9 | 11 | " " | " | 083 |  | -45 |  | 97 | 29.57 |
| EGS-87-10 | " | " " | " | 073 |  | -60 |  | 137 | 11.77 |
| EGS_87-11 | " | " $\quad 1$ | " | 073 |  | -80 |  | 242 | 73.78 |
| EGS-87-12 | $50,023.6$ | 49,970.9 | 748.5 | 055 |  | -45 |  | 167 | 50.76 |

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|  |  |  |  | N $\stackrel{y}{*}$ $i$ |  | 9 0 0 0 0 |  |  |  | 0 $\sim$ $\sim$ $\sim$ $\sim$ $N$ |  |  |  | N N a | N |
|  |  |  |  | $\begin{aligned} & \text { M } \\ & \underset{\sim}{\infty} \\ & \underset{\sim}{N} \end{aligned}$ |  |  |  |  | . | $\sim$ 0 0 $\sim$ $\sim$ $\sim$ |  |  |  | $\circ$ <br>  <br> $\sim$ <br> $\sim$ <br> $\sim$ <br> -1 | N |
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| DEPTH |  | RECOV ${ }_{6}$ | DESCRIPTION | \# | $\begin{array}{r} \text { SAMPLE } \\ \text { Na } \end{array}$ | FROM | TO | WID'TH | $\begin{gathered} \mathrm{Au} \\ \mathrm{OZS} / \mathrm{T} \end{gathered}$ | $\begin{gathered} \mathrm{Ag} \\ \mathrm{ozs} / \mathrm{T} \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| FROM | TO |  |  |  |  |  |  |  |  |  |
| 0 | 1.22 m |  | Casing |  |  |  |  |  |  |  |
| 1.22 | 1.83 |  | medium green, partiy altered siltstone |  |  |  |  |  |  |  |
| 1.83 | 1.98 |  | pyrite stringer, at 35 to core axis |  |  |  |  |  |  |  |
| 1.98 | 7.47 |  | grey/green, blotchy altered siltstone, aitered with |  |  |  |  |  |  |  |
|  |  |  | an irregular texture, cleavage at 40 to $\mathrm{CA}, 10 \mathrm{~cm}$ comb |  |  |  |  |  |  |  |
|  |  |  | vein at 3.3 m , vuggy zone at 6.5-6.9m |  |  |  |  |  |  |  |
| 7.47 | 8.38 |  | oxidised, blocky and broken zone, minor pyrite present |  |  |  |  |  |  |  |
| 8.38 | 8.84 |  | grey, green mottled altered siltstone |  |  |  |  |  |  |  |
| 8.84 | $110.37 \mid$ |  | blocky, broken zone, some vugs, cl at 45 to CA |  |  |  |  |  |  |  |
| 10.37 | 12.81 |  | dark grey/green siltstone, with a weak spotty alterat- |  |  |  |  |  |  |  |
|  |  |  | ion developing, cl. at 35 to CA |  |  |  |  |  |  |  |
| 2.81 | 13.17 |  | massive sulphide zone, 12.81-12.91, massive sphalerite |  | 12808 | 12.76 | 13.01 | 0.25 | 0.0981 | 2. 52 |
|  |  |  | galena, minor tetrahedrite, trace visible gold, speck ruby |  |  |  |  |  |  |  |
|  |  |  | silver (?), crude banding at 60 to CA, 13.08-13.17, |  |  |  |  |  |  |  |
|  |  |  | stringer zone with tetrahedrite and arsenopyrite. |  |  |  |  |  |  |  |
| 13.17 | 14.33 |  | cream coloured alteration envelope |  |  |  |  | - |  |  |
| 14.33 | 22.41 |  | medium grey/green altered siltstone, with cleavage at |  |  |  |  |  |  |  |
|  |  |  | 40 to CA, occasional diffuse porphyroblast zones |  |  | $\cdot$ |  |  |  |  |
| 22.41 | 22.71 |  | rubbly, broken zone |  |  |  |  |  |  |  |
| 22.71. | 30.79 |  | grey, banded siltstone, with minor pyrite section at |  |  |  |  |  |  |  |
|  |  |  | 27.13 to 27.60 m |  |  |  |  |  |  |  |

PROPERTY

|  | DIP TEST |  |
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EAST GOLD




RECORD
GTOD 山SVE

| $=$ DIP TEST $^{2}$ |  |  |
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| DEPTH |  | RECOV | - DESCRIPTION | \# | $\left\|\begin{array}{r} \text { SAMPLE } \\ \text { Nai } \end{array}\right\|$ | FROM | TO | WIḊTH |  |  |
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| FROH | TO |  |  |  |  |  |  |  |  |  |
| 0 | 4.57n |  | Casing |  |  |  |  |  |  |  |
| 4.57 | 10.98 |  | medium grey/green altered siltstone, with disseminated |  |  |  |  |  |  |  |
|  |  |  | and banded pyrite, 2\% pyrite over length, crush zonk |  |  |  |  |  |  |  |
|  |  |  | at 7.32 to 7.60 m |  |  |  |  |  |  |  |
| 10.98 | 15.55 |  | transition to an increasingly variegated texture, with |  | 12824 | 12.50 | 13.11 | 0.61 | 0.003 | 0.02 |
|  |  |  | a 0.15 m solution type breccia at 12.65 m |  | 12825 | 13.72 | 14.33 | 0.61 | 0.001 | 0.04 |
| 15.55 | 16.01 |  | broken crushed zone |  |  |  |  |  |  |  |
| 16.01 | 23.02 |  | variegated texture, altered siltstone, with a promin- |  | 12826 | 16.46 | 17.07 | 0.61 | 0.002 | 0.02 |
|  |  |  | ent greenish cast (talc), shear type breccia developing |  |  |  |  |  |  |  |
|  |  |  | from cleavage at 45 to core axis . |  |  |  |  |  |  |  |
| 23.02 | 24.85 |  | basalt dyke, contact at' 35 to CA, sparsely porphyritic |  |  |  |  |  |  |  |
|  |  |  | with aphanitic to fine grained margin |  |  |  |  |  |  |  |
| 24.85 | 25.30 |  | mottled unit, as $16-23 \mathrm{~m}$ |  |  |  |  |  |  |  |
| 25.30 | 35.67 |  | more uniform texture, altered siltstone, with irregular |  | 12827 | 31.97 | 32.58 | 0.61 | 0.001 | 0.05 |
|  |  |  | fine pyrite (1\%), crush zone at 32.47m (0.2m) |  |  |  |  | . |  |  |
| 35.67 | 38.11 |  | generally mottied variegated texture, altered siltsone, |  |  |  |  | - |  |  |
|  |  |  | with minor talc |  |  |  |  |  |  |  |
| 38.113 | 39.33 |  | pronounced shear zone, with deformed breccia fragmentsm |  | 12828 | 38.41.- | 39.33 | 0.91 | 0.002 | 0.05 |
|  |  |  | verging on a laminar mylonite |  |  |  |  |  |  |  |
| 39.334 | 49.39 |  | as $35.67-38.11 \mathrm{~m}$, with pronounced shearing at 45.7-47.0m, |  | 12829 | $44.05-$ | 45.12 | 1.07 | 0.002 | 0.06 |
|  |  | - | cleavage at 56 to CA , 49.39 m , END OF HOLE |  |  |  |  |  |  |  |

diAmond drPil record

| DEPTH | RECOV |  |
| :---: | :---: | :---: |
| FROM | TO |  |

Casing
altered siltsone, greenish grey, mottled, with talcose
sections, scattered finenhairline fractures with py,
cl. at 20 to CA.

Hole No. EGS-87-6 Sheet No. 1


Section-
Bearing Coll
Lat.
Date Begun_ 20 July 1987
Date Finished 21 July 1987
Daté Logged_ 21 July 1987
HOLESY87-6
Total Depth 41.77 m
Logged By -R. Wares
Claim_
Core Size_B0

$-f(1)$

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HOLE No. EGS-87-7
HOLE

$$
\begin{aligned}
& \text { Lat. } \frac{.49 .977 .3 \mathrm{~N}}{\text { Dep. } \frac{49.973 .4 \mathrm{E}}{173}} \\
& \text { Bearing } \frac{17 \mathrm{~K}}{} \\
& \text { Elev. Collor } 751.2 \mathrm{~m}
\end{aligned}
$$

 Date Finished Date Logged 24 Julv 1987

## oroken, oxidised and rubbly material

siltstone, mottled alteration pattern, irregular pyrite stringer $(0.5 \mathrm{~cm})$ at 50 to CA , subtle breccia at 10.1 m Eransition to more even, darker grey/green altered siltstone, with bedding at 10 to CA , core broken at 17.2317.53 m , irregular mottled alteration appears at 20.43 m sulphide zone, with quartz vein at 21.04-21.34, 22.7122.87, and 22.94-23.02 ; several generations of vein present with pyrite stringers, with trace sphalerite, and trace tetrahedrite, several small (1-2cm) late barite stringers present.
oroken, oxidised zone
nedium, grey/green altered siltstone with a 0.15 m breccia oone at 31.86 m , core broken at $32.62-32.82$, 40.54-41.15, 6.95-47.25m

DEPTH

$$
\text { Hole No. EGS 87-7 Sheet No. } 1
$$

Date Begun 22 JUly 1987

diamond drRe record

| DEPTH |  | RECOV ${ }_{\text {i }}$ | dESCRIPTION | \# | SAMPLE Na: | FROM | T0 | WIDTH |  |  |
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| FROM | TO |  |  |  |  |  |  |  |  |  |
| 0.0 | 2.13 |  | Casing |  |  |  |  |  |  |  |
| 2.13 | 9.76 m |  | aitered siltstone, mottled alteration pattern, core |  |  |  |  |  |  |  |
|  |  |  | blocky and broken, with some clay in oxidised zone |  |  |  |  |  |  |  |
| 9.76 | 1.28 |  | texture less mottled, subtle solution type breccia with |  |  |  |  |  |  |  |
|  |  |  | 2\% pyrite, trace sphalerite from 10.35 to 10.55 m |  |  |  |  |  |  |  |
| 11.281 | 11.89 |  | blocky, broken zone |  |  |  |  |  |  |  |
| -11.89 | 20.12 |  | medium orey/green altered siltsone with cleavage at |  |  |  |  |  |  |  |
|  |  |  | 50 to CA, fine hairline fractures with pyrite widely |  |  |  |  |  |  |  |
|  |  |  | scattered, 20 m pyrite stringer at 10 to CA from 18.80- |  |  |  |  |  |  |  |
|  |  |  | 19.40 m . |  | 12830 | 19.82 | 21.34 | 1.52 | 0.053 | 2.61 |
| 20.12 | 22.56 |  | blocky, broken, oxidised zone with pale grey mottled |  | 12831 | 21.34 | 22.87 | 1.52 | 0.029 | 2.82 |
|  |  |  | alteration; several small veins present at 50 to CA, 20.7 |  |  |  |  |  |  |  |
|  |  |  | 20.9 m quartz stringer with trace sphalerite, galena and |  |  |  |  |  |  |  |
|  |  |  | tetrahedrite; visible gold speck on oxidised fracture |  |  |  |  |  |  |  |
|  |  |  | at 21.95 m , zone passes into stringer quartz at 22.3 m |  |  |  |  |  |  |  |
| 22.56 | 28.96 |  | med. grey/green altered siltstone, core somewhat blocky |  | 1283z | 26.68 | 27.90 | -1.22 | 0.002 | 0.09 |
|  |  |  | and broken, fine hairline pyrite fractures present but |  |  |  |  |  |  |  |
|  |  |  | scattered |  |  | . |  |  |  |  |
| 28.96 | 31.10 |  | weak breccia zone, aspects of clastic horizon |  |  |  |  |  |  |  |
| 31.10 | 41.77 |  | medium grey/ green altered siltstone, with scattered fine |  |  |  |  |  |  |  |
|  |  | . | hairline pyrite fractures |  |  |  |  |  |  |  |

$0$

EAST GOLD
PROPERTY

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|  | $\forall$ <br> - <br> 0 <br> 0 | $\begin{gathered} -1 \\ 0 \\ 0 \\ 0 \\ \hline \end{gathered}$ | $\begin{aligned} & \text { N } \\ & \mathbf{8} \\ & 0 \\ & 0 \end{aligned}$ | $\begin{aligned} & 1 \\ & 0 \\ & 0 \\ & 0 \\ & \hline \end{aligned}$ | $\begin{gathered} N \\ 8 \\ 0 \\ 0 \end{gathered}$ |  | $\begin{gathered} 5 \\ 7 \\ 0 \end{gathered}$ | $\begin{gathered} \hat{8} \\ \dot{0} \end{gathered}$ | $\begin{aligned} & 9 \\ & 0 \\ & 0 \\ & 0 \end{aligned}$ | $\begin{aligned} & 9 \\ & 0 \\ & 0 \\ & 0 \end{aligned}$ | $\begin{gathered} 1 \\ 0 \\ 0 \\ 0 \\ 0 \end{gathered}$ | $\begin{array}{\|c\|} \infty \\ \hline 0 \\ 0 \\ \hline \end{array}$ | - |  | $\begin{aligned} & -8 \\ & 0 \\ & 0 \end{aligned}$ | $\stackrel{-8}{8}$ | $\begin{aligned} & 8 \\ & 8 \\ & 0 \\ & \hline \end{aligned}$ |  |  |  |  |
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| ㅇ | $\begin{gathered} \bar{N} \\ \dot{N} \end{gathered}$ | $\begin{aligned} & \infty \\ & \cdots \\ & \dot{n} \end{aligned}$ | $$ | $\begin{aligned} & 10 \\ & \nabla \\ & \dot{\sigma} \end{aligned}$ | $\begin{aligned} & m \\ & m \\ & \underset{\sim}{n} \end{aligned}$ |  | $\begin{gathered} \hat{\infty} \\ \dot{N} \\ \underset{N}{2} \end{gathered}$ | $\begin{aligned} & o \\ & \mathrm{~m} \\ & \underset{N}{j} \end{aligned}$ | $\begin{gathered} N \\ N \\ \vdots \\ N \\ \hline \end{gathered}$ | $\begin{aligned} & n \\ & \infty \\ & \dot{0} \\ & \sim \end{aligned}$ | $\begin{gathered} \underset{N}{N} \\ \stackrel{N}{2} \end{gathered}$ | $\begin{gathered} 0 \\ 0 \\ 0 \\ 0 \\ N \end{gathered}$ | $\begin{gathered} \hat{3} \\ 0 \\ N \end{gathered}$ |  | $\begin{gathered} n \\ \stackrel{n}{m} \\ \cdots \end{gathered}$ | $\begin{aligned} & \hat{m} \\ & \stackrel{N}{m} \end{aligned}$ | N $\sim$ 0 $m$ |  |  |  |  |
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Siltstone, sligntly altered, fine grained, broken
core from $6.4-7.6 \mathrm{~m}, ~ 9.5-10.1 \mathrm{~m}$,
$11.6-12.2 \mathrm{~m}$,
$17.2,18.9-19.7 \mathrm{~m}, 23-23.4 \mathrm{~m}, 26.8-27.4 \mathrm{~m}, ~ 27.8-28.1 \mathrm{~m}$, $29.9 \mathrm{~m}-30.1 \mathrm{~m}$; from 7.62-7.93m, breccia zone, as _12._
12.2 m , also breccia at $13.2-14.5 \mathrm{~m}, 21.2-23.5 \mathrm{~m}$ : fine pyrite
scattered throughout, with qtz vein with $2-3 \%$ py, at
9.45-10.3m,18.2-18.9m, 22.4-22.8m, $30.7-31.4 \mathrm{~m}$ pale grey siltstone,/fault zone, with gouge and clay with stringewr to disseminated pyrite throughout the section; zone of gouge from 36.13- $36,89 \mathrm{~m} ; 37.5 \mathrm{~m}-40.24$ poor core recovery, esp. from $36.5-36.9 \mathrm{~m}, \& 39.94$ 40.55 m (. 2 m core missing)
light grey altered siltstone, with disseminated pyrite
 48.17, with up to $5 \%$ pyrite, (diss. \& stringer), broken

qtz veinlets up to a few mm at 45 to 75 to CA.


SARPLE TYPE : CORE - CPUSHED AND PULVERIIED TO - 100 KESh. A6tt Rutt by fire assay
ASSAYER:


SUN VALLE:Y GOLD FFiOJECT EAST GOLD
FILE\# 87-27ふ7
FAGE\# 1


## ACME ANALYTICAL LABoRATORIES LTD.

 852 E. HASTINGS, VANCOUVER B.C.PH: (604)253-3158 COMPUTER LINE:251-1011

DATE RECEIVED JULY -11987 DATE REPORTS MAILED


SAMPLE TYPE : CORE - CRUSHED AND pulverized to - 100 mesh. ASti \& AU\#t BY FIRE ASSAY


| SUN | VALLEY GOLD $M$ | ES | FILE \# 87-2895 | Fage 2 |
| :---: | :---: | :---: | :---: | :---: |
|  | gAMFLEE* | AG** | AU*** |  |
|  |  | -Z/T | OZ. $/$ T |  |
|  | 92689 | 1.88 | .039 |  |
|  | 72689 | . 29 | .010 |  |
|  | 92690 | . Sc | . 010 |  |
|  | 72691. | 6.08 | . 018 |  |
|  | 12846 | . 18 | .601 |  |
|  | 121347 | . 14 | .001 |  |
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|  | 12850 | . 22 | . 005 |  |

ACME ANALYTICAL LABGRATORIEG
 FHONE 25ㅜㄴ-315G DATA LINE 251-1011

DATE REFORT MAILED: ASSAY DEFTIFICATE

- SAMPLE TYPEI Cori


GEWAREES CONSULTANTE FROJECT-EAST GOLD
File 非 87-2665.

| SAMFLEE非 | AG** |
| :---: | :---: |
|  | OZ/T |
| 12801 H | .11 |
| 12802H | . 26 |
| 12808H | . 12 |
| 12804 H | . 10 |
| $12805 H$ | .06 |
| 12806 H | . 05 |
| 12907H | . 67 |
| 12 BOBH | 12.52 |
| 12809 H | . 45 |
| 12810 H | , 36 |
| 1291.1 H | . 42 |
| 12812H | 1.39 |
| 1281 SH | . 96 |
| 1281.4 H | .17 |
| 12815H | . 13 |
| 1.2816 H | .10 |

ACME ANALYTICAL LABORATORIES LTD． 852 E．HASTINGS：VANCOUVER BiC．
FH：（604）253－3158 COMPUTER LINE：251－1011

DATE FECEIVED JULY この 1987 date reports mailed

## ASSAY EEFTIFTEATE

SAMPLE TYPE ：CORE－CRUSHED AND FLLLYERIZED TO－ 100 MESH． AU BY FIRE ASSAY


GEWARGES CONSULTANTS FFOJECT EAST GOLD
FILE\＃ $87-26 ら 5$
PAGE\＃ 1


## SUN VALLEY GOLD MINES LTD : EAST GOLD PROJECT

a) snow and road clearing for access, June 28-July 2, 1987 \$ 4, 850.00
b) road \& bridge repair on property, July $9 / 10 \quad \$ 1,500.00$
c) explosives, misc. eq. for road repair \$ 275.00
d) drilling, $1628^{\prime}$ in period of ass. work
cost $\$ 18.50 / \mathrm{ft} \quad \$ 30.118 .00$
e) camp cost, 8-22 July 1987, \$350.day S b,250.00
f) drill mobilization (demob not incl)
$\$ 4,250.0$
g) field labour, 155 drill hrs @ $28.50 / \mathrm{hr}$
$\$ 4,417.50$
h) assays, 58 in portion, a 17.50/sample

S 1015.00
i) field supervision, W.Gewargis, July 6-21, 16 days @ 250/day
$\$ 4,000,00$
j) field management, R.Wares, July 6-21, 1987, 16 days a $250 /$ day $\pm$

S 4,000
k) rental of JD 450 cat, $\$ 3500 /$ month plus operating time $(3 / 4$ cost plus 30 hrs \& $\$ 50 / \mathrm{hr}) \quad \$ 4,125.00$

1) drill/cat fuel (portion)
\$ 850.00
m) mubilisalion field crew
$\$ 328.00$
n) expediting services\& radio rental
\$ 675.00

TOTAL $\$ 65,653.50$

* Note that portion of drill program in assessment period was applied
* $\quad$ 12,000 applied to Rollin claims as per affidavili, dated 22 July 1987, \$ 62,000 claimed on affidavit, balance

A:5 References Cited
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