1025

GEOLOGICAL ASSESSMENT REPORT

ON THE

VARDIS 1 TO 4 CLAIMS

ATLIN MINING DIVISION

TATSAMENIE LAKE AREA, BRITISH COLUMBIA

NTS 104K/10

58° 38'N 132° 33'W

FILMED

FOR

TAHLTAN HOLDINGS LTD.

SUITE 13 - 1155 MELVILLE STREET

VANCOUVER, BRITISH COLUMBIA

V6E 4C4

PREPARED BY

STETSON RESOURCE MANAGEMENT CORP.

SUITE 13 - 1155 MELVILLE STREET

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AUTHORS: J.C. FREEZE, F.G.A.C., STILLWATER ENTERPRISES LTD.
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JULY 5, 1988

SUMMARY

The Vardis property comprises four claims, totalling 72 units the Atlin mining division in northwestern British Columbia. The nearest communities are Telegraph Creek, 120 air kilometres to the southeast and Atlin, 126 air kilometres to the north-northwest. The property is situated 105 kilometres east of the Pacific Coast on the lee side of the Coast Range Mountains. The region has a relatively dry climate. Most of the claims lie above the tree line, between 800 and 1673 metres above sea level.

The area presently covered by the Vardis property was initially staked as the Tardis claims by Chevron Canada Resources Limited in 1981. The Tardis property was one of several staked by Chevron in the Tatsamenie Lake area following a regional exploration program for precious metals. Chevron Minerals Ltd. has developed several properties in the Tatsamenie Lake area to the diamond drilling stage. One of these properties, the Golden Bear, contains proven and probable reserves of 1.5 million tons grading 0.31 oz gold per ton in a structurally controlled mesothermal deposit. Chevron and joint venture partner, North American Metals (now held by Homestake Mineral Development Co.), plan to put the deposit into production once construction of the road is completed to the property.

As a result of a research project, the ground was restaked in 1987 as the Vardis property on behalf of Tahltan Holdings Ltd. Stetson Resource Management Corp. carried out an exploration program under the direction of the writer in 1987. Approximately $10,000.00 was spent on geological mapping, prospecting and rock chip sampling.

An extensive zone of silicification, carbonatization, fluoritization and barite hosts highly anomalous levels of arsenic, antimony, mercury and barium in the hanging wall of the King Salmon Thrust Fault. Soil samples previously collected by Chevron contain gold values of up to 1060 ppb over this zone. This alteration and geochemical signature is typical of the upper level of an epithermal precious metal system. Gold and silver mineralization usually occurs below this level although some precious metal mineralization may reach the upper levels.

A two phase exploration program is recommended to test the economic potential of the Vardis property.

TABLE OF CONTENTS

1. INTRODUCTION

The geology and economic potential of a precious metal prospect covered by the Vardis property held by Tahltan Holdings Ltd. is discussed in this report. The data presented is from an exploration program carried out by Stetson Resource Management Corp. under the direction of the writer

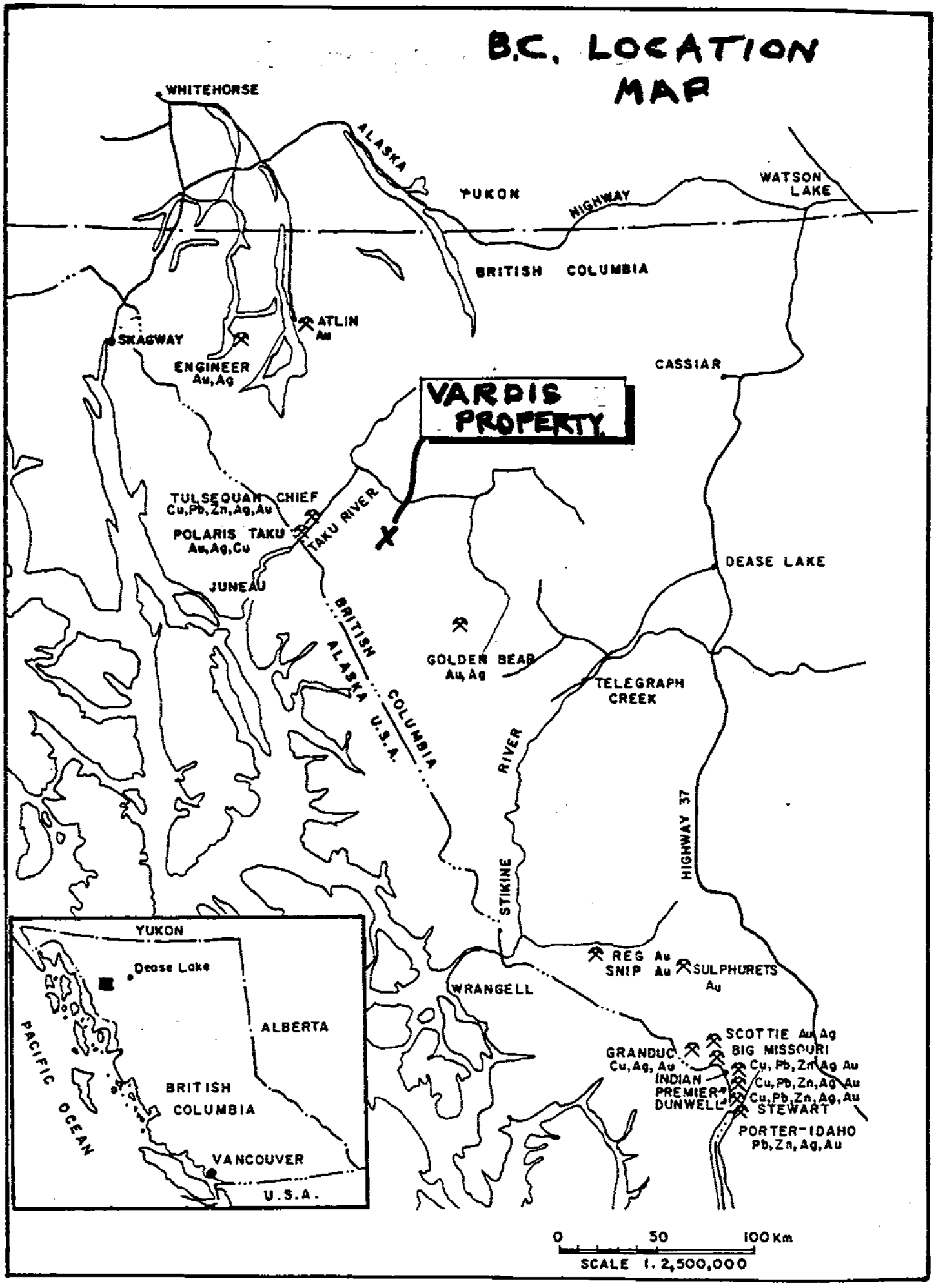
1.1 Location and Access

The Vardis property is situated in the Atlin mining division in northwestern British Columbia, approximately 120 kilometres northwest of Telegraph Creek and 120 kilometres southeast of Atlin. The claim blocks cover a total area of 18 square kilometres centred at 58° 38'N and 132° 33' W (Figure 1.1).

The nearest highway to the property area is Highway 114, which extends from Dease Lake to Telegraph Creek. A winter tote road (bulldozer trail) extends 130 kilometres from the highway to Chevron's Golden Bear property, which is 50 kilometres southeast of the Vardis property. Construction of an all-weather road is under way to access the Golden Bear property.

Air access by fixed wing aircraft is available to three gravel landing strips in the area. A strip on the Sheslay River allows up to DC-3 sized planes; a second at Muddy (Bearskin) Lake handles airplanes up to Caribou size; and a third strip at the western end of Tatsamenie Lake allows airplanes the size of a Cessna 206 to land. Access to Trapper, Tatsamenie and Little Tats Lakes is available by float plane from June until late October and by plane on skis during winter months, except during freezing and break up periods. Helicopters must be used to travel from the lakes or strips to the property. Exploration can be carried out from camps on the shores of the lakes.

Groceries, fuel, lumber and general supplies are available to a limited extent, in Atlin and Dease Lake. The remainder may be trucked from Whitehorse to Atlin or from Terrace to Dease Lake.


B.C. LOCATION MAP
WHITEHORSE
ALASKA
YUKON
HIGHWAY
WATSON LAKE
BRITISH COLUMBIA
ATLIN Au
SKAGWAY
ENGINEER Au,Ag
CASSIAR
VARDIS PROPERTY
TULSEQUAH CHIEF Cu,Pb,Zn,Ag,Au
POLARIS TAKU Au,Ag,Cu
TAKU RIVER
DEASE LAKE
JUNEAU
BRITISH ALASKA U.S.A. COLUMBIA
GOLDEN BEAR Au,Ag
TELEGRAPH CREEK
RIVER
HIGHWAY 37
STIKINE
YUKON
Dease Lake
ALBERTA
PACIFIC OCEAN
BRITISH COLUMBIA
VANCOUVER
U.S.A.
REG Au
SNIP Au
SULPHURETS Au
WRANGELL
SCOTTIE Au Ag
BIG MISSOURI Cu, Pb, Zn Ag Au
GRANDUC Cu,Ag, Au
INDIAN Cu, Pb, Zn, Ag, Au
PREMIER Cu, Pb, Zn, Ag, Au
DUNWELL
STEWART
PORTER-IDAHO Pb, Zn, Ag, Au
0 50 100 Km
SCALE 1. 2,500,000

1.2 Property

The Vardis property covers four contiguous claims comprised of 72 units as listed below. Tahltan Holdings Ltd. holds these claims by location. Claim locations were verified by legal (and other) corner posts, and blazed - flagged lines.

Table 1.2
Claim Status

Claim Name	Record No.	Record Date	Expiry Date	No. Units
Vardis 1	3056	July 10, 1987	1989	18
Vardis 2	3057	July 10, 1987	1990	18
Vardis 3	3058	July 10, 1987	1989	18
Vardis 4	3059	July 10, 1987	1989	18

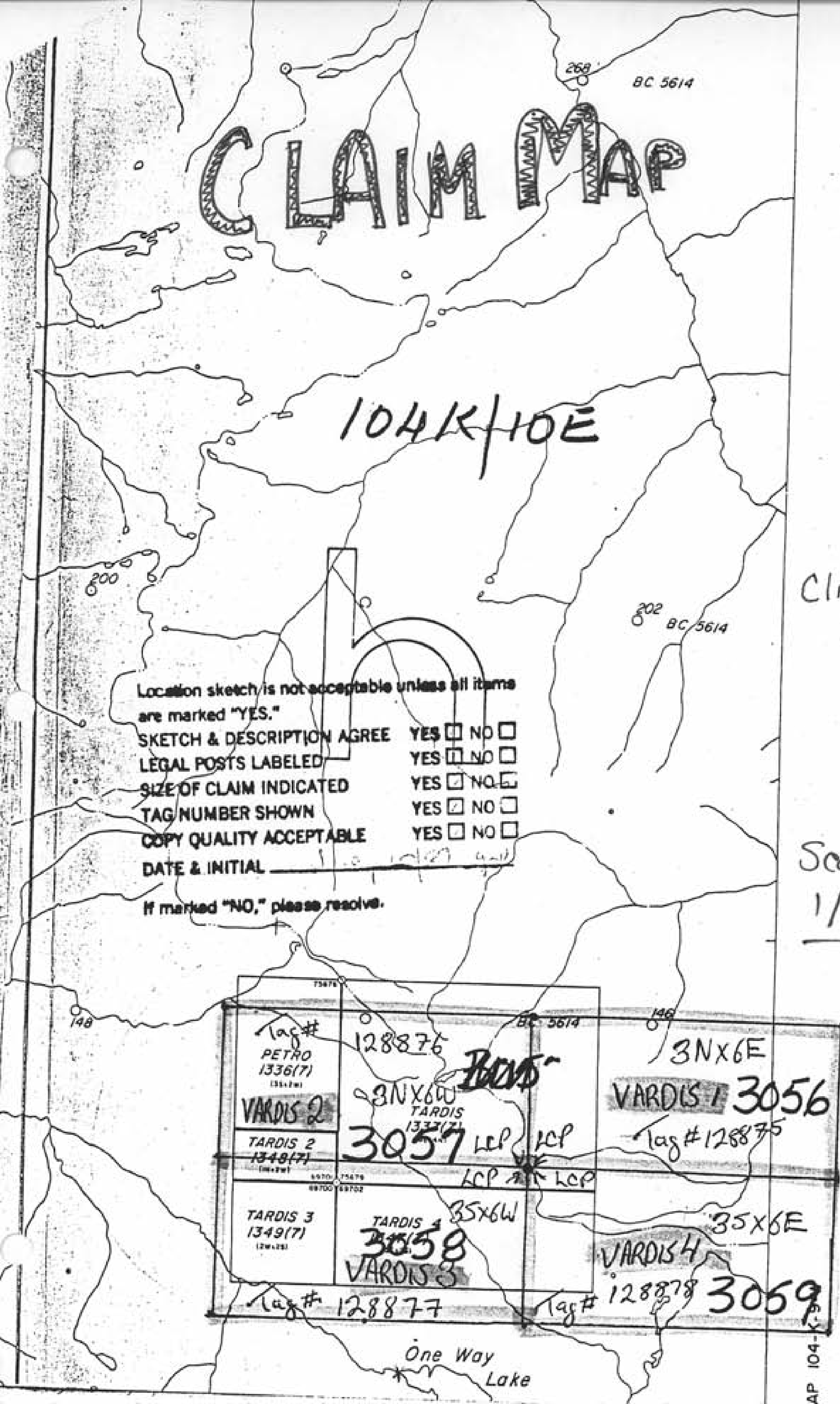
1.3 Physiography, Vegetation and Climate

The claims are situated on the lee side of the Coast Range Mountains, 80 kilometres east of the Pacific Coast. The region has a relatively dry climate; winter snow cover is moderate; snow, rain and wind storms are common all year round.

The property covers a semi-rugged alpine to sub-alpine terrain. Elevations range from 800 metres (2,624 feet) to 1,673 metres (5,487 feet). Some slopes are fairly steep, but most may be traversed with care.

Vegetation is sparse; treeline is at an elevation of approximately 1,200 metres, above which alpine tundra covers the property; shrubs and trees are restricted to valley bottoms. Engelmann spruce, alpine fir, lodgepole pine, white spruce and white bark pine trees characterize the vegetation.

Sufficient water for exploration and development purposes is available from One Way Creek which crosses the southwestern corner of the property flowing northwesterly into the Sutlahine River. Several small lakes and tributaries to the main creek carry sufficient drilling water during most of the year. Timber resources for exploration and development purposes are available below 1,000 metres in the One Way Creek valley.



Claim Map

Scale 1/5,0000

THIS MAP IS PREPARED TO SERVE AS A GUIDE ONLY, POSITIONS OF UNSURVEYED CLAIMS AND PLACER LEASES ARE PLOTTED

1.4 History

The Tatsamenie Lake area was initially explored in the fifties for its porphyry copper potential. Of several copper showings in the area; two have been classified as small porphyry copper type occurrences.

In 1981, Chevron Canada Resources Limited explored the Tatsamenie Lake area for precious metals. Several claims were staked and developed through to the diamond drilling stage. The most advanced to date is the Golden Bear property on which North American Metals has, under a joint venture agreement with Chevron, developed proven and probable reserves of 1.5 million tons grading 0.31 oz. gold per ton.

Chevron explored and staked the area now covered by the Vardis property as the Tardis claims in 1981. Geological mapping and prospecting outlined an extensive fault controlled zone of alteration. The alteration comprises silicification, fluoritization, and carbonatization extending along a zone which is a minimum of 1500 metres in length. Anomalous arsenic, antimony, mercury, fluorine and gold values were obtained in rock and soil samples from this zone. Further work was recommended on the property but the claims were allowed to lapse.

The area was restaked in 1987 on behalf of Tahltan Holdings Ltd. following a research project.

1.5 1987 Exploration Program

In 1987 an exploration program was undertaken by geologists, prospectors and field technicians employed by Stetson Resource Management Corp. under the direction of J.C. Freeze of Stillwater Enterprises Ltd. The following surveys were carried out between August 17 and September 17:

1) Geological mapping was carried out over the centre portion of the property at a scale of 1:10,000. (see Figure 2.3).

2) Rock chip sampling of quartz, barite, fluorite and calcite veins and stockwork and of hydrothermal alteration zones and all sulphide bearing rocks was carried out over the areas mapped (see Figure 3.1);

2. GEOLOGY

2.1 Regional Geology

The Tatsamenie Lake area was mapped as part of the Tulsequah map sheet by J.G. Souther of the Geological Survey of Canada in 1971 (Figure 2.1). The oldest unit in the area is a diorite gneiss of unknown age. Permian serpentinite and limestone units are overlain by Pre-Upper Triassic clastic sediments and volcanic rocks. The Permian and Pre-Upper Triassic rocks belong to the Stikine Terrane which is an allochthonous package accreted to the North American craton in latest Triassic to Middle Jurassic time (Monger, 1984). Sedimentary, volcanic and volcaniclastic rocks were deposited on the Stikine Terrane in Triassic to Jurassic time. Four igneous events have intruded these rocks: a Triassic granodiorite; a Jurassic diorite (part of the Coast Complex); a Cretaceous - Tertiary group of rhyolite dykes, quartz feldspar porphyries and monzonites; and Late Tertiary - Pleistocene intermediate to felsic extrusive and intrusive rocks.

2.2 Regional Mineralization

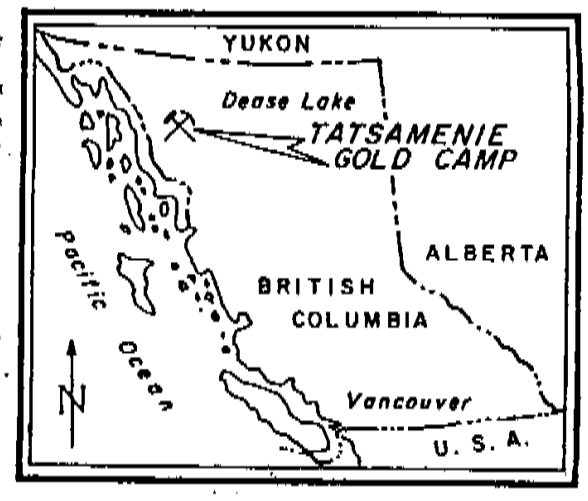
The Stikine Terrane hosts several precious and base metal ore deposits.

In the Iskut area, at the southern end of the terrane, two structurally controlled precious metal deposits have been outlined. Both the Reg property held by Skyline Explorations Ltd. and the Snip property held in joint venture by Cominco Ltd. and Delaware Resource Corp. will be put into production in the near future.

In the Stikine River area two porphyry copper-gold±molybdenum deposits on Galore Creek and Schaft Creek have been outlined.

In the Stikine Arch area the Red Dog property hosts structurally controlled gold mineralization with associated base metals.

At the northern end of the terrane, in the Taku River area, base and precious metal ore in volcanogenic massive sulphides were produced at the Tulsequah Chief mine and gold ore was produced at the Polaris Taku mine.



VARDIS PROPERTY

VARDIS
15
TULLY
ROSE
CHEVRON MINERALS LTD.
DESIREE
DAWN
DAWN
TEAU
TERROR
58°30'
CHIO
TATSA
STACK
FLAP
STACY
LAURIE
SAM
TEAU
CHEVRON MINERALS LTD.
EPI 1
MAX
Dyke Swarm
CHEVRON MINERALS LTD.
CAN
TUA
CHEVRON MINERALS LTD.
PLAT
CHE
DRY
RED
DARY
TAHL
MET
Golden Bear Deposit
Glacier
58°00'
132°30'
132°00'

LEGEND

LATE TERTIARY

PLEISTOCENE AND RECENT

17&18 LEVEL MOUNTAIN GROUP

CRETACEOUS and TERTIARY
SLOKO GROUP – Feldspathic volcanic flows, intrusives and pyroclastics

16 Quartz monzonite

15 Felsite

14 Rhyolite

UPPER JURASSIC

12 Diorite granodiorite

JURASSIC
LABERGE GROUP

11 TAKWAHONI FORMATION – Conglomerate, sandstone

10 INKLIN FORMATION – Clastic sediments, limestone

UPPER TRIASSIC

8 SINWA FORMATION – limestone, clastics, chert

7&8 STUHINI GROUP – Volcanic and sedimentary rocks

TRIASSIC

6 Granodiorite, quartz diorite, foliated diorite

PRE – UPPER – TRIASSIC

4 Sedimentary and volcanic rocks

PERMIAN

3 Limestone, dolomitic limestone, chert

1&2 1) Serpentinite, pyroxenite

A Diorite gneiss, age unknown

SCALE 1: 250,000
0 5 10 15 KM

TATSAMENIE LAKE PROPERTIES

ATLIN M.D. NTS.104K,104J

REGIONAL GEOLOGY

STETSON RESOURCE MGMT. CORP.

FIGURE

Drawn by: W.R./G.T.

Date:: JULY 18,1988

In the Tatsamenie Lake area, centrally located within the Stikine terrane, both porphyry style copper-molybdenum and structurally controlled precious metal mineralizaation has been found. The most significant precious metal deposit discovered in the area to date is the Bear deposit on the Golden Bear property held by Chevron and North American Metals.

The deposit is hosted by an extensive northerly trending structure called the West Wall fault. North trending vertical fault structures between Permian limestone and Pre-Upper Triassic tuff control gold mineralization and associated quartz-carbonate alteration. Both the limestone and the tuff act as hosts to the ore.

The gold is commonly associated with disseminations and fracture fillings of fine grained pyrite, predominantly along fault contacts. Accessory minerals include pyrrhotite, arsenopyrite, tetrahedrite and minor galena, sphalerite, chalcopyrite and tellurides. Most of the gold is submicron in size and not visible to the naked eye (Kenway, 1986). The mineralization is considered to fit Lindgren's (1933) mesothermal classification of ore deposits.

2.3 Property Geology

The Vardis property is underlain predominantly by Upper Triassic to Middle Jurassic clastic sediments, volcanics, limestones and cherts. At the centre of the property, the Upper Triassic Sinwa Formation sediments have been thrust over the Middle Jurassic Takwahoni Formation sediments by the King Salmon Thrust Fault. Towards the north the Sinwa Formation is overlain by the Lower Jurassic Inklin Formation. South of the King Salmon Thrust Upper Triassic Stuhini Group sediments unconformably underlie the Takwahoni Formation. At the southern edge of the property the Cretaceous and Tertiary Sloko Group of felsite and quartz feldspar porphyry intrudes the sediments (see Figure 2.3). A steeply dipping strike-slip fault strikes northwesterly forming the southerly contact between the Sloko Group and the Takwahoni Formation.

The Stuhini Group comprises predominantly basaltic flows, pillow lava, volcanic breccia and agglomerate, lapilli tuff, volcanic sandstone, greywacke and siltstone.

The Sinwa Formation forms a distinct grey, commonly fetid, white weathering limestone. This formation varies from only a few feet in thickness to more than 2000 feet and is extremely widespread.

The Inklin Formation comprises well bedded greywacke, graded siltstone and silty sandstone, pebbly mudstone, limy pebble conglomerate and limestone.

The Takwahoni Formation, the youngest in the area, comprises granite boulder conglomerate, chert pebble conglomerate, greywacke, quartzose sandstone, siltstone and shale.

The Cretaceous-Tertiary Sloko Group intrudes the sedimentary rocks as rhyolite dykes; as felsite: quartz feldspar and quartz biotite porphyry dykes and small stocks and tuffs; and as medium to coarse grained, pink biotite-hornblende quartz monzonite stocks just south of the Vardis property.

2.4 Property Mineralization

An alteration zone comprising silicification, carbonatization, fluoritization and barite hosts highly anomalous levels of arsenic, antimony and mercury in the hanging wall of the King Salmon Thrust Fault. Soil samples collected by Chevron contained gold values of up to 1060 ppb over this zone. This alteration and geochemical signature is typical of the upper level of epithermal systems. Gold and silver ore bodies usually form below this level although some precious metal mineralization may reach the upper level.

3.1 GEOCHEMISTRY

3.1 Rock Chip Sampling

3.1.1 Sampling, Sample Preparation and Analytical Procedures

Rock chip samples were collected from all outcrops with visible mineralization, boxwork, iron staining, fluoritization, carbonatization, silicification, barite and from all quartz ± carbonate stockwork veins and alteration halos.

Selected samples were taken where the width of the zone of interest could not be determined. Chip samples were taken at regular intervals (according to the size of the unit) across: the width of lenses and veins; wallrock to beds and veins; and gossanous, siliceous or pyritic zones. A total of 31 rock samples were collected and 30 samples were sent for analysis.

The samples were places in numbered plastic bags and sent to Bondar-Clegg in Whitehorse, Acme Analytical Laboratories Ltd. in Vancouver and Chemex Labs Ltd. in North Vancouver for analysis. In the laboratory, samples were put through primary and secondary crushers. A sub-sample of approximately 250 gm was then pulverized to minus 100, 140 or 150 mesh. The pulp was then analyzed for gold, silver and other elements according to visible or suspected mineralization (see Appendix I for specifics).

3.1.2 Presentation and Discussion of Results

As discussed in Section 2.4 an extensive zone of alteration hosting anomalous concentrations of trace elements has been delineated on the Vardis property. Assay results, locations and descriptions of samples are given in Table 3.1 and shown on Map 3.1.

TABLE 3.1
Rock Sample Descriptions

Sample	Location	Rock Type	Width	Attd	Sb ppm	Ba ppm	Hg ppb
DY700	W of ridge	Ca-Fl Vnlt	0.02m	050/80W			
DY701	"	Fl Vns	0.03m	040/90	52	50	>5000
DY702	"	Fl stkwk in shear	1.2m	025/85W	30	50	4200
DY703	"	"	0.07m	045/70W			
DY704	"	Cngl Brx-Si	0.1m		54	430	>5000
DY705	"	Frctrd Rk in Flt	0.2m	130/50E			
DY706	"	Cngl FeO2	Talus		305	750	>5000
DY707	Central	Barite xtls	0.1m				
DY708	"	Fl-Qz Vnlts in FeO_2 Cngl			36	3500	>5000
DY709	"	"	0.1m				
DY710	"	"	0.1m				
DY713	N of Cntr	Mdstn w/ Ca	0.1m	020/80W			
DY714	"	Shear	0.1m	080/80N			
DY715	"	Fl blebs in sediment	0.1m		745	1300	>5000
DY716	East end of Sil Rdg	Cngl- He Silic	0.1m		61	400	>5000
DY717	"	Strngly Sil Fn gr Su	0.3m	055/85E	305	330	>5000
DY718	"	Qz stkwk in	0.1m				
DY719	"	Vgy Brx-Ja	0.1m	Talus			
DY720	"	Qz hld Brx	0.1m	Talus			

Rock Sample Descriptions (continued)

Sample	Location	Rock Type	Width	Attd	Sb ppm	Ba ppm	Hg ppb
DY725	East end of Si Rdg	Si,d Lst Brx	2 m		81	240	>5000
DY726	"	Felsite	0.1m	Talus			
DY727	East end of Si Rdg	Fl&Ca stkwk w/ Ep	4 m	040/90 090/90	26	3410	4000
DY728	"	Brx w/ Ba Clsts	1.5m	090/90	<1	>20000	>5000
DY729	"	FeO_2 Frctrs	0.02m	090/80N	132	3036	>5000
DY730	"	Fl Vn w/ fn gr Su	0.05m	015/45W	1106	3084	>5000
DY731	"	Barite Brx	1.0 m	015/45W	283	>20000	>5000
JW700	1470mASL	Dolo Lst-He			7	2193	>5000
JW701	"	Lst Brx			44	832	>5000
JW702	1460mASL	Qz stkwk in Lst Brx			6	119	1900
RP701		Silicified Lst			<5		800
RP702		"			<5		600
RP703		"			8	As771	>5000

CONCLUSIONS

An extensive alteration zone has been identified along the King Salmon Thrust Fault on the Vardis property. The alteration comprises silicification, fluoritization, carbonatization and barite. Highly anomalous arsenic, antimony, mercury and barium levels occur in both rock and soil samples collected from this zone. Previous work by Chevron delineated gold values of up to 1060 ppb in 'B' horizon soils over this zone.

The alteration and geochemical signature described above is typical of the upper level of an epithermal precious metal system. Gold and silver ore bodies usually form below this level although some precious metal mineralization may reach the upper level.

The Vardis property is considered to have strong potential for developing precious metal ore bodies.

RECOMMENDATIONS

Based on the conclusions stated, the following two phased exploration program is recommended. The decision to proceed with Phase II is contingent upon favourable results from Phase I.

Phase I

1) Detailed mapping and rock chip sampling of mineralized zones discovered to date. The epithermal model should be investigated with respect to mineralization and alteration delineated to aid in determining the configuration of the deposits and the position of precious metals within them.

2) Prospecting should be carried out on portions of the property unexplored to date.

3) Soil sampling should be carried out at 10 metre intervals across the zone of alteration.

4) Trenching should be carried out to extend and delineate mineralized zones.

Phase II

Diamond drilling should be carried out on the best targets outlined by Phase I. Favorable structures should be tested for both strike and depth extents.

Respectfully Submitted,
STETSON RESOURCE MANAGEMENT CORP.

W. DYNES, Prospector

J.F. WETHERILL, B.A.Sc.

GEOLOGICAL ASSOCIATION OF CANADA
J.C. FREEZE
MEMBER

J.C. FREEZE, F.G.A.C., STILLWATER ENTERPRISES LTD.

COST STATEMENT

Project Preparation			
Map production and drafting			100.00
W.J. Dynes	1 day	at $225/day	225.00
R. Prois	1 day	at $175/day	175.00
			500.00
Mobilization and Demobilization			
Truck Rental			50.00
Freight			75.00
Fixed Wing			150.00
Airfares			150.00
			425.00
Field Personnel			
J. C. Freeze	2 days	at $300/day	600.00
J.F. Wetherill	1 day	at $225/day	225.00
W. J. Dynes	2 days	at $225/day	450.00
R. Prois	2 days	at $200/day	400.00
C. Gjendem	1 day	at $175/day	175.00
			1,850.00
Support (includes helicopter pilot)			
Camp accommodation	10 mandays	at $25/manday	250.00
Camp meals	10 mandays	at $45/manday	450.00
Grocery flights	10 mandays	at $5/manday	50.00
Motel accommodation	1 day	at $50/day	50.00
Restaurant meals	1 day	at $40/day	40.00
Chainsaw	2 days	at $25/day	50.00
Generator	2 days	at $35/day	70.00
Expediting	10 mandays	at $10/manday	100.00
Radio Telephone	2 days	at $12.50/day	25.00
Walkie-Talkie (4)	10 mandays	at $10.00/manday	100.00
Long distance charges*			50.00
			1,235.00
Helicopter and fuel	4 hours	at $638/hour	**2,552.00**
Supplies*			**500.00**
Assays	32 rock samples	at $25/sample	**800.00**
Data Compilation and Report Writing			**750.00**
Drafting, reproduction, typing			**250.00**
Subtotal			8,862.00
Administration and overhead at 15%			1,329.30
TOTAL COSTS			**10,191.30**

***Calculated on a per diem as part of a larger project.**

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WALLIS, J.E., August 1983	Geology, Geochemistry, Geophysics of the Thorn Property, Trapper Lake, B.C.,Assess. Rpt. No. 11,923.
WHITE, L.G., Sept, 1970	Report on the Geology of the B,S and J Claim Groups, Atlin Mining Division, Assess.Rpt. No.2648.

STATEMENT OF QUALIFICATIONS

NAME:	Freeze, J.C., (nee Ridley), F.G.A.C.
PROFESSION:	Consulting Geologist
EDUCATION:	1981 B. Sc. Geology - University of British Columbia 1978 B.A. Geography - University of Western Ontario
PROFESSIONAL ASSOCIATIONS:	Fellow of the Geological Association of Canada
EXPERIENCE:	1987 - Present: Consulting Geologist with Stillwater Enterprises Ltd. Directing exploration programs and reviewing properties in Canada and U.S.A. 1985 - 1986: Project Coordinator - Geologist with White Geophysical Inc. Coordinating mineral exploration projects involving geology, geochemistry, geophysics and diamond drilling in B.C. and Yukon. 1981 - 1985: Project Geologist with Mark Management Ltd. Hughes-Lang Group. Responsible for precious metals exploration programs involving geology, geochmistry, geophysics and diamond drilling in Western Canada. 1979 - 1981: Summer and part-time Geologist involved with coal exploration in N.E. B.C. with Utah Mines Ltd.

STATEMENT OF QUALIFICATIONS

NAME: Dynes, W. J.

PROFESSION: Prospector

TRAINING:

1985 Exploration Geochemistry
U.B.C.

1983 B.C.D.M. Mineral
Exploration Course

1982 B.C. Yukon Chamber of Mines
Prospectors Mining School

PROFESSIONAL ASSOCIATIONS: Member of the Geological Association of Canada - Cordilleran Division

EXPERIENCE:

1987 - Present: Prospector with Stetson Resource Management Corp. Field Supervisor for exploration programs involving geology, geochemistry, and geophysics in B.C. and Yukon.

1984 - 1987: Prospector and Manager of Geo P.C. Services Inc. Prospector involved with geological geochemical and geophysical aspects of exploration programs in B.C.

1975 - 1978: Analytical Chemist with Noranda Mines Ltd., Boss Mountain Division

STATEMENT OF QUALIFICATIONS

NAME: Wetherill, J. F.

PROFESSION: Geologist - Engineer in Training

EDUCATION: 1987 B.A.Sc. Geology - University of British Columbia

EXPERIENCE: 1987 - Present: Geologist with Stetson Resource Management Corp. Field Supervisor for exploration programs involving geology, geochemistry, and geophysics in B.C. and Yukon.

1986, June - August: Field Assistant - Geologist involved with geological, geochemical and geophysical aspects of exploration programs in B.C.

APPENDIX I

Rock Geochemistry Results

Bondar-Clegg & Company Ltd.
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Telex: 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: 127-7062 (COMPLETE)

REFERENCE INFO:

CLIENT: STEISON RESOURCE MANAGEMENT

SUBMITTED BY: J.C. FREEZE

PROJECT: VARDIS 700

DATE PRINTED: 14-OCT-87

ORDER		ELEMENT	NUMBER OF ANALYSES	LOWER DETECTION LIMIT	EXTRACTION	METHOD
1	Cu	Copper	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
2	Pb	Lead	1	5 PPM	HNO3-HCL HOT EXTR	PLASMA
3	Zn	Zinc	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
4	Mo	Molybdenum	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
5	Co	Cobalt	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
6	Ni	Nickel	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
7	Cr	Chromium	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
8	Mn	Manganese	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
9	Cd	Cadmium	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
10	Ag	Silver	1	0.5 PPM	HNO3-HCL HOT EXTR	PLASMA
11	Bi	Bismuth	1	2 PPM	HNO3-HCL HOT EXTR	PLASMA
12	Fe	Iron	1	0.05 PCT	HNO3-HCL HOT EXTR	PLASMA
13	V	Vanadium	1	1 PPM	HNO3-HCL HOT EXTR	PLASMA
14	As	Arsenic	1	5 PPM	HNO3-HCL HOT EXTR	PLASMA
15	Te	Tellurium	1	10 PPM	HNO3-HCL HOT EXTR	PLASMA
16	U	Uranium	1	10 PPM	HNO3-HCL HOT EXTR	PLASMA
17	W	Tungsten	1	10 PPM	HNO3-HCL HOT EXTR	PLASMA
18	Sb	Antimony	1	5 PPM	HNO3-HCL HOT EXTR	PLASMA
19	Se	Selenium	1	5 PPM	HNO3-HCL HOT EXTR	PLASMA
20	Sn	Tin	1	10 PPM	HNO3-HCL HOT EXTR	PLASMA
21	Ag	Silver	12	0.1 PPM	HNO3-HCL HOT EXTR	Atomic Absorption
22	F	Fluorine	8	20 PPM	POT HYDROXIDE FUSION	Specific Ion
23	Hg	Mercury	8	5 PPB	HNO3-HCL HOT EXTR	Cold Vapour AA
24	Au 30g	Gold 30 grams	20	5 PPB	FIRE-ASSAY	Fire Assay AA
25	Sb	Antimony	8	2 PPM		X-RAY Fluorescence
26	Ba	Barium	8	20 PPM		X-RAY Fluorescence

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Geochemical Lab Report

REPORT: 127-7062 (COMPLETE)

REFERENCE INFO:

CLIENT: SIETSON RESOURCE MANAGEMENT
PROJECT: VARDIS 700

SUBMITTED BY: J.C. FREEZE
DATE PRINTED: 14-OCT-87

SAMPLE TYPES	NUMBER	SIZE FRACTIONS	NUMBER	SAMPLE PREPARATIONS	NUMBER
S SOILS	2	1 -80	2	DRY, SIEVE -80	2
R ROCK OR BED ROCK	18	2 -150	18	CRUSH,PULVERIZE -150	18

REPORT COPIES TO: SIETSON RESOURCE MANG.
FAX 604-685-6440
MR. KEVIN McCRORY

INVOICE TO: SIETSON RESOURCE MANG.

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Geochemical Lab Report

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SAMPLE NUMBER	ELEMENT UNITS	Ba PCT	V PPM	As PPM	Te PPM	I PPM	W PPM	Sb PPM	Se PPM	Sn PPM	Ag PPM	F PPM
S1 711											<0.1	
S1 712											0.2	
R2 BY700											0.2	
R2 BY701												>20000
R2 BY702												>20000
R2 BY703											0.2	
R2 BY704												6500
R2 BY705											<0.1	
R2 BY706												>20000
R2 BY708												>20000
R2 BY709											0.2	
R2 BY710											0.2	
R2 BY713											0.2	
R2 BY714											0.2	
R2 BY715												>20000
R2 BY716												5800
R2 BY717		2.32	54	1189	<10	<10	<10	262	<5	<10		>20000
R2 BY718											0.1	
R2 BY719											0.1	
R2 BY720											0.2	

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Geochemical Lab Report

REPORT: 127-7052

PROJECT: VARDIS 700 PAGE [illegible]

SAMPLE NUMBER	ELEMENT UNITS	Hg PPB	Au 10g PPB	Sb PPM	Ba PPM
S1 711			<5		
S1 712			<5		
R2 DY700			<5		
R2 DY701		>5000	<5	52	50
R2 DY702		4200	<5	30	50
R2 DY703			<5		
R2 DY704		>5000	<5	54	430
R2 DY705			<5		
R2 DY706		>5000	<5	305	750
R2 DY708		>5000	<5	36	3500
R2 DY709			10		
R2 DY710			<5		
R2 DY713			15		
R2 DY714			10		
R2 DY715		>5000	<5	745	1300
R2 DY716		>5000	<5	61	400
R2 DY717		>5000	<5	305	330
R2 DY718			<5		
R2 DY719			<5		
R2 DY720			<5		

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Geochemical Lab Report

RECEIVED
NOV 09 1987
Assays

REPORT: 127-7909 (COMPLETE)

REFERENCE INFO:

CLIENT: STETSON RESOURCE MANAGEMENT
PROJECT: VARDIS & SAL

SUBMITTED BY: UNKNOWN
DATE PRINTED: 9-NOV-87

ORDER		ELEMENT	NUMBER OF ANALYSES	LOWER DETECTION LIMIT	EXTRACTION	METHOD
1	Ag	Silver	1	0.1 PPM	HNO3-HCL HOT EXTR	Atomic Absorption
2	Au	Gold - Fire Assay	10	5 PPB	FIRE-ASSAY	Fire Assay AA
3	Cu	Copper	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
4	Pb	Lead	9	5 PPM	HNO3-HCL HOT EXTR	PLASMA
5	Zn	Zinc	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
6	Mo	Molybdenum	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
7	Co	Cobalt	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
8	Ni	Nickel	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
9	Mn	Manganese	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
10	Ag	Silver	9	0.5 PPM	HNO3-HCL HOT EXTR	PLASMA
11	Bi	Bismuth	9	2 PPM	HNO3-HCL HOT EXTR	PLASMA
12	Tl	Thallium	9	1 PPM	HNO3-HCL HOT EXTR	PLASMA
13	As	Arsenic	9	5 PPM	HNO3-HCL HOT EXTR	PLASMA
14	W	Tungsten	9	10 PPM	HNO3-HCL HOT EXTR	PLASMA
15	Hg	Mercury	9	5 PPB	HNO3-HCL HOT EXTR	Cold Vapour AA
16	Ba	Barium	9	15 PPM		X-RAY Fluorescence
17	Se	Selenium	9	1 PPM		X-RAY Fluorescence
18	Sb	Antimony	9	1 PPM		X-RAY Fluorescence
19	Cr	Chromium	9	2 PPM		X-RAY Fluorescence

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Geochemical Lab Report

REPORT: 127-7909 (COMPLETE)

REFERENCE INFO:

CLIENT: STETSON RESOURCE MANAGEMENT
PROJECT: HARDIS & SAL

SUBMITTED BY: UNKNOWN
DATE PRINTED: 9-NOV-87

SAMPLE TYPES	NUMBER	SIZE FRACTIONS	NUMBER	SAMPLE PREPARATIONS	NUMBER
R ROCK OR BED ROCK	10	2 -150	10	ASSAY PREP	1
				CRUSH,PULVERIZE -150	9

REMARKS: ERRATIC GOLD RESULT WAS NOTED FOR SAMPLE
HR-SAL91: REPEAT WAS 260ppb Au.
ASSAY OF HIGH Ag TO FOLLOW ON 627-7909.

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Geochemical Lab Report

REPORT: 127-7909

PROJECT: VARDIS & SAL PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	Au PPB	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Co PPM	Ni PPM	Mn PPM	Ag PPM	Bi PPM
R2 DY 725			<5	6	7	6	1	<1	<1	144	<0.5	<2
R2 DY 727			<5	6	6	19	1	<1	1	113	<0.5	<2
R2 DY 728			<5	6	<5	13	1	<1	2	57	<0.5	<2
R2 DY 729			<5	39	26	69	12	13	57	85	<0.5	2
R2 DY 730			<5	11	<5	42	6	<1	8	115	<0.5	2
R2 DY 731			<5	8	6	28	6	<1	1	40	<0.5	5
R2 JW 700			<5	6	<5	9	1	<1	3	103	<0.5	<2
R2 JW 701			<5	11	5	11	8	<1	4	92	<0.5	<2
R2 JW 702			20	6	<5	3	<1	<1	3	103	<0.5	<2
R2 WR-SAL 81		>50.0	880									

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Geochemical Lab Report

REPORT: 127-7909

PROJECT: VARDIS & SAL

SAMPLE NUMBER	ELEMENT UNITS	Tl PPM	As PPM	W PPM	Hg PPB	Ba PPM	Se PPM	Sb PPM	Cr PPM
R2 DY 725		<1	117	<10	>5000	240	2	81	<2
R2 DY 727		<1	188	<10	4000	3410	2	26	<2
R2 DY 728		<1	148	<10	>5000	>20000	<1	<1	<2
R2 DY 729		4	996	<10	>5000	3036	4	132	455
R2 DY 730		9	>2000	<10	>5000	3084	40	1106	43
R2 DY 731		14	>2000	<10	>5000	>20000	9	283	<2
R2 JW 700		<1	114	<10	>5000	2193	3	7	<2
R2 JW 701		<1	240	<10	>5000	832	5	44	<2
R2 JW 702		<1	55	<10	1900	119	2	6	<2
R2 MR-SAL 81									

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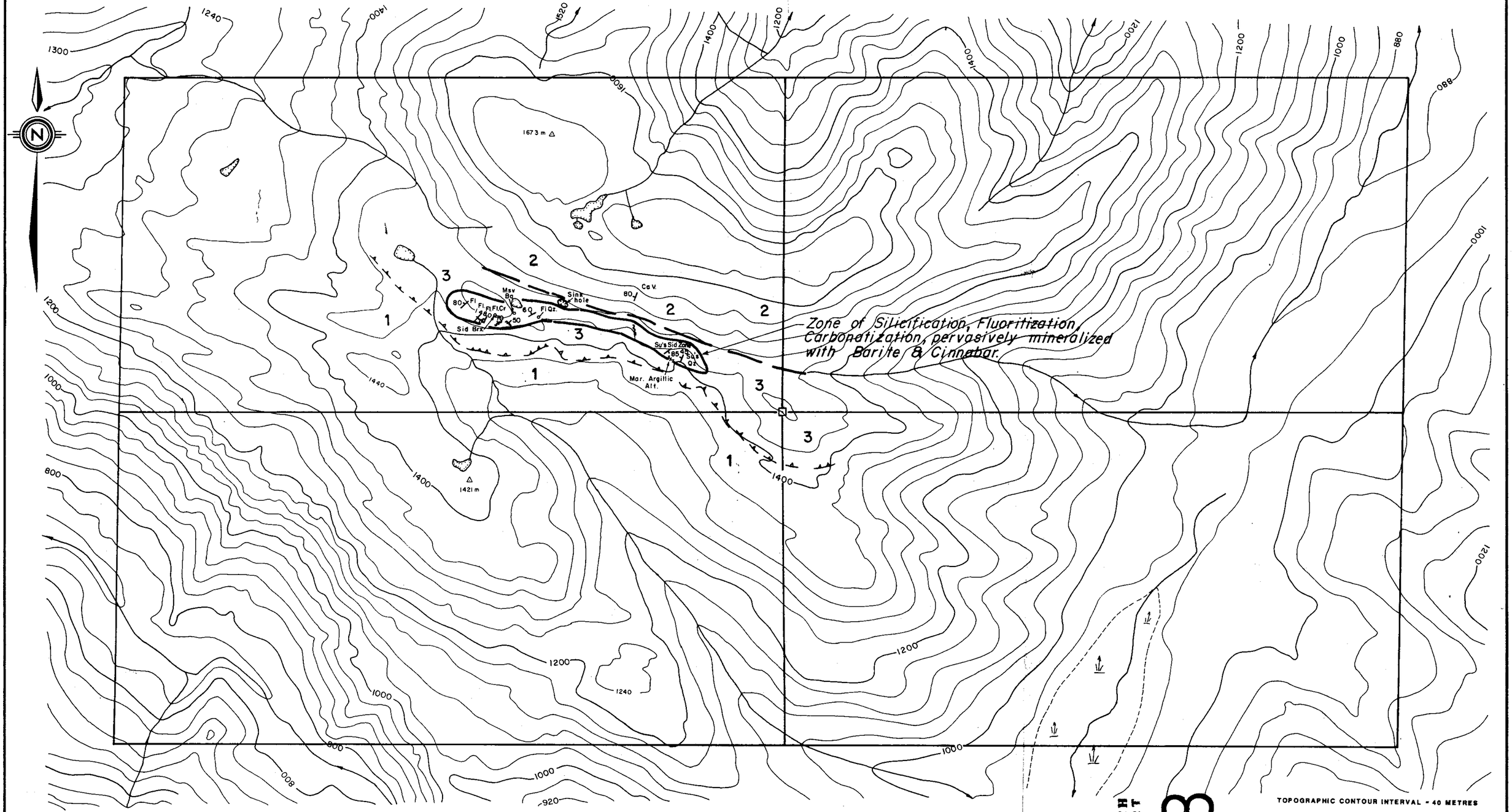
Geochemical Lab Report

REPORT: 127-7062

SAMPLE NUMBER	ELEMENT UNITS	Cu ppm	Pb ppm	Zn ppm	Mo ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe ppm	As ppm	U ppm
S1 711												
S1 712												
R2 DY700												
R2 DY701												
R2 DY702												
R2 DY703												
R2 DY704												
R2 DY705												
R2 DY706												
R2 DY708												
R2 DY709												
R2 DY710												
R2 DY713												
R2 DY714												
R2 DY715												
R2 DY716												
R2 DY717		13	16	7	3	7	20	185	47	41	<0.5	<2
R2 DY718												
R2 DY719												
R2 DY720												



JURASSIC

1 Takwahoni Formation
- Siliceous sandstone, greywacke minor shale
- Mudstone conglomerate

2 Inklin Formation
- Siltstone sandstone
- Limestone conglomerate

TRIASSIC

3 Sinwa Formation
- Massive limestone breccia

SYMBOLS

Thrust Fault (dip low angle)

Projected Geological Contact.

ABBREVIATIONS

Sid	Silicified	Fl	Fluorite
V.	Vein	Ca	Calcite
Brx.	Breccia	Qz	Quartz
		Ba	Barite

GEOLOGICAL BRANCH ASSESSMENT REPORT

17,908

TOPOGRAPHIC CONTOUR INTERVAL = 40 METRES

VARDIS PROPERTY

ATLIN MINING DIVISION NTS: 104K/9 & 10

GEOLOGY

0 200 400 600 800 1000

SCALE 1:10,000

DATE:

BY: Dynes

FIGURE No. 2.3

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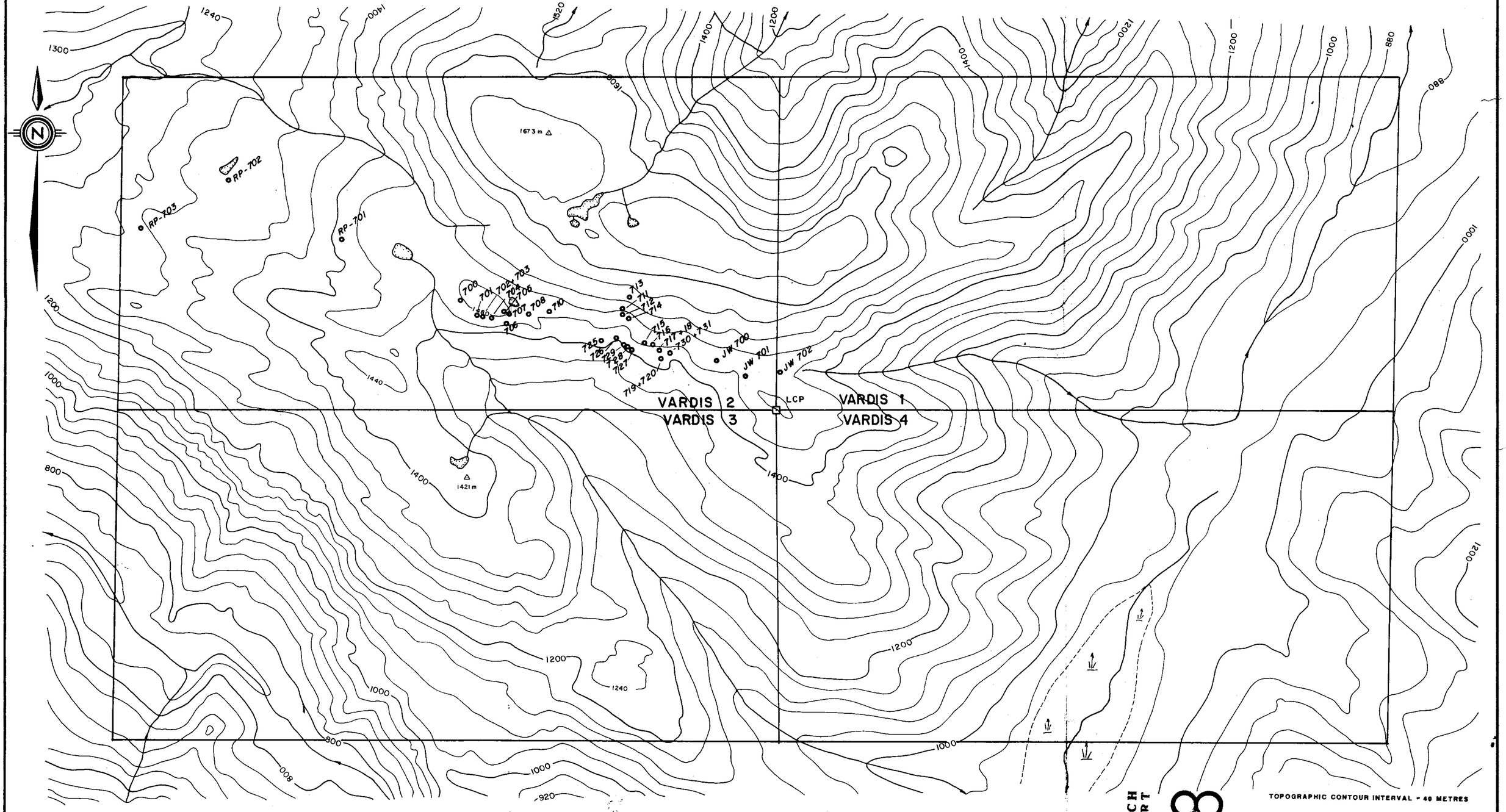

TOPOGRAPHIC CONTOUR INTERVAL = 40 METRES

Note: if no prefix to sample no. assume DG.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

17,908

VARDIS PROPERTY

ATLIN MINING DIVISION NTS: 104K/9 & 10

ROCK SAMPLE LOCATIONS

0 200 400 600 800 1000
SCALE 1:10,000

DATE:
BY:

FIGURE No. 3.1

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