

LOG NO: 0313

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REPORT ON THE

REST 6, NEW 2, 3

1988 PROSPECTING PROGRAM

ISKUT RIVER AREA
Liard Mining Division
British Columbia

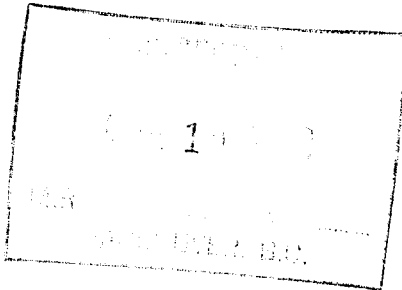
at

FILMED

56° 59' North Latitude

130° 48' West Longitude

GEOLOGICAL BRANCH
ASSESSMENT REPORT



18,554

KESTREL RESOURCES LTD.

By

RAYMOND D. COURNOYER, PROSPECTOR

February 22, 1989

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SUMMARY

A preliminary program of prospecting and sampling was completed on the Rest 6, New 2, 3 mineral claims during the summer of 1988 to evaluate the property for Kestrel Resources Ltd.

A base camp was established at the headwaters of Forrest Kerr Creek from which a helicopter was utilized to access the claims. A total of 2 rock chip samples and 2 silt samples were collected.

The claims showed an area of coastal plutons cut by an ultramafic dyke.

Results of the 1988 program are discussed in the text of this report and data is plotted on the accompanying maps.

INTRODUCTION

The Rest 6, New 2 and New 3 mineral claims cover a total of 56 units and were staked March 10, 1987 and June 28, 1988 respectively. The claims are situated 15 km north-northeast of Newmont Lake in the Iskut River area (NTS 104B 15W).

The claims cover favourable geology north of Gulf International Minerals' McLymont Creek claims where high grade veins of quartz-pyrite-chalcopyrite are presently being explored.

A program of preliminary prospecting and sampling was conducted by Rangex Services during the summer of 1988 to evaluate the potential of the property.

LOCATION, ACCESS AND GEOGRAPHY

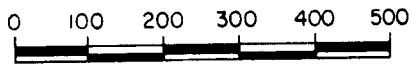
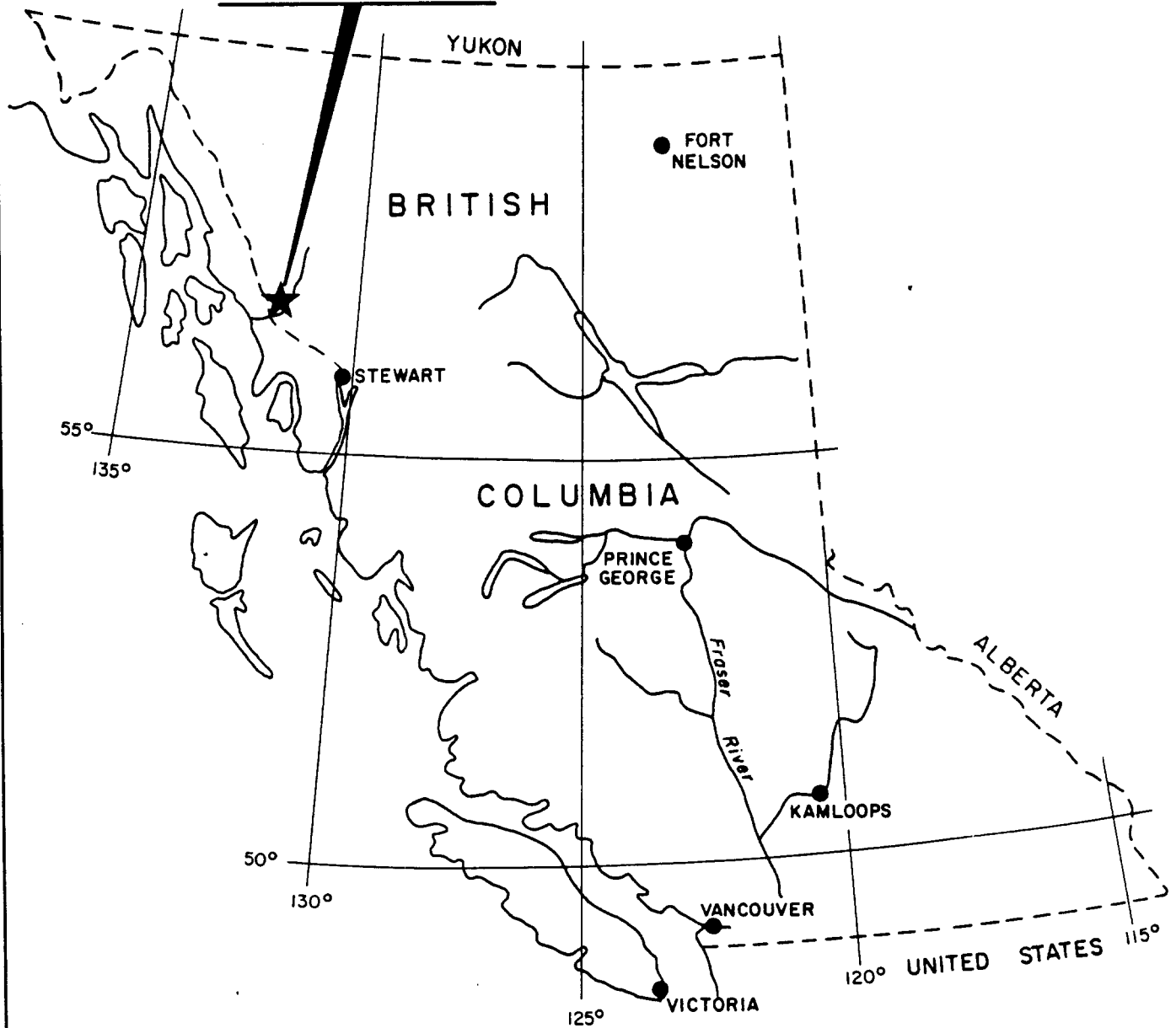
The claim group is situated approximately 135 km north of Stewart, B.C. centered at 56° 58' north latitude and 130° 52' west longitude in the Liard Mining Division of British Columbia.

Access to the claims is via helicopter from a base camp at the headwaters of Forrest Kerr Creek, 56° 56' north longitude, 130° 48' west longitude. Regular fixed wing flights from Smithers, B.C. service the Forrest Kerr camp.

Topographically, the Iskut area is extremely rugged, ranging in elevations from 100 metres to in excess of 2,000 metres. Spruce and alder represent the general vegetation while, above treeline (900-1,000 m) alpine vegetation such as white and purple heather are present.

The Rest 6, New 2 and New 3 mineral claims lie between the elevations of 600 and 1,400 metres at the headwaters of Forrest Kerr Creek. The claims cover heavily wooded slopes with steep drainages and slide alder growth.

**ISKUT RIVER
MINERAL CLAIMS**



KESTREL RESOURCES LTD.		FIG. 1
ISKUT RIVER MINERAL CLAIMS		
INDEX MAP		
LIARD MINING DIVISION, B.C.		
RANGEX SERVICES		
Drawn By: Meridian Map		
Scale 1:10,000,000	Date: March 1989	

The area receives heavy precipitation, snow in excess of 4 metres being common during the winter. The field season extends from June to mid-October.

CLAIM INFORMATION

The Rest 6, New 2 and New 3 mineral claims consisting of 56 units are owned by Kestrel Resources Ltd.

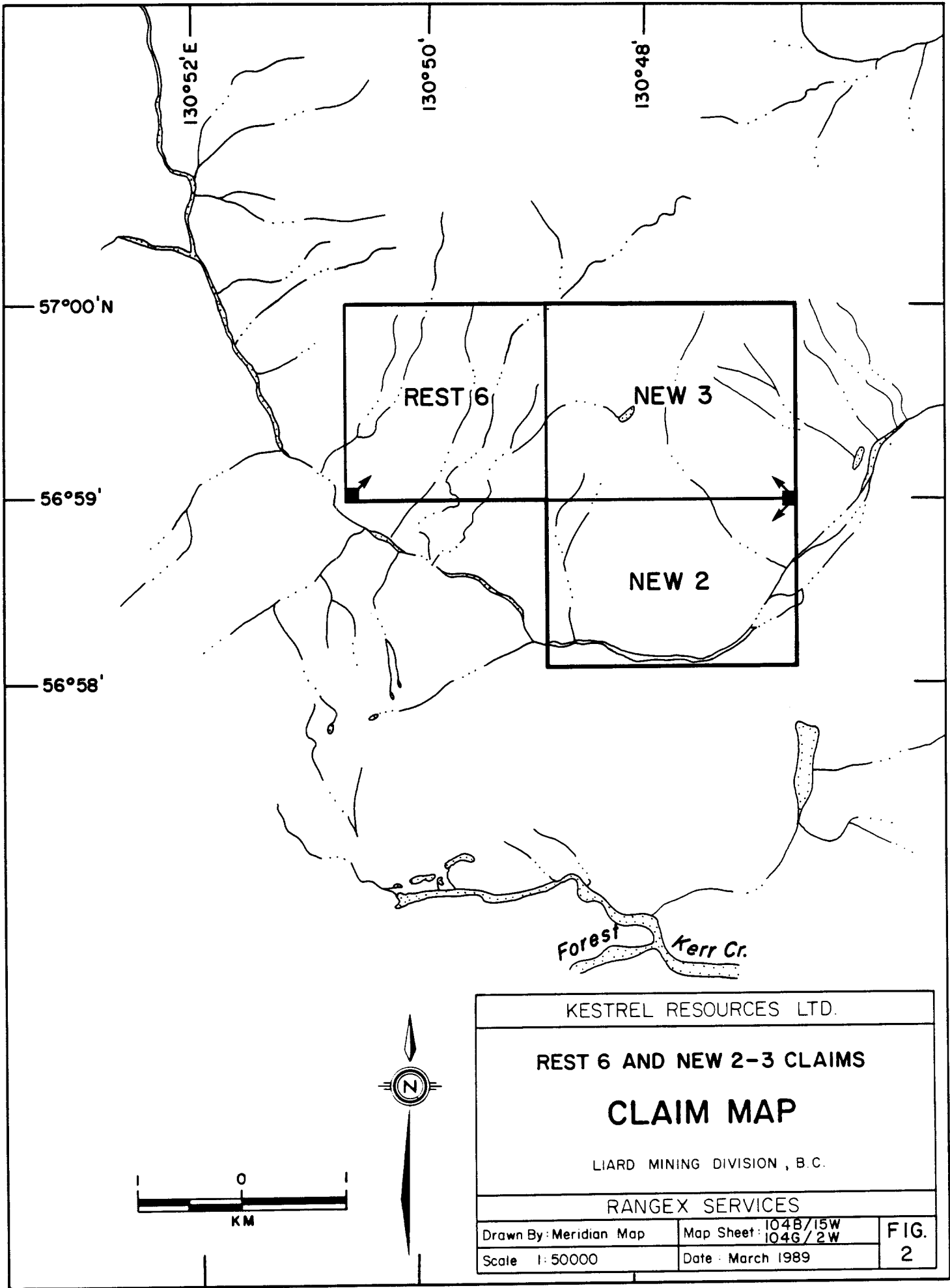
Claim information is as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record #</u>	<u>Record Date</u>
Rest 6	16	3986	March 10, 1987
New 2	20	4742	June 28, 1988
New 3	20	4743	June 28, 1988

AREA HISTORY

There is no recorded work from the Iskut River region prior to 1907 when a staking party from Wrangell, Alaska, recorded nine mineral claims north of Johnny Mountain. Iskut Mining Company worked these crown granted claims undertaking trenching and drifting on veins yielding Galena, gold and silver. The 1917 Minister of Mines annual report states the Iskut Mining Company shipped a ton of ore which yielded, in 1917 currency, \$1.20 in gold, 44.2 ounces of silver and 12.45 percent copper.

Hudson Bay Mining & Smelting Ltd. located high grade gold, silver and lead in float



130°52'E

130°50'

130°48'

57°00'N

56°59'

56°58'

REST 6

NEW 3

NEW 2

Forest Kerr Cr.

KESTREL RESOURCES LTD.

REST 6 AND NEW 2-3 CLAIMS

CLAIM MAP

LIARD MINING DIVISION, B.C.

RANGEX SERVICES

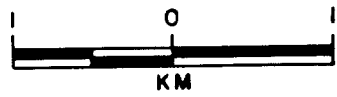
Drawn By: Meridian Map

Map Sheet: 104B/15W
104G/2W

FIG.
2

Scale 1:50000

Date: March 1989



Skyline staked and the Inel property in 1969 following the discovery of massive sulphide in float on the Bronson Glacier and later in 1980 restaked the Reg property. During the period of 1981 to present Skyline has developed both these properties discovering high grade veins and polymetallic massive sulphide mineralization on the Inel and Reg properties.

As of January, 1988, GROVE, E.W., reported reserves from the Stonehouse Gold Deposit of 851,170 tons grading 25.0 Au g/tonne 29.1 Ag g/tonne and 0.76% Cu.

Delaware Resources Ltd. completed 10,000 metres of diamond drilling on their Cominco Snip claims located directly north of the Stonehouse Gold Deposit. This exploration resulted in estimated reserves of 997,810 tonnes grading 24.0 Au g/tonne. During the 1988 season an underground program was initiated on this deposit.

Newmont Mining Corporation of Canada Ltd. staked 324 claims (Dirk Claim Group) west of Newmont Lake in 1962. An exploration program of geological mapping, airborne and ground magnetics survey, sampling and diamond drilling was conducted to explore the skarn type mineralization discovered on the Dirk and Ken showings. Intersections of 0.23% Cu and 3.4 Ag g/tonne over 15.85 metres were reported from the Ken showing while Hole 4 on the Dirk showing returned assays of 0.30% Cu over 1.83 metres.

Gulf International Minerals staked the McLymont claims south of Newmont Lake in 1986. These claims had been staked by Dupont Canada Explorations Ltd. in 1980 as the Warrior claims and optioned to Skyline Explorations Ltd. and Placer Development Ltd. Exploration has extended the existence of quartz - pyrite - chalcopyrite veins which retain values of up to 102.8 Au g/tonne. Gulf International Minerals has conducted extensive diamond drilling on the McLymont claims reporting in their 1987 Annual Report, drilling results of up to 55.0 Au g/tonne, 1,362.1 Ag g/tonne and 0.97% Cu over 11.12 metres.

A number of exploration companies examined claims in the Arctic Lake area approximately 75 kilometres north of the Skyline Cominco deposits.

ARIS SUMMARY SHEET

District Geologist, Smithers

Off Confidential: 90.03.10

ASSESSMENT REPORT 18554

MINING DIVISION: Liard

PROPERTY: Rest 6
LOCATION: LAT 56 59 30 LONG 130 48 00
UTM 09 6317686 390632
NTS 104B15W
CLAIM(S): Rest 6, New 2-3
OPERATOR(S): Kestrel Res.
AUTHOR(S): Cournoyer, R.D.
REPORT YEAR: 1989, 23 Pages
COMMODITIES
SEARCHED FOR: Gold
KEYWORDS: Granite, Quartz diorite, Andesite dyke, Pyrite
WORK
DONE: Prospecting, Geochemical
PROS 150.0 ha
Map(s) - 1; Scale(s) - 1:10 000
ROCK 2 sample(s) ;AU,AG
SILT 2 sample(s) ;AU,AG

Kennco Exploration conducted a program of geological mapping on the Bam Claim group in 1965. Mitsui Mining and Smelting Co. Ltd. undertook geological mapping and silt sampling in the Arctic and Big A Groups during 1968.

REGIONAL GEOLOGY

The Iskut area lies within a complex geological setting of the Circum-Pacific orogenic belt of North America. Specifically it forms a part of the geological setting defined by Grove as the Stewart Complex. Grove E.W. (1986) states the following:

"The Stewart Complex lies along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north."

Government workers have attempted, since 1948, to clarify relationships and assign ages to the various lithological units of the area, and to trace structural events affecting these units. This work has not been entirely successful, however, due to the extremely inaccessible terrain and difficult physical conditions confronting workers.

Mineral exploration studies carried out by private companies have added significantly to the geological knowledge of the area, but are not generally available publicly. Work completed by Kerr, 1948, G.S.C. Memoir 246; G.S.C maps 9-1957 and 1418-1979 - "Iskut River", form the basis of government mapping. Private companies active in the area since the early 60's include Newmont, Kennco, Cominco, Skyline and others too numerous to list.

The oldest known rocks of the area are limestone, dolomite and low grade metamorphosed sediments (quartzite, slates, phyllite) of lower Cambrian age that have been correlated with the Cache Creek Group prevalent in the southern half of the province. The limestone unit contains fossil crinoids and is unconformably overlain by upper Triassic Hazelton Volcanics and sediments. Bivalve fossils found west of Newmont Lake date these rocks as late Triassic and correlation of these rocks with both Stuhini volcanics and Unuk River formation has been attempted by various workers.

Overlying the Triassic Hazelton volcanic-sedimentary assemblage is a similar group of volcanic-sedimentary rocks of middle Jurassic age named the Betty Creek Formation.

Cretaceous to Tertiary Coast Plutonic intrusions of granite, granodiorite, and diorite occupy large plutons of the map area. In addition smaller bodies of monzonite or syenite as well as subvolcanic acidic porphyries are sparsely distributed.

Tufa, hot spring deposits and pyroclastic material of Pleistocene and Recent age occur at several localities within the area, notably at Hoodoo Mountain.

Schistose rocks, although present in the area are not of great lateral extent and owe their origin to deformation metamorphism, rather than high temperature regional metamorphism.

Structurally, the map area is bisected by a prominent thrust fault along the Iskut River from Forrest Kerr Creek to the Stikine River Junction. The thrust separates unconformably, Mississippian-Pennsylvanian rocks from middle Jurassic strata and is thought to override rock formations to the south. Regionally, a dominant northeast trending and a subdominant northwest trending fault system complicate the local geology, especially where folding of the strata, which is common, has occurred.

PROPERTY EXPLORATION

A limited program was conducted on the Rest 6, New 2 and New 3 property during the summer of 1988. This included helicopter reconnaissance, prospecting and sampling.

A total of 2 rock chip samples and 2 silt samples were collected from the property. The samples were shipped to Van Geochem Labs Ltd. for analysis for gold (ppb) and silver (ppm) using fire assay and geochemical analysis.

LEGEND

SEDIMENTARY AND VOLCANIC ROCKS

CENOZOIC	QUATERNARY		
	RECENT		
	20	Unconsolidated glacial and fluvial clay, silt, sand, gravel; till; peat, muskeg	
	19	Tufa, hot spring deposits	
	18	Olivine basalt, ash, cinders	
	TERTIARY		
	PLEISTOCENE AND (?) EARLIER		
	17	Basalt, rhyolite, ash, tuff, agglomerate; locally may include 16; 17a, rhyolite, pisolitic siliceous tuff, chalcidonic rhyolite breccia	
	EOCENE		
	16	Basalt, rhyolite and associated volcanic rocks; minor conglomerate, sandstone, shale	
MESOZOIC	CRETACEOUS AND TERTIARY		
	UPPER CRETACEOUS AND PALEOCENE		
	15	Conglomerate, sandstone, shale, minor coal	
	CRETACEOUS		
	POST LOWER CRETACEOUS		
	14	Volcanic rocks, breccia	}
	JURASSIC AND CRETACEOUS		
	UPPER JURASSIC AND LOWER CRETACEOUS		
	12	Argillite, greywacke, conglomerate, coal; 12a, andesite, chert; tuff, conglomerate, shale, greywacke	}
	JURASSIC		
LOWER AND MIDDLE JURASSIC			
11	Conglomerate, greywacke, grit, siltstone, shale; 11a, may include younger rocks	}	
TRIASSIC			
8	Tuff, siltstone, limestone, conglomerate, breccia	}	
PERMIAN AND/OR TRIASSIC			
7	7, Volcanic and sedimentary rocks undivided; 7a, mainly andesitic and basaltic volcanic rocks; flows, breccia, tuff breccia, tuff; 7b, mainly greywacke, siltstone, conglomerate; 7c, mainly limestone		
			CRETACEOUS AND /OR EARLIER PRE UPPER CRETACEOUS
		13	Mainly volcanic rocks; minor conglomerate, greywacke; chert, argillite
			JURASSIC AND /OR EARLIER PRE UPPER JURASSIC
		9 10	9. Mainly volcanic rocks; minor conglomerate; greywacke, argillite 10. Mainly sedimentary rocks

PALAEZOIC

PERMIAN AND (?) EARLIER

- 6** Limestone, greenstone, chert, argillite, phyllitic quartzite, greywacke; meta-andesite and meta-diorite locally abundant near ultramafic bodies. May include younger greenstone; 6a, Carboniferous or Permian, mainly andesitic flows, breccia, tuff; minor sedimentary rocks

DEVONIAN AND MISSISSIPPIAN

UPPER DEVONIAN AND MISSISSIPPIAN

- 5** Chert, argillaceous quartzite, argillite, greywacke, greenstone, conglomerate, limestone

DEVONIAN

MIDDLE DEVONIAN

- 4** Limestone, dolomite, quartzite

ORDOVICIAN AND SILURIAN

UPPER ORDOVICIAN AND LOWER SILURIAN

- 3** Limestone, cherty limestone, quartzite, red and green chert, shale

CAMBRIAN AND ORDOVICIAN

MIDDLE AND (?) UPPER CAMBRIAN, LOWER AND MIDDLE ORDOVICIAN

- 2** Shale, phyllite, slate, calcareous slate, limestone

CAMBRIAN

LOWER CAMBRIAN

- 1** Limestone, dolomite, quartzite, slate, phyllite

INTRUSIVE ROCKS

- A** Felsite, felsite porphyry
- B** Mainly quartz monzonite, granodiorite, granite
- C** Mainly diorite; minor gabbro
- D** Granite porphyry, granophyre, syenite and related rocks
- E** Serpentinite, peridotite; locally includes meta-andesite and meta-diorite

METAMORPHIC ROCKS

TRIASSIC OR EARLIER

F Phyllite, sericite schist, hornfels, granulite, fine-grained biotite-hornblende gneiss; Fa, may include or be equivalent to 9

PERMIAN AND/OR EARLIER

PRE MIDDLE PERMIAN

G Ga, Gneiss; Gb, phyllite, quartzite, minor crystalline limestone, highly altered and sheared greywacke and volcanic rock

MAINLY CARBONIFEROUS AND PERMIAN

H Biotite-quartz-feldspar gneiss, biotite-muscovite schist, crystalline limestone, greenstone, quartzite, phyllite

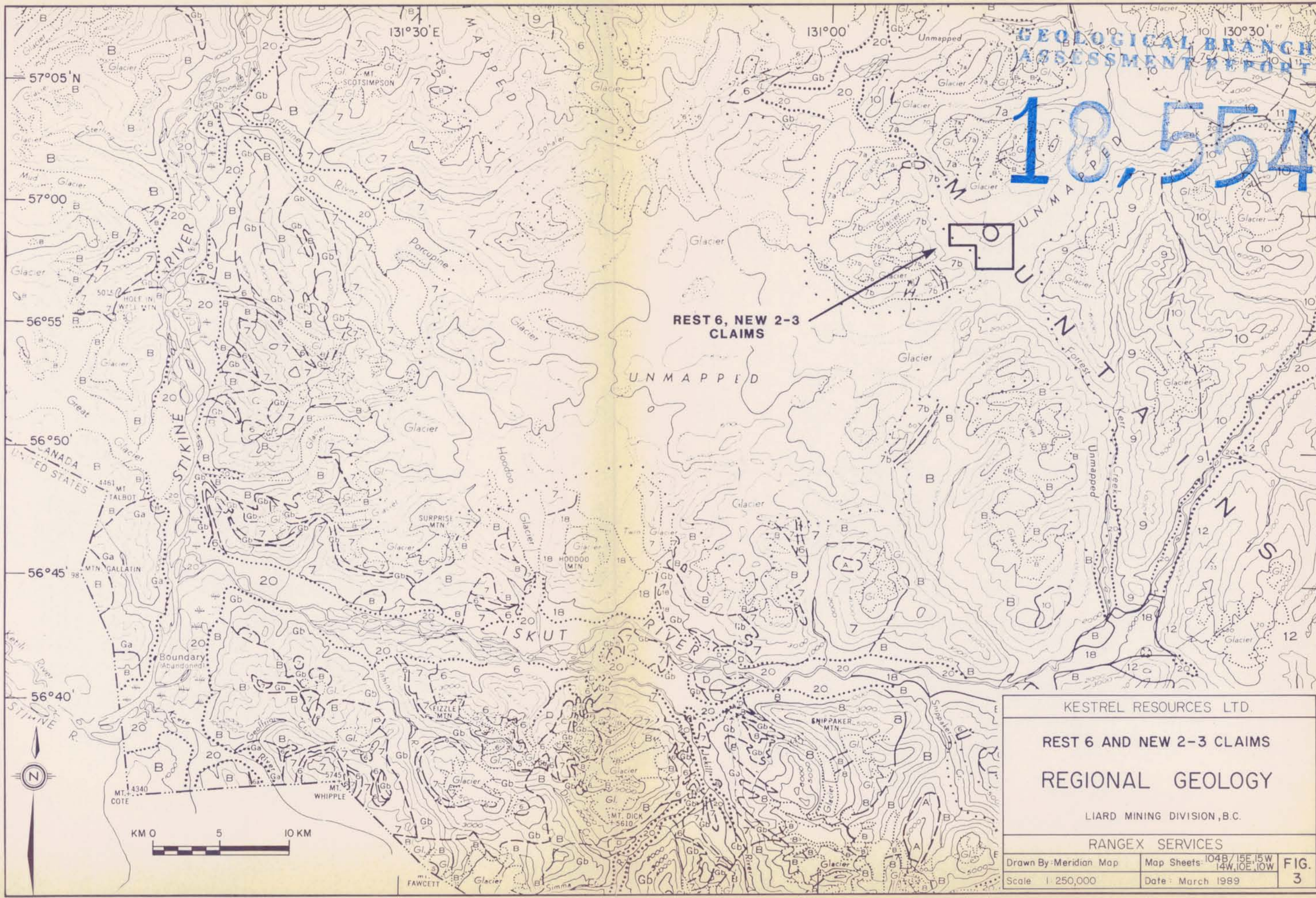
MISSISSIPPIAN AND EARLIER

J Gneiss, schist, crystalline limestone, crystalline dolomite, quartzite

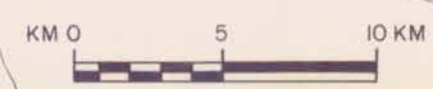
18, 554

REST 6, NEW 2-3
CLAIMS

UNMAPPED



CANADA
UNITED STATES



KESTREL RESOURCES LTD

REST 6 AND NEW 2-3 CLAIMS

REGIONAL GEOLOGY

LIARD MINING DIVISION, B.C.

RANGEX SERVICES

Drawn By: Meridian Map	Map Sheets: 104B/15E, 15W 14W, 10E, 10W	FIG. 3
Scale: 1:250,000	Date: March 1989	

Sample locations and results of analytical data are plotted on Figure 4. Analytical data is presented in Appendix IV.

PROSPECTOR'S REPORT

The area prospected consisted of coastal plutons cut by an ultramafic dyke.

Sample descriptions are as follows:

<u>Claim</u>	<u>Description</u>
2551	Granodiorite 5-10% pyrite
2552	Andesite dyke, 60x80 metres

RECOMMENDATIONS

A continued program of prospecting and sampling and geological mapping is proposed for the Rest 6, New 2 and New 3 mineral claims. A budget will be submitted when required.

APPENDIX I

PROGRAM COST

PROGRAM COSTS

Rest 6, New 2, 3

Wages (July 2 - October 9, 1988)

Ray Cournoyer	1 day @ \$225.00/day	\$ 225.00
Dave Hagemoen	1 day @ \$175.00/day	<u>175.00</u>

Total Wages **\$ 400.00**

Expenses

Room and board	376.78
Expendables	22.72
Rentals	8.04
Travel and accommodation	11.70
Freight	2.10
Expediting	8.92
Fixed wing	112.92
Helicopter	1,033.13
Assaying	50.00
Report costs	<u>250.00</u>

Total Expenses **1,868.27**

TOTAL **\$ 2,268.27**

BIBLIOGRAPHY

Kerr, F.A. (1948): G.S.C. Memoir 246 Lower Stikine, Western Iskut River Areas, B.C.

Grove, E.W. (1986): Geological Report, Exploration and Development Proposal on the Skyline Exploration Ltd. Reg Property.

Castin, C.T. (1973): Report on Geological, Geophysical and Physical Work Dirk Claim Group Newmont Mines.
Assessment Report 4150 Province of B.C.

Davis R.E. (1987): Progress Report McLymont Claim Group - News Release for Gulf International Minerals Ltd.

APPENDIX III


STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, RAYMOND D.E. COURNOYER, of Site L, R.R. 1, Kispiox Valley Road, Hazelton, B.C. in the Province of British Columbia do hereby certify:

- 1) I am employed by Rangex Services with offices at 1124 - 470 Granville Street, Vancouver, B.C.
- 2) I am a graduate of the Ministry of Energy, Mines and Petroleum Resources' advanced prospecting course (1987).
- 3) I have practiced my profession of prospecting since 1980.
- 4) I have personally prospected the properties described within this report.
- 5) I have no interest in any of the properties described herein, nor do I expect to receive any such interest.
- 6) That I hereby authorize Kestrel Resources Ltd. to present this report or part thereof, in any prospectus or other documentation required by any regulatory body.

DATED at Vancouver, British Columbia, this 22 day of Feb. , 1989.


RAYMOND D.E. COURNOYER

APPENDIX IV

ASSAY CERTIFICATES

REPORT #: 881865 DA

RANGEX Project: NEW 2+3

Page 1 of 1

Sample Number	Jobno	Mo	Cu	Pb	Zn	Ag	Au	W	Ag	Au
		ppm	ppm	ppm	ppm	ppm	ppb	ppm	oz/st	oz/st
02551	881410	--	--	--	--	1.1	<5	--	--	--
02552	881409	--	--	--	--	--	<5	--	--	--
Minimum Detection	650001	1	1	2	1	0.1	5	3	0.01	0.005
Maximum Detection	999999	1000	20000	20000	20000	50.0	10000	1000	100.00	10.000

< = Less than Minimum is = Insufficient Sample ns = No sample > = Greater than Maximum



VANGEOCHEM LAB LIMITED

MAIN OFFICE AND LABORATORY
1988 Triumph Street
Vancouver, B.C. V5L 1K5
(604) 251-5656 FAX: 254-5717

BRANCH OFFICE
1630 PANDORA ST.
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 881479 GA

JOB NUMBER: 881479

RANEX SERVICES LTD. NEW

PAGE 1 OF 1

SAMPLE #

Au Ag
ppb ppm

NRRS - 28

15 .4

NRRS - 29

10 .5

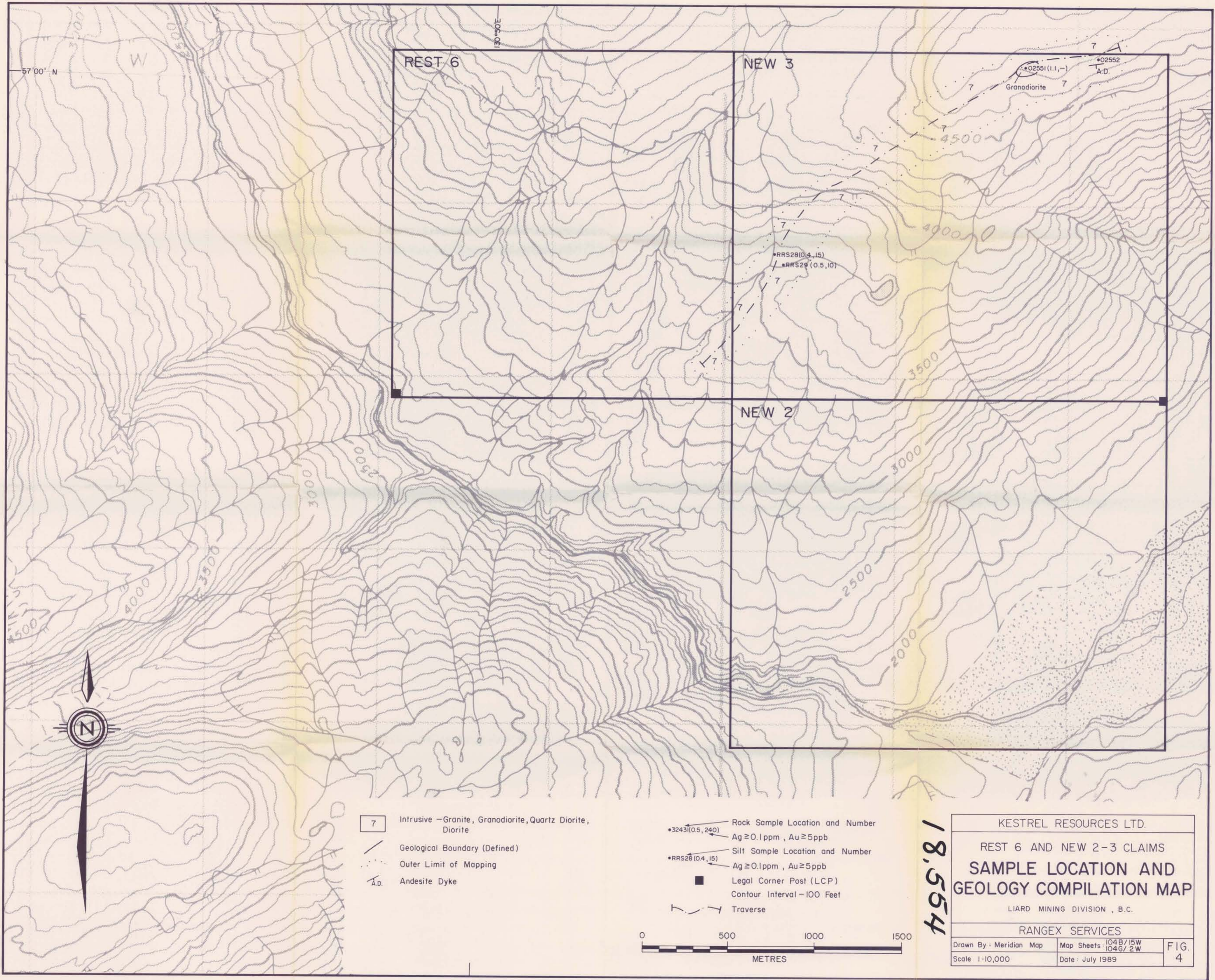
DETECTION LIMIT

5 0.1

nd = none detected

-- = not analysed

is = insufficient sample



- 7 Intrusive - Granite, Granodiorite, Quartz Diorite, Diorite
- Geological Boundary (Defined)
- Outer Limit of Mapping
- Andesite Dyke

- Rock Sample Location and Number
Ag ≥ 0.1 ppm, Au ≥ 5 ppb
- Silt Sample Location and Number
Ag ≥ 0.1 ppm, Au ≥ 5 ppb
- Legal Corner Post (LCP)
- Contour Interval - 100 Feet
- Traverse



18,554

KESTREL RESOURCES LTD.		
REST 6 AND NEW 2-3 CLAIMS		
SAMPLE LOCATION AND GEOLOGY COMPILATION MAP		
LIARD MINING DIVISION, B.C.		
RANGEX SERVICES		
Drawn By: Meridian Map	Map Sheets: 1048/15W 1046/2W	FIG. 4
Scale 1:10,000	Date: July 1989	