ARIS SUMMARY SHEET

D rict Geologist, Smithers Off Confidential: 90.02.01 ASSESSMENT REPORT 18709 MINING DIVISION: Atlin PROPERTY: Chid 58 20 00 LOCATION: LAT 132 20 00 LONG UTM 08 6468705 656137 NTS 104K08E CLAIM(S): Chid 1-3, Tatsa 1-4, Golden Bear Ext. 1-5 OPERATOR(S): Allan Res. AUTHOR(S): Freeze, J.C. **REPORT YEAR:** 1988, 51 Pages COMMODITIES SEARCHED FOR: Gold **KEYWORDS:** Paleozoic, Tuff, Diorite, Quartz Veins WORK DONE: Geological, Geochemical GEOL 2750.0 ha Map(s) - 5; Scale(s) - 1:10 00061 sample(s) ;AU,AG HMIN ROCK 397 sample(s) ;AU,AG Map(s) - 7; Scale(s) - 1:10 000104K 041,104K 092,104K 093 MINFILE:

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TATSAMENIE PROPERTIES

ATLIN MINING DIVISION

'TATSAMENIE LAKE AREA, BRITISH COLUMBIA

NTS 104K/8

58° N 132° W

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PREPARED FOR

ALLAN RESOURCES INC.

530 - 800 WEST PENDER STREET

VANCOUVER, B.C.

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FEBRUARY, 1989



SUMMARY

The Tatsamenie Lake properties comprise thirteen claims, covering 53.75 square kilometres in the Atlin mining division in northwestern British Columbia. The nearest communities are Telegraph Creek, 80 air kilometres to the southeast and Dease Lake, 140 air kilometres to the east. The property is situated 80 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 990 and 2,614 metres above sea level.

Chevron Minerals Ltd. began exploring the Tatsamenie Lake area for precious metals in 1981 and has developed several properties to the diamond drilling stage.

One of Chevron's 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 Company), is currently developing the property to a production stage.

The area presently covered by the CHID claims was staked by Chevron as the Nie 8 claim in 1982. They discovered gold bearing sulphide rich quartz veins associated with a northerly trending structure that also hosts gold mineralization to the south. The Nie 8 claim was allowed to lapse in 1986.

As a result of a research project, the ground covered by the Tatsamenie Lake properties was restaked in 1987 and 1988 and optioned to Allan Resources Inc. On behalf of Allan Resources, Stetson Resource Management Corp. carried out an exploration programme in 1988 under the direction of the writer to further delineate the mineralized zones discovered by Chevron and to explore for additional mineralized zones. The exploration programme comprised geological mapping, prospecting, rock chip and heavy mineral concentrate sampling.

Gold mineralization occurs in quartz, chalcedony and calcite veins and stockwork zones fitting epithermal and mesothermal descriptions. Several other elements such as silver, arsenic, antimony, mercury, copper, lead, zinc are found in various combinations associated with the gold.

A two phase exploration programme comprising further geological mapping, prospecting, geophysics and diamond drilling is recommended to test the economic potential of the Tatsamenie Lake properties.

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1. INTRODUCTION

The geology and economic potential of several precious metal prospects covered by the Tatsamenie properties held by Allan Resources Inc. is discussed in this report. The data presented is from an exploration programme carried out by Stetson Resource Management Corp., under the direction of the writer, and public assessment reports discussing exploration work carried out by previous operators. A two phase exploration programme is recommended to test the economic potential of these claims.

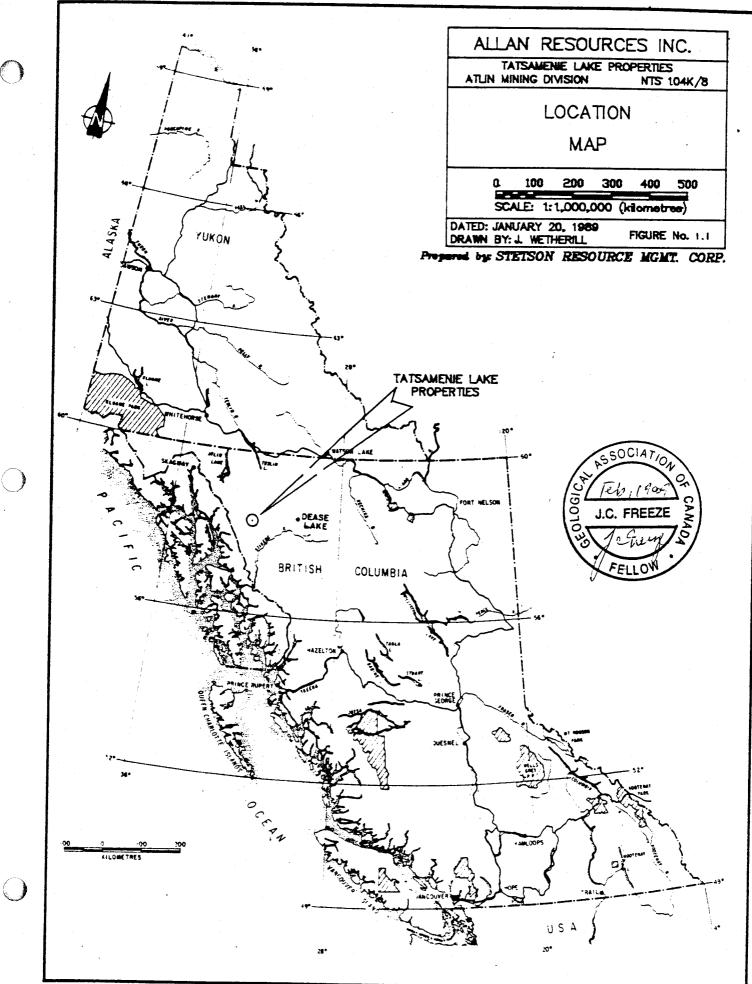
1.1 Location and Access

The Tatsamenie properties are situated in the Atlin mining division in northwestern British Columbia, centred approximately 100 kilometres northwest of Telegraph Creek and 140 kilometres southeast of Atlin. The claim blocks cover a total area of 53.75 square kilometres centred at 58° 20'N and 132° 20' 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 at the southern end of the claim blocks. Construction of an all-weather road to access the Golden Bear property is nearing completion.

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 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 properties. 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.

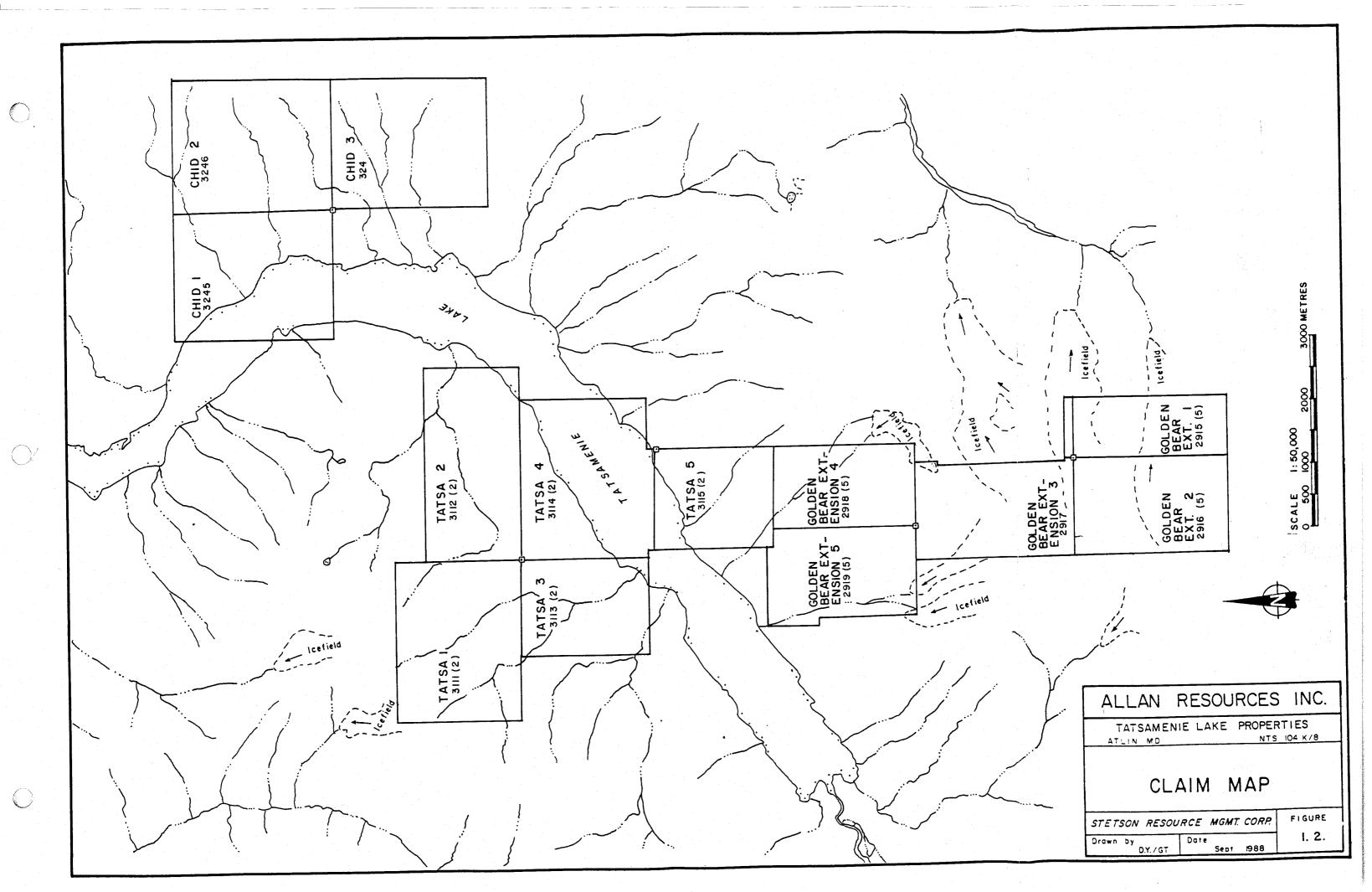


1.2 Property

The Tatsamenie properties cover 13 claims comprised of 215 units as listed below. Allan Resources Inc. has options to earn an interest in these claims from their owners. The legal and claim status of the claims are beyond the scope of this report.

Table 1.2 Claim Status

Group		laim Name			Record No.	Record Date	Expiry Date	No. Units
CHID	CHI CHI CHI	D 2			3245 3246 3247	06/28/88 06/28/88 06/28/88	06/28/96 06/28/95 06/28/95	20 20 20
GBE	Golden Golden Golden	Bear Bear Bear	Extension Extension Extension Extension Extension	2 3 4	2915 2916 2917 2918 2919	02/09/87 02/09/87 02/09/87 02/09/87 02/09/87	02/09/90 02/09/90 02/09/90 02/09/90 02/09/90	10 15 15 15 15
TATSA	TAT: TAT: TAT:	SA 1 SA 2 SA 3 SA 4 SA 5			3111 3112 3113 3114 3115	02/09/88 02/09/88 02/09/88 02/09/88 02/09/88	02/09/90 02/09/90 02/09/90 02/09/90 02/09/90	20 18 15 20 12



1.3 <u>Physiography, Vegetation and Climate</u>

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 properties cover rugged alpine to sub-alpine terrains. Elevations range from 990 metres (3,250 feet) to 2,614 metres (8,577 feet). Most of the TATSA and CHID claims cover topography which is either very accessible or may be traversed with care. The GBE claims cover some extremely steep topography and a large portion of the claims are under permanent snow and ice cover.

Vegetation is sparse; treeline is at an elevation of approximately 1,300 to 1,500 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 various creeks draining the properties. The main drainages flow northerly into the Inklin River which flows westerly into the Taku River. The Taku flows southwesterly into the Pacific Ocean. Several small lakes and tributaries to the main creeks carry sufficient drilling water during most of the year. Timber resources for exploration and development purposes are available below 1,000 metres in the creek valleys.

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1.4 <u>History</u>

Regional History

The Tatsamenie Lake area was initially explored in the 1950's 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 Corp. has, under a joint venture agreement with Chevron, developed reserves of 1.5 million tons grading 0.31 oz. gold per ton. The Golden Bear Operating Company is currently developing the property.

Property Histories

The Tatsamenie properties, currently held by Allan Resources Inc., were staked in 1987 and 1988 as the result of a research project based on public assessment reports, regional geological information and an exploration programme carried out by Stetson Resource Management Corp. under the direction of the writer in 1987. The 1987 exploration programme comprised prospecting, geological mapping and rock chip sampling in the Tatsamenie Lake area. Areas where previous work had delineated zones of hydrothermal alteration and/or base metal and precious metal mineralization occurring in geological environments similar to the Golden Bear mine were given priority.

CHID

The area covered by the CHID claims was staked and explored by Chevron in the early 1980's. Several zones of gold, silver, antimony and arsenic mineralization were discovered occurring in shear zones with quartz, fuchsite, malachite, azurite and hematite. Several rock samples carry values of 2000 to >10,000 ppb gold, 1 to 53 ppm silver, 13 to 104 ppm antimony and 40 to 4400 ppm arsenic.

TATSA

The area covered by the TATSA claims has been staked previously but there is no record of exploration on these claims. The regional geology map shows an extensive alteration zone hosting copper and antimony mineralization. These claims are contiguous to Chevron's Misty-Nie property which covers the northerly extension of the structure controlling the Golden Bear precious metal deposit. The Misty-Nie property is currently being explored by the Northern Gold Joint Venture.

GBE

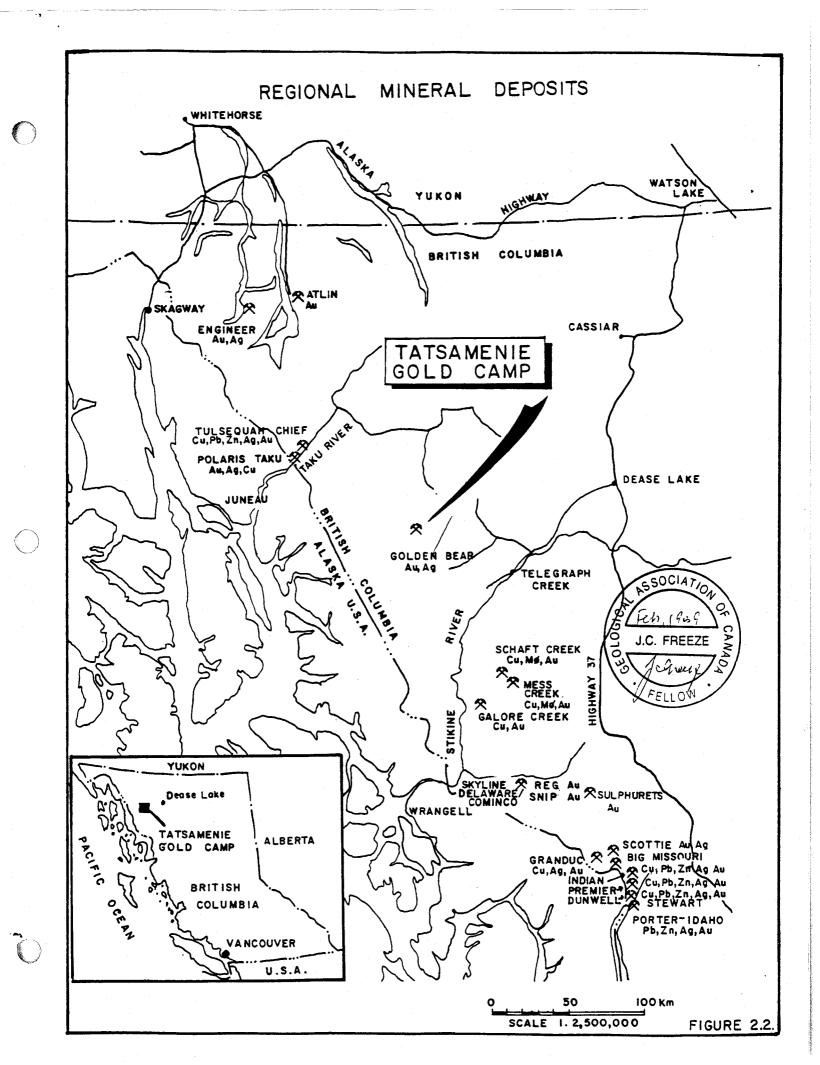
The GBE claims were staked in 1987 to cover a favourable geological environment in the footwall of the main structure controlling the Golden Bear deposit. Little work has been carried out on the claims. A large portion of the claim block lies under permanent ice and snow which masks the bedrock.

1.5 <u>1988 Exploration Programme</u>

In 1988 an exploration programme 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 September 25 and October 18:

- 1) Geological mapping and prospecting was carried out over the claims at a scale of 1:10,000 where possible. Snow conditions hampered the mapping at higher elevations especially on the GBE claims. The CHID claims were given priority because previous exploration identified precious metal mineralization on these claims. Mapping was carried out at more detailed scales along creeks and in mineralized areas. (see Figures 2.3. and 2.4 series);
- 2) Rock chip sampling of quartz and calcite veins, quartz-carbonate stockwork zones, hydrothermal alteration zones and all pyritic rocks was carried out over the areas mapped (see Figures 2.4 and 3.1 series);
- 3) Heavy mineral concentrate sampling was carried out in creeks and at the break in slope along strategic contour lines on most of the claims.
- 4) Stream sediment sampling was also carried out on creeks draining the GBE claims to detect mineralization on these claims since poor weather inhibited prospecting and mapping.
- 5) On the Chid 1 claim an access trail was cut from the lake up to the Chute precious metal zone.

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2. GEOLOGY

2.1 <u>Regional Geology</u>

The Tatsamenie Lake area was mapped as part of the Tulsequah Map Sheet 104K by J.G. Souther of the Geological Survey of Canada in 1971 (See 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 <u>Regional Mineralization</u>

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 a joint venture between Cominco Ltd. and Delaware Resource Corp. will be put into production in the near future. In the Stikine River area two porphyry copper - gold <u>+</u> 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.

In the Tatsamenie Lake area, centrally located within the Stikine terrane, both porphyry style copper - molybdenum and structurally controlled precious metal mineralization 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 (Homestake Mineral Development Co.). 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.

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2.3 Property Geology

The Tatsamenie claims are underlain by Permian limestone bodies and extensive Pre-Upper Triassic volcanic and sedimentary rocks similar to those hosting the Golden Bear deposit. These rocks have been intruded by two to three igneous events ranging from diorite bodies during the Lower or Middle Triassic and Post Middle Jurassic to felsic volcanic flows, intrusives and pyroclastics during the Late Cretaceous - Early Tertiary time. The young intrusive bodies are well known for their genetic relationships to precious metal mineralization in the Permian and Pre-Upper Triassic rocks comprising the Stikine Terrane.

CHID

The centre of the CHID claim block is underlain by a small Permian Limestone body within Pre-Upper Triassic volcanics and sediments which are surrounded on all sides by a Lower or Middle Triassic diorite batholith. Late Cretaceous - Early Tertiary Sloko Group dykes and stocks intrude the older rocks on the property. The Cretaceous-Tertiary Sloko Group intrudes the diorite and volcanic rocks as a purple porphyritic dykes and as dacite to rhyolite dykes. Diorite gneiss and amphibolite bodies older than the limestone outcrop at higher elevations on the eastern part of the property.

TATSA

The TATSA claims are underlain predominantly by Pre-Upper Triassic volcanic and sedimentary rocks. A north-south trending Permian limestone body outcrops at the southern end of the TATSA claims (TATSA 5) and continues onto the GBE claim block. Two diorite batholiths intrude the older rocks at the northern end of the claims, one of Lower or Middle Triassic age, the other of Post Middle Jurassic diorite age. An extensive ankerite alteration zone covers most of the property suggesting that a large intrusive body lies close to the surface under the exposed volcanics and sediments. As at the Golden Bear these intrusive bodies provide the necessary heat source for mineralizing hydrothermal fluids.

GBE

The GBE claims are also underlain predominantly by the Pre-Upper Triassic sedimentary and volcanic rock package. The linear Permian limestone body outcropping on the TATSA 5 claim continues to the northern edge of the GBE 3 claim where an Upper Jurassic quartz diorite intrudes both the limestone and the sediment - volcanic package. A Sloko Group rhyolite stock intrudes the older rocks on GBE 5.

Description of Units

The diorite gneiss and amphibolite are characterized by an abundance of hornblende and accessory magnetite. These rocks are of an unknown age except that they are older than the limestone. They are especially coarse grained in the Tatsamenie Lake area and the magnetite, which comprises 5 to 20 per cent of the rocks are known to cause deflections in compasses.

The Permian Limestone comprises a succession of limestone beds intercalated with chert, shale and sandstone beds. The limestone is most commonly fine grained and medium grey in colour. Recrystallization occurs near intrusive contacts turning the limestone into a marble.

The Pre-Upper Triassic package comprises fine grained, dark clastic sedimentary rocks and intercalated volcanic rocks. The volcanics occur as flows, tuffs and agglomerates. These rocks often occur as roof pendants in the Triassic diorite. Intense folding and shearing of this package has resulted in the development of slaty cleavage and foliation. A platy, phyllitic texture and lustrous sheen results from the formation of a fine grained secondary mica in the sedimentary rocks. The volcanic rocks have been altered predominantly to a greenstone and chlorite-amphibolite schist.

The Triassic intrusive is a hornblende diorite to quartz monzonite stock. The texture of the diorite varies from fine to medium grained and occurs most commonly in massive form but is in part foliated.

The Post Middle Jurassic intrusive is a massive augite diorite made up of equal amounts of plagioclase and hornblende-augite-biotite with minor quartz and potash feldspar.

2.4 Property Mineralization and Alteration

CHID 1

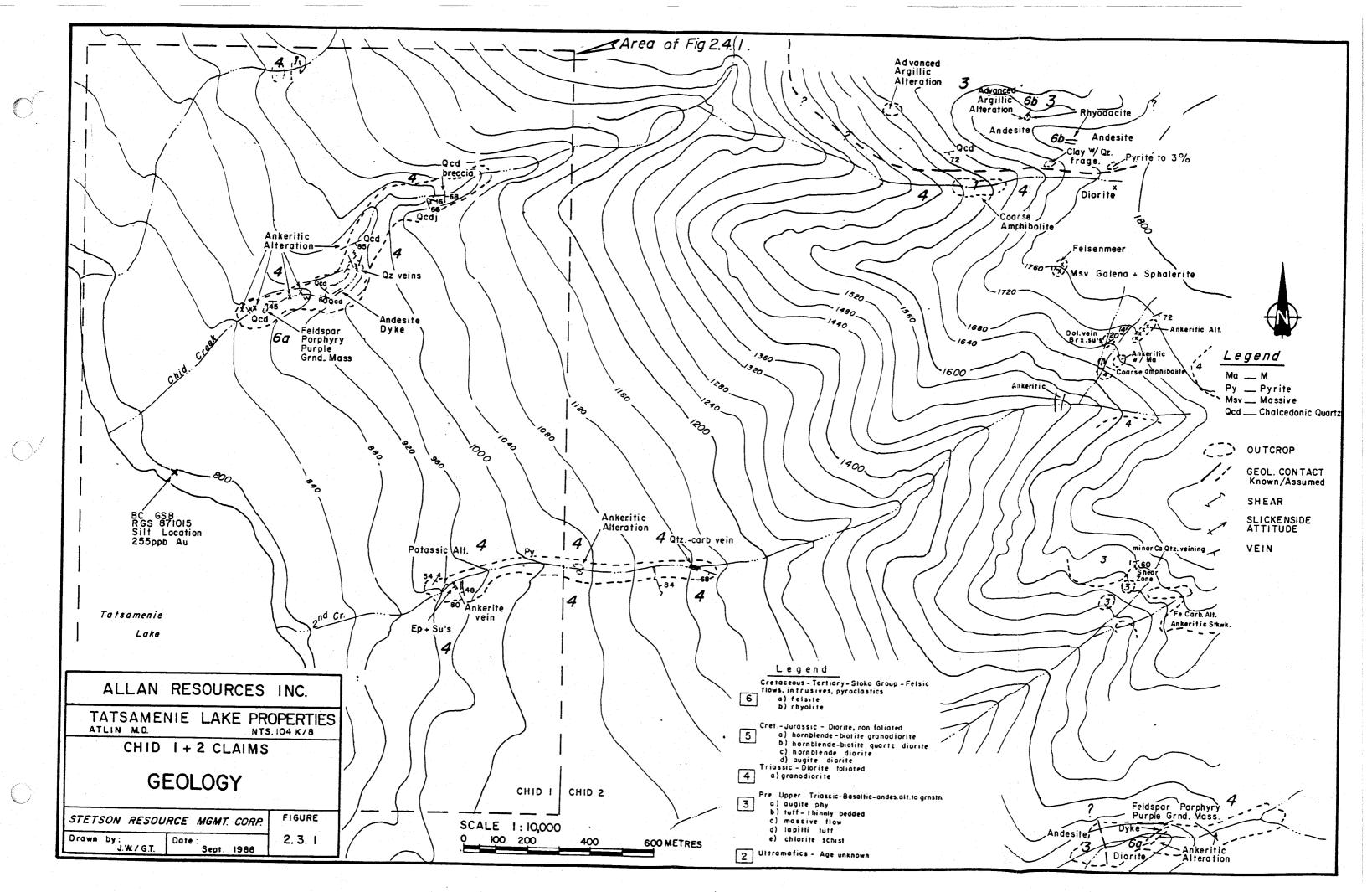
On the CHID 1 claim ankeritic alteration zones are exposed along CHID creek for approximately 1 km. Intense chlorite and epidote (propylitic) alteration typically occurs adjacent (as a halo) to the ankerite. Within these zones the alteration appears to be controlled by north-south striking structures. Precious metal mineralization occurs in three zones within the 1 km length of ankerite alteration zones. The precious metal mineralization occurs in chalcedonic quartz \pm carbonate veins, breccias and stockwork. The veins typically grade from amorphous quartz on one selvage to a carbonate on the other with no sharp boundary, this in turn grades to an ankeritic alteration halo.

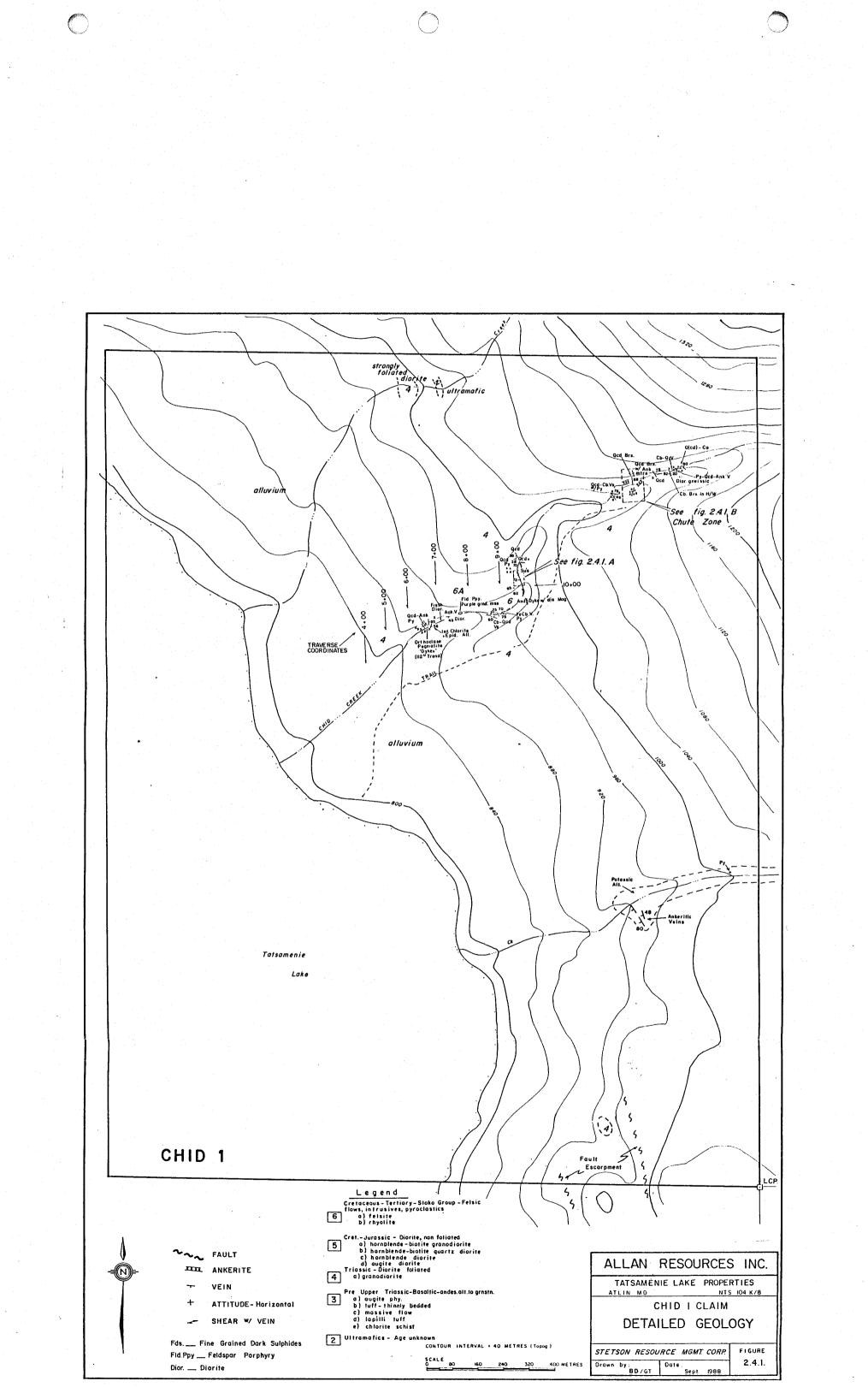
The Chute zone is a northerly striking zone of gold bearing quartz breccias in sulphide rich chalcedonic matrices and calcite veins. The zone extends over 28 metres in length. The highest gold value in this zone is 0.665 oz/ton over a 0.19 metre width. (See Figure 2.4.1.B) This area is poorly exposed due to slumping. For several 100 metres on either side of the Chute zone gold mineralization occurs in pyritic chalcedonic quartz and carbonate veins. Gold values reach a high of 5580 ppb in this area. This area is underlain by a Jurassic diorite stock which is in gneissic in places.

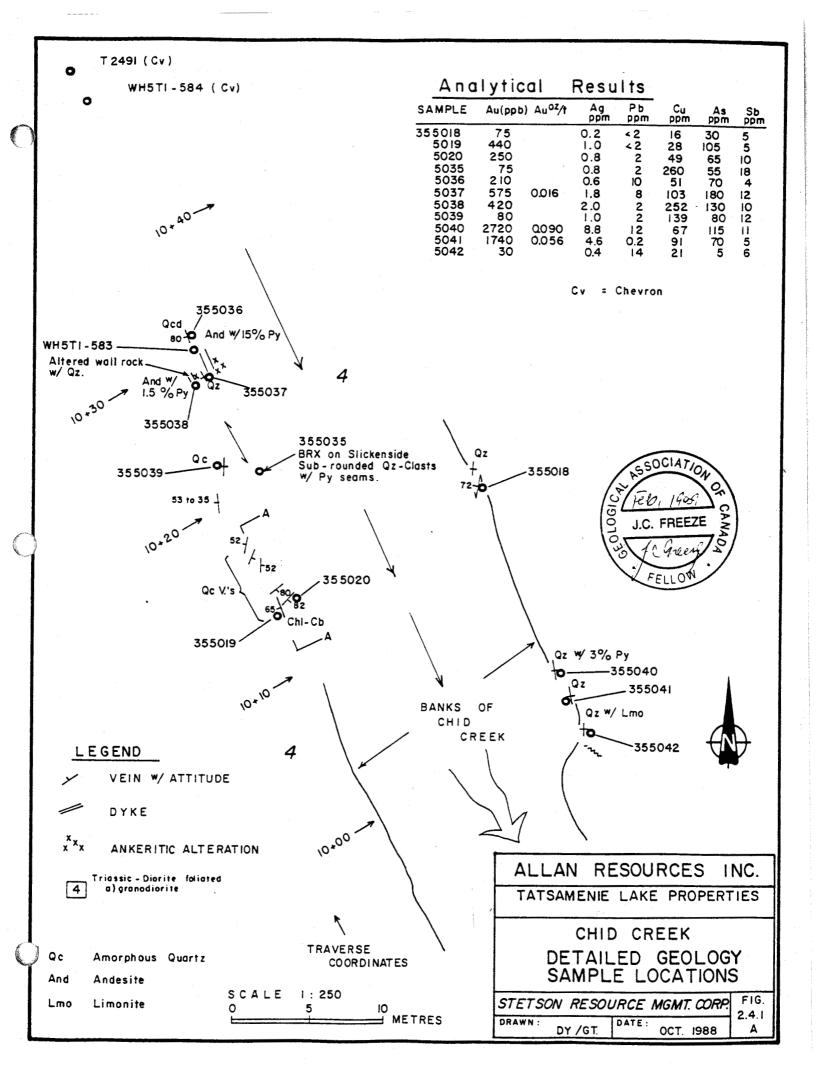
A second zone 350 metres west of the Chute zone carries gold mineralization of up to 0.43 oz/ton over .065 metres in a chalcedonic quartz vein with fine grained tetrahedrite. Another 50 metres to the west a 7 metre wide amorphous quartz carbonate stockwork zone carries gold values ranging from 40 to 3110 ppb (0.084 oz/ton). This zone occurs along a northerly (160°) striking fault zone which diverts the otherwise westerly direction of the creek. A slickensided surface exposed in this zone has large pyritic quartz cobbles impregnated in it.

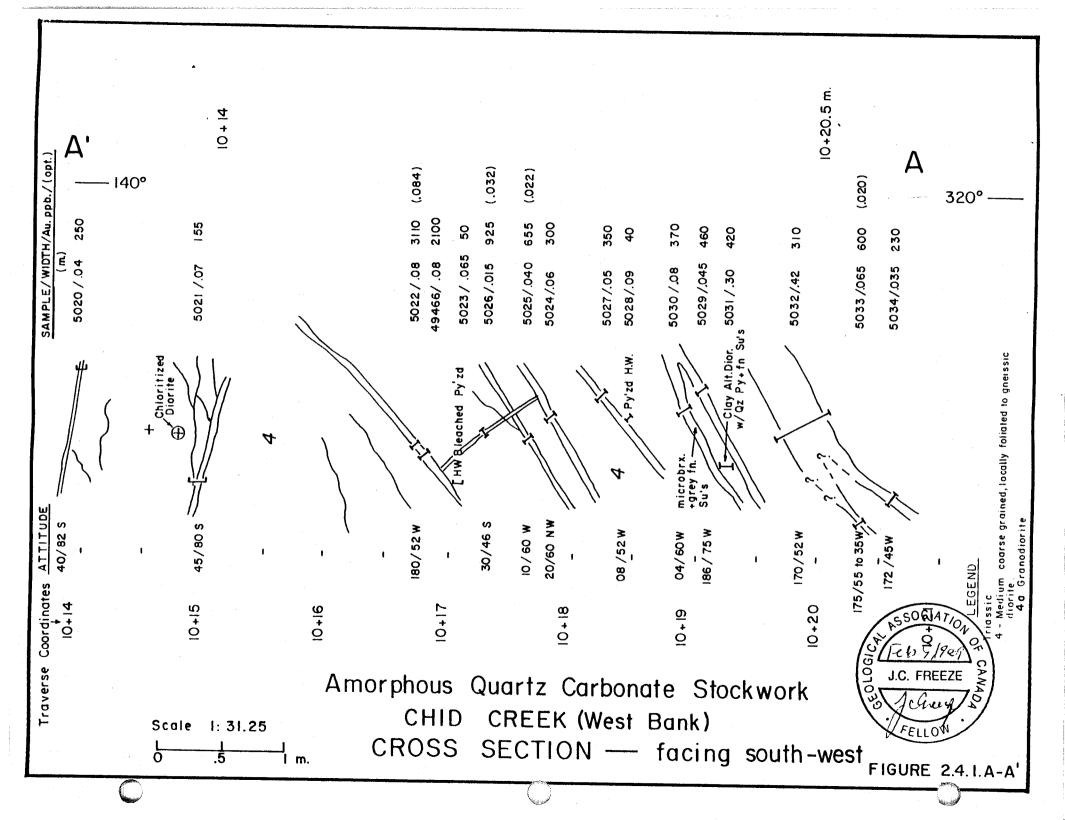
A further 250 metres to the west a third zone of quartz-chalcedony-carbonate veins contain anomalous gold values of up to 330 ppb over a 0.12 metre width. This area as well is underlain by the Jurassic diorite.

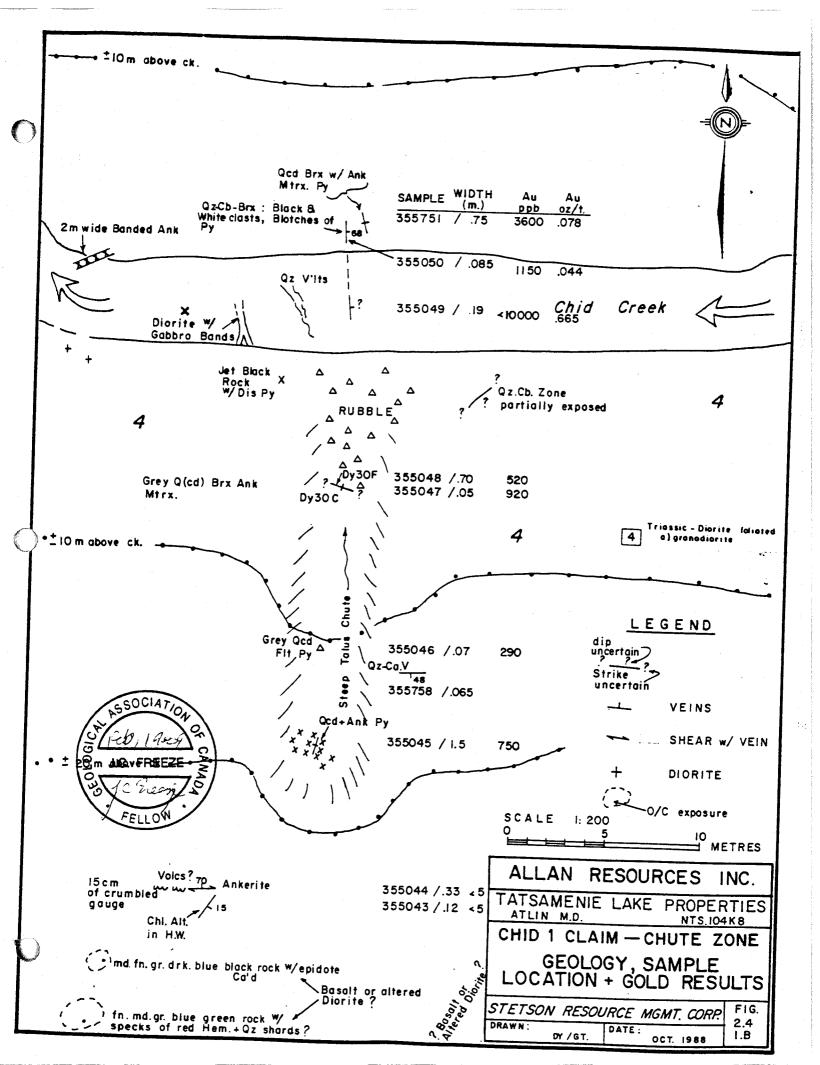
All three of these zones have anomalous levels of arsenic and antimony associated with the gold mineralization. The Chute zone has anomalous mercury levels and anomalous barium in the chalcedonic stockwork but depleted barium levels with the gold. (See section 3.1 for details) These arsenic-antimony-mercury ± barium bearing chalcedonic and carbonate zones on CHID creek may represent an epithermal











Sample Descriptions with gold-silver results

ABBREVIATIONS

Alt.	Alteration
Ank.	Ankerite
Brx	Breccia
Brxd	Brecciated
Bxwk	Boxwork
Ca	Calcite
Cb	Carbonate
Chl	Chlorite
Chldny	Chalcedony
Diss	Disseminated
Dol	Dolomite
Fe	Iron
fn	fine
FW	Footwall
gr	grained
HW	Hangingwall
LMO	Limonite
Msv	Massive
Ру	Pyrite
Q(cd)	Quartz Chalcedonic
Qz	Quartz
stkwk	stockwork
Su	Sulphide

sil'd	silicified
v.	vein
x'tal	crystal
WS	Weathered Surface
đ	

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PROPERTY: CHID CLAIMS

SAMPLE NO.	LOCATION	ROCK TYPE WITH MINERALIZATION	WIDTH in	ATTD		AG PPM
	Chid Crk. fig2.4.1 A-A'	Banded Qz-Ank V.	meter	s 45/80E	(opt) 155	0.8
355022 DY	11 11	Thin bands of Q(cd) in Qz-Ank. V.	.08	180/52W	3110 (.084)	2.0
355023 DY	" "	Cb alt Dior in HW of 355022, Ca V.'ng.	.06		50	1.8
355024 DY	** **	Banded Q(cd)-Ank.V., Py	.06	20/60N	300	0.2
355025 DY	17 11	Q(cd)-Ank V.	.04	10/60W	655 (.022)	1.0
355026 DY	17 11	Q(cd)-Ank V. w/ to 5% Py, cuts trend of stckw	.015 /k	30/46S	925 (.026)	2.4
6 5027	11 11	Q(cd)-Ank V., 1% Py	.05	08/52W	350	1.2
355028 DY	11 11	Ank'tc alt Dior, 5% Py	.09		40	1.0
355029 DY	11 II	Q(cd)-Ank V.	.045	187/75W	460	1.2
355030 DY	01 IU	Q(cd) V. w /microbrx, grey fn Su's & Py	.08	04/60W	370	1.2
355031 DY	PT 18	Cb-clay alt dior w/ Qz flooding,2% Py	.30		420	1.2
355032 DY	11 17	Q(cd) V. w/mnr Su's	.42	170/52W	310	1.0
355033 DY	11 17	Qz w/grey Chlcdny bands & mnr Py	.065	175/53W + /35W	600 (.020)	1.4
355034 DY	11 11	Q(cd) V. w/ mnr Py	.035	172/45W	230	1.0
355035 DY	Chid Crk fig2.4.1.A	Brx , Qz clasts w/ Py on slickenside	.05	152/90	75	0.8

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SAMPLE NO.	LOCATION	ROCK TYPE WITH MINERALIZATION	WIDTH in	ATTD	AU PPB	AG PPM
			meter	S	(opt)	
355036 DY	Chid Crk fig2.4.l.A	Qz V.	.12	160/80W	210	0.6
355037 DY	11 11	Amorph Qz-Ca w/grey Q(cd) streaks, mnr Py	.18	152/90	575 (.016	1.8)
355038 DY	11 11	Qz V. + altered wall rock w/up to 3% Py.	.37	152/90	420	2.0
355039 DY	11 11	Amorphous Qz-Ca V.w/ green andesite clasts	.12	03/90	80	1.0
355040 DY	17 11	Amorphous Qz-Ca V., 3% Py	.17	170/90	2720 (.090)	8.8
355041 DY	11 11	Amorphous Qz-Cb V. w/ mnr Py	.09	170/90	1740 (.056)	4.6
355042	11 11	Qz V. w/clasts of Imo on curving slickenside	.09	180/90	30	0.4
355043 DY	Chid Crk fig2.4.1.B	Ank V.	.12	35/15E	<5	0.4
355044 DY	17 19	Ank V. w/ 0.15m of gouge in HW	.33	90/70S	<5	0.4
355045 DY	11 11	Ank VZone w/ Q(cd) + Py	1.50	20/90	750	2.2
355046 DY	H 11	Q(cd) V.w/ Py	.07	talus	290	1.0
355047 DY	89 98 .	Q(cd) Brx w/ Dol Mtrx	.08	104/90	920	1.8
355048 DY	17 18	Q(cd) Brx	.70m	104/90	520	1.6

SAMPLE NO.	L	OCATION	ROCK TYPE WITH MINERALIZATION	WIDTH in	ATTD	AU PPB	AG PPM
				meters	5	(opt)	
355049 DY		d Crk 2.4.B	Q(cd) Brx black w/ fn gr Su's to 15%	.19	177/68E	>10000 (.665)	62.8
355050 DY		11	Q(cd)-Cb Brx, white black clasts	.085	177/68E	1150	5.0
355366 SD	2nd fig		Ank stwk	9.00	110/25N	10	1.6
355367 SD	"	11	Qz-Cb V.,Ma	3.00	s/c	<5	0.4
355368 SD	11		Foliated dior contact w/amphibole, some Ca V.ng	1.00	s/c	30	1.4
355369 SD	11	**	Mnr Qz Ca,alt zone		134/21N	30	1.0
355380 SD	3rd fig	Crk ?	Qz-Ca stckwk	4.50	s/c	<5	1.6
(]381	11	**	Qz-Dol V.in Granodior	6.00	130/60	525	0.8
355382 SD	11	**	Ank float, Py	float		<5	0.8
355383 SD	11	11	Ca stkwk	1.00	s/c	<5	2.4
635616 JW		Crk 2.4.1	Stwk Dol-Ca V'ng, fn blue Su's Lmo/Hem altn & Chl	.10	157/70W	<5	0.2
635617		11	Propylitized dior. No	selct	13///04		
JW			,vis Su's. b	BETCL		<5	0.2
355618 JW	**	19	Dol V., Chl,Hem alt, minor Qz, no vis su's	.10	140/90	5	0.2
355619 JW	"	11	Dol-Qz V. w/ vis Su's ,Lmo altn	.20	154/80W	470	0.6

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SAMPLE	LOCATION	ROCK TYPE WITH MINERALIZATION	WIDTH in ATTD	AU AG PPB PPM
<u>NO.</u>	LOCATION	MINERALIZATION	meters	(opt)
355620 JW	2nd Crk fig2.4.1	Dol-Qz V. w/ mnr fn. blue Su's, Lmo alt, Hem matrix	.20 170/48W	<5 0.2
355621 JW	17 19	Ank alt, vis Su's	selct	30 0.2
355622 JW	2nd Crk fig ?	1.5m channel width across 10.5m exposure	1.50	8250 19.6 (.254)
355623 JW	97 98	PØ 84	1.50	55 0.2
355624	18 18	H H	1.50	105 0.4
JW 355625 JW		11 11	1.50	900 l.7 (.032)
355626 JW	11 11	11 11	1.50	1360 1.0 (.036)
5627	17 12	17 H	1.50	1230 1.4 (.034)
355628	10 10	11 11	1.50	295 0.4
JW 355629 JW	11 11	Dol-Qz V.in Ank alt,vis Py	30m S/C	25 0.2
355631 JW	11 11	Chl + arg alt abund.Su's ,Lmo,	selct S/C	195 0.6
355632 JW	11 11	As above but w/more Qz +Dol flooding	selct S/C	510 0.6 (.022)
355633 JW	11 11	Ank alt, Dol stwk, no vis su's	selct S/C	10 0.2
355634 JW	11 11	Vuggy Ank V.,w/ vis su's in shear zone	.10 164/65E	2000 2.6 (.058)

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SAMPLE NO. LOCAT	ROCK TYPE WITH ION MINERALIZATION	WIDTH	ATTD	AU PPB	AG PPM
		meters		(opt)	
355635 " " JW	Sample across 5634 V. incl. gouge +Dol flooded zone	.30	164/65E	730 (.028)	0.8
355636 " " JW	Qz-Carb V.in shear zone vis su's.	.15	163/84E	770 (.016)	1.2
355637 " " JW	Ank Brx-stckwk,vis su's	selct		5	0.2
355638 " " JW	lm wide,banded,Qz-Ank V.,Py+fn grey su's	.30	109/685	295	0.4
355751 Chid C: DY fig2.4		.75	165/90	3600 (.078)	6.8
355752 Chid C: DY fig2.4		.08	148/75E	1900	1.0
355753 " " ()	And.Brx clasts in Ank matrix	.06	168/82E	100 (.061)	
355754 " " DY	Ank-Ca V. w/ And	.17	58/20S	270	0.8
355755 " " DY	V.of to 50% Py in FW of FeCb Dyke	.11	110/72N	2500 (.072)	6.6
355756 " " DY	Q(cd)-Ca V. w/ 1% Py.	.05	135/80E	5580 (.162)	16.6
355757 " " DY	Q(cd) V.s converge in Py'tic Alt envelope		50/66W 195/76S	3940 (.056)	2.6
355758 Chid Crl DY fig2.4.		.065	85/48S		
355912 2nd Crk DY fig ?	Soil (felsenmeer fines)	5.00m		<5	0.2
355913 " " DY	Lmo'ic Brx w/Qz clasts & vuggy Qz mosaic	selct	flsnmr	45	0.4

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SAMPLE NO.	LOC	ATION	ROCK I MINERA			WIDTH in meter:	ATTD	AU PPB	AG PPM
•						mecer	5	(opt)	
355914 DY	2nd C fig ?	ck	Ank w/ m Sph + Lm		-	selct	S/C	95	43.4
355915 DY	FF 19		Ga clast in Ank	s to s	seams,	.14	s/c	95	43.4
355916 DY	11 11		Banded A mnr Qz,G	· · ·		selct	s/c	95	6.6
355917 DY	11 11		Qz Brx w	/Lmo n	atrx	selct	40?/?	10	0.4
355918 DY	** **		Banded A	nk V.		selct	flsnmr	<5	
355919 DY	18 88		11 11			3.00	90?/?	5	0.2
355920 DY	11 11		Ank-Qz V	zone	2	grab 1.5m	flsnmr	35	0.4
355921 DY	11 11		Qz frags	in Fl	snmr	selct	flsnmr	145	1.0
O ⁵⁹²²	Chid (fig ?	lrk	Ank w/ m	sv Qz	. ,	grab 2.0m	flsnmr	10	0.4
355923 DY	H H		Rhydac,	clay a	lt'd	selct	flsnmr	<5	0.4
355924 DY	71 H		Adv arg ylw/brn, eyes.			selct		20	0.4
355925 DY	11 11		Propylit to 3% Py		rolc,	selct	- -	55	0.8
355926 DY	11 11		Qz V.,vu		t	selct	-	50	0.2
355927 DY	FT BT				asts of alt volc,	1.3	buried	710 (.026)	6.2
355928 DY	11 11			10 11	•	1.9	H	790 (.032)	4.2
355929 DY	17 H		11	11	"	0.3	11	130	3.4

SAMPLE NO.	LOCATION	ROCK TYPE WITH MINERALIZATION	WIDTH inATTD	AU AG PPB PPM
			meters	(opt)
355930 DY	Chid Crk fig ?	Qz clasts in rubble	selct "	990 6.0 (.030)
355931 DY		Comp.talus, bleached Lmo'c, altered volc	20 talus	210 1.8
355932 DY	11 11	Vuggy fn gr Qz w/ propyl (py'ized) volc.	selct	60 l.2
355933 DY	11 11	Ylw/brn Qz.V, fn gr, mnr Su's	selct	40 0.2
355934 DY	Chid Crk fig2.4.1	Cb-Q(cd) stkwk zone mnr Py, Ma, Hem in Ank altn zone	.12 145/78W	150 0.4
355935 DY	17 19	Q(cd) V, grey Py down dip .5m from 934	.12 145/78W	330 0.4
355936	11 H	Q(cd)-Ank V.	.06 145/90	460 0.6 (.016)
355937 DY	11 10	Ank V.	.06 90/455	90 0.8
355938 DY	11 11	Q(cd) V.	.11 110/60W	5 0.2
355939 DY	11 11 21 21	Q(cd)-Cb V.,cockscomb , Brx, mosaic texture	.21 122/75N	60 0.4
355940 DY	88 88	Rotten Ca V.Ank Selvage	.22 150/70E	5 0.4
355942 DY	11 12	Q(cd) w/ mnr Ma	selct talus	55 0.8
355941 DY	33 88	Ank w/ Py	.16 115/758	25 0.4
355943 DY	11 11	Fault gouge	.20 110/90	10 0.2
355944 DY	11 11	Fault gouge w/Ca V.	.10 155/70	10 0.2

SAMPLE NO.	LOCATION	ROCK TYPE WITH MINERALIZATION	WIDTH in ATTD	AU AG PPB PPM
· .			meters	(opt)
355945 DY	11 11	Q(cd)-grey,mnr Py	.06 163/85	>10000 37.0 (.434)
355946 DY	11 11	And w/ Py	selct	50 0.6
355947 DY	** **	Banded Q(cd) w/ ghost Brx clasts	.05 163/90	1000 2.0 (.032)
355948 DY	11 11	Q(cd)-Ank-Ca V. grey, Py	.28 163/90	1000 2.8 (.032)
355949 DY	17 87	Q(cd) grey,ghost Brx clasts,Py	.25 float	5000 10.2 (.144)

PROPERTY: GOLDEN BEAR EXTENSIONS

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	SAMPLE NO.	LOCATION	MINERALIZATION	WIDTH ATTD	Au PPB	Ag PPM
	355901	GBE0+00	Sugary Qz V.,vuggy, Py			
				Select Talus	<5	2.0
	355902	GBE 255m S of 0+00	Ga to 4% in Lmo'c Mtrx	Select Talus	6470	>200
	355903	GBE 600m S of 0+00	FeCb , Brx zone with Ca	6.0 m 280/90	60	1.8
	355904	GBE 2+65E (N)	Med fn gr Lmo Mtrx. with black phenos	Select Subcrop	<5	0.6
	355905	TT TT	Soil sample buff rusty horizon.	Soil	<5	0.2
	355906	GBE 6+89E	Qz V. flt, to 50% py	8cm Talus	<5	0.2
	355907	GBE 7+31E	FeCb Brx w/fn gr grey su's	Select Talus	<5	0.2
	355908	GBE 800m E of 0+00	Clay ,blue & rusty bands	1.0m 60/30N	<5	0.2
	355909	GBE 800m E of 0+00	Clay, blue & rusty bands.	0.5m 60/30N	15	0.2
	355910	GBE 800m E of 0+00	Brx'd Qz, weathered	Select Talus (glacial outwash)	<5	0.2
	355911	GBE 800m E of 0+00 75 m up stream from #910	FeCb zone, approx. 40m wide. 1360m El.	0.8 m	<5	1.2
	355370	1040 m	Gossan: Py & Cpy with sm Qz eyes in Rhyolite flow	e Float	20	0.2
	355371	1060 m	Ank alt; strong Qz- Ca veins with spots of msv Py, Rhyolite?			
			very fractured	.6m S/C	85	1.2

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SAMPLE NO.	LOCATION	MINERALIZATION	WIDTH	ATTD	PPI	<u>B PI</u>	M
355372	1070m	Ank alt, Cpy & Py in volc.,l0% msv w/2 cm Qtz veins	su's 10m	s/c		20	0.6

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PROPERTY: TATSA

SAMPLE NO.	LOCATION	MINERALIZATION	WIDTH	ATTD	PPB	PPM
JW355630	TATSA 1 Saddle	Fe/Carb altn w/ Dol veining, No vis su's	30cm	Frac 32/72W	5	0.2
JW355639	llOOm	Dol x'tal lined vuggy stwk w/ mnr vis su's	selct		<5	0.4
JW355640	5m dist.	Carb V., wall rock frags, minor vis su's.	65cm	90/825	<5	0.4
JW355641	28 m	Dol-Ca stwk in Fe carb altn zone, Mnr vis su's.	Grab		<5	0.4
JW355642	65 m	Sil'd Ank altn w/ mnr vis su's xcut by Dol V.lts	Grab		<5	0.4
JW355643	90m	Sil'd Ank altn w/ fine black su's.	Select		<5	0.2
JW355644	135m	" " but increase in Su's	Select		<5	0.2
JW355645	270m	Msv Su V. in shear zone (Py)	30cm	15/78W	<5	0.2
JW355646	290m	Chl & lmo (no vis su's) gouge zone	Grab		<5	0.2
JW355701	532m	Banded Dol'c limonitic Fe Carb altn. No vis su's	s Grab	Chip	<5	0.2
JW355702	572m	Ank altn w aqua- marine,frctrd surface mineral (fluorite)	Grab		<5	0.2
JW355703	615m	Intense carb altn vis Su's. mnr Chl.	20cm Grab		<5	0.2
JW355704	98m from TATS 7+30E	Malachite staining w/ abund. Su's in hematitic Fe/carb.	Select		<5	1.8

C

	SAMPLE NO.	LOCATION	MINERALIZATION	WIDTH ATTD	Au PPB	Ag <u>PPM</u>
	JW355705	404m from TATS 7+30E	l.5m shear zone w/ mnr vis Su's. FW gouge,lmo	l.5m 63/65NW	<5	0.2
	Page 2					
	JW355706	Float @ TATS 5+00E	Fn/Carb altn w/ aqua- marine on fracture surf.	Float	<5	0.2
	DY355008	Knoll 1520m	Brx'd sil'd Fe carb alt with grn Ma like mineral	Select S/C	<5	0.8
	DY355009	South end of knoll	Qz stkwk, FeO2, WS Brx'd	0.3 m	<5	0.2
	DY355010	1480m	Total Fe Cb Qtz alt. mosaic brx.		<5	0.2
	DY355011	1700m	Multicolored weathered zone,su's	l.2 m Flat	260	0.8
)	SD355373	TATSA 1	Int. mafic volc, mg staining, FeCarb alt.	20m 284/60E	<5	0.2
	SD355374	1470m	Small qtz eyes 1mm wide Ca veining,fg & fractured,2% Py in Qtz & Ca,slickensides show a NW movement		5	0.2
	SD355375	1475m	Lmn/Chl/Hem (minor) small vuggy qtz veins w/ 1 mm & banded Ca veining No vis su's. Subcrop	10-15m	<5	0.2
	SD355376	1540m	Fe carb alt sil'd, fractured surface no vis su's, x-cut by dol veins. Fe carb alt.			
			re carb art.	5 m	<5	0.2
	SD355377	1510m	Stream bed sample in granitic creek bed		40	0.2

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SD355378 1475m	Brxd FeCarb alt'd volc small Qz V(5mm) & contact zone w/ grano- diorite, some shearing,no	Subcrop over 20m felsnmer		
	vis su's, Fe Carb.		<5	0.2
SD355379 1475m	Stream bed in alt'd zone		<5	0.2

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hotspring sinter cap hosting sporadic gold and silver values. This cap overlies the rich gold - silver ore zone in the epithermal model. The advanced argillic alteration zones at the head of CHID creek also fit the typical epithermal alteration pattern.

Geological mapping carried out by Chevron on both the CHID claims and claims to the south suggests a major north-south fault hosting gold mineralization crosses CHID creek and may be the structural control for the gold bearing zones described above. This fault is called the Ultramafic fault as it places a large Permian ultramafic body in contact with younger rocks to the south. The amphibolite mapped on CHID and 2nd creeks may be related to this body. The Ultramafic fault parallels the west wall fault and may be related to it.

CHID 2

Gold mineralization also occurs in a pervasive ankerite alteration zone in andesite volcanics approximately 1100 metres south of the Chute zone on 2nd creek (CHID 2 claim) Gold values average 1742 ppb over a 10.5 metre wide zone. One 1.5 metre section carries 0.25 oz/ton. The only quartz found in this zone is in stringers along joints.

In the northeast corner of the CHID 2 claim a large roof pendant of Pre-Upper Triassic volcanics has undergone advanced argillic alteration in several localities. Sloko Group rhyolite dykes also intrude this area. On the creek banks below this zone a hydrothermally altered clay zone with quartz fragments contains gold mineralization averaging 757 ppb over 3.2 metres. The creek banks around this zone are sloughed making it difficult to identify any structural control.

On the nose of a ridge 300 metres south of the clay zone coarse grained galena ,sphalerite and pyrite mineralization occurs in a breccia with an ankerite matrix. Gold, silver lead and zinc values from a selected sample of this zone are 95 ppb, 43 ppm, 2.2% and 5.9% respectively. The zone is exposed in felsenmeer only, no structural control is recognized to date.

TATSA

Intense ankerite alteration of both the phyllites and volcanics is widespread on the TATSA claims. Ouartz chlorite and hematite alteration occur within the breccias, massive ankerite alteration zones. Dolomite occurs as veins and stockwork in both chlorite and ankerite alteration zones. A prominent silicified knoll comprising siderite and ankerite breccia with minor fuchsite outcrops in the centre of the southern part of the TATSA 1 claim. A westerly striking ankerite dyke outcrops northwest of the knoll. A 1.2 metre sample across a sulphide rich weathered zone on the selvage of the dyke carries 260 ppb gold.

GBE

On the GBE 4 claim galena mineralization of up to 4% occurs an ankerite matrix on a talus slope below the hornfelsed in contact between the Jurassic quartz diorite and the Pre-Upper Triassic volcanic tuffs. A selected sample of this zone carries 6470 ppb gold, >200 ppm silver, >10,000 ppm lead, 6040 ppm copper, 91 ppm molybdenum, 4320 ppm zinc, 400 ppm arsenic, 1230 ppm antimony, 234 ppm bismuth and 6.5 ppm The source of this float sample appears to be cadmium. masked by a light talus cover up slope from it. An ankerite breccia zone 250 metres up slope (south) of the talus sample carries 60 ppb gold, 1.8 ppm silver, 196 ppm lead, 127 ppm zinc and 70 ppm arsenic over a 6.0 metre width. This zone may be related to the source of the talus sample.

On the GBE 5 claim pyritic quartz veins occur in ankeritic alteration zones in proximity of a Sloko Group rhyolite dyke. Gold values reach 85 ppb.

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3. 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 or silicification, and from all quartz, chalcedony and carbonate stockwork veins and alteration halos. Samples were also collected from talus slopes where bedrock is masked.

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 176 rock samples were collected and were sent for analysis. Of these 136 samples were collected on the CHID claims, 14 on the GBE claims and 26 on the TATSA claims.

The samples were places in numbered plastic bags and sent to 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 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

Silver and arsenic values show a strong correlation with the gold mineralization. Antimony shows a moderate correlation with gold.

Anomalous barium levels occur in the vicinity of gold mineralization but never with the gold. They appear to have an inverse correlation. In the Chute zone barium values range from 2380 ppm to 40 ppm, gold values in these samples are <5 ppb and 0.665 oz/ton respectively. Mercury shows some correlation in the Chute zone, the sample containing 0.665 oz/ton gold contains 29,000 ppb mercury. Anomalous base metal values (copper, lead and zinc) occur with or without gold mineralization showing very little correlation.

3.2 <u>Heavy Mineral Concentrate Sampling</u>

3.2.1 Sampling, Sample Preparation and Analysis

Heavy mineral concentrate samples must be collected where predominantly high density materials are deposited in the stream bed. These sites include: gravel bars, the inside of bends, stretches below the confluence of two streams, mouths of canyons and areas around obstacles or traps in the active channel.

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In the field bulk heavy mineral concentrate samples were collected from talus slopes, B horizon soils and stream beds (wet and dry). Approximately 50 to 100 kg of sediment was sieved to obtain approximately 10 kg of fine material. Talus and dry stream sediments were dry sieved to minus 10 mesh, B horizon soils were dry sieved to minus 6 mesh, and wet stream sediments were wet sieved to minus 20 mesh. The coarse and the remaining fine fraction fraction discarded (approximately 16 kg) was placed in a numbered plastic bag. A total of 23 samples were collected on the CHID claims, 17 on the GBE claims and 21 on the TATSA claims.

samples were sent to the C.F. Mineral Research A11 Ltd. laboratory in Kelowna for preparation. In the laboratory, samples were washed and wet sieved to -20 +35, -35 +60 the and -60 mesh sizes. The coarse and intermediate fractions were jigged to separate by gravity. A 2000 gm sample from each of the -20 +35 and -35 +60 mesh size heavy fractions and all of the -60 mesh size were dried and separated further by two heavy liquid separations: 1) Tetrabromoethane and 2) Methylene Iodide. The heaviest fractions from the -60 +150 and -150 mesh sizes were each submitted to 3 electromagnetic separations: 1) heavy magnetic (HM), 2) heavy paramagnetic (HP) and 3) nonmagnetic (HN).

The samples were placed in vials; the -60 +150 HN and the -150HN samples were sent to Chemex Labs Ltd. in North Vancouver for analysis. In the laboratory each sample was analysed by fire assay and gravimetric methods (.002 ppb detection limit)

3.2.2 Discussion of Results

CHID

2nd On the CHID claims samples collected on both CHID and creeks carry anomalous levels of gold ranging from 3,207 to 23,985 ppb in the fine fraction. Several of these were collected below the areas of mineralization discussed in section 2.4 and may be sourced by those known zones. A sample collected above the Chute zone on CHID creek carries 13,661 ppb in the coarse fraction and 3,207 ppb in the fine The source for this is as yet unknown. Towards fraction. the head of the two creeks anomalous values ranging from 1,182 to 7,142 ppb in the fine fractions indicate the existence of additional mineralized zones above the sample sites. Samples collected along a contour line between CHID creek and 2nd creek, southeast of the Chute zone, contain from 732 to 11,627 ppb gold in the fine fraction. These results may indicate that the Chute zone is hosted by an extensive southeasterly trending mineralized structure.

TATSA

Several anomalous gold values were obtained from samples collected on the TATSA claims. On the TATSA 2 claim all three samples collected are anomalous, from 3,619 to 11,973 ppb gold. These results suggest that lode gold mineralization occurs in the northeast corner of the TATSA 2 claim. Four other sites on various creeks on the TATSA claims also have anomalous levels of gold which are worthy of follow up.

GBE

Several samples collected on the GBE 4 and 5 claims are anomalous in gold indicating the occurrence of lode mineralization on the claims. A sample collected up slope from the rock sample of galena mineralization on the GBE 4 claim carries 3825 ppb gold in the fine fraction. The sample site is 100 metres below the ankerite breccia zone thought to be related to the source of the talus sample.

On the GBE 5 claim a sample collected below quartz veins in an ankerite alteration zone carries 2,359 ppb gold in the fine fraction. Several samples taken along a contour line carry from 395 to 5,411 ppb in the fine fraction and <100 to 8,139 in the coarse fraction. Some of these are below the galena float rock sample which carries 0.284 opt and >200ppm silver

CONCLUSIONS

The Stikine Terrane is well known as a prolific geological belt. Several precious metal deposits have been discovered in this belt to date and are presently being put into production. One of these is the Golden Bear deposit in the Tatsamenie Lake area.

At the Golden Bear precious metal mineralization is hosted by quartz carbonate alteration along fault structures between Permian limestone and Pre-Upper Triassic tuffs. Both the limestone and the tuff act as hosts to the ore. The mineralization is considered to fit Lindgren's (1933) mesothermal classification of ore deposits.

Allan Resources Inc. holds an extensive land package covering geological environments similar to that at the Golden Bear deposit which hosts several precious and base metal mineral occurrences.

Gold \pm silver \pm arsenic \pm antimony \pm mercury mineralization occurs in several zones on the property. The mineralization occurs in chalcedonic quartz and carbonate vein structures and in the surrounding stockwork and alteration halos.

These structures crosscut Pre-Upper Triassic volcanic rocks and a Triassic diorite suggesting a Post Triassic age for the mineralization.

The Cretaceous - Tertiary Sloko Group porphyry, rhyolite and dacite dykes often occur proximal to the mineralized structures suggesting a genetic relationship.

Comparing the mineralization discovered on the CHID property to the most economically significant property in the Tatsamenie Lake area, the following observations can be made:

Bear Deposit Model

- Major structures acting as conduits for mineralizing fluids;
- A heat source such as intrusive bodies creating hydrothermal convection cells fundamental to epithermal and mesothermal ore bodies;
- 3) Structural traps;
- 4) Host rocks that are either chemically or physically receptive to deposition of mineralization.

CHID Observations

- 1) Several of the mineralized zones appear to be controlled by major north-south structures sub-parallel to the west wall fault.
- 2) The mineralization occurs in or proximal to Triassic diorite intrusives and Sloko Group dvkes and stocks often outcrop proximal to the mineralized Both of these intrusive bodies may zones. have create provided the heat source necessary to hydrothermal convection cells.
- 3) No structural traps have been identified yet; folding is not apparent in the intrusives or volcanic rocks which are all massive in form.
- 4) Porosity, permeability and replacement by metasomatism play an important role in the host rocks' ability to allow deposition of metallic mineralization. At the Bear Deposit, limestone and tuff units are excellent hosts for mineralization. On the Tatsamenie Lake properties, similar limestone and tuff units as well as intrusives host the mineralized structures. The intrusives appear to be receptive to mineralization where hydrothermal fluids have broken the feldspars down to clays.

At the Bear deposit mineralization fits Lindgren's (1933) mesothermal model for ore deposits. Although much of the mineralization on the Tatsamenie Lake properties may fit the epithermal model both deposits form in similar systems where cooling intrusive bodies heat mineralizing fluids and the fluids ascend along major structures. The difference between mesothermal and epithermal environments is the intensity of temperatures and pressures which increase with depth.

In conclusion, the Tatsamenie Lake properties are believed to have excellent potential for hosting an economic mineral deposit.

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RECOMMENDATIONS

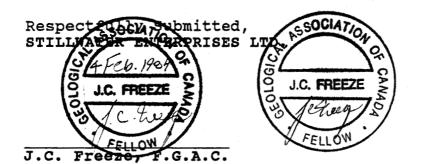
Based on the conclusions stated, the following two phased exploration programme is recommended. The decision to proceed with Phase II is contingent upon favourable results from Phase I.

Phase I

- Detailed mapping and rock chip sampling of mineralized zones discovered to date. Mesothermal and epithermal models should be investigated with respect to mineralization and alteration to aid in determining the configuration of the deposits and the position of precious metals within them.
- 2) Geophysical surveys such as magnetics and electromagnetics should be tested over the area between Chid and 2nd creeks to test their ability to detect the alteration zones associated with the mineralization and the structures controlling the mineralization.
- 3) Prospecting and geological mapping should be carried out on portions of the properties unexplored to date.
- 4) Follow-up heavy mineral concentrate sampling should be carried out at 250 metre intervals where encouraging results were obtained in the 1988 sampling programme.
- 5) Soil or talus sampling should be carried out over zones of alteration and mineralization.
- 6) 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. Favourable structures should be tested for both strike and depth extents.



STILLWATER ENTERPRISES LTD.-

STATEMENT OF COSTS

TATSA PROJECT SEPTEMBER 19 TO OCTOBER 3, 1988

Mobilization and Demobilization:

Bronco 4 x 4(includes gas,mileage)	\$ 600.00	
Airfare/Misc. Transportation	3585.56	
Freight	2160.59	
Expediting	500.00	
		\$6846.15

Field Costs:

Project Manager 7 days @ \$300.00	\$ 2100.00
Geologist 13 days @ \$250.00	3250.00
Project Geologist 19 days @ \$300.00	5700.00
Prospector 11 days @ \$250.00	2750.00
Field Techs (4) 29 days @ \$200.00	5800.00
Cook 14 days @ \$200.00	2800.00
	\$22400.00

Support Costs:

Accomodation in the town of AtlinRoom \$40.00 per day for 16 mandays\$ 640.00Board \$35.00 per day for 16 mandays560.00

Accomodation in camp Room \$40.00 per day for 70 mandays \$ 2800.00 Board \$25.00 per day for 70 mandays <u>1750.00</u> \$ 5750.00

Transportation:

Fixed Wing Otter	\$ 5008.00
Cessna 185	673.00
Helicopter	6640.40
Boat 10 days @ \$100.00	1000.00
- · · · ·	\$13321.40

Communication Rentals:

Walkie Talkie	(5)@ \$10.00 for 12 days	\$ 600.00	
SBX 11 \$12.50	per day for 12 days	150.00	•

\$ 750.00

Supplies:			\$ 2339.48
Equipment Rentals:			
Field Gear 89 mandays @ \$5.00 per da Generator 12 days @ \$45.00 Heavy Mineral Equipment Camp Equipment 2 days @ \$25.00	у \$	445.00 540.00 280.00 _50.00	\$ 1315.00
Assays:			\$10911.60
Maps, Drafting and Reproduction:			
Maps Reproductions Draftsman 72 hrs @ \$20.00 Office Personnel	\$	464.47 123.00 1440.00 1250.00	\$ 3277.47
Office Personnel:			
B. Dynes 3 days @ @250.00 J. Wetherill .5 days @ \$250.00 J. Dupuis .5 days @ \$300.00	\$	750.00 125.00 <u>150.00</u>	\$ 1025.00
Report Writing:			
Stillwater Enterprises Binding 5 reports @ \$7.50	\$	3000.00 <u>37.50</u>	\$ 3037.50
Sub Total			\$70973.60
Administrative Overhead 10%			7097.36
Total			\$78070.96

C

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Geological,

-STILLWATER ENTERPRISES LTD.—

STATEMENT OF QUALIFICATIONS

NAME:

Freeze, J.C., (nee Ridley), F.G.A.C.

PROFESSION:

EDUCATION:

1981 B. Sc. Geology -University of British Columbia

Consulting Geologist

PROFESSIONAL ASSOCIATIONS:

EXPERIENCE:

Fellow of the Geological Association of Canada

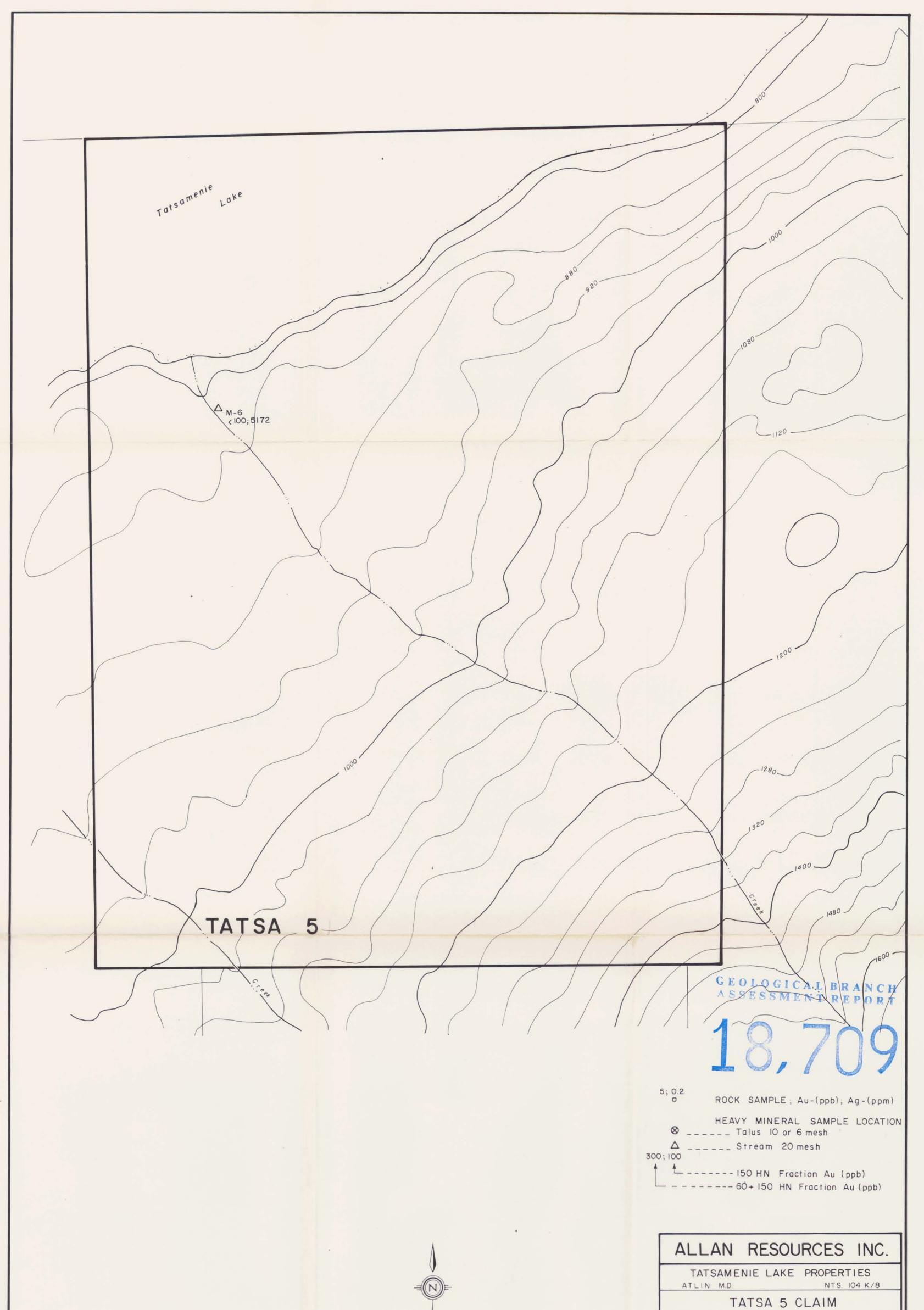
1987 -Present: Consulting Geologist with Stillwater Enterprises Ltd. Directing Exploration programs and reviewing properties in Canada and U.S.A.

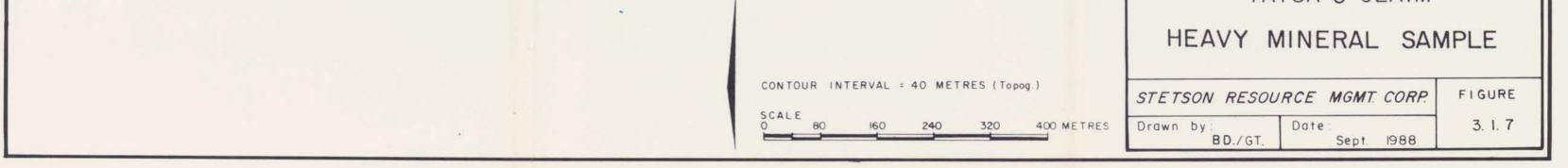
1985 - 1986: Project Coordinator with White Geophysical Inc. Coordinating mineral exploration projects involving geology, geochemistry, geophysics and diamond drilling in B.C. and the Yukon.

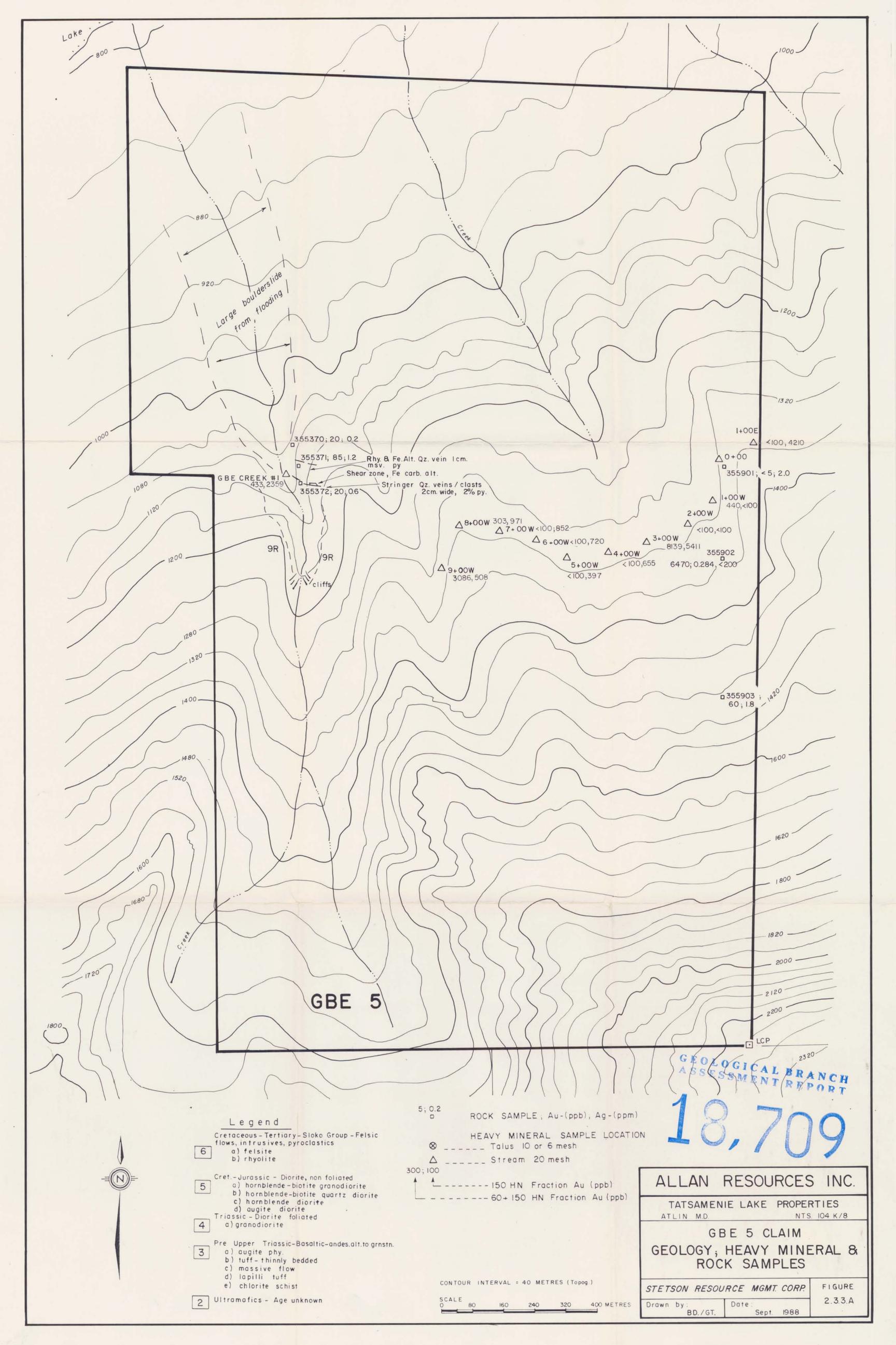
1981 - 1985: Project Geologist with Mark Management Ltd. Hughes-Lang Group. Responsible for precious metals exploration programs involving geology, geochemistry, geophysics and diamond drilling in Western Canada.

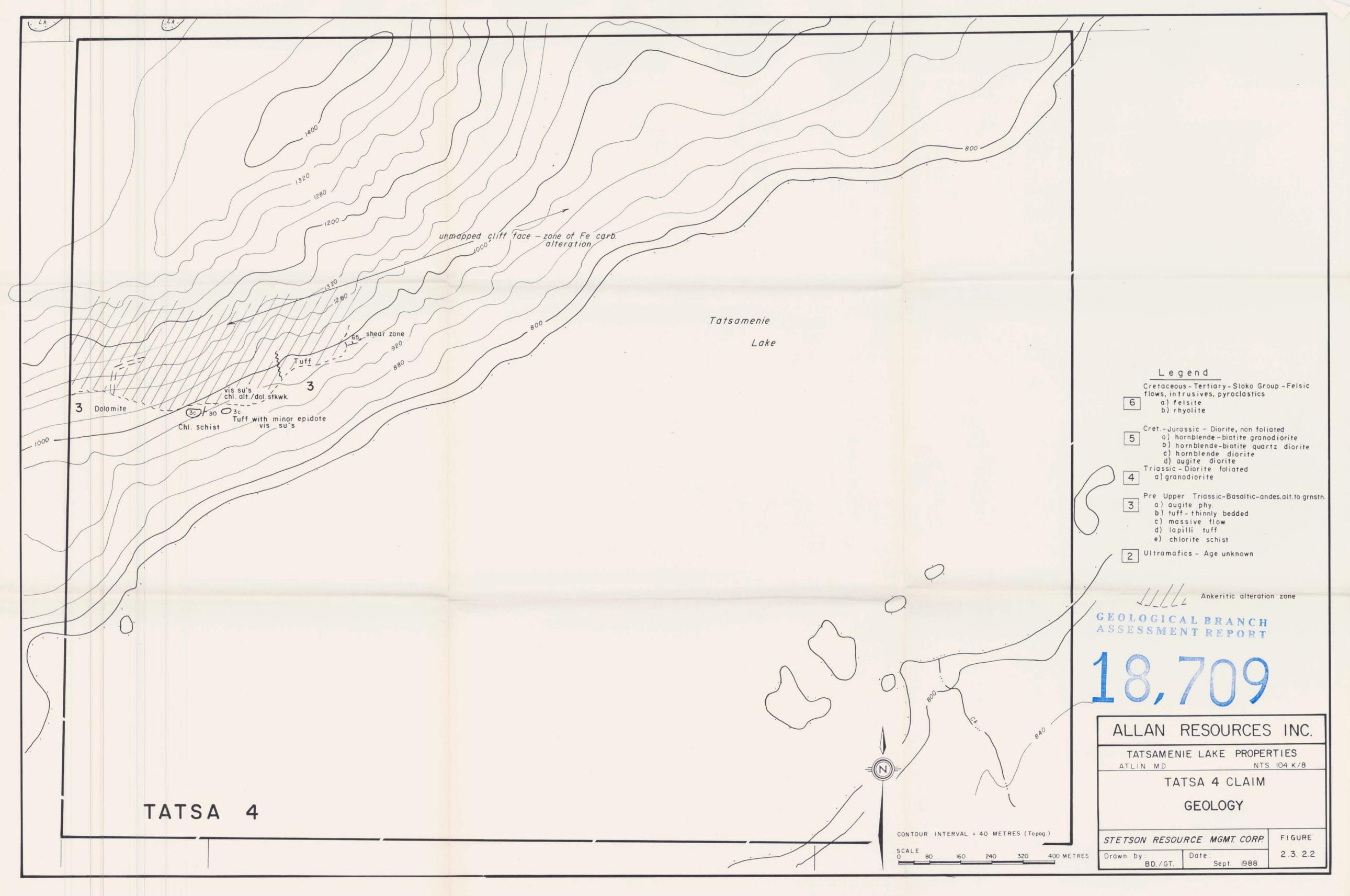
1979 - 1981: Summer and part-time Geologist involved with coal exploration in N.E. B.C. with Utah Mines Ltd.

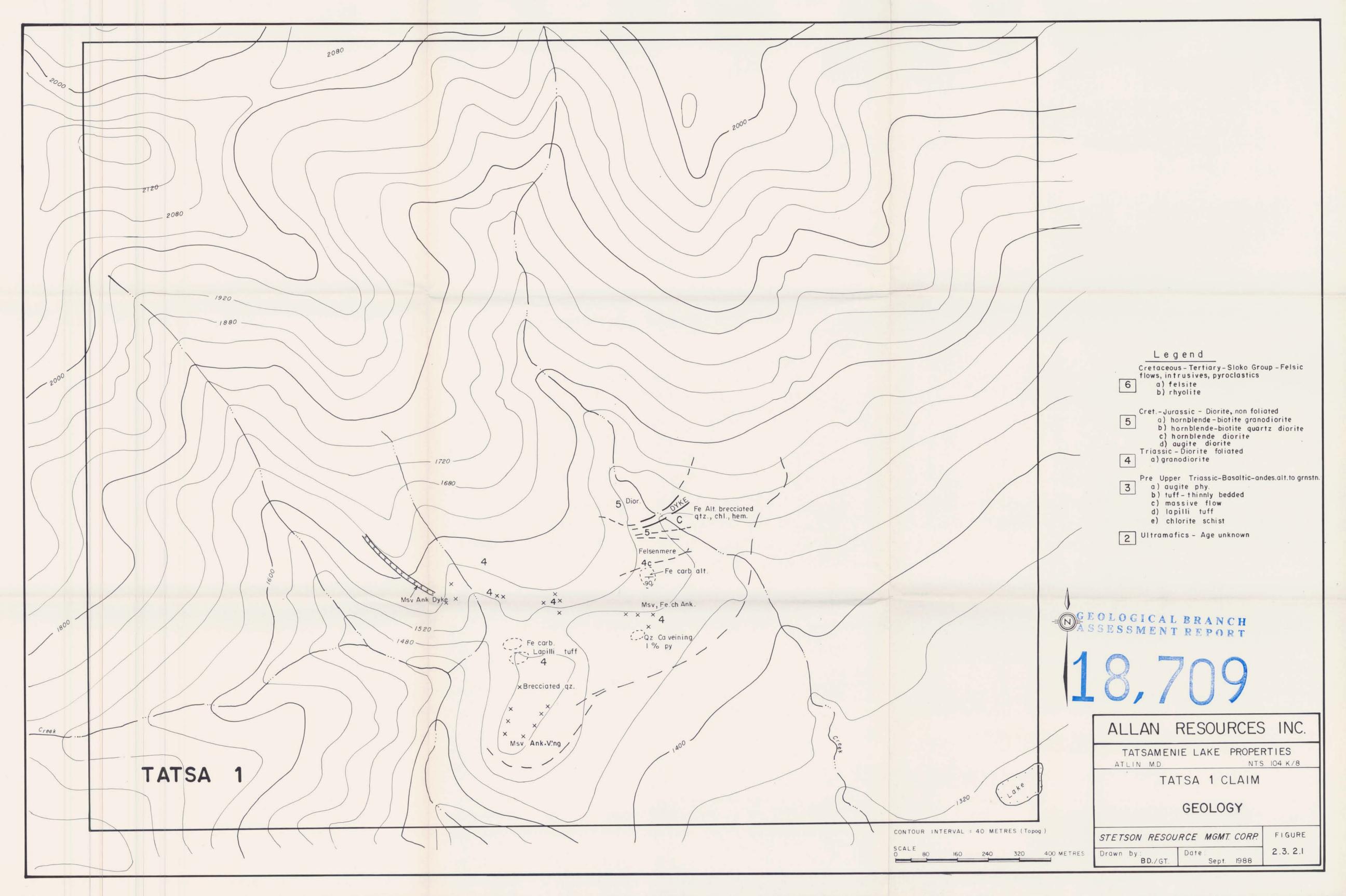
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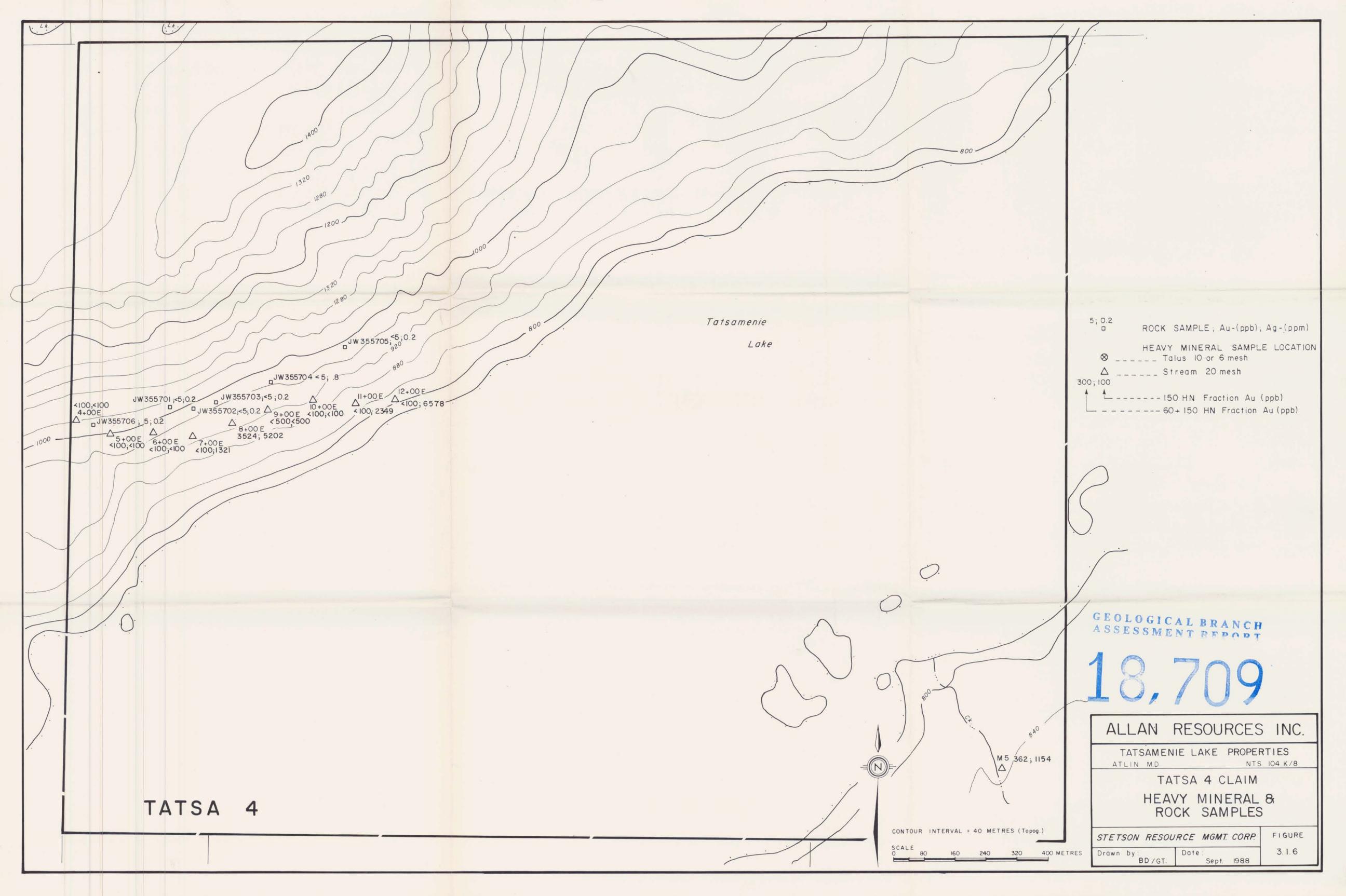


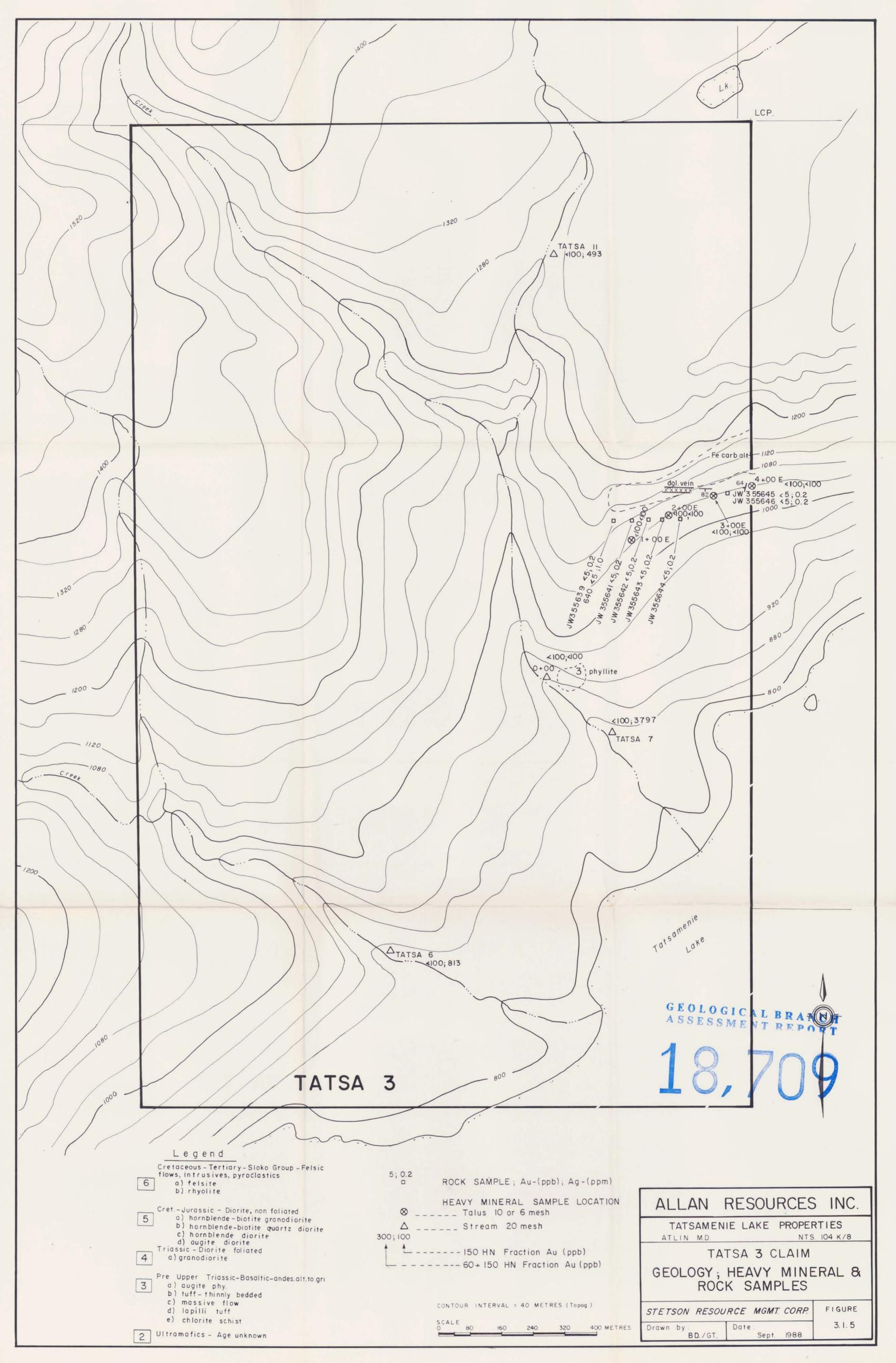


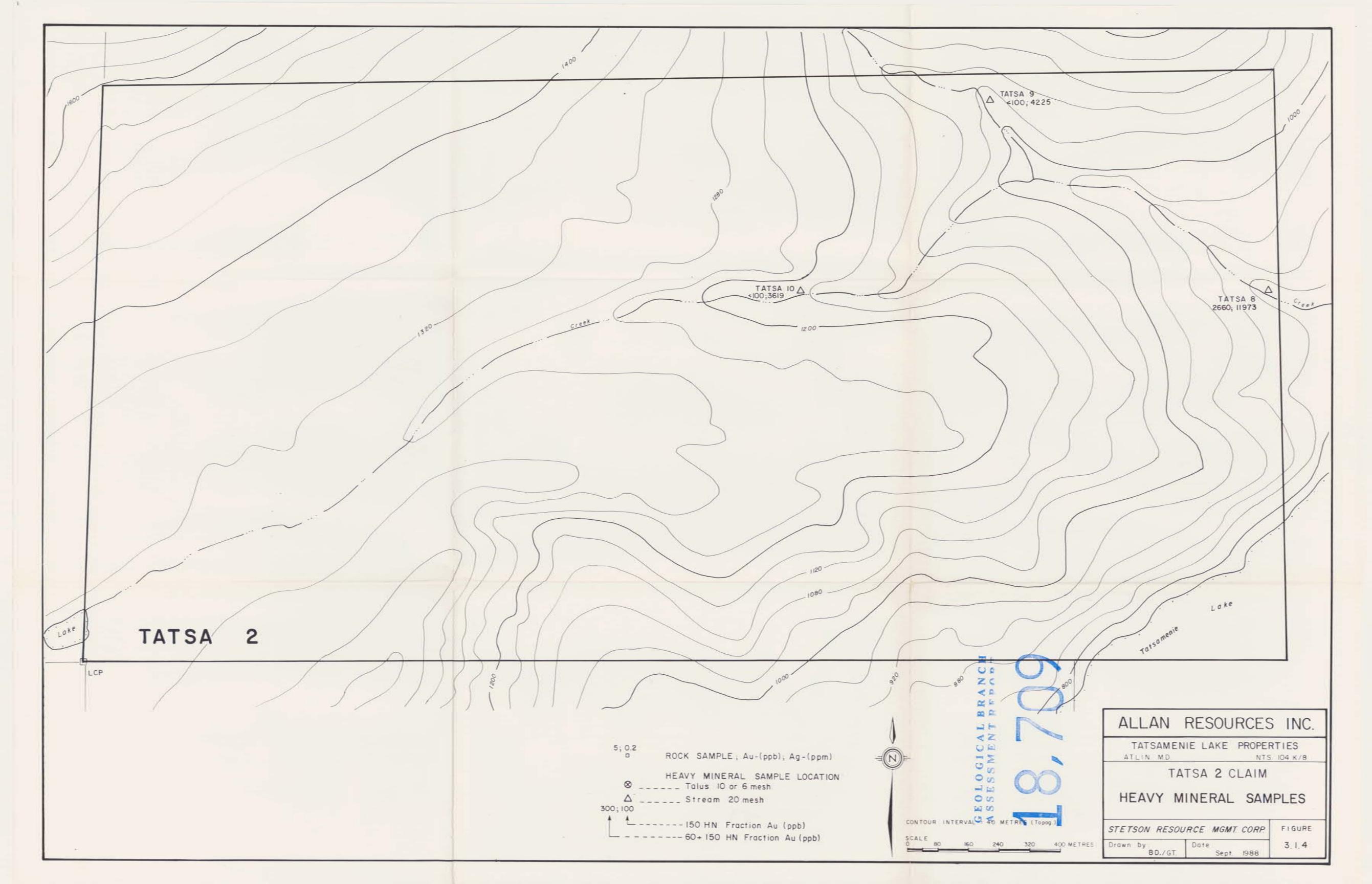


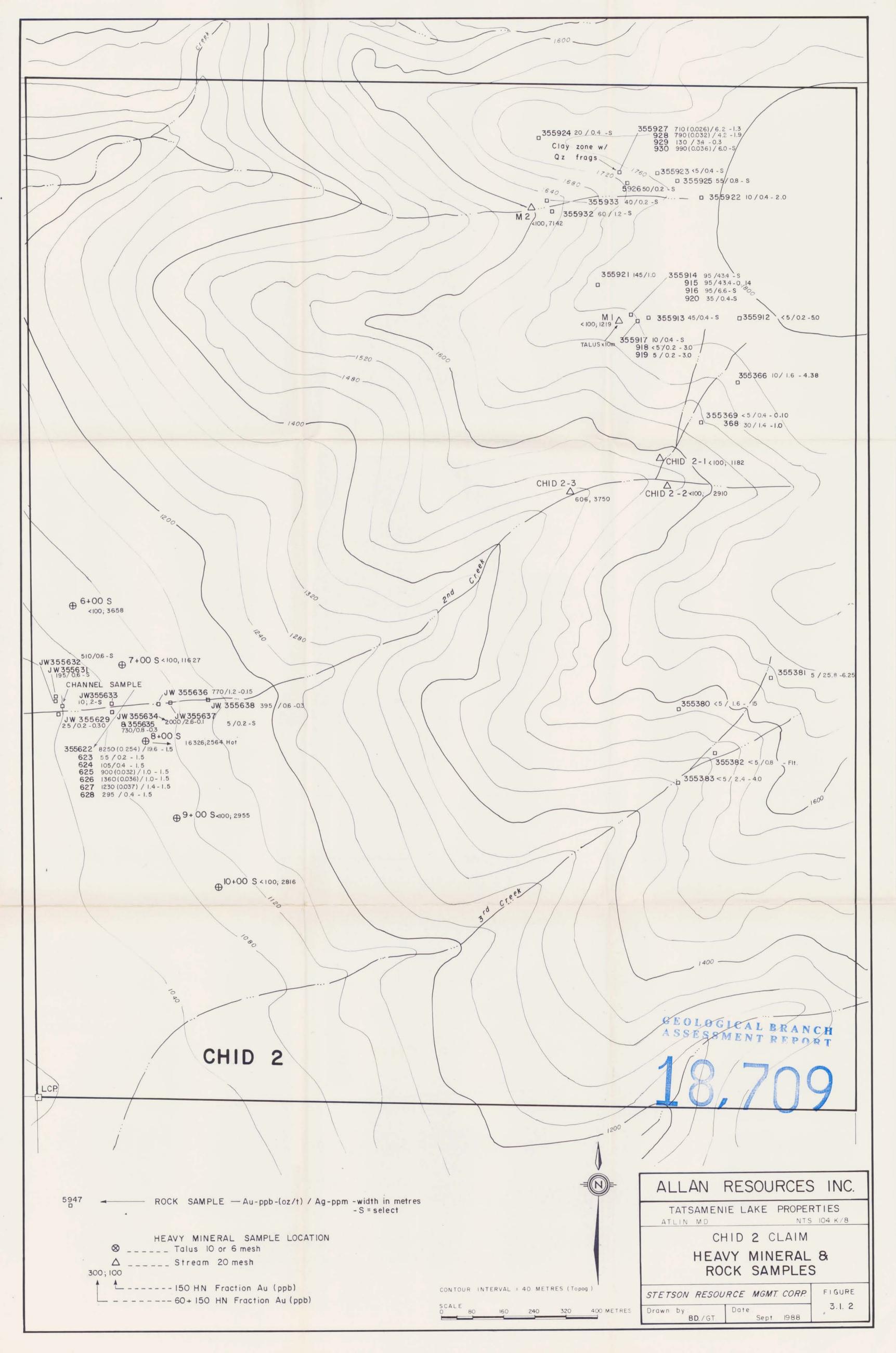


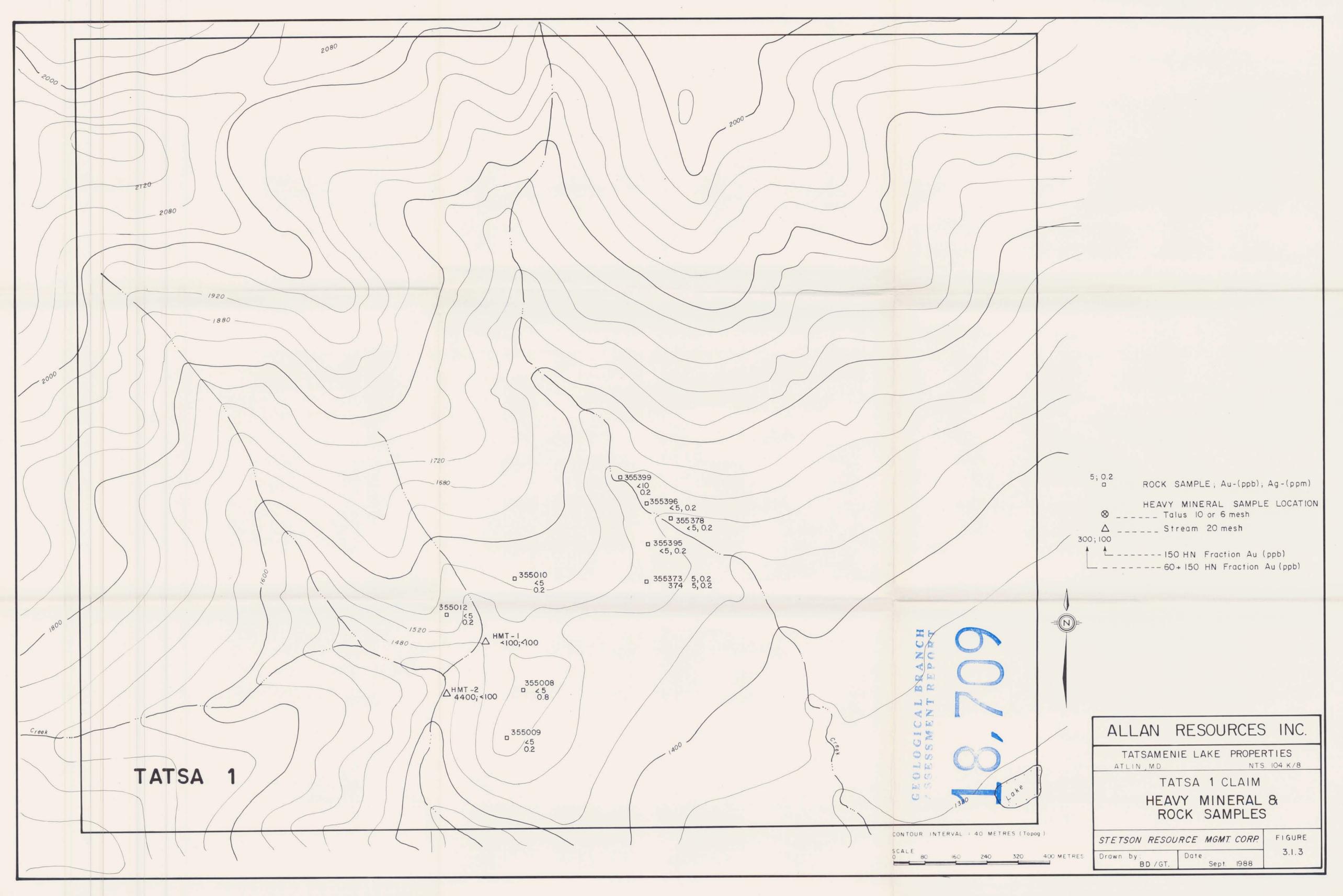






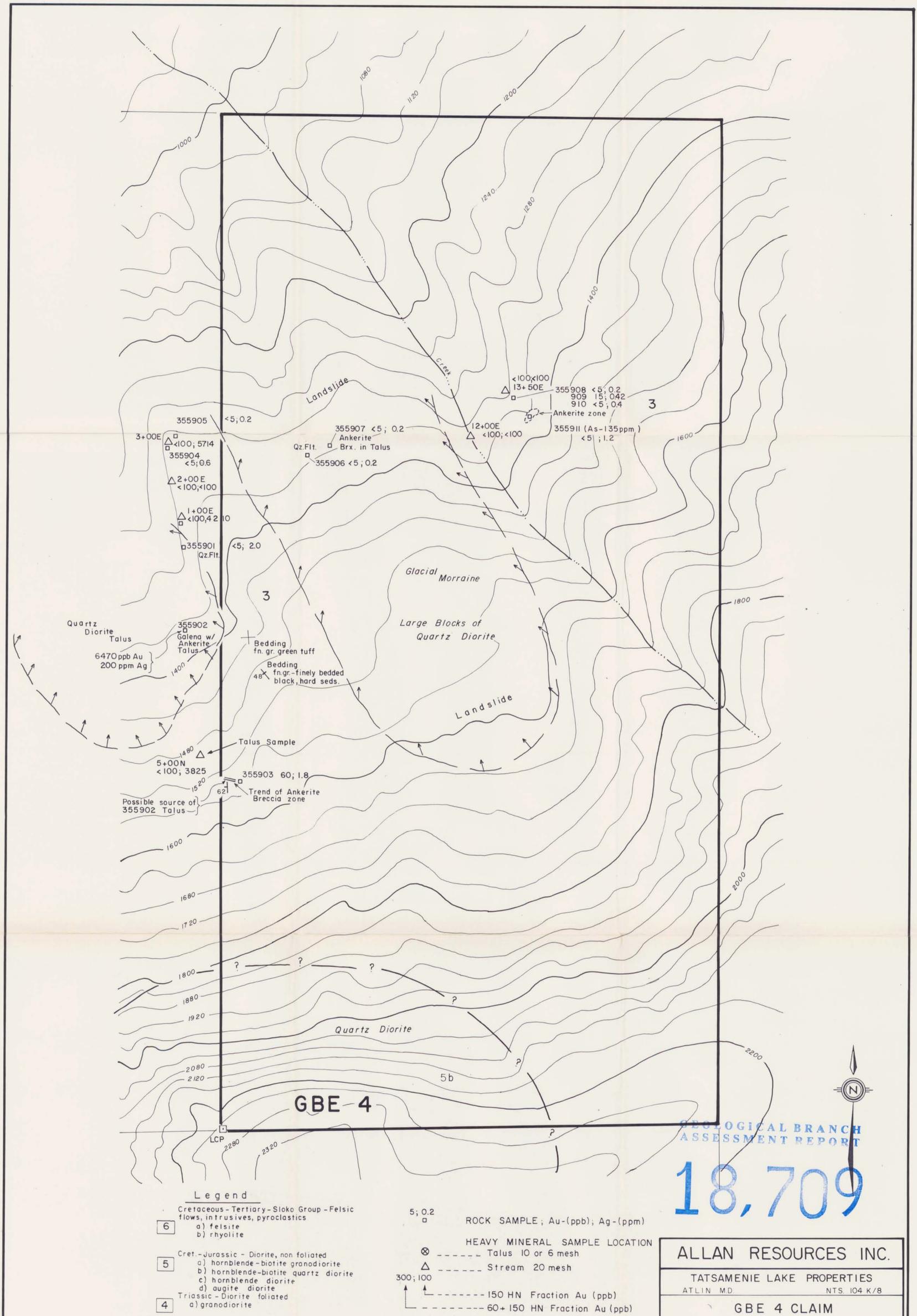












GEOLOGY; HEAVY MINERAL & Pre Upper Triassic-Basaltic-andes.alt.to grnstn. 3 a) augite phy. ROCK SAMPLES b) tuff - thinnly bedded c) massive flow d) lopilli tuff CONTOUR INTERVAL = 40 METRES (Topog) STETSON RESOURCE MGMT. CORP. FIGURE e) chlorite schist SCALE 80 160 240 320 400 METRES 2 Ultramafics - Age unknown 2.3.3.B Drawn by: Date Sept. 1988 BD./GT.