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GEOLOGICAL REPORT
ON THE
SUTLAHINE PROPERTY
ATLIN MINING DIVISION
BRITISH COLUMBIA

NTS 104K/10W
58°31'N 132°58'E
FOR

FILMED

SUB-RECORDER
RECEIVED
OCT 16 1989
M.R. # _____ \$ _____
VANCOUVER, B.C.

EQUITY SILVER MINES LIMITED
#13 - 1155 Melville Street
Vancouver, British Columbia
V6E 4C4

PREPARED BY:

STETSON RESOURCE MANAGEMENT CORP.
#13 - 1155 Melville Street
Vancouver, British Columbia
V6E 4C4

W.J. DYNES

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

GEOLOGICAL BRANCH
ASSESSMENT REPORT

19,212

October 15, 1989

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1.0 INTRODUCTION

This report discusses the geology of a precious metal prospect covered by the Hank 58 claim under option to Equity Silver Mines Limited. The data presented are the results of an reconnaissance exploration program conducted by Stetson Resource Management Corp, under direction of W. Dynes and J. Wetherill. Further exploration is recommended to follow up anomalous silver and base metal values returned from rock samples collected on the property.

1.1 Location and Access

The Hank 58 claim is situated in the Atlin Mining Division, approximately 120 kilometers northwest of Dease Lake. The claim covers 5 square kilometers centred at latitude 58°31'N and longitude 132°58'E.

Access to the property is via helicopter from Dease Lake. Groceries, fuel, lumber and general supplies are available to a limited extent in Dease Lake. The remainder may be trucked from Smithers to Dease Lake.

1.2 Physiography, Vegetation and Climate

The property covers rugged alpine to sub-alpine terrain. Elevations range from 400 metres along the Sutlahine River to 1352 metres at a topographic survey point along the southern claim boundary. Slopes are steep, and helicopter support is required to access several areas on the property.

Vegetation is sparse with treeline at an elevation of 1200 metres. Engelmann spruce and alpine fir characterize the vegetation.

The region has a relatively dry climate, with a moderate winter snow cover. Sufficient water for exploration and development purposes is available from the main property drainage into the Sutlahine River.

EQUITY SILVER MINES

SUTLAHINE PROJECT

ATLIN M.D.

104 K/10

PROPERTY LOCATION

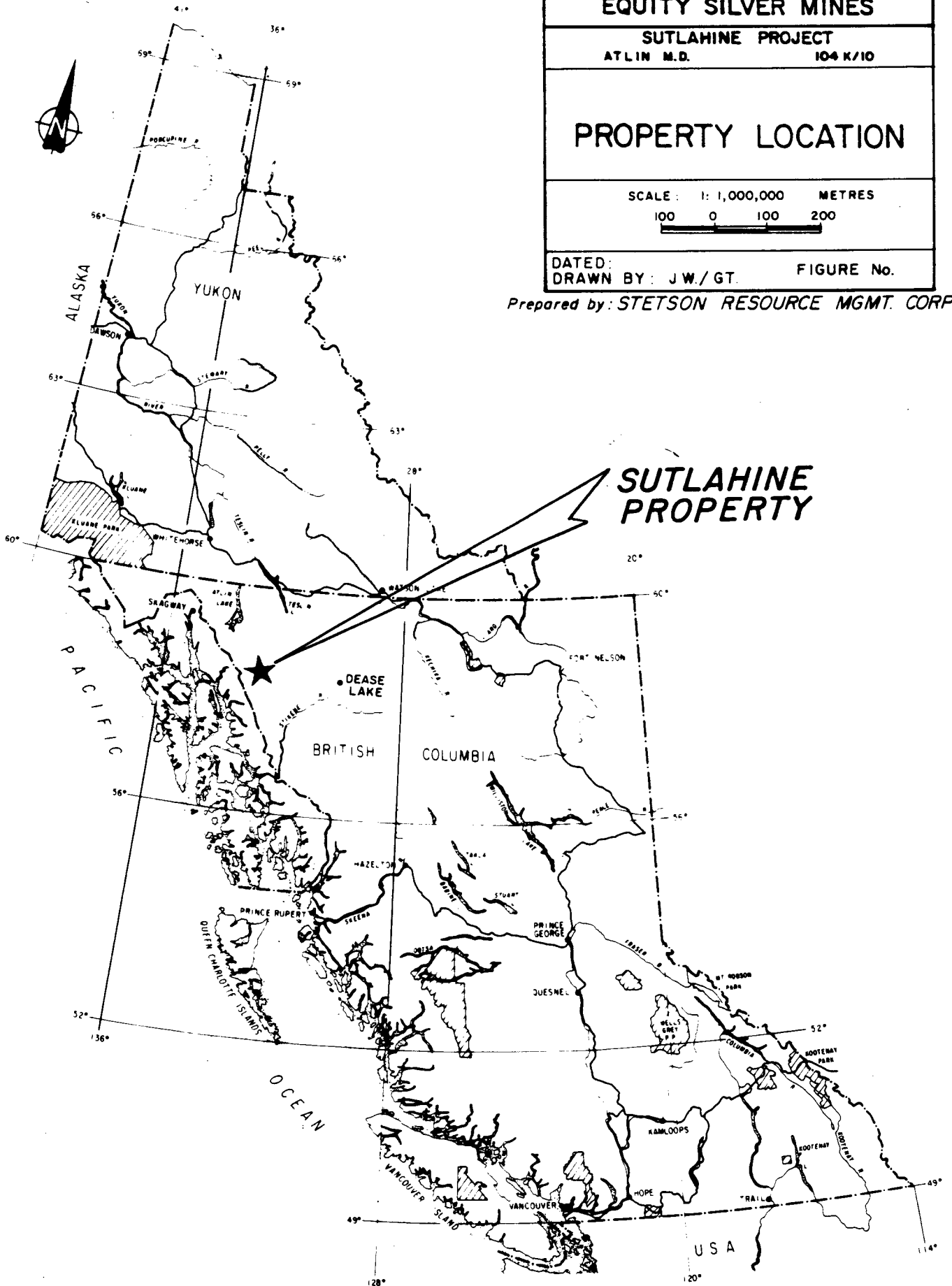
SCALE: 1: 1,000,000 METRES

100 0 100 200

DATED:
DRAWN BY: J.W./GT.

FIGURE No.

Prepared by: STETSON RESOURCE MGMT. CORP.



1.3 Property

TABLE 1

The property is covered by 1 "Modified Grid" mineral claim, as per Table 1.

<u>Claim</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Hank 58	20	3304	July 18, 1990

1.4 History

No previous work has been recorded on the property, but geological and geophysical investigations were conducted on contiguous claims to the east in 1970 by White. Shear and breccia zones associated with significant areas of silicification, carbonitization, and mineralization were delineated in an intrusive host. The Regional Geochemical Survey of the British Columbia Department of Energy, Mines, and Petroleum Resources (1987) returned values from drainages in the area of 32 and 70 ppb Au, and elevated levels of Ba (1000).

2.0 1989 EXPLORATION PROGRAM

In 1989, an exploration program was undertaken by a 2 man geological field crew employed by Stetson Resource Management Corp. Approximately \$2,500 was spent on a geological survey carried out between July 8 and July __, 1989.

The survey involved detailed mapping and sampling of the northeastern portion of the property. Further work on other areas of the property was halted due to lack of helicopter support available during a period of heavy forest fire activity in the area.

2.1 Regional Geology

Souther (1971) indicates the property is centered over a remnant roof pendant of Upper Triassic Stuhini Group volcanics within Cretaceous and Tertiary Sloko Group quartz monzonite. Amphibolite and diorite gneiss of unknown age are also mapped in the area of the property.

2.2 Regional Mineralization/Alteration

Structure in the area generally trends northeasterly. A breccia zone 30 metres in width comprising limonite, quartz chalcedony, and calcite is reported on the ground immediately east of the Hank 58 claim.

Alteration of the quartz monzonite includes argillic and sericitic alteration with saussuritization of plagioclase, and biotite-chlorite replacement of hornblende. Shear zones are commonly silicified and exhibit varying degrees of pervasive wallrock silicification.

2.3 Property Geology

16 quartz monzonite

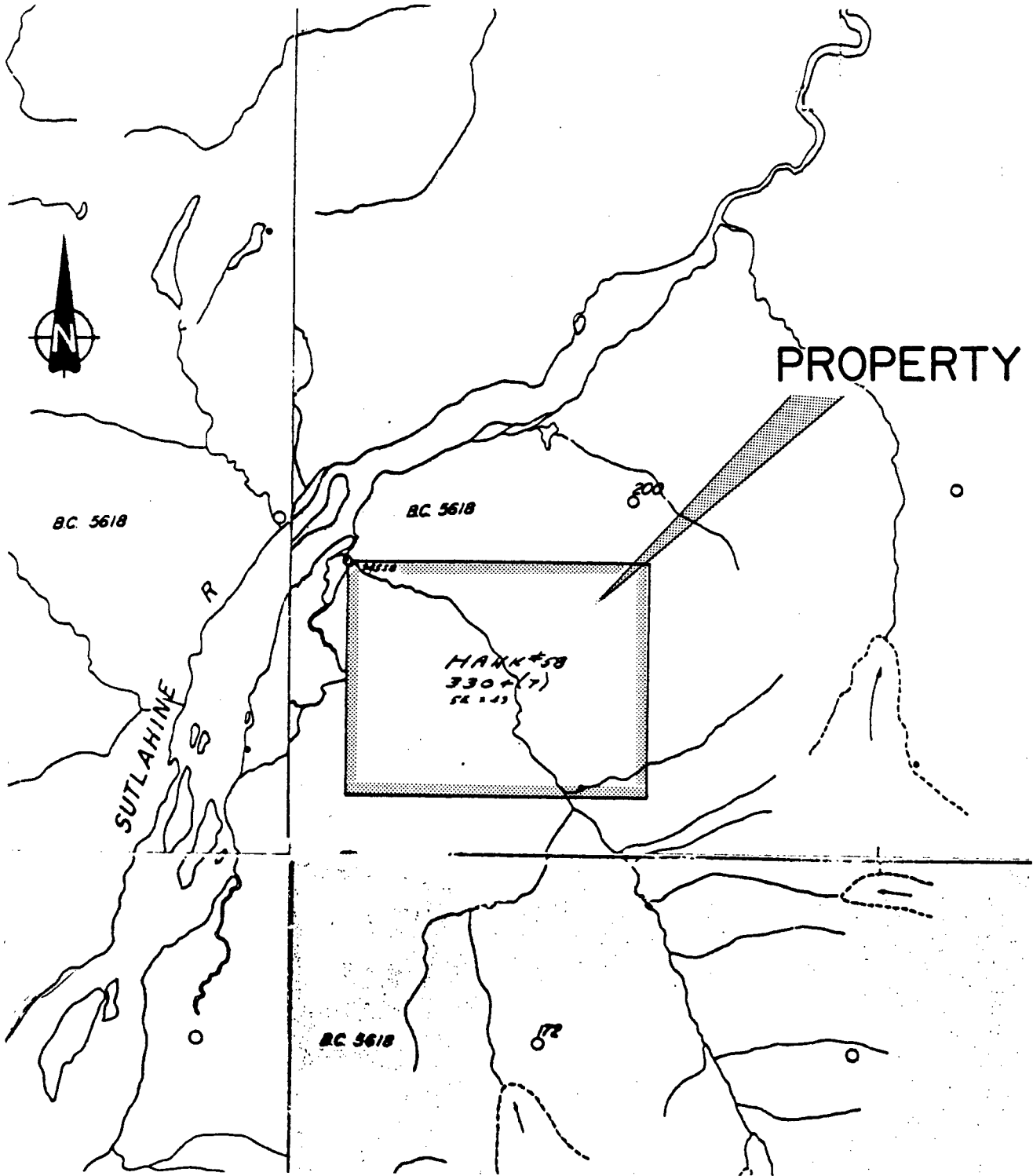
Buff weathered, fine to medium-grained quartz monzonite occurs as apophyses in greenstone outcropping in the southern mapping area. Biotite is the principle mafic mineral.

14a agglomerate and volcanic breccia

Agglomerate and volcanic breccia with rounded to subangular clasts in black siliceous matrix. Multilithic clasts are up to 15cm in diameter, with the larger clasts generally banded rhyolite.

14b tuff

Fine-grained, black tuff, and medium-grained felsic lapilli tuff with disseminated pyrite. Weathered surfaces of both tuffs are moderately to very rusty. The black tuff is very siliceous, often with pyritic layering.



EQUITY SILVER MINES		
SUTLAHINE PROJECT		
ATLIN M.D.	104 K/10	
CLAIM MAP		
SCALE	1: 50,000	METRES
0	500 1000	2000 3000
DATED: October 1989		FIGURE No.
DRAWN BY: /GT.		

4 greenstone

Fine-grained, massive greenstone with vertical sheet jointing. Slickensides vary between outcrops but generally trend east-west. Epidote occurs on fracture surfaces as patches and blebs. Faint black, angular remnant fragments were observed in greenstone outcropping in the southwestern mapping area.

2.4 Property Mineralization/Alteration

All rock units mapped exhibit moderate chloritization, and the greenstones are extensively epidotized. Weak carbonitization is observed in tuff outcropping in the northeastern portion of the mapped area. Pyrite is the predominant mineralization, disseminated in the greenstones, and layered and disseminated in the tuffs. Small drusy quartz veins with cockscomb texture contain minor disseminations of black sulphides, and trend roughly north-south. A 5-10cm massive sulphide vein of pyrite and galena is located north of the saddle, and is oriented 5/60E.

2.5 Rock Chip Sampling

Sampling on the property was confined to the northeastern portion of the claim. Twelve rock chip and selected samples were taken across alteration zones, veins and breccias in order to best represent alteration types and mineralization found on the property.

The rock chip samples were bagged and sent to Bondar-Clegg Laboratories in Vancouver for fire assay gold and 29 element ICP analysis. In the laboratory, samples were put through primary and secondary crushers. A sub sample of approximately 250 grams was then screened to -100, or -150 mesh and the pulp fire assayed for gold plus 29 element ICP.

3.0 Conclusions and Recommendations

Anomalous values in silver, lead, and zinc were returned from rock samples collected on the property. Gold was also detected but values were low (less than 200 ppb). Sample DY7-17B from quartz felsenmeer returned 22.9 ppm Ag, 1160 ppm Pb, and 2467 ppm Zn. Sample DY7-17D from a small massive sulphide vein returned 2.25 oz/t Ag, 6.76% Pb, and 2912 ppm Zn. The highest gold values were obtained along the strike of a cockscomb quartz vein. Samples DY7-17E and DY7-17G returned values of 107 and 169 ppm Au, respectively. Limited sampling of tuffs hosting these veins reveal elevated levels of arsenic, gold and silver.

The Sutlahine property hosts precious metal mineralization in small massive sulphide veins and in drusy quartz veins. Further prospecting and mapping should be carried out on the western portion of the claim and on its drainages, to locate similar vein-type mineralization, and suitable host rock for pervasive mineralization.

SAMPLE NO.	LOCATION	SAMPLE DESCRIPTION	WIDTH	STRIKE DIP
DY7-16A	N Saddle	Grey-white weathered tuff, limonitic with minor drusy vugs	-	Select
DY7-17A	S Saddle	Quartz float, cockscomb texture, no visible sulphides	-	Float
DY7-17B	S Saddle	Quartz rich float with rusty pyritic vugs	-	Float
DY7-17C	S Saddle	Spectacular drusy quartz in volcanic subcrop, epidote and MnO alteration, no visible sulphides	1.5 m	-
DY7-17D	S Saddle	Galena, pyrite and black fine grained sulphide vein	5 cm+	005/60E
DY7-17E	N Saddle	Drusy quartz and quartz breccia zone with elongated vugs	-	Select
DY7-17F	N Saddle	Rusty cockscomb quartz vein	10cm	020/?
DY7-17G	N Saddle	Sample of rusty cockscomb quartz vein 50m south of DY7-17F	-	Select
DY7-17H	N Saddle	Fine grained black laminated tuff, silicified with disseminated pyrite 1%	2m	Select
DY7-17I	N Saddle	Silicified tuff and pyroclastics, pyritic with faint remnant fragments of volcanics	-	Select
DY7-17J	N Saddle	Black silicified pyroclastics and lapilli tuff as in DY7-17I	2.5m	Select
DY7-17K	N Saddle	Fine grained black layered tuff with pyrite layers	-	Select

COST STATEMENT

Project Preparation

Printing	\$ 23.00
Maps	\$ 11.65
Drafting	\$ 55.00
J. Wetherill 1 day @ \$225/ day	\$ 225.00
	=====
	\$ 314.65

Field Personnel

GEOLOGIST	
W.J. Dynes 4 days @ \$225.00	\$ 900.00
FIELD TECHNICIANS	
R. Herzig 4 days @ \$175/day	\$ 700.00
	=====
	\$ 1600.00

Support

General Supplies	\$ 15.00
Gasoline & Propane	\$ 10.40
Helicopter 4.2 hrs @ \$750/hr	\$ 3,150.00
Equipment Rental:	
Radio Rental and Licenses:	
4 days @ \$25.00/day	\$ 100.00
	=====
	\$ 3,275.40

General

Communication (B.C. Tel)	\$ 6.78
	=====
	\$ 6.78

Assays

Rock

29 ICP, Fire Assay Au, and Prep	
12 rocks @ 25.00/sample	\$ 300.00
	=====
	\$ 300.00

Report Writing

Geologist 2 days @ \$225/day	\$ 450.00
Drafting 1 days @ \$200/day	\$ 200.00
Reproduction	\$ 15.80
Supplies, Typing, Copying	\$ 22.58
	=====
	\$ 688.38

Subtotal	\$ 6,185.21
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12% Administrative Overhead	\$ 742.23
	=====

TOTAL	\$ 6,927.44
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REFERENCES

White, L.G.

1970

Report on the Geology of the B,S, and J Claim Groups; BCDEMPR Assessment Report 2648

White, L.G.

1970

Geophysical Report on a Magnetometer Survey, Band J Claim Group; BCDEMPR Assessment Report 2649

Souther, J.G.

1971

Geology and Mineral Deposits of the Tulsequah Map Area, British Columbia; Geological Survey of Canada, Memoir 362

ar-sutlah

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, geo-
chemistry, 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.

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

APPENDIX
Geochemical Assays

A DIVISION OF INCHCAPE INSPECTION & TESTING SERVICES

REPORT: V89-03930.0

DATE PRINTED: 22-AUG-89

PROJECT: SUTLAMINE

PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Au PPR	Ag PPM	As PPM	Ba PPM	Be PPM	Bi PPM	Cd PPM	Ce PPM	Co PPM	Cr PPM	Cu PPM
R2 DY7-16A		<5	<0.2	92	55	<0.5	4	<1	9	<1	71	10
R2 DY7-17A		40	2.0	307	13	<0.5	22	<1	<5	8	160	133
R2 DY7-17B		50	22.9	543	4	<0.5	68	19	<5	12	170	605
R2 DY7-17C		33	0.8	115	25	<0.5	24	<1	<5	12	153	20
R2 DY7-17D		32	>50.0	234	23	<0.5	71	28	<5	38	93	392
R2 DY7-17E		107	1.8	99	9	<0.5	22	<1	<5	12	136	94
R2 DY7-17F		16	0.6	80	5	<0.5	4	<1	<5	3	149	21
R2 DY7-17G		169	7.4	29	27	<0.5	7	<1	11	1	174	15
R2 DY7-17H		7	0.2	297	24	<0.5	27	<1	<5	19	129	127
R2 DY7-17I		20	0.2	256	39	<0.5	20	<1	10	8	95	53
R2 DY7-17J		6	<0.2	88	52	<0.5	18	<1	13	8	97	25
R2 DY7-17K		<5	<0.2	32	36	<0.5	10	<1	<5	15	96	76

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REPORT: 989-03930.0

DATE PRINTED: 22-AUG-89

PROJECT: SUTLAMINE

PAGE 18

SAMPLE NUMBER	ELEMENT UNITS	Ga PPM	La PPM	Li PPM	Mo PPM	Nb PPM	Ni PPM	Pb PPM	Rb PPM	Sb PPM	Sc PPM	Sn PPM
R2 DY7-16A		3	6	4	3	1	3	<2	33	<5	3	<20
R2 DY7-17A		3	1	16	4	1	5	98	21	25	3	<20
R2 DY7-17B		9	<1	3	11	2	32	1160	30	42	2	<20
R2 DY7-17C		14	2	45	13	3	34	36	<20	33	5	<20
R2 DY7-17D		9	<1	15	3	1	3	>10000	<20	67	2	<20
R2 DY7-17E		16	2	19	6	4	6	650	60	30	2	<20
R2 DY7-17F		3	<1	7	7	<1	4	266	<20	8	<1	<20
R2 DY7-17G		4	6	5	28	<1	2	30	<20	8	1	<20
R2 DY7-17H		15	2	24	3	3	24	52	44	29	7	<20
R2 DY7-17I		11	6	34	4	3	6	49	42	19	3	<20
R2 DY7-17J		14	8	41	3	3	13	55	<20	20	5	<20
R2 DY7-17K		17	4	29	3	5	29	21	99	20	6	<20

A DIVISION OF INCHCAPE INSPECTION & TESTING SERVICES

REPORT: V89-03930.0

DATE PRINTED: 22-AUG-89

PROJECT: OUTLAMINE

PAGE 1C

SAMPLE NUMBER	ELEMENT UNITS	Sr PPM	Ta PPM	Te PPM	V PPM	W PPM	Y PPM	Zn PPM	Zr PPM
R2 DY7-16A		19	<10	<10	28	<10	4	7	5
R2 DY7-17A		37	<10	<10	50	<10	3	52	1
R2 DY7-17B		19	<10	15	20	13	1	2467	2
R2 DY7-17C		11	<10	14	71	<10	3	90	<1
R2 DY7-17D		42	<10	16	33	14	2	2912	<1
R2 DY7-17E		22	<10	10	42	<10	4	76	<1
R2 DY7-17F		14	<10	<10	20	<10	<1	33	<1
R2 DY7-17G		4	<10	<10	6	<10	4	31	5
R2 DY7-17H		72	<10	<10	146	<10	5	54	1
R2 DY7-17I		91	<10	<10	34	<10	5	39	3
R2 DY7-17J		119	<10	<10	60	<10	6	51	5
R2 DY7-17K		163	<10	<10	76	<10	5	32	2

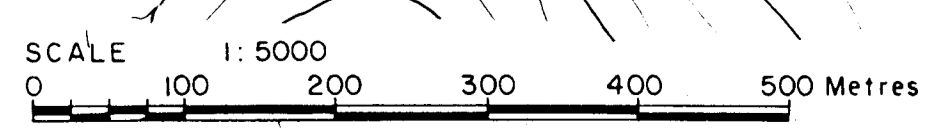
HANK 58



- LEGEND**
- LATE TERTIARY**
- PLEISTOCENE AND RECENT**
- 18 LEVEL MOUNTAIN GROUP - Basalt
 - 17 HEART PEAKS Fm
Trachyte, rhyolite
- CRETACEOUS and TERTIARY**
- SLOKO GROUP - Eugeo volcanic flows
intrusives and pyroclastics**
- 16 Quartz monzonite
 - 15 Felsite
 - 14 Rhyolite
- UPPER JURASSIC**
- 12 Diorite granodiorite
- JURASSIC**
- LABERGE GROUP**
- 11 TAKKAWHON FORMATION - Conglomerata, sandstone
 - 10 INKLIN FORMATION - Gneiss, sediments, limestone
- UPPER TRIASSIC**
- 9 SINWA FORMATION - Limestone, chert, chert
- 786 STUHN GROUP - Volcanic and sedimentary rocks**
- TRIASSIC**
- 8 Granodiorite, quartz diorite, foliated diorite
- PRE - UPPER - TRIASSIC**
- 4 Sedimentary and volcanic rocks
- PERMIAN**
- 3 Limestone, dolomitic limestone, chert
 - 1&2 1) Serpentine, peridotite 2) Gabbro
 - A Diorite gneiss, age unknown

- Py'tzd gossanous Si'd zone
- Snow pack
- Outcrop
- Depression
- Rock Chip Sample
- Contact (known, assumed)

- Trm. - Tourmaline
- Ep - Epidote
- x - Subcrop
- Fg - Fine grained
- mg - Medium grained
- cg - Coarse grained
- diss. - Disseminated



**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

19,212

EQUITY SILVER MINES

SUTLAHINE PROJECT
ATLIN M.D. 104 K/10

**GEOLOGY & SAMPLE
LOCATION MAP**

DATED: October 1989
DRAWN BY: /GT. FIGURE No.