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GEOLOGICAL REPORT

OF THE

DAISY 8 CLAIM

104K/7

ATLIN MINING DIVISION

BY

ANDRIS KIKAUKA B.Sc.

FOR

GULF INTERNATIONAL MINERALS LTD.

AUGUST 15, 1989

| | | |
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| VANCOUVER, B.C. | |

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

19,310

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1.0 Introduction

The Daisy 8 claim is approximately 100 km. northwest of Telegraph Creek. The claim consists of 20 units (4 units North and 5 units East) the LCP is located approximately 11 km. south of the south tip of Trapper Lake. The claim area is accessible by float plane to a small lake 2 km. north of the property. However, a helicopter was used to gain access to the claim.

The Daisy 8 claim was examined by a 2 man fly camp on July 22nd and 23rd, 1989. Work consisted of geological mapping (4 man days), prospecting (9 rock chip samples) and silt geogchemistry (11 samples)

The claims were staked on the basis of anomalous Au stream sediment samples from the government geochemical survey.

2.0 Land Status

| <u>Mining</u> <u>Division</u> | <u>Claim</u> | <u>NTS</u> | <u>record #</u> | <u>expiry</u> | <u># of Units</u> |
|----------------------------------|--------------|------------|-----------------|---------------|-------------------|
| Atlin | Daisy 8 | 104K/7 | 3354 | Aug.12/90 | 20 |

3.0 Vegetation, Topography

The claim ranges from 950 to 2215 metres in elevation. The entire claim area is above tree line except for some scrub brush near N. Chechilda Creek.

4.0 Claim Geology and Mineralization

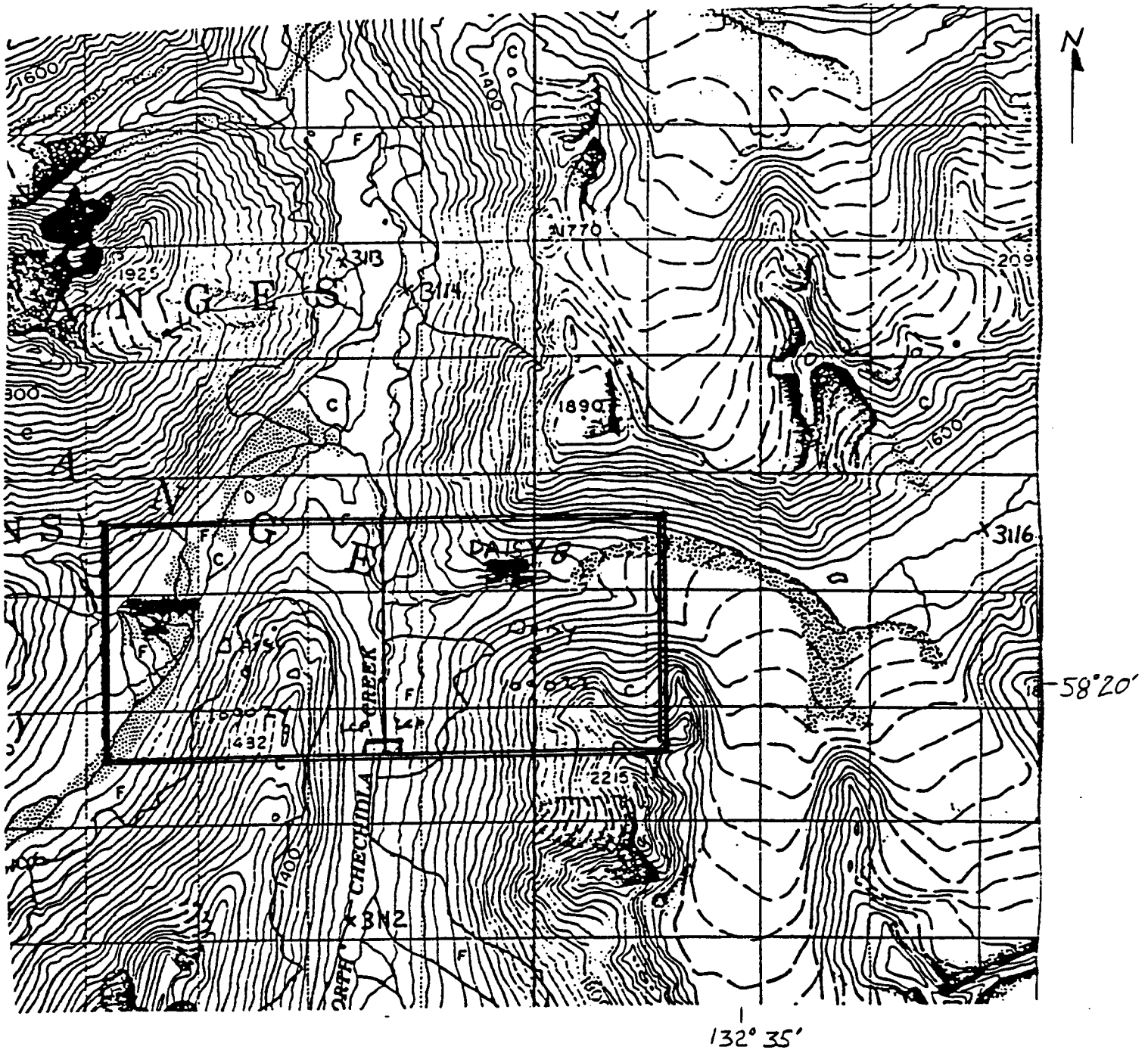
The Daisy 9 claim is underlain by Triassic granodiorite to diorite. There are numerous mafic to intermediate dykes and younger, cross-cutting felsic (syenite?) dykes. Narrow (5-35 cm. wide) but consistent along strike (100-500 metres) quartz-chalcedony-pyrite mineralization occurs along the margins of the mafic dykes and partly along the felsic dykes. A prominent 160 degrees striking mafic dyke complex is cut by several felsic dykes. This structure corresponds to where an anomalous government stream sediment sample #3110 was taken. This sample contained 165 ppb Au, with a 260 ppb Au repeat. Rock samples 48189-48192 were taken along the narrow mineralized portion of the dyke. The samples were slightly anomalous in gold (up to 376 ppb) but failed to explain the anomalous government stream sediment sample. A possibility exists for a source of gold bearing mineralization under the glacier at the east edge of the claim. Numerous mineralized boulders with chalcopyrite, sphalerite and galena in a quartz matrix (east portion of claims) were found below the glacier. Also float from the southwest portion of Daisy 8 contained molybdenite in quartz-pyrite veinlets. A rock chip from this portion of the claim returned a value of 96.2 ppm Ag, 24 ppm W, and 75 ppb Au.

5.0 Geological Potential

The area has potential for vein/replacement and disseminated/fracture filling mineralization. The vein/replacement type of mineralization is evident along dyke contacts and within the jointing and fracturing of the granodiorite. There is some chlorite alteration related to these zones. The disseminated/fracture filling mineralization is evident along the southeast portion of the claim with traces of chalcopyrite in a dioritic host rock.

6.0 Summary

Based on limited field work, the Daisy 8 claim has potential for hosting a mineral deposit. Surface examination indicates vein/replacement and disseminated/fracture filling mineralization occurs. Anomalous gold/silver geochemistry confirms a possibility for future drill targets although none were located in the time spent on the claim.



APPENDIX C

PROPERTY: DAISY

CLAIMS: DAISY 8

UNITS : 20

NTS : 104K/7



APPENDIX D
Daisy Property

| <u>Sample Number</u> | <u>Location</u> | <u>Description</u> |
|-----------------------------|--|--|
| 48188 | Along dyke contacts halfway between N. Chechilda Ck. and glacier | 0.35m wide, 60% qtz, 25% Py 1.5mm cubes |
| 48189 | Along dyke contacts halfway between N. Chechilda Ck. and glacier | 0.30m wide, 60% qtz, calchedony |
| 48190 | Along dyke contacts halfway between N. Chechilda Ck. and glacier | 0.15m wide, 50% qtz, chalcedony |
| 48191 | Along dyke contacts halfway between N. Chechilda Ck. and glacier | 0.25m wide, qtz, chalcedony, calcite |
| 48192 | Along dyke contacts halfway between N. Chechilda Ck. and glacier | 0.35m wide, 25% qtz, as boxwork, trace Py. |
| A71-A73 | South of camp | Silt |
| A74-A79 | East of camp | Silt |
| DBS-1 | Per Appendix B | Silt |
| DBS-2 | Per Appendix B | Silt |

Appendix

E GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR NH FK SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: P1 ROCK P2 SILT AU** ANALYSIS BY FA/ICP FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 2 1989 DATE REPORT MAILED: Aug 11/89 SIGNED BY: C. Long . . . D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

GULF INTERNATIONAL PROJECT DAISY 9 File # 89-2636 Page 1

| SAMPLE# | Mo | Cu | Pb | Zn | Ag | Ni | Co | Mn | Fe | As | U | Au | Th | Sr | Cd | Sb | Bi | V | Ca | P | La | Cr | Hg | Ba | Ti | B | Al | Na | K | W | Au** |
|---------|-----|-----|------|-----|------|-----|-----|------|-------|-----|-----|-----|-----|------|-----|-----|-----|----|-------|------|-----|----|------|----|-----|----|-----|-----|-----|-----|------|
| | PPM | PPM | PPM | PPM | PPM | PPM | PPM | PPM | % | PPM | PPM | PPM | PPM | PPM | PPM | PPM | PPM | % | % | PPM | PPM | % | PPM | % | PPM | % | % | % | PPM | PPM | |
| D 48188 | 7 | 12 | 1375 | 15 | 96.2 | 9 | 15 | 28 | 11.56 | 21 | 5 | ND | 1 | 2 | 1 | 2 | 142 | 3 | .01 | .003 | 2 | 6 | .02 | 11 | .01 | 2 | .15 | .01 | .11 | 24 | 75 |
| D 48189 | 32 | 129 | 30 | 37 | .7 | 10 | 12 | 1295 | 4.86 | 215 | 5 | ND | 1 | 73 | 1 | 2 | 2 | 8 | 3.09 | .022 | 3 | 6 | .62 | 7 | .01 | 2 | .16 | .01 | .08 | 1 | 78 |
| D 48190 | 18 | 8 | 9 | 17 | .8 | 7 | 4 | 342 | 1.31 | 7 | 5 | ND | 1 | 160 | 1 | 2 | 2 | 11 | 1.63 | .024 | 3 | 5 | .52 | 87 | .01 | 15 | .26 | .01 | .10 | 1 | 376 |
| D 48191 | 1 | 137 | 28 | 106 | .1 | 15 | 14 | 846 | 3.46 | 5 | 5 | ND | 1 | 1136 | 1 | 2 | 2 | 36 | 11.67 | .010 | 4 | 3 | 4.85 | 33 | .01 | 2 | .21 | .01 | .10 | 1 | 13 |
| D 48192 | 114 | 23 | 23 | 14 | .1 | 11 | 10 | 75 | .92 | 90 | 5 | ND | 1 | 31 | 1 | 2 | 3 | 9 | .33 | .068 | 5 | 4 | .06 | 19 | .01 | 2 | .30 | .01 | .16 | 1 | 175 |
| D 48279 | 70 | 17 | 172 | 58 | 3.0 | 7 | 2 | 79 | 1.38 | 38 | 5 | ND | 1 | 32 | 1 | 2 | 2 | 7 | .10 | .016 | 2 | 5 | .06 | 22 | .01 | 2 | .17 | .01 | .10 | 1 | 351 |
| D 48280 | 3 | 5 | 2 | 3 | .7 | 4 | 1 | 221 | .39 | 2 | 5 | ND | 6 | 14 | 1 | 2 | 2 | 2 | .28 | .001 | 8 | 4 | .04 | 6 | .01 | 2 | .24 | .01 | .12 | 1 | 7 |
| D 48281 | 1 | 36 | 15 | 90 | .1 | 7 | 11 | 1399 | 3.09 | 2 | 5 | ND | 1 | 210 | 1 | 2 | 2 | 46 | 11.28 | .033 | 4 | 2 | 3.16 | 42 | .01 | 2 | .22 | .01 | .10 | 1 | 18 |

- ASSAY REQUIRED FOR CORRECT RESULT -

| SAMPLE# | Mo PPM | Cu PPM | Pb PPM | Zn PPM | Ag PPM | Ni PPM | Co PPM | Mn PPM | Fe % | As PPM | U PPM | Au PPM | Th PPM | Sr PPM | Cd PPM | Sb PPM | Bi PPM | V PPM | Ca % | P % | La PPM | Cr PPM | Hg % | Ba PPM | Ti % | B PPM | Al % | Na % | K % | W PPM | AU** PPB |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|-------------|
| A-71 | 1 | 74 | 22 | 89 | .5 | 5 | 12 | 557 | 5.55 | 9 | 5 | ND | 3 | 32 | 1 | 2 | 3 | 158 | .73 | .151 | 15 | 14 | .57 | 87 | .08 | 2 | .97 | .02 | .09 | 9 | 22 |
| A-72 | 2 | 99 | 79 | 223 | 1.1 | 9 | 13 | 602 | 4.09 | 9 | 5 | ND | 1 | 64 | 3 | 2 | 2 | 106 | .88 | .130 | 14 | 17 | 1.03 | 73 | .05 | 9 | 1.38 | .02 | .13 | 7 | 38 |
| A-73 | 1 | 51 | 8 | 48 | .3 | 6 | 9 | 442 | 4.94 | 8 | 5 | ND | 4 | 36 | 1 | 2 | 3 | 144 | .79 | .155 | 14 | 14 | .43 | 58 | .08 | 3 | .74 | .03 | .08 | 9 | 13 |
| A-74 | 1 | 70 | 43 | 81 | .5 | 7 | 11 | 544 | 6.28 | 18 | 5 | ND | 5 | 36 | 1 | 2 | 2 | 202 | .87 | .204 | 16 | 15 | .64 | 45 | .08 | 12 | .83 | .02 | .08 | 1 | 42 |
| A-75 | 1 | 74 | 34 | 80 | .4 | 6 | 12 | 470 | 6.53 | 13 | 6 | ND | 6 | 38 | 1 | 2 | 2 | 227 | .86 | .192 | 15 | 18 | .63 | 44 | .08 | 18 | .78 | .03 | .08 | 1 | 45 |
| A-76 | 1 | 78 | 33 | 75 | .3 | 6 | 11 | 527 | 6.55 | 21 | 5 | ND | 4 | 42 | 1 | 2 | 2 | 218 | 1.03 | .209 | 16 | 16 | .67 | 55 | .08 | 13 | .86 | .02 | .08 | 1 | 15 |
| A-77 | 1 | 91 | 19 | 65 | .3 | 9 | 14 | 559 | 8.02 | 15 | 5 | ND | 5 | 33 | 1 | 2 | 13 | 293 | .81 | .192 | 15 | 21 | .73 | 49 | .08 | 3 | .85 | .02 | .08 | 1 | 25 |
| A-78 | 1 | 96 | 8 | 59 | .1 | 7 | 13 | 576 | 7.70 | 8 | 5 | ND | 4 | 35 | 1 | 2 | 3 | 256 | .85 | .176 | 16 | 14 | .69 | 68 | .10 | 2 | .91 | .03 | .09 | 1 | 7 |
| A-79 | 1 | 105 | 16 | 72 | .2 | 7 | 12 | 592 | 4.90 | 11 | 5 | ND | 3 | 38 | 1 | 2 | 2 | 137 | .89 | .178 | 17 | 10 | .87 | 95 | .08 | 9 | 1.15 | .02 | .12 | 1 | 8 |
| DBS 01 | 1 | 116 | 29 | 98 | .4 | 12 | 15 | 865 | 5.24 | 20 | 5 | ND | 3 | 51 | 1 | 2 | 2 | 158 | 1.24 | .225 | 18 | 18 | 1.28 | 78 | .10 | 11 | 1.40 | .02 | .10 | 1 | 23 |
| DBS 02 | 1 | 89 | 14 | 61 | .2 | 6 | 11 | 494 | 6.04 | 13 | 5 | ND | 4 | 60 | 1 | 2 | 2 | 191 | 1.93 | .184 | 15 | 11 | .56 | 60 | .09 | 2 | .75 | .03 | .08 | 1 | 11 |
| STD C/AU-S | 18 | 61 | 42 | 132 | 6.5 | 68 | 30 | 938 | 4.02 | 42 | 21 | 7 | 37 | 49 | 18 | 14 | 19 | 58 | .50 | .088 | 38 | 56 | .89 | 177 | .07 | 32 | 1.92 | .06 | .13 | 12 | 48 |

Appendix F

Statement of Costs

| | | | |
|----------------|-----------------|--------------------------|---------------|
| Wages | July 22,23,1989 | Harman Keyser @ 250/day | \$ 250.00 |
| | | Andris Kikauka @200/day | 200.00 |
| Transportation | July 23,1989 | 2.1 hrs @ 580/hr & fuel | 1266.00 |
| Assays | July 31, 1989 | 20 samples @ \$14/sample | 280.00 |
| Room and Board | July 22,23,1989 | 4 man days @ 60/day | <u>240.00</u> |
| | | | \$2686.00 |
| | | | ===== |

Appendix G

Statment of Qualifications

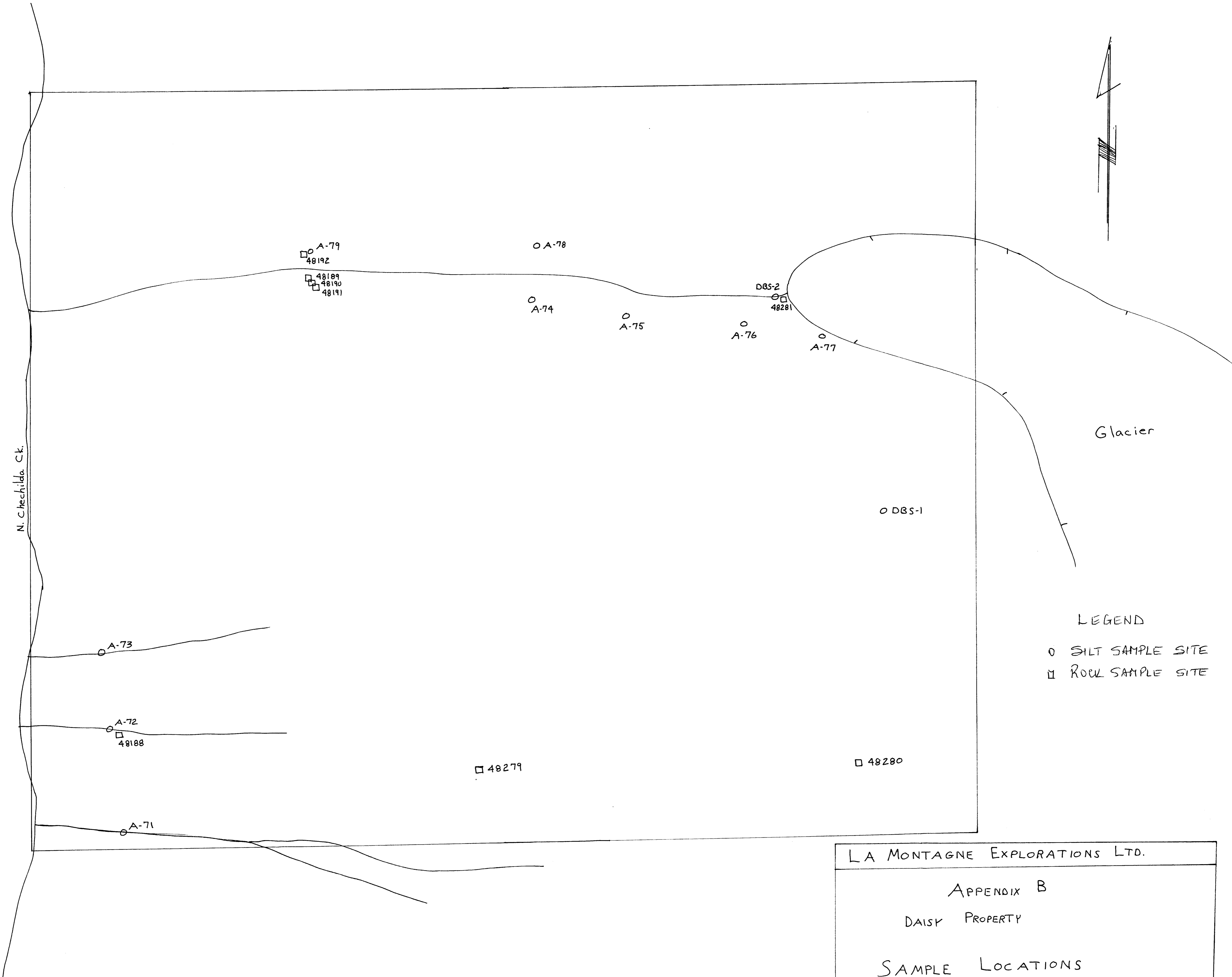
I, Andris Kikauka, of Gulf International Minerals Ltd. do hereby certify that:

- Graduated from Brock University, faculty of Geological Sciences, St. Catherines, Ontario 1979, receiving honours B.Sc., first class
- From 1976 - 1979, have been performing geological field work for Uranium targets on the Canadian Shield.
- From 1979 - 1989, have been performing geological field work for precious metal, base metal targets on the western cordillera in B.C. and the Yukon Territory.
- Maintain a professional affiliation with the G.A.C. and M.E.G.
- Personally participated in the field work of this report, reviewed and assessed the data and have no direct or indirect or contingent interest in this mineral property.

Sincerely,

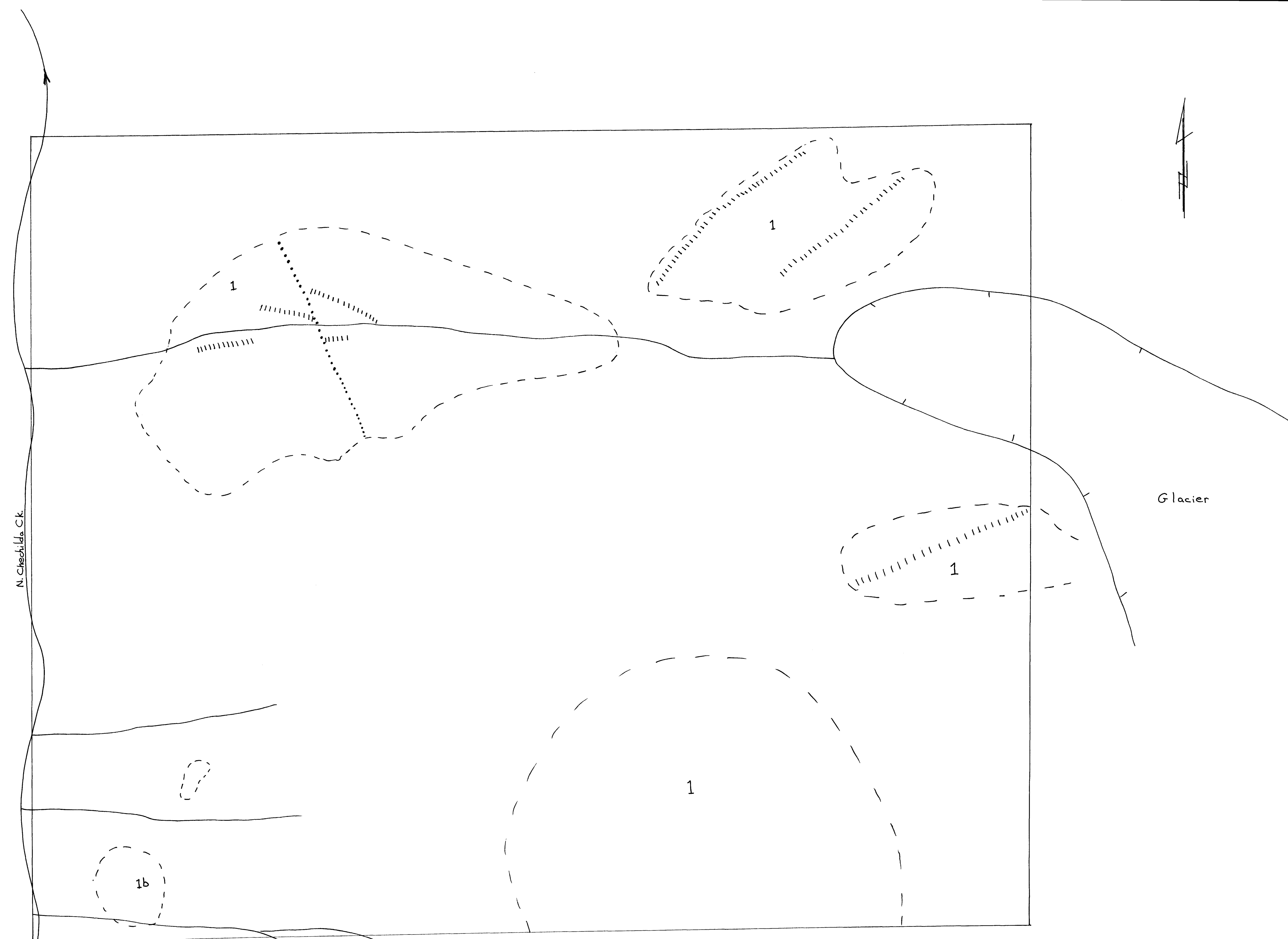


Andris Kikauka
Geologist,
Gulf International Minerals Ltd.



LEGEND
 ○ SILT SAMPLE SITE
 □ ROCK SAMPLE SITE

| | | |
|-------------------------------|--------------|---------------|
| LA MONTAGNE EXPLORATIONS LTD. | | |
| APPENDIX B | | |
| DAISY PROPERTY | | |
| SAMPLE LOCATIONS | | |
| 19310 | | |
| Drawn MFF | Scale 1:5000 | NTS 104K/7 |
| | | Date Nov 1989 |



N. Chechikofa Ck.

Glacier

LA MONTAGNE EXPLORATIONS LTD

APPENDIX A
DAISY PROPERTY

GEOLOGY
19310

| | | |
|-----------|--------------|---------------|
| Drawn MFF | Scale 1:5000 | NTS 104K/7 |
| | 0 50 200 M | Date Nov 1989 |

LEGEND

- 1 CRETACEOUS/TERTIARY
 - Granodiorite
 - 1b Diorite
- Mafic dyke
- ||||| Felsic dyke