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GEOLOGICAL REPORT

ON THE

CANYON 1-4 INCLUSIVE MINERAL CLAIM (72 UNITS)

RECORD NOS. 9546 - 9548 and 9598

TERTIARY MINE AREA, CARIBOO MINING DIVISION

QUESNEL, BRITISH COLUMBIA

Longitude 122° 38' 50" West 0710

Latitude 53° 10' North ACTION: 4P.

OWNER OF CLAIMS:

ALASKON RESOURCES LTD.

and

ALL STAR RESOURCES LTD.

OPERATOR:

ALASKON RESOURCES LTD.

CONSULTANT:

G.W. McCONNELL, M.A.Sc.

AUTHOR:

G.W. McCONNELL, M.A.Sc.

DATE:

February 13, 1990

A S S E S S M E N T R E P O R T

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CANYON 1-4 INCLUSIVE MINERAL CLAIM (72 UNITS) RECORD NOS. 9546 - 9548 and 9598 TERTIARY MINE AREA, CARIBOO MINING DIVISION QUESNEL, BRITISH COLUMBIA

1. INTRODUCTION

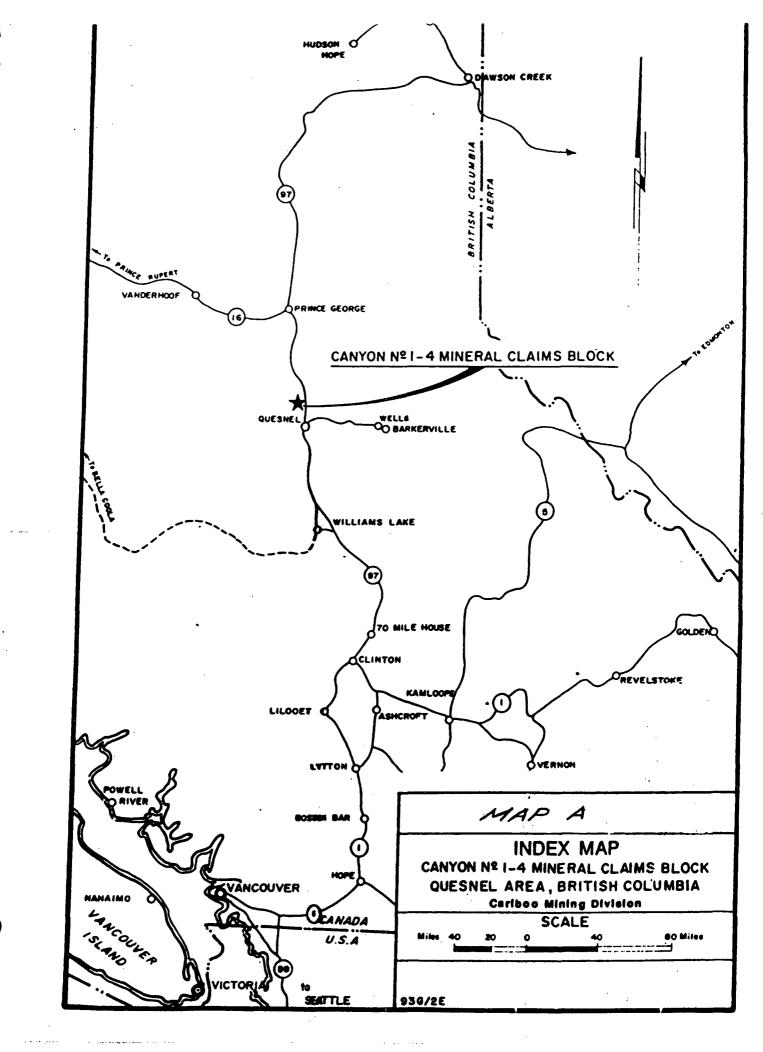
(i) Location and Access (Maps A & B)

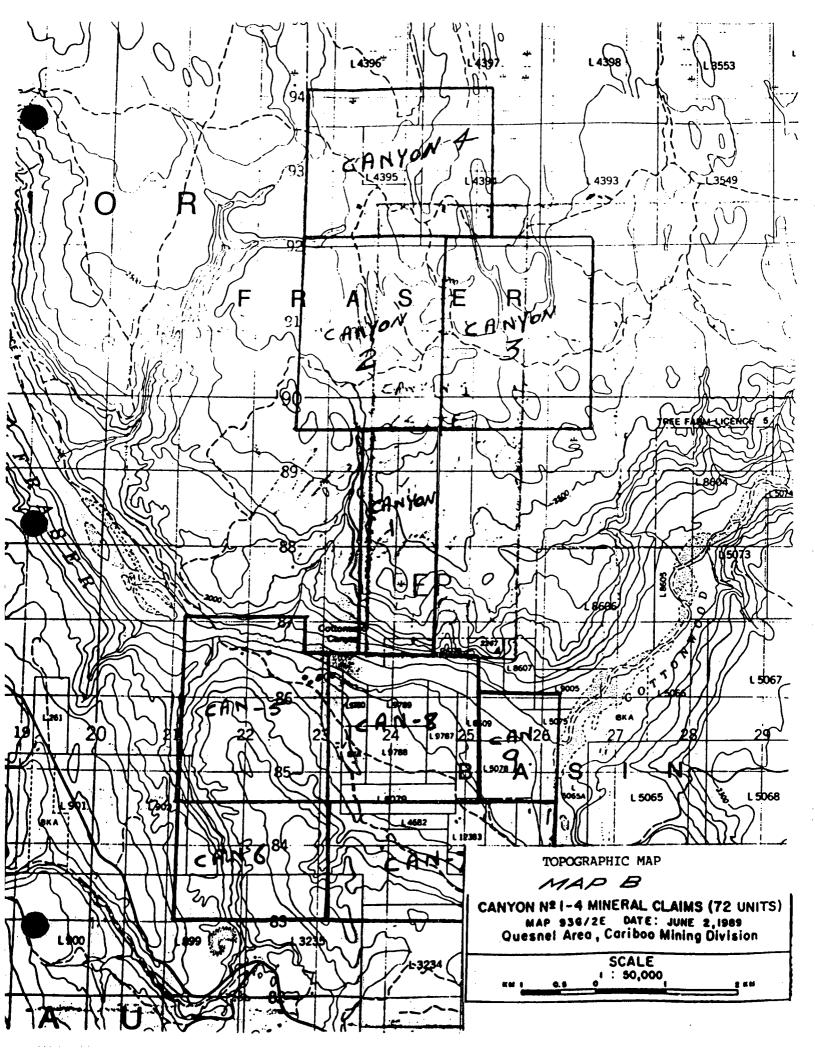
The claim block is located on the east side of the Fraser River immediately northwest of the confluence of the Cottonwood and Fraser Rivers some 20 kilometres north-northwest of the town of Quesnel, British Columbia.

The claims are readily accessible via the major logging road #200 put in by Weldwood when a large portion of the claim block was logged. The road takes off the old Prince George Highway on the east side of the Cottonwood River bridge. Logging road 200B, which takes off of road 200, cuts through the centre of Canyon 2 and 3 claims giving excellent access to the centre of the claim block from east to west. From this road, access to the Fraser River is available by secondary logging roads.

The claims join existing mineral claims on the west owned by Mine Quest and Placer-Dome companies covering the old Tertiary (buried placer) mine. The claims join the CAN 5-9 claim block of All-Star Resources to the south where significant gold values were encountered in the 1988-89 diamond drilling.

The climate in the area of the claims is moderate. This portion of British Columbia does experience chinook conditions during the winter months and the climate becomes very moderate for short periods of time. The





snowfall in the area is very moderate since the elevation is only 2,400 feet at 750 metres above sea level.

(ii) Property, History and Economic Assessment

The property (Map C) consists of a total of 72 claim units as follows:

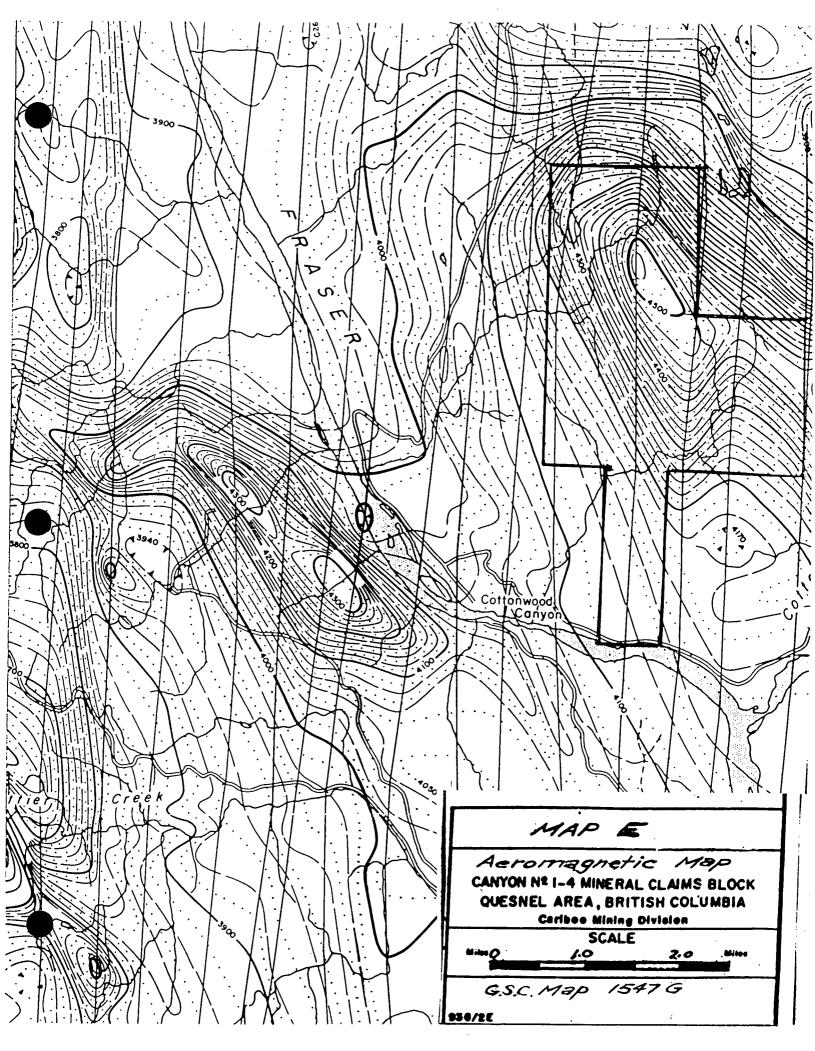
<u>Claim</u>	No. of Units	Record No.		
Canyon 1	12	9546 (2)		
Canyon 2	20	9547 (2)		
Canyon 3	20	9548 (2)		
Canyon 4	20	9598 (3)		
Total Units	72			

The claims are recorded in the name of All Star Resources Ltd. (71%) and Alaskon Resources Ltd. (29%). Both companies are listed on the Vancouver Stock Exchange and have a common office at 615 - 200 Granville Street, Vancouver, B.C. V6C 1S4.

The only record of mining in the general area of the claims is the underground mining on the buried placer gold channel gravels in the Tertiary Mine, north of the Fraser River and the Canyon Mine south of the river and the claim block. Both mines are on the same channel which has S37°E trend and a 2% gradient to the southeast. The channel crosses the Fraser River immediately southwest of the claim block. The early history of both mines is outlined by Douglas Lay in B.C.D.M. Bulletin No. 3, 1940 and Bulletin No. 11, 1941 and B.C. Ministry of Mines Annual Reports (cited). Between 1907 and 1917 a D. Killam recovered about 1,000 oz. of gold from some 650 feet of drifting on the channel upstream at the Tertiary Mine. In the B.C.D.M. Annual report 1926 and 1934 reports some 1,500 feet of the channel had been mined from the portal northward in the Tertiary Mine on the north side of the Fraser River. Work was suspended in 1926 by which time about another 1,000 ounces of gold had been recovered by D.D. Fraser and his partner. In 1985 through 1987, extensive

exploration work including refraction seismic surveys and drilling was carried out by Mine Quest Exploration Associates Ltd. in the area of the Tertiary Mine. This property is currently being explored by QPX Minerals Inc., a company controlled by Placer Dome Inc.

The first record of work on the Canyon Mine, located on the south side of the Fraser River was in 1932 when S.R. Craft at that time had prospected the channel exposure. The B.C.D.M. Annual Report, 1933 reports that the property belonged to J.A. Wade and A.E. McGregor. There is no record of early gold production from the Canyon Mine but it was thoroughly prospected. In a 1983 report by A.D. Tidsbury, it states that about 110 metres (360 feet) of drifting was done along the contact between the gravel and bedrock. Some gold values were reported by Canyon Resources in 1983. The average gold yield of five samples was 0.442 oz/Cu yd. The Canyon Mine was acquired by All Star Resources Ltd. and carried out a test programme underground in 1985. Gold values per cubic yard were encouraging and in 1986 All Star Resources Ltd. completed a 525 foot decline to intersect the old workings. Using conventional underground mining methods, the channel was followed for some 770 feet. Thirteen cross-cuts to the rims of the channel were also put in during the season. The company reports that some 10,000 cubic yards of material were processed and 421.6 oz. of gold were recovered and 40 ounces of silver. Additional underground mining was carried out during the 1988 season by All Star Resources but progress was hampered by faulting and heavy ground. A surface diamond drilling program consisting of six shallow (maximum depth of 100 m) widely spaced holes was completed in January, 1989 in the immediate area of the underground mine. Two holes were reported to have intersected significant gold bearing sections. Recent reevaluation of this drilling has outlined gold related anomalous geochemical zones. Further work scheduled for early 1990 will include drilling.



The Canyon 1-4 claim block covers an area adjacent to the major Pinchi Fault and is underlain by rocks of the Cache Creek Group which are potentially favourable for gold and copper deposits. Due to the paucity of outcrop and the lack of developed soils, an initial exploration program on the property will be largely confined to a geophysical approach.

(iii) Summary of Work Done

Reconnaissance geological mapping was conducted over a period of seven days using a 1:5,000 scale airphoto mosaic blow-up for control purposes. An airphoto interpretation was completed in conjunction with a study of the aeromagnetics of the area.

2. TECHNICAL DATA & INTERPRETATION

Figure D shows the outcrops mapped and a preliminary interpretation of the datadata from these and airphoto and aero-magnetic coverage (G.S.C. Map 1547 G, Cottonwood Canyon, 1 inch to 1 mile scale). See Map E.

In the area of the CAN 1-4 claims, bedrock is largely masked with sand, silt and gravel in the form of benches or terraces at different elevations above the Fraser River. These deposits are generally thick throughout the area and in places are upward of 500 feet in thickness.

Geological units observed are as follows:

- 1. Phyllite Graphitic Schist
- 2. Quartzite -Chert sequence
- 3. Granodiorite -Leucocratic (medium grained)
- 4. Hornfels -Quartz-Biotite

3. ITEMIZED COST STATEMENT

Personnel

George W. McConnell, M.A.Sc., Const November 3 to 9, 1989 (field)	George W. McConnell, M.A.Sc., Consulting Geologist November 3 to 9, 1989 (field)			
February 8 to 13 (office) 13 days at \$400 per day	\$	5,200		
Tony Baines, B.Sc., Geologist February 12 (1/2 day)		75	\$	5,275
Food and Accommodation				
November 3 to 10, 1989 8 days at \$75				600
Transportation				
Vancouver - Quesnel Return Truck rental and fuel		389 790		1,179
Supplies				
Airphoto mosaics (enlargements) Field supplies		150 45		195
Report Costs				
Typing, drafting, photocopies, miscellaneous				485
Total Project Costs			\$	7,734

4. STATEMENT OF QUALIFICATIONS

The author's qualifications are as follows:

- 1. Graduate Geological Engineer (B.A.Sc.) 1957, University of Toronto.
- 2. Master of Applied Science Degree (Economic Geology), University of Toronto, 1959.
- 3. 1959-70 Geologist, Chief Geologist and President, Precambrian Mining Services, Yellowknife, N.W.T. Extensive exploration programs throughout the Northwest Territories.
- 4. 1970-73 Chief Geologist, Conwest (Australia) N.L. Supervision of exploration programs throughout Australia.
- 5. 1973-76 Chief Geologist, Australia, United States Steel International Inc. Supervision of programs in Papus, New Guinea, Fiji, Indonesia, etc.
- 6. 1977-78 Manager, CIDA Malaysia. Exploration Program in conjunction with Malaysian Geological Survey.
- 7. 1979-80 Consulting Geologist, British Columbia.
- 8. 1980-81 Assistant Chief Government Geologist. Dept. of Mines and Petroleum Resources, Papau, New Guinea.
- 9. 1981-82 Senior Consultant, Anaconda, Australia, N.L. Supervision of major drilling programs in Australia.
- 10. 1982-present Consulting Geologist, British Columbia and Western U.S.A.

J.w.M. Monnell

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