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GEOLOGICAL AND GEOCHEMICAL REPORT

On The
LODE 1, 2, and 7 CLAIM GROUP

Skeena Mining Division

For

WHITE CHANNEL RESOURCES INCORPORATED

#718-744 West Hastings Street

Vancouver, B.C.

V6C 1A5

By

Andris Kikauka, B.Sc.(Hons.)

Nov. 12, 1989

FILMED

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GEOLOGICAL BRANCH
ASSESSMENT REPORT

19,726

SUMMARY

The Lode 1, 2, and 7 Claim Group consists of three contiguous mineral claims comprising 49 units. The property is situated in the Skeena Mining Division approximately 25 kilometres north of Stewart, B.C.

The claims lie within the "Golden Crescent" of the Stewart Complex. This area is receiving an increase of attention with world class gold-silver deposits which currently represents the most active exploration area in the Western Canadian Cordillera.

The property is underlain by Lower-Middle Jurassic volcanic breccia, conglomerate, crystal and lithic tuff, sandstone, siltstone, and limestone cut by Tertiary dacitic dykes. The axis of a large scale anticline fold parallels American Creek.

A large scale N-S fault associated with the axial plane of the American Creek Anticline contains a wide zone of pyrite and chlorite mineralization. Another fault west of American Creek, trending 340 degrees, has widespread pyrite mineralization and ^{above average} gold in stream sediment sampling. Two gossans, located in the east part of the claims, returned ^{relatively high} ~~anomalous~~ Cu-Pb-Zn-Ag-As geochem values of the claim group. The veins are related to northwest trending dacitic dykes and secondary clay alteration zones. Other precious metal and base metal geochemical anomalies occur in other unprospected areas.

The three mineral zones identified on the claim group by geological mapping and geochemistry warrant follow-up exploration. A Phase II program, including horizontal loop geophysics, detailed and regional geological mapping, prospecting, and trenching are recommended. Approximate cost would be \$62,000.

Contingent on Phase II results, a Phase III program of diamond drilling is recommended. Approximate cost would be \$85,000.

ITEMIZED COST STATEMENT

LODE 1,2,7 Claims

September and October, 1989

Field Crew:

Project Geologist (A. Kikauka)		
@ \$350/day x 5 days	\$ 1,750.00	
Geotechnician (I. Rose) @ \$150/day x 5 days	750.00	
	<hr/>	2,500.00

Field Costs:

Helicopter @ \$650/hr x 1.9 hours	1,235.00	
Room and Board @ \$45/day/man x 10 man days	450.00	
Communications @ \$25/day x 5 days	125.00	
1 4x4 truck @ \$70/day x 5 days	350.00	
Supplies	30.00	
	<hr/>	2,190.00

Lab Analysis:

1 Rock chip samples (Cu, Pb, Zn, Ag, Au assay)		
@ \$33.40 sample	33.40	
9 soil and 30 silt		
(30 element ICP, gold by FA/AA) @ \$16.75/sample	653.25	
	<hr/>	686.65

Report:

Report writing	400.00	
Drafting and plotting	225.00	
Word processing, copying, and binding	75.00	
	<hr/>	700.00

TOTAL		<hr/>
		\$ 6,076.65

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1. INTRODUCTION

This report summarizes geological and geochemical surveys carried out between Sept.29-Oct.3,89. The author, Mr. Andris Kikauka, planned and supervised the fieldwork on the Lode 1,2, and 7 claims.

2. LOCATION, ACCESS, AND PHYSIOGRAPHY

The Lode 1,2, and 7 Claim Group is located approximately 25 kilometres north of Stewart, B.C. The property lies within the Skeena Mining Division on NTS mapsheet 104 A/4 W (fig. 1).

Elevations range from 430 to 1860 metres. Slopes are generally steep in the east portion of the claim group and moderate-steep west of American Ck. There is relatively flat terrain in the American Ck. valley where an old horse trail parallels the creek. This trail adjoins an old road 3.5 kilometres south of the claim group. Over this distance the valley creek gradient, approximately 10 m./km., would allow relatively easy road access to the lower showings of the Lode 1 and 2 claims.

3. PROPERTY STATUS

CLAIM NAME	#OF UNITS	RECORD#	RECORD DATE	EXPIRY DATE
Lode 1	20	7561	April 24, 89	April 24, 90
Lode 2	20	7562	April 24, 89	April 24, 90
Lode 7	9	8058	Sept. 23, 89	Sept. 23, 90

The total area of the claim group is approximately 1,225 hectares.

The Lode 1,2 and 7 Claim Group consists of three contiguous staked mineral claims in the Skeena Mining Division. The claims are owned by White Channel Resources Incorporated (fig. 1).

4. AREA HISTORY

Exploration activity in the Stewart gold-silver district continues to be one of the most active mineral exploration areas of North America demonstrated by numerous projects being carried out by major and junior mining companies.

Westmin Resources is mining the Silbak-Premier and Big Missouri gold-silver properties. Newhawk Gold Mines is approaching production of their Brucejack Lk. property. Skyline Gold Corp. is mining their Stonehouse gold deposit. Cominco-Prime are rapidly approaching production on the Snip deposit. Con. Stikine-Calpine are rapidly inferring a world class gold-silver deposit. Westmin-Tenajon are now mining the Silver Butte deposit. Other deposits are rapidly approaching feasibility, including: Echo Bay-Magna-Silver Princess Doc property, Catear Golden Wedge, Bond Gold Red Mountain.

Many of the 500 gold-silver mines, prospects, and new discoveries will receive more attention in the Stewart area over the next decade.

5. PROPERTY HISTORY

E.W. Grove (1971), reports two mineral occurrences on this claim group. The Mother Lode Cu-Ag-Au and Blue Jay Fe-Ag-Cu showings are located on the Lode 7 and Lode 1 claims respectively. Work on these showings is poorly documented but there is reference to exploration activity in Minister of Mines Report 1906 and 1920.

In 1987 an airborne geophysical survey was flown over the property by Western Geophysical Aero Data Ltd. Results of this program are presently not available.

6. GENERAL GEOLOGY

The Stewart Complex includes a thick sequence of mainly late Triassic to late Middle Jurassic volcanic, sedimentary, and metamorphic rocks. These have been intruded and cut by a mainly granitic to syenitic suite of Lower Jurassic through Tertiary plutons which together form part of the Coast Plutonic Complex. Deformation, in part related to intrusive activity has produced complex fold structures along the main intrusive contacts with simple open folds and warps dominant along the east side of the Complex. Cataclasis marked by strong north-south structures are prominent structural features that cut all the pre Lower Middle Jurassic units. (Figure 2).

Country rocks in the general Stewart area comprise mainly Hazleton Group strata which include the Lower Jurassic Unuk River Formation and the Middle Jurassic Betty Creek and Salmon River Formation and the Upper Jurassic Nass Formation (Grove, 1971, 1986). In the general Stewart area the Unuk River strata include mainly fragmental andesitic volcanics, epiclastic volcanics and minor volcanic flows. Widespread Aalenian uplift and erosion was followed by deposition of the partly marine volcanoclastic Betty Creek Formation, the mixed Salmon River Formation, and the dominantly shallow marine Nass Formation.

Intrusive activity in the Stewart area has been marked by the Lower to Middle Jurassic Texas Creek granodiorite with which the Big Missouri, Silbak Premier and many small ore deposits are associated. Younger intrusions include the extensive Hyder Quartz Monzonite and the many Tertiary stocks and dike swarms which form a large part of the Coast Clutonic Complex. Mineral deposits such as the major B.C. Molybdenum mine at Alice Arm and a host of smaller deposits are localized in or related to these 48 to 52 m.y plutons which include dykes forming part of the regionally extensive Portland Canal Dike Swarm (Grove, 1986).

Stewart District Mineral Deposits

More than 700 mineral deposits and showings have now been discovered in a large variety of rocks and structural traps in the Stewart District. The famous Silbak Premier mine which has been reactivated as an open pit operation by Westmin Resources represents a telescoped epithermal gold-silver base metal deposit localized along a complex steep fracture system in Lower Jurassic volcanoclastics overlain by shallow dipping Middle Jurassic Salmon River Formation sedimentary rocks. In this example, the shallow lying younger rock units formed a dam, trapping bonanza type gold-silver mineralization at a relatively shallow depth. Mineralization at the Silbak Premier, Big Missouri and a number of other deposits in the area have been related to early Middle Jurassic regional plutonic-volcanic event (Grove 1971, 1986). Younger high grade mineralization found localized in various members of the Portland Canal Dike Swarm particularly in the Stewart area have also been related to Cretaceous and Tertiary plutonic-volcanic events. Overall at least four major episodes of mineralization involving gold-silver, base metals, molybdenum and tungsten dating from early Lower Middle Jurassic through to the Tertiary have been recorded throughout the Stewart Complex.

7. 1989 FIELD PROGRAM

7.1 SCOPE AND PURPOSE

From Sept 29-Oct. 3, 89, one geologist and one geotechnician carried out geological mapping, stream sediment and soil sampling, and prospecting.

The purpose of this program was:

- a) to cover the property with a geological and geochemical survey in order to define trenching targets and additional follow-up exploration targets.
- b) prospect to find and systematically sample sulphide mineralization on the property.

7.2 METHODS AND PROCEDURES

Utilizing a compass and hipchain, contour geochemical sampling was carried out on all accessible drainages. A total of 30 stream sediment and 9 soil samples were taken.

Geological mapping was carried out at a scale of 1:12,500. One rock chip sample was taken.

8. RESULTS

8.1 PROPERTY GEOLOGY AND MINERALIZATION

Geological mapping of the Lode 1, 2, and 7 claims indicated that the majority of bedrock is Lower Jurassic Unuk R. Formation, with a small portion of the west edge of the claims unconformably overlain by Middle Jurassic Betty Ck. Formation (fig. 2 and 3). The Unuk R. lithologies include green, red, and purple volcanic breccia, conglomerate, crystal and lithic tuff, sandstone, siltstone, and minor limestone. The Betty Ck. lithologies include green, red, purple, and black volcanic breccia, conglomerate, crystal and lithic tuff, sandstone, siltstone and minor limestone. The Betty Ck. is similar in lithology to the Unuk R. but the two formations are separated by an aerial unconformity.

This unconformity is recognized as an erosion surface with abundant oxidized material and usually corresponds to a change in slope, i.e. a change in rock competency and attitude. The entire sequence of volcanics and sediments are cut by dacitic dykes.

Sediments on the east side American Ck. dip moderately east. West of American Ck. they dip moderately west. The structure responsible for this feature is a large scale anticline fold with the axial plane parallel to American Ck. (fig. 2).

A mineral zone was located on the Lode 1 claim (0.8 km. north of the LCP) along American Creek. Silicified, pyritic altered sediments were noted. Propylitic alteration (chloritization) was prevalent over an area 100 m. wide and 200 m. long. A sample of the altered, pyritic rock assayed 280 ppb Au across 1.5 metres. The remains of an old camp were found near this exposure.

Geochemically anomalous Cu-Pb-Zn-Ag-As stream sediment values were obtained from the southern portion of the Lode 7 claim. A steep bluff on the north side of a west flowing glacier has erratically distributed mineral zones. These zones are controlled by small scale shear zones within the massive volcanic breccia/conglomerate unit. The source of this anomaly is believed to be shedding down from a small gossan zone at 1200 metre elevation.

A third zone of mineral potential is located in the southwest portion of the Lode 1 claim. There is a 340 trending fault forming a cliff face 10-20 meters high along a creek. This fault is approximately 5 kilometres in strike length and occurs within the Unuk R. Formation volcanic breccias, conglomerate, sandstone, siltstone, and lithic tuff assemblage. Along the fault silicification, chloritization, and pyrite replacement occur. A stream sediment sample from this creek (#ST-21) assayed 63 ppb Au.

8.2 GEOCHEMISTRY

Stream sediment samples gave anomalous values in Cu-Pb-Zn-Ag-Au-As in various

portions of the claim group. The following anomalous samples are of significance and should be followed up; IR-12 As, IR-18 Ag, IR-23 Zn, IR-25 Zn-Ag, IR-26 Cu-Pb-Zn-Ag, ST-21 Au, IR-29 Au, ST-54 Cu. All of these creeks require additional prospecting and sampling.

9. CONCLUSION

The author believes that the Lode 1,2, and 7 Claim Group has potential for hosting economic deposits of Ag-Au with associated Cu-Pb-Zn values. This is based on the following facts:

1. Geological mapping has shown wide alteration-mineral zones that trend along the axis of large scale folds and faults. This indicates potential for a large system of mineralization at depth.

2. Soil and Silt geochemistry indicate that there are ^{relatively high} precious metal-base metal values associated with alteration-mineral zones.

3. Mining infrastructure and access is relative is relatively close to the showings.

10. RECOMMENDATIONS

PHASE II

- a) Pulse EM or UTEM horizontal loop geophysics to cover three mineral zones on the central and west portion of the claim. Approximately 15 km. of line grid would cover these areas.
- b) Backhoe and Cat trenching over geophysical conductors and geochemical highlights.
- c) Detailed geological mapping in the area of the trenching program and regional mapping and prospecting of the unmapped areas of the claim.

PHASE III

- a) Diamond drilling

REFERENCES

- Grove, E.W. (1971), Geology and Mineral Deposits of the Stewart Area, BCDM Bulletin No. 58.
- Grove E.W. (1986), Geology and Mineral Deposits of the Unuk River-Salmon-River-Anyox Area, Minister of Energy Mines and Petroleum Resources Bulletin No. 63.
- Cremonese, D.M. (1988), Airborne Mag and VLF-EM Survey, Kelly Girl 1-4 Claims, #17607, for Teuton Res. Corp.

STATEMENT OF QUALIFICATIONS

I, Andris, Kikauka, of Box 370, Brackendale B.C., V0N 1H0, do hereby declare that:

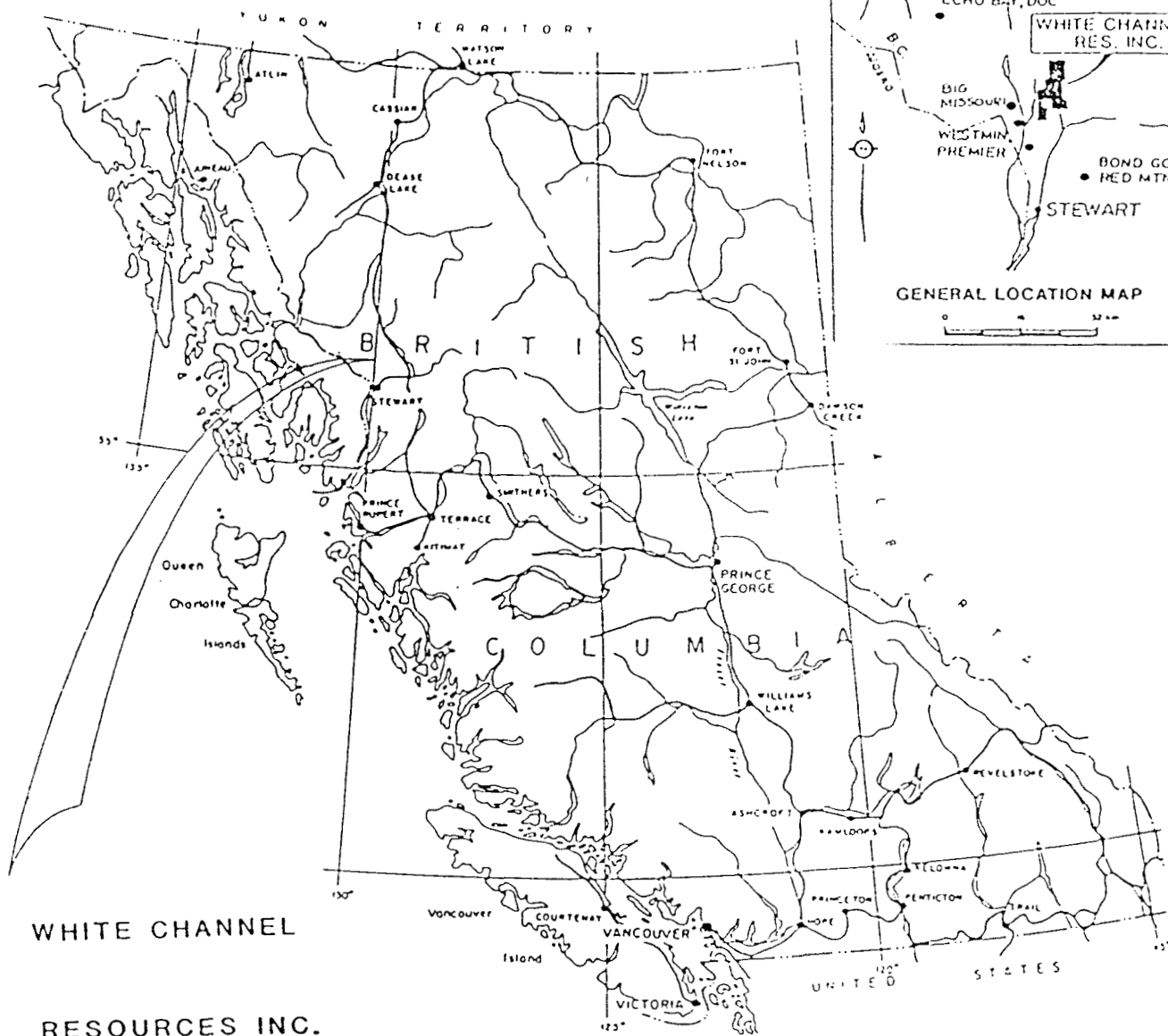
- I graduated from Brock University, Faculty of Geological Sciences, St. Catharines, Ontario, 1979, receiving Honours B.Sc., First Class.
- From 1976 - 79, have been performing geological field work for Uranium targets on the Canadian Shield.
- From 1979 to 1989, have been performing geological field 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.
- I am a principle of White Channel Resources Inc., and this assessment report is written to fulfill government regulations as specified by the current Mineral Act.

Sincerely:



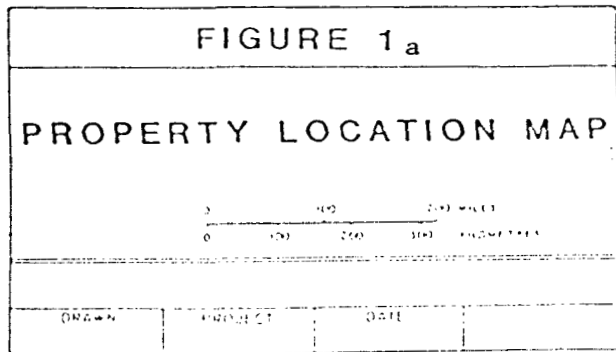
Andris Kikauka, B.Sc.(Hons.)

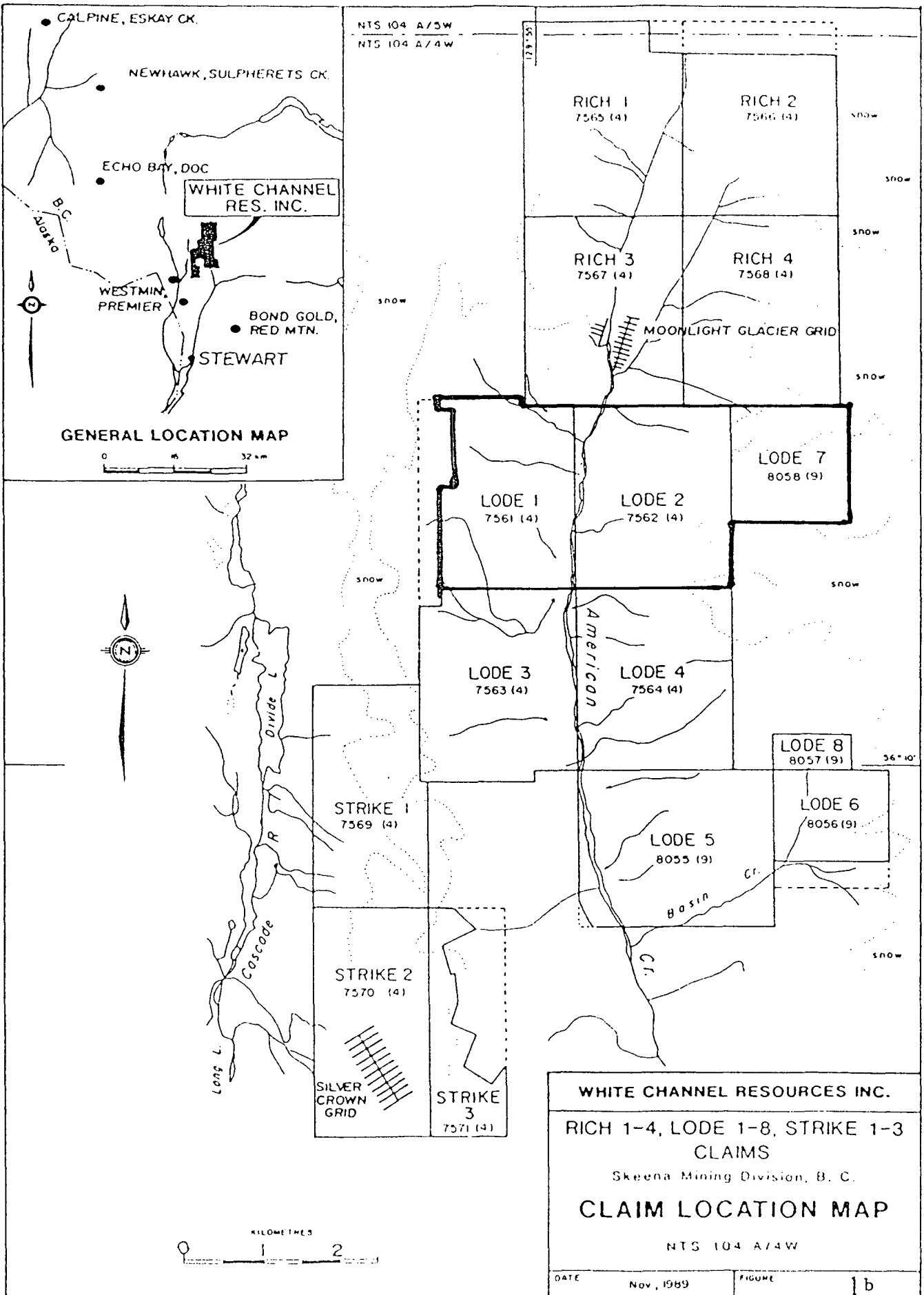
Geologist

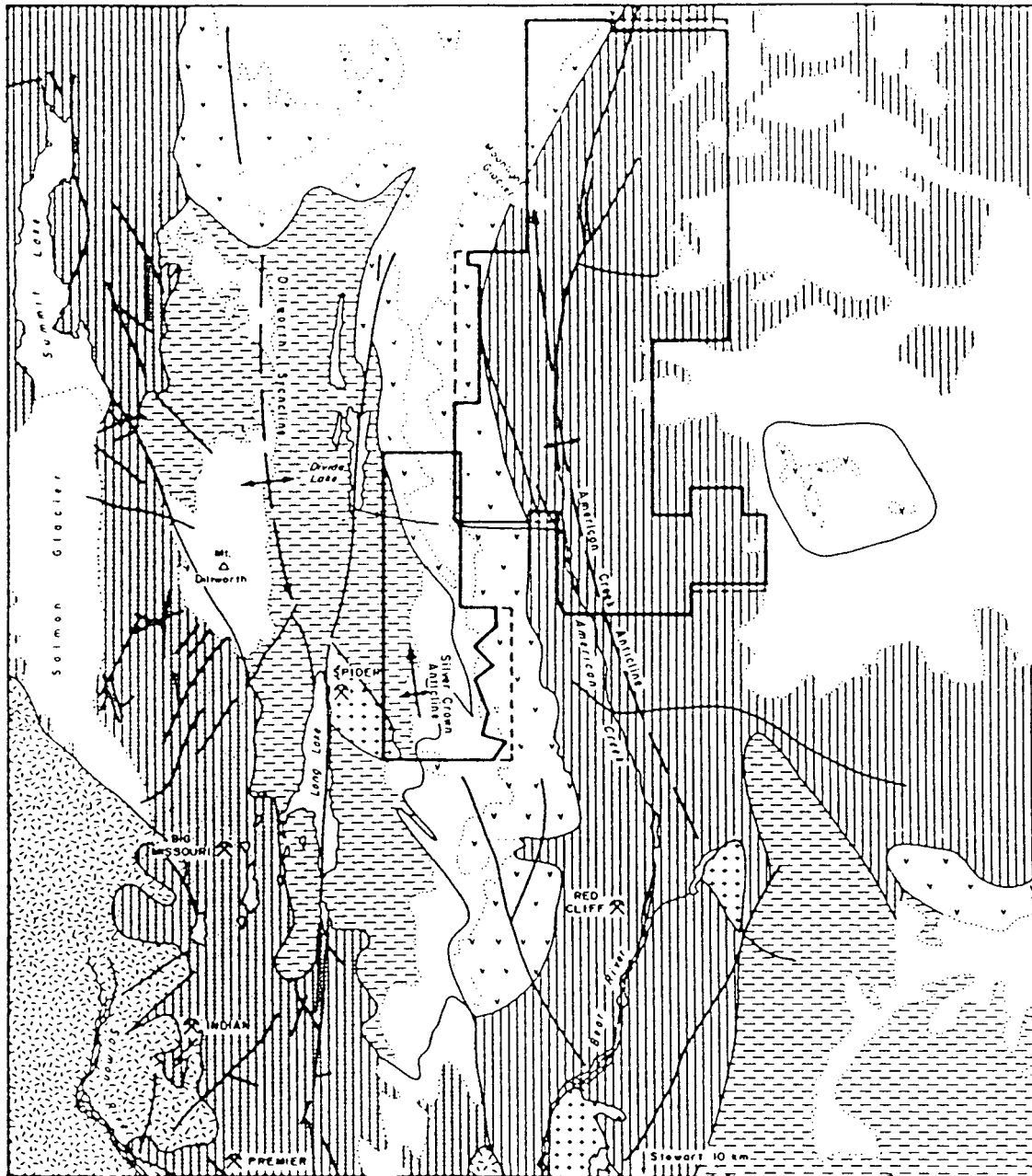


WHITE CHANNEL
RESOURCES INC.

PROPERTIES









SEDIMENTARY AND VOLCANIC ROCKS


**MIDDLE JURASSIC
SALMON RIVER FORMATION**

 Siltstone, greywacke, sandstone, some calcarenite, minor limestone, argillite, conglomerate.


BETTY CREEK FORMATION


 Volcanic breccia, conglomerate, sandstone, and siltstone, crystal and lithic tuff.





**LOWER JURASSIC
UNUK RIVER FORMATION**

 Volcanic breccia, conglomerate, sandstone, and siltstone.


**PLUTONIC ROCKS
EOCENE AND OLDER**

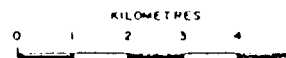
 Augite diorite

 Granodiorite

-  Geologic contact
-  Fault
-  Fold axis
-  Snow boundary

**METAMORPHIC ROCKS
JURASSIC**

 Cataclasite, mylonite



WHITE CHANNEL RESOURCES INC.

**RICH 1-4, LODE 1-8, STRIKE 1-3
CLAIMS**

Skeena Mining Division, B. C.

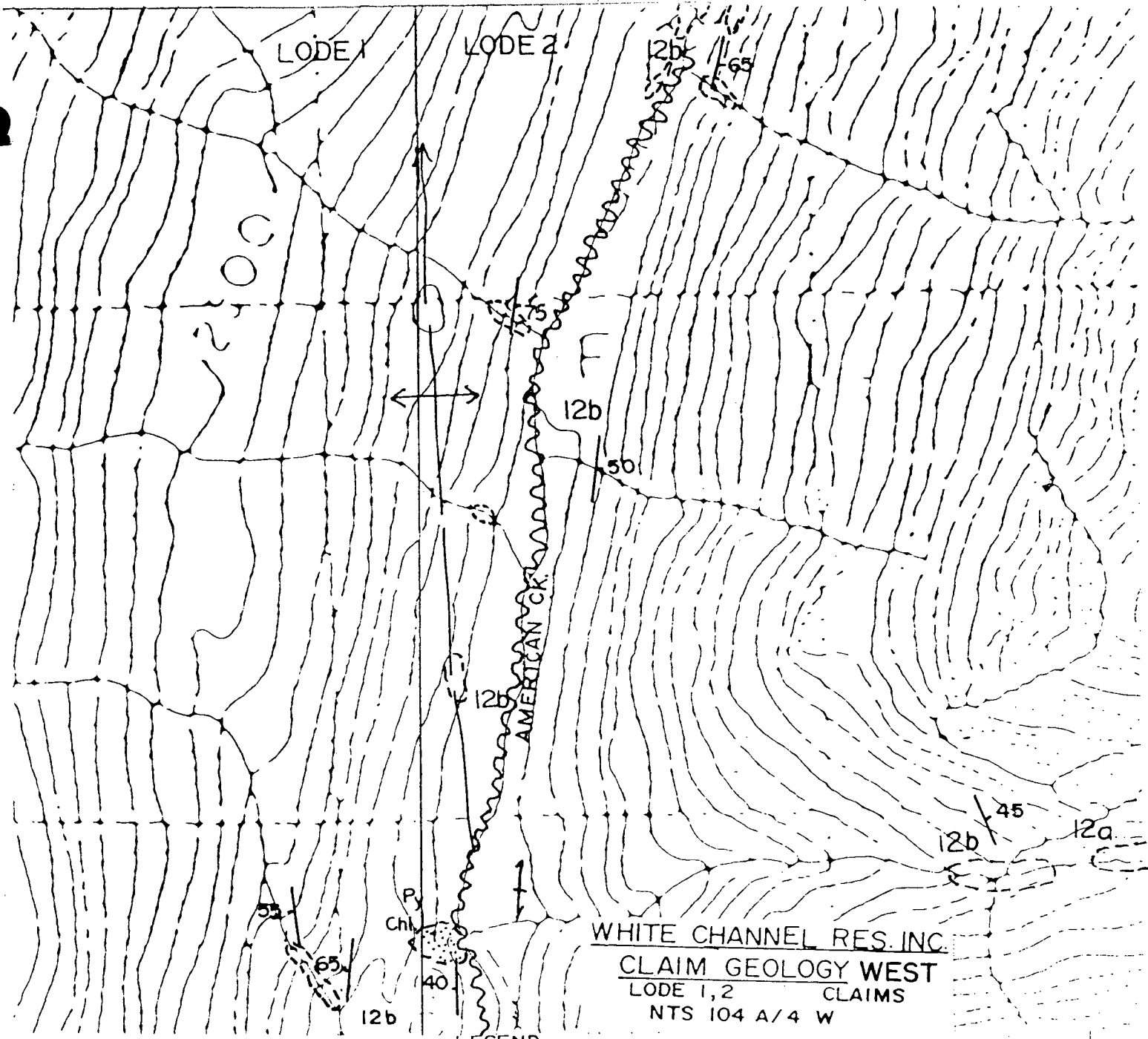
REGIONAL GEOLOGY MAP

NTS 104 A/4W

after Grove, 1964-1970

DATE: Nov., 1989

FIGURE: 2



WHITE CHANNEL RES. INC.
 CLAIM GEOLOGY WEST
 LODE 1,2 CLAIMS
 NTS 104 A/4 W

LEGEND



- MIDDLE JURASSIC
 BETTY CK. FM.
 [13b] Crystal and Lithic Tuff
- LOWER JURASSIC
 UNUK R. FM.
 [12a] Volcanic Breccia, Conglomerate
 [12b] Sandstone, Siltstone, Lithic Tuff

- Sulphides
- Fault
- Bedding
- Foliation
- Anticline

- Py. - Pyrite
- Chl. - Chlorite
- Sp. - Sphalerite
- Outcrop

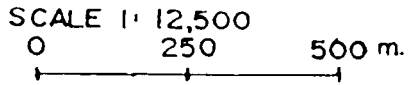
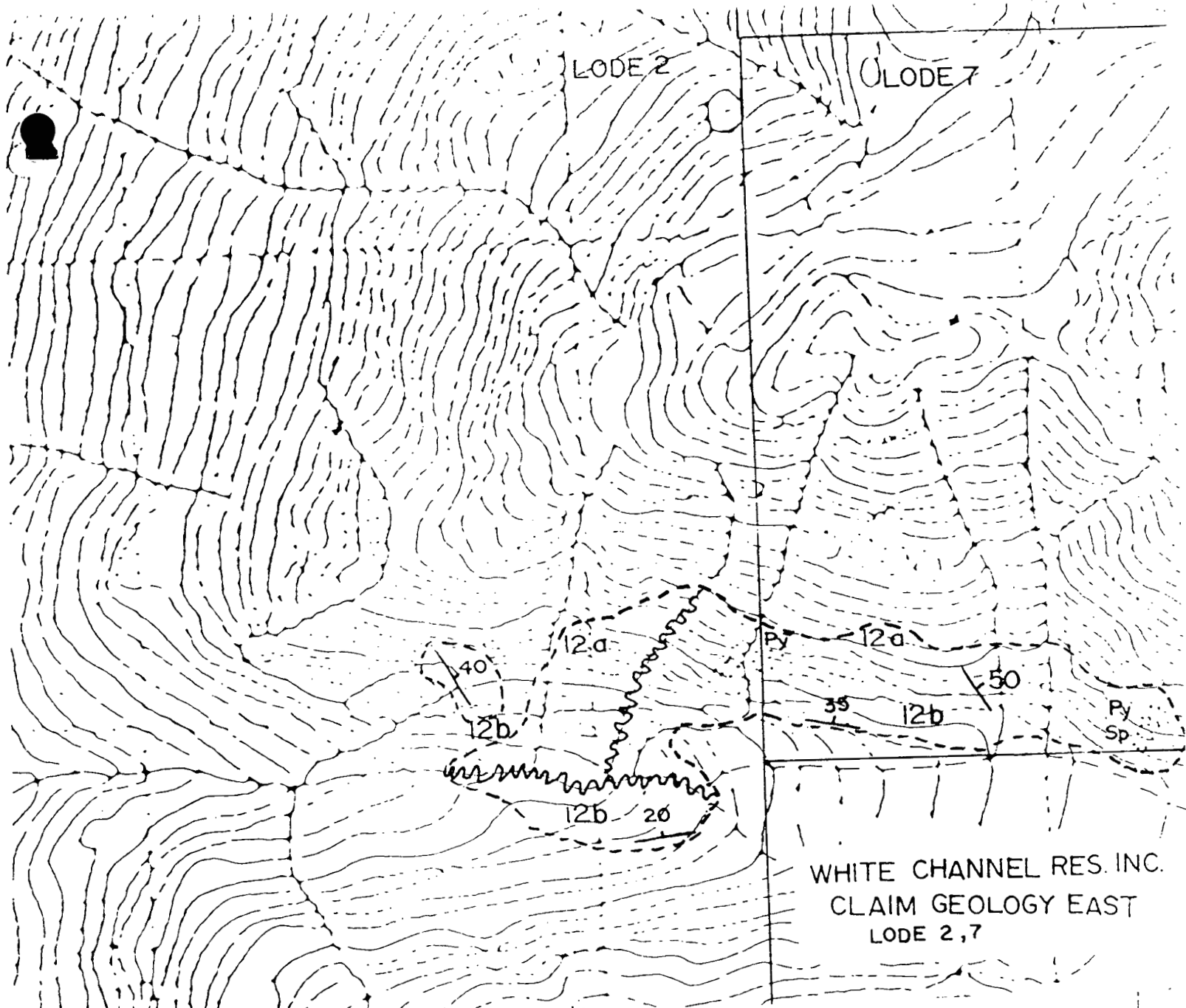


FIG. 3a



WHITE CHANNEL RES. INC.
CLAIM GEOLOGY EAST
LODE 2,7

LEGEND

MIDDLE JURASSIC
BETTY CK. FM.

13b Crystal and Lithic Tuff

LOWER JURASSIC

UNUK R. FM.

12a Volcanic Breccia, Conglomerate

12b Sandstone, Siltstone, Lithic Tuff

..... Sulphides

~~~~~ Fault

↘ Bedding

↗ Foliation

↕ Anticline

Py - Pyrite

Chl. - Chlorite

Sp. - Sphalerite

--- Outcrop

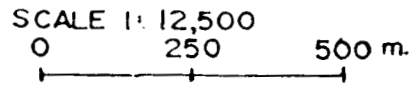
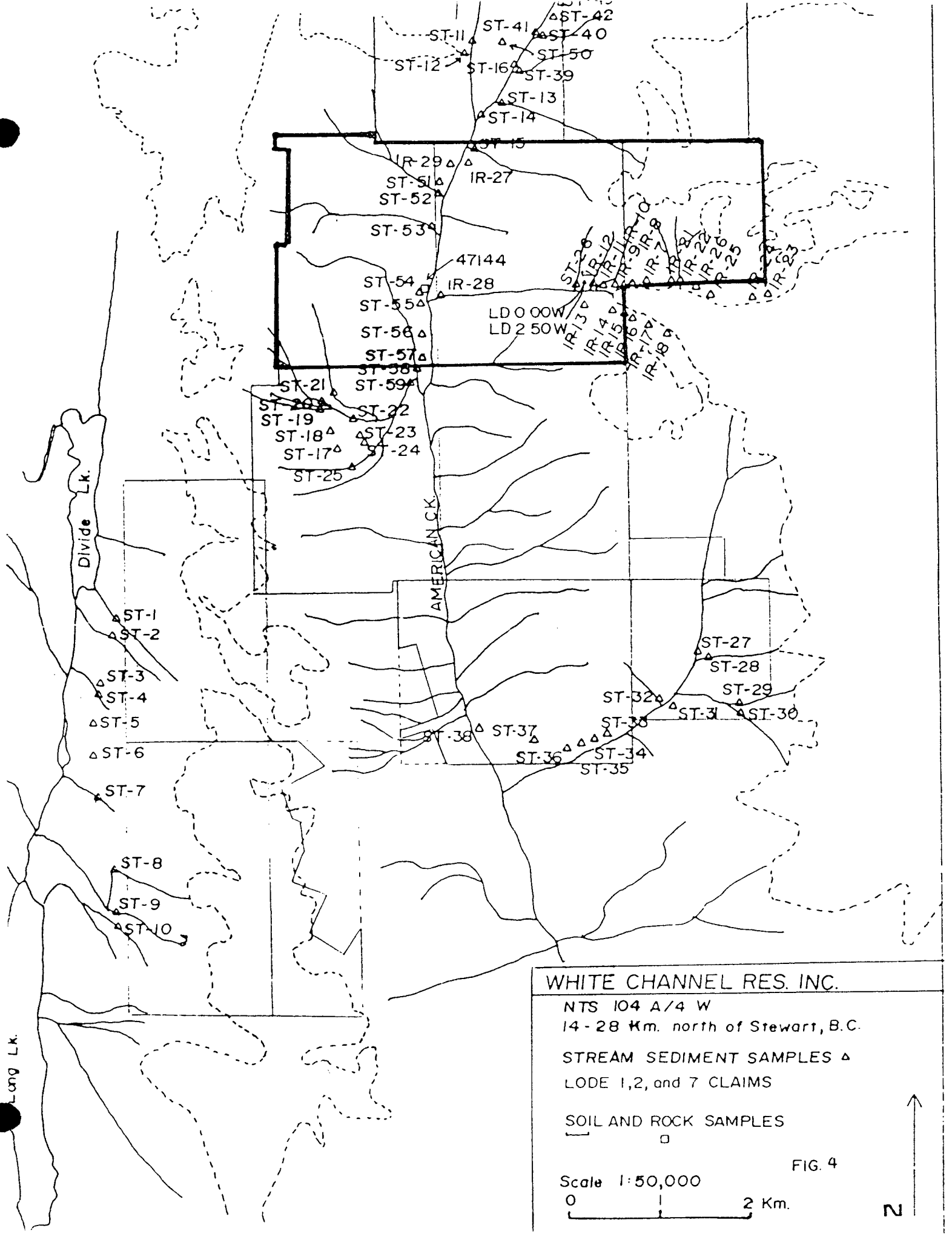


FIG. 3b



WHITE CHANNEL RES. INC.

NTS 104 A/4 W  
 14-28 Km. north of Stewart, B.C.

STREAM SEDIMENT SAMPLES  $\Delta$   
 LOD 1, 2, and 7 CLAIMS

SOIL AND ROCK SAMPLES  $\square$

Scale 1:50,000  
 0 1 2 Km.

FIG. 4



Lode Claims

APPENDIX A  
WHITE CHANNEL RESOURCES INC.

October 15, 1989

Page 1. of 1.

Sample Record

| Sample Number | Showing Name | Survey Location            | Width   | Description                        | Au g/t | Ag g/t | Cu % | Pb % | Zn % |
|---------------|--------------|----------------------------|---------|------------------------------------|--------|--------|------|------|------|
| 47144         | Lode 2       | elev 1350'<br>American Ck. | 1.50 m. | 15% qtz 10% py in prop. alt. seds. | .28    | 0.1    | .01  | .01  | .01  |

APPENDIX B White Channel Resources Inc. PROJECT LODE CLAIMS FILE # 89-3967

| SAMPLE# | Mo<br>PPM | Cu<br>PPM | Pb<br>PPM | Zn<br>PPM | Ag<br>PPM | Ni<br>PPM | Co<br>PPM | Mn<br>PPM | Fe<br>% | As<br>PPM | U<br>PPM | Au<br>PPM | Th<br>PPM | Sr<br>PPM | Cd<br>PPM | Sb<br>PPM | Bi<br>PPM | V<br>PPM | Ca<br>% | P<br>% | La<br>PPM | Cr<br>PPM | Mg<br>% | Ba<br>PPM | Ti<br>% | B<br>PPM | Al<br>% | Na<br>% | K<br>% | W<br>PPM | Au*<br>PPB |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| IR-7    | 1         | 28        | 16        | 128       | .1        | 5         | 13        | 1074      | 4.95    | 7         | 5        | ND        | 1         | 30        | 1         | 2         | 2         | 82       | 1.33    | .092   | 13        | 14        | .97     | 239       | .07     | 35       | 1.26    | .01     | .06    | 1        | 6          |
| IR-8    | 1         | 22        | 11        | 125       | .1        | 4         | 13        | 1044      | 4.57    | 16        | 5        | ND        | 1         | 37        | 1         | 2         | 2         | 74       | 1.34    | .091   | 13        | 12        | .96     | 259       | .07     | 30       | 1.32    | .01     | .07    | 1        | 7          |
| IR-9    | 1         | 19        | 8         | 113       | .1        | 7         | 12        | 951       | 4.00    | 11        | 5        | ND        | 1         | 45        | 1         | 2         | 2         | 66       | 2.11    | .083   | 12        | 15        | 1.01    | 221       | .07     | 104      | 1.34    | .01     | .06    | 1        | 5          |
| IR-10   | 1         | 20        | 12        | 118       | .1        | 4         | 11        | 996       | 4.21    | 7         | 5        | ND        | 1         | 53        | 1         | 2         | 2         | 77       | 2.60    | .085   | 11        | 13        | .97     | 179       | .08     | 98       | 1.28    | .01     | .06    | 1        | 12         |
| IR-11   | 1         | 28        | 16        | 142       | .3        | 4         | 11        | 1085      | 3.65    | 6         | 5        | ND        | 1         | 68        | 1         | 2         | 2         | 58       | 3.24    | .086   | 12        | 13        | .89     | 243       | .05     | 59       | 1.07    | .01     | .07    | 1        | 7          |
| IR-12   | 6         | 71        | 36        | 169       | .4        | 4         | 13        | 2150      | 4.23    | 141       | 5        | ND        | 2         | 61        | 1         | 3         | 2         | 41       | 1.48    | .092   | 20        | 10        | .79     | 293       | .02     | 22       | 1.33    | .01     | .11    | 1        | 6          |
| IR-13   | 1         | 21        | 16        | 99        | .1        | 4         | 11        | 1023      | 4.53    | 19        | 5        | ND        | 1         | 46        | 1         | 2         | 2         | 90       | 1.12    | .082   | 12        | 16        | .98     | 184       | .10     | 66       | 1.50    | .01     | .06    | 2        | 2          |
| IR-14   | 1         | 19        | 11        | 94        | .1        | 3         | 11        | 866       | 4.85    | 15        | 5        | ND        | 1         | 31        | 1         | 2         | 2         | 96       | 1.02    | .088   | 11        | 13        | .88     | 154       | .10     | 62       | 1.23    | .02     | .05    | 2        | 3          |
| IR-15   | 1         | 23        | 17        | 114       | .1        | 4         | 11        | 1032      | 4.45    | 41        | 5        | ND        | 2         | 37        | 1         | 2         | 2         | 81       | .67     | .081   | 13        | 13        | .91     | 181       | .09     | 58       | 1.50    | .01     | .07    | 1        | 5          |
| IR-16   | 1         | 27        | 14        | 97        | .1        | 3         | 11        | 1116      | 4.04    | 32        | 5        | ND        | 1         | 22        | 1         | 2         | 3         | 55       | .41     | .083   | 16        | 10        | .85     | 298       | .06     | 20       | 1.27    | .02     | .08    | 1        | 4          |
| IR-17   | 1         | 19        | 10        | 96        | .1        | 3         | 11        | 936       | 5.04    | 8         | 5        | ND        | 1         | 24        | 1         | 2         | 2         | 89       | .50     | .096   | 13        | 11        | .89     | 178       | .08     | 36       | 1.17    | .02     | .05    | 1        | 3          |
| IR-18   | 1         | 33        | 38        | 135       | 2.3       | 4         | 11        | 1598      | 3.47    | 11        | 5        | ND        | 2         | 16        | 1         | 2         | 2         | 41       | .30     | .091   | 22        | 9         | .58     | 333       | .02     | 14       | 1.12    | .01     | .09    | 1        | 3          |
| IR-19   | 1         | 20        | 19        | 171       | .4        | 3         | 12        | 1206      | 4.10    | 4         | 5        | ND        | 2         | 45        | 1         | 2         | 2         | 53       | .97     | .095   | 16        | 8         | .42     | 892       | .02     | 12       | .89     | .01     | .22    | 1        | 2          |
| IR-20   | 1         | 32        | 19        | 136       | .1        | 5         | 17        | 2340      | 5.27    | 7         | 5        | ND        | 3         | 24        | 1         | 2         | 2         | 80       | .45     | .096   | 29        | 15        | .87     | 588       | .05     | 18       | 1.68    | .01     | .23    | 1        | 5          |
| IR-21   | 1         | 33        | 13        | 138       | .1        | 7         | 13        | 973       | 4.47    | 8         | 5        | ND        | 1         | 17        | 1         | 2         | 2         | 77       | .29     | .094   | 27        | 18        | .98     | 305       | .03     | 10       | 2.28    | .01     | .13    | 1        | 4          |
| IR-22   | 1         | 31        | 10        | 113       | .1        | 5         | 17        | 1950      | 5.24    | 7         | 5        | ND        | 2         | 23        | 1         | 2         | 2         | 83       | .48     | .099   | 22        | 19        | 1.13    | 435       | .06     | 6        | 1.76    | .01     | .11    | 1        | 4          |
| IR-23   | 1         | 34        | 21        | 214       | .2        | 3         | 13        | 1228      | 4.86    | 17        | 5        | ND        | 2         | 14        | 3         | 3         | 5         | 62       | .35     | .093   | 14        | 11        | .83     | 209       | .04     | 18       | 1.20    | .01     | .07    | 1        | 5          |
| IR-24   | 1         | 32        | 29        | 161       | .5        | 5         | 15        | 1021      | 4.67    | 13        | 5        | ND        | 2         | 13        | 1         | 2         | 2         | 60       | .35     | .107   | 16        | 13        | .82     | 137       | .04     | 17       | 1.43    | .01     | .06    | 1        | 6          |
| IR-25   | 1         | 41        | 54        | 216       | 1.0       | 6         | 17        | 1585      | 4.94    | 13        | 5        | ND        | 2         | 13        | 2         | 2         | 2         | 65       | .27     | .080   | 17        | 12        | .95     | 209       | .03     | 9        | 1.67    | .01     | .08    | 1        | 3          |
| IR-26   | 1         | 164       | 226       | 548       | 8.9       | 5         | 17        | 4790      | 4.62    | 7         | 5        | ND        | 1         | 22        | 9         | 5         | 2         | 62       | .46     | .096   | 38        | 12        | 1.19    | 659       | .04     | 11       | 2.00    | .01     | .14    | 1        | 11         |

STD C/AU-S 19 61 42 133 7.0 69 30 1040 3.93 43 18 7 39 52 19 15 22 61 .48 .096 41 57 .87 178 .06 35 1.94 .06 .14 13 51

White Channel Resources PROJECT MOONLIGHT GLACIER FILE # 89-4185

| SAMPLE# | Mo<br>PPM | Cu<br>PPM | Pb<br>PPM | Zn<br>PPM | Ag<br>PPM | Ni<br>PPM | Co<br>PPM | Mn<br>PPM | Fe<br>% | As<br>PPM | U<br>PPM | Au<br>PPM | Th<br>PPM | Sr<br>PPM | Cd<br>PPM | Sb<br>PPM | Bi<br>PPM | V<br>PPM | Ca<br>% | P<br>% | La<br>PPM | Cr<br>PPM | Mg<br>% | Ba<br>PPM | Ti<br>% | B<br>PPM | Al<br>% | Na<br>% | K<br>% | W<br>PPM | Au*<br>PPB |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| 1R-27   | 1         | 43        | 22        | 151       | .4        | 4         | 15        | 1115      | 5.00    | 26        | 5        | ND        | 3         | 32        | 1         | 2         | 2         | 76       | .59     | .085   | 16        | 6         | 1.22    | 259       | .05     | 45       | 1.78    | .01     | .06    | 1        | 6          |
| 1R-28   | 1         | 28        | 15        | 127       | .4        | 2         | 13        | 1007      | 3.78    | 5         | 5        | ND        | 2         | 52        | 1         | 2         | 2         | 56       | 2.55    | .080   | 11        | 4         | .86     | 237       | .05     | 44       | 1.10    | .01     | .05    | 1        | 12         |
| 1R-29   | 2         | 93        | 29        | 232       | .7        | 9         | 23        | 1769      | 5.29    | 60        | 5        | ND        | 1         | 49        | 2         | 5         | 2         | 65       | .78     | .100   | 12        | 8         | 1.11    | 250       | .04     | 12       | 1.93    | .01     | .05    | 1        | 28         |

|         |   |     |    |     |    |    |    |      |      |    |   |    |   |    |   |   |   |    |     |      |    |    |      |     |     |    |      |     |     |   |    |
|---------|---|-----|----|-----|----|----|----|------|------|----|---|----|---|----|---|---|---|----|-----|------|----|----|------|-----|-----|----|------|-----|-----|---|----|
| ST-51 P | 2 | 75  | 18 | 99  | .7 | 12 | 20 | 1066 | 5.27 | 35 | 5 | ND | 2 | 25 | 1 | 4 | 2 | 81 | .40 | .088 | 8  | 15 | 1.43 | 145 | .03 | 9  | 2.21 | .01 | .07 | 1 | 1  |
| ST-52 P | 1 | 43  | 11 | 101 | .4 | 8  | 19 | 829  | 4.61 | 11 | 5 | ND | 3 | 34 | 1 | 2 | 2 | 65 | .43 | .073 | 10 | 5  | 1.02 | 347 | .09 | 12 | 1.64 | .01 | .08 | 1 | 2  |
| ST-53   | 1 | 72  | 20 | 107 | .7 | 8  | 23 | 1055 | 5.70 | 28 | 5 | ND | 1 | 28 | 1 | 2 | 2 | 65 | .38 | .088 | 11 | 5  | .93  | 189 | .07 | 6  | 1.63 | .01 | .04 | 1 | 5  |
| ST-54 P | 4 | 116 | 22 | 109 | .8 | 9  | 19 | 1722 | 5.98 | 52 | 5 | ND | 1 | 23 | 1 | 6 | 2 | 63 | .38 | .104 | 9  | 7  | 1.30 | 230 | .01 | 4  | 2.23 | .01 | .09 | 1 | 3  |
| ST-55 P | 2 | 90  | 21 | 145 | .5 | 9  | 18 | 1060 | 5.73 | 49 | 5 | ND | 1 | 22 | 1 | 5 | 2 | 74 | .42 | .090 | 9  | 9  | 1.47 | 161 | .01 | 11 | 2.56 | .01 | .09 | 1 | 20 |
| ST-56 P | 1 | 13  | 11 | 94  | .3 | 7  | 10 | 1133 | 3.44 | 13 | 5 | ND | 1 | 16 | 1 | 2 | 2 | 55 | .44 | .048 | 8  | 8  | .96  | 91  | .02 | 4  | 1.93 | .01 | .07 | 1 | 6  |
| ST-57 P | 1 | 54  | 16 | 96  | .5 | 9  | 17 | 886  | 5.07 | 18 | 5 | ND | 3 | 32 | 1 | 2 | 2 | 77 | .45 | .083 | 9  | 10 | 1.24 | 330 | .07 | 10 | 1.95 | .01 | .09 | 1 | 4  |

|            |    |    |    |     |     |    |    |      |      |    |    |   |    |    |    |    |    |    |     |      |    |    |     |     |     |    |      |     |     |    |    |
|------------|----|----|----|-----|-----|----|----|------|------|----|----|---|----|----|----|----|----|----|-----|------|----|----|-----|-----|-----|----|------|-----|-----|----|----|
| STD C/AU-S | 18 | 62 | 39 | 132 | 6.6 | 68 | 30 | 1037 | 3.96 | 40 | 18 | 7 | 37 | 48 | 17 | 15 | 21 | 57 | .48 | .089 | 38 | 55 | .88 | 175 | .06 | 32 | 1.94 | .06 | .14 | 13 | 48 |
|------------|----|----|----|-----|-----|----|----|------|------|----|----|---|----|----|----|----|----|----|-----|------|----|----|-----|-----|-----|----|------|-----|-----|----|----|

GEOCHEMICAL ANALYSIS CERTIFICATE

B-3

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 MN FE 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 SOIL P2-P3 SILT AU\* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: SEP 28 1989 DATE REPORT MAILED: *Oct 5/89* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

White Channel Resources Inc. PROJECT LODE CLAIMS File # 89-3967 Page 1

| AMPLE#   | Mo<br>PPM | Cu<br>PPM | Pb<br>PPM | Zn<br>PPM | Ag<br>PPM | Ni<br>PPM | Co<br>PPM | Mn<br>PPM | Fe<br>% | As<br>PPM | U<br>PPM | Au<br>PPM | Th<br>PPM | Sr<br>PPM | Cd<br>PPM | Sb<br>PPM | Bi<br>PPM | V<br>PPM | Ca<br>% | P<br>% | La<br>PPM | Cr<br>PPM | Mg<br>% | Ba<br>PPM | Ti<br>% | B<br>PPM | Al<br>% | Na<br>% | K<br>% | W<br>PPM | Au*<br>PPB |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| D 2+00W  | 1         | 36        | 12        | 114       | .3        | 3         | 15        | 1527      | 5.06    | 22        | 5        | ND        | 1         | 44        | 1         | 4         | 2         | 64       | 1.65    | .082   | 14        | 10        | 1.35    | 362       | .06     | 82       | 1.75    | .01     | .10    | 2        | 4          |
| D 1+75W  | 1         | 47        | 18        | 124       | .3        | 5         | 16        | 1810      | 5.24    | 26        | 5        | ND        | 1         | 40        | 1         | 3         | 3         | 63       | 1.55    | .085   | 16        | 10        | 1.35    | 397       | .06     | 73       | 1.86    | .01     | .12    | 1        | 1          |
| D 1+50W  | 1         | 54        | 28        | 127       | .3        | 5         | 19        | 2973      | 5.41    | 33        | 5        | ND        | 1         | 18        | 1         | 5         | 3         | 61       | .55     | .083   | 23        | 12        | 1.49    | 903       | .04     | 25       | 2.17    | .01     | .16    | 1        | 2          |
| D 1+25W  | 2         | 55        | 18        | 124       | .3        | 6         | 19        | 3440      | 5.47    | 43        | 5        | ND        | 1         | 21        | 1         | 2         | 2         | 64       | .49     | .082   | 27        | 11        | 1.14    | 504       | .03     | 9        | 2.01    | .01     | .12    | 1        | 1          |
| D 1+00W  | 7         | 147       | 34        | 135       | 1.3       | 5         | 29        | 6081      | 6.56    | 127       | 5        | ND        | 1         | 25        | 1         | 19        | 2         | 66       | .50     | .113   | 29        | 11        | .80     | 859       | .01     | 9        | 2.36    | .01     | .11    | 1        | 4          |
| D 0+75W  | 28        | 149       | 76        | 199       | 1.1       | 8         | 45        | 11699     | 8.97    | 440       | 7        | ND        | 1         | 35        | 3         | 8         | 2         | 58       | .64     | .115   | 41        | 13        | .53     | 1948      | .01     | 6        | 1.97    | .01     | .10    | 1        | 2          |
| D 0+50W  | 7         | 60        | 46        | 158       | .4        | 4         | 16        | 3852      | 4.30    | 124       | 5        | ND        | 2         | 27        | 1         | 6         | 2         | 33       | .47     | .081   | 28        | 8         | .78     | 785       | .01     | 19       | 1.47    | .01     | .13    | 1        | 8          |
| D 0+25W  | 5         | 63        | 31        | 109       | .5        | 4         | 16        | 4948      | 4.25    | 110       | 5        | ND        | 1         | 30        | 2         | 2         | 2         | 61       | .53     | .078   | 40        | 8         | .64     | 878       | .01     | 16       | 2.18    | .01     | .10    | 1        | 6          |
| D 0+00W  | 3         | 406       | 11        | 91        | .2        | 4         | 8         | 1055      | 3.44    | 28        | 5        | ND        | 1         | 19        | 1         | 2         | 2         | 47       | .43     | .057   | 33        | 8         | .81     | 288       | .01     | 5        | 2.40    | .01     | .09    | 1        | 2          |
| D C/AU-S | 17        | 57        | 40        | 132       | 7.2       | 68        | 30        | 1029      | 4.06    | 37        | 17       | 7         | 36        | 47        | 18        | 15        | 22        | 57       | .48     | .090   | 38        | 56        | .91     | 174       | .05     | 31       | 1.93    | .06     | .14    | 11       | 47         |

LODE  
7  
SOIL





**ACME ANALYTICAL LABORATORIES LTD.**

**Assaying & Trace Analysis**

852 E. Hastings St., Vancouver, B.C. V6A 1R6

Telephone: 253-3158

Appendix C

Analytical Technique;

Gold & Silver by Fire Assay

1/2 A.T. samples is mix in dry reagent flux with 1 Ag inquart and fused for 45 - 60 mins. The resulting bead from cupellation is dissolved in aqua regia. Analysis by A.A/ICP.

- For Au > 1 oz/t, determination by gravimetric finished.
- Wet acid leached for Ag is also ran. (Procedure same as below).

Determination of Cu, Pb, Zn and Ag

In 100 ml volumetric flask, 1 g sample is digested in 50 ml 3-1-2 HCl-HNO<sub>3</sub>-H<sub>2</sub>O at 95°C for one hour, dilute to 100 ml with demineralized water, analyze by ICP.



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ICF - .5 gram sample is digested with 3 ml 3-1-2  
HCl-HNO<sub>3</sub>-H<sub>2</sub>O at 95 deg.C for one hour and is  
diluted to 10 ml with water. This leach is  
Partial for Mn, Fe, Sr, Ca, P, La, Cr, Mg, Ba,  
Ti, B, W and limited for Na, K, Al.

Au\* - 10 gram samples are ignited at 600 deg.C,  
digested with aqua regia at 95 deg.C for  
one hour, 50 ml aliquot is extracted into  
10 ml MIBK, analysed by graphite furnace AA.

Soil prep - Dry 2lbs at 60°C Sieve  
approx 3g of - 80 mesh.

Rock prep - Crush to approx  $\frac{3}{16}$ " up to  
10 lbs, split to approx 200-300g  
Pulverize to - 100 mesh.

## APPENDIX

### FIELD SAMPLING PROCEDURES:

- SILT SAMPLES: Each sample consists of approximately 500 grams of silt-sand size fraction of detrital sediments from the active channel of relatively small streams and creeks. Sample depth varied from 0-25 cm. Samples were dried and shipped to the lab.
- SOIL SAMPLES: Each sample consists of approximately 500 grams of silt-sand size fraction of B horizon soil or talus fines at a depth of approximately 10-40 cm. Samples were dried and shipped to the lab.
- Rock samples: Each sample consists of 1-3 kilograms of 1-4 centimetre sized rock chip fragments taken from a measured width of bedrock exposure (unless described as float).