District Geologist, Smithers Off Confidential: 90.12.19 ASSESSMENT REPORT 19802 MINING DIVISION: Liard **PROPERTY:** Axe LOCATION: LAT 57 37 00 LONG 130 12 00 UTM 09 6386456 428312 104G09W NTS -CLAIM(S): Axe 26-28, Axe 35, Axe 38 Ascot Res. OPERATOR(S): AUTHOR(S): Mehner, D.T. **REPORT YEAR:** 1989, 33 Pages COMMODITIES SEARCHED FOR: Copper, Gold **KEYWORDS:** Triassic, Basalts, Diorite sills, Cretaceous, Rhyolites Bowser Lake Group WORK DONE: Geological, Geochemical GEOL 2500.0 ha Map(s) - 1; Scale(s) - 1:20 000ROCK 30 sample(s) ;CU,PB,ZN,AU,AG Map(s) - 2; Scale(s) - 1:20 00097 sample(s) ;CU,PB,ZN,AU,AG SILT Map(s) - 6; $Scale(s) - 1:20\ 000$ RELATED **REPORTS:** 19801

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ASSESSMENT REPORT

ON GEOLOGICAL MAPPING, PROSPECTING

AND STREAM SILT SAMPLING OF THE

AXE CLAIMS, BEAUCHAMPS EXPLORATION OPTION,

LIARD MINING DIVISION, B.C.

NTS 104G/9W Latitude 57° 37' N Longitude 130° 12' W

FILMED

for

ASCOT RESOURCES LTD. Vancouver, B.C.

By:

David T. Mehner, M.Sc., FGAC KEEWATIN ENGINEERING INC. #800 - 900 West Hastings Street Vancouver, B.C. V6E 1E5

December 20, 1989

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SUMMARY

The Axe claims are located in the Stikine area of northwestern British Columbia. Underlying stratigraphy and known mineralized showings in the area indicate the property covers geology favourable to hosting Cu-Au porphyry mineralization or auriferous, sulphide rich veins which often occur peripheral to these deposits. The Beauchamp Exploration block of the Axe claims were acquired in 1989 by Ascot Resources Ltd. as a Cu-Au porphyry deposit target.

During the period August to October 1989, stream silt, soil and rock geochemistry sampling were combined with prospecting and geological mapping to evaluate the Axe claims. This work has identified a significant Cu-Pb-Zn-Ag-Au stream silt anomaly that is 2100 metres wide and encompasses 3 south and east flowing drainages. The area is underlain by Upper Triassic volcanic flows and reworked volcaniclastics intruded by diorite dykes and sills. Follow-up prospecting, contour soil sampling and trenching are warranted for this ground.

Exploration work south of Groat Creek has yielded low, insignificant values. No further work is warranted on this ground.

INTRODUCTION

The Axe claims are located in the Stikine area of northwestern British Columbia. They were originally staked to cover favourable Cu-Au porphyry style mineralization and associated gold rich peripheral veins on the Klastline Plateau. Numbering over 1270 units, the claims were divided into two separate groups in 1989 with one group of claims being operated by Ascot Resources Ltd. and the other group by Dryden Resources Corporation. Exploration work was contracted to Keewatin Engineering Inc. of Vancouver, B.C. who carried out a large systematic stream silt geochemistry program along with prospecting, rock sampling and minor soil sampling over both parcels of land simultaneously. The work was carried out from a camp established on the Klastline Plateau. Camp servicing and daily moves to various parts of the property were provided by a Hughes 500 helicopter which was permanently stationed in camp.

This report covers the work carried out for Ascot Resources Ltd. over the Beauchamps Exploration block of Axe claims. During the course of this property work, 94 stream silt, 3 soil and 32 rock samples were collected and fire assayed for Au and Ag and geochemically analyzed for Cu-Pb and Zn. The claims were also partially mapped and prospected.

Field work was carried out by Mike Brown and Colin Adams (samplers) and Adam Travis, Marty Bobyn and David Mehner (geologists).

Location and Access

The Axe claims are located in the Stikine region of northwestern British Columbia approximately 180 km north of Stewart, B.C. (Figure 1). They are centred 10 km east of Kinaskan Lake and 27 km south of Iskut Village at about 57° 37' North latitude and 130° 12' West longitude on NTS map sheet 104G/9W.

Access is via helicopter from Iskut Village or Tatogga Lake Lodge about 16 km to the north. Both locations are on the Stewart - Cassiar Highway. The proposed B.C. Rail extension to Dease Lake is about 32 km east of Kinaskan Lake.

<u>Topography</u>

The Axe claims are situated on the south and east edges of the Klastline Plateau. Topography varies from a gently undulating surface on the Plateau top to gentle east facing slopes along the eastern edge of the claims (Plate 1). Steep southeast and north facing slopes occur along the north half of the property where Groat Creek dissects the Plateau. Steep southwest facing slopes occur along the western side of the property where the Plateau drops off to the valley below.

Elevations vary from 3,100 feet above sea level along Groat Creek to 5,400 feet above sea level atop the Plateau at the northwest corner of the claims.

Vegetation varies from typical alpine flora on the Plateau to coniferous trees (typically spruce and pine) on lower slopes and slide alder in creek valleys. Sub-alpine scrub meanders through the property at about the 4,300 foot level. The tree line is around 4,500 feet above sea level.

Precipitation is moderate, averaging 100 cm per year. Thick accumulations of snow are common during winter. It is seldom possible to begin surface geological work before July and difficult to continue past September.

Property and Ownership

The Axe claims are located in the Liard Mining Division (Figure 2) and consist of the following:





CLAIM MAP

Figure 2

<u>Claim</u>	Record No.	No. of <u>Units</u>	Date Recorded	Due Date
Axe 26	5570	20	Dec. 19, 1988	Dec. 19, 1989
Axe 27	5571	20	Dec. 19, 1988	Dec. 19, 1989
Axe 28	5572	20	Dec. 19, 1988	Dec. 19, 1989
Axe 35	5577	20	Dec. 19, 1988	Dec. 19, 1989
Axe 38	5580	20	Dec. 19, 1988	Dec. 19, 1989

The claims are owned 100% by Beauchamps Exploration Inc. of Toronto, Ontario and are under option to Ascot Resources Ltd. with offices at 800 - 900 West Hastings Street, Vancouver, B.C. V6C 1E5.

Previous Work

No mineral showings or workings are known to exist on the Axe claims discussed in this report. The only known exploration activity to have taken place was prospecting, which included silt sampling and minimal rock sampling. Much of this took place during the 1960's and 1970's when the search for porphyry Cu deposits was at its peak in B.C. The companies involved include the same ones that discovered and explored the GJ and Groat Creek Cu-Au porphyry deposits 3.3 km to the north on the Klastline Plateau.

The GJ deposit which outcrops in Groat Creek was discovered in 1964 by Conwest Exploration. Since then, the deposit has been explored by Amoco, Norcen Energy and Canorex Minerals. The claims which have been idle since 1981 are now owned by International Curator Resources Ltd. These were optioned to Ascot Resources Ltd. in 1989 and are the subject of a separate report.

Although insufficient drilling has taken place on the GJ showing to put any firm numbers on grade or tonnage early indications suggest the deposit, which is open in every direction, contains in excess of 30 million tons grading 0.30% Cu equivalent.

Immediately west of the GJ is Falconbridge Ltd.'s Groat Creek property. This porphyry deposit was explored during 1976 and 1977 but has been idle since then.

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Regional Geology

The Axe property is located on the southwest portion of the Klastline Plateau within the Intermontane-Tectono-Stratigraphic Belt of the Canadian Cordillera (Figure 3). The claims lie within the northeast half of the Stikine Arch near the contact with the unmetamorphosed sediments of the Bowser Basin.

The northern half of the Klastline Plateau has been mapped (Figure 4) as Upper Triassic augite-andesite flows, pyroclastics and derived volcaniclastics ranging from conglomerates down to siltstones (Souther, 1971). Minor limestone and chert occur within the stratigraphy. Related coeval intrusives cut all rock types. A regional fault trending northeasterly passes through the centre of Kakiddi Lake and intersects the Iskut Valley fault zone at the north end of Kinaskan Lake. To the south of the fault the G.S.C. mapped the rocks as a downthrown sequence of Middle Jurassic basalt pillow lavas, fragmentals and proximal volcaniclastic rocks intruded by coeval plutons. Subsequent K-Ar and Rb-Sr age dating (Schmitt, 1977) has yielded intrusive ages of 185 to 195 million years for the intrusive rocks south of the fault, suggesting the volcanic rocks are similar in age to the Upper Triassic stratigraphy north of the fault.

South of the volcanic units are chert pebble conglomerate, grit, greywacke and siltstone of the Middle and Upper Jurassic Bowser Group.

Capping Upper Triassic stratigraphy on the southern portion of the Plateau are Upper Tertiary basalt and olivine basalt flows. These often exhibit excellent columnar jointing.

Property Geology

The Axe claims, Beauchamps option were limited to minimal prospecting and geological mapping during the course of work throughout the Klastline Plateau. This style of mapping and prospecting was carried out in conjunction with stream silt geochemistry sampling and consequently is largely restricted to mapping outcrop exposures in creeks and gullies (Plate 1).

The results of this work indicate the claims are underlain by a thick, succession of Upper Triassic basalt flows often with augite and or plagioclase phenocrysts interbedded with siltstone, greywacke and polymictic conglomerate. One outcrop at the western end of the property was mapped as coarse pyroclastics of similar age. Near the west end of the property Upper Triassic to Jurassic



KEEWATIN ENGINEERING INC.

	QUATERNARY PLESTOCENE AND RECENT
	29 Fluviatile gravel; sand, slit; glacial outwash, till, sipine moraine and colluvium
	28 liot-spring deposit, tula , aragonite
21020	27 Olivine hasait, related pyroclastic rocks and loose tephrs; younger than some of 29
CEN	TERTIARY AND QUATERNARY UPPER TERTIARY AND PLEISTOCENE Dhyolite and dacite flows, lava domes, pyroclastic rocks and related sub- ica violanto intruenes; minor basalt
	25 Basali, olivios basali, dacite, relaind pyroclastic rocks and subvolcanic intrusions; minor rhyoilic; in part younger than some 26
	CRETACEOUS AND TERTIARY UPPER CRETACEOUS AND LOWER TERTIARY SLOKO OROUP 24 light green, purple and while rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
	22 23 22. Biolits isucogranite, subvoloanig stocks, dykes and sills 23. Porphyritic biolite andesits, lave domes, flows and (?) sills
	SUSTUT GROUP Cheri-pebble congiomerate, granite-boulder conglomerate, quartrope 21 gandatono, nrkose, siliatono, carbonaccous shale and minor coal
	20 Felsita, quarta-foidepar porphyry, pyrlifforous folsiis, orbioular rhyolito; in part aquivalant to 22
	19 Medium-to conres-grained, pink biotite-hornblende quarts monzonite
	JURASSIC AND/OR CRETACEOUS
	10 Hornblende diorite
	17 Granodiorite, quarta diorite; minor diorite, leucogranite and migmatite
	JURASSIC
	MODLE (1) AND UPPER JURASSIC BOWSER GROUP
	15 ehale; may include some 13
	MDDDLE JURASSIC 13 subvolcanic latvalices subvolcanic latvalices
	LOWER AND MIDDLE JURASSIC 14 Shale, minor silistone, siliceous and calcareous silistone, greywacks and 14 ironstone
	LOWER JURASSIC Conglomerate, polymictic conglomerate; granits-boulder conglomerate, grit, 13 growschs, silistone; basalite and andeslite volcanic rocks, poperites, pillow-broccia and dotivad volcasiciastic rocks
	TRIASSIC AND JURASSIC POST-UPPER TRIASSIC PRE-LOWER JURASSIC
	12 Syndle, orthoclass porphyry, monzonile, pyroxenite
ESOZOIC	IIICKMAN BATHOLIJI 10. Hornblende granodiorite, minor hornblende-quarts diorite 11. Hornblende, quarts diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite
X	TRIASSIC
	UPPER TRLASSIC 9. Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
	Augite- andesite flows, pyroclastic rocks, derived volcaniciastic rocks and related subvolcanic intrustone; minor greywacks, silistone and polymicite configuration.
	Silistons, thin-bodderi silicous silisions, ribbon cheri, calonreous and 7 dolomicito silistone, groywacke, voicanic conglomorate, and minor limestone
	Limestone, felid argillaceous limestone, calcareous shale and reefold limestone; may be in part younger than some 7 and 8
	5 Groywacke, silisione, shale; minor conglomerate, tulf and volcante sandstone
	MIDDLE TRIASSIC
	PERMIAN MIDDLE AND UPPER PERMIAN Junearans, thick-bedded mainly bloclastic limesione; minor silisione, chert and tuff
PALEOZOR	PERMIAN AND OLDER Phyllits, argilisceous quartatite, quarta-soricits schiat, chiorite schiat, greensione, minor chert, schisiose full and limesione
Į	MISSESSEPPIAN Listestone, crinoldal limostone, ferruginous limestone; maroon tuff, chert and phylitte
	B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassio
	Ultramallo rocks; peridottie, dunite, serpentinile; sge unknown, probably pre-Lower Juressic

LEGEND



REGIONAL GEOLOGY

Figure 4

diorite with minor epidote, calcite and K-feldspar veining cut the basalt flows. At the east end of the claims, a rhyolite unit (plug?) mapped as Upper Cretaceous felsite and rhyolite by Souther (1971) exhibits both flow banding and orbicular textures. Unconformably overlying all units are Upper Tertiary basalt and olivine basalt flows often exhibiting excellent columnar jointing.

Mineralization throughout the claims consists of disseminated and vein pyrite with minor calcite, K-feldspar, quartz and epidote alteration. Massive pyrite veining to 0.50 metres wide occurs 700 to 900 metres north of camp along the creek draining Camp Lake. Similar veins occur along a west flowing creek 1300 metres west. In both cases, Upper Triassic flows and coarse sediments are intruded by highly leached and clay altered diorite. The veins which appear to have an approximate east-west strike contain very low precious or base metal values.

Structure appears fairly simple with east-northeast striking beds dipping to the south at 45° to 82°. Numerous small shears or faults cut stratigraphy into blocks which may make lateral correlations of specific units difficult. Folding is insignificant on a property scale.

GEOCHEMISTRY

During August to October, 1989, systematic stream silt sampling was carried out over 360 sq. km of the Klastline Plateau and surrounding region. This program which covered the Axe, Tat, Spike and GJ claims (1370 units) resulted in the collection and analysis of 689 silt samples. In conjunction with this sampling soil and rock samples were collected from selected sites throughout the property.

All silt, soil and rock samples were sent to Terramin Research Labs LTd. in Calgary, Alberta and fire assayed for gold and silver and geochemically analyzed for Cu, Pb and Zn. A selected number of rock samples were also analyzed for Hg.

Analytical procedures include:

Sample Preparation

1) Gold and silver values are determined by fusing approximately one assay ton of prepared sample with a litharge flux charge to obtain a lead button. The button is cupelled down to a precious metal prill which is then dissolved in aqua regia. The resulting solution is analyzed by atomic absorption spectrophotometry to determine Au and Ag amounts.

2) Copper, lead and zinc are determined by digesting a portion of prepared sample in hot nitric/perchloric acid mixture or hot aqua regia (nitric/hydrochloric acids). Element amounts are determined by atomic absorption spectrophotometry.

3) Mercury is determined by digesting the sample at low temperature in a sulphuric/permangate acid mix. Mercury is determined by the cold vapour/AA method.

Silt Sampling

Silt sampling over the Axe south claim block yielded 94 samples. The results are listed in Appendix B and plotted on Plates 2 to 6.

To facilitate evaluation of stream silt results and help identify anomalous drainages for follow-up work, statistical analysis of all 689 silt samples taken from the Klastline Plateau was carried out and histograms prepared (Plate 7). Results for the Axe claims discussed in this report are then compared with results for the entire Klastline Plateau to provide a more meaningful interpretation.

The statistical results from the 689 silt samples are as follows:

Copper: 115 ppm $\ge 85\%$ of samples 140 ppm $\ge 90\%$ of samples 240 ppm $\ge 95\%$ of samples

Lead: 20 ppm \ge 85% of samples 30 ppm \ge 90% of samples 45 ppm \ge 95% of samples

Zinc: 225 ppm \ge 85% of samples 275 ppm \ge 90% of samples 380 ppm \ge 95% of samples

Silver: $0.50 \text{ ppm} \ge 85\%$ of samples $0.75 \text{ ppm} \ge 90\%$ of samples $0.95 \text{ ppm} \ge 95\%$ of samples

Gold: 20 ppb \ge 85% of samples 60 ppb \ge 90% of samples 120 ppb \ge 95% of samples

A comparison and description of a silt anomalies on Axe claims, Beauchamps option follows:

Copper: Range - 14 to 166 ppm; four samples are anomalous (90 percentile) AC-13 (166 ppm), AC-23 (142 ppm), AM-27 (148 ppm) and AM-29 (162 ppm). A further 5 samples have elevated values in the 116 to 133 ppm Cu range. These include AC-22, AC-26, AC-27, AC-01 and AC-29. All the anomalous and elevated samples come off a southeast-facing slope at the north end of the property. Two of the anomalous and all 5 of the elevated samples come from a 1400 metre long span within 1 creek with an elevation difference of 600 metres between the upper and lower sample. Sample AC-13 comes from the next drainage to the north, approximately 600 metres away and sample AM-27 comes from the next creek southward, approximately 1300 metres away. All creeks drain an area underlain by Upper Triassic volcanic derived sediments intruded by diorite sills/dykes. It's believed a larger diorite stock occurs a short distance to the north and west and may underlie the sediments on these Axe claims at a shallow depth.

Lead: Range - 1 to 71 ppm; four samples are greater than the 90 percentile of 30 ppm Pb. These include AC-23 (44 ppm), AC-26 (34 ppm), AC-27 (37 ppm) and AM-27 (71 ppm). All these samples occur in the same area as the anomalous copper silt samples. Three of the values come from one creek while sample AM-27 comes from the next creek south approximately 1300 metres away.

Zinc: Range - 47 to 720 ppm; nine samples (AC-22 to AC-28 plus AC-01 and AM-27), are greater than the 90 percentile of 275 ppm Zn. They all occur in the same area as the copper and lead silt anomaly. Eight of the samples are consecutive samples over 1400 metres (same as copper anomaly) of one creek. The remaining anomalous sample, AM-27 (720 ppm) comes from the next creek south, 1300 metres away.

Silver: Range - 0.04 to 1.09 ppm; eight samples are greater than the 90 percentile. These include AC-22 (1.09 ppm), AC-23 (0.98 ppm), AC-26 (0.89 ppm), AC-27 (0.80 ppm), AC-01 (0.82 ppm) and AC-28 (0.75 ppm). All of these samples

come from the same anomalous drainage in the north part of the property. Samples AM-27 (1.08 ppm) and AM-28 (0.95 ppm) come from the creek 1300 metres to the southwest.

Gold: Range - 2 to 450 ppb; there are 17 anomalous samples with values of 60 ppb (90 percentile) or greater. Samples AC-26 (198 ppb), AC-27 (68 ppb), AC-28 (138 ppb) and AC-29 (102 ppb) all occur along the highly anomalous drainage previously described in the northern part of the claim. Samples AM-27 (120 ppb) and AM-28 (66 ppb) come from the creek 1300 metres to the southwest. Samples AA-08 (72 ppb), AA-10 (96 ppb), AA-11 (144 ppb), AA-12 (340 ppb), AA-13 (369 ppb), AA-14 (194 ppb), JK-31 (84 ppb), AA-15 (450 ppb), AA-16 (92 ppb) and AA-17 (60 ppb) all come from a 1050 metre section of Groat Creek at the north end of the property. Sample AA-44 (100 ppb) is an isolated sample on the Plateau south of Groat Creek near the east edge of the property. As with other samples it is from a drainage over top of Upper Triassic sediments and volcanics. There is no known source of the anomaly.

Silt sampling has defined a very anomalous zone in Cu-Pb-Zn-Ag and Au. The anomalous samples appear to be underlain by Upper Triassic sediments and volcanics that are intruded by diorite (coeval?) sills and dykes. A larger diorite stock possibly hosting porphyry Cu-Au style mineralization seems to be situated north of the Axe claims described herein. The anomalies described in this report may be reflecting porphyry Cu-Au style mineralization on these claims as well. Follow-up contour soil sampling and prospecting is definitely warranted for this area.

Soil Sampling

During the course of working the Axe claims, 3 soil samples, taken from the B soil horizon with the aid of a mattock were collected. The sample results are plotted on Plates 2 to 6. The results are as follows:

Soil Sample	<u>Cu (ppm)</u>	<u>Pb (ppm)</u>	<u>Zn (ppm)</u>	<u>Ag (ppm)</u>	<u>Au (ppb)</u>
AK-04	33	3	22	0.03	2
AM-05	23	7	128	0.06	12
AM-07	270	113	500	3.50	1326

Samples AK-04 and AM-05 yielded low values that do not warrant further follow-up. Sample AM-07 is taken near the mouth of a creek in the northern part of the property where anomalous values for Cu-Pb-Zn-Ag and Au have previously been obtained for silt samples 650 metres upstream. Further follow-up contour soil sampling is warranted in this area.

Rock Sampling

Along with prospecting and geologic mapping, 32 rock samples were collected. The results are listed in Appendix C and values are plotted on Plate 8. In order to evaluate the data and identify lithogeochemical anomalies, the results are compared to those obtained from wacker drilling over the GJ deposit located to the west on the immediately adjacent ground. Since those samples were systematically taken from 60 m x 60 m spacings over a grid which covered both mineralized and nonmineralized ground in geology identical to that of the Axe claims described in this report, the comparison seems valid. A statistical analysis of those 389 rock samples taken from the GJ is described below and shown in histogram form on Plate 9.

- Copper: 270 ppm; ≥ 85% of samples 360 ppm; ≥ 90% of samples 720 ppm; > 95% of samples
- Lead: 9 ppm; ≥ 85% of samples 13 ppm; ≥ 90% of samples 50 ppm; ≥ 95% of samples
- Zinc: 120 ppm; ≥ 85% of samples 135 ppm; ≥ 90% of samples 240 ppm; ≥ 95% of samples
- Silver: 0.45 ppm; ≥ 85% of samples 0.50 ppm; ≥ 90% of samples 1.00 ppm; ≥ 95% of samples
- Gold: 100 ppb; ≥ 85% of samples 120 ppb; ≥ 90% of samples 240 ppb; ≥ 95% of samples

A comparison of results and description of anomalies follows:

- Copper: range 3 to 3,000 ppm. All but one sample, AM-34 are quite low. This sample is taken from the north end of the property in an area underlain by Upper Triassic sediments and reworked volcaniclastics. The sample was a grab containing visible chalcopyrite, galena and sphalerite.
- Lead: range 1 to 640 ppm; six samples contain ≥ 13 ppm Pb (90 percentile). these include AM-34 (640 ppm), AM-60 (18 ppm), AA-21 (14 ppm), AA-22 (28 ppm), AA-24 (83 ppm) and AA-29 (13 ppm). Aside from AM-34 which was described under copper, the remaining values are all low, despite being anomalous. Samples AA-21 to AA-24 are all float samples taken along a creek in the centre of the property east of camp. Sample AA-29 is an isolated sample near the eastern edge of the property.
- Zinc: range 9 to 2700 ppm; only samples AM-34 (2700 ppm) and AA-25 (360 ppm) exceed the 90 percentile of 135 ppm. Sample AM-34 was described under copper while AA-25 is a grab of a float sample from a creek east of camp.
- Silver: range 0.02 to 36.00 ppm; four samples exceed the 90 percentile of 0.50 ppm. These include AM-34 (36.00 ppm and previously described), AM-59 (0.61), AA-04 (0.70 ppm) and AA-22 (0.95 ppm). Samples AM-59 and AA-04 are from massive pyrite veins trending roughly east-west that are associated with altered diorite. Sample AA-22 is a grab sample from a boulder in a creek east of camp.
- Gold: range 2 to 696 ppb; only samples AM-34 (570 ppb) and AA-22 (696 ppb) contain anomalous values. Both samples are previously described.

Mercury: range - 5 to 450 ppb; although only 9 samples were analyzed for Hg, 6 of them exceed the 90 percentile of 120 ppb.

Silt sampling has identified two strongly anomalous drainages for Cu-Pb-Zn-Ag-Au about 1500 metres apart in the northern part of the property. A third creek 650 metres to the north has an anomalous copper value. This entire area offers excellent potential for hosting Cu-Au porphyry style mineralization. Prospecting and stream silt sampling elsewhere on the claims has not identified any areas that warrant follow-up work.

Respectfully submitted,

<u>Dayid T. Mehner, M.Sc., FGAC</u>

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APPENDIX A

Statement of Expenditures

STATEMENT OF EXPENDITURES

For Work on the Axe 26, 27, 28, 35 and 38 Claims (100 units) (Beauchamps Exploration Option)

Note: Ascot Resources Ltd. carried out reconnaissance style work on it's Axe and Tat claims on the Klastline Plateau in 1989. Exploration was carried out simultaneously on the claims, as well as those of "sister companies" from a common camp on the Plateau. Approximately equal time was spent on each claim. Accordingly, costs are pro-rated on the basis of units worked. Expenditures and a report on 100 units were previously filed by Ascot Resources in 1989. The remaining expenditures are pro-rated over the 538 units which have not had work filed on them. This report covers work and costs incurred on 100 of these units. Details on salary breakdown and camp construction costs are supplied at end of Appendix.

<u>Salaries</u> (Field work performed between August 23 and October 3, 1989; dates worked and employee names at end of Appendix)

Pro-rated Costs applicable to this report	$\frac{\$29,100.00}{538} \times 100 =$	\$ 5,408.92
Accommodation and Food	550	
Total costs = 92.25 field man days @ \$75.0	0/man day = \$6,918.75	
Pro-rated	$\frac{$6,918.75}{538} \times 100 =$	\$ 1,286.01
<u>Transportation</u>		
Fixed Wing (Central Mountain Airlines) =	\$503.68	
Pro-rated	$\frac{\$ 503.68}{538} \ge 100 = \$ 93.62$	
Helicopter (Northern Mountain) = 17.6 hou	ars @ \$600.00/hr = \$11,400.00	
Pro-rated	$\frac{\$11,400.00}{528} \times 100 = \$2,111.96$	
	338	\$ 2,205.58*
Fuel - Total Cost (helicopter and heating f	uel) = \$2,375.92	
Pro-rated	<u>\$ 2,375.92</u> x 100	\$ 441.62*
Mobilization and Demobilization	538	
Cost of moving staff from point of hire to site and return (in B.C.) = \$1,695.42	project	
Pro-rated	<u>\$ 1,695.42</u> x 100 538	\$ 315.13*
Freight		
Total Cost = \$1,919.23		
Pro-rated	<u>\$ 1,919.23</u> x 100 538	\$ 356.73*

<u>Miscellaneous</u>						
Maps reproductions and photocopies = \$1,553.70						
Pro-rated	<u>\$ 1,553.70</u> x 10 538	00 =\$ 228.79				
Expediting (Jaycox Industries, Smithers, B.	C.) = \$715.38					
Pro-rated	<u>\$ 715.38</u> x 10 538	00 =\$ 132.97				
Communications (radio, courier, telephone)	= \$252.65					
Pro-rated	<u>\$_252.65</u> x 10 538	00 = <u>\$ 46.96</u>	\$ 706 22 *			
<u>Geochemistry</u>			\$ 700 . 33*			
94 silts @ \$12.40 ea. (\$1.00 sample prep; Cu-Pb-Zn geochem @ Au + Ag fire assay @ \$7.80 ea)	\$3.60 ea;	\$ 1,165.60				
30 rocks @ \$14.90 ea. (\$3.50 sample prep; analysis costs as for silt	s)	\$ 447.00				
7 Hg geochem analysis @ \$4.50 ea.		\$ 31.50				
3 soils @ \$12.40 ea. (costs as for silts)		<u>\$ 37.20</u>	\$ 1,681.30*			
Camp Construction						
Total costs = \$71,114.43 (see details at end	of Appendix)					
Ascot Resources portion @ 25% Less amount filed in Axe Claim, South Blo	\$17 ck Report - <u>3</u>	7,778.59 8 <u>,065.00</u> = \$14,713.5	9			
Pro-rated	<u>\$14</u>	<u>1,713.59</u> x 100	\$ 2,734.87			
<u>Report Writing</u>		538				
D. Mehner, office 4.5 days @ \$350.00/day (Dec. 15,17,18,19,20,21)	\$ 1	1,575.00				
Word Processing - 10 hours @ \$30.00/hour	<u>\$</u>	300.00	<u>\$ 1,875.00</u>			
	Sub-Total:		\$17,415.77			
10% handling fee on 3rd party invoices by (3rd party charges denoted by *)	Keewatin Engir	neering Inc.	570.67			
	TOTAL EXPE	ENDITURES:	<u>\$17,986.44</u>			

ASCOT RESOURCES LTD.

DATES WORKED AND SALARY COSTS FOR AXE CLAIMS, 1989

Personnel <u>(Charge-out Rate)</u>	<u>August</u>	<u>September</u>	<u>October</u>	November	December	Total <u>Days</u>
David Mehner, Project Geologist (\$350.00/day)	23,25,26,28,29	12,13,16,29,30	1,3,5,12	20,21,24,25	12,13,14	17.75
Adam Travis, Geologist (\$275.00/day)	23,25,26,28, 30,31	1,4,6,7,9,10,12,13 14,17,18,19,21,25	1			20.0
Marty Bobyn, Geologist (\$275.00/day)	28,30,31	1,4,6,7,9,10,12,13, 14,16,17,18,19,21,25	1			19.0
Tim Termuende Geologist (\$325.00/day)	2					2.0
Colin Adams, Sampler (\$225.00/day)	28,29	13,14,16,17,28,29	1,3			8.0
Ann Serra, Cook, 1st Aid (\$250.00/day)	28,30	1,4,6,7,9,10,12	3			9.5
Mike Brown, Sampler (\$225.00/day)	30,31	4,6,7,12,13,14, 18,19,25	3			10.0
Jim Roberts, Sampler (\$250.00/day)	29	13,14,28,29				5.0
Bob Charles, Sampler (\$275.00/day)	29	13,14,28,29				5.0
Ron Nichols, Project Supervisor (\$425.00/day)		3,5,7	27	27		5.0
Grant Sinitsin,		29	29			<u>1.5</u>
(\$225.00/day)				Total Days: Total Field	Days:	102.75 92.25
	Personnel (Charge-out Rate) David Mehner, Project Geologist (\$350.00/day) Adam Travis, Geologist (\$275.00/day) Marty Bobyn, Geologist (\$275.00/day) Tim Termuende Geologist (\$325.00/day) Colin Adams, Sampler (\$225.00/day) Ann Serra, Cook, 1st Aid (\$250.00/day) Mike Brown, Sampler (\$225.00/day) Mike Brown, Sampler (\$225.00/day) Jim Roberts, Sampler (\$250.00/day) Bob Charles, Sampler (\$275.00/day) Bob Charles, Sampler (\$275.00/day) Ron Nichols, Project Supervisor (\$425.00/day) Grant Sinitsin, Accountant (\$225.00/day)	Personnel (Charge-out Rate)AugustDavid Mehner, Project Geologist (\$350.00/day)23,25,26,28,29Adam Travis, Geologist (\$275.00/day)23,25,26,28, 30,31Marty Bobyn, Geologist (\$275.00/day)28,30,31Tim Termuende Geologist (\$225.00/day)2Colin Adams, Sampler (\$225.00/day)28,29Mike Brown, Sampler (\$225.00/day)28,30Jim Roberts, Sampler (\$225.00/day)29Jim Roberts, Sampler (\$225.00/day)29Bob Charles, Sampler (\$275.00/day)29Ron Nichols, Project Supervisor (\$425.00/day)29Ron Nichols, Project Supervisor (\$425.00/day)29	Personnel (Charge-out Rate)AugustSeptemberDavid Mehner, Project Geologist (\$350.00/day)23,25,26,28,2912,13,16,29,30Adam Travis, Geologist (\$2575.00/day)23,25,26,28, 30,311,4,6,7,9,10,12,13 14,17,18,19,21,25Marty Bobyn, Geologist (\$275.00/day)28,30,311,4,6,7,9,10,12,13, 14,16,17,18,19,21,25Tim Termuende Geologist (\$325.00/day)2Colin Adams, Sampler (\$225.00/day)28,2913,14,16,17,28,29Sompler (\$225.00/day)28,301,4,6,7,9,10,12Mike Brown, Sampler (\$225.00/day)30,314,6,7,12,13,14, 18,19,25Jim Roberts, Sampler (\$250.00/day)2913,14,28,29Sob Charles, Sampler (\$25.00/day)2913,14,28,29Ron Nichols, Froject Supervisor (\$425.00/day)2929Grant Sinitsin, Accountant (\$225.00/day)2929	Personnel (Charge-out Rate) August September October David Mehner, rroject Geologist (\$350.00/day) 23,25,26,28,29 1,316,29,30 1,3,5,12 Adam Travis, Geologist (\$275.00/day) 23,25,26,28,3 1,4,6,7,9,10,12,13, 14,17,18,19,21,25 1 Marty Bobyn, Geologist (\$275.00/day) 28,30,31 1,4,6,7,9,10,12,13, 14,16,17,18,19,21,25 1 Colin Adams, Sampler (\$225.00/day) 28,29 13,14,16,17,28,29 1,3 Colin Adams, Sampler (\$225.00/day) 28,30 1,4,6,7,9,10,12 3 Sampler (\$225.00/day) 28,30 1,4,6,7,9,10,12 3 Sampler (\$225.00/day) 28,30 1,4,6,7,9,10,12 3 Sampler (\$225.00/day) 28,30 1,4,6,7,9,10,12 3 Sampler (\$225.00/day) 30,31 4,6,7,12,13,14, 18,19,25 3 Sim Roberts, (\$250.00/day) 29 13,14,28,29 2 Sampler (\$250.00/day) 29 3,5,7 27 Sampler (\$25.00/day) 29 29 29	Personnel (Charge-out Rate)AugustSeptemberOctoberNovemberDavid Mehner, roject Geologist (\$350.00/day)23,25,26,28,291,21,31,6,29,301,3,5,1220,21,24,25Adam Travis, Geologist (\$275.00/day)23,25,26,28, 30,311,4,6,7,9,10,12,13 14,17,18,19,21,2511Marty Bobyn, Geologist (\$275.00/day)28,30,311,4,6,7,9,10,12,13, 14,16,17,18,19,21,2511Tim Termuende Geologist (\$255.00/day)21,3,14,16,17,28,291,31Colin Adams, Sampler (\$225.00/day)28,301,4,6,7,9,10,1231Mike Brown, Sampler (\$255.00/day)30,314,6,7,12,13,14, 18,19,2531Jim Roberts, Sampler (\$255.00/day)291,314,28,2911Bob Charles, (\$275.00/day)293,5,72727Grant Sinitsin, (\$225.00/day)292911	Personnel (Charge-out Rate) August September October November December David Mehner, (3500.00/day) 32,32,526,28,29 2,13,16,29,30 1,3,5,12 20,21,24,25 1,21,3,14 Adam Travis, Geologist (3275.00/day) 33,25,26,28,3 1,4,6,7,9,10,12,13 14,17,18,19,21,25 1 -

KLASTLINE PLATEAU

CAMP CONSTRUCTION COSTS - 1989

<u>Salaries</u>

Includes camp construction, site clearing and preparation, laying waterline; mobilization and demobilization to area; down time for inclement weather.

Mike Waskett-Myers	10.0 days @ \$350/day	\$ 3,500.00	
Frank Ferguson	7.5 days @ \$300/day	2,250.00	
Grant Nagy	11.5 days @ \$250/day	2,875.00	
Martin Whist	5.0 days @ \$225/day	1,125.00	
Tim Termuende	9.5 days @ \$325/day	3,087.50	
Bob Charles	3.0 days @ \$275/day	825.00	
Jim Roberts	3.0 days @ \$250/day	750.00	
Colin Adams	3.0 days @ \$225/day	675.00	
			\$15,087.50

HELICOPTER

Includes moving all aviation, diesel, propane, and kerosene fuel up to camp along with wood, stoves, applicances, etc.

Hughes 500 (Aug. 14 = 3.6 hrs; $15 = 2.8$ hrs; $16 = 4$ 18 = 4.5 hrs; 19 = 4.7 hrs; 20 = 0.6 hrs;	30.9 .4 hrs; 2 21 - 3	hrs @ \$600/hour 17 = 2.1 hrs; 6 hrs:	\$18,540.00	
22 = 1.8 hrs; $23 = 2.8$ hrs)	21 - J.	0 1115,		
Fuel	30.9	hrs @ \$ 82/hour	_2,533.80	\$21,073.80*
FOOD AND ACCOMMODATION (1 man, 3 days lived at home in Iskut V	49.5 /illage)	days @ \$75.00/man	a-day	\$ 3,712.50
TRUCK COSTS				
3 pick-up trucks were used to move eq Tatogga Lake; kept 1 truck in town for Fuel	uipmen durati	t and fuel to on of job	\$3,948.74 527 23	
				\$ 4,475.97*
CAMP SUPPLIES AND EQUIPMENT				
Includes wood, heaters, electrical suppl supplies, etc.	lies, plu	mbing		\$19,636.38*
GENERATOR RENTAL				
Includes rental and shipping costs of ge four Jutland tents	enerator	and		<u>\$ 2,372.34*</u>
			Sub-Total:	\$66,358.49
*10% handling fee on 3rd party invoice	s of \$4	7,558.49	÷	4,755.85
			TOTAL:	<u>\$71,114.34</u>

Cost distribution based on amount of work done on each project:

GJ property, Ascot Resources Ltd.	=	50%
Axe claims, Ascot Resources Ltd.	=	25%
Axe claims, Dryden Resource Corp.	=	25%

APPENDIX B

1989 Stream Silt Geochemistry Results for the Axe Claims

APPENDIX B

STREAM SILT GEOCHEMISTRY FOR AXE CLAIMS, ASCOT RESOURCES LTD./BEAUCHAMPS EXPLORATION INC.

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Sample	<u>Cu ppm</u>	<u>Pb ppm</u>	<u>Zn ppm</u>	<u>Ag ppm</u>	<u>Au ppb</u>
AC-13	166	23	270	0.40	2
AC-21	46	11	133	0.18	8
AC-22	127	22	310	1.09	54
AC-23	142	44	370	0.98	46
AC-24	104	21	320	0.74	56
AC-25	106	21	300	0.69	56
AC-26	127	34	350	0.89	198
AC-27	133	37	360	0.80	68
AC-01	122	28	310	0.82	44
AC-28	116	27	330	0.75	138
AC-29	90	20	260	0.51	102
AC-30	78	16	230	0.42	20
AK-23	40	5	91	0.16	16
AK-22	51	5	106	0.14	10
AM-27	148	71	720	1.08	120
AM-28	114	27	270	0.95	66
AM-29	162	18	170	0.60	18
AM-30	63	4	87	0.22	18
AA-08	85	7	131	0.32	72
A.A09	74	7	127	0.23	52
AA-10	69	7	112	0.23	96
JK-29	79	4	120	0.29	22
AA-11	97	ż	126	0.31	144
AA-12	70	6	146	0.29	340
AA-13	94	7	136	0.18	369
JK-30	77	7	121	0.23	22
AA-14	76	6	111	0.37	194
JK-31	64	Ť	95	0.42	84
AA-15	96	7	152	0.47	450
AA-16	76	6	129	0.17	92
AA-17	70	ő	120	0.22	60
AK-20	49	6	118	0.18	16
AM-20	34	ğ	181	0.10	12
AM-21	28	8	97	0.12	8
AM-22	28	6	107	0.12	20
AA-43	26	Š	96	0.12	20
AA-44	30	3 4	101	0.12	100
AA-45	31	5	80	0.02	100
AA-46	28	4	90	0.10	10
AA-47	29	5	90	0.05	2
AA-48	30	5	95	0.05	2 4
AA-49	30	5	98	0.07	4
AK-21	25	5	81	0.05	8
AM-19	30	4	114	0.00	26
AA-37	25	5	101	0.18	58
AA-38	24		94	0.10	2
AA-39	23	, 7	101	0.00	2
AK-08	31	, 7	136	0.07	10
AK-07	20	, 6	173	0.17	10
**** V/	<i>i i i i i i i i i i</i>	v	143	0.00	TO

Sample	<u>Cu ppm</u>	<u>Pb ppm</u>	<u>Zn ppm</u>	Ag ppm	<u>Au ppb</u>
AK-09	29	6	97	0.12	8
AK-10	28	5	100	0.09	12
AK-11	32	6	117	0.11	14
AK-12	33	5	195	0.26	8
AX-13	31	5	164	0.22	6
AK-14	29	5	98	0.13	12
AK-15	31	5	143	0.20	8
AK-16	28	5	97	0.12	16
AK-17	31	5	158	0.20	20
AA-07	36	5	129	0.12	6
AK-18	32	5	149	0.18	10
AK-19	30	5	121	0.16	8
AK-26	33	6	145	0.12	16
AK-27	39	6	134	0.17	16
AK-28	33	4	122	0.14	18
AA-42	40	8	157	0.21	10
AK-06	37	12	220	0.11	8
AD-65	33	9	230	0.11	10
AD-60	28	4	120	0.07	6
AD-61	46	5	85	0.11	2
AK-01	60	6	83	0.07	4
AK-02	40	5	124	0.08	16
AK-03	22	9	98	0.12	8
AD-63	29	6	108	0.12	12
AD-62	47	3	81	0.14	2
AK-04	51	3	86	0.05	4
AD-64	36	8	94	0.08	20
AK-05	52	5	91	0.06	6
DK-47	24	8	147	0.07	10
DK-48	18	5	114	0.07	2
DK-49	67	4	102	0.05	2
DK-50	65	1	71	0.07	4
DK-51	65	2	77	0.05	2
DX-52	58	2	87	0.05	2
DK-54	52	2	72	0.04	4
DK-55	25	4	70	0.08	2
DK-56	52	4	72	0.04	4
DK-58	34	4	83	0.06	4
AM-31	22	3	123	0.09	2
AM-32	20	3	65	0.04	2
AM-33	28	3	64	0.05	2
AM-34	14	1	47	0.08	2
DA-08	18	5	63	0.09	6
AM-35	25	2	80	0.06	2
DK-53	25	7	138	0.04	2

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APPENDIX C

Rock Geochemistry Results for Axe Claims

APPENDIX C

ROCK GEOCHEMISTRY FOR AXE CLAIMS, ASCOT RESOURCES LTD./BEAUCHAMPS EXPLORATION INC.

Sample	<u>Cu ppm</u>	<u>Pb ppm</u>	<u>Zn ppm</u>	<u>Ag ppm</u>	<u>Au ppb</u>	<u>Hg ppb</u>
AM-02	66	2	30	0.37	10	5
AM-06	20	7	34	0.26	2	150
AM-07	25	12	37	0.38	2	275
AM-08	15	10	28	0.23	4	195
AM-09	24	8	29	0.21	4	255
AM-10	13	9	32	0.18	4	75
AM-11	12	4	36	0.07	2	145
AM-19	3	8	57	0.09	4	
AM-20	68	6	48	0.15	8	
AM-34	3,000	640	2,700	36.00	570	
AM-35	30	10	21	0.33	12	
AM-36	81	5	48	0.05	12	
AM-37	25	9	22	0.35	8	
AM-38	10	3	17	0.18	14	
AM-39	36	8	29	0.21	12	
AM-40	64	8	26	0.42	14	
AM-58	25	2	39	0.14	2	
AM-59	41	9	38	0.61	6	
AM-60	28	18	17	0.27	8	
AM-61	13	2	54	0.09	4	
AA-03	3	1	15	0.11	2	10
AA-04	35	13	53	0.70	16	450
AA-21	7	14	47	0.16	10	
AA-22	5	28	9	0.95	696	
AA-23	8	8	46	0.06	6	
AA-24	5	83	76	0.12	4	
AA-25	2	2	360	0.08	2	
AA-26	3	8	22	0.02	2	
AA-28	35	3	45	0.04	2	
AA-29	21	13	40	0.08	10	
AD-03	10	5	43	0.07	8	
AD-04	12	2	66	0.11	6	

APPENDIX D

Statement of Qualifications

CERTIFICATE OF QUALIFICATIONS

I, DAVID T. MEHNER, of #104, 2000 - 31st Street in the City of Vernon, in the Province of British Columbia, do hereby certify that:

- I am a Consulting Geologist with Keewatin Engineering Inc., with offices at 800 900 West 1. Hastings Street, Vancouver, B.C. V6C 1E5.
- 2. I am a graduate of the University of Manitoba, B.Sc. Honours, 1976, M.Sc. Geology, 1982.
- I have practised my profession continuously since 1979. 3.
- I am a Fellow of the Geological Association of Canada. 4.
- During the period of August- October, 1989, I managed and carried out the exploration 5. program on the Axe claims near Kinaskan Lake on behalf of Ascot Resources Ltd.
- 6. I do not own or expect to receive any interest (direct, indirect or contingent) in the properties described herein, nor in the securities of Ascot Resources Ltd. in respect of services rendered in the preparation of this report.

Dated at Vancouver, British Columbia, this 20th day of December, A.D. 1989.

Respectfully submitted,

David T. Mehner, M.Sc., FGAC



	LEGEND	SYMBOLS
GE	OLOGY	o o o o o float
UPI 6 CR	PER TERTIARY Basalt and olivine basalt flows; columnar jointing common ETACEOUS AND TERTIARY? Rhyolite flows; flow banded, massive and orbicular; often pyritiferous	outcrop $\sim \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$
UP 4 3	PER TRIASSIC DIORITE TO QUARTZ DIORITE Basalt and andesite flows; augite and plagioclase phenocrysts common	12 bedding 34 foliation 48 joint
1	ANDESITE TUFFS, LAPILLI-TUFF AND TUFF BRECCIA; REWORKED EQUIVALENTS THEREOF	fault strike and dip
[SILTSTONE, POLYMICTIC CONGLOMERATE	Py = pyrite Hm = Ep = epidote Ca = Kp = K-feldspar
		Ground control by 1:50, blow up; topo chain con



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