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1989 SUMMARY REPORT

on the

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DOKDAON PROPERTY

Liard Mining Division  
British Columbia

North Latitude 57 29' West Longitude 131 33'

NTS 104G/5, 12

Prepared for

SCHELLEX GOLD CORP.  
P.O. Box 11604  
820 - 650 West Georgia Street  
Vancouver, B.C.  
V6B 4N9

Prepared by

COAST MOUNTAIN GEOLOGICAL LTD.  
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GEOLOGICAL BRANCH  
ASSESSMENT REPORT

19,908

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VANCOUVER, B.C.

12 April 1990

William R. Kushner, B.Sc.  
Geologist

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## 1.0 INTRODUCTION

The Dokdaon property is located approximately 50 kilometers southwest of Telegraph Creek in the heart of the Galore Creek gold camp. The property was staked in January, 1989, to permit exploration for precious and base metal deposits in favorable geology consisting of a sheared intrusive in contact with a sedimentary and volcanic unit.

The Stikine Arch is currently undergoing extensive exploration as a result of the mineral discoveries near Stewart, the Iskut River area and the Galore Creek area. One exploration target that has proven very successful is the base metal rich gold vein deposits of the Stewart and Iskut River gold camps. These precious metal deposits are especially attractive in their unusually high grades. Recently discovered examples of this deposit type include Skyline's Stonehouse gold deposit (740,000 tons of 0.52 oz/ton gold), the Cominco-Prime joint venture Snip deposit (1.032 million tons of 0.875 oz/ton gold), the Newhawk-Granduc Sulphurets deposit (0.72 million tons grading 0.431 oz/ton gold and 19.7 oz/ton silver) and the Silbak Premier property under investigation by Westmin-Pioneer-Camacord (open pit reserves of 5.7 million tons grading 0.065 oz/ton gold and 2.7 oz/ton silver). Historically, the Silbak Premier mine was British Columbia's third largest gold deposit, producing 1.3 million ounces of gold and 32 million ounces of silver from 1920 to 1936. Mine development is either underway or is anticipated for

each of the above deposits.

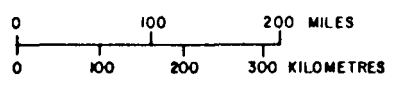
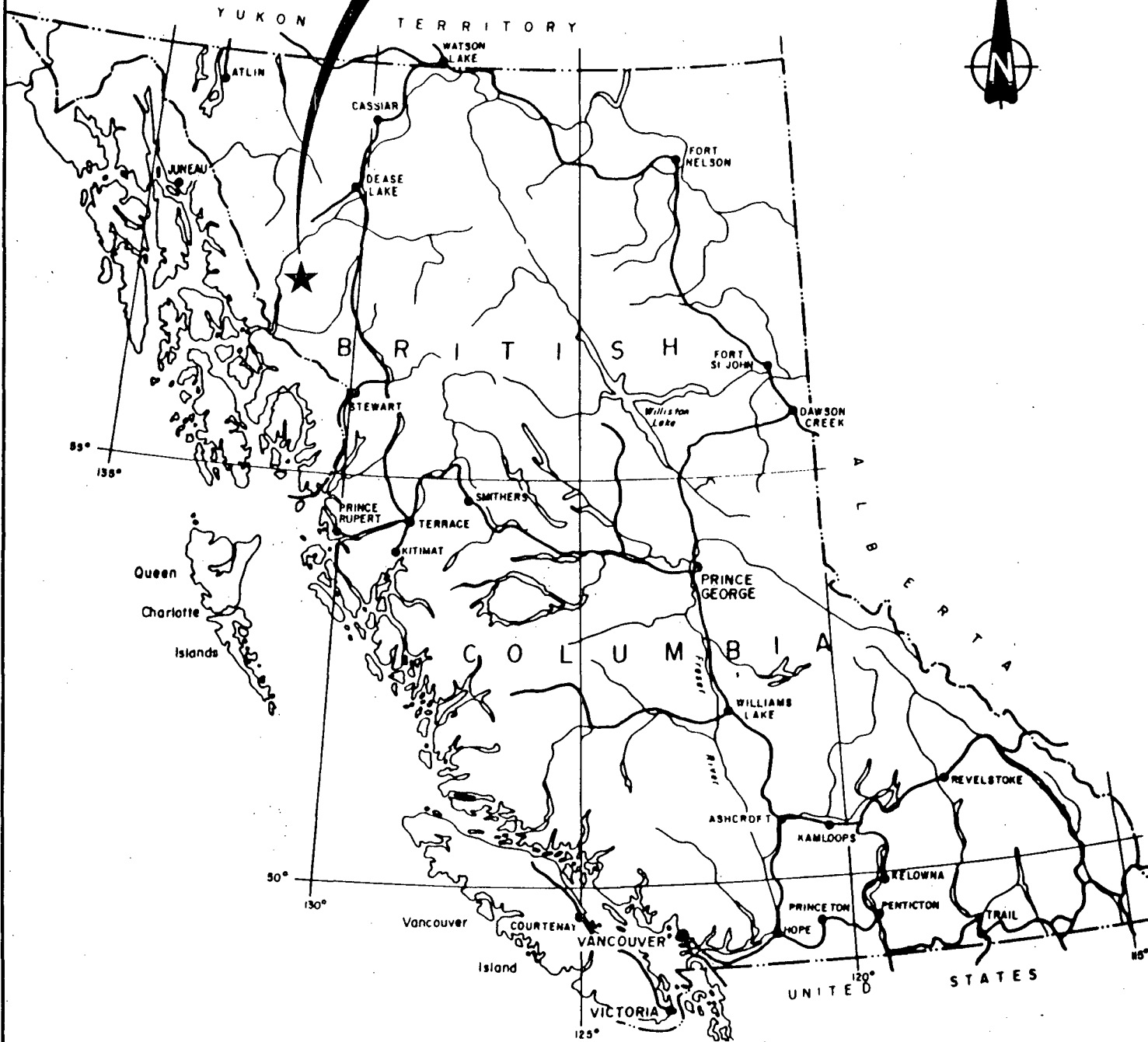
Numerous precious and base metal occurrences have been discovered throughout the Galore Creek district including the Paydirt deposit being developed by Consolidated Silver Standard Mines (0.2 million tons grading 0.12 oz/ton gold) and the Galore Creek deposit from the 1960's copper-porphyry rush (125.0 million tons of 1.06% copper and 0.012 oz/ton gold). Very encouraging results from Bellex Mining Corp.'s Jack Wilson property, Gigi Resources' Trophy project and the Stikine Copper deposit at Galore Creek have sparked increased precious metals exploration in this area of northwestern British Columbia.

This report describes the geology and work program conducted throughout two man days of mapping, prospecting and geochemical sampling of the property on September 20, 1989.

## 2.0 SUMMARY

The Dokdaon property is comprised of two modified grid system claims totalling 36 units located in the Liard Mining Division of northwestern British Columbia (Figure 1). Property access is possible by helicopter from the Scud River airstrip, which in turn can be reached by fixed wing service from Smithers, Telegraph Creek or Dease Lake. Alternately, the property may be reached by riverboat or helicopter from Telegraph Creek.

PROPERTY  
LOCATION



SCHELLEX GOLD CORP.			
DOKDAON PROPERTY PROPERTY LOCATION MAP			
LIARD MINING DIVISION <i>W.K.</i>			
COAST MOUNTAIN GEOLOGICAL LTD.			
DRAWN BY: B.K.	NTS: 104G/5,12	DATE: APRIL, 1990	FIGURE: 1

The topography of the Dokdaon property is moderate to extremely rugged, typical of mountainous terrain, with elevations ranging from 670 meters to 2225 meters above sea level.

Vegetation on the property varies from a moderately dense mass of alder, huckleberry and Devils club near the creek, thinning to patches of stunted spruce on the slopes. Alpine vegetation occurs at higher elevations, with treeline located at approximately 1220 meters.

Temperatures range from -30 degrees to +30 degrees centigrade and heavy precipitation is characteristic, especially during the winter months.

The first recorded exploration in the immediate vicinity of the Dokdaon property was in 1970 when Canadex Mining Corp. staked several claims in the area. In 1971, the Swiss Aluminum Mining Co. of Canada optioned the property to the north of the Dokdaon claim group in their search for copper. That ground is now being explored by Continental Gold Corp.

Two minfile occurrences are located on the property with copper, lead and zinc listed as commodities.

The Dokdaon claim group lies on the western margin of the Intermontane Belt within the Stikine Arch near its contact with

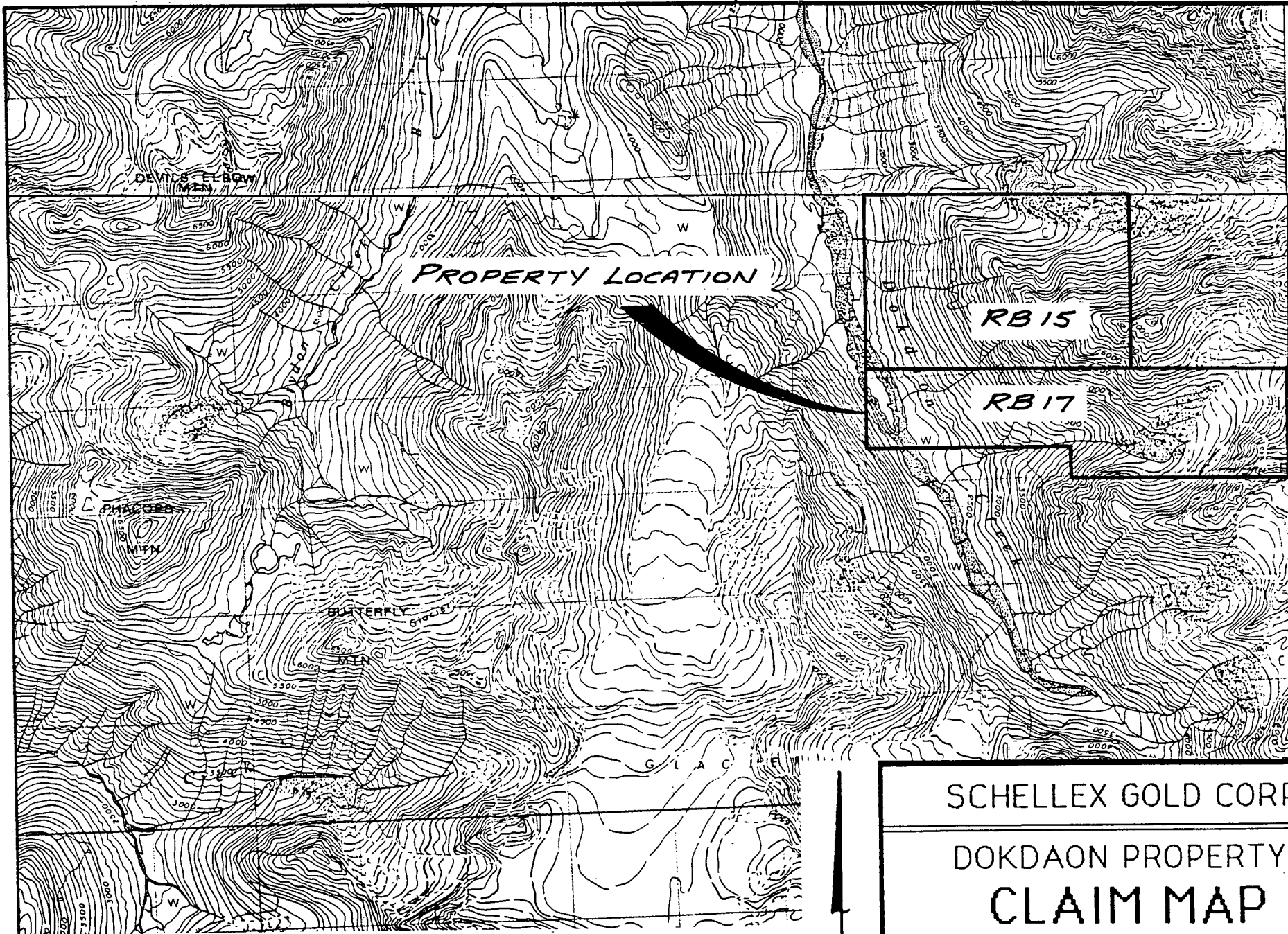
the Coast Plutonic Complex. The Arch is a lobe of crystalline and metamorphic rocks that remained relatively positive throughout much of Mesozoic time and exerted a profound influence on Mesozoic sedimentation and structure around its margins. Government mapping indicates that the property area is underlain by a Jurassic and/or Cretaceous granodiorite and quartz diorite intrusive, which is in contact with upper Triassic undifferentiated volcanic and sedimentary rocks. Updated government mapping completed in 1989 indicates the property is invaded by the N-S trending Oksa Creek Felsic Dyke Swarm and cut by the regional Ambition Fault.

Mineralization in the area is typically shear hosted with galena, sphalerite, sheelite, chalcopyrite and pyrite being documented. The region has excellent potential for shear zone hosted Au-Ag-Cu-Pb-Zn mineralization similar to that found in the Iskut River region of northwest British Columbia.

Work performed on the property in 1989 consisted of rock sampling, silt sampling and prospecting. Promising geology and favorable results have led the writer to recommend a more extensive exploration program to further evaluate the economic potential of the property.

### 3.0 LIST OF CLAIMS

The Dokdaon property, located in the Liard Mining Division of



000m (N)  
 75  
 57°30  
 (6377000m N)

PROPERTY LOCATION

RB 15

RB 17

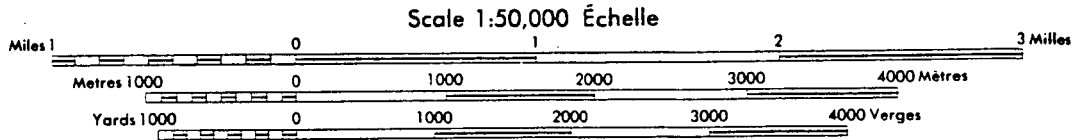
SCHELLEX GOLD CORP.

DOKDAON PROPERTY  
**CLAIM MAP**

LIARD MINING DIVISION

*W/C*

COAST MOUNTAIN GEOLOGICAL LTD.



DRAWN BY: B.K.	NTS: 104G/5,12	DATE: APRIL, 1990	FIGURE: 2
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northwestern British Columbia, is comprised of two modified grid system claims (Figure 2). Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims are owned by Schellex Gold Corp. of Vancouver, B.C.:

<u>Claim</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date</u>
RB15	5642	20	14/01/91
RB17	5644	16	14/01/91
		Total	36

The exact location of the claim post has been verified by the author.

#### 4.0 LOCATION AND ACCESS

The Dokdaon property is located within the Coast Range Mountains of northwestern British Columbia approximately 50 kilometers southwest of Telegraph Creek. It lies within the Liard Mining Division and is centered at 57 degrees 29' north latitude and 131 degrees 33' west longitude.

Access to the property is possible via helicopter or river boat from Telegraph Creek. Historically, the Stikine River has been navigated by 100-ton barges as far upstream as Telegraph Creek, thus affording economical transport of equipment, machinery, fuel and other supplies to the Scud River airstrip which is located 27 kilometers southwest of the property. Fixed wing service to the Scud River airstrip can be chartered from Smithers, Telegraph

Creek or Dease Lake; regular scheduled flights to the airstrip are available during the field season via Smithers. A helicopter is then used to reach the property from the Scud River airstrip. During the 1989 field season, a helicopter was stationed at the Galore Creek Camp, located approximately 28 kilometers southeast of the property.

#### 5.0 PHYSIOGRAPHY AND CLIMATE

The Dokdaon property is located within the drainage basin of the Stikine River on an eastern slope of Dokdaon Creek. Topography is moderate to extreme, typical of mountainous terrain, with elevations ranging from 670 meters to 2225 meters above sea level.

Low lying areas near the creek are covered with a dense growth of alder and devils club. The slopes above this are covered with shrubs and stunted spruce, with a few areas well timbered with spruce that have been spared from slides. Much of the property is above treeline, which occurs at 1220 meters, and exhibits typical alpine vegetation.

The claims are situated at the boundary between the wet belt and the gradational belt. In this area temperatures range from -30 degrees to +30 degrees centigrade and about 300 centimeters of precipitation is recorded per year, mostly in the form of snow.

## 6.0 PROPERTY HISTORY

### 6.1 PREVIOUS WORK

Historically, the first gold in the Stewart area is said to have been discovered by prospectors en-route to the Klondike in the late 1890's. The Stewart area does not host any significant placer deposits, but mineralized float led to the discovery of a number of gold deposits. The Silbak-Premier mine, ten kilometers north of Stewart, was developed into British Columbia's third largest gold deposit. Production yielded over 1.3 million ounces of gold and 32 million ounces of silver from 1920 to 1936. The Silbak Premier property is currently being re-developed by a Westmin-Pioneer-Canacord joint venture.

The first recorded mineral exploration in the Telegraph Creek - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek. During the 1920's to the 1940's, the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

Galore Creek was first discovered in 1955 by Hudson Bay Exploration and Development Company Limited and later explored jointly by Hudson Bay, Kennco and Consolidated Mining and

Smelting under a new company, Stikine Copper Limited. Exploration activity around the Galore Creek area was conducted during the early 1960's by Kennco Explorations Limited. Their search was directed towards finding large tonnage porphyry copper deposits similar to the Galore Creek deposit, which is located only 28 kilometers southeast of the Dokdaon property. Although never brought into production, mineral reserves for the Central Zone deposit stand at 137,500,000 tons grading 1.06% copper with 0.25 ounces silver/ton and 0.013 ounces gold/ton (1.8 million ounces contained gold).

The first recorded exploration in the Dokdaon region was in 1970 when Canadex Mining Corp. staked several claims in the area. Canadex conducted soil sampling and geological mapping, locating a number of pyrite and chalcopyrite veins associated with numerous northerly trending fault zones.

In 1971, the Swiss Aluminum Mining Co. of Canada (SAMCC) optioned the ground immediately to the north of the Dokdaon property. Swiss Aluminum established cut grids on the property and conducted soil sampling, trenching and a ground magnetics geophysical survey. A total of 83 hand dug pits were excavated during 1971 and 1972, with abundant galena, sphalerite, pyrite and chalcopyrite mineralization found to be associated with syenite and felsite dykes on the property. A large copper and lead soil anomaly was also outlined in the project area which is

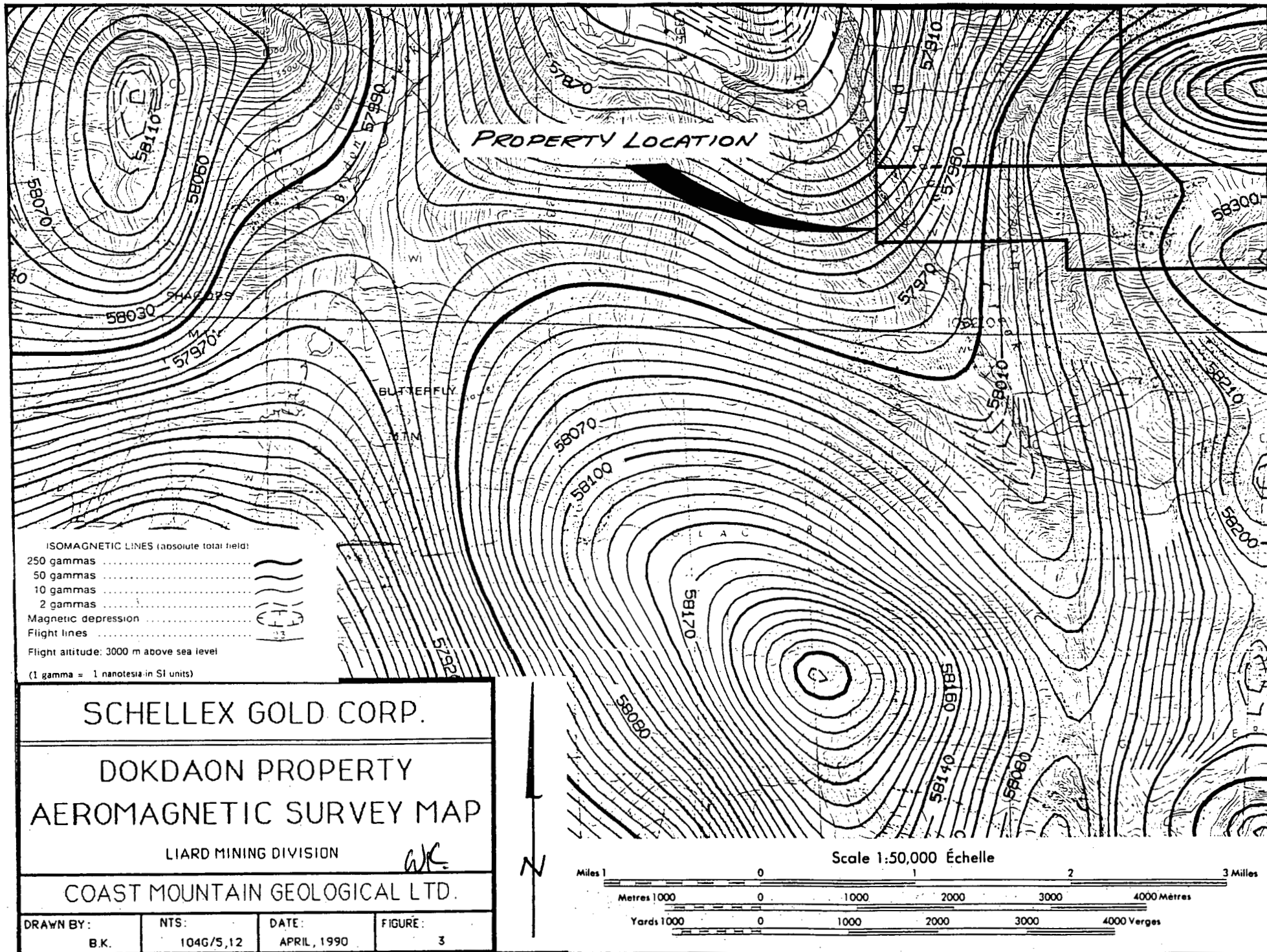
now covered by Continental Gold Corp.'s DOK 1-6 claims.

As the Swiss Aluminum Mining company was looking for copper-porphyry deposits, only assays for copper are reported. Significant copper assays were reported from many regions of the project area associated with silicified shears and fault zones containing disseminated sulfides. Reported assays include 0.32% Cu over 75 feet, 0.66% Cu over 125 feet and 0.72% Cu over 50 feet (all true widths). No diamond drilling has ever been conducted in the Dokdaon Creek region.

Teck Corporation conducted a trenching and sampling program on the Dokdaon property in 1981, returning values of 1.26% Cu, 3.34 oz/ton Ag and .035 oz/ton Au (Gary Schellenberg, pers. comm.).

A regional aeromagnetic survey conducted by the GSC in 1978 indicates the Dokdaon property is situated on the flank of a major magnetic high (Figure 3), and a regional geochemical survey conducted by the GSC in 1988 collected a silt sample from a drainage of the Dokdaon property.

Records with the Ministry of Mines and Petroleum Resources list two minfile occurrences on the Dokdaon Property. Both showings occur in volcanic pendants within a large body of granodiorite and contain copper as a commodity; one also contains lead and zinc.



PROPERTY LOCATION

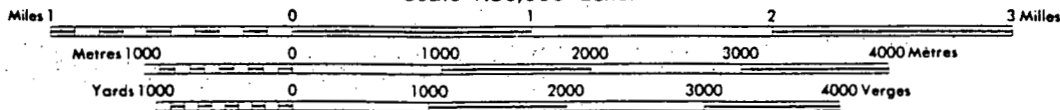
ISOMAGNETIC LINES (absolute total field):  
 250 gammas .....  
 50 gammas .....  
 10 gammas .....  
 2 gammas .....  
 Magnetic depression  
 Flight lines .....  
 Flight altitude: 3000 m above sea level  
 (1 gamma = 1 nanotesla in SI units)

SCHELLEX GOLD CORP.  
 DOKDAON PROPERTY  
 AEROMAGNETIC SURVEY MAP  
 LIARD MINING DIVISION  
 COAST MOUNTAIN GEOLOGICAL LTD.

DRAWN BY: B.K.	NTS: 104G/5,12	DATE: APRIL, 1990	FIGURE: 3
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Scale 1:50,000 Échelle



## 6.2 1989 WORK PROGRAM

Two man days were spent prospecting, sampling and mapping the property on September 20, 1989. A total of 13 rock samples and 2 stream sediment samples were collected and sent to Acme Laboratories Limited in Vancouver for analysis. The stream sediment samples were taken from active parts of major drainages. At the laboratory they were dried, sieved to minus 80 mesh and analyzed geochemically for 32 elements by ICP and for gold by atomic absorption. Rock samples were taken from the mineralized quartz veins and from zones of alteration and mineralization. The rock samples were pulverized in the lab and screened to minus 100 mesh, then analyzed for 32 elements by ICP and for gold by atomic absorption. One rock sample with over 8400 ppm Cu was fire assayed for copper and silver.

Rock descriptions are attached in Appendix D and analytical certificates form Appendix E.

## 7.0 REGIONAL GEOLOGY

The first reconnaissance geological mapping in the Telegraph Creek map area was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carried out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

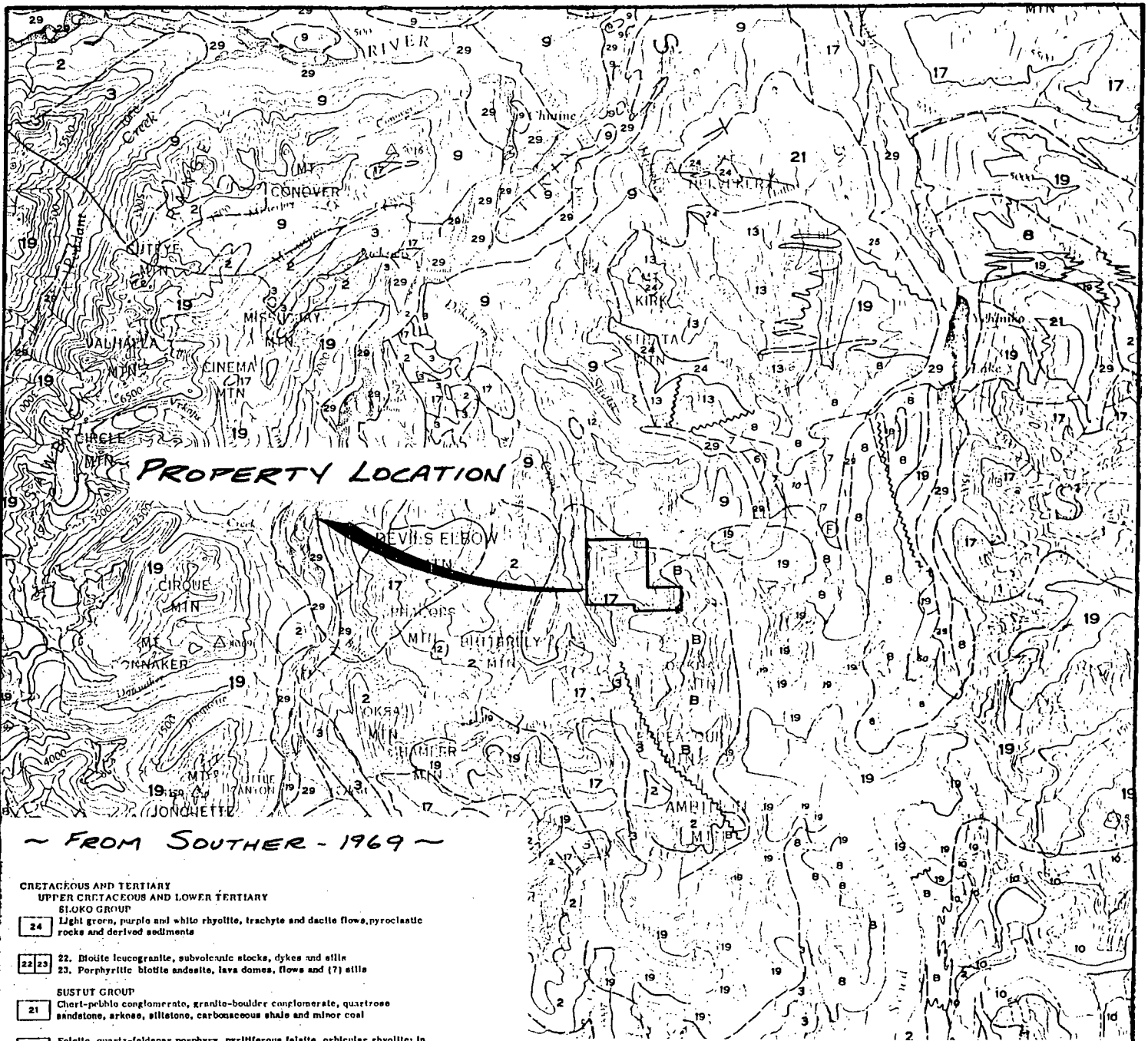
This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Telegraph Map Sheet (104G) by Souther (1971).

The Galore Creek area lies on the western margin of the Intermontane Belt within the Stikine Arch near its contact with the Coast Plutonic Complex (Figure 4). A sequence of Paleozoic to middle Triassic oceanic sediments is unconformably overlain by upper Triassic Hazelton Group island arc volcanics and sediments. These have been intruded by upper Triassic to lower Jurassic syenitic stocks and by Jurassic to lower Cretaceous quartz diorite and granodiorite plutons of the Coast Plutonic Complex.

The oldest rock assemblage in the Galore Creek area consists of Permian bioclastic limestone (Unit 3) overlying metamorphosed sediments and volcanics (Unit 2) and crinoidal limestone (Unit 1).

Unconformably overlying the Permian limestone unit are upper Triassic Hazelton Group island arc volcanics and sediments (Units 5 through 8). In the Galore Creek area, Souther (1971) grouped these volcanic and sedimentary members in Unit 9, noting however that it was composed predominantly of augite andesite breccia, conglomerate and volcanic sandstone.





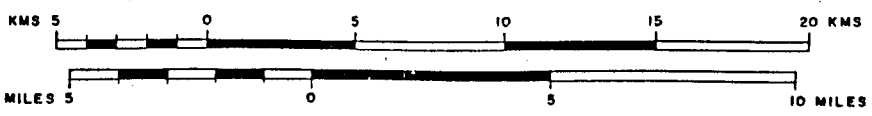
PROPERTY LOCATION

DEVIL'S ELBOW

~ FROM SOUTHER - 1969 ~

- CRETACEOUS AND TERTIARY**  
**UPPER CRETACEOUS AND LOWER TERTIARY**  
**SILOKO GROUP**  
 24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments  
 22, 23 22. Biotite leucogranite, subvolcanic stocks, dykes and sills  
 23. Porphyritic biotite andesite, lava domes, flows and (?) sills  
**SUSTUT GROUP**  
 21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal  
 20 Felsite, quartz-feldspar porphyry, pyritiferous felsite, orbicular rhyolite; in part equivalent to 22  
 19 Medium-to coarse-grained, pink biotite-hornblende quartz monzonite
- JURASSIC AND/OR CRETACEOUS**  
**POST-UPPER TRIASSIC PRE-TERTIARY**  
 18 Hornblende diorite  
 17 Granodiorite, quartz diorite; minor diorite, leucogranite and migmatite
- TRIASSIC AND JURASSIC**  
**POST-UPPER TRIASSIC PRE-LOWER JURASSIC**  
 12 Syenite, orthoclase porphyry, monzonite, pyroxenite
- PERMIAN**  
**MIDDLE AND UPPER PERMIAN**  
 3 Limestone, thick-bedded mafely bioclastic limestone; minor siltstone, chert and tuff
- PERMIAN AND OLDER**  
 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone, minor chert, schistose tuff and limestone
- MISSISSIPPIAN**  
 1 Limestone, crinoidal limestone, ferruginous limestone; maroon tuff, chert and phyllite
- B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic

Scale 1:250,000



<b>SCHELLEX GOLD CORP.</b>			
<b>DOKDAON PROPERTY</b>			
<b>REGIONAL GEOLOGY MAP</b>			
LIARD MINING DIVISION			
<b>COAST MOUNTAIN GEOLOGICAL LTD.</b>			
DRAWN BY:	NTS:	DATE:	FIGURE:
B.K.	104G/5,12	APRIL, 1990	4

Subvolcanic syenite and orthoclase porphyry stocks (Unit 12), dated by Souther as late Triassic to early Jurassic, intrude older stratified rocks, and Jurassic and Cretaceous granodiorite to quartz diorite batholiths (Unit 17) of the Coast Plutonic Complex intrude all older lithologies.

## 8.0 PROPERTY GEOLOGY AND GEOCHEMISTRY

### 8.1 GEOLOGY

Souther shows almost the entire property to be underlain by Jurassic and Cretaceous granodiorite to quartz diorite batholiths (Unit 17) with some upper Triassic undifferentiated volcanic and sedimentary rocks in the northeast corner of the property and some amphibolite and amphibolite gneiss on the southeastern extremity.

Updated government mapping recently completed by Brown and Gunning (1989), show the entire property to be underlain by middle Jurassic hornblende-biotite granodiorite and quartz monzonite. They show the western edge of the property invaded by the Oksa Creek Felsic Dyke Swarm, and the southeast edge of the claim contains some tertiary pyroxene-phyric olivine basalt dykes. Dokdaon Creek follows the regional Ambition Fault cutting through the property.

The geology is quite complex with at least three ages of igneous

intrusions represented by granodiorite, felsitic rocks and feldspar porphyry, rhyolitic dykes and later fine grained diorite, basalt and andesite dykes.

The equigranular medium grained hornblende biotite granodiorite underlying the bulk of the property often contains rounded xenoliths up to 15 cm in size. The intrusive body is cut by many small faults and shear zones, with the larger ones appearing as gullies or stream beds trending predominantly northeast. Many small fine grained diorite dykes of 1 m or less intrude into the granodiorite, trending between 90 and 107 degrees with dips of 80 - 82 degrees south. Some small rhyolite dykes were encountered as well, trending generally in similar directions as the diorite dykes. A small feldspar porphyry unit was found cutting the granodiorite, and is composed of 2mm phenocrysts in a very fine grained groundmass.

Mineralization in the granodiorite consists generally of 1% or less very fine disseminated pyrite. Moderate malachite staining is common throughout much of the float and was followed to outcrop at higher elevations. The small feldspar porphyry unit contained 1% finely disseminated pyrite and pyrrhotite and displayed trace molybdenite staining on weathered surfaces. Epidote alteration appears throughout the unit in minor amounts. There is minor chloritic alteration in the area, and some sericitization occurs as well.

Dykes of syenite, felsite and rhyolite are abundant throughout the claim group. Syenite dykes range in width from 0.5 meters to 5 meters, with dykes of other compositions also exhibiting similar width ranges.

Faults and shear zones occur throughout the claim group, being marked by major gullies or stream beds. Most faults trend in a northeast direction, although northerly trending faults are also very abundant.

Ambition Fault, the northerly trending major fault which crosses through the centre of Continental's Trophy Gold Project area, extends northward to the Dokdaon property area, passing through the west side of the claims along Dokdaon Creek. This pronounced, regional-scale structural feature quite likely plays a major role in the genesis of precious metal mineralization as delineated on Continental's Trophy Gold Project located 33 kms south of the Dokdaon property.

The Dokdaon property has records of two minfile occurrences. Minfile 104G 075 reveals the 'Gu' showing occurs in the marginal contact zone in a small volcanic pendant within a larger intrusive Middle Jurassic granodiorite stock. Sulphides occur in narrow milky quartz veinlets within prominent northwest striking joint sets, and consist mostly of pyrite with minor chalcopyrite, galena, sphalerite, molybdenite and occasional scheelite. Sparse

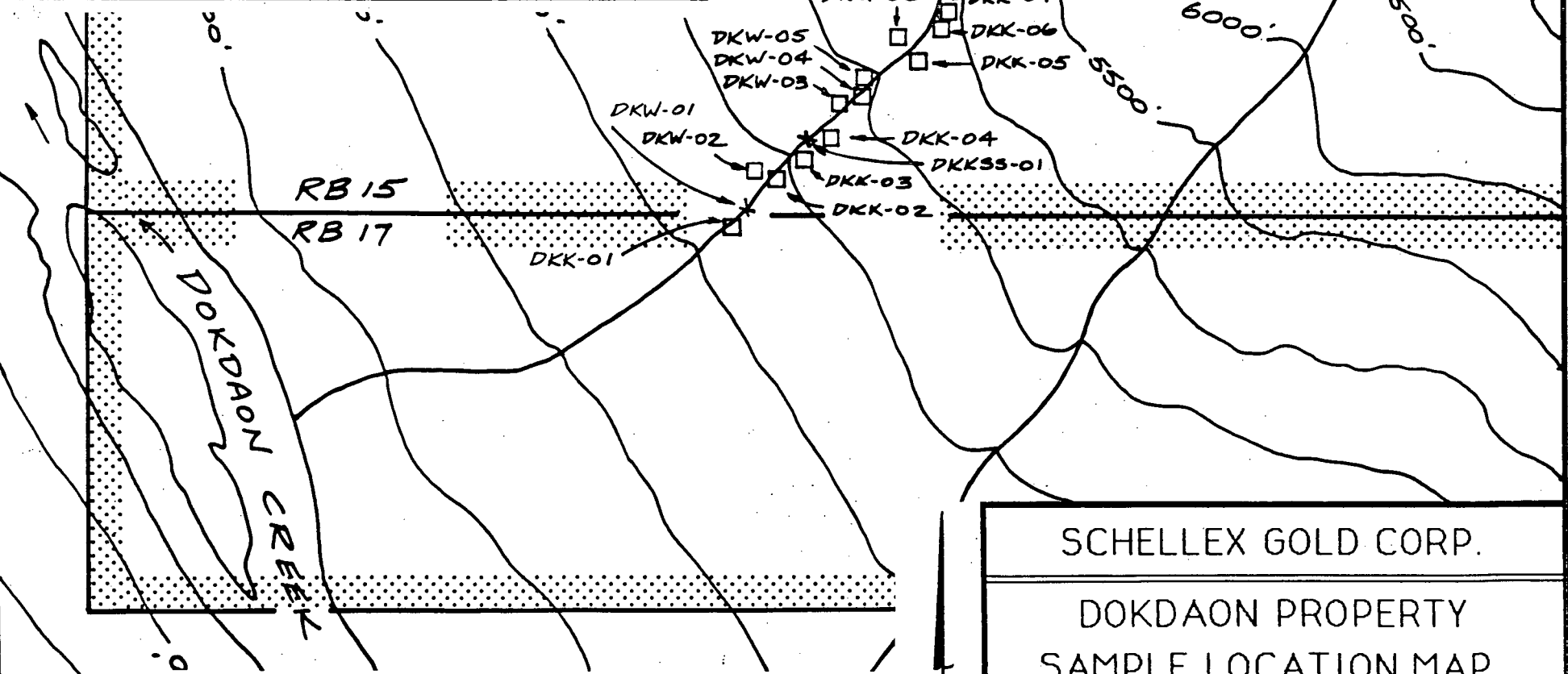
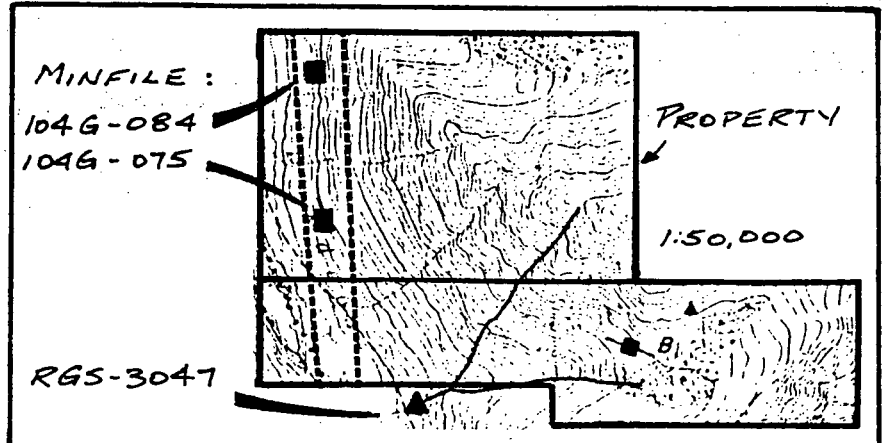
copper mineralization is also found in a shear zone cutting the granodiorite. Fractures parallel to the fault or conjugate to it contain chalcopyrite and are traceable for approximately 1.6 kms. The main commodities are listed as copper, lead and zinc.

The second minfile occurrence, 104G 084, is located approximately 850 meters north of the aforementioned site. This copper showing occurs in a small volcanic pendant within a large body of Middle Jurassic granodiorite. Traces of chalcopyrite in narrow quartz veinlets with epidote occur peripheral to a 1.5 meter wide ankerite vein cutting the volcanic.

## 8.2 GEOCHEMISTRY

A total of two stream sediment samples and thirteen rock samples were collected during the 1989 exploration program (Figure 5). Stream sediment sample DKK-SS01 returned values of 226 ppm Cu as well as elevated molybdenum levels. A stream draining the southern portion of the property was sampled (RGS-3047, Figure 5), by the Geological Survey of Canada during their regional geochemical survey conducted in 1987 and 1988. It returned statistically anomalous results of copper within the seventy five percentile range.

Thirteen rock samples were obtained, five of which returned elevated values of copper and silver. Values ranged from 984 ppm



- x - SILT SAMPLE
- o - FLOAT SAMPLE
- - GRAB SAMPLE



SCHELLEX GOLD CORP.

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DOKDAON PROPERTY  
 SAMPLE LOCATION MAP

LIARD MINING DIVISION WK.

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DRAWN BY: B.K.	NTS: 104G/5,12	DATE: APRIL, 1990	FIGURE: 5
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to 8480 ppm Cu, and 1.8 ppm to 7.8 ppm Ag. Sample DKW-04, a quartz vein grab with pyrite mineralization and malachite staining, was fire assayed and contained .80% Cu and .23 oz/ton Ag.

#### 9.0 DISCUSSION

Although the Galore Creek area was explored for copper during the early 1960's, very little effort was expended searching for gold. The area has remained dormant since that time, in the same manner as the Iskut River Gold Camp before Skyline drilled the discovery holes in 1982 that led to the Stonehouse Gold deposit. The Galore Creek gold camp has gained prominence recently with the discovery of precious metal mineralization in the area. Gigi Resources - Continental Gold Corp.'s Trophy gold project contains 0.15 oz/ton gold equivalent over 185 feet of trench. Stikine Copper Ltd. has reserves of 125 million tons grading 1.06% copper and 0.012 oz/ton gold and Bellex Mining Corp.'s Jack Wilson property reports assays up to 4.38 oz/ton gold on their property.

The region covered by Schellex Gold Corp's Dokdaon Property has excellent potential for hosting shear zone hosted gold-silver mineralization similar to mineralization found in the Iskut River region of northwest B.C.

The property's proximity to a lower Jurassic syenite intrusion

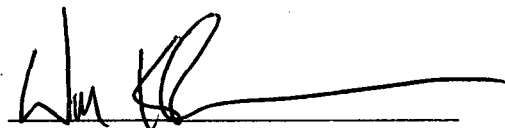
and to large zones of hydrothermal alteration, compare favourably to the geological environments of Continental's gold-silver mineralization on the Trophy claims, and to Delaware/Cominco's SNIP Project in the Iskut River area (1.2 million tons grading 0.75 oz/ton Au).

#### 10.0 RECOMMENDATIONS

As the 1989 program provided only a cursory look at the property, a more detailed program is required to fully assess and evaluate the economic potential of the Dokdaon property. The following program is recommended for the next phase in development of the property:

- (1) The property should be mapped in detail.
- (2) Prospecting and rock sampling should be conducted over the property.
- (3) Major drainages should be silt sampled, and contour soil sampling should be conducted.

Respectfully submitted,



William R. Kushner

Coast Mountain Geological Ltd.



APPENDIX A  
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, WILLIAM R. KUSHNER, of 1942 East 2nd Avenue, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Coast Mountain Geological Ltd. with offices at Suite 820, 650 West Georgia Street, Vancouver, British Columbia.
- 2 THAT I am a graduate from the University of Alberta with a Bachelor of Science degree in Geology (1987).
3. THAT my primary employment since graduation has been in the field of mineral exploration.
4. THAT this report is based on fieldwork conducted by Coast Mountain Geological Ltd. on the Sud claims on September 20, 1989, government publications and reports filed with the Government of British Columbia.
5. THAT I did work on the subject property on September 20, 1989.
6. THAT I do not own or expect to receive any interest in the property described herein, nor in any securities of any company rendered in the preparation of this report.

DATED at Vancouver, British Columbia, this 14th day of April, 1990.



William R. Kushner, B.Sc.

Geologist

APPENDIX B  
STATEMENT OF EXPENDITURES

STATEMENT OF EXPENDITURES

Mob/Demob		\$ 709.20
Geologist	W. Kushner	250.00
Prospector	Willy Prokop	200.00
Camp	2 mandays @ \$130/day	260.00
Communications	2 @ \$15/day	30.00
Equipment Rental & Expendibles		161.84
Preparation		250.00
Assays:	13 rock samples @ \$13.75	178.75
	2 silt samples @ \$11.60	23.20
	1 fire assay	15.50
Helicopter	1.3 hrs @ \$767.80	998.14
SUBTOTAL		\$3,076.63
12% Management Fee		369.20
		<u>3,445.83</u>
Report		750.00
TOTAL		\$4,195.83
		=====

APPENDIX C  
BIBLIOGRAPHY

## BIBLIOGRAPHY

Brown, D.A. and M.H. Gunning, 1989. Geology of the Scud River Area, Northwestern B.C., Open File 1989-7.

Forster, Douglas B., 1988. Dokdaon Creek Project, Summary Report, Dok 1-6 claims, Liard Mining Division, British Columbia.

Geological Survey of Canada, 1978. 1:50,000 scale aeromagnetic survey map, Scud River, Map 9248 G.

Souther, J.G., 1971. Telegraph Creek Map area. Geological Survey of Canada Paper 71-44, Map 11, 1971.

APPENDIX D  
ROCK SAMPLE DESCRIPTIONS







APPENDIX E  
CERTIFICATE OF ANALYSIS

ACME ANALYTICAL LABORATORIES LTD.

DATE RECEIVED: NOV 29 1989

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716 DATE REPORT MAILED: Dec 4/89..

## ASSAY CERTIFICATE

AG\*\* AND AU\*\* BY FIRE ASSAY FROM 1/2 A.T.

SAMPLE TYPE: ROCK PULP

SIGNED BY *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

COAST MOUNTAIN GEOLOGICAL FILE # 89-4278R3

SAMPLE#	Cu %	Ag** OZ/T	Au** OZ/T
ANCB-02	1.07	-	.009
ANCB-12	16.71	4.26	.029
ANCB-13	15.54	2.96	.509
ANK-07	1.37	-	-
ANK-08	.50	-	.003
AKDR-19	-	-	.295
DKW-04	.80	.23	-
OKF-07	.23	.97	.032
JWDR-13	1.82	.87	.187
JWDR-15	4.78	4.39	3.898

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	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
ANK-SS-01	1	155	7	92	.2	8	18	693	3.89	2	5	ND	1	95	1	2	2	98	.70	.120	7	8	1.67	56	.13	2	2.22	.03	.28	1	4
BCK-SS-01	1	19	5	42	.3	9	7	388	2.04	2	5	ND	7	43	1	2	2	31	.55	.065	21	11	.54	108	.11	5	.94	.03	.17	1	1
BCK-SS-02	1	48	6	109	.7	21	19	571	4.77	7	5	ND	2	118	1	2	2	92	2.24	.587	21	29	1.52	205	.15	2	2.51	.04	.40	1	2
BCK-SS-03	1	45	2	97	.3	20	17	522	4.58	2	5	ND	1	117	1	2	2	90	2.23	.586	21	31	1.48	190	.15	6	2.44	.04	.36	1	42
BCK-SS-04	1	17	2	40	.4	8	6	354	1.92	2	5	ND	6	39	1	2	2	28	.52	.069	19	11	.47	96	.09	7	.84	.02	.15	2	1
BCK-SS-05	1	14	4	31	.3	6	5	300	1.53	2	6	ND	6	28	1	2	2	21	.42	.059	19	7	.36	79	.07	4	.67	.02	.11	1	2
BCK-SS-06	1	15	6	38	.2	7	5	537	1.63	2	6	ND	9	21	1	2	2	23	.33	.040	17	10	.42	30	.05	8	.70	.01	.05	1	1
BCK-SS-07	1	17	8	42	.1	8	5	535	1.78	4	5	ND	11	20	1	2	2	25	.33	.042	19	11	.41	30	.05	2	.67	.01	.05	1	2
BCK-SS-08	1	16	5	38	.2	8	5	533	1.78	5	5	ND	12	20	1	2	3	25	.34	.043	21	11	.41	31	.05	2	.70	.01	.05	1	1
BCK-SS-09	1	16	5	36	.1	6	4	505	1.67	5	5	ND	11	19	1	2	2	24	.32	.037	17	10	.40	21	.05	2	.64	.01	.05	1	1
BCK-SS-10	1	18	8	43	.1	8	6	455	2.74	3	5	ND	13	30	1	2	2	38	.48	.069	26	12	.46	57	.08	10	.80	.02	.09	1	1
BCK-SS-11	1	16	3	40	.1	7	5	387	1.73	2	5	ND	6	29	1	2	2	25	.43	.059	20	9	.41	70	.07	3	.73	.02	.10	1	1
BCK-SS-12	1	18	2	35	.1	6	5	374	1.68	2	5	ND	8	27	1	2	2	24	.42	.058	21	9	.39	68	.07	2	.71	.02	.10	1	2
BCK-SS-13	1	21	5	45	.1	11	6	395	2.15	2	5	ND	8	38	1	2	2	32	.58	.081	24	12	.52	103	.10	3	.91	.03	.15	1	1
DK-F-01	1	18	18	68	.3	7	7	590	1.69	14	428	ND	7	184	1	2	2	37	1.71	.097	21	16	.58	704	.02	4	1.93	.01	.07	1	18
DKK-SS-01	10	226	14	88	.5	5	12	684	3.32	4	7	ND	14	20	1	2	2	65	.47	.063	23	8	.69	302	.03	5	.93	.01	.08	1	1
DK-S-01	4	44	19	86	18.7	12	6	604	2.62	32	204	ND	4	73	1	2	2	70	1.02	.053	29	23	.37	239	.02	5	1.67	.01	.03	1	4
JKK-SS-01	4	182	24	110	.8	20	24	1239	6.64	80	5	ND	2	197	1	2	2	184	1.25	.246	17	16	1.58	112	.09	5	1.69	.01	.38	1	9
JKK-SS-02	5	208	31	197	.4	41	27	1807	8.40	42	5	ND	1	108	1	2	2	18	.78	.166	11	17	.29	91	.01	8	.62	.01	.05	1	22
JWK-SS-01	2	290	16	185	.3	12	31	1611	6.07	11	5	ND	1	99	1	2	2	137	.95	.185	5	7	1.98	84	.11	4	2.74	.01	.24	1	19
JWS-07-S	1	124	7	76	.3	17	18	893	3.81	7	5	ND	1	100	1	2	2	93	1.14	.167	6	25	1.34	95	.07	2	1.73	.01	.14	1	4
JWS-09-S	1	128	3	81	.2	15	21	671	4.05	5	5	ND	1	95	1	2	2	82	1.04	.177	4	22	1.47	81	.08	2	1.81	.01	.18	1	5
LK-W-03	4	69	32	1219	1.0	73	16	3776	4.65	26	5	ND	1	47	3	2	2	47	1.97	.071	6	49	1.09	185	.03	6	1.20	.01	.03	1	25
LK-W-04	2	49	10	167	.5	95	12	847	3.03	16	5	ND	1	101	1	2	2	36	4.76	.059	6	41	1.14	113	.03	4	.84	.01	.03	1	2
OK-F-02	1	26	7	76	.1	22	11	403	2.89	3	5	ND	1	45	1	2	2	59	1.58	.088	8	29	.96	137	.09	2	1.55	.03	.20	1	1
OK-F-03	1	15	5	51	.1	35	7	295	1.54	2	5	ND	1	27	1	2	2	24	.50	.050	3	48	.63	51	.04	5	.81	.02	.05	1	1
OK-F-04	1	59	4	55	.2	121	17	540	3.01	7	5	ND	1	75	1	2	2	74	1.66	.085	4	218	2.26	80	.08	3	1.81	.01	.14	1	1
OK-F-08	1	39	6	99	.2	32	9	381	2.38	4	5	ND	1	40	1	2	2	49	2.11	.091	6	23	.81	89	.06	4	1.07	.02	.12	1	1
OK-F-09	1	63	7	88	.2	120	15	420	2.45	3	5	ND	1	44	1	2	2	55	2.07	.080	3	117	1.52	139	.07	2	1.54	.01	.11	1	4
OK-F-10	1	49	2	54	.2	40	11	379	2.24	5	5	ND	1	32	1	2	2	47	.91	.105	7	48	.99	105	.07	2	1.29	.02	.24	1	38
OK-F-11	1	37	8	51	.2	8	8	325	2.22	4	5	ND	2	30	1	2	2	41	.99	.140	10	11	.39	49	.05	2	.61	.01	.08	1	2
OKK-SS-01	1	24	3	66	1.3	16	7	375	2.29	5	5	ND	1	38	1	2	2	49	1.12	.077	8	20	.61	120	.06	2	1.23	.02	.09	1	1
OKK-SS-02	1	28	6	70	.5	26	11	490	2.82	5	5	ND	1	33	1	2	2	61	.87	.067	8	28	.68	127	.07	8	1.34	.02	.10	1	1
OKK-SS-03	1	35	6	60	1.3	24	10	412	2.62	4	5	ND	1	39	1	2	2	57	1.07	.087	8	28	.80	120	.07	5	1.30	.03	.16	1	1
OKK-SS-04	1	19	4	65	.1	15	6	298	1.52	5	5	ND	1	40	1	2	2	35	1.23	.060	5	21	.54	92	.05	8	.75	.01	.07	1	1
OKK-SS-05	1	15	7	52	.3	19	8	270	2.45	6	5	ND	1	34	1	2	2	58	.75	.066	7	26	.55	83	.06	5	.78	.02	.08	2	1
STD C/AU-S	18	62	39	132	6.6	68	31	1031	4.03	40	18	7	37	48	18	16	24	57	.49	.089	38	55	.89	172	.06	34	1.92	.06	.13	12	52

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	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
CAS-01	1	5	7	34	.1	3	2	106	1.27	2	5	ND	1	332	1	2	2	12	29.12	.010	3	18	.64	48	.01	2	.64	.01	.03	1	1
CAS-02	1	1	2	11	.3	1	1	88	.59	2	5	ND	1	769	1	2	2	5	26.56	.005	2	14	.47	5	.01	2	.16	.01	.02	1	1
CAS-03	1	1	3	15	.2	1	1	92	.54	2	5	ND	1	258	1	2	2	2	31.78	.005	4	9	.92	3	.01	3	.02	.01	.02	1	1
CAS-04	1	2	2	3	.1	1	1	44	.28	2	5	ND	1	142	1	2	3	2	11.36	.002	2	10	.38	9	.01	3	.10	.01	.01	1	3
CAS-05	1	2	5	21	.1	5	2	110	1.28	3	5	ND	1	283	1	2	3	8	23.09	.020	3	20	.76	4	.01	6	.55	.01	.03	1	1
CAS-06	1	17	2	71	.2	4	8	425	3.57	2	5	ND	1	160	1	2	2	63	1.51	.116	9	9	1.18	42	.01	3	1.63	.02	.11	1	1
CAS-07	1	4	4	43	.2	4	3	121	1.89	5	5	ND	1	858	1	2	2	25	19.09	.039	3	26	1.24	27	.01	2	1.26	.01	.03	1	1
CAS-08	1	3	6	136	.1	3	4	72	4.19	5	5	ND	1	384	1	2	2	58	7.30	.155	6	10	3.90	10	.02	5	3.85	.02	.07	1	2
CAS-09	1	1	2	8	.1	1	1	64	.08	3	5	ND	1	129	1	2	2	1	38.75	.006	2	3	.11	4	.01	3	.01	.01	.01	1	1
CAS-10	1	1	2	9	.1	1	1	26	.14	2	5	ND	1	14	1	2	2	1	2.37	.003	2	2	.08	2	.01	4	.08	.01	.01	1	4
CAS-11	1	1	3	11	.2	1	1	39	.03	2	5	ND	1	108	1	2	2	1	39.73	.002	2	2	.13	8	.01	2	.01	.01	.01	1	1
DKF-02	1	3	2	22	.1	4	95	283	3.61	5	5	ND	7	104	1	2	2	27	.97	.038	5	13	1.01	59	.04	4	1.43	.01	.01	1	3
DKF-03	1	5	32	87	.1	1	1	174	.24	2	5	ND	16	10	1	2	2	1	.92	.001	10	15	.01	11	.01	2	.23	.02	.20	1	1
DKF-04	1	33	7	108	.2	15	31	1176	6.61	2	5	ND	1	28	1	3	2	121	1.47	.090	4	23	3.74	73	.13	3	3.75	.03	.02	1	1
DKF-05	1	6	6	68	.3	3	10	3645	4.19	4	5	ND	5	196	1	3	2	6	7.79	.032	8	18	2.09	869	.01	2	.26	.01	.13	1	4
DKF-06	1	1	34	5	.1	1	1	113	.18	2	5	ND	14	37	1	3	2	3	.59	.002	10	1	.07	41	.01	3	.31	.01	.24	2	1
DKF-07	1	1	7	29	.1	4	9	426	1.99	2	5	ND	7	67	1	2	2	30	.56	.045	11	24	1.00	36	.08	2	1.40	.02	.05	1	1
DKF-08	1	5	5	45	.1	5	9	536	2.94	2	5	ND	9	25	1	2	2	65	.47	.068	14	12	.98	77	.09	2	1.29	.03	.06	1	2
DKF-09	1	2	44	30	.1	1	1	238	.40	3	7	ND	19	20	1	2	2	3	.14	.002	8	1	.01	40	.01	2	.29	.02	.14	1	1
DKF-10	1	8	10	62	.1	4	9	460	2.99	2	5	ND	11	18	1	2	2	62	.29	.033	14	11	.91	77	.05	3	1.20	.02	.09	1	2
DKS-02	1	4	2	29	.1	4	7	351	2.27	2	5	ND	15	20	1	2	2	54	.39	.039	16	10	.61	58	.10	2	.85	.03	.06	1	1
DKS-03	1	63	15	54	.1	72	23	499	4.08	2	5	ND	1	51	1	2	2	65	1.49	.042	3	30	2.52	68	.12	9	3.42	.23	.06	1	1
DKS-04	2	2	24	10	.2	3	1	128	.33	2	6	ND	22	2	1	2	2	1	.06	.001	10	3	.01	16	.01	2	.22	.02	.14	1	1
DKK-01	5	1396	7	41	.7	5	8	394	2.51	2	5	ND	12	18	1	2	2	60	.39	.042	15	10	.66	187	.07	7	.93	.03	.07	1	6
DKK-02	1	67	15	54	.2	170	26	501	3.99	2	5	ND	1	94	1	2	2	59	1.45	.090	6	109	3.57	164	.10	4	3.48	.10	.04	1	1
DKK-03	6	13	16	82	.1	4	10	1015	2.78	2	5	ND	8	167	1	2	2	15	4.57	.032	14	9	.54	1873	.01	7	.28	.01	.16	1	2
DKK-04	1	1154	5	73	.4	8	8	245	2.47	2	5	ND	12	23	1	2	2	66	.44	.045	17	12	.51	219	.10	5	.81	.04	.09	1	1
DKK-05	1	87	8	77	.2	37	25	654	4.51	2	5	ND	1	36	1	3	2	80	1.11	.132	7	30	2.60	336	.13	4	2.50	.04	.03	1	3
DKK-06	1	240	6	39	.4	5	8	407	2.75	3	5	ND	12	43	1	2	2	66	1.15	.045	15	12	.76	352	.07	2	.95	.04	.14	1	1
DKK-07	1	984	6	41	3.9	5	13	325	2.65	2	6	ND	11	19	1	2	2	64	.47	.045	10	11	.74	163	.09	2	.95	.03	.09	1	15
DKK-08	2	3	7	138	.1	3	16	1558	5.27	3	5	ND	5	276	2	2	2	22	8.66	.021	12	13	1.89	1797	.01	2	.18	.01	.11	1	1
DKW-02	1	5	11	10	.1	2	1	374	.32	2	5	ND	18	17	1	2	2	1	.26	.001	10	2	.02	129	.01	2	.32	.01	.17	1	1
DKW-03	18	21	14	41	.2	6	7	429	2.37	2	5	ND	12	110	1	2	2	30	2.34	.054	22	10	.33	422	.01	8	.46	.01	.15	1	1
DKW-04	49	8480	9	82	7.8	4	10	699	2.93	2	5	ND	13	43	1	2	11	21	.36	.044	12	12	.93	197	.01	4	1.34	.03	.08	1	2
DKW-05	4	2641	3	65	1.8	5	10	626	2.35	2	5	ND	13	59	1	3	5	23	.54	.043	16	11	.86	301	.01	5	1.34	.02	.10	1	1
DKW-06	5	32	11	48	.1	3	7	539	1.80	2	5	ND	14	31	1	2	2	12	2.26	.040	20	5	.19	539	.01	2	.47	.01	.15	1	1
STD C/AU-R	18	58	43	133	6.7	68	31	960	4.07	40	20	8	38	48	18	15	19	59	.45	.094	38	55	.87	172	.06	36	1.94	.06	.14	13	470