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**REPORT ON THE 1992
GEOLOGICAL AND GEOCHEMICAL
ASSESSMENT WORK ON THE
CONTACT PROPERTY**

Liard Mining Division, B.C.
October 21, 1992

Location:

1. 2 km N of Cassiar, B.C.
2. 104 P/5
3. Latitude: 59° 17'N
Longitude: 129° 53'W

For: **KOKANEE EXPLORATIONS LTD.**
1440 - 625 Howe Street
Vancouver, B.C.,
V6C 2T6

By: Gregory F. Smith, B.Sc.
Aurum Geological Consultants Inc.
412-675 West Hastings Street
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V6B 1N2

**G E O L O G I C A L B R A N C H
A S S E S S M E N T R E P O R T**

December 30, 1992

22,778



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

22778

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S)	TOTAL COST
GEOLOGICAL AND GEOCHEMICAL	\$ 6,236.00

AUTHOR(S) GREGORY SMITH SIGNATURE(S) *[Signature]*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED Oct 14, 1992 YEAR OF WORK 1992

PROPERTY NAME(S) CONTACT PROPERTY

COMMODITIES PRESENT Pb-Zn-Ag-Au

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN 104P 04

MINING DIVISION LIARD NTS 104P 15

LATITUDE 59° 17' N LONGITUDE 129° 53' W

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

CONTACT 1-4 (306923, 306927, 306929, 306930)

OWNER(S)

(1) KOKANEE EXPLORATIONS LTD. (2)

MAILING ADDRESS

1440-625 Howe St
Van., B.C. V6C 2T6

OPERATOR(S) (that is, Company paying for the work)

(1) SAME (2)

MAILING ADDRESS

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

ROCKS CONSIST OF VOLCANIC AND SEDIMENTARY UNITS INTERRUPTED BY CRETACEOUS GRANITOID INTUIONS. PREVIOUS WORK HAS IDENTIFIED SKARN DEPOSITS WITHIN AND ADJACENT TO THE CURRENT PROPERTY. THE LARGEST, THE KUNN NORTH CREEK, IS REPORTED TO CONTAIN 409,300 TONNES @ 0.48% W AND 0.13% Mo. STRUCTURE IS DOMINATED BY REGIONAL-SCALE NW TRENCH STRUCTURES. MOFFAT, G.W.; 1981 ASSESSMENT

REFERENCES TO PREVIOUS WORK

REPORT ON THE WINDY 2-4 CLAIMS, FOR SHELL CANADA, ASS. RPT # 9406

SUMMARY

The Contact property consists of four contiguous mineral claims totalling 60 units located north of Cassiar, British Columbia. The property is currently accessible by road via the Cassiar Mine Haul road which runs along the eastern boundary of the claims.

The claims lie within the Ominica Belt. Rocks consist of volcanic and sedimentary units of Precambrian to Jurassic age deposited along the western margin of ancient North America. A suite of Cretaceous granitoid intrusions (Selwyn Plutonic Suite) intrude the stratified rocks as plugs, plutons and batholiths. One such pluton is found on the property intruding the sedimentary rocks.

Interest in the ground developed in 1991 when significant gold mineralization was discovered at Dublin Gulch, Yukon using the Fort Knox, Alaska deposit model. The Dublin Gulch deposit is hosted by a pluton of the Selwyn Plutonic Suite.

Previous work has identified skarn deposits within and adjacent to the current property. The largest of these, the Kuhn Zone North is reported to contain 409,300 tonnes @ 0.48% W and 0.13% Mo. Regional stream sediment surveys by the Geological Survey of Canada and the B.C Ministry of Mines obtained anomalous results in copper, molybdenum, antimony, arsenic and tungsten from creeks draining the property.

In 1992 the claims were examined by Aurum Geological Consultants Inc. to determine their economic potential. The granitic intrusive in particular was examined for associated gold mineralization. A total of 15 samples were collected all of which returned gold values less than five ppb. One sample containing finely disseminated molybdenite contained 106 ppm Mo. Alteration ranged from a weak yellowish - green staining to a moderately developed stockwork of quartz veins.

Based on these results, a program of prospecting, geological mapping and geochemical sampling is recommended.

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INTRODUCTION

This report was prepared at the request of the directors of Kokanee Explorations Ltd., owner of the Contact 1-4 claims, herein after called the Contact property. Its purpose is to assess the property's economic potential and to satisfy assessment requirements through a description of exploration work carried out in 1992.

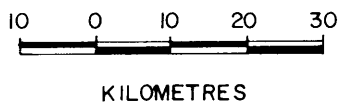
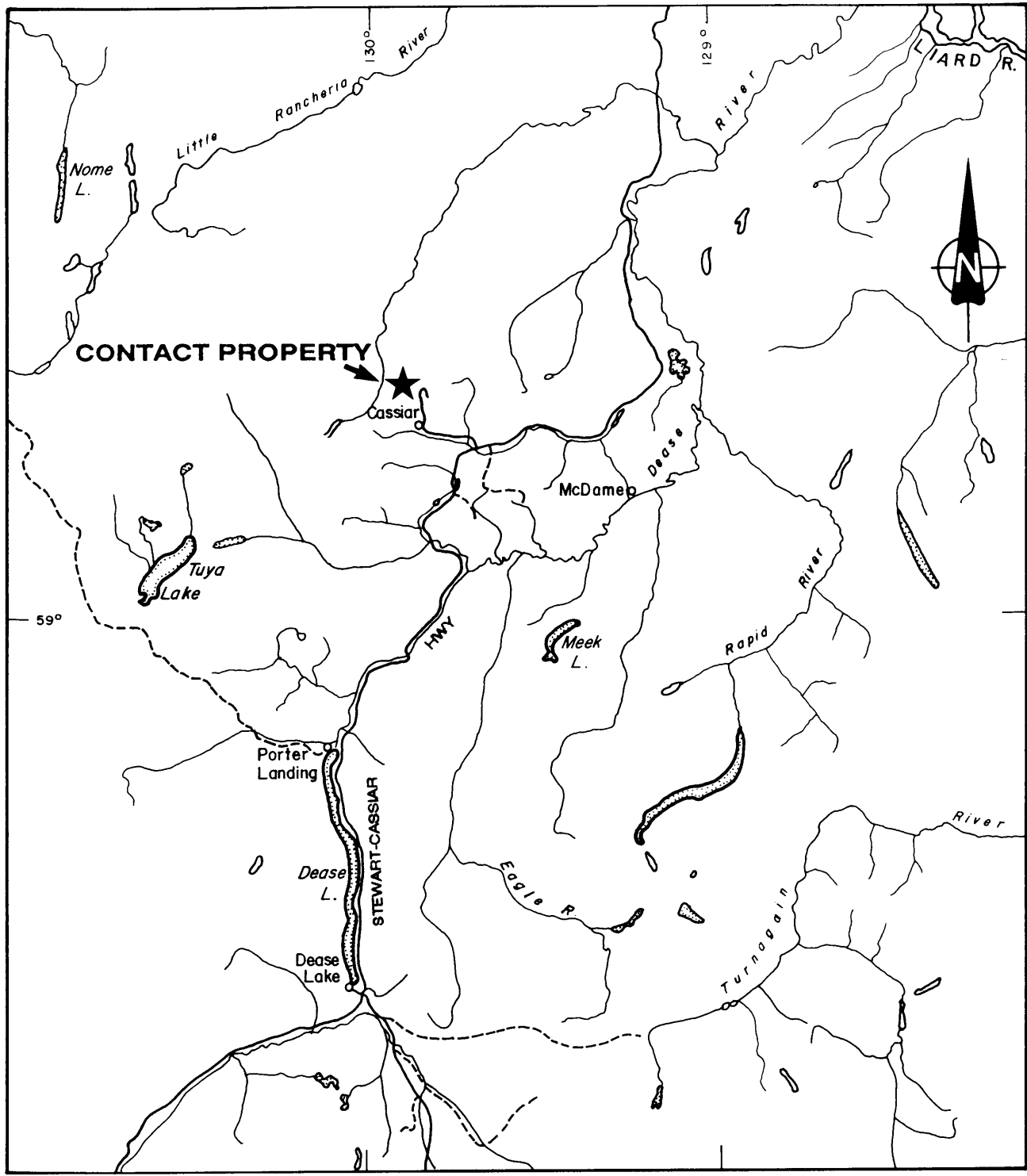
The property is located approximately two kilometers north of Cassiar, British Columbia (Figure 1) in the Liard Mining Division, and is accessible by road.

Exploration work carried out in 1992 consisted of geological mapping and geochemical sampling and prospecting for the purpose of locating gold deposits. Field work was carried out on October 21, 1992 by; R. Hulstein, B.Sc., FGAC, P.Geo., Al Doherty, B.Sc. and, Greg Smith, B.Sc., of Aurum Geological Consultants Inc. This years work was hindered by extensive snow cover. Previous work is summarized from published reports and maps.

LOCATION AND ACCESS

The Contact property is located two kilometers north of Cassiar, British Columbia (Figure 1). The claims are centered at approximately 59° 17' N latitude and 129° 53' W longitude within NTS map area 104P/5.

Access to the property in 1992 was by truck from Watson Lake, Yukon. Watson Lake, 100 kilometers north by road from Cassiar, is the site of the nearest supplies and hotel accommodations. The Cassiar Mine Haul road abuts the eastern boundary of the property, however with the closure of the Cassiar Mine the future reliability of this road is uncertain. A "Cat" trail crosses the central portion of the property.



KOKANEE EXPLORATIONS LTD.			
CONTACT PROPERTY			
LIARD MINING DISTRICT, BRITISH COLUMBIA			
 LOCATION MAP 			
<i>Aurum Geological Consultants Inc.</i>			December, 1992
NTS 104/P5	DRAWN BY GS	Scale 1:1,000,000	FIGURE 1

PHYSIOGRAPHY, CLIMATE AND VEGETATION

The Contact property covers an area of mountainous terrain five kilometers northwest of Mount McDame. Elevations on the property range from 1200m to 1950m above sea level. The terrain is rugged with sharp peaks flanked by steep slopes with local cliffs and felsenmeer covered ridges. Several cirques lie within the property boundaries.

An interior west-coast type climate with moderate precipitation of 50 cm annually, warm summers and cold winters typifies the area. The property is usually snow free from late June to mid September. Some snow on the uppermost northeast facing slopes may remain year round.

Much of the property is above timberline. Ground cover consists of moss, alpine plants, dwarf willow and birch. Sparse spruce forest covers the slopes below timberline. Recent Pleistocene glaciation has scoured the slopes and as a result outcrop is good (25%) except on lower ridge slopes and forested areas. A large portion of the property is covered by felsenmeer and talus.

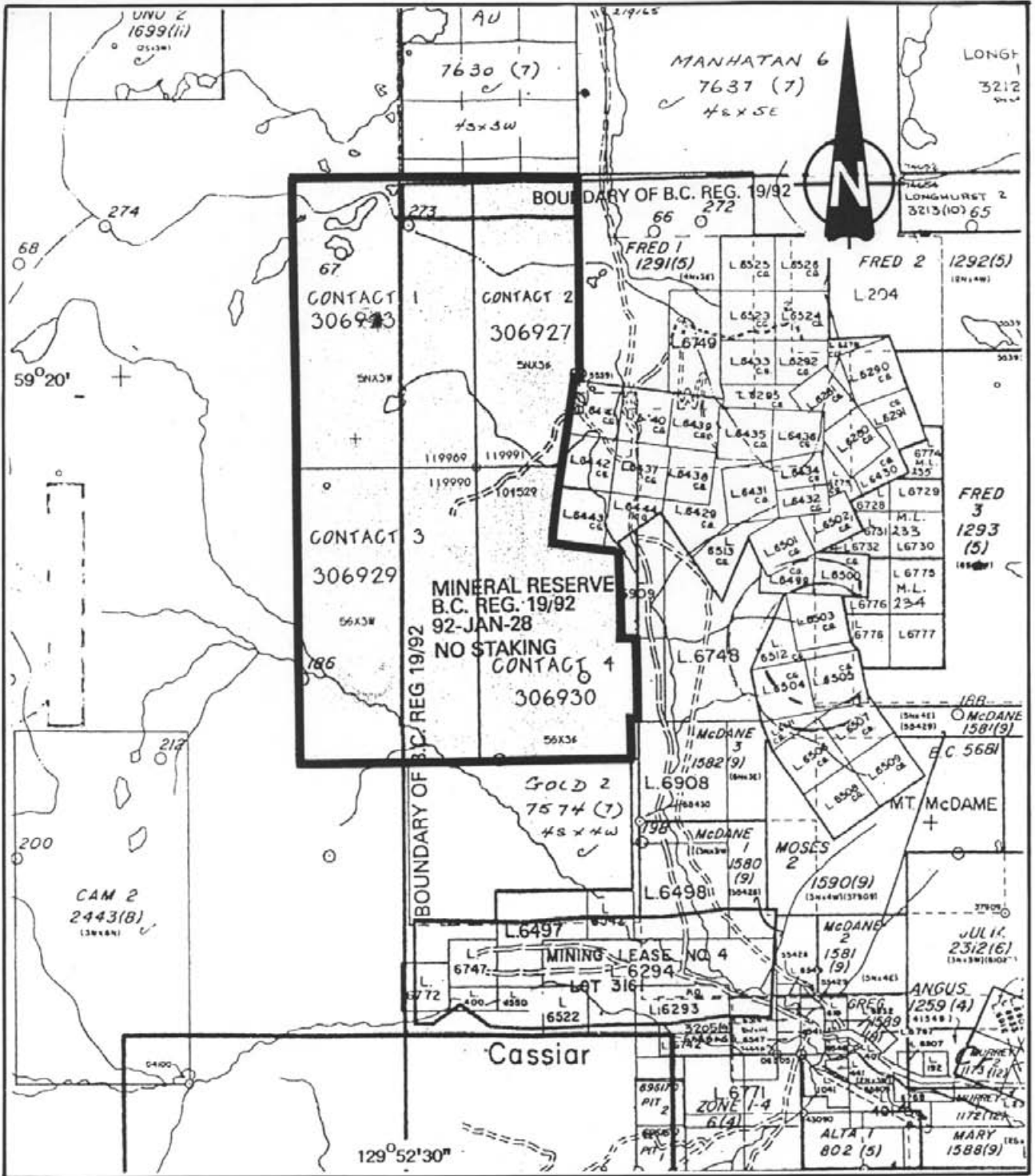
PROPERTY

The Contact property (Figure 2) consists of four contiguous unsurveyed mineral claims totalling 60 units and covering approximately 3700 acres (1500 hectares). The claims are held in accordance with the British Columbia Mineral Tenure Act. The claims were staked by Aurum Geological Consultants Inc. for Kokanee Explorations Ltd. on December 21, 1991. Claim data are as follows:

CLAIM NAME	RECORD No.	UNITS	EXPIRY DATE
Contact 1	306923	15	Dec. 21, 1993*
Contact 2	306927	15	Dec. 21, 1993*
Contact 3	306929	15	Dec. 21, 1993*
Contact 4	306930	15	Dec. 21, 1993*

*subject to approval of 1992 assessment work.

The claims are shown on B.C. Mineral Titles Reference Map 104P/5W, Liard Mining Division, and are known collectively as the Contact property.



Claim data from British Columbia Mineral
Titles Map 104P05W.

KOKANEE EXPLORATIONS LTD.			
CONTACT PROPERTY			
LIARD MINING DISTRICT, BRITISH COLUMBIA			
CLAIM MAP			
Aurum Geological Consultants Inc.		December, 1992	
NTS 104/P5	Drawn by GS	Scale 1:31,680	Figure 2

HISTORY

Placer gold was discovered on McDame Creek, approximately 20 km east of the property, in 1874. The area received little exploration until 1943 when the Alaska Highway was completed. The Cassiar Asbestos Deposit, two kilometers east of the property, was put into production in 1950 and produced continuously until 1992 when mining stopped.

The Contact skarn, covered by the current property, was first staked in 1951. Harvest Queen Mill and Elevator Company drilled the showing in 1954 leading up to Fort Reliance Minerals shipping 25 tons of skarn ore from underground operations in 1954. The shipment produced 10,451 grams of silver, 25 kilograms of copper, and 1,947 kilograms of lead. Cassiar Asbestos explored the area in 1968 using airborne magnetometer surveys (Crosby, 1968).

The area was restaked in 1978 and optioned to Shell Canada Resources who explored for tungsten and molybdenum between 1979 and 1982. In excess of \$425,000 was spent on mapping, geochemical surveys, geophysics, trenching, and diamond drilling (Moffat, 1982). Shell outlined three significant tungsten-bearing skarn deposits; one in the north-central part of the Contact property, and two immediately north of the current property.

Aurum Geological Consultants Inc. staked the Contact 1-4 claims for Kokanee Explorations Ltd. on December 21, 1991. Aurum completed a one day field examination on October 21, 1992. The current exploration model is focused on gold deposits hosted by granite intrusives. This became an attractive target with the discovery of the Fort Knox gold deposit, located near Fairbanks Alaska, and the discovery of similar intrusive hosted gold at Dublin Gulch, Yukon.

GEOLOGY

Regional Geology

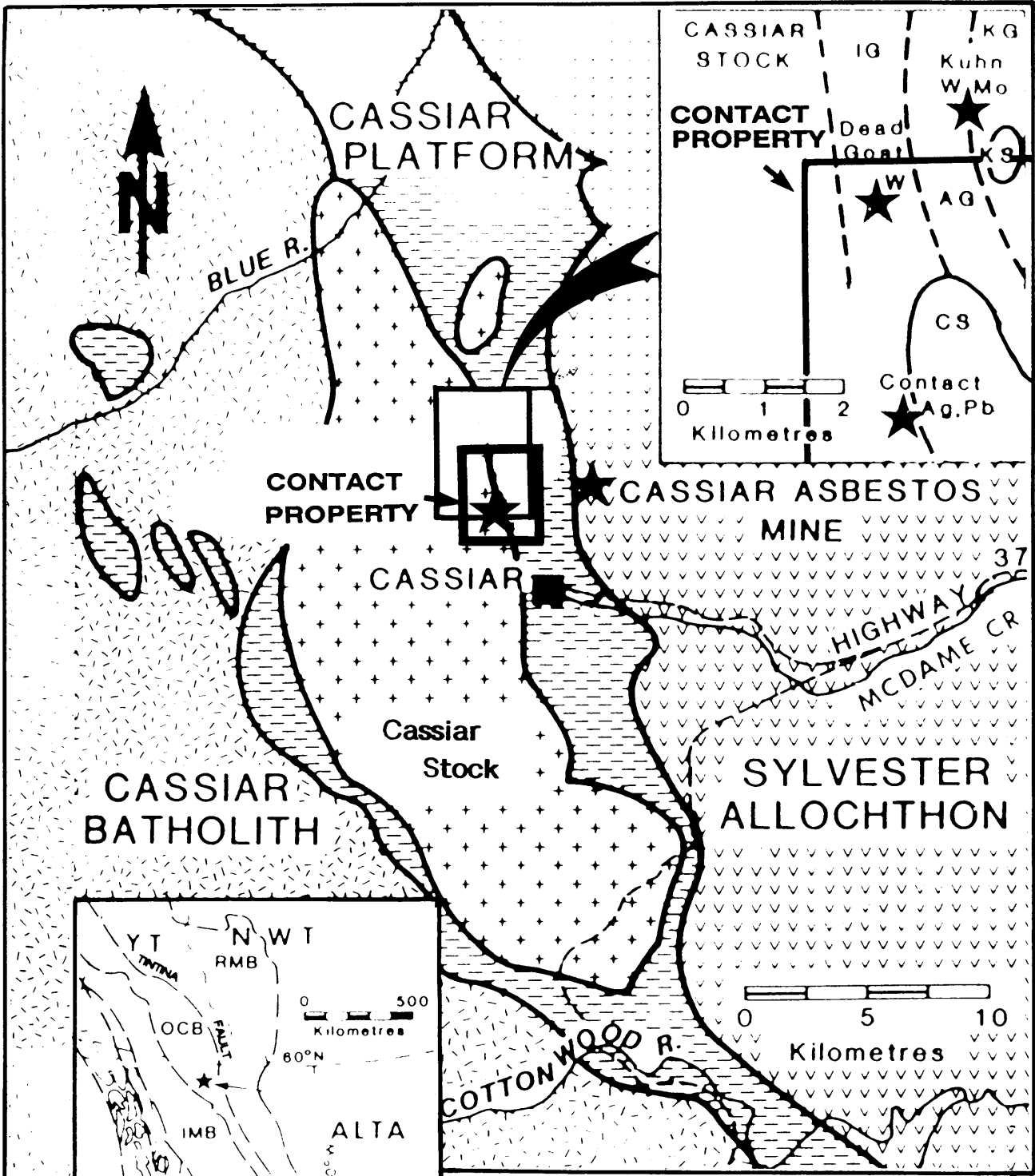
The Contact property lies within the Ominica Belt (Wheeler et al., 1991) of the Western Cordillera (Figure 3). Stratified rocks consist partly of displaced North American strata of the Cassiar terrane, ranging in age from Hadrynian to Early Mississippian. These rocks are structurally overlain by the Sylvester allochthon, which occupies the core of the McDame synclinorium (Gabrielse, 1963).

In the McDame and Cassiar map areas, components of the Sylvester allochthon range at least from Early Mississippian to Late Triassic age, and include marginal basin and arc volcanic-sedimentary sequences, and subcrustal ultramafic complexes (Nelson et al., 1989b). Structure is dominated by northwest-trending faults including the Tintina Fault, located 75 km east of the property.

The Tintina fault generally follows the Mesozoic suture which separates ancestral North America from accreted terranes. At least 450 km of dextral strike slip movement has taken place along the Tintina fault since latest Cretaceous or Early Tertiary time (Tempelman-Kluit, 1979). This movement has caused older stratified rocks to be offset and juxtaposed against themselves along the fault.

Two suites of granitoid intrusives, ranging from Paleozoic to Cenozoic age, related to underplating and or subduction, are found on both sides of the Tintina fault. Granitoid emplacement peaked during the Early - Middle Cretaceous (Tempelman-Kluit, 1981). The Western Suite granitoid intrusives found west and southwest of the Selwyn Basin are predominantly granodiorite in composition and are associated with porphyry copper - molybdenum and copper skarn deposits. The Eastern or Selwyn Plutonic Suite of granitoid intrusives are distributed along a northwest trending arcuate belt within the Selwyn Basin. The granitoids are mainly granitic in composition and are associated with tin, tungsten, and molybdenum mineralization.

The Dublin Gulch deposit is hosted by a quartz monzonite pluton of the Selwyn Plutonic Suite (Tempelman-Kluit, 1981). The Cretaceous stock underlying the Contact property also appears to be part of the Selwyn Plutonic Suite.



Geology of the Cassiar Area (Panteleyev 1979, 1980), showing major lithotectonic units and Contact property location. Regional geological belts (ISB = Insular belt, CPC = Coast Plutonic Complex, IMB = Intermontane belt, OCB = Omineca crystalline belt, RMB = Rocky Mountain belt) are inset lower left. Mineral occurrences and geological units (IG = Ingenika Group, AG = Atan Group, KG = Kechika Group, CS = Contact Stock, KS = Kuhn stock) are inset upper right. Modified from Cooke and Godwin, 1984.

KOKANEE EXPLORATIONS LTD.			
CONTACT PROPERTY			
LIARD MINING DISTRICT, BRITISH COLUMBIA			
REGIONAL GEOLOGY			
Aurum Geological Consultants Inc.			December, 1992
NTS 104/P5	Drawn by GS	Scale 1:250,000	Figure 3

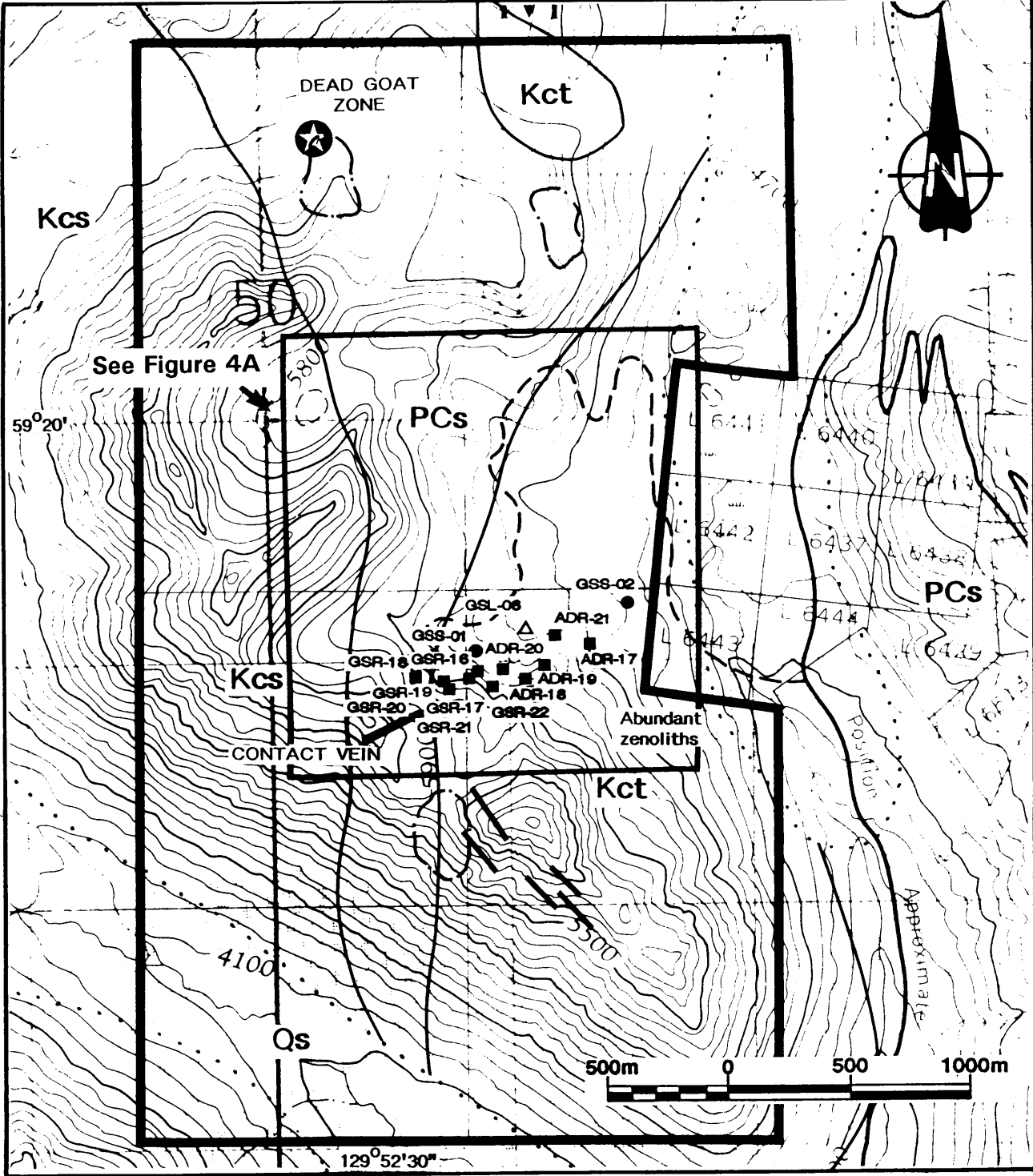
Geology of the Contact Property

The following is taken largely from a private company report by Crysi Exploration (1992). The Contact property is underlain by a north-northwestern trending 35 - 65 degree easterly dipping sequence of Proterozoic-Ordovician carbonate and pelitic sediments, forming the western limb of the McDame synclinorium. The eastern margin of the Cassiar stock is exposed cutting the stratigraphy (Figure 4).

At least two generations of late-phase granitoids of the Cassiar stock have invaded the sediments in a series of cupolas paralleling the eastern contact of the stock. One cupola, the Contact stock, underlies the east-central portion of the claim block. This stock is separated from the main Cassiar stock by a 200-300 meter wide strip of metasediments which contain mineralized skarn zones within the carbonate units.

The 2 x 4 km contact stock is roughly elliptical and elongate north-south. One small satellite body occurs immediately north of the pluton. The predominate intrusive phase of the stock consists of pinkish-gray, medium to coarse grained porphyritic granite. Potassium feldspar phenocrysts measuring 1 x 2 cm in size make up 20-30% of the rock. Near the margins of the stock a light-gray equigranular granite phase is present.

Hornblende and biotite occur locally in both phases of the intrusion composing 2-3% of the rock. Quartz-feldspar porphyry dikes and aplite dikes are exposed in several outcrops within the Contact stock. Within the dikes disseminated pyrite, pyrrhotite and more rarely chalcopyrite can reach up to 5% total sulfides by volume. Large areas of xenoliths outcrop in the southeastern portion of the intrusive. Preliminary reconnaissance mapping in 1992 indicates that the granite contact is far more irregular than is currently shown on Figure 4.



LEGEND

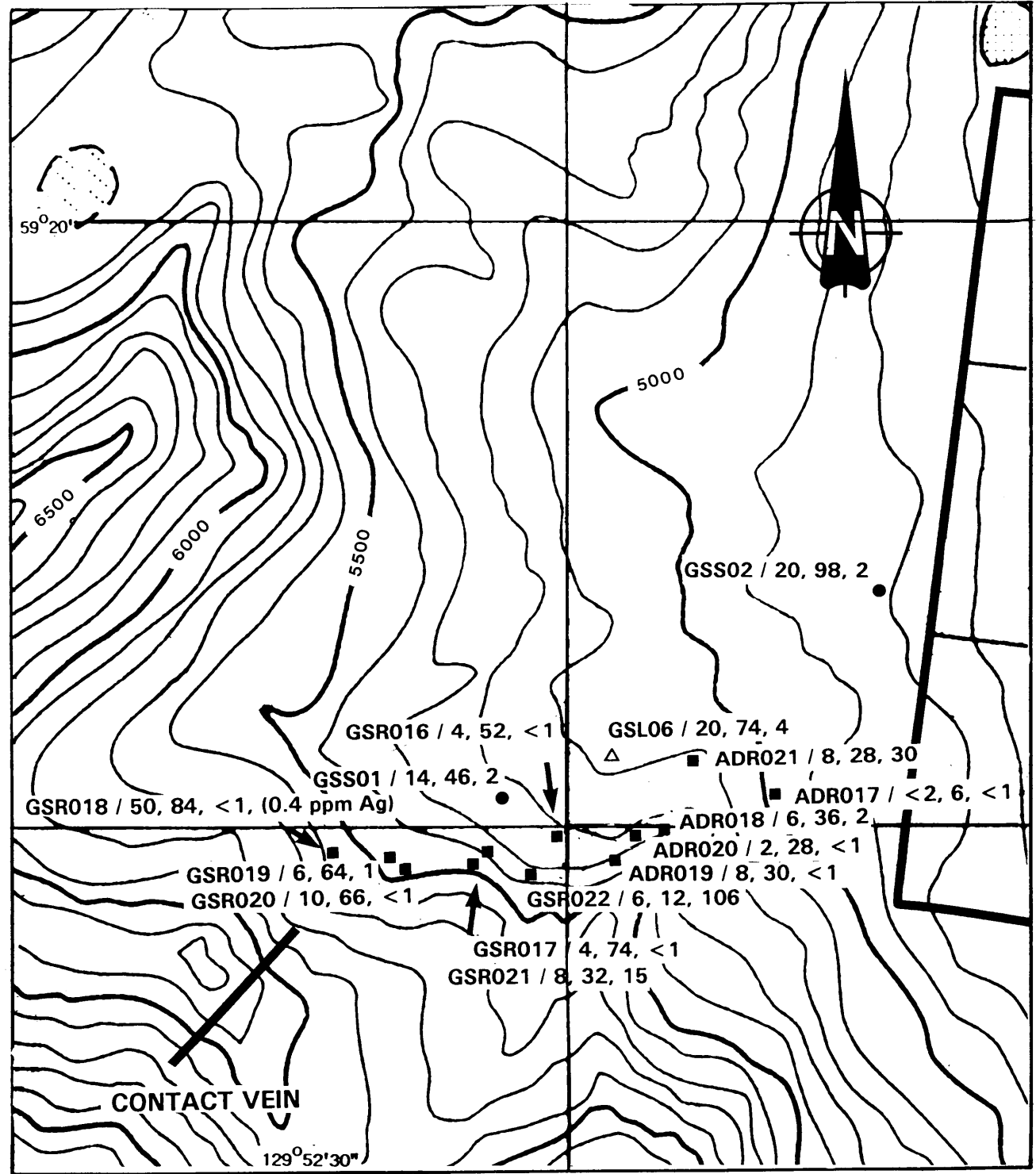
Lithologies
 Quaternary
 Qs stream deposits

Cretaceous
 Kcs Cassiar Stock
 Kct Contact Stock

Proterozoic-Cambrian
 PCs limestone, quartzite
 and shale

- Symbols**
- geological contact
 - () geochemical anomaly
 - // stockwork veining
 - rock sample location
 - soil sample location
 - △ silt sample location

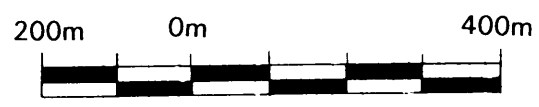
KOKANEE EXPLORATIONS LTD.			
CONTACT PROPERTY LIARD MINING DISTRICT, BRITISH COLUMBIA			
PROPERTY GEOLOGY AND MINERALIZATION			
Aurum Geological Consultants Inc.			December, 1992
NTS 104/P5	Drawn by GS	Scale 1:25,000	Figure 4



LEGEND

- rock sample location
- soil sample location
- △ silt sample location
- GSR021 sample number
- 8, 32, 15 Pb (ppm), Zn (ppm), Mo (ppm)

Scale 1:10,000



KOKANEE EXPLORATIONS LTD.	
CONTACT PROPERTY LIARD MINING DISTRICT, BRITISH COLUMBIA	
1992 GEOCHEMISTRY	
<i>Aurum Geological Consultants Inc.</i>	December, 1992
NTS 104/P5	Drawn by GS
Scale 1:10,000	Figure 4a

MINERALIZATION

Significant mineralization discovered to date on or near the Contact property consists of tungsten-copper-zinc-molybdenum skarns. Due to the snow cover these showings were neither sought nor located in 1992, however their locations are plotted on Figure 4 using information from publicly available reports. Work in 1992 was directed towards testing the granite for bulk-tonnage disseminated gold potential.

Previous Work

The Contact lead-zinc-silver-bismuth skarn vein is a past producing mine located in the center of the claim block (BCDM Minfile, 104P 04). Mineralization is found in highly contorted Proterozoic marbles sandwiched between the Cassiar and Contact stocks. The deposit is composed of two east-west striking fissure veins up to 1.2 meters in width which crosscut the marbles. The minerals associated with the calcite-quartz veining are magnetite, sphalerite, pyrite, arsenopyrite, alabandite, chalcopyrite, tetrahedrite, bismuthinite and native silver and bismuth. Limited underground development produced 10,451 grams of silver, 25 kilograms of copper, and 1,947 kilograms of lead from 25 tonnes of ore. No record of gold content is available.

Three tungsten-molybdenite skarn deposits (Kuhn Zone North, Kuhn Zone South, Dead Goat Zone) located within and immediately north of the property were drill tested by Shell Minerals between 1979 and 1982. BC Minfile describes the main showing as massive calc-silicate skarn in semi-continuous layers up to 10 meters thick along the western contacts of marble layers. Scheelite, molybdenite, pyrite, pyrrhotite, and rare magnetite form coarse disseminations interstitial to the calc-silicates. Layered magnetite skarn and retrograde massive pyrrhotite-sphalerite skarn are found as pods and veins replacing other skarn facies. The Kuhn Zone North, one kilometer north of the Contact property, was the largest deposit with a drill indicated reserve of 409,300 tons grading 0.48% WO_3 and 0.134% MoS_2 , with an additional 78,700 tonnes grading 0.50% WO_3 (BCDM Minfile, 104P 071).

In the northern section of the current property drilling on the Dead Goat skarn (Moffat, 1982) intersected mineralization within the associated intrusive similar to the current bulk-tonnage disseminated gold target. Hole 80-B-4 contained 58.9 meters of porphyritic quartz monzonite with disseminated pyrite, hematite, and minor magnetite and molybdenite. This and similar non-skarn drill-intercepts were for the most part not analyzed. None of the samples from Shell's exploration were analyzed for gold.

White and clear quartz veins containing pyrite, molybdenite, scheelite and bismuthinite are present within the Cassiar stock near the southern margin (Crysi, 1992). Generally the veins strike southeast and dip to the northeast at low angles. Many of the veins have druzy quartz cavities with thin sericitic envelopes developed along the vein margins. The veins have never been analyzed for gold. Due to snow and weather conditions this area was not examined as part of the 1992 field program.

1992 Results

Disseminated pyrite (<0.5%) was the most common sulfide noted within the intrusive during the 1992 examination. Pyrite was locally concentrated on fractured surfaces or in quartz veinlets. Veining and fractures were neither strong nor exceptionally common. Traces of arsenopyrite, molybdenite and possibly chalcopyrite were noted along with the pyrite. Quartz veinlets and penetrative fractures or joints have local sericitized, chloritized, or bleached selvages.

A sample of megacrystic granodiorite, GSR-22, containing a trace amount of visible disseminated molybdenite at hand-specimen scale returned 106 ppm Mo. The only other anomalous element for this sample is anomalously low levels of iron; 0.32% Fe versus an average for similar rocks of 2.5%. Two other samples of megacrystic granodiorite returned weakly anomalous levels of molybdenum; ADR-021 with 30 ppm Mo, and GSR-021 with 15 ppm Mo.

As is typical of the Selwyn Plutonic Suite, hornfels is moderately well developed adjacent to the granite intrusive. The hornfels commonly contain disseminated and blebs of pyrite, pyrrhotite, and chalcopyrite and locally arsenopyrite. A sample collected in 1992, sample GSR-016, of mineralized hornfelsed material returned 4.17% iron, 15 ppm Co, and 20 ppm copper but all other elements including gold and silver were background or below detection limits.

GEOCHEMISTRY

Previous Work

Stream Sediment Samples

At least 20 stream sediment samples have been collected from streams draining the property (Figure 5). In 1978 the Geological Survey of Canada released regional stream sediment and water geochemical data, GSC Open File 562, for the McDame map sheet (Hornbrook et al., 1990). Fieldwork by the British Columbia Ministry of Mines in the Cassiar area completed in 1978 and 1979 included the collection of 112 stream sediment samples (Panteleyev, 1978 and 1979). The 76 samples collected in 1978 and the 36 samples from 1979 were intended as an orientation survey to assist in the interpretation of the regional data.

Five samples collected by the GSC and 14 from the BCDM work are from streams draining the property. Results of stream sediments collected in the area of the Contact property are summarized in Table 1. Using geochemical thresholds established as part of the 1979 sampling ten of the nineteen samples were anomalous. Anomalous elements include silver, copper, lead, zinc, cobalt, molybdenum, and tungsten.

Soil Samples

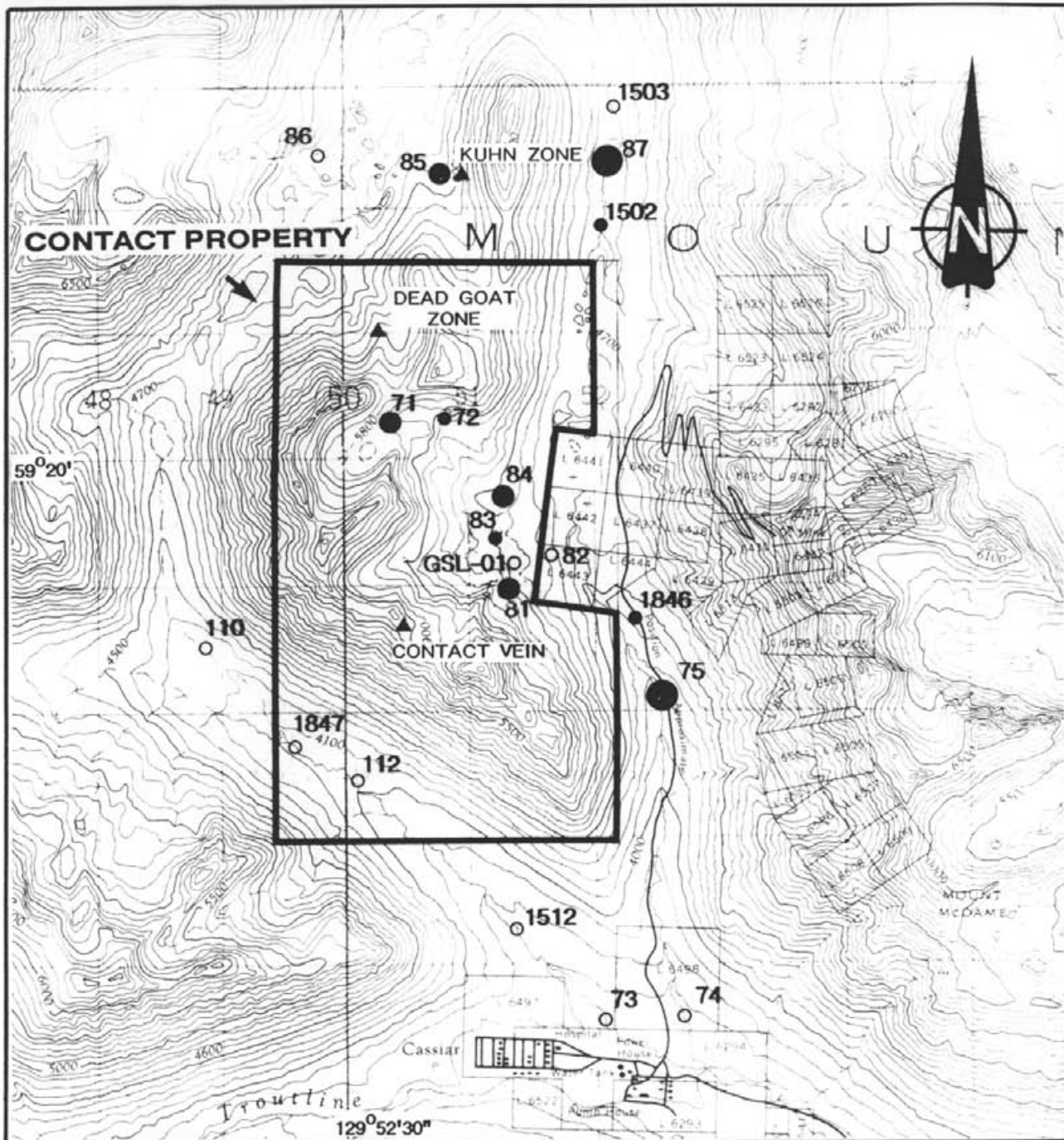
Shell Canada Minerals collected at least 1,106 soil samples (Moffat, 1980) within and adjacent to the current Contact property, as part of their exploration for tungsten-molybdenite skarn deposits. The majority of samples were collected immediately north of the Contact property, however, a significant part of the current ground was covered. The samples were analyzed for tungsten, molybdenum, zinc, and copper. Moffat (1980) calculated background levels for the first three elements as 30 ppm, 5 ppm, and 185 ppm respectively.

1992 Results

Twelve rock (seven outcrop and four float), two soil and one silt samples were collected on the Contact property in 1992. All samples were analyzed for total gold and silver content, and for 29 additional elements including As, Bi, W, Mo, and Te.

Results for the work carried out are shown on Figure 4. Sample descriptions are in Appendix A and complete analytical results are included in Appendix B. Significant lithogeochemical results are discussed previously under 'mineralization'.

All samples returned less than five ppb gold and only one sample contained detectable (>0.2 ppm) silver; GSR-018 with 0.4 ppm Ag. No significant concentration of anomalous metal values are noted.



LEGEND

- stream sediment sample number
- non-anomalous sample location
- single element anomaly location
- two element anomaly location
- three element anomaly location

NOTE: See Table 1 for geochemical values and anomalous thresholds.

KOKANEE EXPLORATIONS LTD.	
CONTACT PROPERTY	
LIARD MINING DISTRICT, BRITISH COLUMBIA	
GEOCHEMISTRY	
Aurum Geological Consultants Inc.	December, 1992
NTS 104/P5	Drawn by GS
Scale 1:50,000	Figure 5

Table 1

CONTACT PROPERTY
Stream Sediment Samples

GSC 1978

Sample No.	Ag	Cu	Pb	Zn	Co	U	W	Mo
1502	0.1	56	6	192	45	4.2	2	5
1503	0.1	40	5	132	20	7	7	5
1512	0.1	4	4	32	4	19.8	2	4
1846	0.1	24	10	86	14	14.3	32	5
1847	0.1	2	8	24	2	17.8	2	2

BCEMPR 1978

Sample No.	Ag	Cu	Pb	Zn	Co	U	W	Mo
71	0.3	352	24	195	29	8	14	10
72	0.3	34	54	205	13	24	3	10
73	<0.3	3	8	55	7	21	2	3
74	0.3	52	16	313	15	5	2	8
75	0.8	46	11	438	13	6	2	16

BCEMPR 1979

Sample No.	Ag	Cu	Pb	Zn	Co	U	W	Mo
81	0.7	28	10	86	13	5	26	2
82	<0.5	30	32	164	17	13	11	3
83	<0.5	34	15	120	23	23	9	5
84	1.5	50	18	368	18	10	11	8
85	<0.5	56	12	172	22	8	62	7
86	<0.5	11	10	54	3	48	12	5
87	0.6	61	15	273	30	10	9	3
110	<0.5	8	17	61	5	34	12	2
112	<0.5	7	8	39	3	25	<6	6

Kokanee 1992

Sample No.	Ag	Cu	Pb	Zn	Co	U	W	Mo	Au
GSL-01	<0.2	18	20	74	7	<10	6	4	<5

Est. Anomalous Threshold 0.56 57.8 43.3 277.8 26.4 126.5 25.2 15.7
- from BCEMPR 1979

References

GSC Open File #562, 1978, 104P
BCEMPR Geological Fieldwork, 1978, p. 51-60
BCEMPR Geological Fieldwork, 1979, p. 80-88

- Anomalous Results Appear Shaded
- GSC and BCEMPR samples not analyzed for gold.

CONCLUSIONS AND RECOMMENDATIONS

Kokanee Explorations Ltd.'s Contact property covers a Cretaceous granite pluton, the Contact stock, and dikes hosted by sedimentary rocks of the Cassiar terrane and the Sylvester allochthon. Veins within the intrusive carry pyrite, molybdenite, scheelite, and bismuthinite. Large areas of xenoliths indicate that portions of the stock have recently been unroofed. Widespread tungsten and molybdenum mineralization occur within skarn zones along the margin of the intrusives. The molybdenite-bismuthinite quartz veins within the Contact stock have never been analyzed for gold.

The Contact lead-zinc-silver-bismuth skarn vein is a past producing mine located in the center of the claim block. Limited underground development produced 10,451 grams of silver, 25 kilograms of copper, and 1,947 kilograms of lead from 25 tonnes of ore. No record of gold content is available. Three tungsten-molybdenum skarn deposits (Kuhn Zone North, Kuhn Zone South, Dead Goat Zone) are located within and immediately north of the property. The Kuhn Zone North, one kilometer north of the Contact property, was the largest deposit with a drill indicated reserve of 409,300 tons grading 0.48% WO_3 and 0.134% MoS_2 , with an additional 78,700 tonnes grading 0.50% WO_3 .

The 12 rock samples collected in 1992 all returned non-detectable levels of gold. Rocks samples consisted largely of megacrystic granite variably altered, weakly mineralized, and irregularly cut by quartz-vein stockworks. Three samples contained anomalous levels of molybdenum.

Stream sediment samples from creeks draining the north and east sides of the property, collected by the Geological Survey of Canada and B.C. Ministry of Mines, returned anomalous values. Anomalous elements include silver, copper, lead, zinc, cobalt, molybdenum, and tungsten. Samples were not analyzed for gold.

Mineralized rock samples and anomalous stream sediment samples indicate potential exists for undiscovered mineralization on the Contact property. The property is underlain by favorable lithologies and structures and it should be further explored for gold mineralization. The following is recommended:

1. Compile a 1:5,000 scale orthophoto map of the Contact property incorporating all available geological, geochemical and remote sensing data to better identify potential exploration targets.
2. Further exploration consisting of prospecting, geological mapping and rock, soil and, stream sediment geochemistry should be carried out over and adjacent to the known granite intrusives
3. Any further work (geophysics, trenching, etc.) is contingent on results of the above work.

Respectfully submitted;

December 30, 1992

Gregory F. Smith, B.Sc.

REFERENCES

- British Columbia Geological Services Branch - Mineral Resources Division; British Columbia Minfile 104P.
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- Wheeler J.O. and McFeely P., 1991. Tectonic Assemblage Map of the Canadian Cordilleras and Adjacent parts of the United States of America; Geological Survey of Canada, Map 1712A, scale 1:2,000,000.

STATEMENT OF QUALIFICATIONS

I, GREGORY F. SMITH, hereby certify that:

1. I am a geologist with AURUM GEOLOGICAL CONSULTANTS INC., 412-675 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of Saint Francis Xavier University with a degree in geology (B.Sc., 1987) and have been involved in geology and mineral exploration continuously since 1984.
3. I am a member of the Geological Association of Canada, a member of the Canadian Institute of Mining and Metallurgy, and a member of the British Columbia and Yukon Chamber of Mines.
4. I have no direct or indirect interest in the properties of Kokanee Explorations Ltd.
6. I am the author of this report on the Contact property, which is based on my personal examination on the ground October 21, 1992, information supplied to me by Kokanee Explorations Ltd., and on referenced sources.
7. I consent to the use of this report, in a company report or statement, provided no portion is used out of context in such a manner as to convey a meaning differing from that set out in the whole.

December 30, 1992

Gregory F. Smith, B.Sc.

STATEMENT OF COSTS
Contact 1-4 Claims

Field WorkProfessional Services

Roger W. Hulstein, B.Sc., P.Geo.;		
3 days @ \$350/day, October 20-22, 1992:	\$1,050.00	
Gregory F. Smith, B.Sc.;		
3 days @ \$320/day, October 20-22, 1992:	960.00	
R. Allan Doherty, B.Sc.;		
2 days @ \$350/day, October 20-21, 1992:	<u>700.00</u>	
Subtotal:		2,710.00

Expenses

Meals and Accommodations:	\$450.00	
Truck Rental (\$100/day * 2 days):	200.00	
Analytical (15 samples):	419.42	
Field Supplies:	211.17	
Radio Rental:	15.00	
Accounting charge;		
10% of \$1295.59:	<u>129.56</u>	
Subtotal:		1,425.15
GST (#R100341692) 7% of \$4,135.15:		<u>289.46</u>
Total Field Expenses:		<u>\$4,424.61</u>

Research and Report PreparationProfessional Services

Gregory F. Smith, B.Sc.;		
5 days @ \$320/day:	\$1600.00	
Nov. 16-20, 1992		

Expenses

Photocopies (125 @ \$0.15):	\$18.75	
Laser Printing:	25.00	
Report Materials:	<u>50.00</u>	
GST (#R100341692) 7% of \$1,693.75:		<u>118.56</u>
Total Report Expenses:		<u>\$1,812.31</u>

TOTAL VALUATION OF 1992 ASSESSMENT WORK: \$6,236.92

APPENDIX A
Rock Sample Descriptions

AURUM GEOLOGICAL CONSULTANTS INC.			Rock Sample Location and Description Record 1992							
Project: Contact Claims/Kokanee Explorations Ltd.		Area: Cassiar, British Columbia, NTS 104P/5	Samplers: GS/RAD/RH			Date: October, 1992				
Sample Number	Location	Description	Attitude	Width	Au ppb	Ag ppm	As ppm	Bi ppm	W ppm	Te ppm
GSR-16	Contact #2, 5500'	Float: Chloritized metasediment, fine grained, grey-green, 2% pyrite and chalcopyrite, coarse biotite associated with sulfides.	Float	Grab	<5	<0.2	2	<2	<2	<0.05
GSR-17	Contact #2, 175m SW R-016	Grab from outcrop: Granodiorite, 20%-2 zoned (gneiss/granite), 10% feldspar phenocrysts, <1% pyrite, locally jointed @ 20cm-1m.	046/70w joints	Grab	<5	<0.2	<2	<2	<2	<0.05
GSR-18	Old cut road near old shack	Float: Silicified limestone, brown oxide coating on fracture surface, epidote altered.	Float	Grab	<5	0.4	<2	2	3	<0.05
GSR-19	Contact #2, 50m S of R-018	Chip from outcrop: megacrystic granodiorite, trace visible sulfides.	052/62W joints	25cm	<5	<0.2	<2	<2	<2	<0.05
GSR-20	25m east of R-019	Composite grab from outcrop: Megacrystic granodiorite, rusty, silicified and fractured, trace poddy pyrite.	052/62W joints	1.0m	<5	<0.2	<2	<2	<2	0.05
GSR-21	~ 75m east of R017	Float: megacrystic granodiorite, nonrusty, no visible sulfides, 5% Biotite/hornblende.	Float	Grab	<5	<0.2	4	<2	<2	<0.05
GSR-22	Contact #4, ~ 75m E of R021	Float: Coarse grained nonmegacrystic granodiorite, rusty patches rimming pyrites/mafic, trace pyrite, 5% biotite/hornblende, trace disseminated Molybdenite crystals.	Float	Grab	<5	<0.2	<2	<2	4	<0.05
ADR-017	Contact #4, 5000'	Granite: medium grained, quartz >25%, biotite schilleren, pyrite to 1%. Silicified, limonitized. Sample contains quartz veins. Quartz is recrystallized and granular. Bright yellow reflections in quartz.	Float/boulder	Chip	<5	<0.2	2	2	<2	<0.05
ADR-018	Contact #4, 5500'	Mafic schilleren, quartz rich black partially digested zoned in megacrystic granite. Pyrite >1%, Biotite segregations, rusty weathering/limonitized.	outcrop	grab	<5	<0.2	<2	<2	<2	<0.05
ADR-019	Contact #4, 5300'	Granite: Medium grained biotite granite, quartz >25%, biotite 5-10%. Fresh appearance, light grey. Rare orthoclase megacrysts.	outcrop	grab	<5	<0.2	<2	<2	<2	<0.05
ADR-020	Contact #4, 5200'	Similar to ADR-019 above.	outcrop	grab	<5	<0.2	2	<2	<2	<0.05
ADR-021	Contact #4, 5100'	Biotite granite, fresh appearance, some chloritized hornblende in patches, trace pyrite about biotite-hornblende.	Float	Grab	<5	<0.2	<2	<2	3	<0.05
GSL-06	100m NW of ADR-21	Stream sediment sample	Silt	Silt	<5	<0.2	6	4	6	<0.05
GSS-01	Contact #4, 5350'	Soil sample	Soil	Soil	<5	<0.2	<2	6	2	<0.05
GSS-2	Contact #4, 4900'	Soil Sample	Soil	Soil	<5	<0.2	8	<2	4	0.05

APPENDIX B
Analytical Methods and Reports



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
 PHONE: 604-984-0221

Client: KOKANEE EXPLORATIONS LTD.

C/O 1440 - 625 HOWE ST.
 VANCOUVER, BC
 V6C 2T6

Project: CONTACT ✓
 Comments: CC: ALLAN DOHERTY CC: GEOFF CHATER

Page: 1-A
 Total Fees: \$1
 Certificate Date: 05-NOV-92
 Invoice No.: 19223743
 P.O. Number:
 Account: KKG

CERTIFICATE OF ANALYSIS A9223743

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ADR-017	205	274	< 5	< 0.2	0.41	2	10	< 0.5	2	0.07	< 0.5	6	247	43	1.79	< 10	< 1	0.19	< 10	0.24	50
ADR-018	205	274	< 5	< 0.2	3.33	< 2	40	1.5	< 2	0.08	< 0.5	14	205	12	4.02	10	< 1	0.77	10	1.33	165
ADR-019	205	274	< 5	< 0.2	0.83	< 2	90	< 0.5	< 2	0.35	< 0.5	4	176	1	2.13	10	< 1	0.64	70	0.58	230
ADR-020	205	274	< 5	< 0.2	0.69	2	70	< 0.5	< 2	0.26	< 0.5	4	146	1	1.82	10	< 1	0.49	60	0.47	180
ADR-021	205	274	< 5	< 0.2	0.62	< 2	80	< 0.5	< 2	0.29	< 0.5	3	139	6	1.65	10	< 1	0.51	60	0.46	170
GSR-016	205	274	< 5	< 0.2	2.38	2	90	0.5	< 2	0.09	< 0.5	15	141	20	4.17	10	< 1	0.87	20	1.27	290
GSR-017	205	274	< 5	< 0.2	2.15	< 2	450	< 0.5	< 2	0.65	< 0.5	13	123	8	3.83	10	< 1	1.57	30	1.51	410
GSR-018	205	274	< 5	0.4	5.91	< 2	60	1.0	2	6.09	< 0.5	9	86	13	1.74	< 10	< 1	0.30	< 10	0.32	220
GSR-019	205	274	< 5	< 0.2	1.33	< 2	150	< 0.5	< 2	0.66	< 0.5	10	81	4	2.97	10	< 1	0.91	40	1.04	355
GSR-020	205	274	< 5	< 0.2	2.08	< 2	150	< 0.5	< 2	0.14	< 0.5	10	154	20	4.54	< 10	< 1	1.65	20	1.14	320
GSR-021	205	274	< 5	< 0.2	0.81	4	100	0.5	< 2	0.26	< 0.5	4	157	7	2.04	10	< 1	0.62	50	0.53	190
GSR-022	205	274	< 5	< 0.2	0.23	< 2	20	< 0.5	< 2	0.27	< 0.5	< 1	150	10	0.32	< 10	< 1	0.16	10	0.06	40

CERTIFICATION:

ghai D Ma



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221

Client: KOKANEE EXPLORATIONS LTD.

C/O 1440 - 625 HOWE ST.
VANCOUVER, BC
V6C 2T6

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Certificate Date: 05-NOV-92
Invoice No. : 19223743
P.O. Number :
Account : KKG

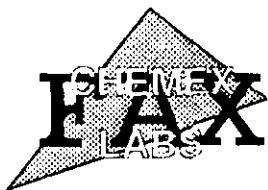
Project : CONTACT
Comments: CC: ALLAN DOHERTY CC: GEOFF CHATER

CERTIFICATE OF ANALYSIS A9223743

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GSR-018	205	274	< 1	0.12	21	280	50	2	6	323	0.15	< 10	< 10	35	< 10	84	3	< 0.05
GSR-019	205	274	1	0.09	5	870	6	< 2	4	27	0.20	< 10	< 10	67	< 10	64	< 2	< 0.05
GSR-020	205	274	< 1	0.06	13	560	10	2	12	9	0.41	< 10	< 10	85	< 10	66	< 2	0.05
GSR-021	205	274	15	0.07	4	790	8	2	4	14	0.13	< 10	< 10	38	< 10	32	< 2	< 0.05
GSR-022	205	274	106	0.04	2	510	6	< 2	1	21	0.10	< 10	< 10	7	< 10	12	4	< 0.05

CERTIFICATION:

Yhai D Ma



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
 PHONE: 604-984-0221

To: KOKANEE EXPLORATIONS LTD.

C/O 1440 - 625 HOWE ST.
 VANCOUVER, BC
 V6C 2T6

Project: CONTACT
 Comments: CC: ALLAN DOHERTY CC: GEOFF CHATER

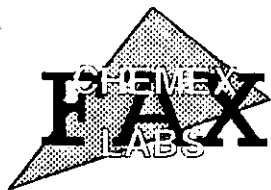
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 P.O. Number
 Account

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GSS-02	201 229	< 5	< 0.2	2.99	8	90	0.5	< 2	0.24	< 0.5	14	31	18	4.17	10	< 1	0.39	30	0.89	515

11/03/92 4:30PM CHEMEX LABS FAX-FAX

PAGE 02



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
 PHONE: 604-984-0221

To: KOKANEE EXPLORATIONS LTD.

C/O 1440 - 825 HOWE ST.
 VANCOUVER, BC
 V6C 2T6

Project: CONTACT
 Comments: CC: ALLAN DOHERTY CC: GEOFF CHATER

Page Number 1-B
 Total Pages 1
 Certificate Date 05-NOV-92
 Invoice No. I-9223744
 P.O. Number
 Account

CERTIFICATE OF ANALYSIS **A9223744**

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GSS-01	201 229	2	0.01	6	480	14	< 2	3	30	0.14	< 10	< 10	54	< 10	46	2	< 0.05
GSS-02	201 229	2	0.01	19	1170	20	< 2	5	20	0.14	< 10	< 10	63	< 10	98	4	0.05

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CERTIFICATION