

LOG NO: 0622	U
ACTION:	
FILE NO:	

ASSESSMENT REPORT

ON THE

ALEX 1 AND ALEX 2

PLACER CLAIMS

CLINTON M.D., BRITISH COLUMBIA

NTS 920/1E

FILMED

D.H. WOOD, P.GEO.
MAY 15, 1995

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

23,954

TABLE OF CONTENTS

INTRODUCTION	3
HISTORY	3
PROPERTY STATUS	3
GEOLOGY	3
MINERALIZATION AND ALTERATION	4
1994 FIELD WORK	4
CONCLUSIONS	4
RECOMMENDATIONS	5
BIBLIOGRAPHY	6
APPENDIX A - CERTIFICATE OF QUALIFICATIONS	7
APPENDIX B - STATEMENT OF COSTS	8
APPENDIX C - LABORATORY RESULTS	9

FIGURES

1. Alex 1 and Alex 2 Claims Location Map	follows text
2. Sample Location Map	follows text

INTRODUCTION

The Alex 1 and 2 placer claims are located on Stirrup Creek, a tributary of Watson Bar Creek (figure 1). Stirrup Creek, which was originally named North Fork of Watson Bar Creek, has been a placer gold producing stream since the early 1900's.

Epithermal gold mineralization related to Early Tertiary extensional tectonic activity is known to exist on the adjacent Astonisher and Chisholm crown granted claims at the headwaters of Stirrup Creek and the Mad claim group on Watson Bar Creek..

During August 1994, the writer examined the two placer claims and collected four surface bulk samples for analysis. The results of this analysis indicate that economic grades (3.02 g/m³) of placer gold exist on the claims. A conservative estimate places reserves at approximately 100 kg on that portion of claims where sampling was conducted.

The claims are in an area where placer permitting is likely. The presence of good quality access roads to the claims will also facilitate permitting and allow for exploration and development to commence with minimum delay.

A two phase program is recommended to explore the economic potential of placer gold on the Alex 1 and Alex placer claims. The cost of this program is estimated at \$82,000 (CDN).

HISTORY

Gold has been produced intermittently from placer deposits along Stirrup Creek since discovery during World War I. Although production figures are not available, estimates of between 3000 to 5000 ounces are suggested by Warren (1982) for the first 25 years after discovery. At least this amount has been subsequently produced, principally during the late 1970's to 1990. A conservative figure for total placer production would be on the order of 8000 to 10,000 troy ounces (25 to 30 kg).

Placer gold was traced in part to epithermal mineralization at the headwaters of Stirrup Creek during the 1930's. This was followed by underground exploration, but the properties were abandoned during the 1940's due to the wartime cessation of gold mining and low gold prices.

The Alex 1 and Alex 2 claims area appears to have been partially worked during the 1930's, with recent work covering less than 25% of the their area.

PROPERTY STATUS

The Alex 1 and Alex 2 Claims comprise two 500 by 1000 meter placer claims located in the Clinton Mining Division and registered to L.A. Atha of Vancouver, B.C.. The claims have the following particulars:

<u>Claim Name</u>	<u>Tenure Number</u>	<u>Expiry Date</u>
Alex 1	326482	June 15, 1995
Alex 2	326483	June 15, 1995

GEOLOGY

The Alex 1 and 2 Claims are underlain by clastic sedimentary rocks of the lower Cretaceous Jackass Mountain Group. Clastic rocks are intruded by Early Eocene felsic porphyry dikes, sills and plugs. Locally Miocene clastics overlie and basalt dikes cross-cut older lithologies.

Eocene intrusive and extrusive rocks are related to extensional tectonic activity, preserved as a northwest trending graben extending from the Teseko Lake area (Blackdome deposit) to the Fraser Fault 15 km southeast of the North Fork Claims (Mad Claims).

Gold mineralization in the area is confined to the graben and is related to fossil hot springs associated with Eocene igneous activity.

MINERALIZATION AND ALTERATION

Field examinations of the adjacent mineral claims conducted during spring and summer 1994 while examining mineral claims in the area indicate that alteration of Cretaceous clastic sediments and Early Tertiary subvolcanic rocks is consistent with that to be expected above epithermal gold mineralization. This mineralization is the most probable source of placer gold encountered along Stirrup Creek.

1994 FIELD WORK

A visit was made to the property during two days between August 18 and 20, 1994. During this time four bulk samples, each consisting of 45.5 liters (10 gallons), were sampled from the surface 1/2 meter of gravel at various locations on the the claims (for location see figure 2). The bulk samples were concentrated using a small back-pack sluice box and heavy concentrates were shipped to ACME Analytical Laboratories for analysis.

The results of analyses of samples collected by the author are included as Appendix B. A summary of the the sample results is as follows;

Sample No.	Description	Au (mg)	Au (g/m ³)
111606	10 gallon sample collected at 400 m NW on Alex 1	1.782	0.039
111607	10 gallon sample collected at 800 m NW on Alex 1	137.374	3.022
111608	10 gallon sample collected at Alex 1 Alex 2 boundary	12.755	0.281
111609	10 gallon sample collected at 500 m NW on Alex 2	4.266	0.094

CONCLUSIONS

The results from sample 111607 are very encouraging. The 3.022 g/m³ value for this sample, which roughly translates to \$50/m³ (at \$16/g), indicates that at at least one place the surface gravels are rich enough to profitably mine. The results from samples 111608 and 111609 at 0.281 and 0.094 g/m³ are high enough for surface gravels to suggest that deeper gravels would provide values in the economic range.

A conservative estimate of reserves present on the Alex 1 and 2 placer claims using the numeric average of the four samples (0.859 g/m³) over half the distance (550 m) represented by the sampling interval would give some 94.5 kg (CDN\$ 1,511,840 at \$16/g) of gold resource based on a 20 m width and 10 m depth for stream gravels.

A more realistic estimate would probably be double or more this value (greater than 200 kg) based on the present sampling being conducted in surface gravels.

RECOMMENDATIONS

A two stage program of larger scale bulk sampling, followed by test mining is recommended to determine the economic potential of the property. A sum of \$82,000 (CDN) is recommended to complete the program.

The area surrounding 800m NW on the Alex 1 claim upto at least the boundary of the Alex 2 claim should be the area of concentration.

The following table provides an approximation of the costs of testing the Alex 1 and 2 claims for their economic potention;

Item		Cost
Bulk Sampling Program	(2 weeks)	
Front end loader	80 hrs. @ \$50/hr	\$4,000.00
Fuel	(approximate)	1,000.00
Labor	2 men x 10days @ \$100/day	2,000.00
Food and Camp Costs	(approximate)	1,500.00
Transportation	(front end loader)	500.00
	4x4 truck (10 days @ \$100/day)	1,000.00
Mining Equipment	Sluice, shovels, etc	1,500.00
Supervision	5 days @ \$300/day	1,500.00
Analytical Costs	(approximate)	500.00
subtotal		<u>\$13,500.00</u>
Mining Test Program	(10 weeks)	
Front end loader	500 hrs @ \$40/hr	\$20,000.00
Fuel	(approximate)	5,000.00
Maintenance	(approximate)	2,000.00
Labor	3 men x 50 days @ \$100/day	15,000.00
Food and Camp Costs	(approximate)	5,000.00
Transportation	(front end loader)	500.00
	4x4 truck (10 wks @ \$350/wk)	3,500.00
Mining Equipment	Sluice,concentrator, etc.	4,000.00
Supervision	(approximate)	12,000.00
Analytical Costs	(approximate)	1,500.00
subtotal		<u>\$68,500.00</u>
Total Costs		<u>\$82,000.00</u>

BIBLIOGRAPHY

Buchanan, L.J. (1981)

Precious Metal Deposits Associated with Volcanic Environments in the Southwest; *in* Relations of Plate Tectonics to Ore Deposits, Arizona Geological Society, Digest, Vol. 14, pp 237-262.

Panteleyev, A. (1988)

A Canadian Cordilleran Model for Epithermal Gold-Silver Deposits; *in* Ore Deposit Models, Geoscience Canada, Reprint Series 3, pp 31-43.

Richards, A.M. (1933)

Poison Mountain Creek Area; *in* British Columbia Ministry of Mines, Report of the Minister of Mines, 1933, pp 186-193.

Sadler-Brown, T.L. (1992)

A Report on an Examination of a Gold Placer Deposit on Stirrup Creek, Watson Bar Creek Area, Clinton Mining Division, B.C., 14 pages.

Warren, H.V. (1982)

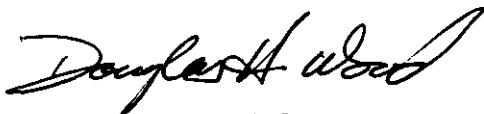
The Significance of a Discovery of Gold Crystals in Overburden; *in* Precious Metals in the Northern Cordillera, Association of Exploration Geochemists, pp 45-51.

APPENDIX A - CERTIFICATE OF QUALIFICATIONS

I Douglas H. Wood of the city of Pullman in the State of Washington do hereby certify as follows:

1. I am a consulting and contract geologist based in Pullman, Washington and have been active in mineral exploration and regional mapping since 1977 and that I was present on the Alex 1 and 2 placer claims for 2 days during the period August 18 to 20, 1994 during geological investigations of these claims were made.
2. I graduated from the University of British Columbia in 1981 with a Bachelor of Science degree in Geological Sciences and spent a further year at the post-graduate level at the University of B.C. I am currently enrolled as a Ph.D. candidate at Washington State University, where I am specialising in economic geology.
3. I am a fellow in good standing of the Geological Association of Canada (F4594).
4. I am a Professional Geoscientist registered with The Association of Professional Engineers and Geoscientists of the Province of British Columbia (#19529).

Dated at Pullman, State of Washington, this 15th day of May, 1995.

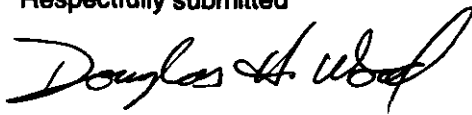


Douglas H. Wood, P.Ge.
Consulting Geologist

APPENDIX B - STATEMENT OF COSTS

Item			Cost
Assays	Acme Labs	(file 95-0007)	\$ 36.00
Consulting Fees	D.H. Wood	2 days @ \$300.00	600.00
Report Preparation			500.00
Total			\$1136.00

Respectfully submitted



Douglas H. Wood, P. Geo.

Consulting Geologist

APPENDIX C - LABORATORY RESULTS

ASSAY CERTIFICATE

AA
LLAA
LLD. H. Wood PROJECT STIRRUP CK. File # 95-0007

43 McEachern Drive, Pullman WA U.S.A. 99163

SAMPLE#	Au** mg
B 111606	1.782
B 111607	137.374
B 111608	12.755
B 111609	4.266

AU** BY FIRE ASSAY FROM TOTAL SAMPLE.

- SAMPLE TYPE: H.M. COMC.

DATE RECEIVED: JAN 3 1995 DATE REPORT MAILED: *Jan 10/95* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

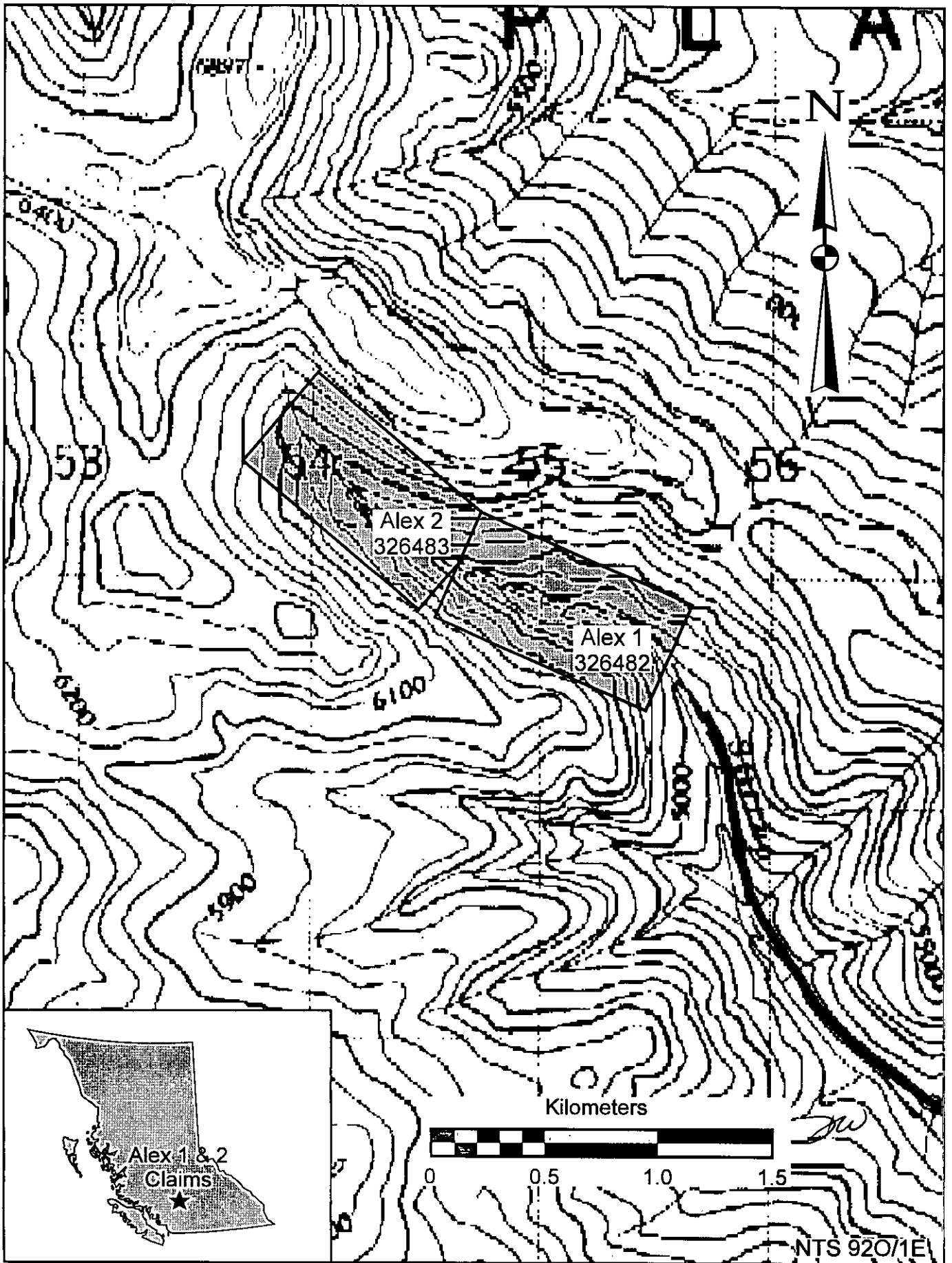


Figure 1: Alex 1 and Alex 2 Claims Location Map

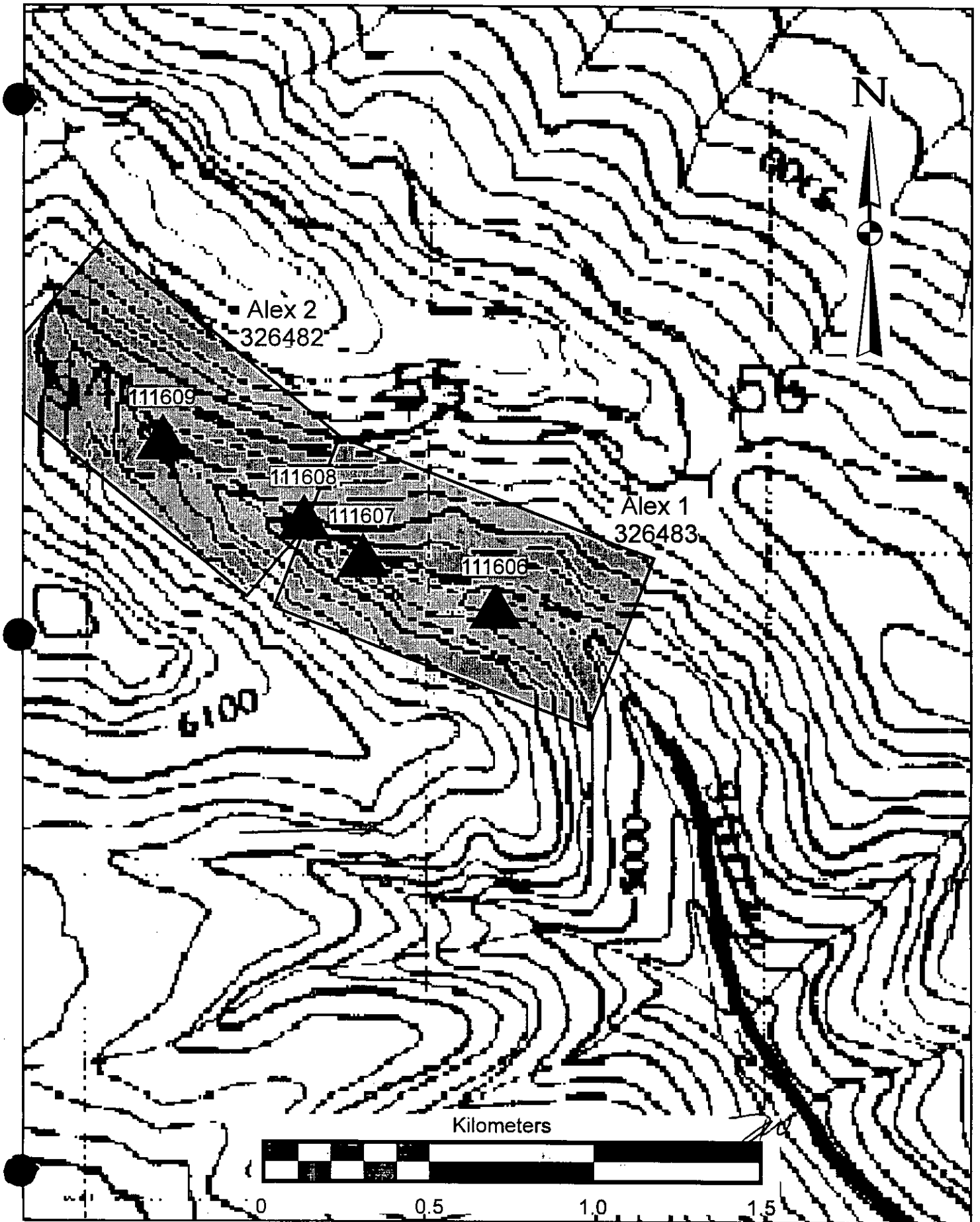


Figure 2: Sample Location Map