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**AN EVALUATION OF THE  
CRAIG RIVER PROPERTY  
Northwestern British Columbia  
FOR  
SKYLINE GOLD CORPORATION**

By  
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## 1.0 EXECUTIVE SUMMARY

Skyline Gold Corporation owns a 100 % interest in the large Craig River Property which comprises 8 modified Grid System claims totalling 133 units covering approximately 2371 hectares. The adjoining Johnny Mountain gold mine, also owned by Skyline Gold Corporation, is located 2 kilometers to the east and has a modern + 300 ton per day mill and related surface and underground facilities. The Craig River Property is located in northwestern British Columbia 6 km south of the Iskut River and Snip gold mine operated by Cominco Limited. Access to the Property is by aircraft from either Wrangell, Alaska or Terrace, B.C., to a good gravel airstrip at the Johnny Mountain mine site. The newly constructed Iskut Road from Bobquin on the Cassiar-Stewart Highway to the vicinity of Volcano Creek is located 30 kilometers to the east. **The northeast part of the Property is bisected by a road connecting the Johnny Mountain and Snip gold mines.**

The Property is characterized by moderate topography and climate which facilitates year round exploration.

The Johnny Mountain mine contains gold-bearing quartz-sulphide veins that are contained in a sequence of volcanoclastic and feldspar porphyry units. The veins range from 0.5 to 2.0 meters thick, trend 065° and have moderate to steep dips to the north. The mine operated from August 1988 through September 1990 and produced 84,806 ounces of gold, 133,039 ounces of silver, and 2,162,594 pounds of copper from 207,057 tons of ore at an average head grade of 0.474 ounces per ton gold. Mining operations were suspended due to depletion of mining reserves.

The currently producing Snip shear-vain gold deposit, located within 500 meters of the northern boundary of the Craig River Property, is owned by Cominco Limited and Prime Resources Group. It commenced production in January 1991 at 330 tons per day; ore reserves are reported in excess of 870,000 tons grading 0.85 ounces per ton gold.

This study evaluates the exploration and mineral potential for a series of Targets hosting gold and base metal mineralization; geochemical anomalies, and geophysical electromagnetic conductors on the Property.

The Property hosts up to three separate styles of gold and base metal mineralization. No less than 8 well defined mineralized showing areas, + 15 significant gold/silver and/or base metal soil anomalies, + 10 moderate-strength horizontal loop electromagnetic (HLEM) conductors, and up to 7 very low frequency electromagnetic (VLF-EM) conductors are found over an area some 2.8 kilometers long by 1.5 kilometers wide. Outside of this area up to 7 airborne HLEM conductors have been defined.

The mineralized showings, geochemical soil anomalies, and geophysical conductors, many of which are coincidental, have been assessed and in the order of 16 Targets have been defined and are recommended for further exploration follow-up.

Many of the mineralized showings are related to southeast-northwest trending structures, expressed as faulting, shearing, veining, and brecciation. It would appear from geological

mapping that mineralization is primarily structurally controlled although potential stratigraphically controlled volcanogenic massive sulphide (VMS) mineralization should not be dismissed. **The most obvious and promising exploration target(s) on the Property are considered to have the potential to host gold-bearing Snip Shear-Vein style mineralization.**

The following conclusions with the respective exploration strategy and recommendations are made for each of the defined Targets.

#### **SMC Zone, and D Target [Priority I]**

1. The SMC Zone contains significant gold and zinc mineralization that appears to be shear-zone hosted occurring as massive to semi-massive pods, lenses, and stringers within sheared, brecciated, and silicified felsic and andesite tuffs. **The zone trend of 330° is similar to the nearby Snip Deposit; the best surface mineralization grade defined by trenching is 0.119 oz per ton gold, 1.14 oz per ton silver, 2.06 % lead, 5.15 % zinc over an exposed width of 54.1 feet.**

2. Trenching has defined massive to semi-massive sulphide mineralization over a 180 meter strike length of which only 40 meters of length has been tested by drilling. Significant, potentially economic grade intersections of gold, silver, zinc, and other base metals have been intersected in 9 drill holes. A moderate VLF-EM anomaly is coincident to the mineralization.

3. The D Target, located 100 to 200 meters to the southwest, is on trend to the SMC Zone; it is characterized by mineralized showings, and coincident VLF-EM and HLEM conductors.

4. On the SMC Zone an exploration program of 525 meters of drilling in 3 drill fences and machine trenching of the VLF-EM conductor in three locations is recommended; machine trenching of D Target is recommended.

#### **Tillerman Showing [Priority I]**

5. The Tillerman Showing, located 300 meters east of the SMC Zone, is characterized by areally large and strong coincident, gold, silver, zinc, lead, and copper anomalies. Mineralization is characterized by pods, lenses, and stringers of massive sulfides rich in zinc and locally lead and silver that are hosted by northwest trending, locally brecciated, and highly silicified intermediate tuffs.

6. A coincident VLF-EM and a weak HLEM conductor occur over the showing.

7. An exploration program of machine-trenching and possible diamond drilling is recommended.

### **Targets A, B, And C [Priority II]**

8. Target A is located on the northern portion of the same VLF-EM conductor that is coincident to the SMC Zone; a moderate HLEM conductor is coincident to this portion of the VLF anomaly.
9. Targets C and B, located 150 and 400 meters north of and on trend to the Tillerman Showing, respectively, have coincident VLF-EM and HLEM conductors.
10. An exploration program of geological mapping and machine trenching of the three separate Targets is recommended.

### **Evermore Showing [Priority II]**

11. The Evermore Showing is located 1400 meters southwest of the SMC Zone within a package of greywacke and quartz sericite mica schist; numerous mineralized showings have returned several grab samples high in zinc and gold.
12. An exploration program of VLF-EM followed by trenching of known mineralized showings and EM conductors is recommended.

### **Cliff Showing [Priority II] And Target K [Priority III]**

13. The Cliff Showing is located 1100 meters southwest of the SMC Zone and is underlain by shear-hosted and vein/stringer zones that carry base metal sulphides that in turn occur in pyrite-bearing phyllites and biotite-quartz schists.
14. The Showing is defined by a series of coincident and strong linear gold, zinc, copper, and silver soil anomalies that extend up to 800 meters in length.
15. The K Target, located north of the Cliff Showing, is represented by a long, strong gold soil anomaly which appears to be en-echelon and semi-parallel to the soil anomalies over the Cliff Showing.
16. An exploration program of further geological mapping, VLF-EM surveys and further soil geochemistry is recommended.

### **Targets H And J [Priority III]**

17. Target H is largely overburden covered but is characterized by a coincidental VLF-EM conductor, a HLEM conductor, and a linear gold soil anomaly.
18. Target J is characterized by a long, strong north-trending HLEM conductor that appears to be largely overburden covered.
19. An exploration program of machine trenching is warranted for both targets; a VLF-EM survey should be completed on Target J prior to trenching.

### Airborne EM Conductors [Priority III]

20. On the southern part of the Property strong airborne EM conductors have been defined on the Zeehan 6 and Stanley claims. Follow-up surveys on the Zeehan 6 has defined several strong and long VLF-EM conductors.

21. An exploration program of geological mapping, prospecting, geochemical soil sampling, and possible trenching is recommended for the Zeehan 6 conductors. Similar surveys, including VLF-EM surveys, are required for the Stanley claims.

### E, F, And G Targets [Priority IV]

22. Target E is characterized by coinciding VLF-EM and HLEM conductors and a small gold soil anomaly. Target F is characterized by coinciding VLF-EM and HLEM conductors. Target G is characterized by a long and strong gold soil anomaly.

23. The three Targets require an exploration program of further geological field evaluation, detailed prospecting, and probably machine trenching.

Of the 16 prioritized targets, the SMC Zone, Tillerman Showing, Cliff and Evermore Showings, and Target A, B, C, and D represent the best potential [Priorities I+II] to define economic gold-bearing massive sulphide Snip shear-vein type mineralization. A **Phase I exploration program, as outlined in Table I at an estimated cost of \$340,000, is recommended.**

TABLE I  
PRIORITIZED EXPLORATION TARGETS

Priority	Target(s)	Exploration Strategy/Recommendation
I	SMC	Drilling, Machine Trenching
I	D	Trenching
I	Tillerman	Trenching, Possible Drilling
II	A,B,C	Geological Evaluation, Machine Trenching
II	Evermore	VLF-EM Survey, Machine Trenching
II	Cliff	VLF-EM Survey, Geological Mapping Geochemical Survey, Machine Trenching
III	K	Geological Mapping, VLF-EM Survey
III	H	Machine Trenching
III	J	VLF-EM Survey, Possible Machine Trenching
III	Zeehan 6 AEM Conductors	Geological Mapping, Soil Sampling, Possible Machine Trenching
III	Stanley AEM Conductor	Prospecting, Geological Mapping, VLF-EM Survey
IV	E,F,G	Machine Trenching

## 2.0 INTRODUCTION AND LOCATION/ACCESS

The writer was retained by Skyline Gold Corporation to complete an evaluation of the exploration potential of their Craig River Property. An evaluation of the adjoining Johnny Mountain gold mine and Iskut Property are the subject of two separate studies and reports.

This report is based on the evaluation of the 1991 Exploration Program Summary Report on the Property by Adrian Resources Ltd. and other technical reports. Initial discussions were held with Mr. C.F. Grandison to define the scope and objectives of the study. Continuing discussions were held with Mr. David Yeager, Chief Mine Geologist, during the course of the evaluation.

The Craig River Property is located in northwestern British Columbia just south of the Iskut River on the west side of Johnny Mountain. The Property is 102 km northwest of Stewart B.C., and 80 km east-northeast of Wrangell, Alaska. **Note Figure 1.**

Access to the Property is by aircraft from Terrace, B.C. or from tidewater at Wrangell to a good gravel airfield on the adjoining Johnny Mountain property or alternatively to the Bronson airstrip which services the adjacent Snip gold mine on the Iskut River. **A road connecting both airstrips transects the northeast corner of the Craig River Property.** Heavy equipment is normally transported via Wrangell.

A newly constructed road from Bobquin on the Cassiar-Stewart Highway traverses the Iskut River Valley to Volcano Creek about 30 kilometers to the east of the Property.

The Craig River Property is characterized by moderate topography with elevations ranging from 50 meters at Craig River to 550 meters on the eastern portion of the claim group. The entire property is below tree line and topography and climate facilitate year round exploration.

The adjacent Snip gold mine, a 60:40 venture of Cominco Limited and Prime Resources Ltd., commenced production in January, 1991. The deposit is reported to contain 870,000 tons of measured and indicated reserves grading 0.85 ounces per ton gold. Current production is in excess of the designed production rate of 330 tons per day.

## 3.0 LAND POSITION

Skyline Gold Corporation owns a 100 % interest in a large block of favourably mineralized ground with numerous showings, veins, and prospects. Modern exploration has occurred intermittently from 1988 through 1991 on perhaps one third of the Property.

The Craig River holdings include 8 Modified Grid System claims totalling 133 units covering approximately 2371 hectares. **Note Figure 2.**



#### **4.0 MINING AND EXPLORATION HISTORY**

The adjoining Johnny Mountain and Snip gold mines and the large Iskut Property have a long and varied exploration and mining history. The exploration cumulated in August 1988 when gold-bearing quartz sulphide veins at the Johnny Mountain gold mine were brought to production.

In the period of August 1988 through September 1990 a total of 207,058 tons were milled at an average of 323 tons per day grading 0.474 ounces per ton gold. A total of 84,806 ounces of gold, 133,039 ounces of silver and 2,162,594 pounds of copper were produced. Operations were suspended due to the depletion of ore reserves. Since closing the operations at the end of September 1990, the operations have been kept in the care and maintenance mode.

In January 1991 the Snip gold mine, a 60:40 joint venture of Cominco Limited and Prime Resources Ltd., commenced production. This mine is currently producing in excess of 330 tons per day and has reported reserves of 870,000 tons grading 0.85 oz per ton gold.

The main exploration programs carried out on the Craig River Property include the 14 hole diamond drilling program completed on the Road Showing in 1988 and the 1991 exploration programs completed by Adrian Resources Ltd. on an earn-in option agreement. Adrian dropped the property option in November 1992 after reportedly spending \$1.5 million. The 1991 exploration programs included a 386 line-kilometer airborne geophysical survey in May 1991. This program was followed by a series of ground exploration surveys on the Reg 8 and 9 claims. During a four month exploration period, the SMC Zone and surrounding grid area received 32.6 line-kilometers of line cutting, 18.5 line-kilometers of HLEM surveys, the collection and analyses of 1150 soil samples, 56 overburden samples, and 1094 rock samples. In addition, the grid area was prospected and geologically mapped, machine backhoe-trenching was completed at four sites on the SMC Zone, and 1240.7 meters of diamond drilling over 15 holes were completed. The SMC Zone received the bulk of the diamond drilling.

#### **5.0 GEOLOGY AND MINERALIZATION**

There is the potential to define at least two different styles of gold-bearing and base metal mineralization on the Property. The most obvious mineralization is that which is similar to and/or related to the adjacent Snip gold mine located approximately 0.5 kilometers north of the Property.

The Snip deposit occurs in a thick sedimentary sequence which underlies the volcanic package on Johnny Mountain. The main mineralized zone, the Twin Zone, is a shear-hosted vein that strike  $120^{\circ}$  and dips  $45^{\circ}$  to vertical, averaging  $60^{\circ}$  southwest. The vein has been traced for 100 meters and varies in width from 0.5 to 15 meters. The economic zone of gold mineralization has a  $70^{\circ}$  plunge to the west. Host rocks are massive to bedded siltstone and feldspathic wacke. In the west drift of the mine the Twin Zone

averages 4.5 meters wide including a 2.5 meter band of barren, post ore dike. Three ore types have been recognized within the Twin Zone:

- Massive sulphide ore with pyrite>pyrrhotite, minor sphalerite, and rare arsenopyrite, galena, molybdenite, and chalcopyrite.
- Crackle quartz ore consisting of shattered quartz-vein in-filled with green mica and chlorite and disseminated sulphides.
- Streaky quartz ore consisting of quartz laminae within strongly sheared and altered country rock.

A second style of possible mineralization is that which comprises the Johnny Mountain gold mine located some 2 kilometers east of the Property. Here six quartz-sulphide veins are contained in a package of andesite and dacite tuffs and volcanic sediments. The veins trend 065° generally parallel to stratigraphy and dip steeply to moderately northwest. Ore consists of 1-2 meter wide quartz veins that carry about 20-25 % pyrite, 1-2 % chalcopyrite and minor amounts of sphalerite, galena, and pyrrhotite.

The Craig River property area is underlain by Upper Triassic Stuhini Group and Lower to Middle Jurassic Hazelton Group clastic sediments and volcanics and felsic to intermediate volcanoclastic rocks. These rocks have a variable but general northwesterly trend with moderate dips to the northeast. Two sets of foliation, generally parallel to bedding but having variable dips, are present. Locally, Tertiary intrusive rocks are present. Detailed geological mapping of the property has been completed over the eastern two thirds of the Reg 8 claim and the northeast part of the Reg 9 claim where the majority of the documented mineralization and exploration surveys have been completed.

The most prominent and extensive rock type is a well foliated andesite tuff, grey-green in colour and varies from ash to fine-grained lapilli. Thick and inter-digitating bands of mudstone, arkosic sandstone, and a wacke unit have been defined over large areas of the southern and central mapped portions.

Small local bands of mafic to andesite flow and felsic tuff have been defined over the entire property. Andesite flows are common on the northeast and southerly parts of the property. Felsic volcanics flows and tuffs are found along Sky Creek, at the SMC Zone and Tillerman Showing, east of the Cliff Showing, and locally on other parts of the property.

On the western portions of the property phyllites and quartz-chlorite-sericite mica schists are found to be widely exposed and probably represent metamorphosed, sheared, and altered volcanic and sedimentary units.

Small Tertiary aged diorite outcrops have been mapped on the northern portions of the Property and lamprophyre dikes are found at the Upper Road Show and other parts of the Property.

Silification is prominent and occurs with known mineralized showings including the Tillerman, Upper Road Show, Cliff, and C-3 and is found to occur and transgress several rock types including mafic to andesite tuffs, mudstone and arkosic sandstone, and

felsic volcanics. A postulated major northeast trending fault-shear zone, possibly an extension of the Lamp fault to the northeast, is found to link several of the defined gold-base metal mineralized showings including the Upper Road Show, Tillerman, and C-3 Zone. Note Figure 4.

Many of the mineralized showings are related to south-easterly striking structures, expressed as faulting, shearing, veining, and brecciation. It would appear on very preliminary mapping and interpretation of the results that mineralization is primarily structurally controlled although potential stratigraphically volcanogenic massive sulphide (VMS) mineralization and the respective controls should not be dismissed or ignored in future exploration. **The most obvious exploration target(s) on the Property are considered to be for the definition of gold-bearing Snip shear-vein style mineralization.**

A description of the various gold and gold-silver-zinc-lead-copper mineralized showings is given in Section 7.0.

## **6.0 FUTURE EXPLORATION METHODOLOGY**

A series of exploration steps involving both compilation and interpretation of the existing exploration surveys and field checking or "ground truthing" of geology and associated geophysical and/or geochemical anomalies is mandatory before field exploration follow-up, as recommended in Section 7.0, is undertaken.

To effectively use the existing data base the following steps are required:

1. The known geological outcrop pattern and distribution should be thoroughly re-evaluated in light of the known geology on the adjoining Iskut Property.
2. All significant rock analytical and assay values representing mineralized showings should be plotted on a 1: 2,500 overlay such as to compare to geology, geochemistry, and geophysics.
3. All existing geochemical data should be statistically evaluated, primarily by log transformed cumulative frequency versus metal concentration graphs; the purpose is to define anomalous areas and compare to known geology and structure
4. A photo-lineament study combined with ground mapping should be done to define and verify all known structures on the property; the known structures and the postulated fault thought to be a southwest extension of the Lamp fault zone discussed in Section 5.0 should be confirmed on the ground.
5. Field work should include the "ground truthing" of all significant geochemical soil anomalies and VLF and HLEM geophysical conductors for relationship to geology and structure.
6. Structural and/or stratigraphic control should be confirmed by mapping, if possible, for each mineralized showing on the Property.

## **7.0 TARGETS AND EXPLORATION POTENTIAL**

A Target location map is given in **Figure 3**. All mineralized showings, geochemical anomalies, and geophysical conductors defined on the Craig River Property grid are compiled and illustrated on **Figure 4**. Significant airborne EM conductors are illustrated on **Figure 6**. As indicated in **Figure 4 and 6** no less than 8 mineralized showings, + 15 significant gold and/or base metal soil anomalies, +10 moderate intensity HLEM ground conductors, and up to 7 VLF anomalies are found over an area of 2.8 km long by 1.5 km wide. In addition 7 airborne HLEM conductors found largely outside of the cut grid area are present.

The mineralized showings, geochemical soil anomalies, and geophysical conductors have been assessed and in the order of **16 Targets**, many of which have coincidental mineralized showing and geophysical/geochemical anomalies, are recommended for further exploration follow-up and field evaluation.

The evaluation and exploration of a further **17 Targets** comprising other geophysical ground and airborne conductors and geochemical soil anomalies should await until the initial 16 higher priority targets are evaluated.

A third phase of exploration should include the expansion of exploration surveys westerly to the Craig River and southerly to include the southern part of Reg 9 and all of the Zeehan 6 and 7 claims.

A Phase I exploration program totalling \$350,000 is recommended to evaluate 16 targets many of which have coincidental mineralized showings, geochemical soil and geophysical conductors. The Priority I exploration should be directed to the SMC Zone, Target D and Tilleran Showing. Priority II exploration targets include Cliff Showing and Targets A,B, and C. Priority III targets include H, J, K and airborne EM conductors on Zeehan 6 and Stanley claims. Priority IV targets include E, F, and G.

### **7.1 SMC ZONE AND RELATED TARGETS D, A, AND EVER MORE SHOWING.**

#### **7.1.1 Target Descriptions And Potential.**

The **SMC Zone** containing significant gold and zinc mineralization is found as pods, lenses, and stringers of massive to semi-massive sulphides hosted, in part, at the contact of brecciated and silicified felsic and andesite tuffs. Pyrite, sphalerite, chalcopyrite, and galena are the dominant sulphides. The mineralization has a north-northwest trend and has been exposed in four surface trenches perpendicular to trend by a Caterpillar 235 Excavator. The mineralization has been exposed over a distance of 180 meters. The best surface trench results are 0.119 oz/ton gold, 1.14 oz/ton silver, 2.06 % lead, 5.15 % zinc, and 0.23 % copper over 54.1 feet from Trench 2. **Figure 5** illustrate the significant exploration results obtained from the SMC Zone. Sulphide mineralization appears to have 330° trend and is contained within well laminated andesite tuffs and as veinlets in

brecciated felsic tuff which are parallel to subparallel to foliation and bedding. **Appendix I** gives surface sampling results for selected grab samples.

Geochemical results including normal soil sampling and overburden or basal till sampling has produced coincidental small areal gold, silver, and base metal soil anomalies. The SMC Zone is also defined by a long regional (?) VLF conductor anomaly some 1400 meters long, of which a 180 m portion over the SMC Zone is defined by moderate to strong readings. A one line weak HLEM conductor is coincidental to the southern part of the SMC Zone, a second HLEM conductor (**Target D**) is located +100 meters southwest of the SMC Zone as illustrated in **Figure 4**. **The VLF anomaly defining the SMC Zone, is also defined by moderate readings (Fraser filtered) where it crosses lines 1+50 N, 3+00 N, and 4+00 N.**

A total of 13 drill holes totalling 867 meters were completed on the SMC Zone. This drilling was quite restricted and in effect did not test the strike or rake extents of the mineralized zone. The drilling was restricted to a zone of about 40 meters north-south along trend and 40 meters east-west in the vicinity of Trench 2. It is inferred, but not confirmed, that the zone of mineralization dips 55° easterly. the rake of the zone remains undefined. The drilling has not closed off the mineralization along strike and either down dip or down plunge as only 40 meters of the 180 meter strike length was tested. Nine holes out of the 13 drilled returned significant gold and base metal mineralization. The most significant holes included (SC 91-04) where 14.8 meters of core returned 0.133 oz/ton gold, and 5.74 % zinc; hole SC 91-02 returned 0.137 oz/ton gold and 3.72 % zinc over 7.3 meters, and hole SC 91-03 returned 0.107 oz/ton gold and 2.77 % zinc over 5.9 meters. **Table II** gives a summary of the significant drill intersections and **Figure 4** illustrates the location of the drill holes.

**From the observed style and descriptions of the mineralization it is tentatively concluded that the SMC mineralization is shear-zone hosted similar to the Snip gold deposit on the adjoining Cominco ground to the north. If the 330° trend of the mineralization noted above is correct, it is similar to the 300° (or 120°) trend known for the Snip deposit.**

The **D Target** located 100 to 200 meters southwest of the SMC Zone at 3+00 to 4+00 S and 2+00 E is defined by the extension of the same VLF conductor that is coincidental to the SMC, and by a weak HLEM conductor, and a series of undefined mineralized showings. **Note Figure 4**. This area is also on trend to the SMC Zone and is thought to be underlain by andesite tuffs. The **Upper Road Showing**, containing undefined mineralization with low gold values is located 100 meters southwest of D Target.

**Target A** is located at 5+50 to 7+00 N on the northern portion of the same VLF anomaly that is coincident to the SMC Zone. A moderate HLEM conductor is coincident to this portion of the VLF anomaly.

The **Evermore Showing** is located in the vicinity of 13+00 S and 6+00 E some 1400 meters southeast of the SMC Showing within a package of greywacke and sericite- mica-chlorite-schist that is bounded on the west by mafic to intermediate tuff. Grab sampling at the Evermore and the immediate area to the south have yielded numerous rocks high in

TABLE II

SUMMARY OF SIGNIFICANT MINERALIZATION  
INTERSECTED BY DIAMOND DRILLING

HOLE	TARGET	DEPTH INTERSECTED (m)	WIDTH (m)	Au (oz/t)	Ag (oz/t)	Pb ‰	Zn ‰	Cu ‰
SC-91-01	SMC	2.0 - 7.7	5.7	0.063	0.61	0.89	1.93	0.08
	SMC	38.0 - 42.4	4.4	0.105	0.62	0.39	2.30	0.06
SC-91-02	SMC	5.0 - 7.0	2.0	0.106	0.55	0.15	4.66	0.11
		7.7 - 15.0	7.3	0.137	0.65	0.55	3.72	0.15
		33.2 - 36.9	3.7	0.080	0.42	0.36	2.26	0.12
SC-91-03	SMC	17.1 - 23.0	5.9	0.107	0.52	0.71	2.77	0.18
SC-91-04	SMC	19.2 - 34.0	14.8	0.133	0.94	0.17	5.74	0.13
SC-91-05	SMC	22.0 - 32.0	10.0	0.083	0.59	0.17	2.01	0.11
SC-91-06	SMC	-						
SC-91-07	SMC	-						
SC-91-08	SMC	-						
SC-91-09	SMC	20.0 - 21.0	1.0	0.113	0.29	0.36	1.46	0.16
SC-91-10	SMC	24.0 - 26.0	2.0	0.105	0.45	1.18	2.43	0.17
SC-91-11	SMC	20.0 - 22.0	2.0	0.107	0.87	0.20	5.94	0.10
SC-91-12	Tillerman	10.0 - 11.0	1.0	0.007	0.52	0.44	0.70	0.01
		40.0 - 51.0	11.0	0.006	0.37	0.75	1.15	0.02
		94.0 - 100.0	6.0	0.005	0.25	0.79	1.54	0.02
		150.0 - 151.0	1.0	0.022	1.43	1.20	4.50	0.09
SC-91-13	SMC	-						
SC-91-14	Upper Road Show	-						
SC-91-15	Road Show	-						

gold, zinc, and occasional silver. Six selected grabs returned from 1.57 to 7.8 % zinc. The assay values for all of the showings in the Evermore area require plotting as indicated in Section 6.0. No geophysical surveys have been completed on this part of the grid.

### **7.1.2 Exploration Strategy and Recommendations.**

The SMC Zone, the associated VLF anomaly, and Target D require systematic exploration to test the strike and plunge extensions to the known gold and zinc-bearing massive sulphide mineralization as outlined below.

- (1) The SMC Zone require a minimum of 3 drill fences to test the northern extension of the mineralization at Sections 0+50 S, 00+00 and 1+50 N; this will entail a minimum of 525 meters over 6 holes.
- (2) Surface trenching with the Caterpillar 235 Excavator of Target D which is defined by the coincident VLF and HLEM anomaly on trend to the south of the SMC Zone.
- (3) Surface trenching of the more anomalous portions of the VLF anomaly northwest of the SMC Zone at lines 1+50 N, 3+00 N, and 4+00 N is required.
- (4) The coincident HLEM and VLF anomalies at Target A should be trenched at least on Lines 6+00 and 6+50 N to determine their causative source.
- (5) The Evermore Showing should be covered by a VLF survey and defined mineralized showings and significant VLF conductors trenched where appropriate.

## **7.2 TILLERMAN SHOWING AND RELATED TREND TARGETS B AND C.**

### **7.2.1 Target Descriptions and Potential.**

The **Tillerman Showing** is located 300 meters east of the SMC Zone and is defined by strong coincident gold, silver, zinc, lead, and copper soil anomalies that extend up to 300 meters north-south and 200 meters east-west. The gold anomaly has a combined length in excess of 500 meters. The anomalies are defined by threshold values in excess of 100 ppb, 1000 ppm, 300 ppm, 100 ppm, and 5 ppm for gold, zinc, lead, copper, and silver, respectively.

This soil anomaly must be considered as one of the strongest and largest areally on the Property. Down-hill gravity dispersion has, no doubt, served to enhance the anomaly size.

The Tillerman Showing is characterized by pods, lenses, and stringers of massive to semi-massive sulfides hosted by northwest trending locally brecciated and highly silicified intermediate (andesite) tuffs. Pyrite is the dominant sulphide with lesser sphalerite, chalcopyrite, and galena.

The area is characterized by extensive silicification and mineralization where many grab rock samples have returned high values from chloritized volcanic and narrow quartz veins for zinc (0.45 to 3.15% zinc) and occasional high values for lead (2.12%) and silver (20.60 oz/ton). **Note Appendix I.**

Limited hand trenching on the Tillerman Showing on its uphill side returned 14 samples (out of 22 trench samples) with values in excess of 1% zinc.

The Tillerman is also located on the southeastern end of a 1,000 meter VLF-EM anomaly that trends north-northwest. A weak HLEM anomaly is also located on the Tillerman coincidence to the VLF-EM anomaly. The southwest extension to the Lamp fault zone, a postulated major cross-structure appears to terminate the Tillerman and the above VLF anomaly trend to the south. A two hole 540 meter drill fence at Line 2+00 S tested the southern part of the Tillerman area. The holes appear to be too far into the footwall of the showing and consequently may not have effectively tested the mineralization potential.

**Targets C and B**, located at about 2+50 N and 5+00 N, respectively, are defined by the same VLF-EM anomaly that crosses the Tillerman Showing and each have separate 100 meter length coinciding weak-HLEM anomalies. The VLF-EM and HLEM anomalies appear to be straddling a contact between wackes on the east and mafic to intermediate tuffs on the west. These targets may represent mineralization at the same stratigraphic position or in the same structure as that of the Tillerman Showing.

### **7.2.2 Exploration Strategy and Recommendations**

The Tillerman Showing has only been hand trenched at its southern end; also the two hole drill fence noted in 7.1 appears to have possibly missed the coinciding VLF-EM conductor. A first stage exploration program should consist of machine trenching the VLF-EM conductor and the up-hill portions of the coinciding geochemical soil anomalies for a strike length of 225 meters in a series of east-west trenches commencing at L 1+25 S and progressing to L 1+00 N. If significant mineralization is defined from this trenching program, a limited diamond drilling program should be initiated.

Geophysical **Targets B and C**, located 150 meters and 400 meters north of Tillerman, respectively, having coincident VLF-EM and HLEM conductors. These targets should be machine trenched to determine the causative sources for the conductors. These targets could represent a strike extension to the Tillerman Showing.



## **7.3 CLIFF SHOWING AND TARGET K**

### **7.3.1 Target Descriptions and Potential**

The **Cliff Showing** is located in the vicinity of L 7+00 S and 9+50 W some 1100 meters southwest of the SMC Zone. The showing is underlain by pyrite-bearing muscovite-chlorite phyllites, biotite-quartz schist and K feldspar altered felsic to intermediate crystal tuffs. Sulphide mineralization is characterized by minor (low grade) sphalerite, chalcopyrite, and galena contained within a 105° to 130° trending shear zone and within quartz-carbonate veins and stringers zones. **Note Appendix I.** The showing is defined by a series of strong coinciding long linear gold, zinc, copper, and silver soil anomalies which cumulatively extend from the showing to in excess of 500 meters to the southeast and 300 meters northwest. The anomalies are narrow and range from less than 20 to 90 meters wide and appear to represent shear-hosted vein mineralization. No geophysical surveys have been completed over the Cliff Showing.

To the immediate southeast of the Cliff Showing four rock grab samples have returned anomalous gold (0.051 to 0.109 oz/ton), zinc (4.05 % and 3.65 % for two samples), and lead (1.25 % for one sample).

The **K Target** is located in the vicinity of L 4+00 S, 10+00 W to L 7+00 S, 8+00W and is represented by a +100 ppb gold soil anomaly which appears to be en-echelon and semi-parallel to the geochemical soil anomalies that define the Cliff Showing. The anomaly is open to the northwest. The area underlain by K target is largely unmapped; where mapping has been completed on the southeast end, it is underlain by northwest trending phyllites. As at the Cliff Showing no geophysical surveys have been completed on the K Target. The Cliff Showing and K Target gold, silver, and base metal soil anomalies represent the Craig Gold Anomaly defined originally by Skyline Gold Corporation.

### **7.3.2 Exploration Strategy and Recommendations**

The following exploration surveys are recommended:

- (1) On the Cliff Showing and Target K further geological mapping is required.
- (2) Geophysical VLF-EM surveys should be completed west of L 4+00 W on the remaining grid which will cover the Cliff and K targets.
- (3) The extent of the gold geochemical soil anomaly which is open to the northwest of K Target should be defined by further soil surveys.
- (4) Subject to the significance of the above results, a machine trenching program should be initiated to determine the causative source of the geochemical soil anomalies and any VLF-EM conductors.

## **7.4 TARGETS H AND J.**

### **7.4.1 Target Descriptions and Potential.**

**H Target** is located in the vicinity of L 6+00 S, 4+50 W, and is largely swamp or overburden covered with little outcrop expression. Two small outcrops of wacke and one small outcrop of a felsic intrusion are present. The swamp has a north-northwest trend and may represent a fault zone. Target H is characterized by a weak VLF-EM conductor, a nearby 200 meter long weak intensity HLEM conductor, and a coinciding linear gold soil anomaly that trends north-northwest. The gold soil anomaly is about 250 meters long, and from 25 to 50 meters wide (1 to 2 sample sites).

**J Target**, located from L 9+50 S to L 13+50 at 3+30 to 4+10 W, is a +400 meter length strong HLEM conductor that trends north-south and appears to have a 75 meter westerly off set at L 11+00 W. No outcrop has been mapped in the vicinity of the conductor although intermediate tuff has been mapped in the immediate area. The conductors may be an expression of a north-south fault zone that continues northward to H Target. No VLF-EM has been completed over J Target.

### **7.4.2 Exploration Strategy and Recommendations**

H Target in the vicinity of the HLEM conductor should be machine-trenched to determine if significance of mineralization is associated with the conductors and the gold soil anomaly.

On J Target VLF-EM surveys followed by limited machine-trenching should be completed.

## **7.5 MOON SHADOW SHOWING AND TARGETS E, F, AND G.**

### **7.5.1 Target Descriptions and Potential.**

The Moonshadow Showing is located in High Gold Creek at L 00+00 N, 3+75 W, and is underlain by quartz carbonate schists, mafic to andesitic flow and locally by graphitic-chlorite-sericite phyllites that are reported to be faulted and silicified. Locally crenulated schists are reported to be the dominant host of sulphide-bearing (up to 5% pyrite) laminae. Locally selected grabs returned from 0.04 to 5.17 % zinc with generally less than 0.1 oz/ton gold. Chip samples in one restricted area returned 0.47 oz/ton gold over a 1.5 meter chip and an adjacent sample returned 2.19 % zinc over 1.0 meters. **Note Appendix I.** The showing is characterized by a weak VLF-EM conductor whereas a moderate HLEM conductor trending north-south bounds the western side of the Moonshadow area. No anomalous geochemical soil values are reported for the showing area.

**Target E** located at L 3+50 S, 3+50 W is probably a southern extension to the Moon Shadow Showing. The Target is underlain in part by phyllite, possibly wackes and mafic to intermediate tuffs. The target is characterized by a coinciding weak VLF conductor, a moderate strength HLEM conductor and a narrow (one sample site) spot gold soil anomaly.

**Target F** is located at L 4+00 S, 1+25 W, and is characterized by a moderate to strong VLF conductor, a coinciding moderate-strength HLEM conductor, and a narrow (20 - 40 m wide) 200 meter long coinciding silver, zinc, and lead soil anomaly. Most of the target area is overburden covered.

**Target G** is northwest trending +100 ppb gold soil anomaly that is +300 meters long and 30 to 40 meters wide and extends from L 7+00 S at 1+30 E to L 9+00 S at 3+00 E. The anomaly appears to be largely underlain by moderate to intensely silicified mudstones and arkosic sandstones and is transected by the postulated southwest-northeast trend Lamp shear/fault zone.

#### **7.5.2 Exploration Strategy and Recommendation.**

The causative source(s) of the VLF-EM and HLEM conductors defined on E and F Targets, as well as the significance of the geochemical soil anomalies occurring on E, F, and G targets should be determined by further detailed prospecting and geological mapping. Subject to these results, the coinciding VLF-EM and HLEM conductors on E and F Targets and the gold soil anomaly of Target G should be machine trenched.

### **7.6 OTHER GEOCHEMICAL AND GEOPHYSICAL TARGETS**

A series of areally restricted geochemical soil anomalies usually quite narrow (one sample site) and restricted in length to one or two cross lines are present; the more significant geochemical anomalies include:

<u>Anomaly Location</u>	<u>Metal(s)</u>
8N, 8E	Zn,Cu
5+50N, 8 N	Zn
5N, 2+50 E	Ag, Zn, Cu
3N, 0+50 E	Au, Ag, Cu, Zn
6+50 N, 5 E	Cu
8 S, 4 E	Au
10 S, 1 E	Ag
10 S, 5+50 E	Ag
17 S, 1 E	Au
12 S, 0+75 E	Au

In addition, at least another dozen or so spot geochemical soil anomalies of unknown significance are present.

Other geophysical targets include anomalous portions of the long VLF-EM conductors which trend in certain cases for several hundred meters and have not been identified with known mineralized showings, structure(s), or geochemical anomalies as outlined in Sections 7.1 to 7.5. Those VLF conductors that are considered significant represent short lengths of perhaps 50 to 200 meters within the more regional VLF conductors include those centered at 4 N, 2 E; 2 N, 3+50 W; 6 S, 0+50 E; 6 S, 1+50 W; 4 S, B L to 4+50S, 1E; 5 S, 3 E; 6 S, 0+75 E.

In addition a further 15 to 20 largely weak HLEM conductors occur on the grid as indicated in Figure 4. Numbered conductors 3, 5, 6, and 7 on Figure 4 are of moderate strength.

All of the geochemical anomalies and geophysical conductors should be evaluated on the ground by mapping, prospecting, sampling, and where warranted by machine-trenching to determine their significance and causative source. Several of these anomalies/conductors could be evaluated during the normal course of field work in conducting exploration on targets discussed in Sections 7.1 to 7.5. Detailed evaluation of these Other Geochemical and Geophysical Targets can be deferred until evaluation has been completed on the higher priority targets of Sections 7.1 to 7.5.

## **7.7 ROAD SHOWING AND C-3 ZONE**

The Road Showing, a pyrite and chalcopyrite bearing quartz-calcite vein hosted in calcareous wackes that trend 130° and dip 40 - 50° north. Gold mineralization defined by trenching in 1989 gave an average of 0.58 oz per ton over 0.5 meters width and a 50 meter strike length. Extensive drilling of 14 holes in 1988 and one hole in 1991 have yielded no significant economic mineralization. No further exploration nor follow-up is warranted at this time on this target.

The C-3 Zone is considered to be the westward extension of the C-3 Showing defined on the Iskut Property to the east on the Reg 1 claim. On the C-3 Zone on the Iskut Property several zones of copper-zinc mineralization appear to be structurally controlled in shear or vein zones that could represent footwall-controlled volcanogenic mineralization.

On the Craig River C-3 Zone, several grab samples from silicified volcanics, quartz veins, and quartz chlorite schist given generally high values (1 to 5 %) in copper as indicated in Appendix I. The showing has no geochemical nor geophysical expression.

## **7.8 AIRBORNE GEOPHYSICAL CONDUCTORS.**

Several electromagnetic conductors have been defined by an extensive airborne electromagnetic survey completed in May 1991. The two best anomalies are located on the Zeehan 6 and Stanley claims. Note Figure 6. Follow up VLF-EM coverage on the Zeehan 6 claim defined several strong VLF-EM conductors, the best conductor trends

north-south and has in excess of 140° magnitude and extends for +500 meters and is about 100 meters wide. Three other less intense conductors are associated with this strong conductor in the general area.

On the Stanley claims a strong airborne electromagnetic conductor up to 500 meters in length remains to be evaluated by ground follow-up. This conductor is considered to be the most attractive conductor on the property.

The Zeehan 6 conductors required mapping and further prospecting and geochemical soil sampling to determine if machine-trenching is warranted. The airborne conductor on the Stanley claim requires follow-up prospecting, VLF-EM surveys, geological mapping, and soil sampling.

## 8.0 EXPLORATION STRATEGY

In the order of 16 Targets defined by mineralized showings, geochemical anomalies, and VLF-EM and/or HLEM conductors are present and have been prioritized as illustrated in Table I for exploration follow-up.

The most obvious and most favourable style of mineralization is for gold-bearing massive-sulphide Snip shear-vein mineralization.

Of the 16 prioritized targets the SMC Zone, D, and Tillerman Showing areas represent the best or Priority One potential to define economic mineralization. A Phase I exploration program consisting largely of machine trenching, geological evaluation of geochemical anomalies and geophysical conductors, and further diamond drilling of the SMC Zone is recommended at a cost of \$350,000, as detailed in Table III below.

TABLE III  
CRAIG RIVER PROPERTY

### PROPOSED PHASE I EXPLORATION PROGRAM

<u>Labour:</u>	<u>Estimated Cost</u>		
Project Geologist	150 days @ \$300/day	45,000	
Geologist	100 days @ \$200/day	20,000	
3 Technicians	300 man days @ \$150/day	45,000	
Cook	100 days @ 170/day	17,000	127,000
<u>Supplies + Services</u>			
Food	700 man days @ \$20/day	14,000	
Fuel		10,000	
Freight + Supplies		15,000	
Air Flights	14 @ \$650	9,100	
Assays	2000 samples @ \$18/sample	36,000	85,100
<u>Trenching And Diamond Drilling</u>			
Caterpillar 235 Excavator:	625 hours @ \$120/hour	75,000	
Diamond Drilling:	600 meters @ \$82/meter	49,200	124,200
Contingency		14,700	14,700
<b>TOTAL</b>		<b>\$350,000</b>	

In addition to this program a Phase II exploration program should tentatively include further machine trenching, geological evaluation and mapping, geochemical soil sampling, and VLF EM surveys and diamond drilling of:

- Those positive results defined by the Phase I exploration surveys outlined in Sections 7.1 to 7.5 and 7.8.
- The Other Geochemical And Geophysical Targets defined in Section 7.6.
- Extension of the survey grid and appropriate surveys to include all of the Reg 8, 9, Zeehan 6, and Stanley claims.

This program will be dependent upon favourable Phase I exploration results and can only be defined and budgeted and initiated once the Phase I program is complete.

Respectfully Submitted,



A.A. Burgoyne, P.Eng.

craigwri

## APPENDIX I

**TABLE 1 - SURFACE SAMPLING OF 1991 SHOWINGS**

**SMC ZONE**

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
Selected Grab	20935	granular sp, massive py in tuffaceous dacite	0.126	1.19	0.10	19.90	0.69
Selected Grab	20936	banded sp, massive py in tuffaceous dacite	0.033	0.53	0.03	3.79	0.33
Selected Grab	20937	massive sp + py in tuffaceous dacite	0.58	4.30	2.64	18.5	0.09
Selected Grab	21109	massive weathered granular py + other sulphide?	0.094	3.73	0.69	14.60	0.66
Selected Grab	21110	shistose rythmic banding py, sp, ga.	0.036	0.77	0.03	14.70	0.07
Selected Grab	21112	oxidized qtz, sulphides.	0.071	0.92	0.03	1.38	0.50
Selected Grab	21113	oxidized qtz, sulphides.	0.011	0.26	0.01	0.03	0.69
Selected Grab	21116	thick geothite on pyritic foliated rk.	0.015	0.40	0.72	1.93	0.04
Selected Grab	21126	sp, py, cp bands in rythmically banded tuff.	0.107	0.81	0.02	13.00	0.72
Selected Grab	21127	sp, py, cp massive sulphide bands.	0.092	0.78	0.03	9.56	0.56
Selected Grab	21128	sp, py, cp more oxidized.	0.017	0.77	0.08	6.58	0.91
Selected Grab	21129	black sil phyllite, massive py, cp.	0.282	4.71	0.01	0.13	5.94



TABLE 1 - SURFACE SAMPLING OF 1991 SHOWINGS

MOONSHADOW SHOWING

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
Selected Grab	6023	HW of fault, pyritic silic meta wacke/silt	0.218	0.39	0.56	0.48	0.01
Selected Grab	6024	FW & fault gouge (5 cm wide) in pyritic silic meta wacke/silt/int vol	0.027	0.20	0.22	0.04	<0.01
Selected Grab	6039	schistose sediments with fine gd sp, gn	0.002	0.72	0.47	2.14	<0.01
Selected Grab	6041	banded semi massive sulphides (ga, py, sp, cp) in schistose volcanoclastics	0.017	0.26	0.23	0.45	0.01
1.5 m Chip	6042	schistose tuff/meta wacke, diss. py, ga, cp, sp	0.47	0.39	0.62	0.74	0.04
1.0 m Chip	6043	schist with sil volc frags py, gn, cpy, sp	0.004	0.89	0.69	2.19	0.13
1.0 m Chip	6044	schist with sil volc frags py, gn, cpy, sp	0.014	0.80	0.70	1.53	0.09
Selected Grab	6615	2-3% gn, 2-5% sp, 1-3% py in phyllite	0.065	1.76	5.36	0.06	0.01
Selected Grab	6616	8-10% gn, 5-8% sp, 10% py in claystone	0.063	2.56	3.26	5.17	0.02
Selected Grab	6621	siliceous muscovite py schist	0.007	0.70	2.61	2.89	<0.01

TABLE 1 - SURFACE SAMPLING OF 1991 SHOWINGS

UPPER ROAD SHOW

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
Selected Grab	7023	py, gn, sp in rubble qtz	0.092	3.81	4.37	5.03	0.04
Selected Grab	7024	py, gn, sp in rubble qtz	0.015	2.14	2.60	2.67	0.05
Selected Grab	7025	py, gn, sp in rubble qtz	0.077	1.16	1.40	1.52	0.02
Selected Grab	21179	4+50S/3+65E sil vol(float)	0.138	0.58	N/A	0.17	N/A
Selected Grab	21194	carb/chlorite rx, sp	<0.001	0.32	0.04	1.56	0.07
Selected Grab	21195	py, sp in volcanic	<0.001	0.45	0.05	7.28	0.04
Selected Grab	21196	py, sp in volcanic	0.008	0.47	0.06	13.30	0.03
Selected Grab	21197	andesite, chloritic sulphides	<0.001	0.28	0.03	4.37	0.04
Selected Grab	21198	andesite, massive sulphides sp, gr, py	<0.001	0.53	0.06	11.80	0.07
Selected Grab	21199	andesite, massive sulphides sp, gr, py	0.006	0.56	0.07	9.92	0.07

EVERMORE SHOWING

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
Selected Grab	7173	-	0.002	0.27	0.01	1.75	0.06
Selected Grab	7174	-	0.003	0.28	0.02	2.34	0.07
Selected Grab	7175	-	0.004	0.66	0.06	2.09	0.26
Selected Grab	7176	-	<0.001	0.21	0.02	4.39	0.06
Selected Grab	7182	-	<0.001	0.22	0.02	1.57	0.03
Selected Grab	7356	-	0.070	9.48	5.31	7.780	0.40

TABLE 1 - SURFACE SAMPLING OF 1991 SHOWINGS  
TILLERMAN SHOWING

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
Selected Grab	6086	sil int vol, bx, semi massive sulphides py, cp, ga, sp.	0.010	0.45	0.38	3.15	0.03
Selected Grab	6087	2m up from sil int vol, bx, semi massive sulphides py, cp, ga, sp.	0.008	0.16	0.10	1.17	0.01
Selected Grab	6088	adjacent to 6087.	0.015	0.38	0.24	3.10	0.09
Selected Grab	6089	sil int vol, bx, semi massive sulphides.	0.004	0.51	0.42	1.14	0.03
Selected Grab	6091	argillite, sheared with py, sp.	0.020	0.30	0.31	0.85	0.03
Selected Grab	6093	shear zone, bx, semi massive sulphides py, ga, sp.	0.004	0.44	0.63	2.16	0.02
Slected Grab	6094	sil mafic vol, bx, semi massive sulphides, py, ga, sp.	0.004	0.35	0.70	1.07	0.02
Slected Grab	6095	sil mafic vol, bx, semi massive sulphides, py, ga, sp.	0.012	0.18	0.27	0.45	0.01

CLIFF SHOWING

SAMPLE TYPE	SAMPLE #	DESCRIPTION	Au	Ag	Pb	Zn	Cu
50cm chip	6028	shear zone in xtal tuff, py, aspy.	0.027	0.32	0.46	0.15	0.02
30cm chip	6029	shear zone in xtal tuff, py, aspy.	0.025	0.42	0.65	0.03	0.04
Selected Grab	6030	xtal tuff, py, ga, aspy.	0.020	1.04	1.50	0.73	0.26
1m chip	6047	shear zone 10m above 6029.	0.013	0.14	0.03	0.06	0.01
1m chip	6049	over 6030 extal tuf (ga, cp, py, sp).	0.014	0.63	0.77	0.54	0.07
Selected Grab	6055	sugar qtz carb vein/stringer zone, semi massive sulphides ga, cp, diss py.	0.017	0.23	0.33	0.08	0.03
Selected Grab	6058	feldspar xtal tuff contact, sugar qtz alt zone diss py, cp, sp.	0.015	0.30	0.19	0.25	0.14

\* All results in Table 1 are from surface sampling prior to trenching.

**A.A. (Al) Burgoyne, M.Sc., P.Eng.  
Consulting Geologist & Engineer**

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B.C., V3L 4S4  
TEL/FAX (604) 524-1067

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**APPENDIX II**

**STATEMENT OF QUALIFICATIONS**

I, Alfred A. Burgoyne hereby certify :

1. I am an independent consulting Geologist with residence and office at 912 York St., New Westminster, B.C. V3L 4S4.
2. I graduated from the University of British Columbia in 1962 with a Bachelor of Science Degree in Geology and from the University of New Mexico in 1967 with a Master of Science Degree in Geology.
3. I am a registered Professional Engineer in the Association of Professional Engineers and Geoscientists for the Province of British Columbia and in the Association of Professional Engineers for both Ontario and Yukon Territory.
4. I am registered as a fellow of the Geological Association of Canada, and a member of the Canadian Institute of Mining and Metallurgy and the Association of Exploration Geochemists.
5. I have practised my profession for over 29 years.
6. The report dated December 31, 1992 and entitled "An Evaluation of the Craig River Property" for Skyline Gold Corporation is based on a seven day review and evaluation of pertinent reports and data on the geology and exploration surveys covering the property.
7. Other than in my capacity as an independent Consultant to Skyline Gold Corporation, I have not received and do not expect to receive an interest, direct or indirect, in the Iskut Property gold mine nor Skyline Gold Corporation.

Dated at Vancouver, British Columbia  
this 31st day of December, 1992.

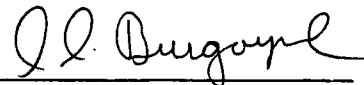
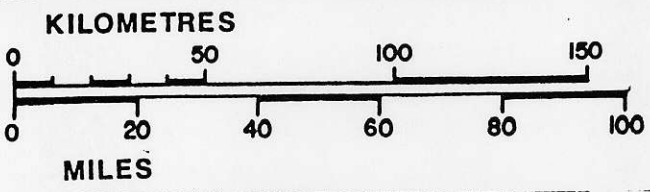
  
A.A. Burgoyne, P.Eng.

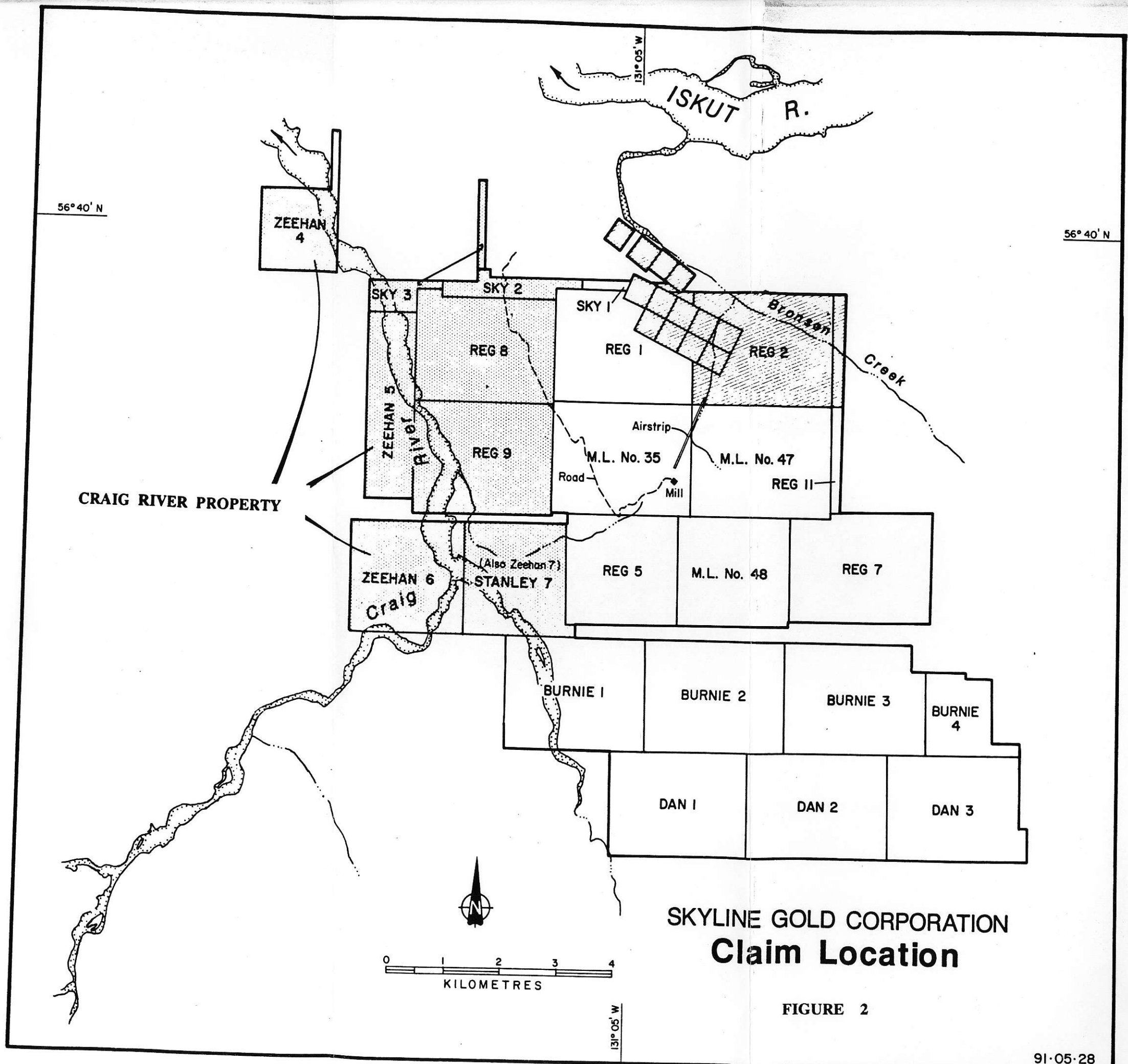


FIGURE 1

<b>SKYLINE GOLD CORPORATION</b>	
<b>CRAIG RIVER PROPERTY</b>	
<b>LOCATION MAP</b>	
Scale 1:2 000 000	Date March, 1988
Ref.	







SKYLINE GOLD CORPORATION  
**Claim Location**

FIGURE 2

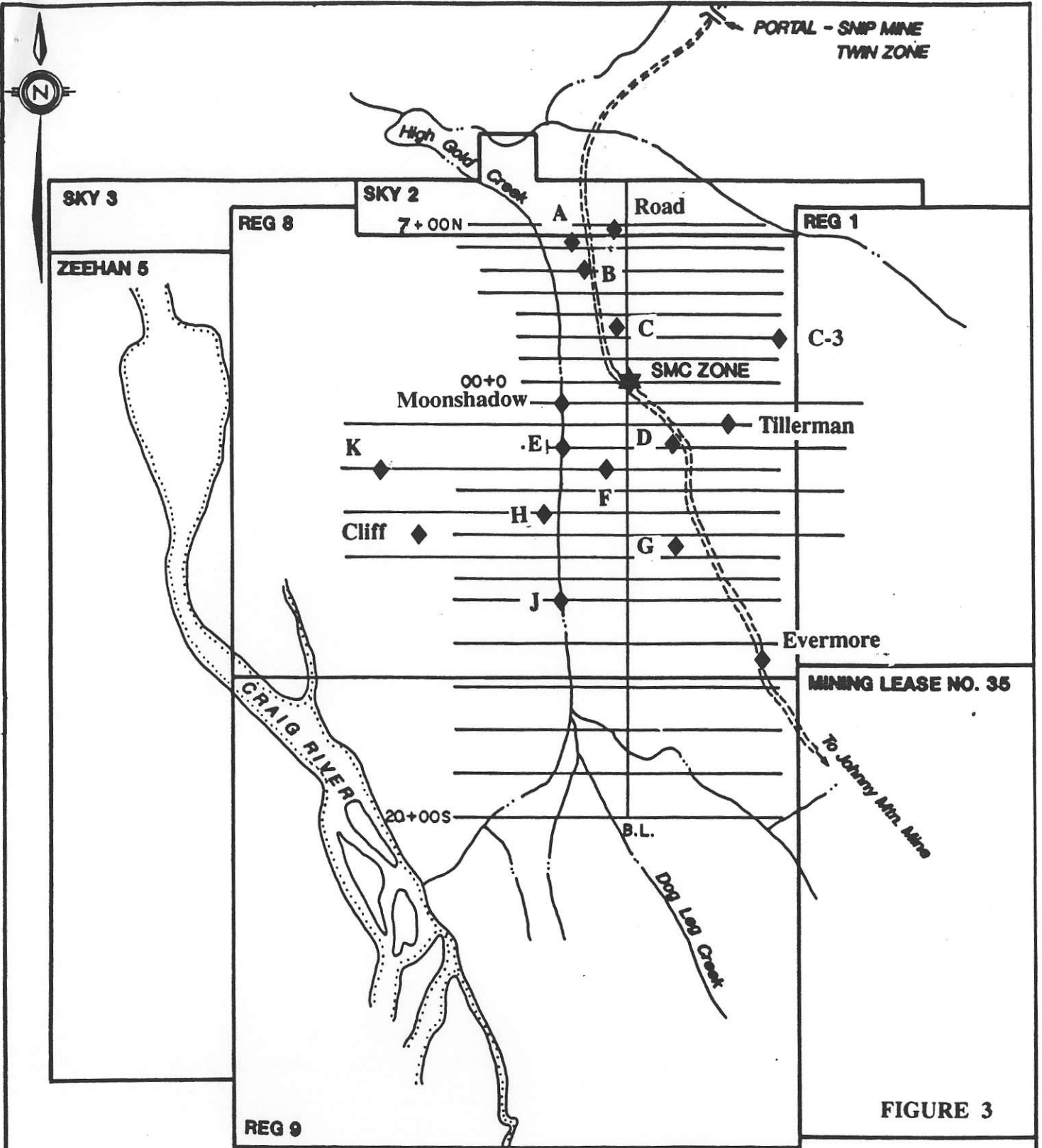
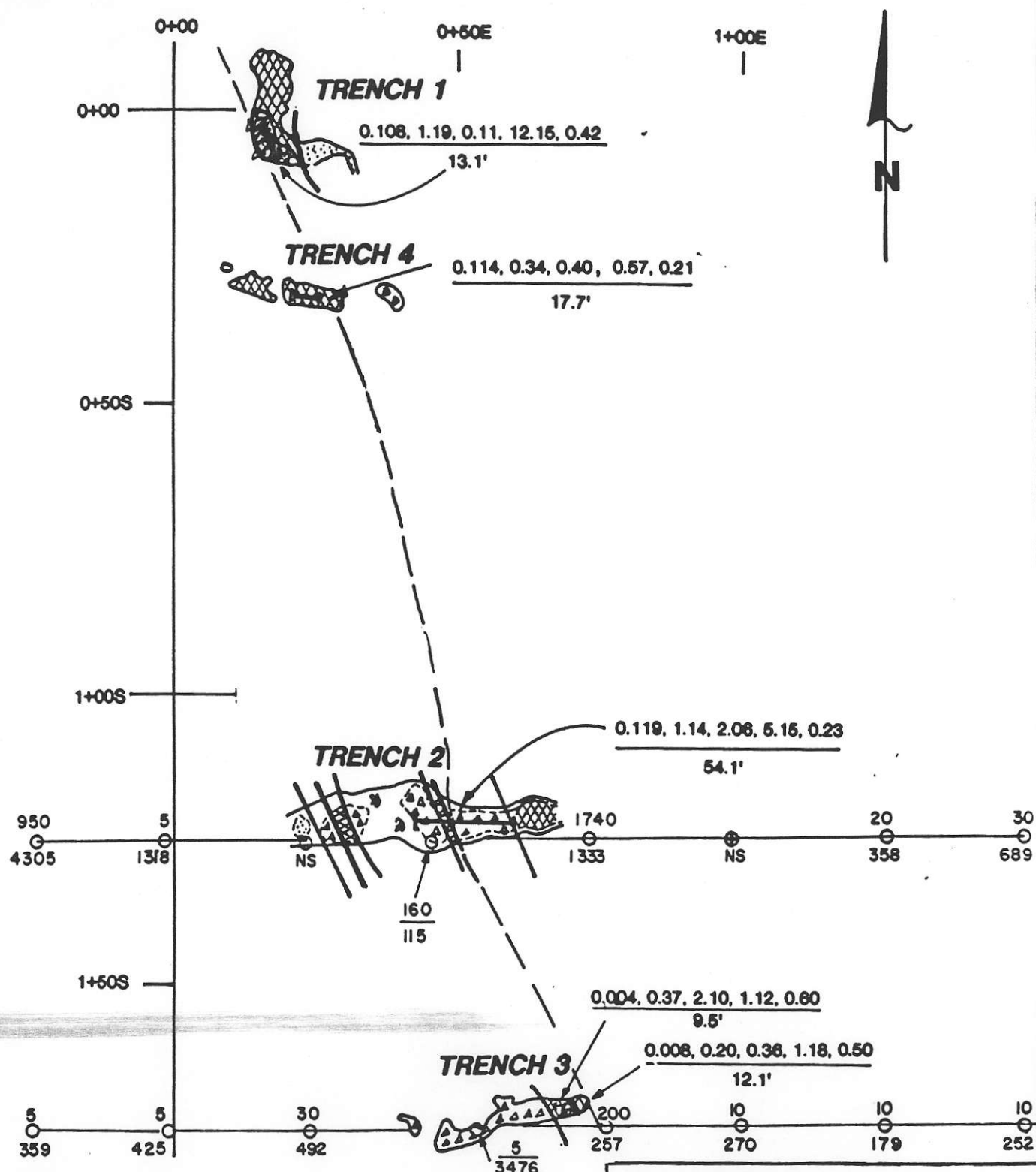


FIGURE 3

SKYLINE GOLD CORPORATION		
CRAIG RIVER PROPERTY		
TARGET LOCATION		
Drafted by.		



**LEGEND**

- Sample Site
- NS No sample
- - - VLF-EM Conductor
- XXXX Andesite Tuff
- △△△ Felsic Volcanics
- Mafic Dyke
- ..... Sandstone
- SSSSSS Massive Sulphides
- Au oz/t, Ag oz/t, Pb %, Zn %, Cu %
- Length (feet)
- 5 Au ppb
- Overburden Sample Site
- 10 Zn ppm
- Geological Contact

**SKYLINE GOLD CORPORATION**

Craig River Property

SMC ZONE

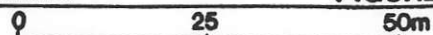
**GEOLOGY, GEOCHEMISTRY & GEOPHYSICS**

Date: September 19, 1991

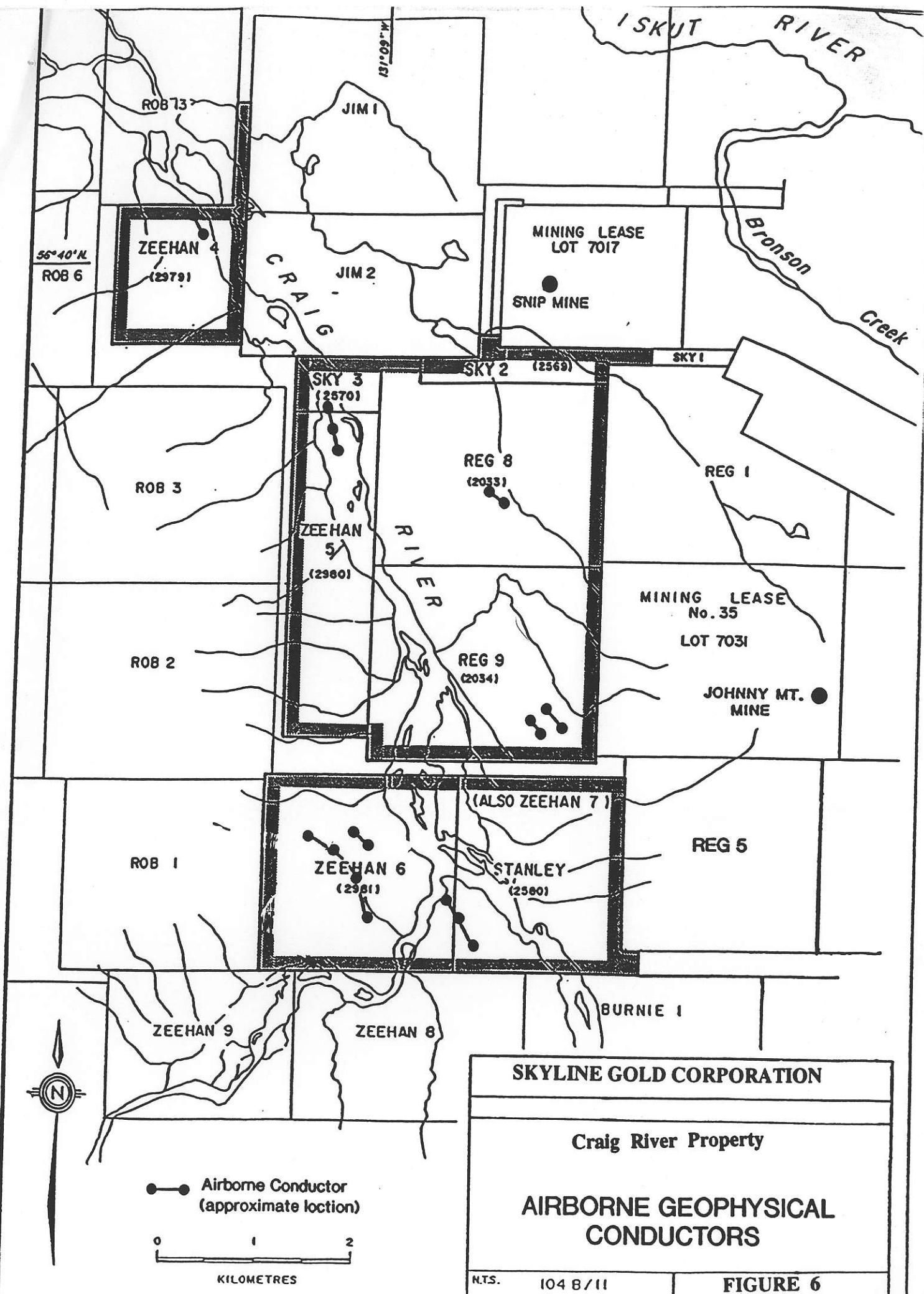
Drafted by: E.R.

NTS 104B/11

FIGURE: 5







56°40'N  
ROB 6

ROB 13

ZEEHAN 4  
(2979)

JIM 1

JIM 2

MINING LEASE  
LOT 7017

SNIP MINE

CRAIG  
RIVER

SKUT RIVER

BRONSON  
Creek

SKY 2 (2569)

SKY 3  
(2570)

ROB 3

REG 8  
(2033)

REG 1

ZEEHAN  
5  
(2980)

RIVER

MINING LEASE  
No. 35  
LOT 7031

ROB 2

REG 9  
(2034)

JOHNNY MT.  
MINE

ROB 1

ZEEHAN 6  
(2981)

(ALSO ZEEHAN 7)

STANLEY  
(2580)

REG 5

BURNIE 1

ZEEHAN 9

ZEEHAN 8



●—● Airborne Conductor  
(approximate location)



KILOMETRES

SKYLINE GOLD CORPORATION

Craig River Property

AIRBORNE GEOPHYSICAL  
CONDUCTORS

N.T.S. 104 B/11

FIGURE 6