

Moon Lake

104m/15 885399

104m057

Tom Schroeder
Feb. 18/99

Summary

Golden Eagle Project:

Moon

Ownership: Prism Resources Inc. 100%

-Four four-post mining claims contained in 57 units (1425 ha.) in the Atlin Mining District, British Columbia. The claims are registered in the name of R.H. McMillan (FMC # 132841) and are under option to Prism. The claims are subject to a 1% NSR royalty which benefits R.H. McMillan. Eight/tenths of the royalty can be purchased for \$1.6 million.

Location: NTS 104 M 15E and W.

-The claims are located 40 km. south of the village of Carcross and 5 km. east of the Skagway-Whitehorse road, a Class A paved highway constructed to accommodate concentrate trucks bound for the deep-water port of Skagway. The Venus Mill, with a capacity of 130 tonnes per day, is located 30 km. north of the property on the Skagway road. Access to the property is by helicopter from Whitehorse, located 105 km. to the north. Elevations range from 3660 ft. at Moon Lake to 6500 ft. on the peaks on the south side of the property.

History:

Exploration in the area dates back to the discovery of the Venus vein system in 1901. The Jessie showing covered by the Golden Eagle 3 Claim was originally staked as the Great Northern by Joe Bussinger in 1906 - work consisted of hand and blast trenching and in the 1929 Minister of Mines Annual Report (page 120) it was reported as a 6 foot wide "shear zone" with chalcopyrite, pyrrhotite, galena and minor sphalerite which returned assays of 0.15 oz./ton Au, 23.6 oz./ton Ag and 4.9% Cu.

Noranda initiated a regional program in the area in 1985 to evaluate the potential for volcanogenic massive sulphide deposits (VMS) in the Upper Triassic volcanic rocks. Pods and lenses of massive pyrrhotite were found in a sequence of cherts, tuffs and shales in Moon Creek, north of the claims. In 1986, the Tut 1-3 claims were staked to cover a large carbonate alteration zone and potential source areas of gold-bearing float. Later in the summer, a program of rock, soil and silt sampling was undertaken in an attempt to locate the source of the anomalous float - an extensive carbonate alteration zone was mapped on the current Golden Eagle 1 claim and highly anomalous float up to 44,000 ppb Au was discovered in the cirque valley opposite the Jessie showing on the Golden Eagle 3 claim. A grid was established and 524 soil, 124 litho-geochemical, 25 silt and 3 pan concentrate samples collected. In 1987, an AERODAT geophysical survey was flown - four frequencies of electromagnetic data was gathered, as well as two frequencies of VLF-EM and magnetic data. In 1988, 153 soil samples, 2 silt and 77 litho-geochemical samples and additional geological mapping and prospecting was undertaken. Induced polarization (IP) was completed on four lines on the Carbonate and Camp grids. Two diamond drill holes (286 metres) were completed on the Camp grid. A third hole (134.4 metres) tested an EM conductor on the West grid, north of the Golden Eagle 3 claim - the hole intersected massive graphite over 18 metres with up to 7% pyrrhotite and low gold assays.

Regional geological mapping was completed by Christie of the G.S.C. (1957) and more recently by Mihaluk (1997). Stream sediment sampling was completed by the B.C. Government in 1988 and 1993 and the area was found to contain exceptionally anomalous results in gold (to 1080 ppb), gold indicator metals (As, Sb and Hg) and base metals.

Geology and Mineralisation: The Golden Eagle Property is underlain by layered rocks of both the "Boundary Range Metamorphic" Suite and Stuhini Group Volcanic assemblage. The oldest rocks are Devonian to Permian greenschist facies "Boundary Range Metamorphic" strata - an "arc" assemblage composed of chlorite-actinolite schists, biotite (garnet), muscovite, pyroxene schists as well as carbonate, quartzite and felsic intrusive rocks. Stuhini Group volcanic rocks include pyroxene-phyric breccias, agglomerate and subaqueous flows with interflow pelitic strata; dark green to grey maroon volcanoclastic strata which are commonly feldspar phyric and rarely quartz phyric and a heterolithic "basal conglomerate" which is both matrix and clast supported. Litho-geochemical work by Noranda on the volcanic rocks indicates a calc-alkaline affinity with compositions ranging from basalt to rhyolite. These rocks are moderately folded and faulted and intruded by a myriad of granitic dykes and intrusive rocks of Late Cretaceous to Tertiary Age. Granitic rocks of The Coast Batholithic Complex are located 4 km. west of the property. The Llewellyn Fault, a fundamental crustal feature, transgresses the length of property in a southeastern direction - it extends .

There are three areas of interest on the property:

The **Jessie Showing** (MINFILE 104M 027), located at the northwest edge of the property, is a shear-bounded, "massive sulphide" lens hosted in "Boundary Range Metamorphic" rocks. Channel sampling by Noranda yielded 4 metres grading 4.13 g/t Au with 0.3% Pb, 0.4% Zn and 0.04% Cu. A grab sample from the dump assayed 91.5 g/t Au, 293.8 g/t Ag, 6.0 % Pb, 8.7 % Zn, 1570 ppm Cu and 1,000 ppm As. Across the valley, six hundred metres to the east, float samples of altered siliceous volcanic rock with 10% disseminated sulphide, including minor galena and sphalerite returned assays of up to 44,000 ppb Au. Eight hundred metres southeast of, and along strike from, the Jessie showing, chip sampling of a gossan by Noranda returned values of 1,400 ppb Au across 8.0 metres from gossanous sheared mafic volcanic rock carrying disseminated pyrite, pyrrhotite - base metal content was negligible.

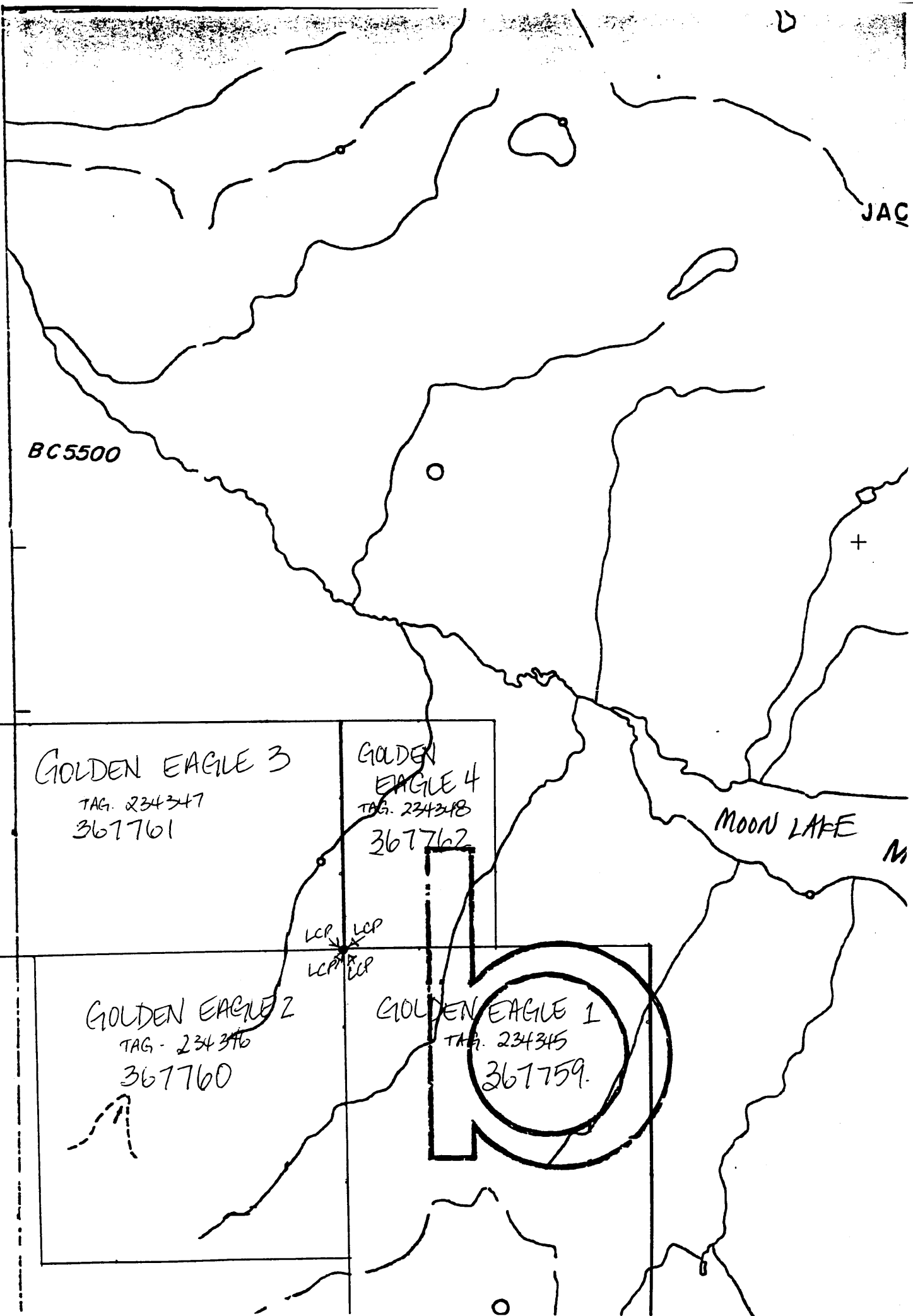
The **Camp Zone** is 2 km. southeast of and along strike from the Jessie showing, and is hosted by the same package of rocks. Soil sampling has defined an exceptionally strong and coherent anomaly over a width of up to 400 metres. Gold-in-soil values within the zone range up to 18,000 ppb Au within a wide zone of >200 ppb Au. The zone has been traced for a length of 800 metres and is open at the northwest end. Although Noranda states that "the anomaly continues to the northwest for 2 kilometres to the Jessie showing", no work was undertaken to document this. Noranda obtained a value of 3460 ppb Au across 3 metres from a rock chip sample taken from the northwest end of the soil anomaly. Noranda drilled two holes near the southeast end of the

anomaly, intersecting "subvolcanic" granodioritic intrusive rock and variably sheared and altered green volcanic rock. Gold values ranged up to 690 ppb Au over 1.5 metres within a wide anomalous intersection of 146 ppb Au across 64.5 metres.

The **Carbonate Zone** (MINFILE 104M 057) is located 3 km. east of the Jessie Showing and 800 metres northeast of the Camp Zone. It is a 5 km. long zone of orange-weathering, pervasively carbonatized Upper Triassic Stuhini Volcanic rocks containing disseminated arsenopyrite, pyrite, galena, sphalerite. The zone is cut by veins of quartz, carbonate and barite and is capped by a limestone unit the northeast. The carbonate alteration zone is semi-concordant but locally crosscutting and ranges from 300 to 500 metres in width. Erratic high soil samples range up to 2000 ppb Au and 18 ppm Ag. A bedrock sample taken by Noranda over a width of 3 metres returned values of >40,000 ppm Cu, 16.6 ppm Ag and 6,400 ppb Au.

Potential: The Paleozoic and Upper Triassic "arc" hostrocks and geological environment at Golden Eagle are similar to those at the Polaris Taku, Golden Bear and Eskay Creek Mines, where multi million ounce gold potential has been demonstrated (past production and reserves are respectively: 1.38 million oz. @ 0.42 oz./ton; 296,000 oz. @ 0.53 oz./ton and 2.79 million oz. @ 1.4 oz./ton). This aspect together with the intense alteration (carbonatization, silicification and sulphidization), proximity to the **Llewellyn Fault** and exceptionally anomalous gold geochemistry will allow definition of drill targets at Golden Eagle without a major amount of additional work. The four lines of induced polarization (IP) surveying completed by Noranda outlined areas of polarization and resistivity which demonstrate that IP can also be utilized to aid in drill site selection. The two holes drilled by Noranda were located at the southeast end of the Camp zone anomaly and did not test the thickest and best part of the anomaly. Almost no work, either prospecting or soil geochemistry, has been completed in the 2 km. interval between the Camp Zone and the cirque hosting the Jesse Showing.

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GOLDEN EAGLE 3

TAG. 234347
367761

GOLDEN EAGLE 4

TAG. 234348
367762

MOON LAKE

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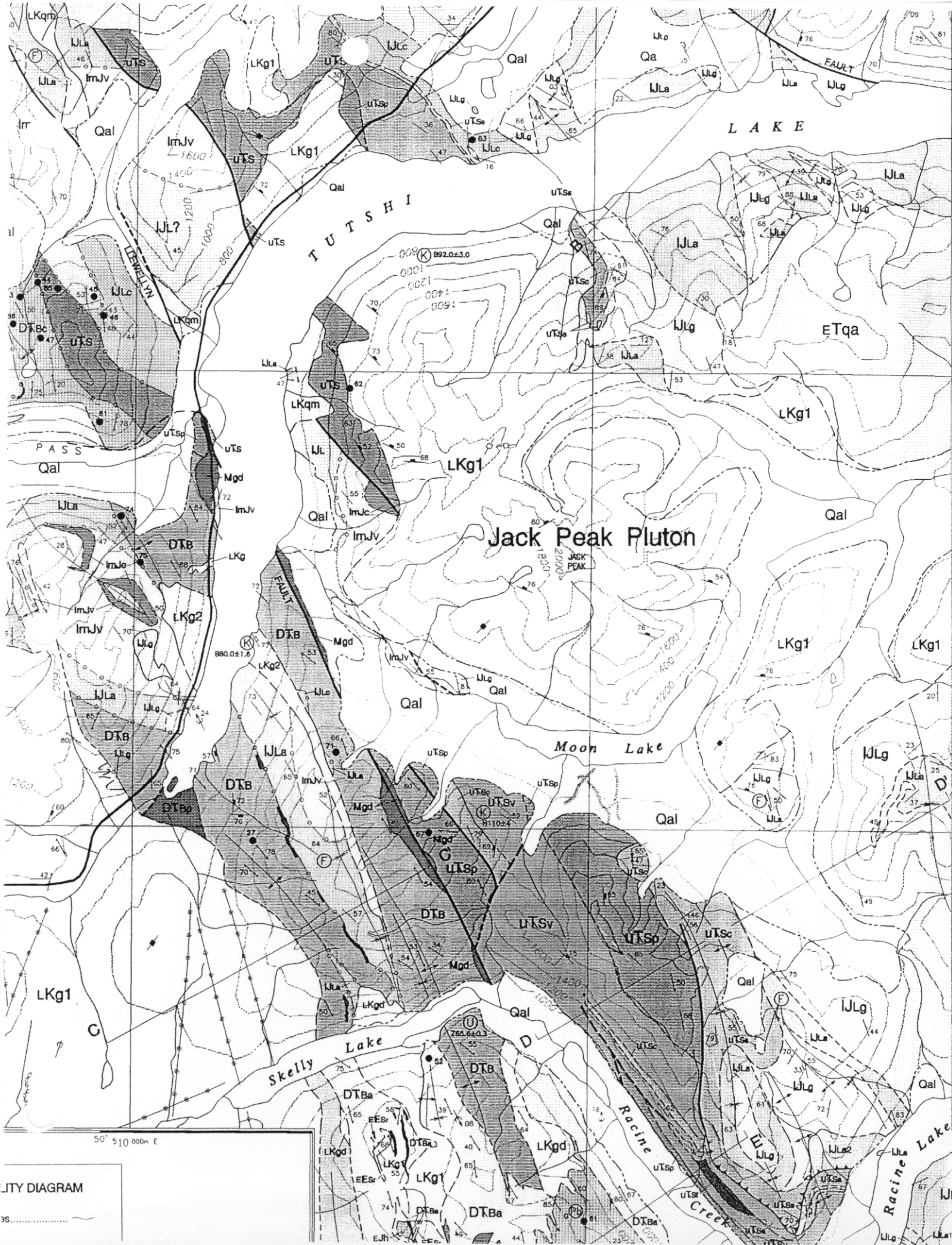
GOLDEN EAGLE 2

TAG. 234346
367760

GOLDEN EAGLE 1

TAG. 234345
367759

N



CITY DIAGRAM

50' S 10 000m E

MINFILE NUMBER: 104M 027

NATIONAL MINERAL INVENTORY: 104M15 Ag1

NAME(S): JESSIE, GREAT NORTHERN, TUTS,
TUT 6

STATUS: Showing
NTS MAP: 104M15W
LATITUDE: 59 48 24
LONGITUDE: 134 46 28
ELEVATION: 1220 Metres
LOCATION ACCURACY: Within 1 KM
COMMENTS: Fieldwork 1985, Figure 26-1.

MINING DIVISION: Atlin
UTM ZONE: 08
NORTHING: 6629700
EASTING: 512650

COMMODITIES: Silver Gold Copper Lead Zinc

MINERALS
SIGNIFICANT: Chalcopyrite Pyrrhotite Galena Sphalerite
MINERALIZATION AGE: Unknown

DEPOSIT
CHARACTER: Vein Shear
CLASSIFICATION: Hydrothermal Epigenetic

HOST ROCK
DOMINANT HOST ROCK: Metamorphic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Paleozoic			Boundary Ranges Metamorphics
Upper Cretaceous			Coast Plutonic Complex

LITHOLOGY: Chlorite Schist
Amphibole Gneiss
Andesite
Granite

HOST ROCK COMMENTS: The Boundary Ranges Metamorphics are Devonian to Permian.

GEOLOGICAL SETTING
TECTONIC BELT: Intermontane
TERRANE: Stikine
METAMORPHIC TYPE: Regional
PHYSIOGRAPHIC AREA: Boundary Ranges
Plutonic Rocks
RELATIONSHIP: Pre-mineralization GRADE: Greenschist

RESERVES

ORE ZONE: SAMPLE

CATEGORY: Assay YEAR: 1929
SAMPLE TYPE: Rock
COMMODITY GRADE
Silver 809.1400 Grams per tonne
Gold 5.1400 Grams per tonne
Copper 4.9000 Per cent

COMMENTS: Average assay of ore shoots in the zone.
REFERENCE: Minister of Mines Annual Report 1929, page 120.

CAPSULE GEOLOGY

The Jessie showing is located 40 kilometres south of Carcross at the southeast end of Tutshi Lake.

The Jessie showing was originally staked as the Great Northern Group in 1906. Exploration included hand and blast trenching which was reported in 1929. The Tut claims were staked in 1986 and 1987 by Noranda to cover a large alteration zone and the source areas for gold bearing float. The claims cover the Jessie, Great Northern and Big Thing (104M 071) showings. A 1987 geophysical program identified an anomaly on the Tut 7 and 8 claims that appears to be on strike with the Moon Lake showing (104M 057) to the southwest. The anomaly was tested by diamond drilling in 1988 but the results were negative.

The area is underlain by Devonian to Permian greenschist facies Boundary Ranges Metamorphics, Upper Triassic Stuhini Group volcanoclastics and limestone and Lower Jurassic Laberge Group sediments. These have been intruded by Late Cretaceous granitic rocks of the Coast Plutonic Complex.

A shear zone 1.8 metres in width occurs in andesite of the Devonian to Permian Boundary Ranges Metamorphics near the eastern edge of Late Cretaceous Coast Plutonic Complex intrusives. The shear zone strikes northeast and dips 65 degrees north.

Mineralization consists of chalcopyrite and pyrrhotite with some galena and minor sphalerite. An average assay for "ore shoots" in the zone is reported to be 5.14 grams per tonne gold, 809.14 grams

RUN DATE: 07/27/93
RUN TIME: 09:24:50

MINFILE / pc
MASTER REPORT
GEOLOGICAL SURVEY BRANCH - MINERAL RESOURCES DIVISION
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PAGE: 46
REPORT: RGEN0100

CAPSULE GEOLOGY

per tonne silver and 4.9 per cent copper (Minister of Mines Annual Report 1929, page 120).

BIBLIOGRAPHY

EMPR AR *1929-120
EMPR FIELDWORK *1985, pp. 184,188; 1987, pp. 217-231; 1990, pp. 139-144, 153-159
EMPR OF 1988-5
EMPR RGS 37, 1993
EMPR ASS RPT (10424) 15500, 18319, 18651
EMPR PF (In 104M General File - Claim map of 104M, 1970)
GSC OF 427, 2225 p. 42
GSC P 69-01A pp. 23-27, 78-01A pp. 69-70, 91-01A pp. 147-153, 92-01A
GSC SUM RPT 1906 pp. 26-32; 1911 pp. 27-58
GSC MAP 19-1957; 94A; 711; 1418A; 1426
GSC MEM 37

DATE CODED: 850724
DATE REVISED: 881107

CODED BY: GSB
REVISED BY: MGM

FIELD CHECK: N
FIELD CHECK: N

MINFILE NUMBER: 104M 057

NATIONAL MINERAL INVENTORY:

NAME(S): MOON LAKE, TUT 2, TUT 1-4,
CARB, CAMP

STATUS: Showing
NTS MAP: 104M15E
LATITUDE: 59 48 30
LONGITUDE: 134 42 21
ELEVATION: 1645 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Fieldwork 1985, Fig. 26-1.

MINING DIVISION: Atlin
UTM ZONE: 08
NORTHING: 6629900
EASTING: 516500

COMMODITIES: Silver Zinc Lead Arsenic Copper
Gold

MINERALS
SIGNIFICANT: Tetrahedrite Arsenopyrite Galena Sphalerite Pyrite
ASSOCIATED: Quartz
ALTERATION: Quartz Carbonate
ALTERATION TYPE: Quartz-Carb.
MINERALIZATION AGE: Unknown

DEPOSIT
CHARACTER: Vein Disseminated
CLASSIFICATION: Hydrothermal Epigenetic Industrial Min.

HOST ROCK
DOMINANT HOST ROCK: Volcanic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Triassic	Stuhini	Undefined Formation	
Mesozoic-Cenozoic			Coast Plutonic Complex

LITHOLOGY: Tuff
Breccia
Mafic Volcanic
Granodiorite

HOST ROCK COMMENTS: The Coast Plutonic Complex is Cretaceous to Tertiary.

GEOLOGICAL SETTING
TECTONIC BELT: Intermontane PHYSIOGRAPHIC AREA: Boundary Ranges
TERRANE: Stikine

RESERVES

ORE ZONE: SAMPLE

CATEGORY: Assay	YEAR: 1985
SAMPLE TYPE: Rock	
COMMODITY	GRADE
Silver	490.0000 Grams per tonne
Arsenic	1.3700 Per cent
Gold	0.3000 Grams per tonne
Copper	0.0960 Per cent
Lead	1.3900 Per cent
Zinc	0.2600 Per cent

REFERENCE: Fieldwork 1985, pages 184,188.

CAPSULE GEOLOGY

The Moon Lake showing is located 40 kilometres south of Carcross at the southeast end of Tutshi Lake near Moon Lake.

The Tut claims were staked in 1986 and 1987 by Noranda to cover a large alteration zone and the source areas for gold bearing float. The claims cover several old showings known as the Jessie and Great Northern (104M 027) and Big Thing (104M 071). An extensive geophysical and geochemical program, conducted in 1987, outlined two areas of interest (the Camp and Carb zones).

The area is underlain by Devonian to Permian greenschist facies Boundary Ranges Metamorphics, Upper Triassic Stuhini Group volcanoclastics and limestone and Lower Jurassic Laberge Group sediments. These have been intruded by Cretaceous to Tertiary rocks and are separated by the Llewellyn fault.

At the Camp zone a northwest-southeast trending zone of shearing is associated with strongly anomalous gold geochemistry in soils and outcrop. It was tested by two drill holes in 1988. Strongly anomalous gold values in sheared mafic volcanics and granodiorite were encountered. The results suggest weak gold enrichment either

CAPSULE GEOLOGY

associated with the shear zone or as part of a distal facies of volcanogenic sulphide deposition within a mylonitized volcanic unit. The anomaly appears to continue to the northwest for 2 kilometres to the Jessie showing on the Tut 1 claim. A chip sample taken along the same structure 470 metres northwest of drill hole 1 assayed 3.5 grams per tonne gold over 3 metres (Assessment Report 18651).

In the Carb zone, disseminated arsenopyrite, pyrite, galena and sphalerite occur in quartz-carbonate altered Stuhini volcanics. A grab sample of quartz vein material with tetrahedrite assayed 490 grams per tonne silver, 1.39 per cent lead, 0.26 per cent zinc, 0.096 per cent copper, 1.37 per cent arsenic and 0.3 grams per tonne gold (Fieldwork 1985, pp. 184,188).

BIBLIOGRAPHY

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EMPR ASS RPT *15500, 18319, 18651
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EMPR RGS 37, 1993
EMPR PF (In 104M General File - Claim map of 104M, 1970 and Mihalyuk, M.G., et al (1988): A Closer Look at the Llewellyn Fault-Tectonic Implications and Economic Mineral Potential; In Abstracts: Smithers Exploration Group Workshop, October 1988)
GSC OF 427, 2225 p. 42
GSC P 69-01A pp. 23-27, 78-01A pp. 69-70, 91-01A pp. 147-153, 92-01A
GSC SUM RPT 1906 pp. 26-32; 1911 pp. 27-58
GSC MAP 19-1957; 94A; 711; 1418A; 1426
GSC MEM 37

DATE CODED: 861231
DATE REVISED: 881108

CODED BY: JB
REVISED BY: MGM

FIELD CHECK: N
FIELD CHECK: Y

JASON SHOWING — NORANDA

RUN DATE: 07/27/93
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MASTER REPORT
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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PAGE: 123
REPORT: RGEN0100

MINFILE NUMBER: 104M 071

NATIONAL MINERAL INVENTORY: 104M15 Ag1

NAME(S): BIG THING, TUT 1, JESSIE,
TUT 1-4

STATUS: Showing
NTS MAP: 104M15E
LATITUDE: 59 49 27
LONGITUDE: 134 44 32
ELEVATION: 1646 Metres
LOCATION ACCURACY: Within 500M

MINING DIVISION: Atlin
UTM ZONE: 08
NORTHING: 6631650
EASTING: 514450

COMMENTS: Trench at the showings named "Jessie" in Assessment Report 15500.
This is believed to be the Big Thing showing incorrectly named
because the Jessie showing is located to the southwest (104M 027).

COMMODITIES: Gold Silver Lead Zinc Copper

MINERALS

SIGNIFICANT: Galena Sphalerite Chalcopyrite Arsenopyrite
ALTERATION: Silica
ALTERATION TYPE: Silicific'n
MINERALIZATION AGE: Unknown

DEPOSIT

CHARACTER: Massive Podiform Vein Breccia
CLASSIFICATION: Volcanogenic Hydrothermal
COMMENTS: The sulphide zone is about 2 metres wide.

HOST ROCK

DOMINANT HOST ROCK: Volcanic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Triassic	Stuhini	Undefined Formation	

LITHOLOGY: Tuff

GEOLOGICAL SETTING

TECTONIC BELT: Intermontane
TERRANE: Stikine

PHYSIOGRAPHIC AREA: Boundary Ranges

RESERVES

ORE ZONE: SAMPLE

CATEGORY: Assay	YEAR: 1986
SAMPLE TYPE: Channel	
COMMODITY	GRADE
Silver	51.4000 Grams per tonne
Gold	6.5000 Grams per tonne

COMMENTS: Sample (R78479) across 87 centimetres of sulphide zone.
REFERENCE: Assessment Report 15500.

CAPSULE GEOLOGY

The Big Thing showing, on the Tut 1 claim, is located 40 kilometres south of Carcross at the southeast end of Tutshi Lake. This showing is believed to be incorrectly called the Jessie showings in Assessment Report 15500.

The Jessie showing (104M 027), to the southwest, was originally staked as the Great Northern Group in 1906. Exploration included hand and blast trenching which was reported in 1929. The Tut claims were staked in 1986 and 1987 by Noranda to cover a large alteration zone and the source areas for gold bearing float. The claims cover the Jessie and Big Thing showings. A 1987 geophysical program identified an anomaly on the Tut 7 and 8 claims that appears to be on strike with the Moon Lake showing (104M 057) to the southwest. The anomaly was tested by diamond drilling in 1988 but the results were negative.

The area is underlain by Devonian to Permian greenschist facies Boundary Ranges Metamorphics, Upper Triassic Stuhini Group volcanics and limestone and Lower Jurassic Laberge Group sediments. These have been intruded by Cretaceous to Tertiary rocks.

A zone of intense silicification and brecciation contains up to 30 per cent galena, sphalerite, chalcopyrite and arsenopyrite. The mineralization occurs as pods and veins of massive sulphides in brecciated Stuhini tuff.

A sample from this zone, over 87 centimetres, assayed 6.5 grams per tonne gold and 51.42 grams per tonne silver (Assessment Report 15500, sample R78479).

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GSC SUM RPT 1906 pp. 26-32; 1911 pp. 27-58
GSC MAP 19-1957; 94A; 711; 1418A; 1426
GSC MEM 37

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DATE REVISED: 930713

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REVISED BY: DEJ

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