REPORT
ON
PROSPECTING and GEOCHEMICAL SURVEY
ON THE
KUTCHO MINERAL CLAIMS,
CRY LAKE REGION, BRITISH COLUMBIA
LIARD MINING DIVISION

NTS 104 1/7 ε
Latitude: 58° 17′ N
Longitude: 128° 32 1/2′ W

By

GEOLoGICAL BRANCH
ASSESSMENT REPORT

23,822
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INTRODUCTION

The Kutcho property consists of 2 claims totalling 36 units located approximately 85 km east-southeast of Dease Lake in the Liard Mining Division of B.C. Co-ordinates at the centre of the property are approximately 58° 17' N latitude, 128° 32 1/2' W longitude.

Earlier reports of anomalous gold values in rock and soil samples in two separate areas led to the staking of the Kutcho claims to cover these and surrounding areas.

A program of soil and rock sampling and prospecting was conducted during July of 1994.

LOCATION AND ACCESS

The property is located approximately 85 km east-southeast of Dease Lake on Map Sheet 104 1/7. Co-ordinates near the center of the group are 58° 17' N latitude, 128° 32 1/2' W.

Dease Lake lies on the Stewart-Cassiar Highway. A tractor road runs from Dease Lake to Boulder City on the Turnagain River and various tractor roads extend south from here, although their condition is not known. A road following Kutcho Creek passes 2 km from the eastern boundary of the claims. The old Kutcho Creek airstrip (condition not known) lies 4 km southeast of the claims.

Access during the recent work was by helicopter from Dease Lake, a distance of 85 km.

PHYSIOGRAPHY

The claims lie along the western side of the broad, northerly trending Kutcho Creek.
Valley. Slopes are generally moderate except along the southwestern and western boundaries which culminate in steep rocky peaks. Timberline lies at approximately 1500-1600 meters elevation. Elevations within the property vary from approximately 1400 meters in the east to 2100 meters along the western boundary. Drainage is east to Kutcho Creek.

Much of the claims area lies at or above timberline; patchy, thick balsam and willow are common at the lower elevations.

HISTORY

Anomalous gold values from a regional stream sediment sampling program in 1984 led to staking of the area by Getty Canadian Metals Limited.

During 1985 geological and geochemical surveys were conducted over the Getty claims reporting significant gold values in both rock and soil samples. Anomalous silver, copper and arsenic values were also reported for several rock samples scattered throughout the property.

No record of follow-up work is reported in the assessment files.

The Kutcho claims cover a portion of the ground held in 1985.

GEOLOGY

Regional

The claims are underlain by Mississippian to Permian rocks of the Cache Creek Group, which occupy a northwesterly trending belt bounded by the Nahlin Fault to the south and the Kutcho Fault to the north.

These consist of a series of metasedimentary, basic volcanic and serpentinized ultrabasic units.
MISSISSIPPIAN TO PERMIAN

CACHE CREEK GROUP: MPT, TESLIN FORMATION: limestone, Permian; MPS, chert, slate, argillite, minor basic volcanics; MPC, limestone; MPV, basic volcanics; MPg, coarse grained to pegmatitic gabbro; MPU, peridotite, dunite, pyroxenite, commonly serpentinitized

MAYFIELD ENGINEERING LTD

KUTCHO GROUP
REGIONAL GEOLOGY

From Gov't Map Q.F. 6/0: Cry Lake, B.C.

SCALE 1:125,000
DATE Feb., 1996
NTS Fig. 3
Placer gold has been recovered from a number of creeks tributary to the Turnagain River 25 km to the northwest within the same belt of Cache Creek Group rocks. The volcanogenic massive sulphide Kutcho Creek deposit occurs in upper Triassic Kutcho Formation rocks 12 km southeast of the Kutcho claims. Jade has been mined at a number of locations in the region, including a deposit immediately southeast of the property. The Letain Lake asbestos deposit lies approximately 10 km northwest of the Kutcho claims.

Local Geology

Prospecting traverses were confined to the Kutcho 2 claim and the southwestern portion of the Kutcho 1.

The predominant rock type throughout the area is grey fine grained, grey phyllite. Minor pyrite is common; quartz lenses and stringers are also common within the phyllites.

Lesser tuff and impure limestone bands are intercalated with the phyllites in the region, the former along the western boundary of the claims and in the south central portion, east of the gridded area. Minor pyrite is also common in the tuff. Chlorite and epidote are common alteration products.

Highly serpentinized ultrabasic rocks are widespread in the area. These are extensive in the SW corner of Kutcho 2 and to the immediate southwest of the claim where extensive trenching has been carried out for jade. A series of ultrabasic bodies trend 330° from the gold bearing zone in the south central portion of Kutcho 2.

The ultrabasics, which weather red brown, dark green to apple green, are strongly serpentinized and commonly sheared. Those in the southcentral area are commonly sheared,
talcoose and hematite stained; minor pyrite and quartz blebs and stringers are common in the shears.

Mineralization

Fox reports a total of 30 quartz veins, varying from 20 cm to 8 meters in width, occurring in what would be the central portion of the Kutcho 1 claim. These were not investigated but extensive white quartz float is apparent. No significant gold values were reported from here but soil sampling returned 3 adjacent anomalous gold values at the southeast corner of a small, gridded area, plus scattered anomalous copper values to the north.

Several quartz stringers and veins, up to 1 meter in width, occur within the areas traversed although none of those sampled returned anomalous gold values. Outside of the main shear in serpentine described below, the only other rock sample slightly anomalous for gold was No. E 28227 at Pt.7-2, taken across 2-1 metres of a rusty talcoose shear in serpentine, which returned 20 ppb. gold.

Anomalous copper values occurred in two samples of tuff, one containing malachite staining on the north side of "Camp" Lake and the other with approximately 10% pyrite to the northwest of the lake.

The main gold mineralization encountered occurs in a sheared, highly talcoose serpentine in the south central portion of Kutcho 2. The Getty work reported a 4 meter section, within a 7 meter zone, returned gold values ranging from 1, 800 to 19,000 ppb gold (0.5m samples).

A total of 15 - 1 meter long continuous rock chip samples were taken from here following cleaning and extension of the trench. These returned values ranging from 5 to 1470
ppb gold with 2 anomalous zones of 5 meters and 3 meters separated by 5 meters of 20 ppb or less. The northern zone averaged 810 ppb gold across 5 meters and corresponds to the zone mentioned earlier while the southern zone averaged 1, 047 ppb gold across 3 meters.

A series of serpentine bodies extend from here to beyond Pt 7-2, 1500 meters to the northwest.

A total of 26 rock samples were taken and analyzed for 30 element ICP and gold during the prospecting.

**GEOCHEMICAL SURVEY**

**General**

A small area was gridded around the aforementioned area where significant gold values occur in sheared serpentine on Kutcho 2.

Samples were taken at 20 meter intervals, on flagged lines spaced 50 meters apart off a north-south trending baseline.

Samples were taken with a mattock from the "B" horizon where possible, generally at 4-12 inches depth. These were placed in kraft bags, numbered and the stations marked with flagging.

Samples were sent to Acme Analytical Labs of Vancouver where they were dried, sieved and analyzed for 30 element ICP and gold. A total of 30 soil samples were analyzed.

**Results**

The survey showed elevated gold values associated with the ultrabasic body, both immediately below the trench and for 100 meters to the north. Higher values of 340 ppb and 470 ppb gold occur to the north on lines 50N and 100N than in the vicinity of the trench where
significant gold values were obtained in rock samples.

As mentioned earlier a series of ultrabasic bodies extend for 1500 meters in a 330°
direction to Pt 7-2 where a 2.1 meter sample returned 20 ppb gold.

Anomalous gold values also occur at the western end of 3 of the 4 lines sampled. These
are all at the top of a break down to a small creek. No outcrop occurs in the area of the samples.
Soil colour is quite distinct - grey to light brown - from the rest of the area sampled, indicating
that serpentine (dark brown to red brown soil) is not underlying the area.

CONCLUSIONS AND RECOMMENDATIONS

Significant gold values, both in rock and soil samples, are associated with serpentinized
ultrabasic rocks in the south-central portion of Kutcho 2. These ultrabasics extend for 1,500
meters to the northwest and likely further, and to the southeast.

The small soil sample grid should be extended in all directions with attention paid to the
ultrabasic trend but also for other possible modes of gold mineralization indicated by the
anomalous values along the western edge of the sampled area.

Soil sampling for gold should also be conducted in the central portion of Kutcho 1
where earlier testing returned anomalous gold values and where extensive quartz veining is
present.

Detailed geological mapping should also be carried out in both areas.

Respectfully submitted,

## STATEMENT OF COSTS

### Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Days Property</th>
<th>Days Travel</th>
<th>Days Report</th>
<th>Total</th>
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<td>R. Philp - geologist</td>
<td>5 days @ $400</td>
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<td>Z. Philp - prospector</td>
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<tr>
<td>C. Philp - helper sampler</td>
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<td>Meals &amp; Accommodation</td>
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<td>Groceries</td>
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<td>Camp equipment rental</td>
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<td>Acme Analytical Labs</td>
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Total: $5,040.09

Total: $10,840.09
CERTIFICATE OF QUALIFICATIONS

I, Ronald H.D. Philp do hereby certify that:

1.0 I am a principal of Mayfield Engineering Ltd. located at Box 42010, 2200 Oak Bay Ave., Victoria, B.C., V8R 1G3

2.0 I am a graduate of the University of British Columbia, (B.A. Sc. 1961).

3.0 I am a registered Professional Engineer of the Province of British Columbia.

4.0 I have practiced my profession since 1961 while in the employ of various companies and as a self-employed consulting geologist.

5.0 This report is based on my personal field work on the Kutcho property and on extensive research of this region.

6.0 This report is prepared for British Columbia Ministry of Energy, Mines and Petroleum Resources assessment purposes only.


February 26, 1995
STANDARD CLAUS

ICP - 500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.

ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU Pb Zn As > 1%, Ag > 30 PPM & Au > 1000 PBP

SAMPLE TYPE: P1 ROCK P2 TO P4 SOIL

ASSAY ANALYSIS BY ACID LEACH/AA FROM 10 CM SAMPLE.

Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: AUG 10 1994

DATE REPORT MAILED: Aug 10/94

SIGNED BY: D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS
| SAMPLE#       | Mo ppm | Cu ppm | Pb ppm | Zn ppm | Ag ppm | Ni ppm | Co ppm | Cr ppm | Fe ppm | As ppm | U ppm | Th ppm | Sr ppm | Cd ppm | Sb ppm | Bi ppm | V ppm | Ca ppm | P ppm | La ppm | Cr ppm | Mg ppm | Ba ppm | Ti ppm | A1 ppm | Na ppm | K ppm | W ppm | Au ppm |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|--------|--------|-------|--------|-------|--------|--------|--------|-------|--------|-------|--------|-------|--------|-------|       |       |
| KUTCHO S. 100N+60W | 2.30   | 4.58   | .2     | 63     | 9      | 405    | 4.17   | 13     | <5     | <2     | <2    | 7     | <.2    | <2     | 61     | .17    | .050  | 5      | 106    | 1.11   | 42     | .19   | 2      | 1.57   | <.01  | .04    | 1     | 42    |
| KUTCHO S. 100N+40W | 2.14   | 10.39  | .3     | 22     | 4      | 262    | 3.32   | 3      | <5     | <2     | <2    | 5     | .2     | <2     | 77     | .07   | .043  | 11     | 83     | .47   | 46     | .31   | 1      | 2.61   | .01   | .05    | 1     | 23    |
| KUTCHO S. 100N+20W | 2.32   | 17.68  | .3     | 13     | 4      | 220    | 3.05   | 3      | <5     | <2     | <2    | 28    | .26   | <2     | 63     | .04   | .075  | 12     | 34     | .28   | 144    | .13   | 2      | 1.16   | .01   | .21    | <1   | 1     |
| KUTCHO S. 100N+0  | 1.15   | 2.93   | .2     | 85     | 10     | 484    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |
| KUTCHO S. 50N+60W | 1.15   | 5.93   | .2     | 454    | 10     | 246    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |
| KUTCHO S. 50N+40W | 1.15   | 5.93   | .2     | 454    | 10     | 246    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |
| KUTCHO S. 50N+20W | 1.15   | 5.93   | .2     | 454    | 10     | 246    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |
| KUTCHO S. 50N+0  | 1.15   | 5.93   | .2     | 454    | 10     | 246    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |
| RE KUTCHO S. 100N+0| 1.15   | 5.93   | .2     | 454    | 10     | 246    | 6.74   | 42     | <5     | <2     | <2    | 8     | .8     | <2     | 95     | .09   | .106  | 5      | 1298   | 2.69   | 90     | .08   | 2      | .78    | .01   | .03    | <1   | 7     |

Sample type: SOIL. Samples beginning 'RE' are duplicate samples.
### Appendix 2

#### Rock Sample Descriptions

<table>
<thead>
<tr>
<th>Location</th>
<th>Sample No.</th>
<th>Description</th>
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<tbody>
<tr>
<td>Kutcho2 trench</td>
<td>28 204-28218</td>
<td>1 meter continuous chip samples in sheared serpentine starting at north end of trench.</td>
</tr>
<tr>
<td>50N, 20W</td>
<td>28 219</td>
<td>Grab - qtz stringers in phyllite.</td>
</tr>
<tr>
<td>7-3</td>
<td>28 220</td>
<td>Grab - tuff: Fe, stain, malachite.</td>
</tr>
<tr>
<td>7-4</td>
<td>28 221</td>
<td>Quartz float - Fe stain, mariposite</td>
</tr>
<tr>
<td>7-5</td>
<td>28 222</td>
<td>Tuff &amp; phyllite pyrite, cp.</td>
</tr>
<tr>
<td>7-6</td>
<td>28 223</td>
<td>Quartz float fragments.</td>
</tr>
<tr>
<td>7-1</td>
<td>28 224</td>
<td>Quartz float.</td>
</tr>
<tr>
<td>7-1</td>
<td>28 225</td>
<td>Fe stained quartz float.</td>
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<tr>
<td>7-1</td>
<td>28 226</td>
<td>Quartz with pyrite, hematite.</td>
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<tr>
<td>7-2</td>
<td>28 227</td>
<td>2.1 meter chip sheared serpentine; talcose, hematitic.</td>
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<td>7-7</td>
<td>28 228</td>
<td>Grab - tuff; qtz, epidote, pyrite, sericite.</td>
</tr>
</tbody>
</table>
REFERENCES

-C.W. Payne & P.E. Fox, P. Eng.

  Geological and Geochemical Report on the WW 2,3,4,5 and PW 1,3 and 4 claims for Getty Canadian Metals Limited. Assessment Report #14, 137.

-GSC Map 29-1962-Geology, Cry Lake, B.C.; Scale: 1 inch = 4 miles

-Map O.F. 610 - Geology, Cry Lake, B.C.; Scale: 1:125,000

-L.E. Thorstad, H. Gabrielse

  GSC Paper 86-16: The Upper Triassic Kutcho Formation, Cassiar Mountains, North-Central B.C.,

  1986.

-B.C. Ministry of Mines Paper 1991-4

  Ore Deposits, Tectonics and Metallogeny in the Canadian Cordillera.