KENNCO EXPLORATIONS, (WESTERN) LIMITED

PROGRESS REPORT

ON

PART PROPERTY

Whitehorse Mining District
Yukon Territory

105D/3E

By

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Vancouver, B.C.

May 4, 1982

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Figure 2 Claim Map

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		Scale
Plate 1	PART Claims: Sample Locations & Numbers	1:2,500
" 2	" " : Lead	"
" 3	" " : Silver	"
" 4	SHEET 1 of 8: Geology	1:5,000
" 5	" " : Sample Locations & Numbers	"
" 6	" " : Gold-Silver	"
" 7	" " : Lead-Zinc	"
" 8	" " : Copper-Molybdenum	"
" 9	Tungsten-Tin	"
" 10	SHEET 2 of 8: Geology	"
" 11	" " : Sample Locations & Numbers	"
" 12	" " : Gold-Silver	"
" 13	" " : Lead-Zinc	"
" 14	" " : Copper-Molybdenum	"
" 15	" " : Tunsten-Tin	"
" 16	SHEET 8 of 8: Geology	"
" 17	" " : Sample Locations & Numbers	"
" 18	" " : Gold-Silver	"
" 19	" " : Lead-Zinc	"
" 20	" " : Copper-Molybdenum	"
" 21	" " : Tungsten-Tin	"

SUMMARY

The PART property is situated on the northeast edge of the Bennett Lake Caldera Complex, just north of the B.C.-Yukon border, and 45 miles south of Whitehorse. The geological environment is favourable for both uranium and precious metal deposits. The PART claims were staked in 1979 to cover uranium geochemical anomalies, and it was during the investigation of these by E & B Explorations Ltd that a high grade gold-silver-galena occurrence was discovered. Operating control was transferred from E & B Explorations to Kennco in mid-1980 under the terms of an earlier Agreement. Kennco did limited evaluation in 1980, and more detailed geochemical and geological work in 1981.

The northeast two-thirds of the property is underlain by sheared quartz monzonite. The remainder of the property is underlain by Tertiary volcanics. Several gold, silver, and lead geochemical anomalies have been identified, and these were prospected. The source of E & B's discovery was confirmed as being a one-centimeter wide vuggy quartz veinlet.

CONCLUSIONS AND RECOMMENDATIONS

The geochemical anomalies and one gold-silver mineral occurrence have confirmed the favourable geological environment on the PART property.

Additional prospecting and sampling should be done in areas where geochemical anomalies have not been adequately evaluated.

Vancouver, B.C.

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LOCATION AND ACCESS

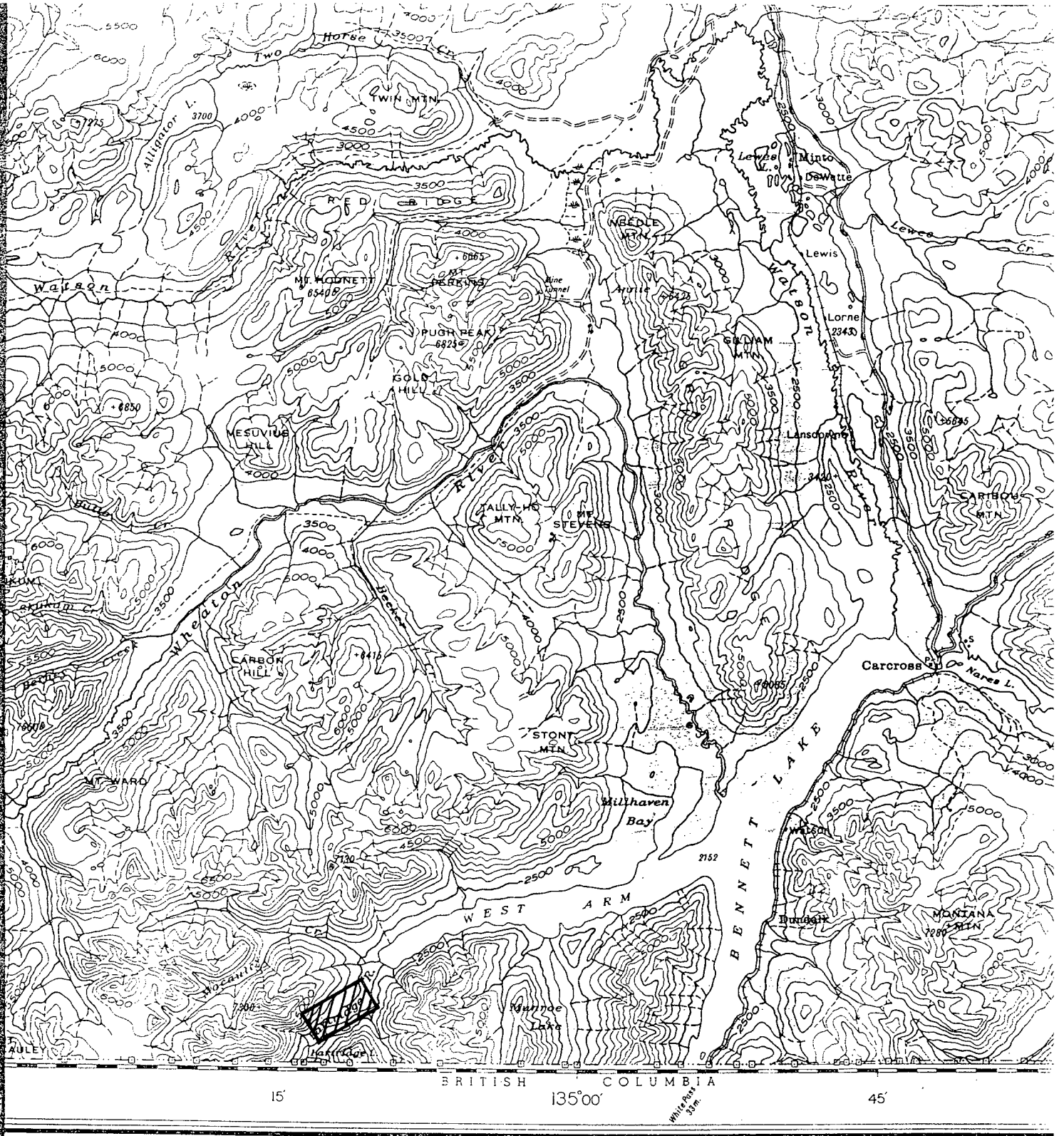
The PART property is situated on the northwest side of Partridge River between Partridge Lake and the West Arm of Bennett Lake at 60°01'N, 135°12'W. This is 20 miles southwest of the town of Carcross, just north of the B.C.-Yukon border. It is in the Whitehorse Mining District. The NTS map sheet is 105D/3E.

Elevations range from 2200 feet on the southeast boundary to 5500 feet on the southwest corner. Terrain varies from gently sloping in the valley to extremely rugged along the mountain ridge. There are scattered swampy areas in the valley.

Several modes of access are available. The property is readily accessible by canoe from Carcross which is 40 miles south of Whitehorse by road. However, high waves on Bennett Lake can sometimes create a hazard for canoe travel. Fixed-wing aircraft from Whitehorse can land on Partridge Lake, just south of the property. Helicopters are also available in Whitehorse, and are occasionally based in Carcross.

MINERAL CLAIMS

The thirty-two (32) PART claims are owned by E & B Explorations Ltd. They are in good standing until April 25, 1984. The work done by Kennco has been entirely geological-geochemical, and is not applicable for assessment credit because such work can only be applied during the first three years of claim tenure. Only physical work or cash-in-lieu of work ($100 per year) can now be applied.



MAP 953A

WHITEHORSE

YUKON TERRITORY

(FIRST EDITION)

Scale: 1/250,000 or Approximately 4 Miles to 1 Inch

PART PROPERTY LOCATION MAP

FIGURE 1

MACAULI
CREEK
WEST
PART PROPERTY
CLAIMS
FIGURE 2
7300
PART
RIVER
PARTRIDGE
LAMIEUX
CREEK
CLEFT
MTN
PARTRIDGE LAKE
3500
4000
4500
5000
5500
6000
6500
2500
3000

GEOCHEMISTRY

The lead and silver values for geochemical samples taken by E & B Explorations and by Kennco are plotted on Plates 2 and 3. Kennco's geological traverse data, and values for Au, Ag, Pb, Zn, Cu, Mo, W, Sn are plotted on Plates 4 to 19.

Lead is weakly to moderately anomalous in several areas, particularly in the area underlain by Cleft Mountain volcanics. Silver is also weakly anomalous in some (but not all) of the samples anomalous in lead.

A cluster of samples shown on Plate 6 on the southeast part of the property is weakly anomalous in gold, but not in other elements. This is just south of a mineralized quartz veinlet which is described in the section on Geology. Samples of the vein are extremely anomalous in Au, Ag, Pb, and moderately anomalous in Zn, Cu.

A small group of samples shown on Plates 2 and 3 on the northwest part of the property is weakly anomalous in lead, and very weakly anomalous in silver. It is underlain by quartz monzonite, and there is no indication of precious metal mineralization. As shown on Plate 20, several samples in this area are also weakly to moderately anomalous in molybdenum.

One sample shown on Plate No. 18 just north of a small pond is anomalous in gold, weakly anomalous in silver, and not anomalous in other elements. It is underlain by quartz monzonite.

GEOLOGY

The PART property is on the northeast edge of the Bennett Lake Caldera Complex where Tertiary ash flow lapilli tuffs and minor rhyolites partly overlie a Cretaceous quartz monzonite "basement".

Quartz monzonite of the Coast Plutonic Complex underlies the northern and central part of the property. R. Culbert, working for E & B Explorations, gave the following description. "It has been completely sheared into what might be considered a bulk mylonite, and is highly altered with the addition of epidote and chlorite. Quartz is seldom visible in hand specimen, but strongly represented in thin section. Beside a large number of aplitic and porphyritic dykes cutting the quartz monzonite, there are many bodies of older rocks which now appear as heterogeneous greenstones with some dioritization fractures and are locally of skarny appearance." In 1981, Kennco geologists re-examined the core from E & B's diamond drilling which was in pink quartz monzonite.

The southwest quarter of the property is underlain by Eocene tuffs of the Partridge Lake Formation. This exhibits occasional local bleaching. The southeast quarter is underlain by northwest-striking Eocene lapilli to crystal tuffs of the Cleft Mountain Formation. They range from light green-grey to black, and contain a few angular light felsic fragments and rare rounded granitic fragments. Part of the contact with the quartz monzonite contains a basal conglomerate.

E & B Explorations reported one rock sample containing galena that assayed 270 oz/t Ag, 1.650 oz/t Au. In 1981, Kennco brought the prospector who had found the mineralization back to the property to point out its source. It came from a short, 1-centimeter wide vuggy quartz vein containing pyrite, galena, and minor covellite, which cuts unaltered felsic ignimbrite. A new sample of the vein assayed 64.24 oz/t Ag, 0.75 oz/t Au, 0.39% Pb, 0.06% Cu. Its location is shown as a mineral prospect on Plate 4. No other precious metal mineralization has been found on the PART property.

PROPOSED WORK

Most of the intended exploration work was completed during 1981. However, some additional prospecting was scheduled for the Cleft Mountain Formation volcanics on the southeast corner of the property, particularly in the vicinity of a cluster of soil samples weakly anomalous in gold (see Plate 6). Sample 81I S136, which is anomalous in gold, also bears further investigation (see Plate 18).