105-8-1

007585

SUMMARY REPORT ON THE

MR (MEISTER) Zinc,Lead,Silver Massive Sulphide Property

MR #1-230 Claims; NTS: 105-8-1,-8
Watson Lake Mining District, Yukon Territory

October 13, 1982

Regional Resources Ltd.

1418-355 Burrard Street, Marine Building, Vancouver, B.C. V6C 2G8
Telephone: (604) 669-3398

October 15, 1982

Gentlemen:

Re: MR (MEISTER) Lead, Zinc, Lead, Silver
Massive Sulphide Property

Watson Lake Mining Division, Yukon Territory

Please find enclosed a summary describing the above property. Samples of mineralization and host rocks, and more detailed geological, geochemical and geophysical information is available.

Regional would be interested in finalizing an option agreement to further explore the potential of this prospect. If you are interested in participating please let me know at your earliest convenience.

Yours very truly

REGIONAL RESOURCES LTD.

J. W. Stollery
President

JWS/z
encl.

SUMMARY REPORT

ON THE

MR (MEISTER RIVER) ZINC, LEAD, SILVER MASSIVE SULFIDE PROPERTY

MR #1-230 Mineral Claims

WATSON LAKE MINING DISTRICT
Meister River Area, Yukon Territory

N.T.S.: 105-B-1,-8
Latitude 60°17'N; Longitude 130°18'W

FOR

REGIONAL RESOURCES LTD.

BY

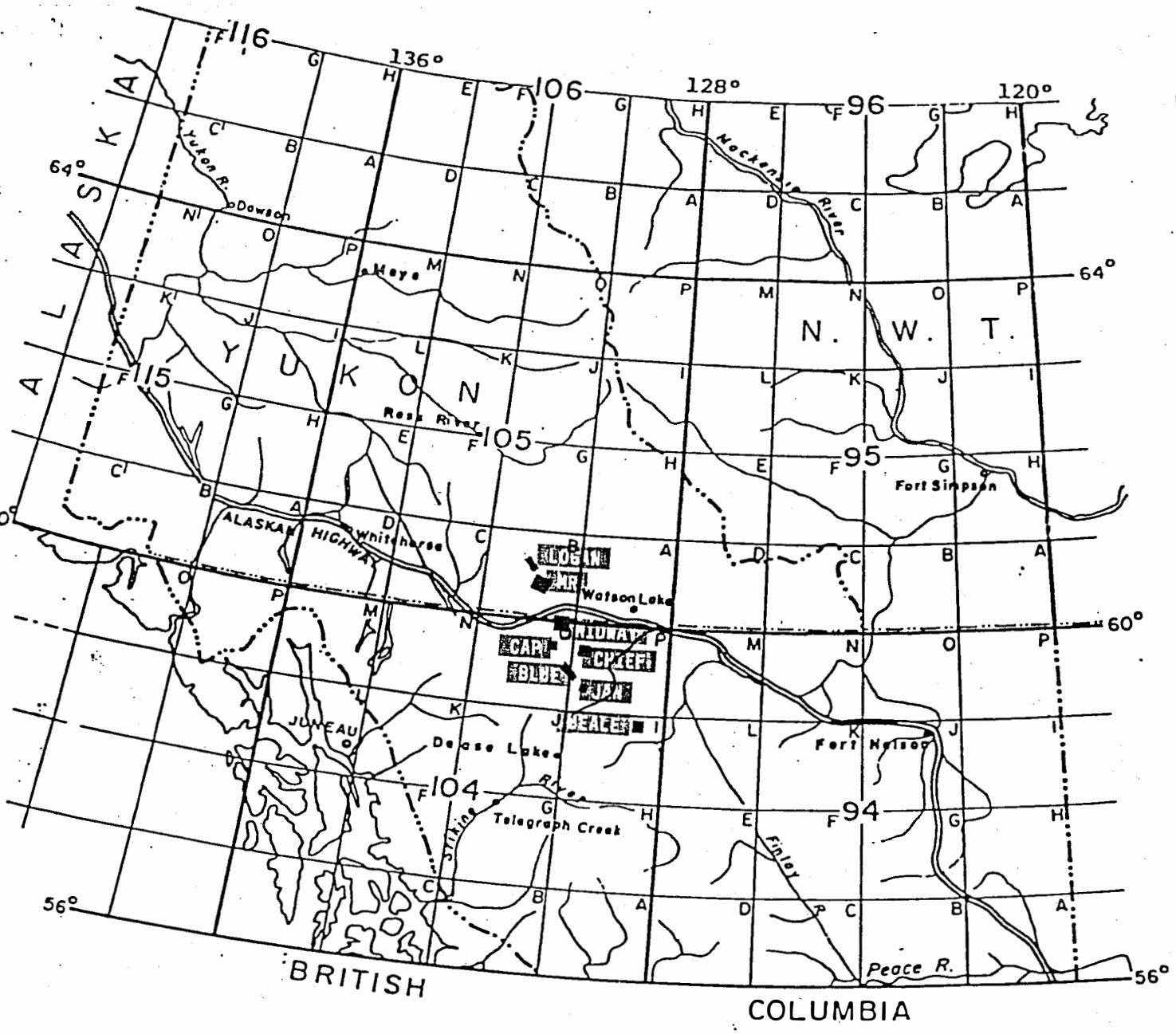
CORDILLERAN ENGINEERING
1418 - 355 Burrard Street
Vancouver, B.C. V6C 2G8

October 13, 1982

SUMMARY

The MR property consists of 230 full-sized claims in the Watson Lake Mining District (NTS: 105-B-1,8), 97 kilometres (60 miles) west of Watson Lake, Yukon Territory. Initial staking (MR 1-164) was undertaken in July and August, 1981, with subsequent staking of the MR 165-230 claims completed in October, 1981. All claims were acquired by Cordilleran Engineering for Regional Resources Ltd.

The MR property covers both subalpine and forested terrain. Relief is low to moderate, with rolling hills throughout much of the property. Rock exposure is moderate in higher elevations but poor in the lower spruce and pine-covered terrain. The property lies 14 kilometres (9 miles) from Mile Post 690 on the Alaska Highway. A cat road terminating at the headwaters of Spencer Creek provides access to within 10 kilometres (6.3 miles) of the property. A primarily subalpine, ridge-top route could be selected to connect this existing bulldozer road with the MR property.



REGIONAL RESOURCES LTD.

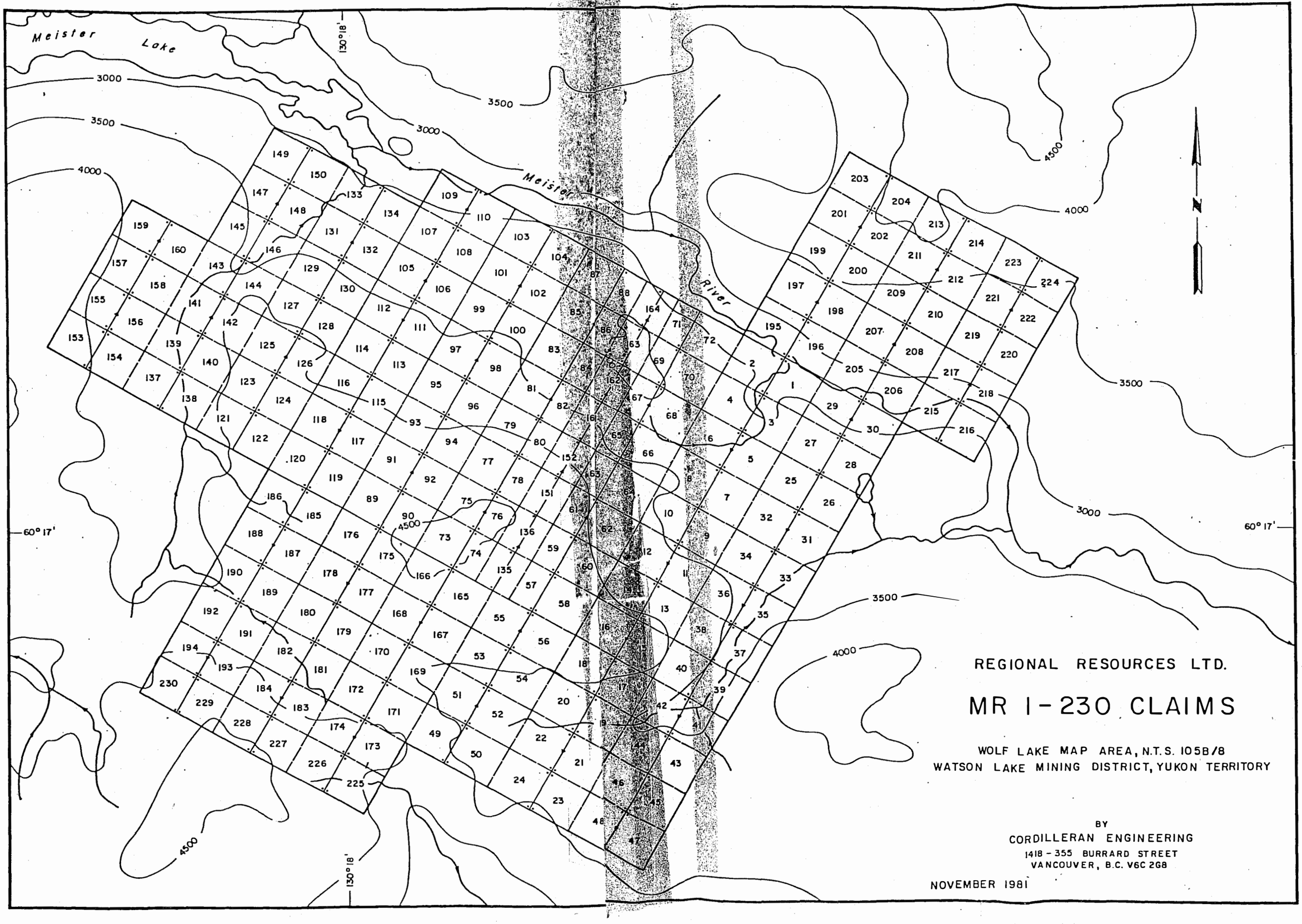
PROPERTY LOCATION MAP

SCALE: 1"=125 MILES

BY

CORDILLERAN ENGINEERING
1418 - 355 BURRARD STREET
VANCOUVER, B.C. V6C 2G8

APRIL, 1982


Meister Lake
130°18'
3000
3500
4000
4500
Meister River
60° 17'
N
REGIONAL RESOURCES LTD.
MR 1-230 CLAIMS
WOLF LAKE MAP AREA, N.T.S. 105B/8
WATSON LAKE MINING DISTRICT, YUKON TERRITORY
BY
CORDILLERAN ENGINEERING
1418 - 355 BURRARD STREET
VANCOUVER, B.C. V6C 2G8
NOVEMBER 1981

SUMMARY (cont'd)

Work conducted on the property to date includes geological mapping, geochemical soil sampling, prospecting, line cutting [54.8 kms. (34.5 mi.)] and trenching. In addition, airborne electromagmetic and magnetometer surveys (Dighem II) have been completed.

Significant Zn, Pb, Ag mineralization has been discovered at two locations within the property. In the northeast area (East Zone),stratiform Zn-Pb-Ag mineralization was located within an oxidized horizon exposed by surface trenching. Selected grab samples of this material have assayed up to 52% Pb and 8.46 oz/ton Ag. On the west side of the property (West Zone), selected grab samples of limonitic material from trenches dug across gossanous kill zones have yielded outstanding assays of: zinc 41.93 and 34.37%; lead 0.08 and 0.06% and silver 5.18 and 4.87 oz/ton. Trenches located in excess of 500m (1,640') along stike to the west have yielded similar material assaying: zinc 40.50 and 34.25%; lead 0.17 and 0.62%; silver 1.50 and 6.07 oz/ton. Soil samples collected from this vicinity have recorded values up to 12,400 ppm Zn, 2360 ppm Pb and 19 ppm Ag. In addition, a pronounced hydrozincite swamp has been located a further 700 metres (2,300') along strike to the west. Airborne electromagnetic and resistivity surveys, geochemical soil sampling,and geological mapping have all indicated

MEISTER LAKE

MEISTER RIVER

3000

3500

4000

4500

HYDROZINCITE SPRING

34.25% Zn, 6.07 oz/ton Ag

40.50% Zn, 1.50 oz/ton Ag

34.37% Zn 4.87 oz/ton Ag

41.93% Zn, 5.18 oz/ton Ag

WEST ZONE

EAST ZONE

SOUTH ZONE

MR 1-230 CLAIM BOUNDARY

52.0% Pb, 8.46 oz/ton Ag

5.79% Pb-Zn

$L\epsilon_1$

$L\epsilon_2$

$L\epsilon_3$

LEGEND

LOWER CAMBRIAN

- $L\epsilon_3$ LIMESTONE
- $L\epsilon_2$ PHYLLITE
- $L\epsilon_1$ QUARTZITE

SYMBOLS

- ASSUMED CONTACTS
- FAULT
- PLUNGING ANTIFORM AXIS
- TEST PITS
- 3000 CONTOURS IN 500 FT. INTERVALS

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GEOLOGY

MR CLAIM GROUP

WOLF LAKE MAP AREA

WATSON LAKE MINING DISTRICT, YUKON

SCALE: 1 inch to ½ mile

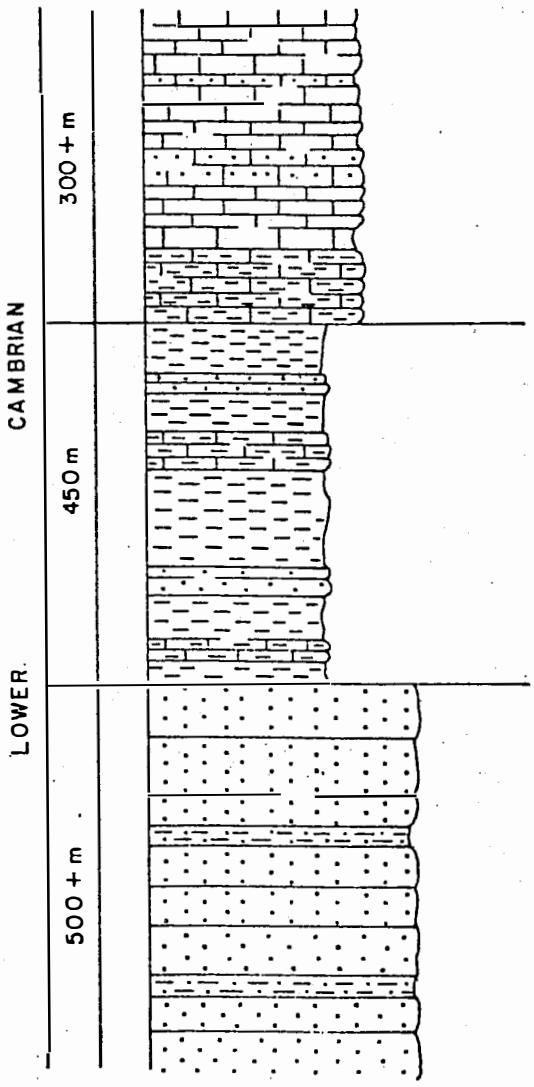
1500' 0 3000'

BY

CORDILLERAN ENGINEERING

1418-355 BURRARD STREET

VANCOUVER, B.C. V6C-2G8



Le_3 LIMESTONE:

THIN BEDDED, FINELY CRYSTALLINE, GREY, ARGILLACEOUS LIMESTONE. GRADES UPWARD INTO ORANGE WEATHERING, LOCALLY ARENACEOUS LIMESTONE.

Le_2 PHYLLITE:

VARIABLE SEQUENCE CONTAINING INTERCALATED CALCAREOUS PHYLLITE, GRAPHITIC PHYLLITE AND QUARTZITE. HOSTS Pb-Zn GOSSAN OR KILL ZONE.

Le_1 QUARTZITE:

THICK BEDDED, FINE TO COARSE-GRAINED, WHITE QUARTZITE. LOCALLY CONTAINS PHYLLITE SECTIONS.

MR CLAIM GROUP

MEISTER PROPERTY

STRATIGRAPHIC SECTION

MARCH 1982

MEISTER LAKE

3000

3500

4000

3000

3500

MEISTER RIVER

HYDROZINCITE SPRING

5000'

WEST ZONE

3500

EAST ZONE

4500

4000

MR1-230 CLAIM BOUNDARY

3500

3000

4500

SOUTH ZONE

3500

4000

4500

SYMBOLS

- CONDUCTOR AXES
- RESISITIVITY
- COINCIDENT GEOCHEMICAL SOIL ANOMALY Pb>100ppm, Zn>500ppm, Ag>2ppm
- MINERALIZED TEST PIT

REGIONAL RESOURCES LTD.

GEOCHEM.& GEOPHYSICS

MR CLAIM GROUP

WOLF LAKE MAP AREA

WATSON LAKE MINING DISTRICT, YUKON

SCALE : 1 inch to ½ mile

1500' 0 3000'

BY

CORDILLERAN ENGINEERING

1418-355 BURRARD STREET

VANCOUVER, B.C. V6C-2G8

SUMMARY (cont'd)

that this same mineralized horizon may be traceable for a minimum strike length in excess of 3000 metres (9,900').

In addition to the above mineralized occurrences, a large (2000m x 1200m) multi-element (Zn-Pb-Ag) soil anomaly is found in the southeast part of the property (South Zone). Geochemical results up to 1945 ppm Zn, 840 ppm Pb and 3.3 ppm Ag have been recorded from samples in this vicinity.

In all cases, known mineralization and geochemical anomalies are hosted within graphitic, locally calcareous phyllites of Lower Cambrian age. Airborne electromagnetic and resistivity anomalies have traced this host phyllite unit for over 13 kilometres (8 mi.) of strike length, further highlighting the excellent potential for locating economic mineralization on this property.

CONCLUSIONS

Coincident airborne electromagnetic and resistivity anomalies together with large, multi-element (Zn-Pb-Ag) soil anomalies at sites of known high-grade surface mineralization, strongly suggest excellent potential for locating an economic Zn-Pb-Ag deposit on the MR property.

A direct comparison can be made between the MR property and the Faro Pb-Zn-Ag district in central Yukon Territory. In both cases, stratiform mineralization is hosted by a Lower Cambrian graphitic phyllite unit lying stratigraphically above a Lower Cambrian coarse-clastic sequence and underlying an upper carbonate unit.

The favourable age and geological setting at the MR property further enhance the high probability of locating economic massive sulfide deposits on the property.

RECOMMENDATIONS

The following phased, success-contingent program is recommended for the MR property:

PHASE I

Orthophoto base map preparation

Road construction, mobilization

Grid preparation (20 km)

Geophysics

- VLF.EM test on East Zone
- PEM survey on West, East, South Zones (50 km)
- Gravity survey on West, East and South Zones (total 40 km at 25 m spacings = 1600 stations)

Diamond drilling (NQWL)

- West Zone	2500 m	
- East Zone	300 m	
- South Zone	300 m	total 3100 metres

PHASE II

Contingent upon the results of Phase I, additional diamond drilling (NQWL) would be required as follows:

- West Zone	9200 m	
- East Zone	1500 m	
- South Zone	1500 m	total 12,200 metres

PROPOSED EXPLORATION PROGRAM

MR PROPERTY

PHASE I

- Orthophoto map preparation (1:5000)
- Winter mobilization of diamond drill, fuel, lumber and camp supplies by bulldozer
- Construction of access road (10 miles)
- Geophysics
  a) Ground EM test (VLF) - testing conductor axes on East Zone prior to grid preparation
  b) Pulse EM (PEM) survey - on West, East and South Zones (total 50 km)
  c) Gravity: West Zone - 15 km
     East Zone - 15 km
     South Zone - 10 km
     Total 40 km along 200 and 400 metre line spacings at 25 m stations = 1600 stations
- Grid preparation - upon completion of VLF orientation a total of 20 km of cut grid line in the West (8 km), East (5 km) and South (7 km)
- Diamond drilling (NQWL)
  a) West Zone: to test an initial 1400 metre strike length allow 10 holes x 250 metres ..... = 2500 m
  b) East Zone: contingent upon geophysical results and time allow 2 holes x 150 metres ..... = 300 m
  c) South Zone: contingent upon geophysical results and time allow 2 holes x 150 metres ..... = 300 m

  Total drilling ..... 3100 m

PHASE II

- Diamond drilling (NQWL)
  a) West Zone - contingent upon results of Phase I the total strike length of 2100 metres should be drill tested at 150 metre intervals Allow ..... 9200 m
  b) East Zone - contingent upon results of Phase I geophysics and drilling Allow ..... 1500 m
  c) South Zone- contingent upon the results of Phase I geophysics and drilling an allowance for testing geophysical conductors and the geochemical anomaly allow ..... 1500 m

  Total drilling ..... 12200 m