

7.0 1984 PRIORITY PROJECTS7.1 KLINKIT J.V., Swift River area, Yukon TerritorySummary

Economic levels of tin have been found in several skarn deposits in the Swift River area of the Yukon Territory. Recommendations are to confirm the size and grade of these deposits with diamond drilling in 1984. A 600 m program will cost \$205 k.

- Location and Access

The properties are all located in the southern Yukon, within 50 km of the community of Swift River which lies on the Alaska Hwy, 150 km west of Watson Lake, YT (Figure 20).

Access to all the properties is by helicopter, although both VAL A and VAL B lie 10-15 km from the highway at the head of broad creek valleys and would be easily accessible by a bulldozer trail.

- Property and Title

The property consists of 451 claims located in 5 groups: VAL A, VAL B, DU, SLIP and SWIFT with expiry dates occurring in 1986-1990.

The VAL A, VAL B, DU and SLIP groups are held 50% by DOX and 50% by Duval Mining Limited ("Duval") in an equal participating agreement. DOX is the operator of the Klinkit Joint Venture ("J.V.").

The JILL, MC, SLIDE and SWIFT claims are held as the "Swift Group" of claims and were acquired through an option agreement with Welcome North Mines Ltd. and McCrory Holdings Limited ("Welcome North-McCrory"). DOX is the operator.

This Swift group agreement calls for DOX-Duval to pay \$7500/year to Welcome North-McCrory until the year 1989 at which time DOX-Duval will have acquired an 80% interest in the property. If a production decision is made, Welcome North-McCrory can participate at 20% in further expenditures and proceeds providing they pay back 20% of all exploration and development expenses up to that date. If they elect not to participate, they will be reduced to a 10% net profits interest.

• Expenditures

To date, the J.V. has explored 2,000 sq km of ground in British Columbia and the Yukon in this favourable area. Vein structures on the properties have been tested with 2700 m of diamond drilling in 12 holes.

• Expenditures (Dollars in thousands)

<u>Year</u>	<u>Actual Expenditures</u>		<u>1983 Equivalent</u>	
	<u>DOX</u>	<u>Partner</u>	<u>DOX</u>	<u>Partner</u>
1978	142	165	223	259
1979	187	222	272	323
1980	211	248	279	328
1981	185	218	216	255
1982	75	91	79	96
1983	30	30	30	30
	<u>830</u>	<u>974</u>	<u>1,099</u>	<u>1,291</u>
	TOTAL: 1,804		TOTAL: 2,390	

1984

Approved: 102.5 102.5

• Geology and Mineral Deposits

The Swift River area is underlain by Devono-Mississippian meta-sediments of the Sylvester Formation consisting of interbedded greywacke, argillite and limestone. The sediments have been intruded by the Seagull granite, a high-level intrusion containing many cassiterite-bearing sheeted veins and greisens.

In contact with the batholith, the limestones have been altered to marble, calcareous hornfels and skarn. Whereas the original target on the Klinkit project was tin-bearing veins and greisens, the present target is tin-bearing magnetite, actinolite, biotite skarns.

A small roof pendant containing cassiterite-bearing skarn is located on the VAL A group; a large tin-bearing skarn and explosion breccia is located on the VAL B group; and several small to medium cassiterite-bearing skarns are located on the SWIFT and SLIP groups (Figure 21). The DU group contains no such skarn potential.

Chip sampling on the VAL A property in 1982 gave two six metre samples, one averaging 0.79% Sn and the other averaging 0.99% Sn. Trenching of a magnetite skarn in 1983 on the same property gave

a five metre sample averaging 1.20% Sn. These three lines of chips indicate a potential grade of the deposit as 0.98% Sn over a 5-6 m thickness.

• Economic Considerations

VAL A: This small roof pendant contains a potential reserve of 0.5 M t averaging 1% recoverable tin mineralization.

VAL B: This property contains a large zone of extensive skarnification. Although very little cassiterite mineralization has been found, extensive tin in silicate mineralization is evident. Sampling of the skarn has not come within 50 m of the granite where the cassiterite mineralization would be expected. A potential of 1.0-2.5 M t of skarn is indicated by the outcrop.

SWIFT-SLIP: Four buried skarn pods are indicated by magnetics and geological projections. Each of these suggests a minimum size of 0.5 M t indicating a total reserve of 2.0 M t of skarn.

The total potential reserve of all six skarn zones is 3.5-5.0 M t. All of the mineralized areas lie within 50 km of Alaska Highway with the VAL A (10 km) and the VAL B (15 km) being nearest the highway.

• Recommended Program, 1984

Expenditures totalling \$205 k are proposed in 1984 to test the grade and possible size of all the skarns by a 600 m diamond drilling program.

7.2 CASSIAR J.V., Dease Lake area, British Columbia

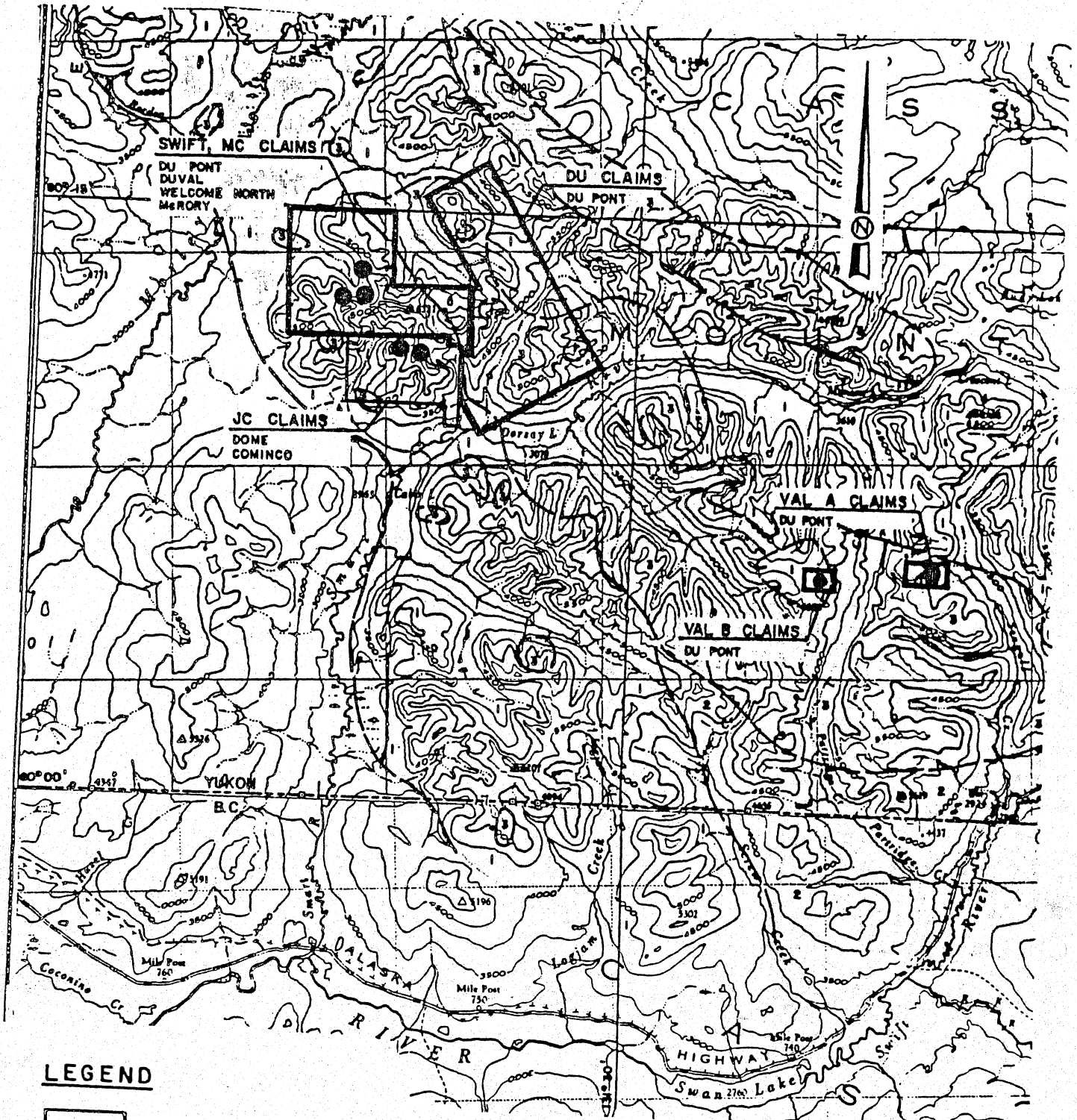
• Summary

The Cassiar Joint Venture with Canamax Resources Inc. (operator) in north-central British Columbia was initiated to search for shale-hosted, stratiform lead-zinc-silver deposits similar to the Midway deposit discovered by Regional Resources Ltd. To date, \$1,190 k has been spent with DOX contributing \$597 k for 50% equity interest.

The most significant discovery is shale hosted, stratiform lead-zinc-silver mineralization on the KILT claims 60 km south of the Midway deposit in a similar geologic environment. Also of possible significance is a large zinc-silver in soil anomaly on the KALY claims 90 km northwest of the KILT property.

Exploration for 1984 includes detailed follow-up work on the KILT and KALY claims including 1200 m of diamond drilling on the KILT.

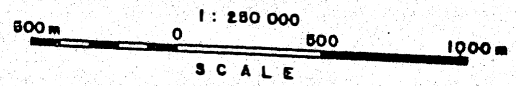
3887 g Sn over 471 mm chips
1758 Sn, 756 Sn
over 1 m
100 to 150 ppm Sn



LEGEND

- 3 SEAGULL BATHOLITH
- 2 UPPER - MID MISSISSIPPIAN SEDIMENTS
- 1 DEVONO - MISSISSIPPIAN SEDIMENTS
- TIN BEARING SKARN
- GEOLOGICAL CONTACT

**KLINKIT JOINT VENTURE
TIN DEPOSITS & PROPERTIES**



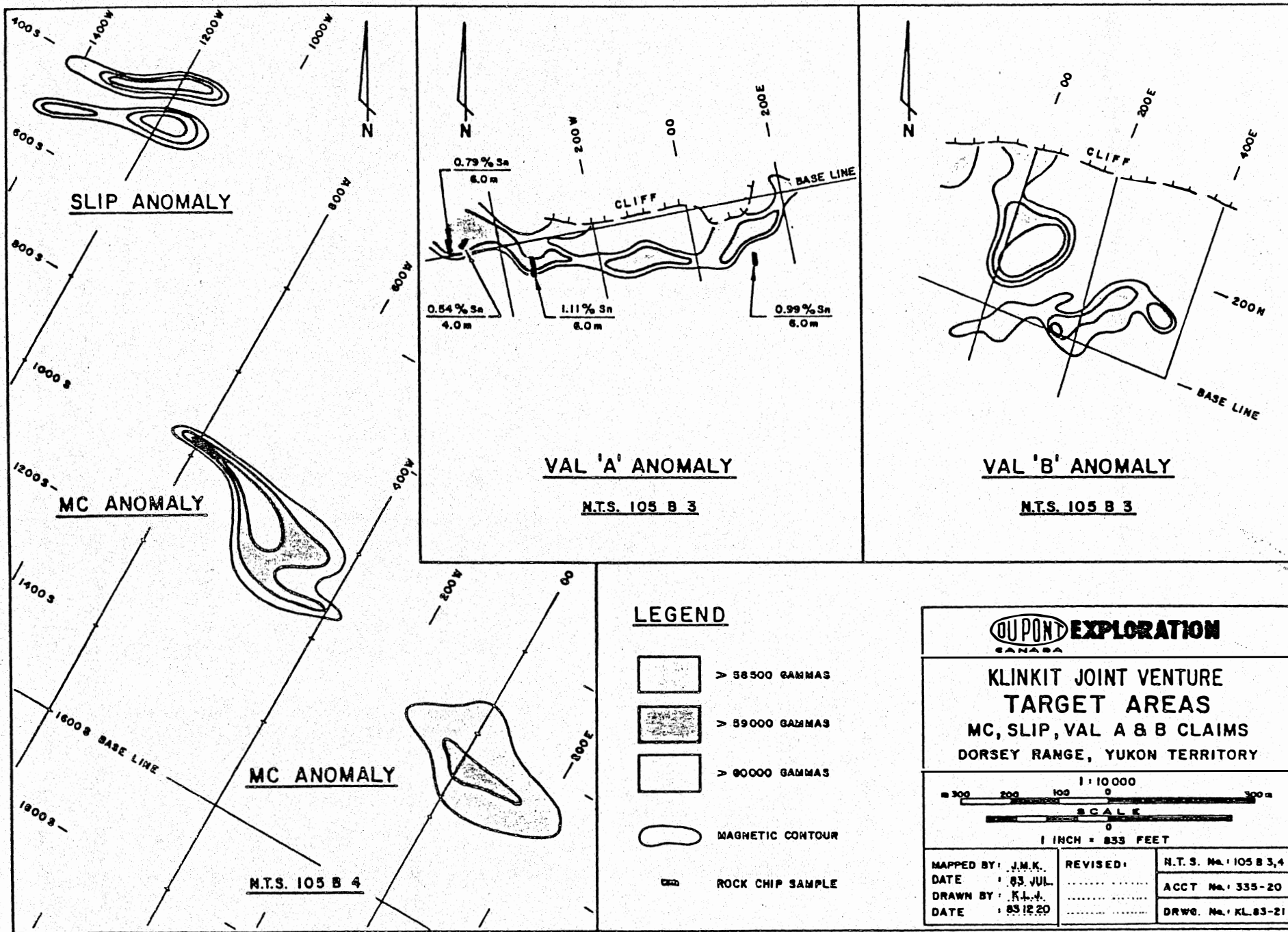


FIGURE 21