

012967

Summary Report

On

DAGO AND BUD CLAIMS

MAYO MINING DIVISION, YUKON TERRITORY

(Sheet 106-D-8)

Latitude 64° 17'
Longitude 134° 13'

Of

RACKLA RIVER MINES LTD. (N.P.L.)

by

ANDREW ALLAN, P. Eng.

Vancouver, British Columbia

March 25th, 1972

CERTIFICATE

I, Andrew Allan, of 6677 Curtis Street, Burnaby 2 in the Province of British Columbia, hereby certify that:

- (1) I am a geologist with offices at 6677 Curtis St., Burnaby 2, B.C.
- (2) I am a graduate of the University of British Columbia with a B.A. in geology, 1949.
- (3) I am a member of the Association of Professional Engineers of British Columbia and Manitoba.
- (4) I have no direct or indirect interest in the property or securities of Rackla River Mines Ltd. or its affiliates, nor do I expect to receive any such interest.
- (5) This report is based on personal knowledge of the area under consideration, the examination of the company records, reports, maps and sections, also, personal communication with the Author of various reports and Mr. Gordon Dickson, prospector.

DATED AT BURNABY, B.C.

MARCH 25th, 1972.



Andrew Allan, P. Eng.

134° 12'



64° 15'

KATHLEEN
LAKE

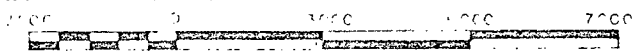
134° 12'

BUD MINERAL CLAIMS

KATHLEEN LAKE AREA
GRID LOCATION AND
MINERAL CLAIMS

MAYO DISTRICT

YUKON TERRITORY



SCALE

DATE

JANUARY, 1909

PLATE I

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ILLUSTRATIONS

Location Plan: Scale 1"= 4000'

Geology Plan: Scale 1"= 750'

Geochemical Map: " 1"= 200'

Andrew Allan, P.Eng.

March 25th, 1972.

INTRODUCTION

The writer first became familiar with the Kathleen Lake area in the early 1950's and has followed the progress on the property with interest ever since. Basically, work on the property has been for the purpose of completing the assessment requirements to maintain the claims in good standing rather than a comprehensive exploration programme to determine whether or not there is an orebody on the property.

Material for this report was obtained from the following sources:

1. Report on Bud Claim Group, E. O. Chisholm, March 30, 1968.
2. Progress Report, E. O. Chisholm, January 15, 1969.
3. Rackla River Mines, Dago and Bud Claims, P.H. Sevensma, September 13, 1969.
4. Casino Silver Mines Ltd. - Rackla River Project Progress Report No.2, R.E. Hinson, August 31, 1970.
5. Personal Communication with E.O. Chisholm and Gordon Dickson.

Economic values in silver, lead and zinc have been obtained over wide areas within a geologic substructure which is considered favorable for the deposition of large replacement type ore bodies.

SUMMARY AND CONCLUSIONS

The Bud Claim Group is comprised of 42 unpatented mineral claims, owned by Rakla River Mines Ltd. (N.P.L.). The claims are underlain by a series of folded Palaeozoic marine sediments, shales, limestone, dolomite and dolomite breccia intruded by a few greenstone dykes.

Soil sampling during the 1969 field season indicated an anomalous zone 7000' long of undetermined width but not less than 50'. Two additional anomalous zones were outlined to the north and south of the main zone, these have not been investigated to any extent to date.

Four short diamond drill holes were completed on the property by Casino Silver Mines Ltd. during the 1970 field season. The four drill holes neither proved nor disproved the presence of a major mineralized zone. Prior to the drill programme, work on the property had consisted of prospecting, hand trenching and limited bulldozer work, with a few exceptions the trenches did not penetrate the upper oxidized and leached portion of the gossan zone, Where adequate samples could be obtained, the values in silver, lead and zinc were of economic tenor.

There is no record of any geophysical work on the property, in any event the usual electrical methods would probably not work too well in this type of environment. The presence of pyritic minerals in the shales coupled with permafrost conditions would probably mask out the effect of buried deposits.

SUMMARY AND CONCLUSIONS Contd.

Gravimetric surveys have proved useful at the Anvil and Vangorda Creek properties and there is every reason to believe such a survey would work on the Rakla River Mines Ltd. property.

The nature of the geochemical anomalies is such, that this writer believes they may be due to mineralization occurring along the limbs of a fold structure and are thus more closely related to a single mineralized zone rather than a separate series.

During the 1969 season the prospecting crews made several additional discoveries of mineralization in place, to the best of my knowledge the discoveries were not examined by an engineer or geologist.

The remote location and associated high cost of exploration and/or development effectively limits the parameters necessary to establish an economic operation as follows:

1. A limited tonnage shear or fissure type deposit with high grade values in silver, lead and zinc.
2. A modest tonnage of medium grade ore readily amenable to producing a suitable concentrate with good silver values.
3. A large tonnage replacement type deposit amenable to large scale underground and/or open pit operation, even on a scale such as this the ore grade would be very important.

In conclusion, the extent of the known mineralized zone or zones coupled to the high geochemical anomalies is such that, a major exploration programme on the property is fully justified and recommended.

RECOMMENDATIONS

1. A gravimetric survey over the existing grid with readings taken at 50' intervals along the lines. This work should be completed before break-up so that full advantage of the information can be taken during the field season.
2. Move in bulldozer D-7 with supplies, camp equipment and diamond drill before break-up.
3. Extend the existing grid to cover all the claims and complete the soil sampling programme.
4. Complete the geological mapping over all the claims, the survey grid can be used for control.
5. Construct an access road to Kathleen Lake, two miles. The road can be used to transport supplies to the camp during the season, eliminating the more costly helicopter transport.
6. Continue the bulldozer trenching programme.
7. Systematic diamond drilling of any gravity anomalies and/or the known showings.

Provision should be made for staking of additional claims, approximately 80 claims are required.

PROPERTY

The property consists of 42 unpatented mineral claims as follows:

Bud 1 - 24 incl.	Tag No's Y14384 - Y 14405.
Bud 33 - 48 incl.	" " Y14406 - Y 14421.
Dago 3 & 5	" " 803351 & 80353.

LOCATION & ACCESS

The property is located 2 miles north from Kathleen Lakes in the Mayo Mining Division. Access to the claims is by fixed wing aircraft to Kathleen Lake. There is a winter tote road from Mayo, a distance of about 70 miles.

Topography

The area in the vicinity of the claim group is characterized by rolling hills with a maximum elevation of about 4500'. Timber on the property consists of poplar, spruce and buckbrush with some small birch thickets.

Winters in the area can be quite severe with temperatures of 60° below zero not uncommon.

General Geology

The claims are underlain by a series of folded and faulted marine sediments classified as Palaeozoic age, they consist of grey shale, grey limestone and brownish dolomite. There are a few intrusive diorite bodies to the north of the claim group.

The principal gossan zones trend east-west with the dark color imparted to the gossans due to the presence of manganese.

The geological maps of the claims show a northwesterly trending syncline with drag folds indicating a westerly plunge. The shale bed overlies the limestone - dolomite members and may have formed a trap for the mineralizing solutions.

Mineralization

The writer has not had a chance to sample the property personally but has viewed a number of hand specimens taken from float samples and from the trenches, the minerals present were galena, sphalerite, siderite, pyrite and manganese stain.

Sampling

Numerous samples have been taken by various reputable engineers and prospectors, they are usually in the same general grade range. A few examples are included here for comparative purposes, as follows:

<u>Mac 1</u>	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
Width 25'	-	20.5 Oz.	35.6%	6.9%
	Sample by Gordon Dickson			
Width 18'	Tr.	18.6 Oz.	33.2%	16.5%
	Sample by P.H. Sevensma, P. Eng.			
<u>Mac 2</u>				
Width 27'	-	9.43 Oz.	2.98%	2.69%
	Sample by Gordon Dickson			
Width 8'	Tr.	4.76 Oz.	1.15%	3.0%
	Sample by P.H. Semensma, P. Eng.			

Records are available for numerous other sample results taken over the years since 1952, these are not considered important at this time as many of the samples were taken from float specimens. The above samples were taken from the latest bulldozer trenches which attained bedrock below the oxidized zone. Thawing during the coming season will permit deepening of a number of the old bulldozer trenches.

Facilities

There is a bunkhouse with accomodation suitable for four men on the property together with a supply of about 20 barrels of diesel fuel and four propane tanks. This would require checking before moving into the camp.


Comment

The area is relatively remote and accessible during the summer season only by aircraft, fixed wing or helicopter. The season is short and to accomplish the required work a good deal of preplanning and commitment is necessary. A bulldozer, fuel and camp supplies should be taken into the property before May of 1972, the diamond drill should be brought in at the same time. A good form of radio communication should be arranged beforehand.

Much of the equipment and material for the camp cannot readily be obtained locally and should be preshipped from Vancouver or other centre of supply.

A cost estimate to complete the recommendations is included herewith as an appendix to the report.

Respectfully submitted,


Andrew Allan, P. Eng.

March 25th, 1972.

Appendix

Schedule "A"

Recommended for immediate implementation and an early start.

Gravity survey 25 miles @ \$ 400.00/mi.	\$	10,000.00
Move in bulldozer & supplies for season	\$	30,000.00
Air transport & camp supply gravity crew	\$	4,000.00
Line cutting, 40 miles @ \$ 100.00/mi.	\$	<u>4,000.00</u>
	\$	48,000.00
Contingency	\$	<u>4,000.00</u>
	\$	<u>52,000.00</u>

Schedule "B"

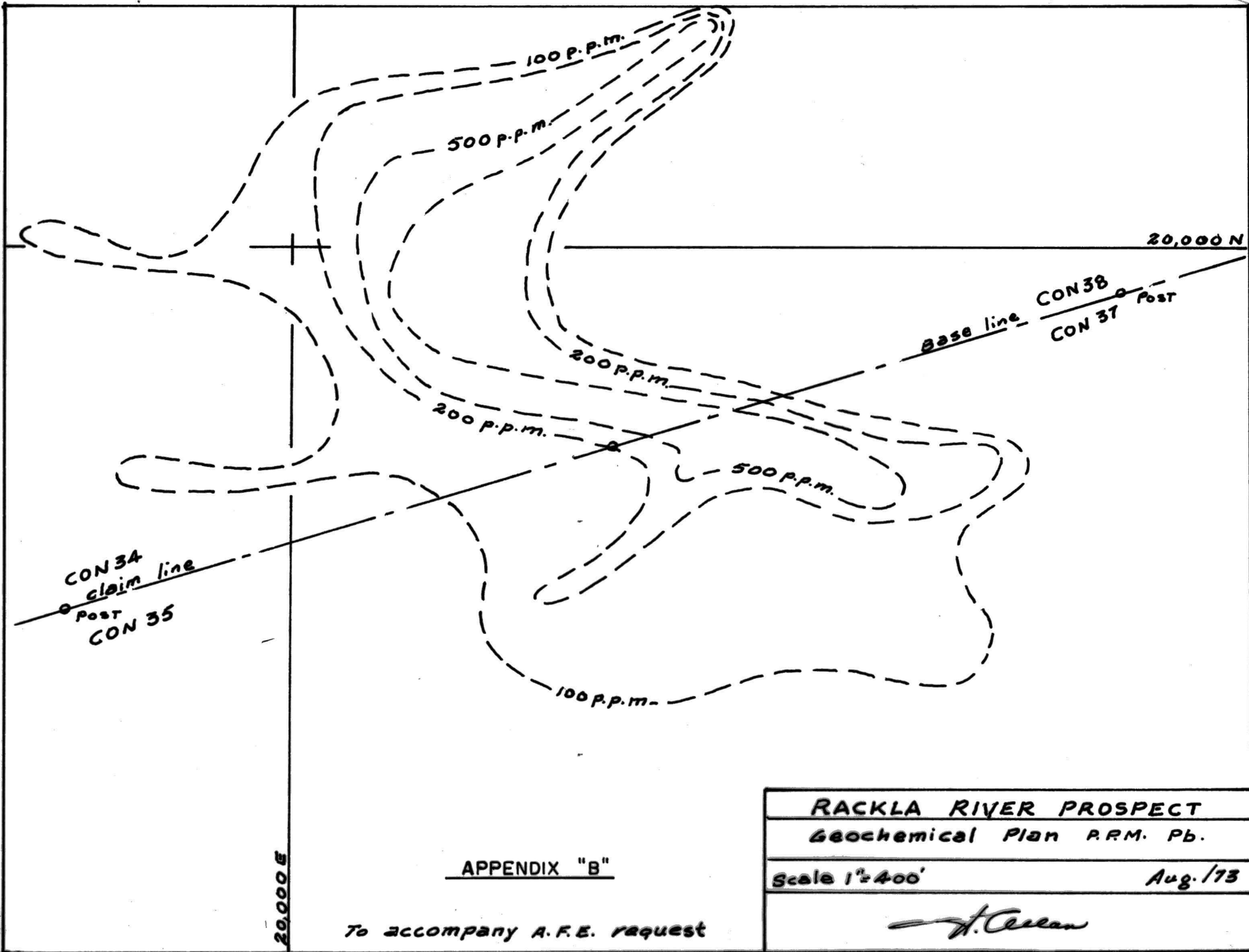
To commence immediately after the break-up period, and continue throughout the field season.

Crew 2 men for two months soil sampling	\$	3,200.00
Assaying soil samples, 4000 @ 2.50	\$	10,000.00
Drilling BQ wireline 6,000' @ 14.00/ft	\$	84,000.00
Camp set-up and supplies	\$	10,000.00
Engineering	\$	10,000.00
Core analyses	\$	8,000.00
Travel, charters etc.	\$	<u>5,000.00</u>
	\$	135,000.00
Contingency	\$	<u>15,000.00</u>
	\$	<u>150,000.00</u>

The total cost of the outlined work is thus estimated at \$ 202,000.00.




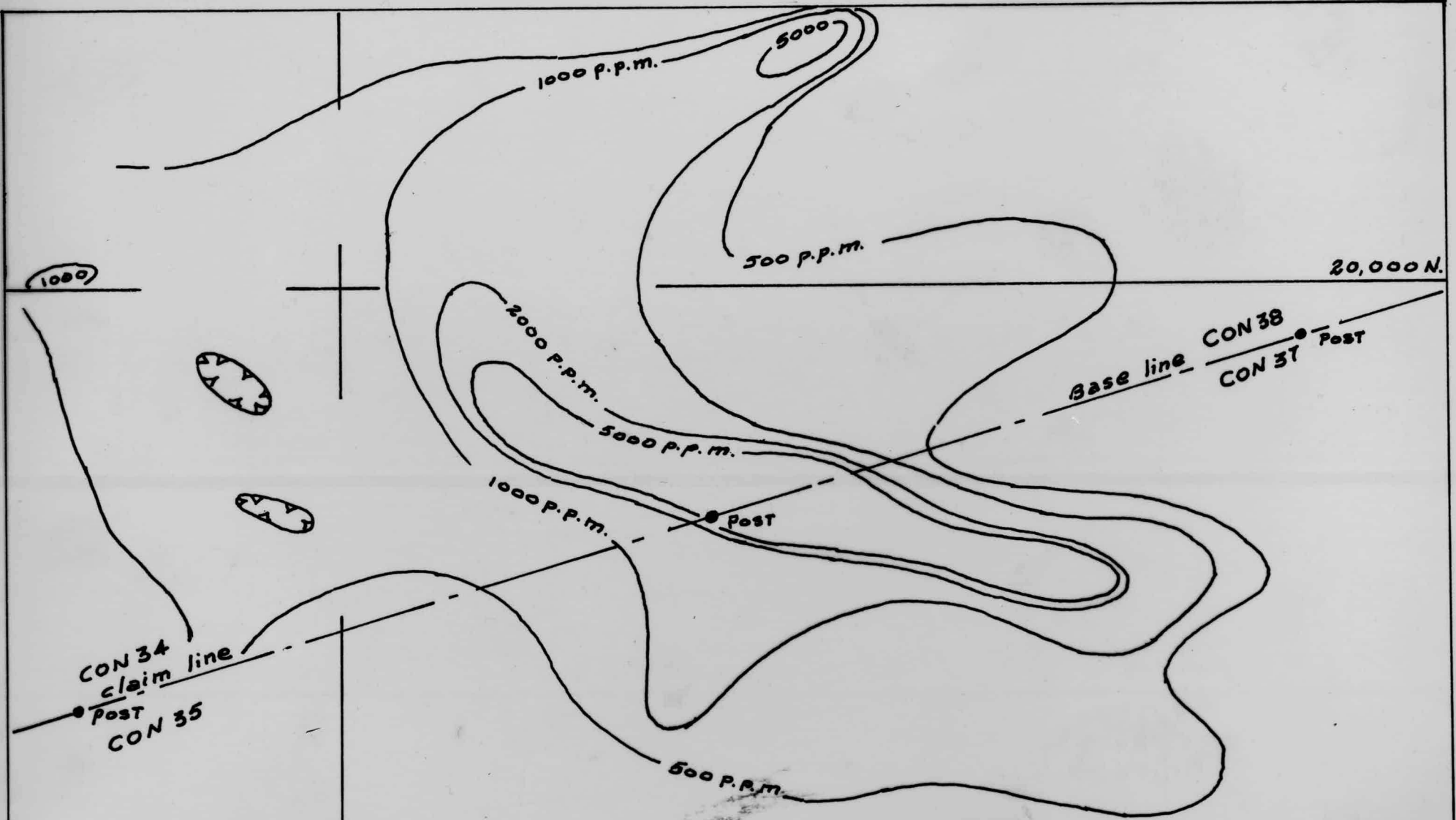
Andrew Allan, P.Eng.
March 25th, 1972.



APPENDIX "B"

To accompany A.F.E. request

RACKLA RIVER PROSPECT	
Geochemical Plan P.P.M. Pb.	
Scale 1"=400'	Aug. 1973
	

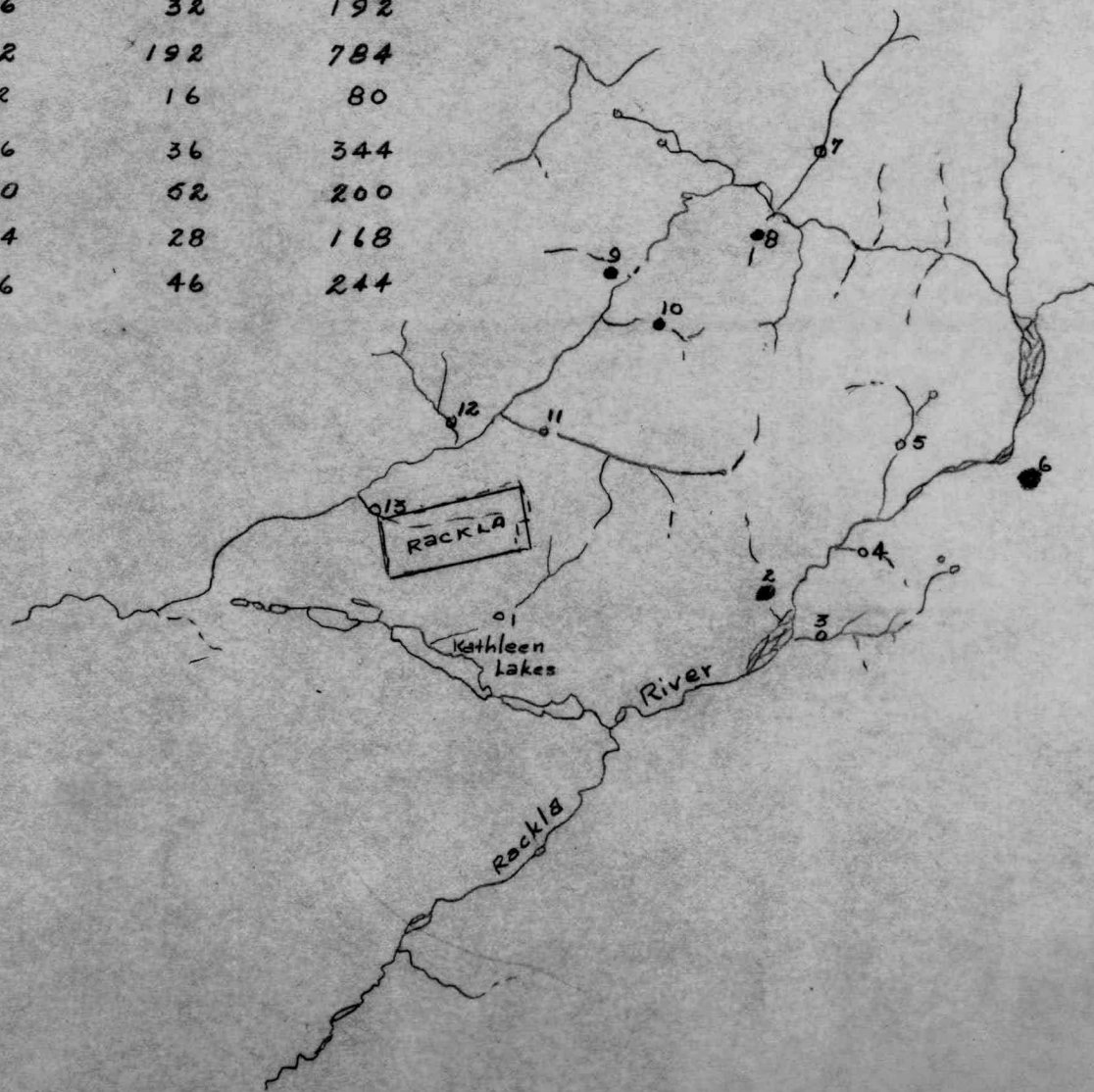


APPENDIX "C"

To accompany A.F.E. request

RACKLA RIVER PROSPECT	
Geochemical Plan P.P.M. Zn.	
Scale 1"=400'	Aug. 1973
<i>H. Cullen</i>	

NO.	Copper	Lead	ZINC	P.P.M.
KS-1	26	60	144	
KS-2	12	124	512	
KS-3	20	52	264	
KS-4	24	40	152	
KS-5	44	60	232	
KS-6	56	168	352	
KS-7	56	32	192	
KS-8	112	192	784	
KS-9	92	16	80	
KS-10	76	36	344	
KS-11	40	52	200	
KS-12	64	28	168	
KS-13	36	46	244	



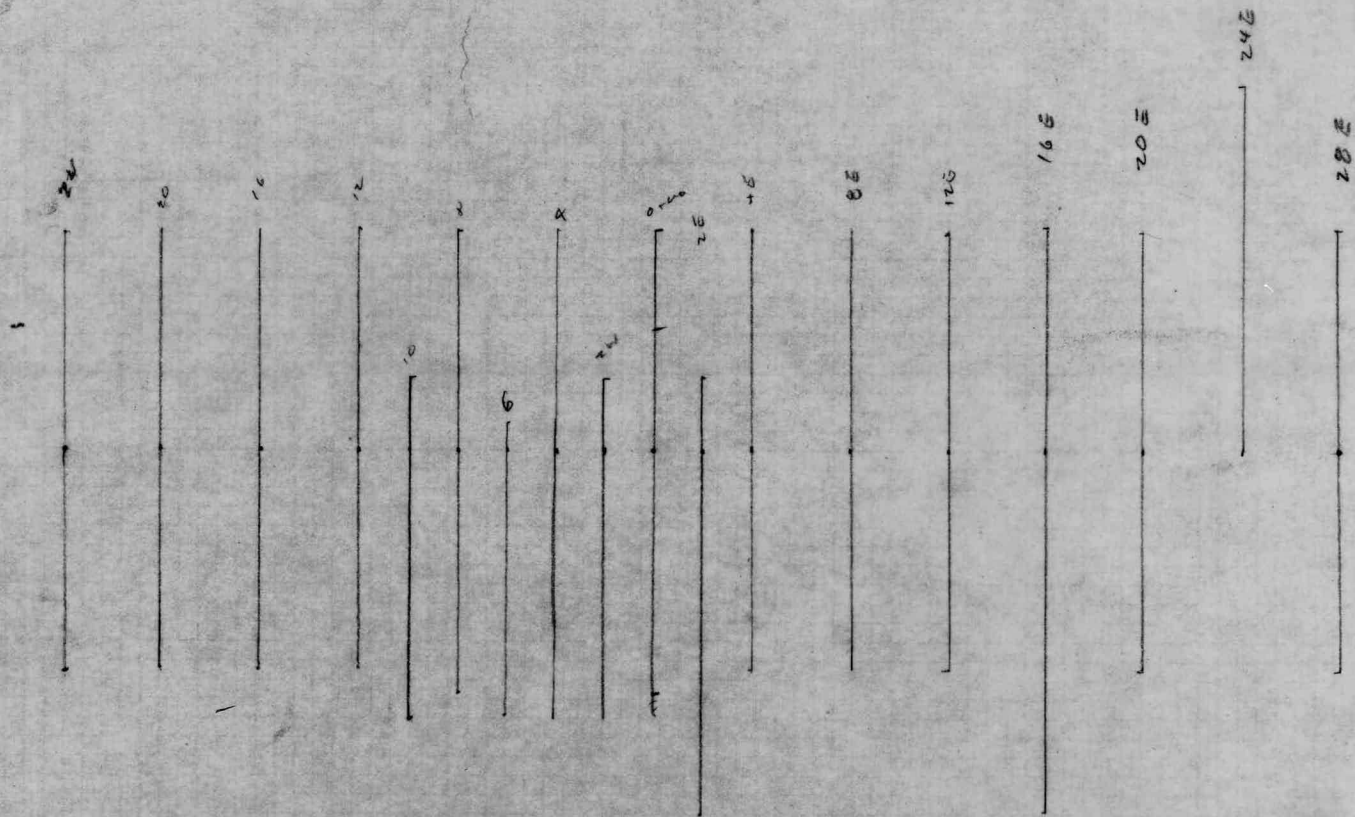
RACKLA RIVER AREA
 stream Silt Geochem Samples
 Sept. 1973 A. Allan

0 4 8 mi

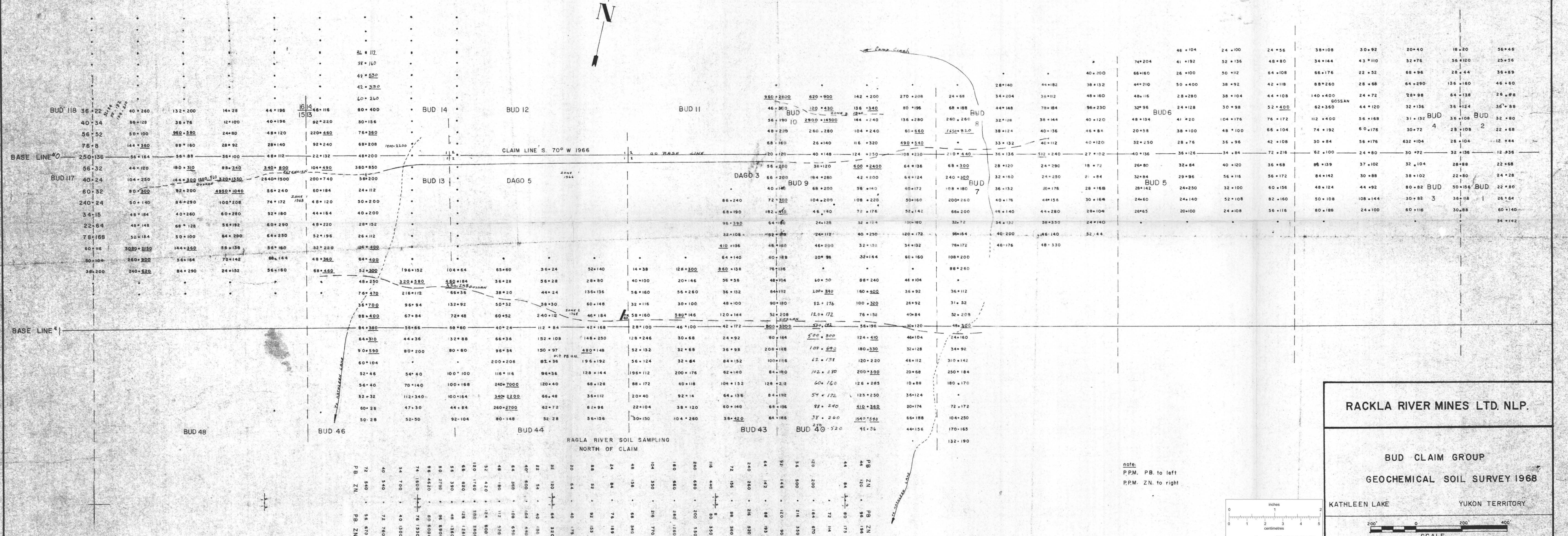
1 - 50,000
IP RESISTIVITY
GRID

RACKLA RIVER MINES

TO OVERLAY ON
A. ALLAN'S COMPILATION



32 W 28 W 24 W 20 W 16 W 8 W 4 W W O J E 4 E 8 E 12 E 16 E 20 E 24 E 28 E 32 E 36 E 40 E 44 E 48 E 52 E 56 E 60 E 64 E 68 E 72 E 76 E 80 E 84 E 88 E 92 E 96 E



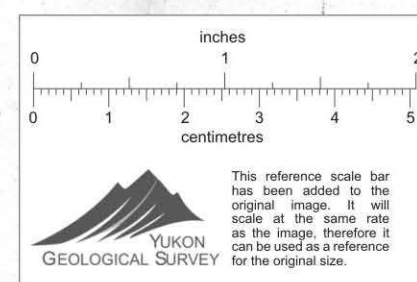
RACKLA RIVER MINES LTD. N.L.P.

BUD CLAIM GROUP
GEOCHEMICAL SOIL SURVEY 1968

KATHLEEN LAKE YUKON TERRITORY

SCALE
0 200 400

DATE: JANUARY 1968



note:
P.M. PB. to left
P.M. Z.N. to right

RAGLA RIVER SOIL SAMPLING
NORTH OF CLAIM

ATLAS SOIL SAMPLING
SOUTH OF CLAIM LINE

PB	44	84	124	164	204	244	284	324	364	404	444	484	524	564	604	644	684	724	764	804	844	884	924	964
Z.N.	44	84	124	164	204	244	284	324	364	404	444	484	524	564	604	644	684	724	764	804	844	884	924	964