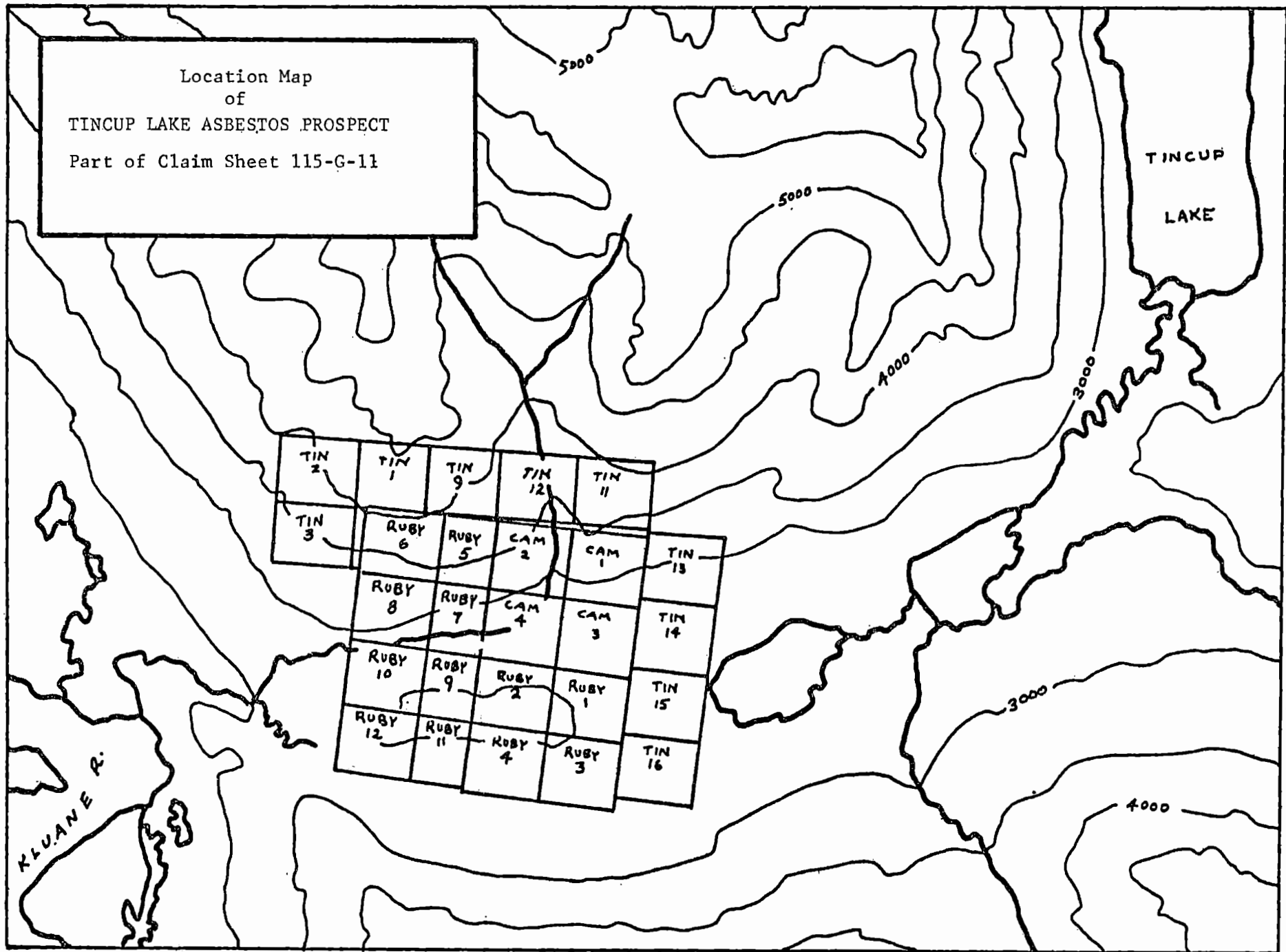


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PROPOSED EXPLORATION PROGRAM ON THE
TINCUP LAKE ASBESTOS PROSPECT.

Location Map
of
TINCUP LAKE ASBESTOS PROSPECT
Part of Claim Sheet 115-G-11



TINCUP LAKE ASBESTOS PROSPECT

INTRODUCTION

The Tincup Lake Asbestos prospect consists of 26 contiguous mineral claims covering an ultrabasic intrusive body in the Kluane Lake area of the western Yukon. Serpentinized rocks within the intrusion are mineralized with up to 12% good quality, short fibre chrysotile asbestos.

The fibre appears to occur in a zone about 200 feet thick which parallels the north contact of the ultrabasic. It coincides roughly with a magnetic high in the same area and was discovered in an outcrop in a creek bed.

PREVIOUS WORK

The property has had geological, geochemical, magnetometer, and partial E.M. surveys conducted over it by Arrow Inter America Corporation in 1969 and 1000 feet of diamond drilling by Asarco in 1973. Two of four holes intersected fibre of good quality over interesting widths. The results are described in a report by M.F. Lancaster⁽¹⁾ (January 1974) as follows:-

"Four BQ wireline diamond drill holes totalling 1001' were completed by Arctic Diamond Drilling Company of Whitehorse, Yukon Territory during the period 20 June/73 to 7 July/73.

Hole 1 was collared to test for an eastward extension of the main fiber showing exposed in a creek bottom, and also to penetrate and locate the ultrabasic - Yukon Complex contact. This hole produced 122' of serpentinized peridotite containing 2.7% fiber having a value of \$195.86 per ton fiber or \$5.28 per ton of rock. The contact was encountered at 170' with the preceding 35' of serpentinized peridotite barren of any fiber.

Hole 2 was collared on a magnetic gradient in an area devoid of outcrop. This hole encountered 82' of overburden and produced 170' of completely barren serpentinized ultrabasic.

Hole 3 was collared on magnetic high in an area devoid of outcrop. This hole encountered 24' of overburden and produced 228' of serpentinized peridotite containing 0.29% fiber, having a value of \$0.21 per ton of rock.

Hole 4 was collared to test an area near the ultrabasic - Yukon/

(1) M.F. Lancaster; Tincup Asbestos Prospect, Yukon Territory
Final Report, January 10, 1974.

Yukon Complex contact in a region of high magnetic response. This hole encountered 9.5' of overburden and produced 145' of serpentized peridotite containing 1.53% fiber, having a value of \$231.74 per ton of fiber or \$3.54 per ton of rock. Omitting a low grade 30' section, this hole produced 115' of \$4.56 rock.

Fiber percentages and prices for drill holes 1 & 4 are based on Lake Asbestos results, using a Quebec Standard Test at 1973 prices. Drill holes 2 & 3 are based on visual estimates at 1973 prices."

DISCUSSION

The area presently considered the most important exploration target is a zone parallel to the north contact of the ultramafite about a mile and a quarter long and a few hundred feet wide. This could host one or more high grade areas such as the 15' wide zone of 12% fibre occurring in the creek bed on the Cam #2 claim which would increase the tenor of the ore to the 5% or 6% that might be required for viability in this area. Assuming a strike length of 7200 feet, and a thickness of 120 feet to a depth of 400 feet about 40,000,000 tons of potential ore could occur in this zone. This should sustain an operation processing to the order of 5000 tons of ore per day.

Profitability will be closely related to logistical aspects such as proximity to tidewater or surface transportation and availability of labour and power. In all these instances the Tincup property is better situated than either of the operating asbestos mines in the northwest were during their development stages. The Alaska highway is 12 miles away and tidewater at Haines, Alaska, is about 250 miles by road. The city of Whitehorse is 200 road miles away and geographic conditions in the vicinity of the property render the area quite habitable.

PROPOSED PROGRAM

Future work on the property should consist mainly of diamond drilling and detailed geological mapping. About 5000 feet of drilling should be budgeted for/

for as a preliminary test of all favourable areas. Diamond drilling could start early in the spring - say March or April - and be completed early in the summer. This would make use of the frozen ground which would expedite moving and setting up. Both water supply and weather should be good at this time of the year.

Access would be mainly by helicopter but fixed wing aircraft and snowmobiles could be employed to cut costs. A small lake at the eastern edge of the property is adequate for both float and ski equipped aircraft and a good helicopter pad has been built at a campsite convenient to the main showings.

Twelve proposed drill hole locations are shown on the accompanying map. These are tentative, however, and may be subject to modification on the basis of topographic consideration or more detailed geology, as it becomes available. The following cost estimate is for a full program which would last about 3 months but this could readily be modified or staged if conditions warranted

ESTIMATED EXPENDITURES

Mobilization:

Helicopter	15,000
Fixed Wing Aircraft	3,500
Surface Vehicle	<u>1,500</u>

Total..... \$ 20,000

Diamond Drilling..... 75,000

Assaying & Testing..... 4,000

Geology:

Geologist	12,500
Helper	<u>7,500</u>

Total..... 20,000

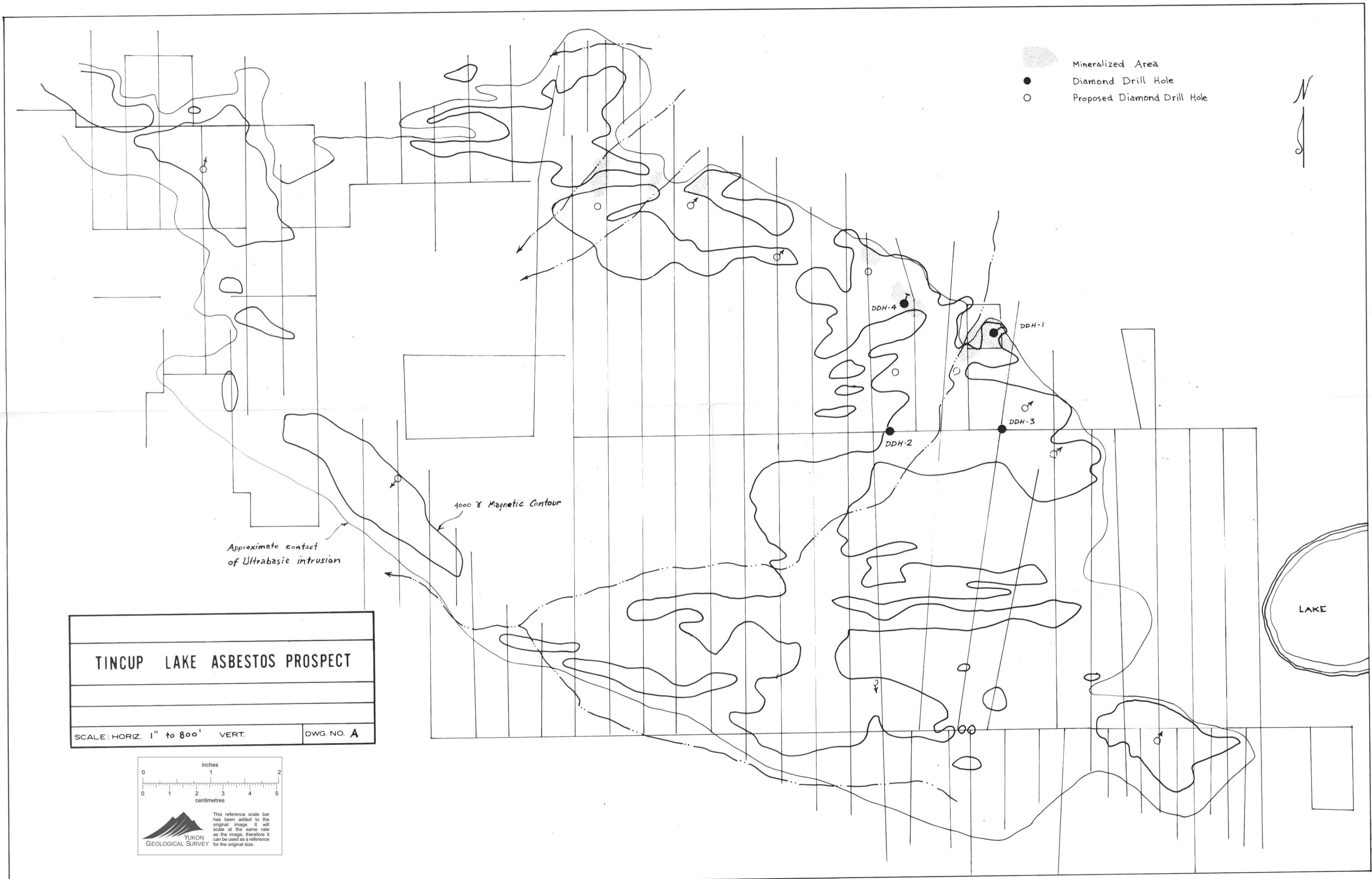
Camp Costs..... 8,500




Communication and Fares..... 2,000

Office Costs..... 6,500

Contingency Allowance..... 9,000

TOTAL \$145,000



-  Mineralized Area
-  Diamond Drill Hole
-  Proposed Diamond Drill Hole



TINCUP LAKE ASBESTOS PROSPECT

SCALE: HORIZ. 1" to 800' VERT. DWG. NO. A

