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PROGRESS REPORT FOR MONTH OF JUNE

VICTOR PROJECT

MAX GROUP

by

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June 15 — June 30.

TABLE OF CONTENTS

ILLUSTRATIONS

Introduction

The Max Group of claims was staked in early June to cover a large geochemical silt anomaly discovered in the tributaries of Rhyolite and Onion Creeks. Due to active exploration in the immediate area by other mining companies, a large block was staked to cover all possible favourable geological units and geochemical anomalous samples. After staking was completed a small 3 man camp was established on the main anomalous tributary of Rhyolite Creek undertaking geological and geochemical surveys.

Location and Access

The Max Group is roughly centred on the mountain range lying between Rhyolite and Onion Creeks. At. an approximate latitude 61° 52' N and longitude 138° 30' W. elt is 15 miles north of the northern tip of Talbot Arm, 90 miles west of Aishihik Lake and 15 miles south of the junction of the Klaza and Nisling Rivers.

Access is by helicopter from base camp located at the junction of the Klaza and Nisling rivers.

Geochemical Survey

- A large grid was established in Rhyolite creek in the area of the geochemical silt anomalies discovered in original reconnaissance. A base line was ran from a base station located at camp to 8000 feet east and 6400 feet west, soil sample lines were then pace and compassed on north-south lines to 4000 feet north and 3000 feet south. Line spacing was 800 feet and soil samples were taken at 400 foot intervals. Due to the large spacing a more detailed grid using 200 foot lines and sampling interval 200 feet was used in the area of the quartz monzonite stock. A map with the grid location may be found in the accompanying pocket.

Geology

The Max Group is predominantly underlain by Yukon Group metamorphic unit ~~as~~ mainly a banded quartzite. The banded quartzite is approximately 95 percent anhedral quartz with the remainder as biotite and other mafics. The bands generally are less than ~~½~~ inch wide with the more mafic portions appearing dark grey to green. The highly siliceous bands are generally white to light tan brown. Large white massive quartz veins are commonly found as concordant lenses and as discordant veins. No mineralization

was noted in these veins. The banded quartzite also contains intervals of more ~~lime~~ calcium rich material to be termed a limy quartzite. In areas of dyke activity, siliceous skarn type bodies are found in the limy interval.

A quartz-~~biot~~ biotite schist and a garnet biotite schist are also found surrounding the claim group and are not considered to be as important as the banded quartzite. The banded quartzites have a general northeastern trend and dip steeply to moderately to the northwest. The Yukon Group metamorphic units were mapped as Unit 1.

Mapped as Unit 2 is a dark green - grey andesite to basalt and related dykes. It occurs as an aphanitic dark green to black material and is not found to much extend on the property.

Unit 3a was mapped to consist of a medium grained hypidiomorphic biotite quartz monzonite of probable mesozoic age. It appears to ~~be~~ be associated with the "Nisling Range Granodiorites", with much of them extend found to the north. The quartz monzonite occurs as a small stock ~~point~~ with associated quartz veining in the valley of Rhyolite Creek. It was also found as dykes cutting the banded quartzite. This unit is moderately to highly fractured but shows little alteration. Locally it appears silicified and partially chloritized. In a few locations it contained ~~disseminated~~ disseminated pyrite.

Unit 3b consists of a fine to medium grained hornblende diorite to gabbro. It is consists of

| < = less than! |

approximately 40% hornblende less than 2mm in length, 5% quartz and 55% plagioclase. dlt is found as small stocks and large dykes cutting the banded quartzite. dlt also appears to be of Mesozoic age.

Unit 4a is composed of a quartz porphyry to feldspar porphyry to a rhyolite porphyry. dlt is very variable and generally consists of < 10% qtz phenocrysts less than 2mm in size, < 20% orthoclase phenocrysts less than 4mm in a light to medium grey aphanitic matrix. Frequently the matrix appears glassy. dlt of unit 4 appears to be related to the Tertiary "Nisling Range Rhyolites" found as dykes cutting all previous units in the area. The Unit 4a weathers tan brown.

Unit 4b consists of a dark grey to black feldspar porphyry with phenocrysts of feldspar occuring as white blebs up to 1 cm in a dark aphanitic matrix. dlt is thought that this unit likely of mesozoic age belonging to unit 2.

Unit 4c includes all light grey to tan aphanitic felsite dykes found on the property.

Unit 5 consists of very fresh basic dark grey to black aphanitic dykes that are found cutting the tertiary dykes and are considered to be related to the late tertiary volcanic activity.

The property consists of many of these various dykes cutting the banded quartzite and each other but generally in a north - south orientation. As yet, the relationships between all

these dykes is not known as the geology is very complex accompanied with poor outcrops on some slopes. Many dykes appear sporadic and not traceable for over long distances thus giving poor correlation.

Economic Geology

Mineralization noted so far is found in qtz veins in the quartz monzonite and in the banded quartzite. ~~Approx~~ So far 10 major showings have been noted.

Showing number 1, located at line 0, station 400 feet south consists of an outcrop approximately 50 feet wide by 20 feet high of banded quartzite in contact with quartz monzonite. Large white quartz veins less than 1 inch in width are found cutting both rock types and contain ~~up to~~ large flakes of molybdenite. The veins carrying molybdenite mineralization are sporadic but the veins that are do contain up to 1% MoS_2.

Showing No. 2 - is located at ~~stat~~ line 0, 900 feet south, consistens of a large ~~outcrop~~ outcrop of fresh but oxidized quartz monzonite with quartz veins up to 2" wide found cutting the unit in all directions. Molybdenite mineralization is sporadic and found in particular veins, others are barren. The molybdenite is large grained with flakes up to $\frac{1}{2}$ inch in size.

Showing No. 3, located at Line 8 East, 400 ~~South~~ North. - consistens of a large outcrop of quartz monzonite also intersected with many qtz veins

with sporadic molybdenite mineralization. Veins carrying molybdenite contain up to 2% MoS_2.

Showing No. 4, located at Line 24 west, 2800 feet South consist of a ~~skarn~~ silicified skarny typed deposit in a limey quartzite. Fine grained chalcopyrite appears to be associated with up to .~~5~~ 1 percent disseminated pyrrhotite.

Showing No. 5 located near the previous showing is very similar consisting of dessemenated chalcopyrite and pyrrhotite in a limey ~~qtz~~ quartzite. Both showings due to the high iron content weather to a rusty brown gossan.

Showing No. 6, located at line 2 west, 600 feet south consist of a small outcrop of banded quartzite with qtz veins accompanied with molybdenite mineralization. Estimate 10% MoS_2 in the actual vein.

Showing No. 7, located at line 47 west, 200 feet south; Showing No. 8, located at Line 17 west 2000 feet south; Showing no. 9, located at Line 24 west, 900 south; and Showing No. 10, located at Lin 68 E, 4000 feet north. ~~are~~ all consist of disseminated ~~pyr~~ pyrrhotite with associated in an limey quartzite. all showings appear to contain from .~~0~~3 → .1~~8~~ percent copper as visual estimates.

Proposed Program

It is thought that due to the large ~~grid~~ sample spacing, that more north - south sample lines be established by chain and compass methods in areas of the showings. Also this will produce a closer spacing for a proposed magnetometer survey in areas of pyrrhotite - chalcopyrite mineralization. New results show a geochem anomalous area in the north eastern portion of the grid underlain by rusty, oxyy, silicified quartzites so more detailed line spacing is proposed for this important area.

~~Conclusion and Rec~~

Summary and Conclusion

The preliminary work on the Max Group has shown potential copper and molybdenite mineralization spread over a very large area. The molybdenite appears to be wholly related to the later stages of the quartz monzonite stock emplacement and does not occur in other areas. The copper mineralization occurs in the very siliceous banded quartzite which appears skarny. It is not known if the mineralization is localized or not, and

the magnetometer survey should show the ~~elto~~ possible limits. If the mineralization is associated with the basic dykes that do occur adjacent to some showings it is thought that the mineralization could be very local. Recent work in the northeastern grid area has shown an area of highly silicified and locally brecciated banded quartzite with only limonitic vugs remaining. Geologically this area appears ~~to be very promising~~ to have a good potential for mineralization due to indications by soil sampling. Also the quartz monzonite stock has now been covered by 200 foot spaced soil samples, if anomalous values are observed as ones that have already been received are, then a possible phase 2 program of further assessment might include cat trenching or diamond drilling.

respectfully submitted

W.T.P