

R E P O R T

A B & C GROUPS

TAY RIVER MINES LIMITED

PRE-
EM
work.
=

Vancouver, B.C.

December 15/65 S. J. Hunter, P. Eng.

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REPORT

"A" GROUP, "B" GROUP AND "C" GROUP OF

MINERAL CLAIMS,

TAY RIVER MINES LIMITED,

WHITEHORSE MINING DIVISION,

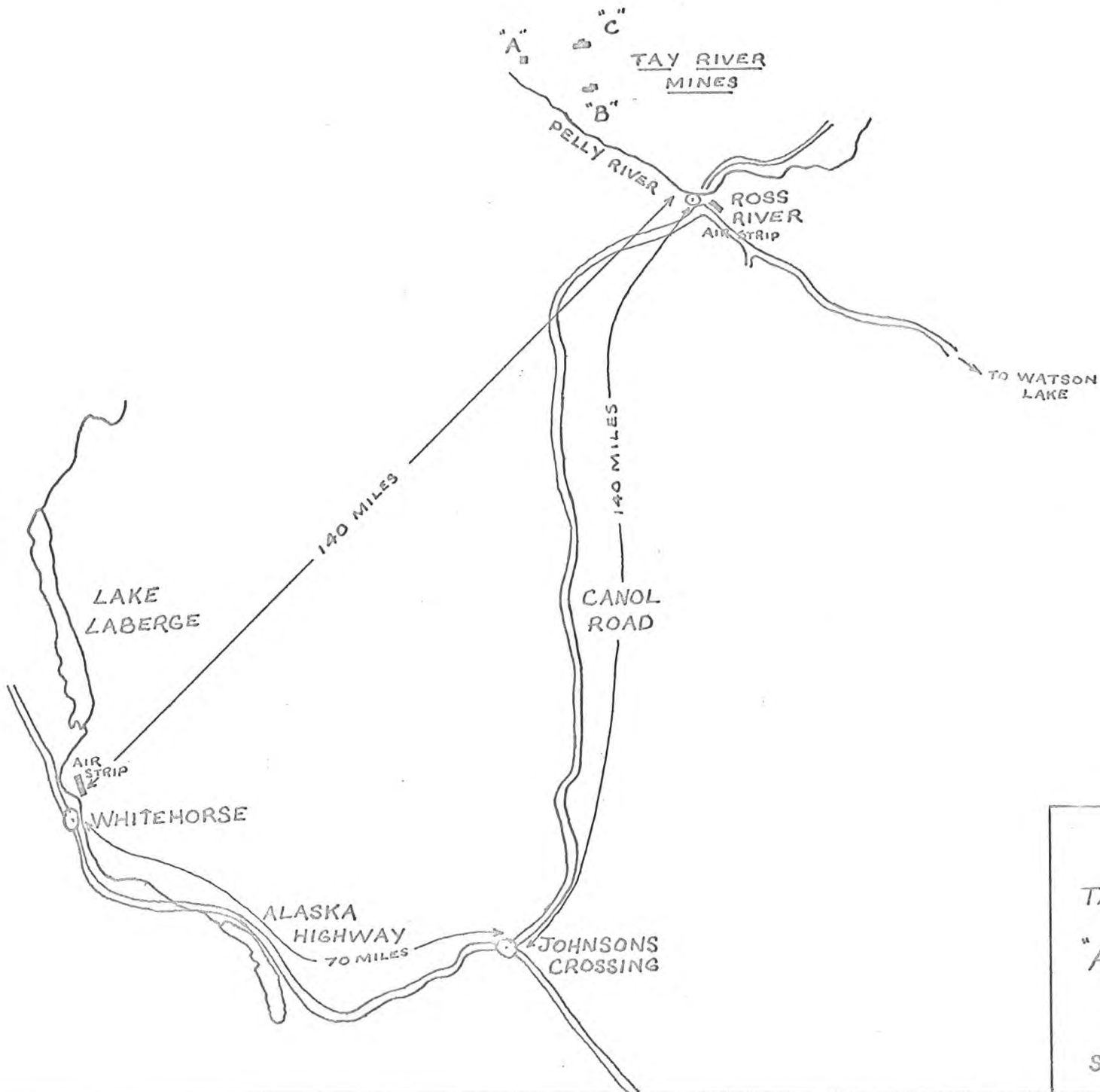
YUKON TERRITORY

SUBMITTED TO:

TAY RIVER MINES LIMITED
VANCOUVER, B.C.

VANCOUVER, B.C.
DECEMBER 15, 1965

S.J. Hunter, P. Eng.,
CONSULTING MINING ENGINEER.



LOCATION PLAN
 TAY RIVER MINES LIMITED
 "A," "B" & "C" CLAIM GROUPS
 PELLY RIVER, YUKON
 SCALE 1" = 20 MILES DEC. 15, 1965
 S. J. HUNTER, P. ENG.

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CLAIM LOCATIONS AND GEOLOGY

INTRODUCTION

At the request of Tay River Mines Limited an examination was conducted of all reports available on the Dynasty-Vangorda Area of the Yukon, of Geological Survey Map 13-1961, and also of all general geological and geophysical information compiled by Dynasty Explorations Ltd. in order to prepare and submit a comprehensive report including exploration recommendations on the "A", "B" and "C" Claim Groups of Tay River Mines Limited in the Dynasty area.

The writer visited this area of the Yukon over September 1 to 3, 1965.

The information obtained from this examination together with the writer's knowledge of the area form the basis for the report submitted herewith.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The Tay River Mines Limited Properties comprise three separate claim groups as follows: -

1) The "A" Group of 72 contiguous claims adjacent to the Faro Zone of Dynasty Explorations on its immediate East.

2) The "B" Group of 72 contiguous claims adjacent to the Beta anomaly claims of Dynasty Explorations on their immediate East.

3) The "C" Group of 56 contiguous claims adjacent to the Ace anomaly of Dynasty Explorations on its North Boundary.

The claims are located at approximately $62^{\circ}15'$ North to $62^{\circ}20'$ North and from $132^{\circ}44'$ West to $133^{\circ}17'$ West.

The Dynasty Explorations program of diamond drilling on the "Faro" anomaly has inferred a possible 30,000,000 tons of lead-zinc ore grading 8% combined sulfide values with copper-silver content as well.

A program will be launched this season by Dynasty on the "Ace" anomaly which is some 4 miles long and one-half mile wide.

Vangorda Mines previously outlined an ore zone containing 9,400,000 tons of 8% combined lead-zinc, 0.3% copper and 2 oz. of silver.

The Dynasty program was directed in sequence as follows: -

- 1) Magnetometer surveys of the area by helicopter.
- 2) Ground EM surveys of the aeromagnetic anomalies.
- 3) Follow-up geochemical sampling of the anomalies.
- 4) Bulldozer test pitting of exposed sections.
- 5) Rotary test drilling of the favourable areas followed by diamond drilling as required.

The geology of the area is essentially characterized by the intense metamorphism, faulting and folding of a favourable bed of Paleozoic Schists between the Tintina Thrust Fault of the Pelly River Valley and the extruded granodiorites of the Anvil Mountain Range to the North. This was accompanied by intrusion of sulfide minerals into the sericite and chlorite schists to form deposits of the pipe type of origin.

These favourable beds are to be found on the three groups of claims belonging to Tay River Mines hence the following program is recommended:-

- 1) Conduct a reconnaissance air-borne magnetometer survey over the "A", "B" and "C" groups of claims in that sequence.
- 2) Ground checks any anomalous areas in the three groups by E M methods.
- 3) Further check the above results by soil sampling and geo-chemical analysis in the spring.
- 4) Interesting anomalies can be further checked by rotary test drilling.

It is estimated that a sum in the amount of \$160,000 will be required for the preliminary phases of this program.

AREA LOCATION

Latitude - $62^{\circ} 15'$ to $62^{\circ} 20'$ North

Longitude - $132^{\circ} 44'$ to $133^{\circ} 17'$ West

The active area of staking activity is in the central Yukon in the Pelly River District between Anvil Creek on the West, and Eastwards to Blind Creek, and South to Swim Lakes.

The nearest centre is Whitehorse, a distance of 140 miles by air. The small settlement of Ross River lies 40 miles to the Southeast.

The reference map is Tay River 105K Yukon Territory.

ACCESS

Simplest access is by fixed wing aircraft from Whitehorse. There are three airstrips in the Ross River Area, one at Rose Creek (3500') recently constructed by Dynasty, another at the old Prospector Airways Camp on Vangorda Creek, and a good serviceable strip (3500') at Ross River.

Road Access is available by car or truck via the Alaska Highway 70 miles from Whitehorse to Johnsons Crossing and thence over 140 miles of the Canol Road to Ross River. A 40 mile winter road leads from Ross River to the Dynasty Faro Camp.

Helicopter Service is presently available in Whitehorse.

PREVIOUS DEVELOPMENT IN THE AREA

Prospector Airways in 1955-56 carried out an intensive exploration program in the Vangorda Creek Valley and after some 50,000 feet of diamond drilling outlined a zone containing 9,400,000 tons of 8% combined metals in lead-zinc, 0.3% copper, and 2.0 ozs. silver. Kerr Addison now owns the Prospectors Airways Claims, and Kerr carried out a drill program West of Swim Lakes in 1964 with some success.

Dynasty Explorations Limited (NPL) was incorporated in April 1964 and acquired 586 mineral claims in the Vangorda area of the Yukon. During 1964 a preliminary program consisting of geological mapping, prospecting, geophysical and geochemical surveys, followed by diamond drilling, bulldozer trenching and road building was carried out in the sea property. A ground magnetometer survey revealed an anomalous area 8,000 feet long by 600 feet wide. Subsequent diamond drilling outlined flat-lying, disseminated to massive sulfide mineralization similar to the Vangorda deposit at varying depths to 400 feet.

Meantime an area aeromagnetic survey discovered several zones of magnetic anomalies spread over some 20 miles in length. A further 219 claims were staked.

During the winter and spring of 1964-65, funds were acquired through public offerings and as a result an extended winter program was initiated to test the major anomalies in order to determine which were caused by presence of mineralization. This work was expedited by geophysical surveys and the use of a Nodwell Mounted Mayhew 1000 rotary drill for test drilling.

From this work the 13 or more previous anomalies some 20 miles in length were grouped into 5 main zones of interest namely Sea, Cub, Beta, Faro and Ace. (The Ace Anomaly is estimated to be $4\frac{1}{2}$ miles long by $\frac{1}{2}$ mile wide.)

Throughout 1964 to June 1965 an estimated \$450,000 was spent directly in this program.

CURRENT DEVELOPMENT IN THE AREA

The Faro ore zone is now being diamond drilled and has yielded ideal results to date in that the assay values are economically acceptable, the zone is shallow and flat-lying and, in other words, amenable to open pit mining at low costs.

As a result, Dynasty Explorations was able to interest major financial support from Cyprus Mines Limited who joined with them in forming the Anvil Mining Company to exploit the lead-zinc-silver-copper deposits of the Pelly Basin. They are currently expending \$200,000 per month in their program. Involved in testing the Faro Zone, are some 5 diamond drill rigs and 2 overburden drills. A full scale winter program is in force.

In addition, Dynasty Explorations has expanded their claim holdings to over 2400 recorded claims in this area.

Many companies are now involved in staking claims over a belt 30 miles long.

PROPERTY HOLDINGS

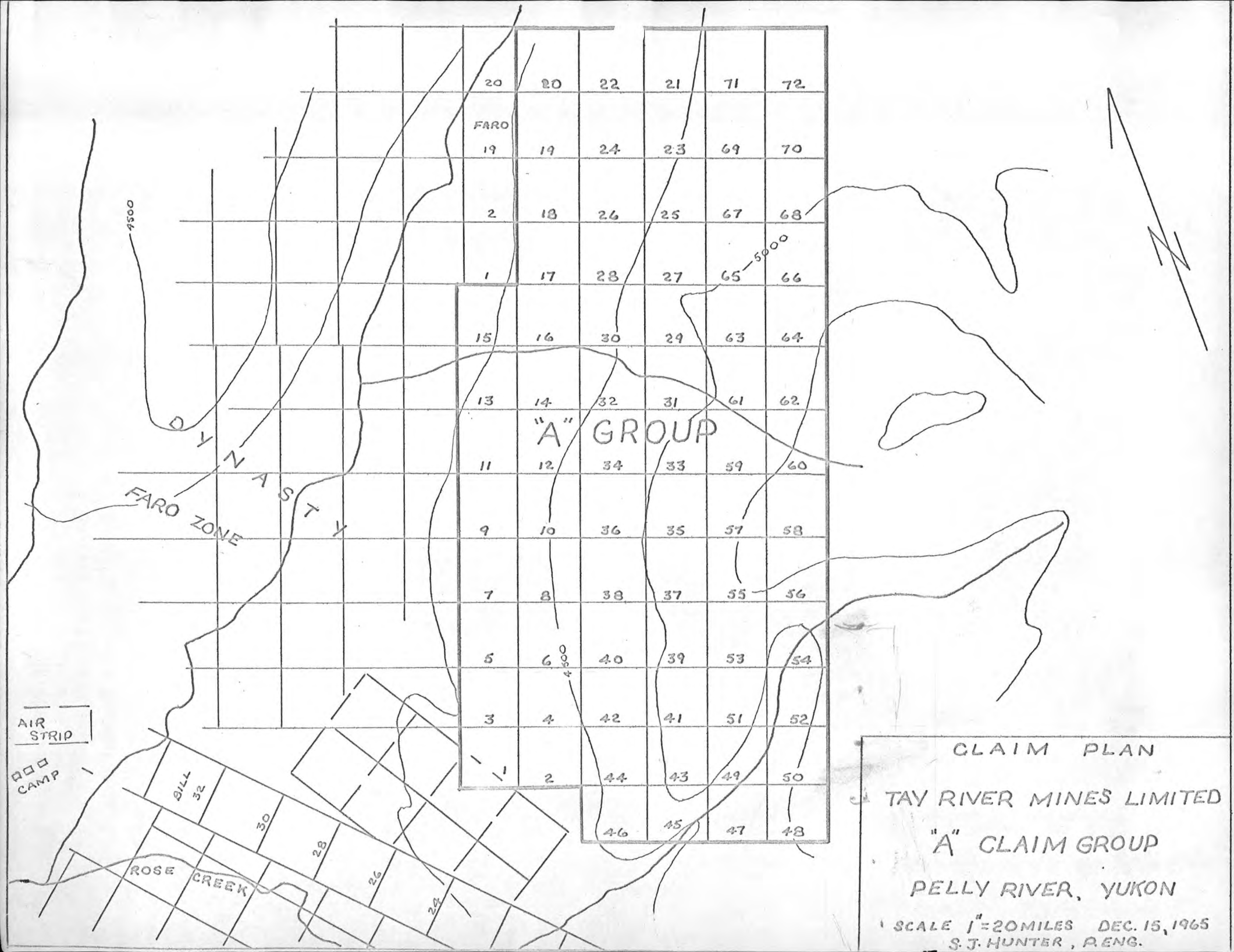
Tay River Mine claims are located in three favourable locations relative to the larger anomalies of Dynasty Explorations. They are described as follows: -

1) The "A" Group of claims comprises a contiguous block of 72 claims located against the East boundary of the Faro Groups of Dynasty and within approximately 3000 feet on strike of the current Dynasty program. These claims are recorded as the A 1 to 72.

2) The "B" Group of claims consist of a contiguous block of 72 claims staked against the East boundary of the Beta Group of Dynasty on strike of the Beta anomalies. These claims are recorded as the B 1 to 14 and B 23 to 80.

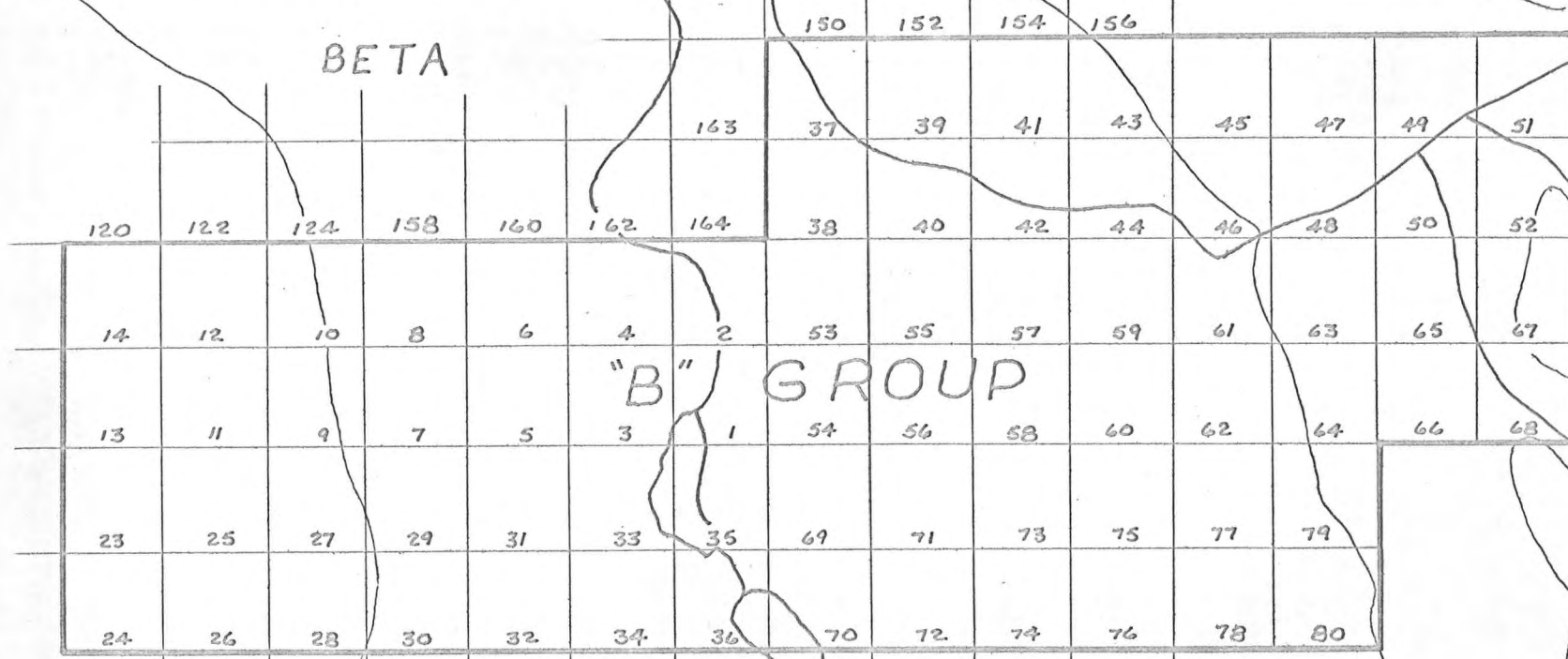
3) The "C" Group of claims comprises a contiguous block of 56 claims bounding the Ace Group of Dynasty to the North. These claims are recorded as the C 1 to 57.

The distance between the Westerly "A" Group and the Easterly "B" Group is 16 miles. "C" Group lies some 8 miles North of the "B" Group.



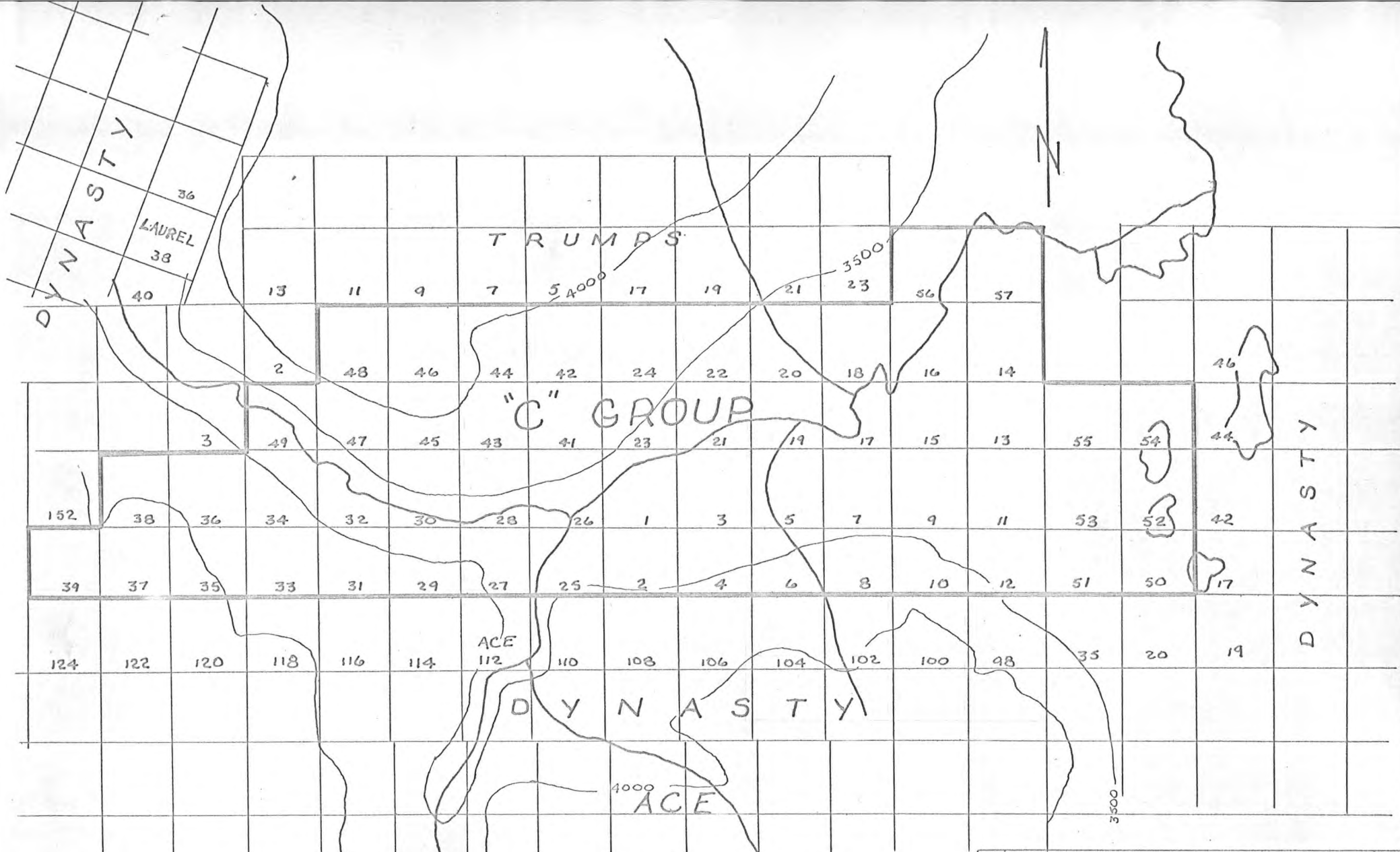
DYNASTY

BETA



DYNASTY

CLAIM PLAN
TAY RIVER MINES LIMITED
"B" CLAIM GROUP
PELLY RIVER, YUKON
SCALE 1"=20 MILES DEC. 15, 1965
S. J. HUNTER, P. ENG.



CLAIM PLAN
 TAY RIVER MINES LIMITED
 "C" CLAIM GROUP
 PELLY RIVER, YUKON
 SCALE 1"=20 MILES DEC. 15, 1965
 S.J. HUNTER, P. ENG.

The claims are registered in the Whitehorse recording office of the Department of Northern Affairs and National Resources, Yukon.

GEOLOGICAL FEATURES

Generally, the main Geological feature of the area is the Tintina Fault which occupies the Pelly River Basin and strikes Northwest. Paralleling this fault valley on the North side are the Anvil Mountains which are essentially granite bases capped by pendants of metamorphosed rocks. Between these two structures are the Yukon Series of sediments consisting of quartzites, chloritic schists, limestone and greenstone schists of the Pre Cambrian and/or Palaeozoic Ages. The Yukon sediments are highly folded and metamorphosed. The trend of the folding is Northwest and the dips are generally flat. The Tay River Mines' three claim groups will be discussed individually and in detail as follows:-

1) "A" Group.

This group of claims is bisected by the contact between the granodiorite to the North and the favourable sericite-chlorite schists to the South. See the accompanying plan. Several stream valleys cross the claims in a Northeast direction and they no doubt represent faults.

The favourable Faro Zone of Dynasty Explorations is striking just South of East. Consideration of all these factors justifies optimistic evaluation of the "A" claim as a key group.



DYNASTY EXPLORATIONS


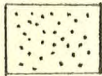
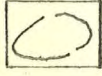
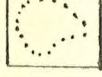
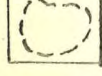



GRANODIORITE

"A" CLAIM GROUP

FARO ORE ZONE

DIAMOND DRILLING

LEGEND

-  SCHIST
-  HORNFELSIC SCHIST
-  AEROMAGNETOMETER ANOMALY
-  GEOCHEMICAL ANOMALY
-  E-M ANOMALY
-  BRECCIATED SCHIST
-  ROTARY DRILL HOLE
-  SULPHIDES

ROSE CREEK

TAY RIVER MINES
 "A" CLAIM GROUP
 DYNASTY-VANGORDA-
 AREA. PELLY RIVER, Y.T.

S.J. HUNTER, P. ENG.

SCALE 1"=3000' DEC 12/65

2) "B" Group

The "B" group lies astride the headwaters of Blind Creek immediately adjacent to and South of the large Beta Anomaly of Dynasty Exploration. The claims cover a region of sericite chlorite schists with a stock of granodiorite occupying the East boundary. Greenstone outcrops occur to the West of the B group. The B group is advantageously situated between the Beta Anomaly to the North and the Cub Anomaly to the South.

3) "C" Group

The "C" Group of claims parallels the Ace Anomaly of Dynasty on the North. The contact between the schists and greenstones appear to pass through the west end of this group of claims and on through the "Ace" Anomaly area. The Ace Anomaly itself appears to be partly in the schists and partly in the upper greenstone beds.

MINERALIZATION

No mineralization has been found on these several groups to date. However, with the vast evidence of mineralized anomalies in this district, and with the ideal locations of the three claim groups, prospects for discovering continuing or parallel zones are strong.

PROPOSED PROGRAM

It is proposed that the following exploratory work be instituted on the three claim groups in continuing sequence as follows: -

- 1) "A" Group
- 2) "B" Group
- 3) "C" Group

The work should be so organized as to take advantage of access conditions in the Yukon winter season. Hence the program should begin in January and be conducted as follows: -

- 1) Establish a sleep-diner trailer as near as possible to the "A" Group of claims.
- 2) Lay out boundary line control lines to guide an aero magnetic survey.
- 3) Carry out a helicopter magnetometer survey of the lower 9000 feet of the claim group.
- 4) Lay out a close spaced grid on any indicated anomalies.
- 5) Run a ground E M Survey over the anomalies.
- 6) Use self potential or gravity surveys to check for mineral occurrence on the E M anomalies.
- 7) Test drill key targets by rotary drills.
- 8) Complete geological plans to cover the above work.

Following completion of geophysical work on the "A" Group a similar approach must be made on the "B" next, then "C" Groups.

It must be stressed that approximately 6 weeks per group will be required and that by late May the preliminary program must be complete.

Following break-up a continuing program of prospecting, geo-chemical exploration, and any required geophysical work can be continued.

ESTIMATED COSTS

Working Period - January, February, March, April, May

Rental Trailer	5 months at \$600	\$3,000
Transportation Men and Equipment: -		
	Fares 5 x \$150	750
	Equipment	2,000
Equipment Rental: -		
	Bulldozer 600 hrs at \$18.00 per hr.	10,800
	Radio 5 months at \$100	500
	Vehicle 5 months at \$600	3,000
	Power Plant 5 months at \$300	1,500
Camp Operation: -		
	5 men at \$10 per day x 5 months	7,500

Crew Wages: -

Foreman	\$700		
Geologist	700		
Cook	400		
Prospector	600		
Helper	<u>400</u>		
	\$2,800		
Benefits at 20%	<u>600</u>		
	\$3,400	for 5 months	\$17,000

E M Contractural Work : -

60 miles at \$100 per mile		6,000
S.P. or I.P. Contractural work : -		
30 miles at \$100 per mile		3,000
Helicopter charges for servicing : -		
30 hours per month at \$110 x 5 months		16,500
Line Cutting for Geophysical Work : -		
210 line miles at \$60/ mile		12,600
Rotary Drilling		
6000 feet at \$7 per foot		42,000
Engineering, Supervision and Consulting Fees		15,000
Main Office Charges : -		
Tel and Tel - \$200x5		1,000
Travel		1,500
Insurance		<u>1,000</u>


TOTAL	\$144,650
CONTINGENCIES	<u>15,350</u>

ESTIMATED ALLOWANCE	\$160,000
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GENERAL STATEMENT

In view of the proven and large potential ore structure in the Dynasty area to date and considering favourable locations of the "A", "B" and "C" Groups of claims, the exploratory program as outlined is warranted in order to ascertain possibilities for economic mineral blocks from whence a further development phase may be warranted.

VANCOUVER, B.C.
DECEMBER 15, 1965.



S.J. HUNTER, P.ENG.,
CONSULTING MINING ENGINEER.

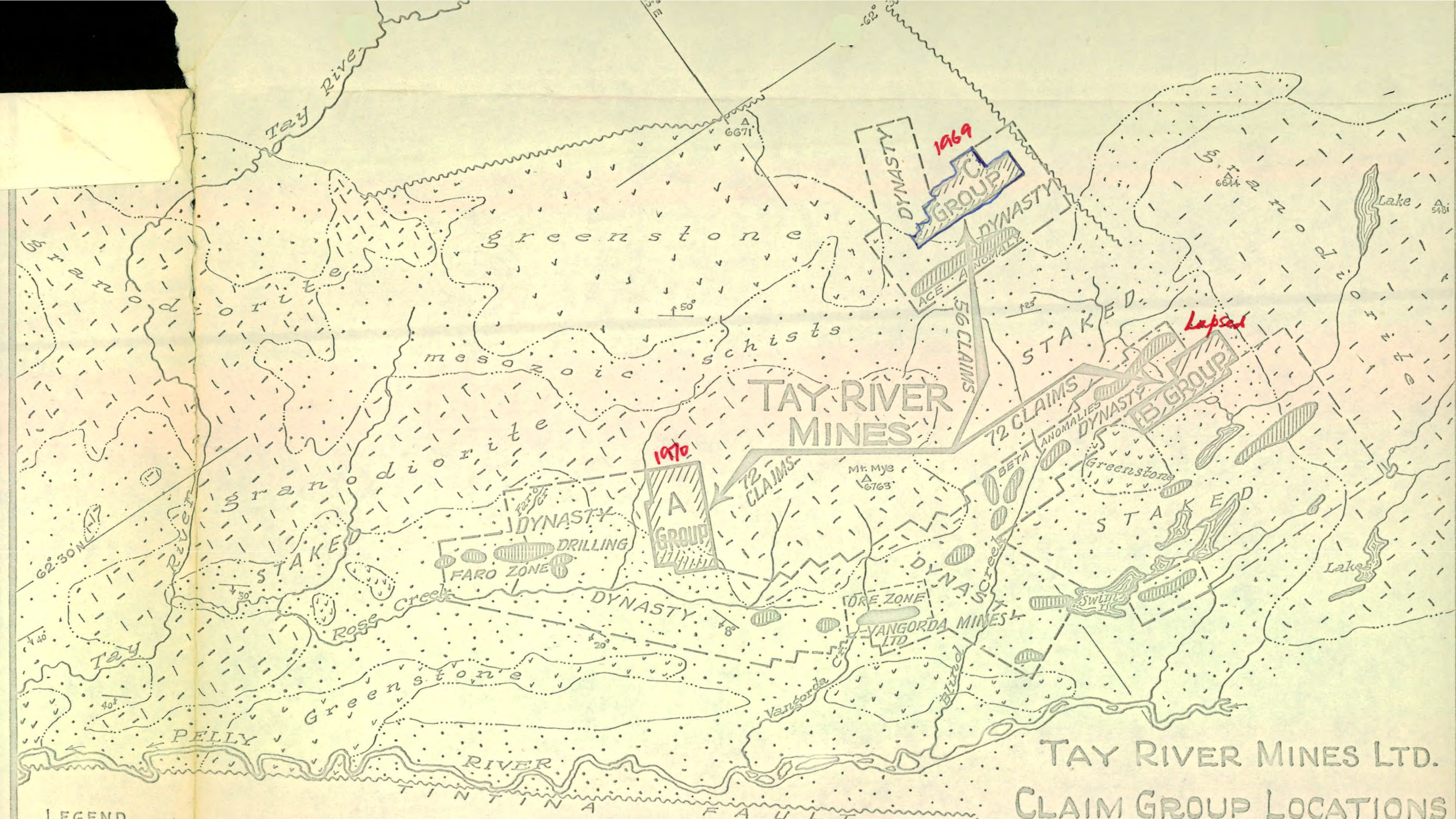
CERTIFICATION

I, Stanley John Hunter, of the City of Penticton, in the Province of British Columbia, hereby certify as follows: -

1. That I am a Registered Professional Engineer of the Province of British Columbia and Ontario and reside at 247 Vancouver Avenue, Penticton, B.C.
2. That I am a graduate of the University of British Columbia with a Bachelor of Applied Science in Mining Engineering, having practised my profession for seventeen years.
3. That I have no interest either directly or indirectly in the Tay River Mines nor do I expect to receive any.
4. That the information contained herein was compiled from my knowledge of the area and an examination during September 1965.

VANCOUVER, B.C.
DECEMBER 15, 1965.


S.J. HUNTER, P.ENG.,
CONSULTING MINING ENGINEER.



LEGEND.

- Sulphide Orebody
- Anomalies

REF.: Geology, Plan and Anomalies
Dynasty Explorations Ltd.

*Crown
Rinkala land
Grant*

TAY RIVER MINES LTD.
CLAIM GROUP LOCATIONS
Dynasty-Vangorda Area
Pelly River, Y.T.

Scale: 1 in. = 4 miles.

DEC. 1965.