ASSESSMENT REPORT

105D-06-3

UNION

PREPARED BY

DIAND TECHNICAL SERVICES

NOVEMBER, 1993

105D-06-3

UNION

LOCATION

Latitude: 60° 18'58"N
Longitude: 135° 01'59"W

The exploration site is located approximately 25km northwest of the village of Carcross and 18km southwest of Robinson on the South Klondike Highway south of Whitehorse. The site is near the base of Pugh Peak in the Boundary Ranges (Coast Mountains) approximately 2km west of Annie Lake. The site can be reached from the Wheaton River valley road (Annie Lake road) at the Robinson intersection south of Whitehorse on the South Klondike Highway. The site is between 1500-1525m above sea level.

Site maps showing the location of the site are attached as Appendix A to this report.

WORK HISTORY

The site was first staked about 95 years ago. A summary of the work history follows.

May, 1898 - Staked as Union Mines claims by W.P. Schnabel. This was reported as a restaking of property first staked in 1893 by Thomas Kerwin.

1906-1909 - The Nevada Mines and Caribou groups were staked uphill by C. Bush and W.P. Schnabel. By 1909 workings consisted of 3 adits, the longest of which was 41m, and an aerial tramway on the Union Mines claims. On the other claims considerable hand trenching was completed. Schnabel reportedly shipped about 10 tons of hand cobbed ore worth about $20 per ton in 1906.

1927 - Restaked by C. McConnell as the Export group.

June, 1946 - Restaked again by C. McConnell as Florence claims.

August, 1951 - Restaked as Nesjack and Winnie claims by Yukore Ltd., which mapped, trenched, and cleaned out the adit. Yukon Exploration and Development Co. Ltd. tied on the Yukore property in 1951-52.

August, 1957 - Restaked as Darlene claims by P. Poggenburg, who in later years performed hand and dozer trenching in 1962-63.

1964 - Cominco conducted a dozer and mapping program under option.

1968 - The adjoining Ida claims were staked by P. Poggenburg and transferred to Idaho Silver Mining Ltd.

1969 - A small program of geochemical sampling, geophysical surveys, and dozer work was completed.

1970 - Whitehorse Silver Mining Ltd. was formed and conducted grid soil sampling in 1971, electromagnetic surveys in 1972, and dozer trenching in 1974.

1973-1979 - Dumb Donkey Mining Ltd. tied on the Dumb Donkey claims, added more claims in 1974 and 1975 to fringe the property on the west, north and east, performed extensive dozer trenching in 1974-76, and restaked the old showings between 1976 and 1977. The southeast portion of the property was briefly optioned in 1974 and again in 1978 by Whitehorse Copper Mining Ltd. which explored with magnetometer surveys, electromagnetic surveys, and trenching in 1979. Dumb Donkey performed more dozer trenching and hand trenching in 1979, and transferred the property to Annie Lake Mining Ltd. later in the year.

1980 - Annie Lake Mining Ltd. performed mapping, geochemical sampling, and geophysical surveys.

1981 - The property was transferred to D. Baird.

1983 - The property was transferred to Avid Gold Resources Inc. which conducted trenching and drilled two holes (94.5m) in 1986.

1984-1989 - The adjoining New claims were tied on to the south in June, 1984 by Barker Creek Placer Exploration Ltd. and Silver Mountain Resources Ltd. then sold to New Era Development Ltd. and Havila Gold Mining Ltd. which performed a magnetometer survey in 1985 and a geochemical survey in 1986. Baird restaked part of his property as the Sail claims in 1985. Avid Gold Resources Inc. performed trenching and road construction on the Sail and Dumb Donkey claims in 1989.

CLAIMS STATUS

Status of mineral claims including claim names and numbers, claim expiry dates, and current owners in the vicinity of the Union site have been noted as of 1992/05/01 as follows;

CLAIM NAME/NUMBERS	EXPIRY DATE	OWNER
Dumb Donkey 2-13, 15, 20-22	June 26, 1992	Avid Gold Resources Inc.
Dumb Donkey 22-45, 46-50	June 26, 1993	Avid Gold Resources Inc.
Sail 1-16	June 26, 1992	Avid Gold Resources Inc.
Sail 17-42	June 21, 1992	Avid Gold Resources Inc.

The major commodities identified at this site are silver and lead. The minor commodities identified at this site are zinc, gold, and copper.

At least a dozen veins were found within greywacke and tuff of the Jurassic Laberge group. Galena, arsenopyrite, and minor sphalerite, pyrite, and chalcopyrite occur both in quartz-calcite vein gangue and in the walls of the veins.

CURRENT SITE CONDITIONS

The Union site is accessible by trail leaving the Wheaton River road at the west side of Annie Lake. The trail follows the Schnabel Creek valley approximately 2km to the base of Idaho Hill. The trail is accessible to all terrain vehicles.

Site photographs showing current site conditions are attached as Appendix B to this report.

Three old hand excavated adits were found on the north bank of Schnabel Creek. The creek in the vicinity of the adits is steep and fast flowing. Trenching and drill sites are above the adit locations.

The vegetation around the adits is spruce and poplar to 10m high. The trenching sites are above tree line.

Surficial soils at the site consists of a thin veneer of weathered soil overlying bedrock (greywacke). The bedrock is highly oxidized and fractured near the surface.

As noted, the site is on the creek bank and very close to the Schnabel Creek channel. This is a steep, seasonal mountain creek with extremely variable flows depending on local snowmelt and rainfall conditions. The creek at the time of inspection on 1993/06/23 was generally less than 300mm deep and it is unlikely that it can support fish habitat in this particular reach past the adits.

Physical development at this site includes trenching, drilling, and hand excavated adits. The only remaining evidence from activity at this site includes;

- trails,
- small waste piles from the adit excavation, trenching and road construction, and
- one open adit.

No evidence of any buildings or any other waste was found at this site. The only evidence remaining from past development is that of excavations and road construction.

The predominant features from the past development are the trails to the adits and the trenching sites.The first 2km of the trail from the intersection of the Wheaton River valley road is generally overgrown with local vegetation. The last half kilometer of this trail is steep and usually encroached or was in the streambed and has long since been washed away in many places.

Only one of the three adits found extends beneath the surface (41m, according to historical records). The other adits were shallow and did not extend into the hillside. The one remaining adit is open and appears frozen over between 10-15m back from the surface. The largest pile of hand dumped waste rock is at the entrance to the uppermost

adit and consists of between 20-30 cubic metres of material. The waste rock from the middle adit, the deepest one, appears to have been removed.

The trails to the trenching sites were constructed using standard "cut and fill" techniques by cutting into the bank on the upslope and sidecasting or filling downslope, providing a level driving surface. The topography of Idaho Hill is a quite steep but is generally uniform and very dry. Very little erosion has taken place on this slope partly because it is so dry. Likewise slope instability is unlikely in this area because it is dry. However the trails that have been constructed are visible above treeline because of the past disturbance.

RECOMMENDATIONS

The most impact at this site is from road development in the area. The lower two kilometres of the road to the adits is overgrown from encroaching vegetation and much of the last half kilometre of the road has been washed away by Schnabel Creek. In general, the environment has reclaimed this road and it is recommended to leave the road as is. The roads to the trenching sites were constructed using typical "cut and fill" methods and are quite noticeable on the hillside. However there is no evidence that any significant slope instability or erosion has been created from this road construction. It is not recommended that any site remediation be considered for the roads or trenched areas. Site remediation of these roads and excavations would require reestablishing the original ground profile and revegetating the disturbed areas. This is considered a very costly exercise and will set back any natural revegetation that has already started.

The open adit that was inspected poses a safety hazard for anyone that finds this excavation. For public safety concerns it is recommended that this excavation be closed. This could be accomplished by taking a rubber tired backhoe to the site and filling in the entrance.

Summary

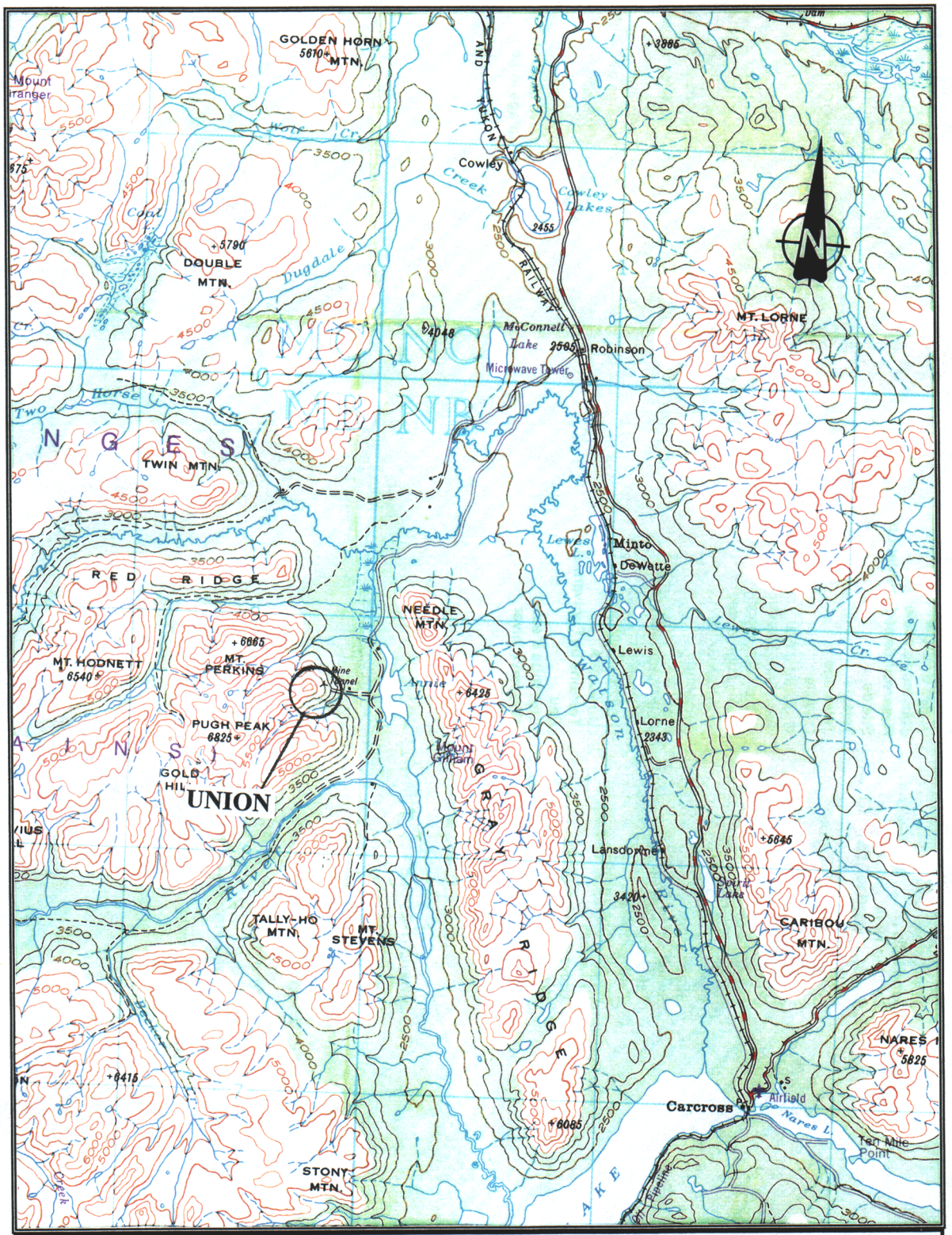
The most significant environmental damage at this site occurred from the road construction and trench excavating. The impact on the environment from this activity is considered **LOW** at this site as there does not appear to be any resulting stability or erosion problems. Revegetating the roads, drill sites, and trenching sites is considered a very low priority for this site.

The open adit, although in a relatively remote location, should be covered to prevent access to the general public. This should be considered a **HIGH** priority.

Also, no waste material or above ground infrastructure was found and this site is considered clean.

APPENDIX A

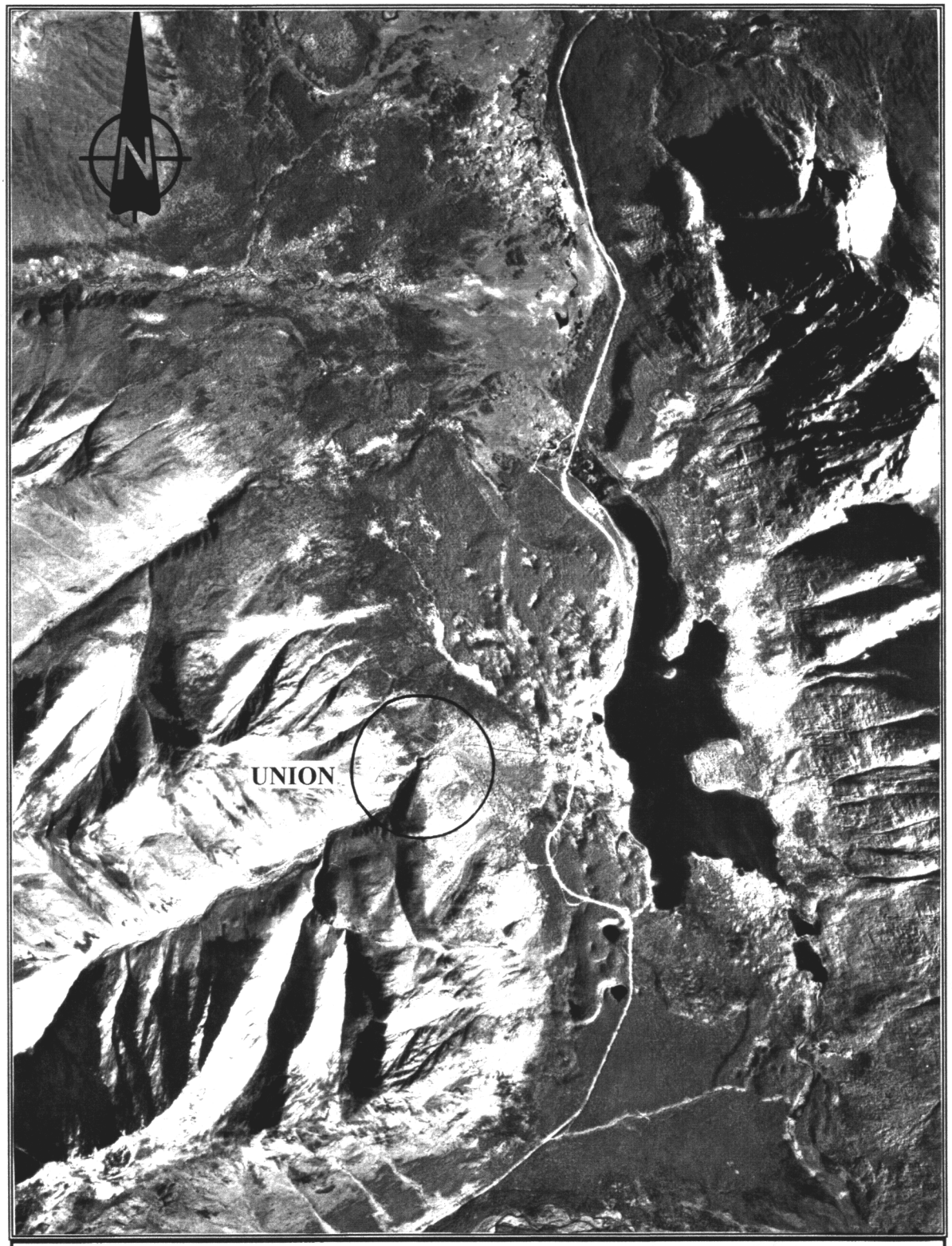
SITE LOCATION MAPS



SITE NAME: **UNION** SITE NUMBER: **105D-06-3**

MAP NUMBER: **105D** MAP NAME: **WHITEHORSE** MAP SCALE: **1:250000**

SITE LOCATION: LATITUDE: **60° 18'58"** LONGITUDE: **135° 01'59"**



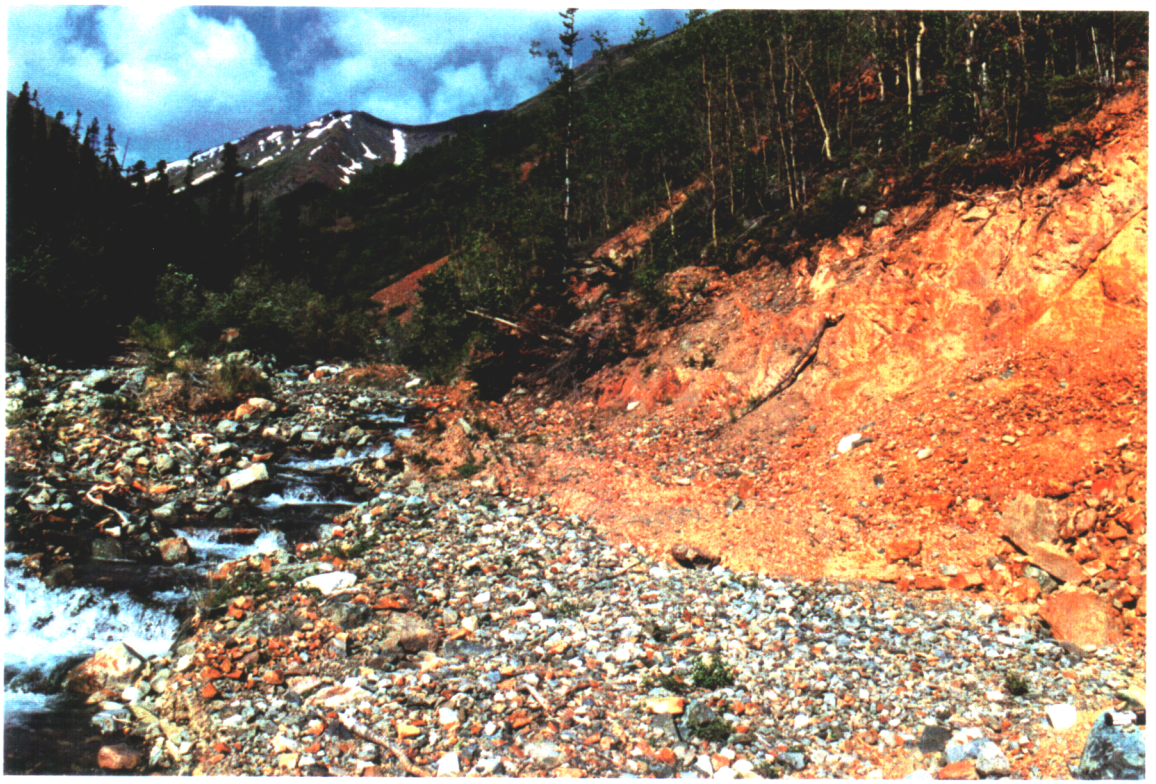
SITE NAME: **UNION** SITE NUMBER: **105D-06-3**

AIRPHOTO NUMBER: **A27018-59** YEAR: **1986** AIRPHOTO SCALE: **1:40000**

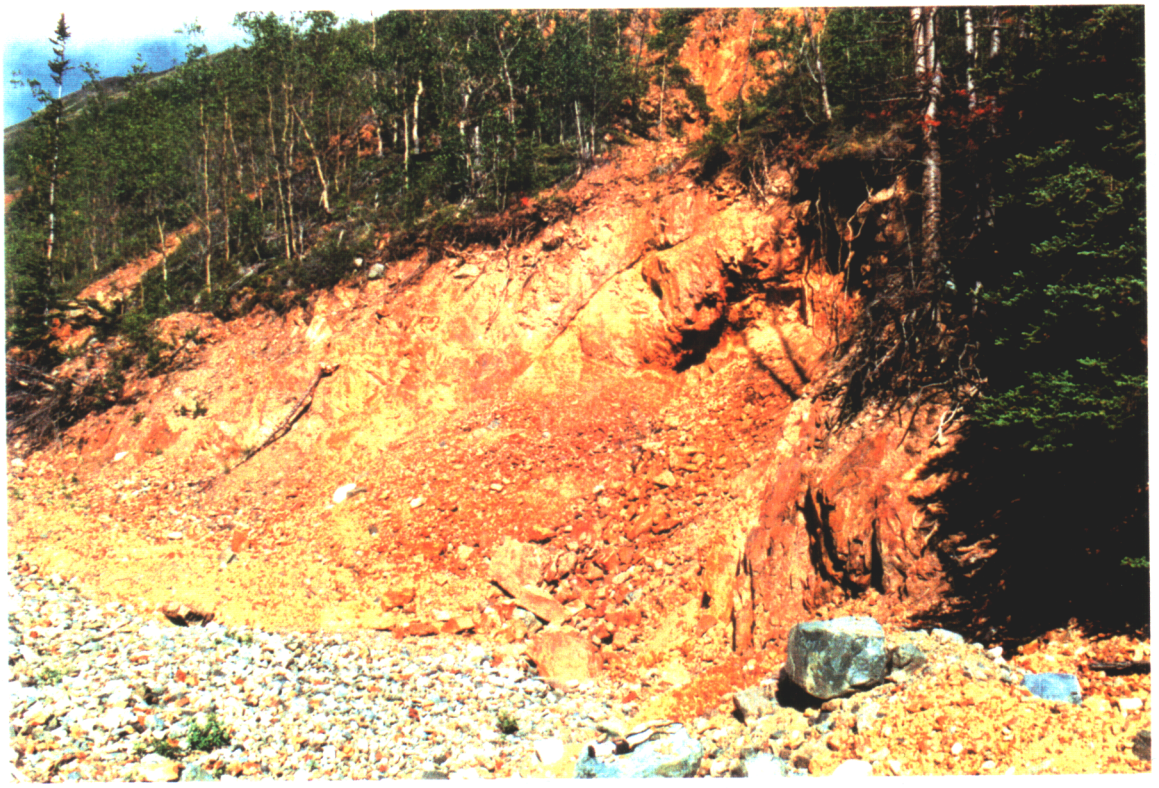
SITE LOCATION: LATITUDE: **60° 18'58"** LONGITUDE: **135° 01'59"**

APPENDIX B

SITE PHOTOGRAPHS



VIEW UP SCHNABEL CREEK TOWARDS ADITS (ON RIGHT)



LOWER ADIT SITE

MIDDLE ADIT

INTERIOR OF MIDDLE ADIT

UPPER ADIT WASTE PILE

LOOKING DOWNSTREAM SCHNABEL CREEK (NOTE ROAD WASHOUT)