ASSESSMENT REPORT

105F-09-3

HOEY

PREPARED BY

DIAND TECHNICAL SERVICES

JANUARY, 1994

105F-09-3

HOEY

LOCATION

Latitude: 61° 32'39"N Longitude: 132° 10'37"W NTS 105F/09

The exploration site is located approximately 50km directly south southeast of the the village of Ross River.

By road, the site is reached by travelling approximately 35km southeast from Ross River on the Campbell Highway then turning south and travelling 30km on the Ketza River road to an airstrip beside the road. The site is located approximately 3 kilometers south of the airstrip between 1500-1550m above sea level.

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

WORK HISTORY

A work history has been compiled from the Department of Indian Affairs and Northern Development Yukon Minfile record 105F 055. A summary of this work history follows.

- April, 1948 This was the original discovery in the district, reportedly found by Hudson Bay Mining prospectors in 1947 and first staked as Star claims by G. Fairclough.
- July, 1954 Restaked by F. Hoey as Galena claims which were mapped and hand trenched in 1955 by Cyprus Exploration Corporation under option.
 R. Seraphim added the Prop claims for Cyprus. Early fringe claims included the Rat & Iron claims to the west and south by Prospectors Airways Co. Ltd. on behalf of a syndicate including Noranda Mining Ltd. and Kerr Addison Gold Mining Ltd. These claims were tested with hand trenching and one packsack hole to 11m in 1955.
- July, 1958 Track claims were added to the east by Conwest.
- August, 1957 Fairclough restaked the showing as Rusty claims.
- September, 1958 Vic claims were added to the Rusty claims.
- September, 1963 These claims were optioned to Silver Key Mining Ltd.
- 1964-1966 Silver Key Mining Ltd. performed dozer trenching and drilled 407m in 9 holes.
- 1968 Geochemical sampling and a 58m adit was excavated in a joint venture with Stump Mining Ltd.
- 1972 The claims were transferred to Nordev Resources Ltd.
- March, 1976 Restaked as Gem and Dub claims by H. Regehr and Associates, who

transferred the claims to Iona Silver Mining Ltd. who explored with dozer trenching and 268.8m of drilling in 4 holes on the Gem claims and 190.5m of drilling on the Dub claims.

OWNIED

1980 - The adit was advanced 42m.

1985-1987 - Iona optioned its claims to Canamax Resources Incorporated and changed its name to Aigner Holdings Ltd. Canamax added Saddle claims to the southwest, drilled in1986, explored with mapping, geochemical and electromagnetic surveys, dozer trenching, and 1171m of drilling in 13 holes in 1987.

December, 1989 - The claims were returned to Aigner Holdings. 1990 - E. Kopinec trenched on the associated A claims.

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CLAIMS STATUS

Status of mineral claims including claim names and numbers, claim expiry dates, and current owners in the vicinity of the Hoey site have been noted as of 1992/05/15 as follows;

| CLAIM NAME/NUMBERS | EXPIRY DATE | OWNER |
|--------------------|-------------------|-----------------------|
| | | |
| GEM 1-6 | November 19, 1994 | Aigner Holdings Ltd. |
| DUB 1-8 | November 1, 1998 | Aigner Holdings Ltd. |
| KON 279-298 | February 12, 2011 | H. Regehr, |
| | • | Aigner Holdings Ltd., |
| | | Cyrill Orssich |
| SADDLE 1-6 | November 14, 1994 | Aigner Holdings Ltd. |
| | | |

The major commodities identified at this site are silver, lead, and gold. Copper is identified as a minor commodity.

Mineralization is found in parallel bands of galena with pyrite and tetrahedrite which cuts massive quartzite of Silurian and Devonian age.

CURRENT SITE CONDITIONS

The Hoey exploration site is accessible from the Ketza River road off the Campbell Highway. The Ketza River road in the past was used as an all weather mine haul road, has a gravel surface and can be travelled using two wheel drive vehicles. Bridges or culverts are installed at all stream crossings. It is unlikely that this road is now plowed or kept open for traffic during the winter season. The site is reached by turning off the Ketza River road approximately one kilometre past the airstrip and travelling 3 kilometres up a steep one lane trail. This trail can be driven by four wheel drive vehicles.

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

The site is on an unnamed mountain slope above the Ketza River valley and above tree line. The vegetation at the site is short alpine grasses and willows.

Surficial soils in the area consist of glacial till overlying fractured weathered bedrock.

Exploration activity in the area was quite scattered with trenching in one area, an old camp site with fuel barrels in another area, and two adits in another location.

Between 1-2 kilometres south of the adits, remains of a tent camp was found with plywood walls and 27 very old 204 litre barrels. Seven of these barrels are full of diesel fuel. As well, a significant amount of trenching has been undertaken in the past. This trenching is not concentrated in one location, but is scattered across a fairly wide area along the network of trails.

Conditions and infrastructure at the two adits (separated vertically about 50-60m) is limited to the following;

Lower Adit

Up to 100 litres/minute of groundwater was flowing out of the adit at the time of inspection on 1993/07/30.

Remaining infrastructure found at the site includes;

- approximately 120m of rail,
- a large pile of wooden lagging,
- 3 ore cars,
- 2 pressure vessels,
- one empty barrel.

A 5x12m wood frame plywood clad building is located adjacent to the adit and appears to have been used as a workshop and warehouse.

Upper Adit

Approximately 25 litres/minute of groundwater was flowing out of the adit.

Remaining infrastructure consisted of approximately 60m of rail extending from the adit to a wooden trestle used to dump the waste rock down the slope. A pile of wooden lagging is also piled on-site.

Waste rock has been dumped down slope from each adit.

Both adits are open and are not sealed from public access.

RECOMMENDATIONS

As described, work at this site has taken place over a large area covered by trenching, an exploration camp site, and an adit site. Recommendations for each area is presented below.

Trenching Area and Access Road

Trenching was conducted in the area approximately 30 years ago and these areas have overgrown with local vegetation. Partially overgrown piles from the trenching activity is the only remaining evidence from this work.

It is recommended that the trench areas not be disturbed, and allowed to continue the slow recovery that is underway.

The one lane access trail to the site will remain in its present condition as long as local traffic continues to use it. The environmental impact from the trail appears to be minimal.

Exploration Camp

The only potential significant impact at the old exploration camp is for the seven remaining barrels of fuel to leak or be punctured and damage the environment. This should be considered a **HIGH** priority for clean-up. All full and empty barrels should be removed from the site as soon as possible.

The remaining wood waste could be piled and burned in an appropriate location, however this is considered a low priority.

Adit Sites

The entrances of the two old adits are unsecured and accessible to the public. These open adits pose a public safety hazard, and the entrances should be closed or sealed against possible entry.

Rock waste has been dumped down the slope in front of the adits. This waste material is visible from quite far away but would be very difficult and costly to conceal or remove. Practically, the waste rock can only be left in place.

Other surrounding infrastructure such as old rail and other metal waste can be gathered and removed from the site. This is considered a **LOW** priority and could be undertaken only if a general clean-up program is initiated in the area. Similarly, the storage building could be dismantled and removed, however this is considered a **LOW** priority as well.

Lagging and any other wood waste should be piled and burned in an appropriate location if any clean-up program is undertaken.

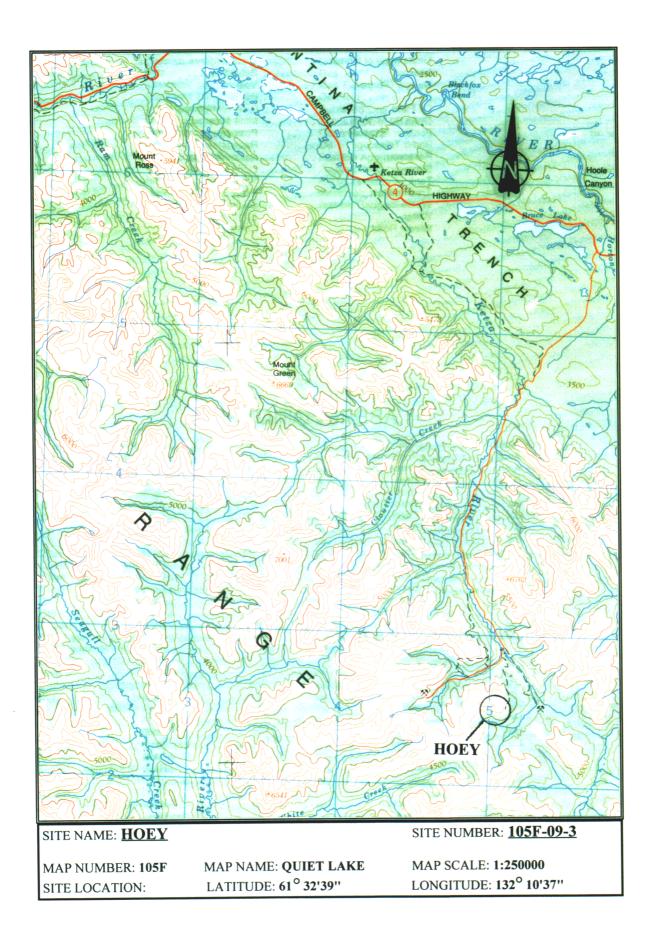
Summary

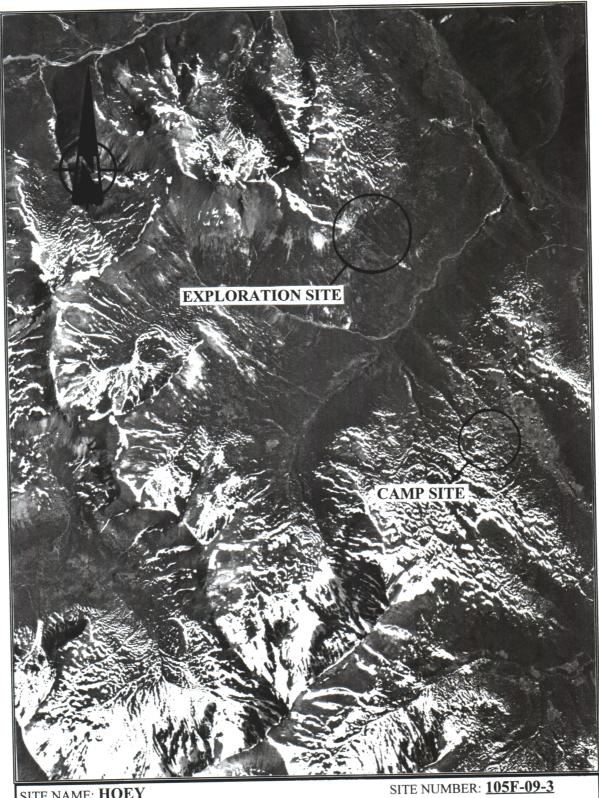
Overall, very little environmental damage was observed at this site, and it should be allowed to continue its natural recovery. However potential environmental damage could occur if the seven barrels of fuel leaked or was spilled. This fuel should be removed as soon as possible to eliminate the remaining hazard. This should be considered a **HIGH** priority.

Clean up of buildings and metal waste could be undertaken if considered as part of a regional clean up program. The remainder of the site is considered to be a **LOW** priority for improvement with the exception of the open, collapsing adits which is considered a **HIGH** priority, which should be properly secured as soon as possible.

APPENDIX A

SITE LOCATION MAPS





SITE NAME: HOEY

AIRPHOTO NUMBER: A27832-36 YEAR: 1992 LATITUDE: 61° 32'39" SITE LOCATION:

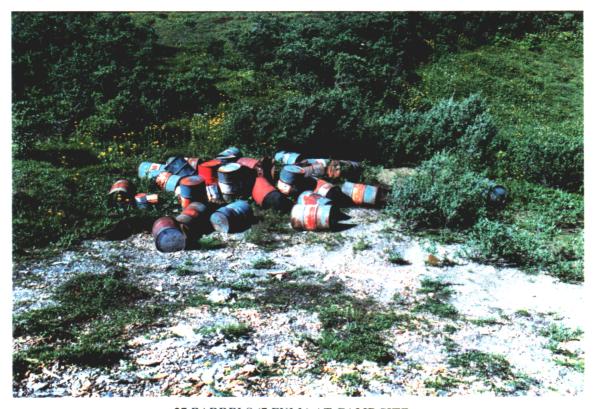
AIRPHOTO SCALE: 1:40000 LONGITUDE: 132° 10'37"

APPENDIX B

SITE PHOTOGRAPHS



TRENCHING AND LOCAL TOPOGRAPHY



27 BARRELS (7 FULL) AT CAMP SITE



WORKSHOP AT LOWER ADIT



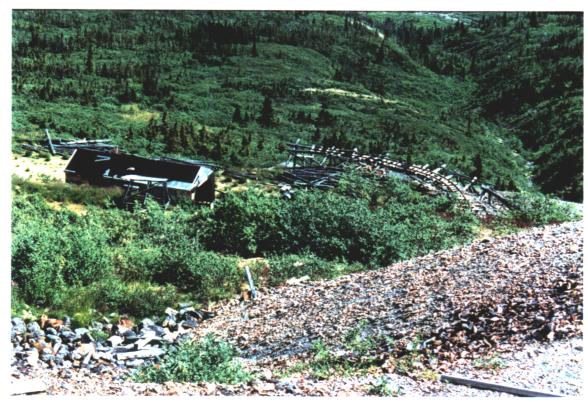
WORKSHOP AT LOWER ADIT



REMAINS OF CAMP AND BARREL SITE



LOWER ADIT



WORKSHOP AND RAIL TO WASTE DUMP AT LOWER ADIT



LOWER ADIT, LAGGING, AND RAIL TO WASTE DUMP



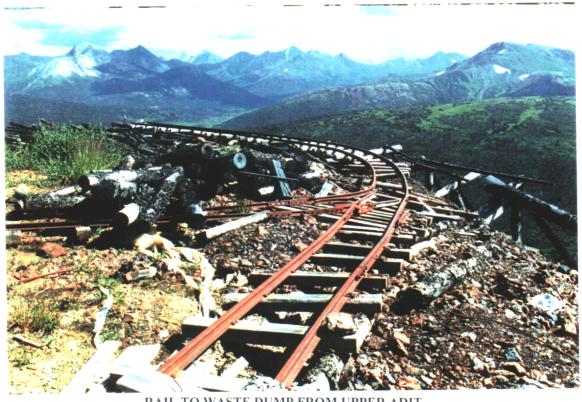
WASTE DUMP AT UPPER ADIT



UPPER ADIT



RAIL TO WASTE DUMP FROM UPPER ADIT



RAIL TO WASTE DUMP FROM UPPER ADIT



ORE CARS AND PRESSURE VESSEL



PRESSURE VESSEL AND ORE CAR UNDERCARRIAGE