ASSESSMENT REPORT

116B-05-1

SILVER CITY

PREPARED BY

DIAND TECHNICAL SERVICES

MARCH, 1994

116B-05-1

SILVER CITY

LOCATION

Latitude: 64° 18'37"N Longitude: 139° 52'28"W

The site is located approximately 35km northwest of the community of Dawson, on the north bank of the Yukon River. The site is accessible by boat or float plane. Helicopters cannot land at the site.

The site is between 450-500m above sea level.

Location maps and airphotos showing the location of the site are attached as Appendix A.

WORK HISTORY

A work history has been compiled from the Department of Indian Affairs and Northern Development Yukon Minfile record 116B 037. The work history at this site follows.

September, 1895 - Discovered by William Ogilvie.

September, 1899 - Staked as Carbonate claims.

1902-1905 - Restaked as Yukon Beauty, Australia Girl, and the Jeanerette group of claims by Jeremiah O'Neill and partners.

1906 - A 198m adit and 15m raise was constructed near the river bank.

1926 - The property was idle until J. Lawrence and P. Rost staked the Lava, Beaver, etc. claims around the Jeanerette group which triggered a small staking rush. 4.5 tonnes of hand cobbed float from the surface was shipped to a smelter in Tacoma.

1929 - J. Risco optioned the property and drove a 39.6m adit 130m above the river.

June, 1942 - H. Wadcock restaked the Macbeth claims.

July, 1952 - Risco restaked the Macbeth claims as the Eureka claims.

July, 1958 - Risco restaked the claims as the Silver King, etc. claims.

1962 - After attempting to reopen his adit, Risco optioned his claims to L. Patnode and W. Kaufman who drove a 84m adit 91m above the river and performed hydraulic trenching in 1962 and 1963.

1964-1965 - Silver City Mines Ltd. was formed and continued the hydraulic trenching, drove a 56m adit and drilled 61m from two holes.

1966 - An electromagnetic survey was completed.

1968-1969 - A grid soil survey was completed and an attempt was made to reopen the lower adit.

June, 1971 - Restaked as Plata claims by L. Patnode who carried out geochemical, magnetometer, and electromagnetic surveys later that year.

1973 - A 62.8km winter road was constructed and the site was trenched.

1974 - 164.6m was drilled from 5 holes.

1976 - Hand trenching was completed.

August, 1978 - Patnode restaked the site as Allos claims, added DSN and DSS claims to the west in August, 1979 and performed dozer trenching.

1984-1988 - Hand trenching was undertaken in 1984, 1986, and 1988.

July, 1985 - Noranda partially restaked DSN group as SC claims.

April, 1988 - The Kelly claims were staked to the east.

October, 1989 - The Allos and SC claims were transferred to K. Potter. R. Wondga performed rotary drilling on the Kelly claims.

CLAIMS STATUS

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

CLAIM NAME/NUMBERS	EXPIRY DATE	OWNER
SC 6, 8, 13-15	July 2, 1994	Kirk Potter
ALLOS 1-4	August 31, 1994/95	Kirk Potter

Major commodities identified at this site includes silver and lead. Minor commodities are identified as zinc, copper, and antimony.

The site covers the north flank of an east-west trending anticline. Mineralized float has been found in the lower 150m of a 600m slope in an area of multiple slides caused by erosion along steep faults which strike east-west parallel to the river. Mapping of the slide material on surface and underground indicates that the lower slope is composed of a quartz-carbonate rock, interbedded with sericite-graphite schist, which is overlain by dioritic rocks, and in turn, quartzite and argillite of probable Paleozoic age. Rhyolite porphyry dykes are also present. The quartz-carbonate rock is host to the mineralization, which consists of galena, tetrahedrite, sphalerite, chalcopyrite, and siderite.

CURRENT SITE CONDITIONS

The Silver City exploration site is located on the north bank (south facing slope) of the Yukon River approximately 35km northwest of the community of Dawson. The site is steep and can be reached only from the river.

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

Vegetation across the site is covered by a mixture of black spruce and poplar. This vegetation has grown over the site covering any evidence of past activity.

The site is overlain by weathered and fractured bedrock sliding down to the Yukon River.

The only evidence of past activity was a water pipe extending from the river to the top of the slope. Evidence of the old adits could not be seen from the site inspection from the air. It is possible that open adits may still be left at this site.

No other infrastructure or material was observed at the site.

RECOMMENDATIONS

The only evidence of past activity is the pipe extending up the slope. Removing this pipe is the only clean-up that could be undertaken at this site and this is considered to be a **LOW** priority.

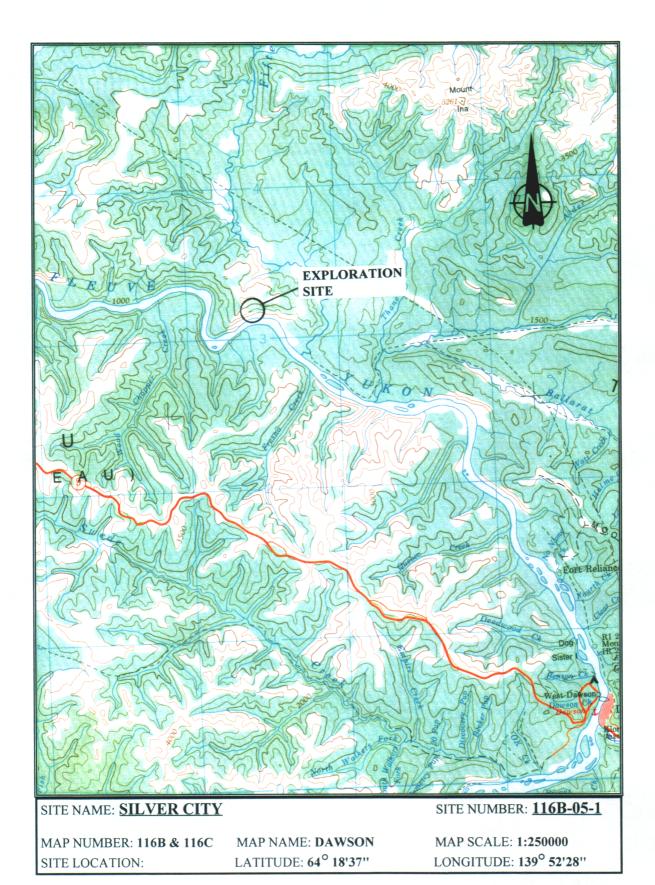
Based on the observations made from the air, no further work is recommended at this site.

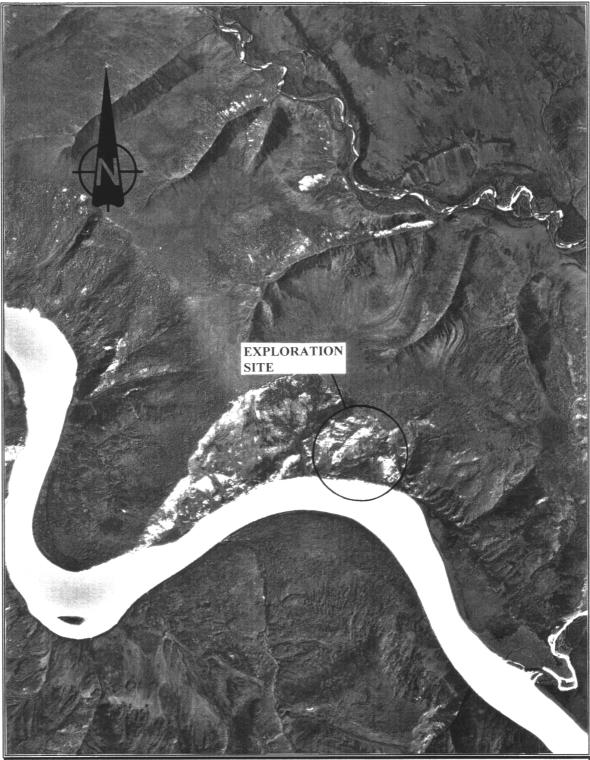
SUMMARY

No additional work is recommended for this site. The site has experienced only surface disturbance and has revegetated naturally. The only work that could be considered is removal of the pipe left on the slope, but this is considered a **LOW** priority.

APPENDIX A

SITE LOCATION MAPS





SITE NAME: SILVER CITY

AIRPHOTO NUMBER: A27619-35 YEAR: 1990

SITE LOCATION: LATITUDE: 64° 18'37"

SITE NUMBER: 116B-05-1

AIRPHOTO SCALE: 1:40000 LONGITUDE: 139° 52'28"

APPENDIX B

SITE PHOTOGRAPHS



OVERVIEW OF SITE SHOWING PIPE (LOWER PART OF PHOTO)



RIVERBANK AT SITE