ASSESSMENT REPORT

115J-09-1

HAYES

PREPARED BY

DIAND TECHNICAL SERVICES

MARCH, 1994

115J-09-1

HAYES

LOCATION

Latitude: 62° 38'38"N
Longitude: 138° 02'20"W

The site is located approximately 110km northwest of the community of Carmacks, the nearest community to the site. The site is only accessible by air to an airstrip at the site. An old camp site is adjacent to this airstrip and the exploration area surrounds the airstrip.

The site is between 1050-1100m above sea level on a low lying ridge between Senora Gulch and Klines Gulch.

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

WORK HISTORY

A work history has been compiled from the Department of Indian Affairs and Northern Development Yukon Minfile record 115J 008. The work history at this site follows.

1896 - Placer gold was found in Klines Gulch.
August, 1899 - The first lode staking was Spruce Stake and Old Alex claims by Alex Summerfield and Henry Marco.
October, 1902 - Restaked by F. Envoldsen as Psyche and Reef claims.
1904-1907 - N. Lyons recorded about 25m of drifting.
April, 1945 - Restaked as Little Gold claims and Little Gold Quartz claims by F.A. DuPont.
1946-1951 - F.A. DuPont conducted considerable trenching related to placer activity.
September, 1965 - Restaked as Hayes claims for copper-molybdenum potential by Coranex Ltd. following regional geochemical exploration.
May, 1969 - Restaked as the DP claims by Dawson Range Joint Venture which conducted grid soil sampling and mapping.
1970 - Dozer trenching was completed.
1974-1975 - Restaked as Nada claims by DC Syndicate which conducted mapping and geochemical sampling.
1975-1976 - Restaked as Swede claims by J. Martensson and optioned to a joint venture between Hudson Bay Mining, Tombill Mines Ltd., and Minorco Canada Ltd. which added the Sam claims and explored with mapping and geochemical sampling.
1978 - 490m were drilled in 11 holes and dozer trenching was completed on the Sam 89 and 96 claims.

1979 - Geochemical sampling was completed.
1980 - Magnetometer, electromagnetic surveys, and 404m were drilled from 6 holes.
1981 - Geochemical, magnetometer surveys, very low frequency electromagnetic surveys, trenching, and 812m was drilled from 6 holes.
1983 - More magnetometer, electromagnetic surveys, and geochemical surveys were completed.
1984 - The owners transferred the property to a new company, Hayes Resources Incorporated which explored with trenching and 695m of drilling from 5 holes.

CLAIMS STATUS

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

CLAIM NAME/NUMBERS	EXPIRY DATE	OWNER
Sam 1-35, 37-128	September 19, 1993 October 28, 1995 February 21, 1995	Hayes Resources Inc.
Swede 1-6	October, 1995	Hayes Resources Inc.

Major commodities identified at this site includes gold and silver. Minor commodities are identified as copper and molybdenum.

The geology at the site has identified traces of molybdenite and chalcopyrite in a small quartz monzonite to syenite stock and a quartz veined, bleached contact zone in metasedimentary rocks. Minor gold-silver values are associated with boulangerite and bournonite occurring with pyrite in quartz-calcite veins along northwest trending shear zones which cut a small body of rhyolite porphyry south of the quartz-monzonite stock.

CURRENT SITE CONDITIONS

The Hayes exploration site is located in a remote location approximately 110km northwest of Carmacks. A gravel airstrip on the top of a relatively flat ridge provides access for aircraft to the site. Remnants of an old camp is located adjacent to the airstrip

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

The exploration site covers an unnamed ridge between Senora Gulch and Klines Gulch south of Hayes Creek on the edge of the Dawson Range. This site is on an eroded peak that appears as weathered material made up of granular and silt sized particles.

The exploration site is covered with black spruce, alder and moss. There are no streams or fish habitat close to the site.

The site has been developed with a number of trails and trenches over the exploration area. Most of these trails have been developed for drill access and trenching sites. The vegetation has been removed wherever the road or trenching operations took place. No exploration adit was found at this site, although records show one adit was started approximately 90 years ago. Any adit that old has likely collapsed and is no longer visible.

Some infrastructure and material has been left at the old camp site as recorded from the inspection on 1993/07/01. A list of this material includes;

- 65-204 litre barrels. **6 of these barrels are full (2 Jet B, 4 diesel),**
- 5-45 kg propane bottles,
- 3.7x4.9m wood frame plywood clad cookhouse complete withfridge, stove, cooking utensils, propane heater, etc.
- 4.3x4.9m aluminum tent frame,
- 4.3x4.9m wooden tent frame,
- 2 dozer tracks,
- **bag of CIL AMEX II MRN 6H2 Type B explosives,**
- **blasting caps and fuses scattered inside the cook shack,**
- core boxes full of core, and
- a significant amount of metal junk scattered around the camp site.

RECOMMENDATIONS

Exploration activity at this site has resulted in disturbance to the site. Recommendations for additional site investigations and site remediation are provided for the exploration area and the camp site separately.

Exploration Area

Airstrip, trenching, and trail construction has resulted in removal or burial of the vegetation in the disturbed areas. There is no evidence that additional problems such as erosion, slope failures, contamination of water courses, etc. have been caused from the original activity. Site remediation, if it was undertaken, would consist of reshaping cut slopes to blend with the natural slopes and revegetating the site. This method of remediation would be costly and also result in additional disturbance to the site setting back any revegetation that may have started. Instead, it is recommended that leaving the site to recover naturally is the most suitable solution for this site. However, it must be understood that recovery of the site will be slow in this area that is extremely remote, dry, and sensitive to disturbance. Revegetation of the site is likely best left to natural reseeding due to its remoteness, and the difficulty of promoting growth in an extremely dry environment with very poor soil.

Camp Site

The most significant concern remaining at the camp are the hazardous materials left behind. This includes the **blasting caps and bag of explosives.** Less dangerous but potentially hazardous to the environment is the fuel left on-site. It is recommended that the blasting caps and explosives be inspected by a qualified inspector and then disposed of in an appropriate manner. Although this site is very remote, this should be considered a **HIGH** priority.

The hydrocarbon products left at the site should also be removed or properly incinerated to eliminate the possibility of a spill in future. This should be considered a **HIGH** priority. Removal of the propane tanks from the site should be included as part of the removal of the hydrocarbon products.

The buildings, dozer tracks, barrels, and other junk left at the site do not pose any particular environmental hazard, however the buildings and material are unsightly and should be removed if a general clean-up program is initiated in the area. Clean-up of this material will be expensive as everything will have to be flown from the site.

SUMMARY

An assessment of the explosives material left on-site should be completed as soon as possible even though it is in a remote location. These explosives appear potentially hazardous and this needs to be confirmed.

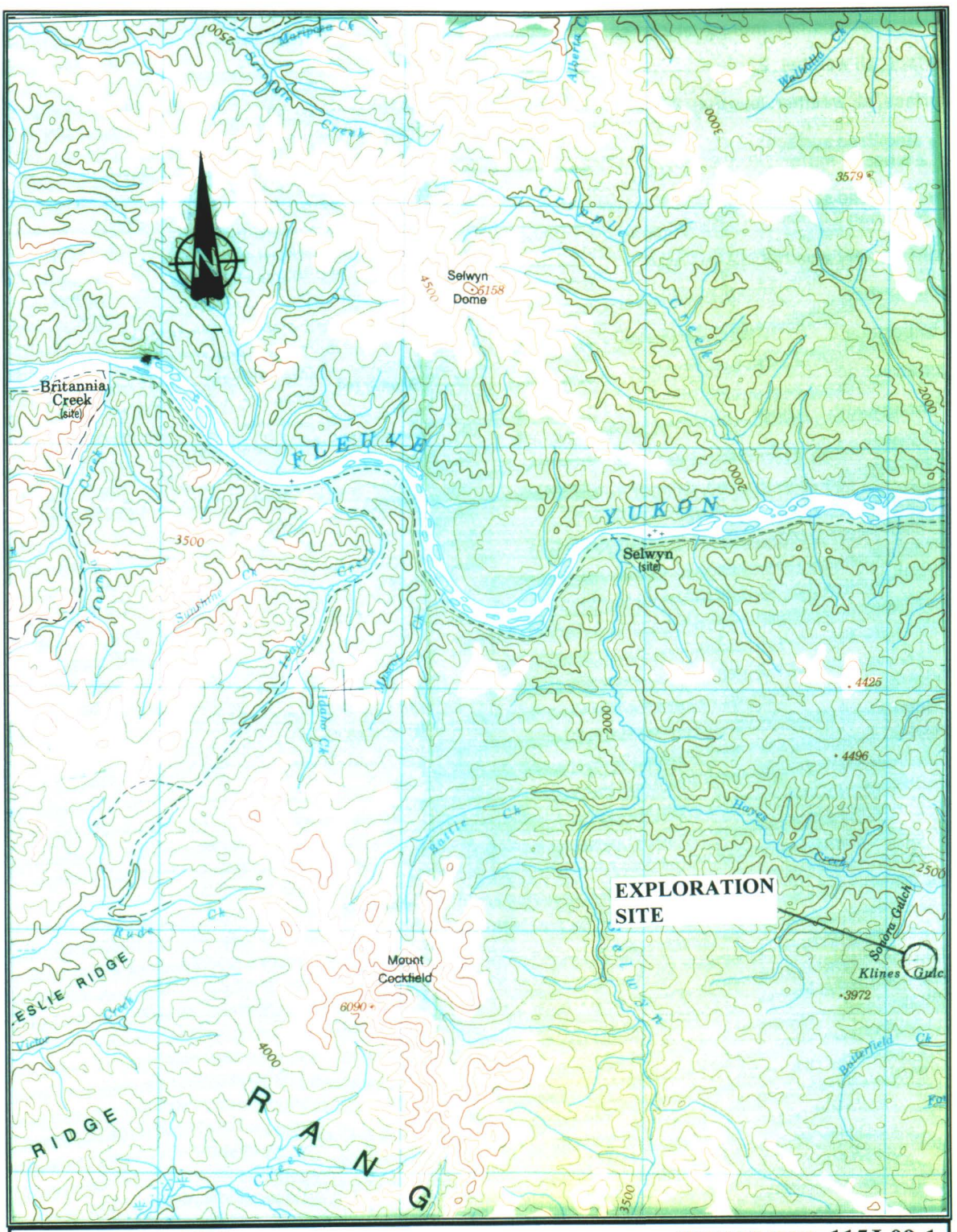
Hydrocarbon products left on-site are potentially a hazard to the environment and should be removed.

Removal of metal waste is suggested to improve the visual impact of the area.

Reseeding and rehabilitating any stripped areas is not recommended in this remote location.

APPENDIX A

SITE LOCATION MAPS



SITE NAME: **HAYES** SITE NUMBER: **115J-09-1**

MAP NUMBER: **115J & 115K** MAP NAME: **STEVENSON RIDGE** MAP SCALE: **1:250000**

SITE LOCATION: LATITUDE: **62° 38'38"** LONGITUDE: **138° 02'20"**

SITE NAME: **HAYES** SITE NUMBER: **115J-09-1**

AIRPHOTO NUMBER: **A27481-88** YEAR: **1989** AIRPHOTO SCALE: **1:40000**

SITE LOCATION: LATITUDE: **62° 38'38"** LONGITUDE: **138° 02'20"**

APPENDIX B

SITE PHOTOGRAPHS

OVERALL VIEW OF AIRSTRIP AND EXPLORATION AREA

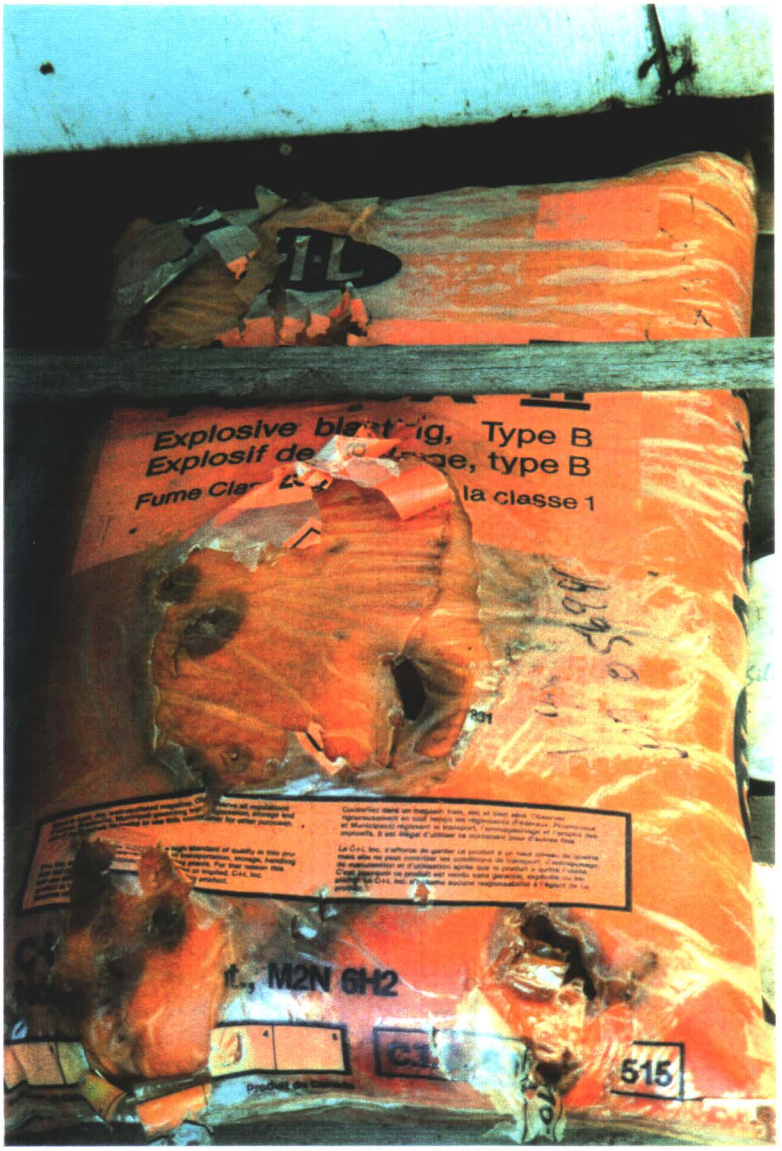
CAMP AREA

FUEL TANKS AND DOZER TRACKS

BUILDINGS AND TENT FRAMES

FUELING SITE AND PROPANE TANKS

EXPLOSIVES



BAG OF EXPLOSIVES