ASSESSMENT REPORT

106C-05-2

VERA

PREPARED BY

DIAND TECHNICAL SERVICES

MARCH, 1994

106C-05-2

VERA

LOCATION

Latitude: 64° 19'04"N
Longitude: 133° 45'10"W

The site is in a remote location approximately 133km northeast of the community of Mayo. The site can be accessed by flying from Mayo to an airstrip developed at the exploration site east of the Rackla River. The site is located on steep slopes of Rusty Mountain between the Rackla and Nadaleen Ranges of the Wernecke Mountains (Selwyn Mountains). Alternatively, the site could be accessed in the winter from a very poorly defined winter trail past the McQuesten Lakes and the Rackla River to the east. This poorly defined trail was likely used several years ago to get equipment to the site. This trail crosses several streams.

The site is between 1150-1200m above sea level.

Refer to Appendix A for location maps and airphotos of the site.

WORK HISTORY

A work history has been compiled from the Department of Indian Affairs and Northern Development Yukon Minfile record 106C 083. This work history follows.

July, 1978 - Staked as Vera claims by Prism Joint Ventures (Asamera Oil Corporation, Chieftain Development Co. Ltd., Prism Resources Ltd., Siebens Oil & Gas Ltd., and E & B Exploration Ltd.) which conducted mapping, geochemical surveys, and trenching later in the year.

1979 - Dome Petroleum Ltd. replaced Siebens and the joint venture explored with geochemical sampling and 27 holes (1692m).

1980 - 3963m was drilled from 42 holes.

1981 - 720m of underground development and 545m of underground drilling was completed.

1982 - Prospecting and trenching was completed.

1983-1984 - Dome Petroleum Ltd. dropped its interest and E & B Exploration Ltd. transferred its interest to Imperial Metals Ltd. in 1983 and acquired in 1984 by Prism.

1985 - Prism changed its name to International Prism Exploration Ltd. and completed some drilling.

1988 - 12 holes were drilled and environmental studies were completed along the proposed road route.

1989 - International Prism Exploration Ltd. purchased a 100% working interest in the property.

CLAIMS STATUS

Status of mineral claims including claim names and numbers, claim expiry dates, and current owners in the vicinity of the Vera site have been noted as of 1992/03/31 as follows;

CLAIM NAME/NUMBERS	EXPIRY DATE	OWNER
Vera Group	January 15, 1993	Prism Resources Ltd.

Major commodities identified at this site includes silver, lead, and zinc.

The Vera deposit occurs in strongly jointed Middle Proterozoic Gillespie Group dolomite. Mineralization consists of galena, argentiferous tetrahedrite and minor sphalerite.

CURRENT SITE CONDITIONS

The Vera exploration site is located in a remote location approximately 133km northeast of the community of Mayo. This site can only be reached by flying to the site. A very steep airstrip adjacent to the exploration area allows fixed wing aircraft to land in the area. This airstrip is not on level ground and is extremely steep for aircraft to land. A poorly defined winter road into the area from the McQuesten Lakes area had been established several years ago. This trail is poorly defined and has grown over with vegetation. This trail could be re-established for winter travel with alot of effort. The site is contained in one area beside the airstrip with a camp, adit, and surface exploration area.

Vegetation at the site consists of a sparse covering of black spruce, willows, fireweed, and other northern alpine grasses. No surface water features were observed in the vicinity of the exploration area and airstrip, the nearest surface water being the Rackla River approximately one kilometre to the west of the site.

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

The exploration site is on a steep mountain slope and is crossed by an extensive network of exploration trails and trenched areas. A main access road extends to an open adit. Water is seeping out the adit at about 5 litres/minute. This trenching and road construction across this large are has caused a significant amount of surface disturbance and damage. The vegetation has been removed from the disturbed areas and will be very slow to recover. Some vegetation is beginning to regrow on the trails and trenched areas.

Surficial soils across the site range from a thin veneer of silt till overlying bedrock at the lowest part of the site to exposed bedrock at surface on the higher parts of the site.

Remaining infrastructure found at the site was found at the camp, core storage area, and adit. A listing of this infrastructure is presented for each of the areas within the exploration area.

Adit

- 1-204 litre barrel of Chevron soluble oil,
- 3.7x4.9m wood frame plywood clad tool shed,
- diesel engine for pump with metal frame,
- core boxes,
- large stainless steel filter,
- oil stove,
- stretcher,
- roll of plastic hose,
- tarp and chains,
- several pieces of pipe,
- 13 - 200x200mm timbers,
- locked metal explosives box.

In addition to this list of material piping extends into the open adit.

Camp Site

- 1 kitchen trailer measuring 3.0x14.6m,
- 4 ATCO sleeper trailers each measuring 3.0x15.8m,
- 5 large propane tanks,
- 9-44.6kg propane tanks,
- 43-204 litre barrels of diesel dated 8/85 and 8/88 by Prism Resources,
- sleigh for "Cat" train,
- pile of wooden timbers measuring 5x10m,
- 35-204 litre barrels of Jet B fuel,
- 6 empty 204 litre barrels,
- 23 pieces of 25mm diameter and 6.1m long aluminum pipe,
- 1-D6 Caterpillar dozer with angle dozer, pressurized cab, and 4 tooth ripper,
- 1 Lincoln 225 arc welder,
- 3 acetylene tanks,
- 1 - 9kW Flygt generator,
- 3-204 litre barrels of diesel beside generator,
- 13-22.7 litre pails of motor and hydraulic oil,
- fire extinguisher,
- Wajax pump,
- Honda generator,

- socket set,
- **grease,**
- **approximately 20 litres of motor oil,**
- antifreeze,
- hot water tank,
- 3 pipe wrenches.

Core Storage Area

- approximately 1500 trays of rock core dated 1968,
- 2.4x3.7m wood frame plywood clad core shed,
- core splitter,
- bed frames,
- 3 diesel stoves,
- pump,
- survey rod,
- 2 empty 204 litre barrels,
- **approximately 100 litres of diesel remaining in one 204 litre barrel.**

RECOMMENDATIONS

Exploration activity at this site has resulted in significant disturbance to the site. Recommendations for site remediation plans are provided for the adit and surface exploration, camp, and core storage area.

Adit and Surface Exploration

The adit has been left open and is accessible. Some seepage continues to exit the adit. It is recommended that the adit be properly sealed to prevent anyone from entering ythe adit. Because the site is so remote this work is not considered a high priority, although leaving it open does leave a public safety hazard. If it is sealed the seepage should be allowed to continue.

The hydrocarbon products left near the adit should be removed or properly incinerated from the site. This should be considered a **HIGH** priority.

The contents of the explosives box should be confirmed with the owners. Once the contents of the explosives magazine is confirmed an appropriate plan to remove or store any explosives can then be made. This should be considered a **HIGH** priority.

Material such as oil stoves, stretchers, filters, plastic hose, tarps, chains, etc. do not cause significant ongoing environmental hazards. This material is considered a **LOW** priority for clean-up, however it should be included if any general clean-up program is initiated in the area.

The surface exploration including the trenching and the trails to drill sites has denuded the vegetation as well as created a minimal amount of erosion. Reshaping and revegetating this very steep, remote, and dry location is not considered practical. To do so would actually create more damage initially and delay any recovery that has already begun.

Camp Site

Buildings, hydrocarbon products, and a large amount of equipment has been left at this site.

The **HIGHEST** environmental risk at this site appears to be the remaining hydrocarbon products, propane tanks, and acetylene tanks that have been left at the site. The hydrocarbon products could spill and damage the surrounding environment and the propane and acetylene tanks could be dangerous if any contents remain in the tanks. These tanks and hydrocarbon products should be removed as soon as possible and be considered a **HIGH** priority.

A large amount of equipment has also been left behind at this site, some of which appears to have significant residual value. The most valuable equipment left behind appears to be the D6 Caterpillar dozer, generators, welders, etc. This equipment will deteriorate and lose any of its value in the very near future. Because the site is so remote, removal of the remaining equipment will be costly. The remaining material appears to have a relatively **LOW** impact on the environment of this very remote site and should be removed only if a general clean-up program is initiated in the area.

The trailers are locked and inaccessible. All buildings are considered a **LOW** environmental hazard. These buildings are deteriorating and will quickly lose any residual value they may still have. Removal of these trailers will be quite costly and it is likely not economically sensible to remove them. However, if a general clean-up program is undertaken for the area then these trailers should be removed if possible.

Core Storage

A large amount of core has been left piled at the site but exposed to the elements. The core racks are collapsing with core starting to spill. If this core has any value it would need to be properly stored to maintain the value. An assessment by qualified geologists would need to be completed to determine the value of this core. This core does not appear to have any detrimental long term impact on the environment and is considered a **LOW** priority for clean-up.

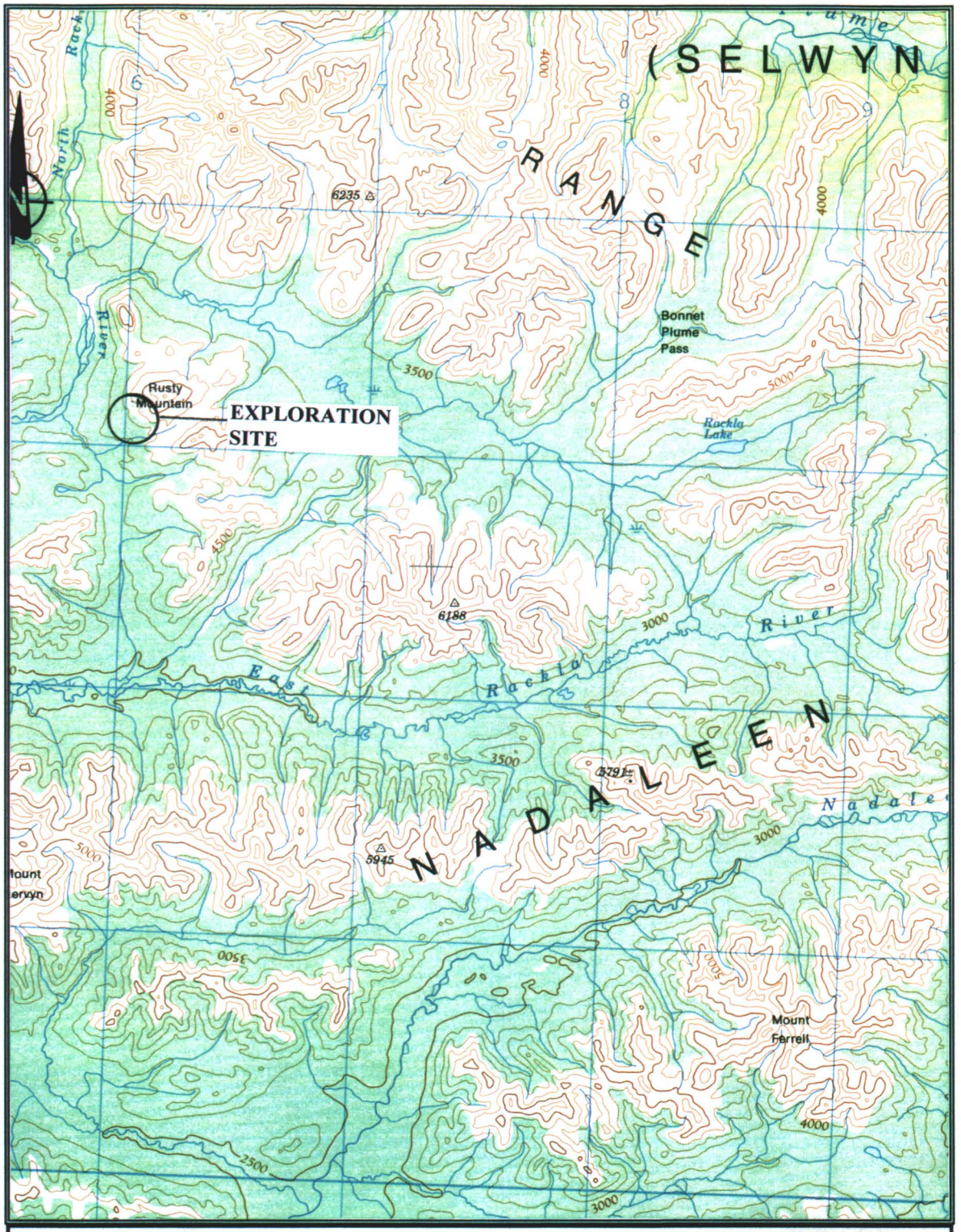
SUMMARY

In summary this site has several aspects that should be addressed. This includes removing the substantial amount of fuel from the site, verifying and dealing with the contents of an explosives magazine, sealing the adit, considering the removal of equipment with significant value, and evaluating the need to protect the remaining core.

This site has been left with a significant amount of material and has never really been properly demobilized. The remoteness of this site makes proper demobilization very difficult, and care has to be made not to cause additional damage in the process of attempting to clean-up the site.

APPENDIX A

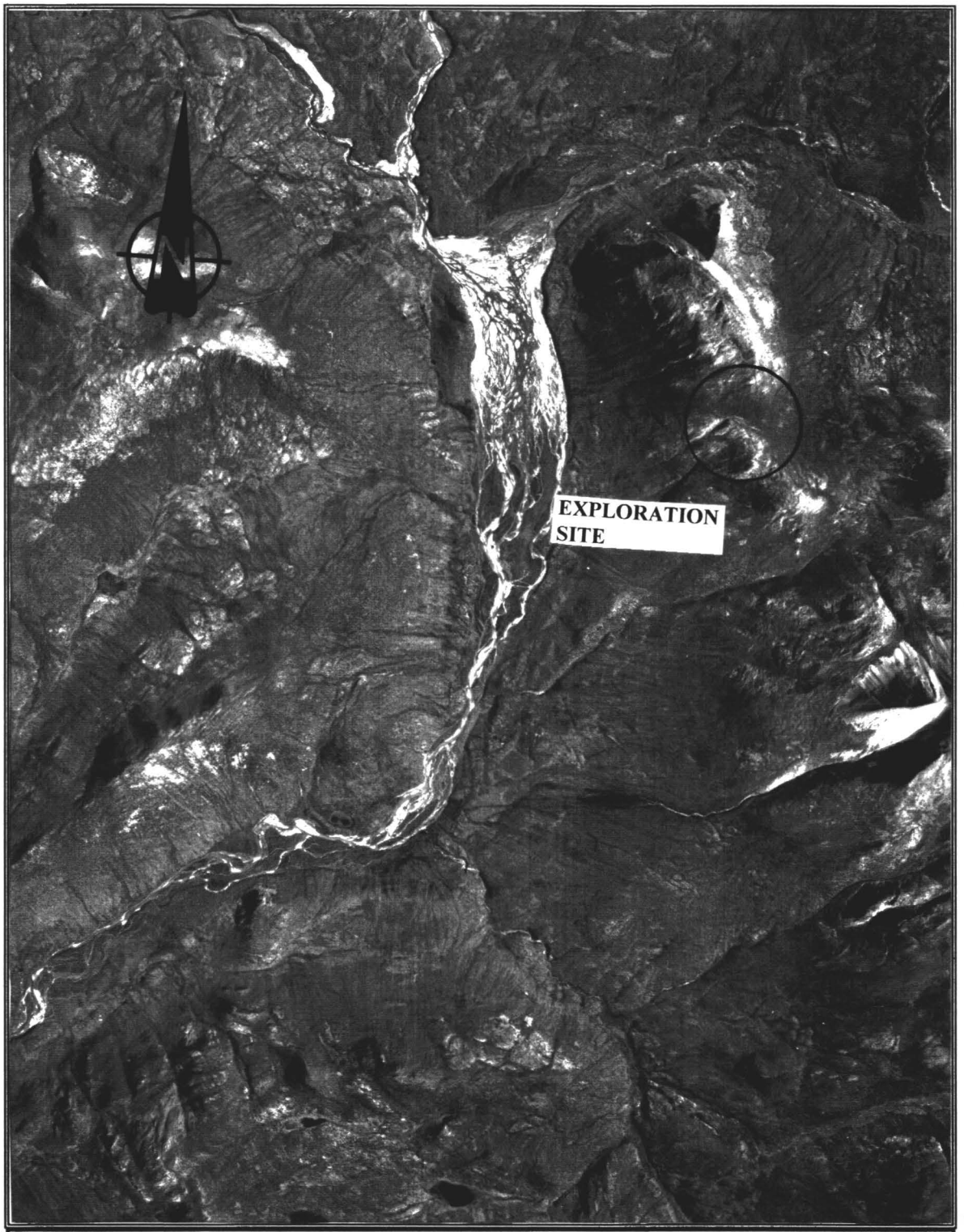
SITE LOCATION MAPS



SITE NAME: **VERA** SITE NUMBER: **106C-05-2**

MAP NUMBER: **106C** MAP NAME: **NADALEEN RIVER** MAP SCALE: **1:250000**

SITE LOCATION: LATITUDE: **64° 19'04"** LONGITUDE: **133° 45'10"**



SITE NAME: **VERA** SITE NUMBER: **106C-05-2**

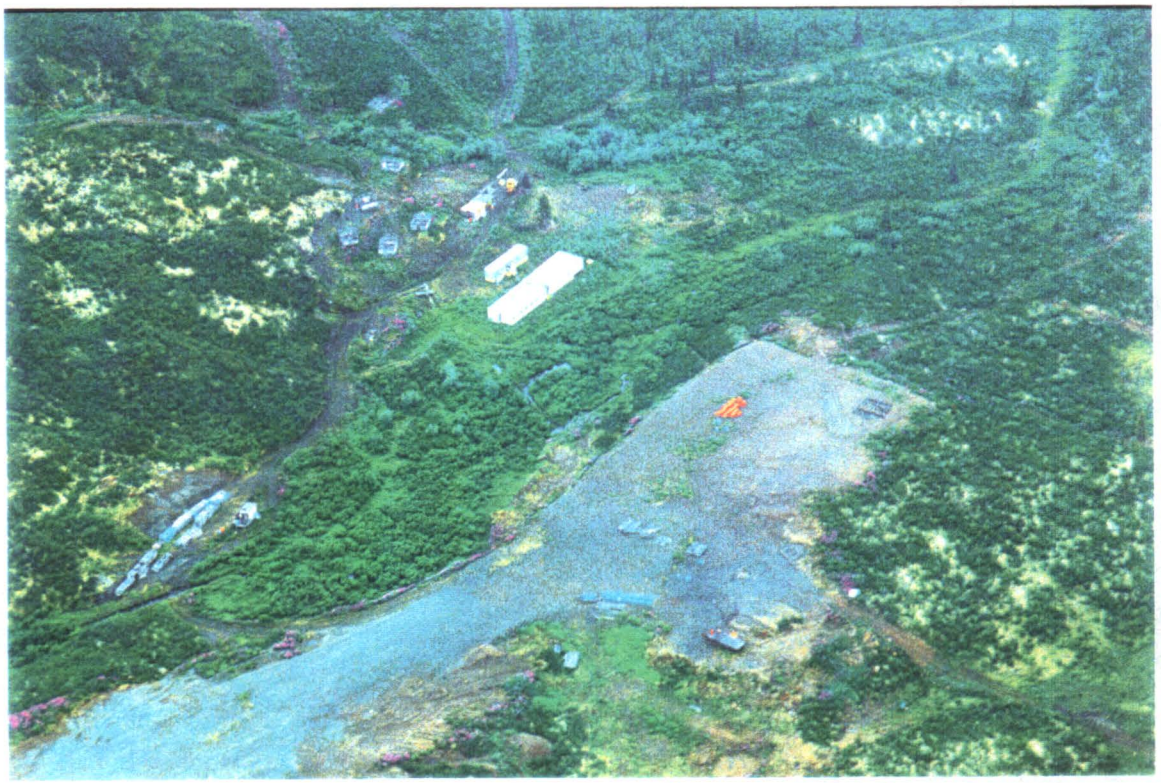
AIRPHOTO NUMBER: **A20623-112** YEAR: **1968** AIRPHOTO SCALE: **1:250000**

SITE LOCATION: LATITUDE: **64° 19'04"** LONGITUDE: **133° 45'10"**

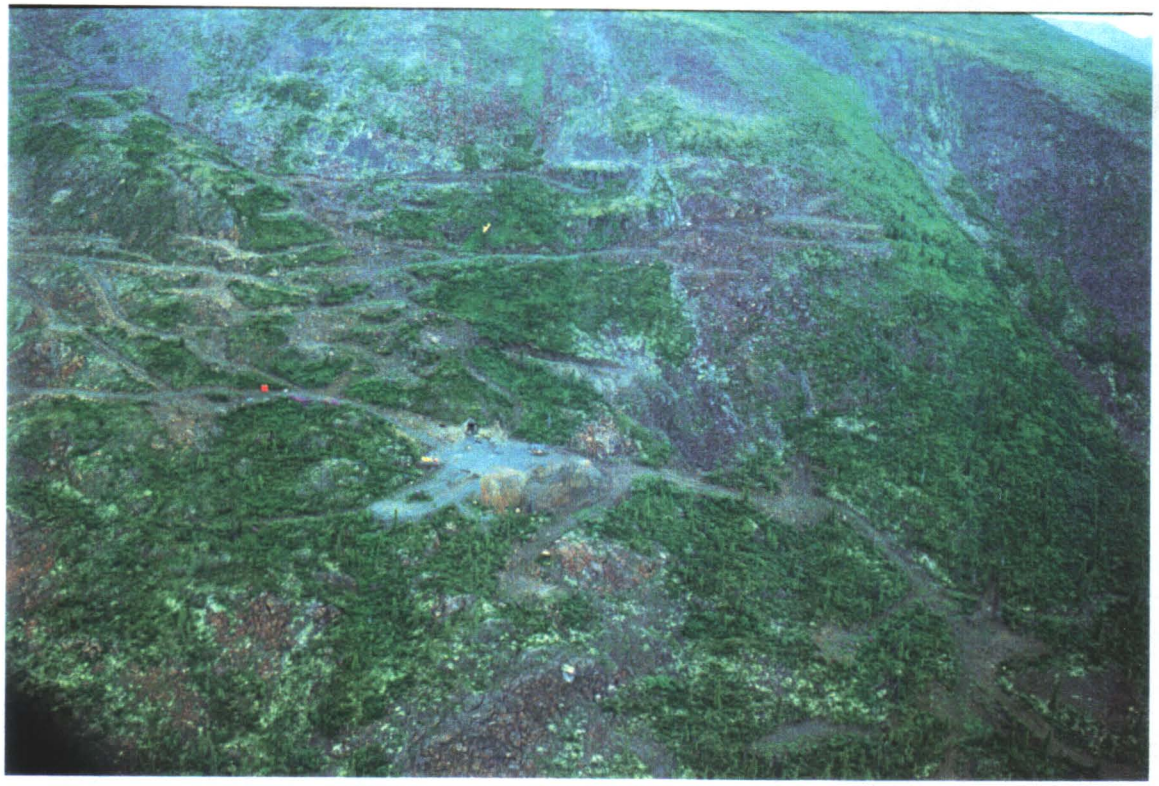
APPENDIX B

SITE PHOTOGRAPHS

VIEW OF AIRSTRIP, CAMP SITE, AND SURROUNDING TERRAIN



CAMP SITE, CORE STORAGE, AND FUEL STORAGE AT END OF AIRSTRIP



ADIT AND SURFACE EXPLORATION

INTERIOR OF OPEN ADIT

EXPLOSIVES MAGAZINE

WASTE PILES AND OPEN ADIT

CAMP SITE

STORAGE SHED

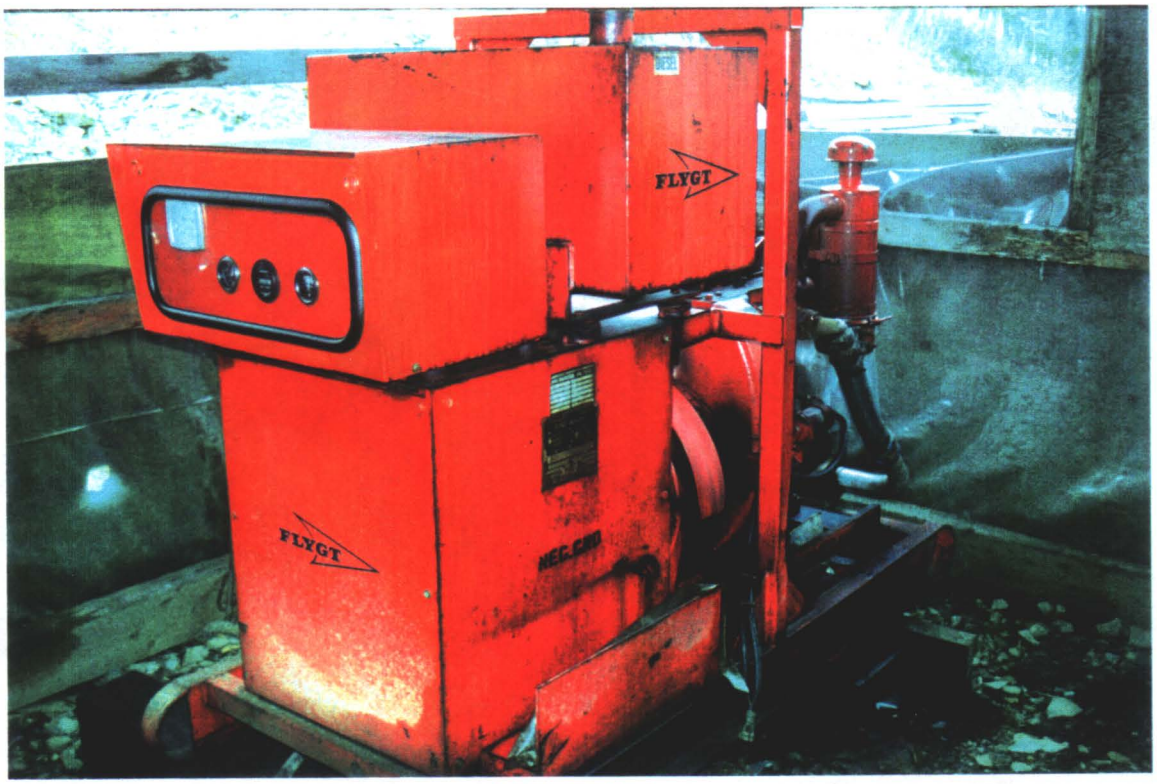
FUEL BARRELS ON AIRSTRIP AND CORE STORAGE AT TOP OF PHOTO

CORE STORAGE

D6 CATERPILLAR DOZER

PROPANE TANKS

INTERIOR OF STORAGE SHED



GENERATOR