SPRINGMOUNT OPERATING COMPANY LTD.

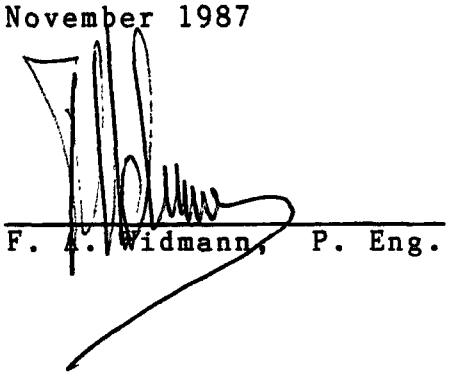
1987 EXPLORATION PROJECT

YUKON EXPLORATION INCENTIVES PROGRAM

DESIGNATION NUMBER

EIP 87021

November 1987



F. A. Widmann, P. Eng.

SPRINGMOUNT OPERATING COMPANY LTD.
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Report on the No. 5 X-Trench & No. 6 Trench

A. General

The Thunderbird M.C. which borders the "Greta" Claim on which a high grade Silver Lode was mined in the early fifties and which is also located on Strike (N.E.) of the Bellekeno Vein System, was selected for examination due to its favourable location mentioned above.

The Trench is located on the South Slope of Keno Hill; an area which was never extensively prospected due to the existence of (1) heavy overburden which ranges from 10 ft. to 40 ft., (2) the presence of a 10 ft. to 20 ft. thick band of Schist which underlies a top layer of thin bedded Quartzites and minor Schist Bands, which ranges in thickness from 20 ft. to 50 ft.

It is believed, that it is this thick Band of Schist which prevented the mineralization of the Vein Faults to reach the surface, making it extremely difficult to assess or even to recognize a Vein Fault after removal of the overburden.

Mineralization reached the surface only at places where this Schist Band is comparatively thin (3 ft. to 5 ft.).

B. Veins

The Vein Faults on the South Slope of Keno Hill are mainly of the transverse variety, i.e. striking from just West of North to 40 degrees Northeast, the predominant Dip being Southeast. Some known veins on Keno Hill have a "Reverse Dip" - i.e. Northwest.

The Vein Faults are offset by "Post-Mineralization Cross Faults" as well as numerous flat dipping Bedding Plane Faults. The ore deposits in the Vein Faults are localized structurally in the following sites:

(1) at the junction of Vein Faults
(2) at the junction of a Vein Fault and subsidiary fractures (splits).
(3) in massive Quartzites and Greenstones.

C. Trenching

1. No. 5 X-Trench

This Trench was excavated as a "Side-Cut" and was started at elevation 3720. It is located approx. at 1100 North section with an East-West orientation between 950 ERL and 1200 ERL.

At elevation 3640 and 1140 ERL a weak Vein Fault appeared. This Vein Fault which has a North-South orientation showed at this elevation only slight mineralization. At elevation 3630 another weak Vein Fault appeared at 1050 ERL & 900 North section with the same North-South orientation.

The No. 5 X-Trench was excavated to elevation 3600, when it was decided to further investigate the Vein Fault at 1140 ERL, since this Vein Fault appeared to be slightly stronger than the one at 1050 ERL.

To accomplish this, a longitudinal Trench (No. 6 Trench) was started.

2. No. 6 Trench

This Trench was excavated on Strike and was carried down to elevation 3570 when excavation had to be suspended since the Dip of the Vein brought it too close to the West Wall of the Trench.

The Vein which carried initially only vein-gouge and Siderite, started to carry at elevation 3580 minor amounts of Galena. It is hoped, that this Trench can be widened and deepened at a later date in order to investigate this Vein at depth.

In the course of the above excavations, the following quantities of materials were removed from the trenches:

Overburden -	19,016 m^3
Bedrock -	29,346 m^3
Total Material Excavated -	48,362 m^3

Equipment used:

1 - D8K Caterpillar with Ripper
1 - 966 Caterpillar Loader
1 - Gardener Denver Air-Track
1 - Gardener Denver 350 Compressor

Approximately 15% of the Bedrock had to be broken by drilling and blasting prior to removal from the Trenches. A total of 425 - 6 ft. holes were drilled and blasted.

D. Engineering & Supervision

The existing Survey and Geological Grid was extended to cover the Sites of the Trenches, with a precision of 1 : 10,000, the Trenches were surveyed and a plan covering the Trench Areas was drawn up. The Project required the presence of a Supervisor on a daily basis for 4 hours per day.

E. Expenditures

All equipment used at the Project is wholly owned by Springmount Operating Company Ltd. and all work was carried out by Company Employees. The Company is a duly registered Yukon Company and all Employees are Yukon residents.

The Company has no "outside" suppliers, i.e. all purchases are either made in Mayo or in Whitehorse.

The expenses incurred for this Project are as follows:

D8K Caterpillar: 935 hrs. @ $139.05 =	$130,011.75
966 C Caterpillar Loader: 582 hrs @ $80.70=	46,967.40
Drilling & Blasting: 2550 L.F.@ $3.50/ft.=	8,925.00
Survey Crew: 15 days @ $00/day =	6,000.00
Engineering: 8 days @ $400/day =	3,200.00
Supervision: 720 hrs @ $30/hr. =	21,600.00
Total Expenditures =	$216,704.15

Total Volume Excavated = 48,362 m^3

Cost per m^3 = 216,704.15/48,362 = $4.48

Start of Project - May 1st 1987

Completion of Project - October 30th 1987

Number of Manhours = 2,813

SPRINGMOUNT OPERATING COMPANY LTD.

PROJECT: EIP 87021

BREAKDOWN OF CREW AND HOURS WORKED

NAME	D8-Cat	966 Loader	Drill & Blast	Supervision	Survey & Engineering	TOTAL
B. Rooney	662	114				776
D. Pavlowych		153	80			233
L. Roy	273	315				588
M. Swizinski			150	720		870
N. Kervin					162	162
F. Widmann					184	184
TOTAL	935	582	230	720	346	2813

SPRINGMOUNT OPERATING COMPANY LTD.

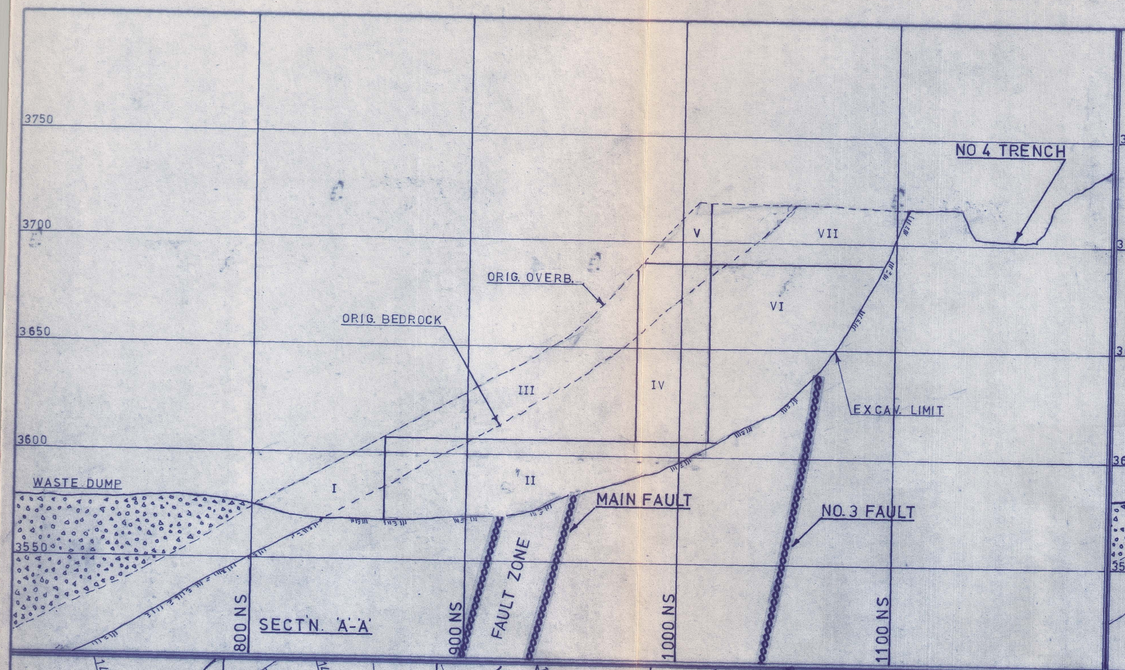
BREAKDOWN OF OPERATING COST/HOUR
FOR D8-K CATERPILLAR TRACTOR

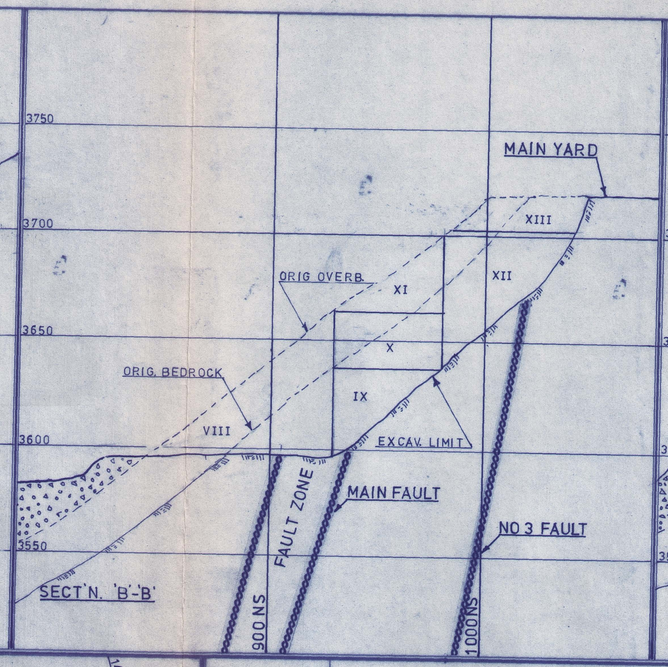
Ownership	$ 20.80
Labor (Loaded)	25.00
Fuel	25.00
Lube - Filters & Grease	5.00
Welding - Wear Plates & Small repairs	5.00
Consumables - Cutting Edges, Corner Bits, Ripper Tips. Bolts, Nuts & Pins etc.	10.00
1500 hr. Undercarriage - Turn Pins Segments, Labor & Freight	3.50
3000 hr. Undercarriage Complete	15.00
Freight to Whitehorse & Return for Undercarriage Overhaul	1.00
6000 hr. Driveline Overhaul	7.50
12000 hr. Replacement - $250,000. Less $50,000. Trade In	16.75
Insurance	3.50
Mobilization & Demobilization	1.00
TOTAL COST PER HOUR	$139.05

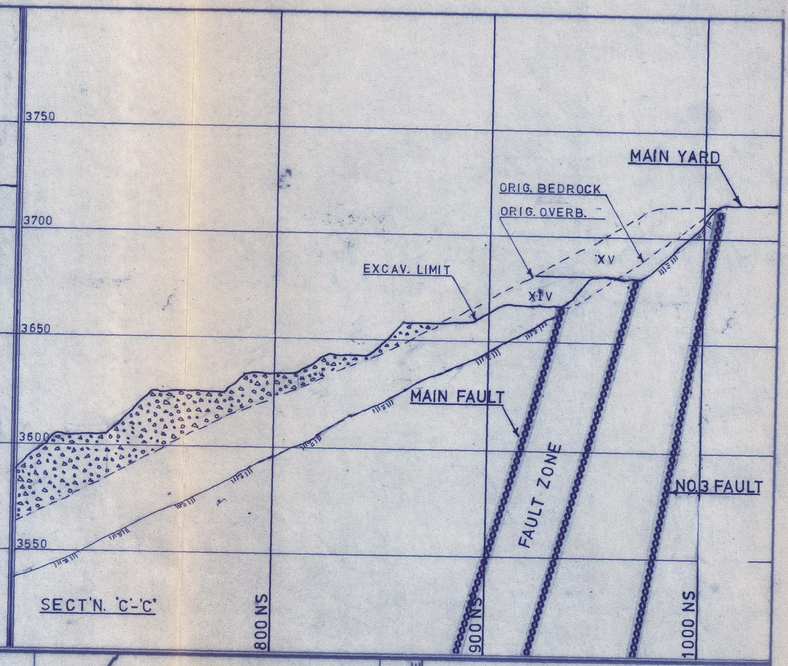
SPRINGMOUNT OPERATING COMPANY LTD.

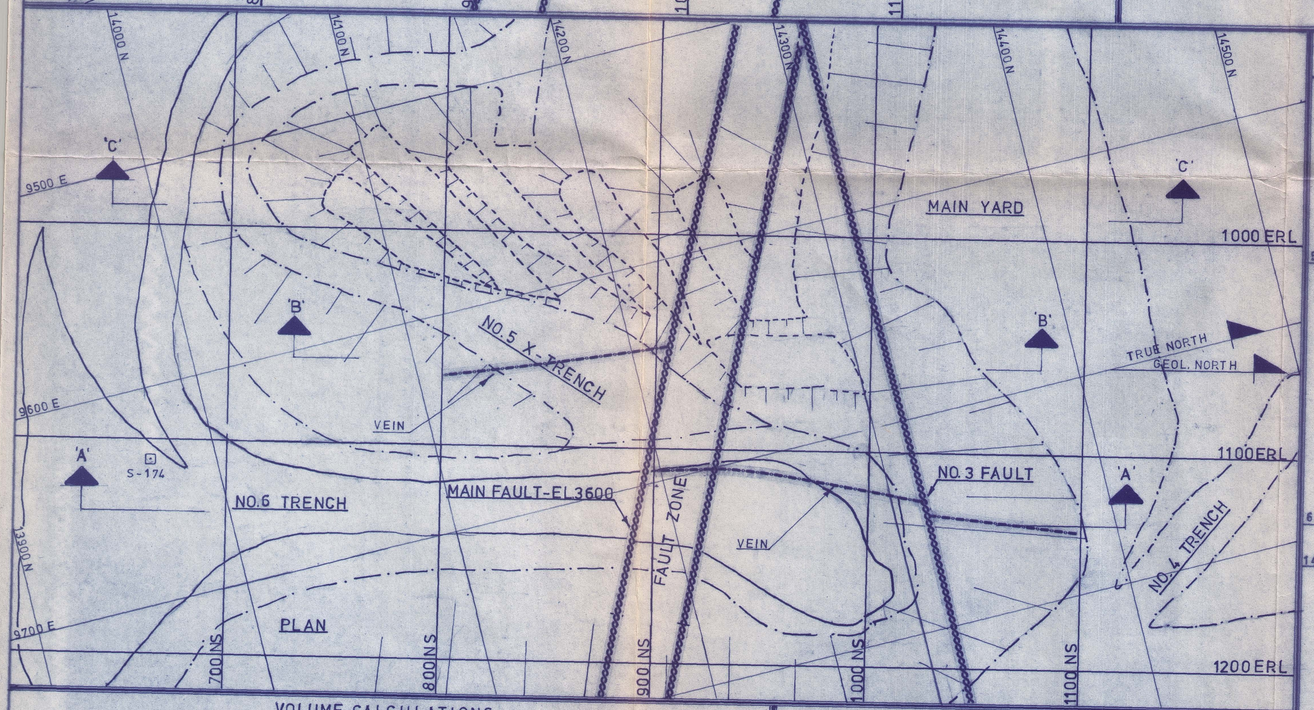
BREAKDOWN OF OPERATING COST/HOUR
FOR 966 C CATERPILLAR LOADER

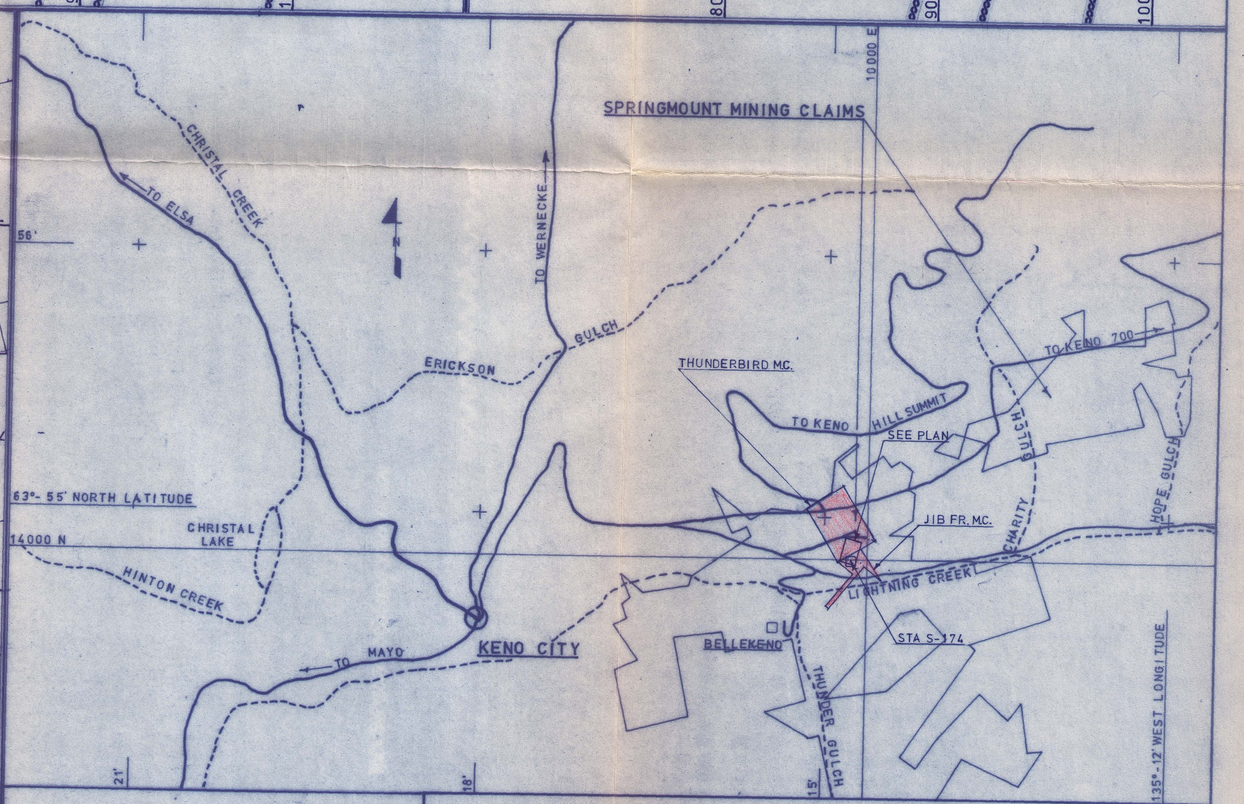
Ownership	$12.50
Labor (Loaded)	25.00
Fuel	15.00
Lube, Filters & Grease	2.50
Small Repairs	2.50
Tires	3.20
Consumables (Bucket Teeth. Etc.)	2.00
6000 hr. Drive Train, Pins & Bushings	5.00
Replacement 12000 hr.	10.00
Mobilization & Demobilization	1.00
Insurance	2.00
TOTAL COST PER HOUR	$80.70











VOLUME CALCULATIONS

BLOCK	OVERB. SF	ROCK SF	WIDTH FT.	OVERB. CU.FT.	ROCK CU.FT.	OVERB. CU.YDS.	ROCK CU.YDS.	TOTAL CU.YDS.
I	990	210	45	44550	9450	1650	350	2000
II	456	2544	44	20064	111936	743	4146	4889
III	2200	2600	51	112200	132600	4156	4911	9067
IV	495	1145	52	25740	59540	953	2205	3158
V	462	-	49	22638	-	838	-	838
VI	20	3260	71	1420	231460	53	8573	8626
VII	560	1820	89	49840	161980	1846	5999	7845
VIII	1800	1104	60	108000	66240	4000	2453	6453
IX	-	1025	55	-	56375	-	2088	2088
X	468	858	65	30420	55770	1127	2066	3193
XI	834	84	56	46704	4704	1730	174	1904
XII	300	1500	61	18300	91500	678	3389	4067
XIII	315	517	54	17010	27918	630	1034	1664
XIV	700	-	62	43400	-	1607	-	1607
XV	1750	358	75	131250	26850	4861	994	5855
TOTAL				671536	1036323	24872	38382	63254

METRIC CONVERSION

$1\ m^3 = 35.3144$ CU.FT.

OVERBURDEN:	671536 CU.FT.	=	19016 m^3
ROCK EXCA V.:	1036323 CU.FT.	=	29346 m^3
TOTAL EXCAV.:	1707859 CU.FT.	=	48362 m^3

LOCATION PLAN

SCALE: 1"= 2000'

2000 0 2000 4000 6000

SCALE OF FEET

SPRINGMOUNT OPERATING COMPANY LTD.

EXPLORATION - THUNDERBIRD & JIB FR. M.C.

NO. 5 & NO. 6 TRENCH-PLAN & SECTIONS

SCALE: 1"= 40'

DATE: NOV. 12. 1987

DRAWN: F. A.W.

EX-5

SHEET 105M-14

LATITUDE 63° 45' To 64° 00'
LONGITUDE 135° 00' To 135° 30'

KENO HILL

CANADA

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES
NORTHERN ADMINISTRATION AND LANDS-BRANCH
LANDS DIVISION

SCALE: 1/2 MILE To 1 INCH

FT. 1500 0 1500 3000 4500 6000 7500 9000 10500 FT.

ISSUED UNDER THE AUTHORITY OF THE MINISTER OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

NOTICE

THIS MAP IS ISSUED AS A PRELIMINARY GUIDE FOR WHICH THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT WILL ACCEPT NO RESPONSIBILITY FOR ANY ERRORS, INACCURACIES OR OMISSIONS WHATSOEVER.

WHITEHORSE

2 DEC. 71
18 MAY 71
26 FEB. 71
27 June 68
19 Feb 68
11 Dec 63
27 FEB 62
25 April 57

14 MAR. 79
31 Oct. 72
28 July 72

20 JUNE 79
19 JUNE 79
1 JUNE 79
8 MAY 79
26 APRIL 79
10 APRIL 79
26 MAR 79
22 MAR. 79

15 NOV 79
29 Oct 79
26 Oct 79
31 AUG 79
27 JULY 79
23 JULY 79
5 JULY 79
3 JULY 79

17 DEC. 80
10 DEC. 80
21 NOV. 80
29 OCT. 80
7 OCT. 80
16 SEPT. 80
2 SEPT 80
13 AUG 80
26 JUNE 80
1 APRIL 80
22 MAR. 80
10 MAR 80
8 FEB. 80

16 MAR. 82
21 DEC. 81
14 DEC. 81
24 NOV. 81
23 OCT. 81
7 OCT. 81
22 SEPT. 81
10 SEPT. 81
3 SEPT. 81
18 AUG 81
14 AUG 81
14 JULY 81
18 JUNE 81
8 JUNE 81
27 MAY 81
6 MAY 81
26 MAR. 81

15 JULY 83
7 JULY 83
1 JUNE 83
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25 JAN. 83
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22 NOV. 82
26 OCT 82
28 SEPT. 82
22 SEPT. 82
23 AUG 82
6 AUG 82
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21 JULY 82
22 JUNE 82
21 APRIL 82

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14 SEPT 83
28 JULY 83
26 JULY 83
22 JULY 83

29 JULY 86
2 JULY 86
16 APRIL 86
18 FEB. 86
3 FEB. 86
6 JAN. 86
23 DEC 85
29 OCT. 85
7 OCT 85
25 SEPT. 85
3 SEPT. 85
26 JULY 85
16 JULY 85
4 JULY 85
30 MAY 85
30 APRIL 85
18 APRIL 85
9 NOV. 84
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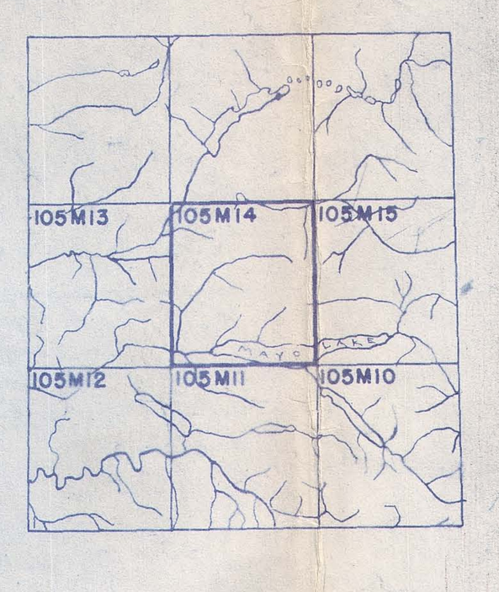
11 AUG. 86



Magnetic North N34° 17' E N33° 15' E

NOTE: FOR PLACER CLAIMS SEE SHEET 105 M-14 PLACER.

105-M-14