

MARGARET ELIZABETH / ZIP PROJECT

Summary Report

Target Evaluation 98-036

EVALUATION SURVEY

NTS MAP SHEET 105 H/3
Lat. 61° 08' - Long. 129° 27'

MARGARET ELIZABETH AND ZIP CLAIMS
(YA45535) and (YA69006)

Report prepared by

VAN KRICHBAUM

Field work done AUG. 1 - SEPTEMBER 18,1998

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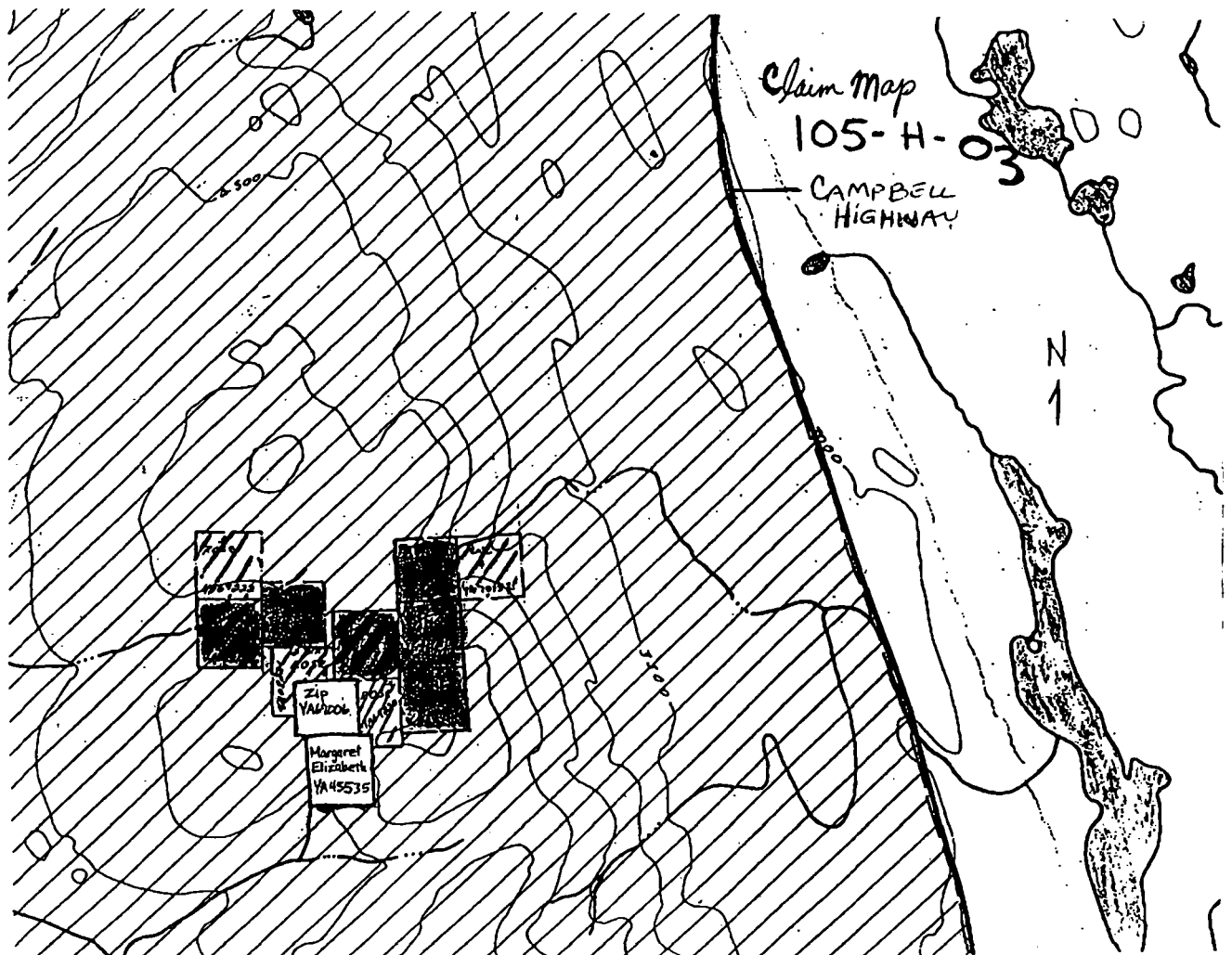
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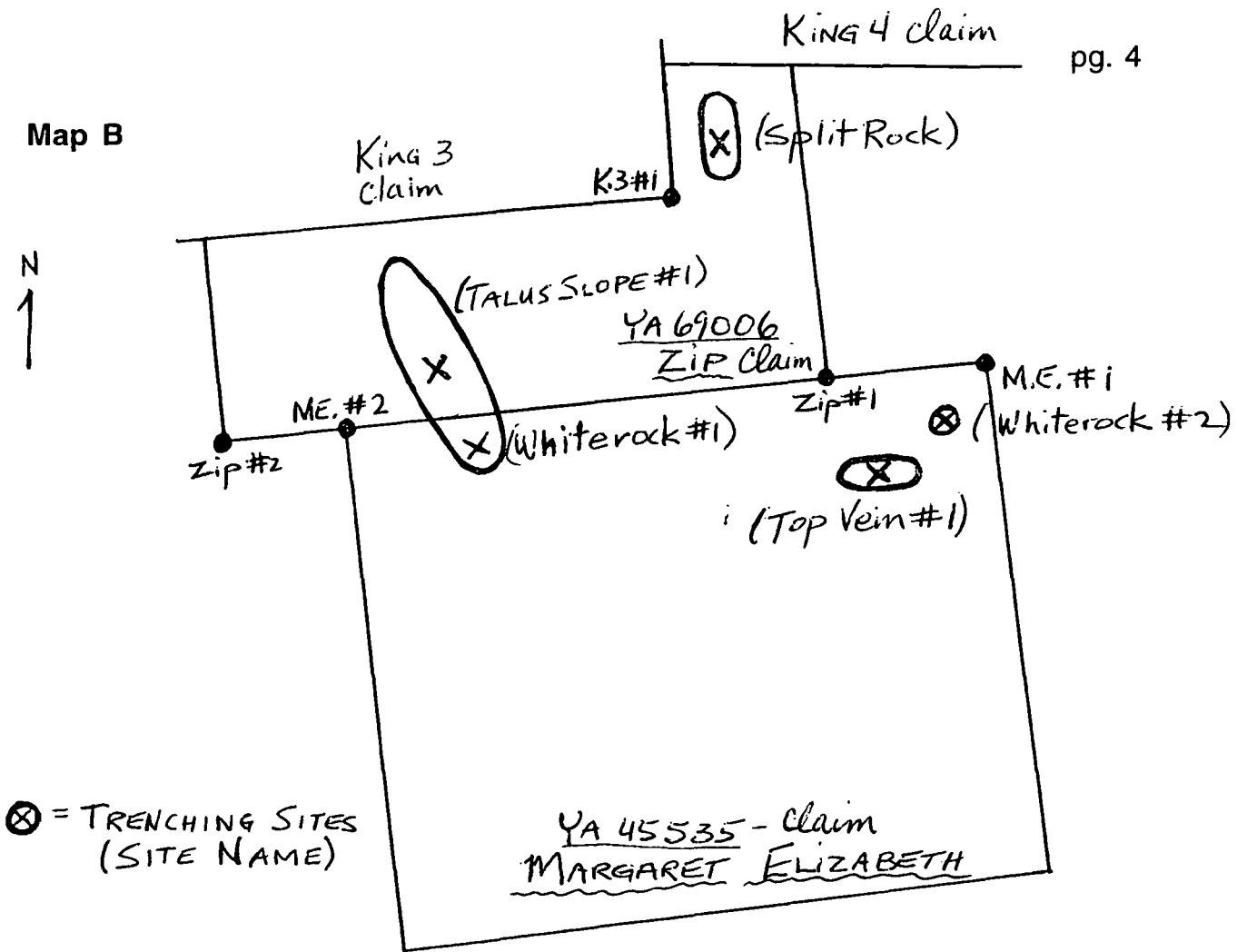
Project location & access

The Project location is on NTS map sheet 105 H/3 at the Zip (YA69006) and Margaret Elizabeth (YA45535) claims area. The claims were accessed using a 4x4 truck on a mining road West from approximately Km. 132 (mile 82) on the Campbell Highway to the top of the mountain where the claims are located. We accessed the trenching sites using an Argo (ATV) on the claims sites. See **Map A** below for the general location, and **Map B** (page 4) for the specific sites trenched.

MAP A



Map B



⊗ = TRENCHING SITES (SITE NAME)

Exploration Target

The exploration targets were nephrite jade (actinolite/tremolite) deposits. Specific targets were nephrite boulder trains showing on the Margaret Elizabeth and Zip claims, various "whiterock sites", and two sites where initial work was started last year. Initial investigations last year proved one vein occurrence and one podiform/stringer occurrence, but these were open for depth and along strike. These sites in this report have been renamed as **Top Vein #1** and **Whiterock #1**. In last year's summary report (YMIP #97-057) they were previously named as Site #1 and Site #2, respectively.

Large economic seams of nephrite exist on adjacent claims. It was hoped to prove similar economic veins on our claims.

Nephrite jade deposits in B.C. and Yukon are all associated with middle Paleozoic to Triassic rocks thought to have been part of the oceanic crust but now found as large allochthonous slabs thrust over continental rocks. All deposits of nephrite are associated with serpentinites intrusive into or in fault contact with suites of greenstone, chert, limestone, etc. that range in age from Late Devonian to Late Triassic, although most are Late Paleozoic age. One of the most important of these rock assemblages is the Cache Creek ophiolitic complex of Late Devonian or Early Mississippian age.

In Yukon, in the Campbell Range, Mississippian and Devonian sediments were intruded by serpentinites in narrow sill-like bands. Subsequent tectonic events led to the obduction or over-thrusting of these rocks onto the continental rocks in Mesozoic time. Since nephrite deposits are believed to have formed when the serpentinites were intruded or very shortly thereafter, final disposition of nephrite deposits probably rarely corresponds to the place of origin.

The formation of nephrite is associated with the faulting and intrusion of serpentinite. Metasomatic nephrite occurs between serpentinite and other rocks of various chemistry when there is permeation of calcium rich hydrothermal solutions at the contact. The alteration of serpentine by calcium rich ground water also occurs at or near the serpentinite-calcium rich limestone rock contact. This results in material exchange between them and subsequent recrystallisation of both rocks at the contact reaction zone. It is at these contacts that the metasomatic nephrite forms. Metasomatic nephrite is usually found in small lenticular fault bounded nodules or veins and is finely felted.

In the Frances Lake area, Mississippian and Devonian sediments are intruded by serpentinites in narrow bands that parallel the regional strike. They are conformable with the bedding planes, i.e. they are sill-like bodies. "Whiterock" contact reaction zones are usually present within the serpentinite, and undergo alteration with the formation of both rodingite and nephrite, usually around the outside of the whiterock.

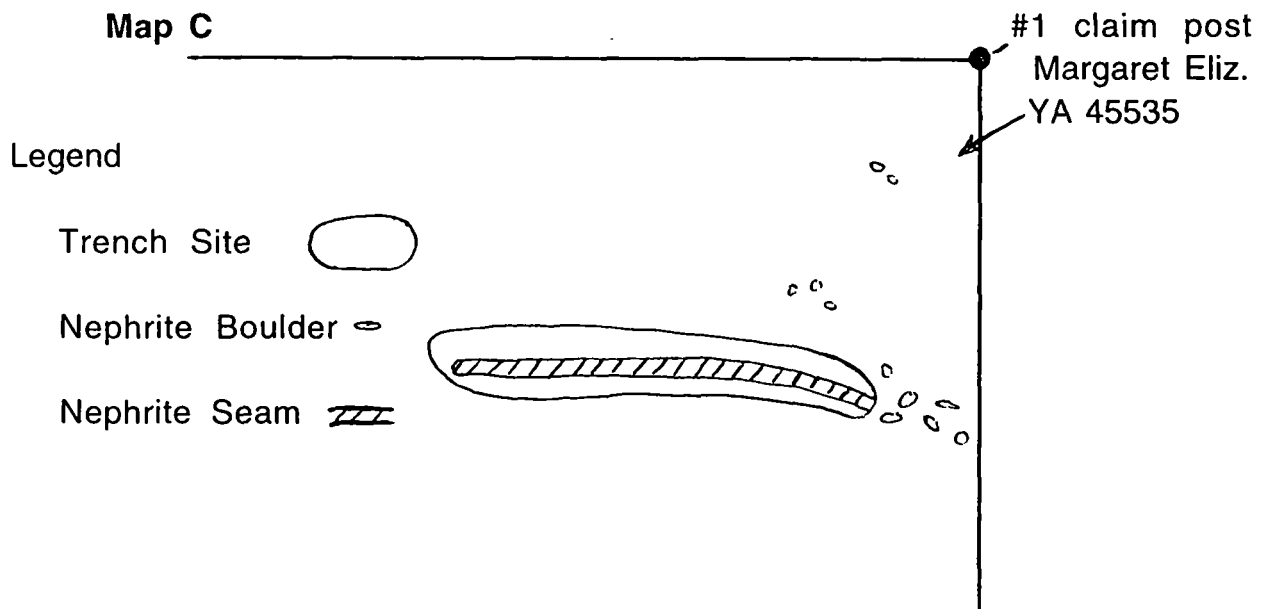
It is at such contact reaction zones on the Margaret Elizabeth and Zip claims that the project work was performed.

Work Performed

Work done at the project location was primarily trenching, measuring, mapping and sampling of the nephrite occurrences, as well as further prospecting the immediate area on the Margaret Elizabeth and Zip claims. Weather was cooperative at first, but over the course of the project it become more and more of a detrimental factor at the site while the work was being performed, building up to snow/sleet storms by the end of Aug..

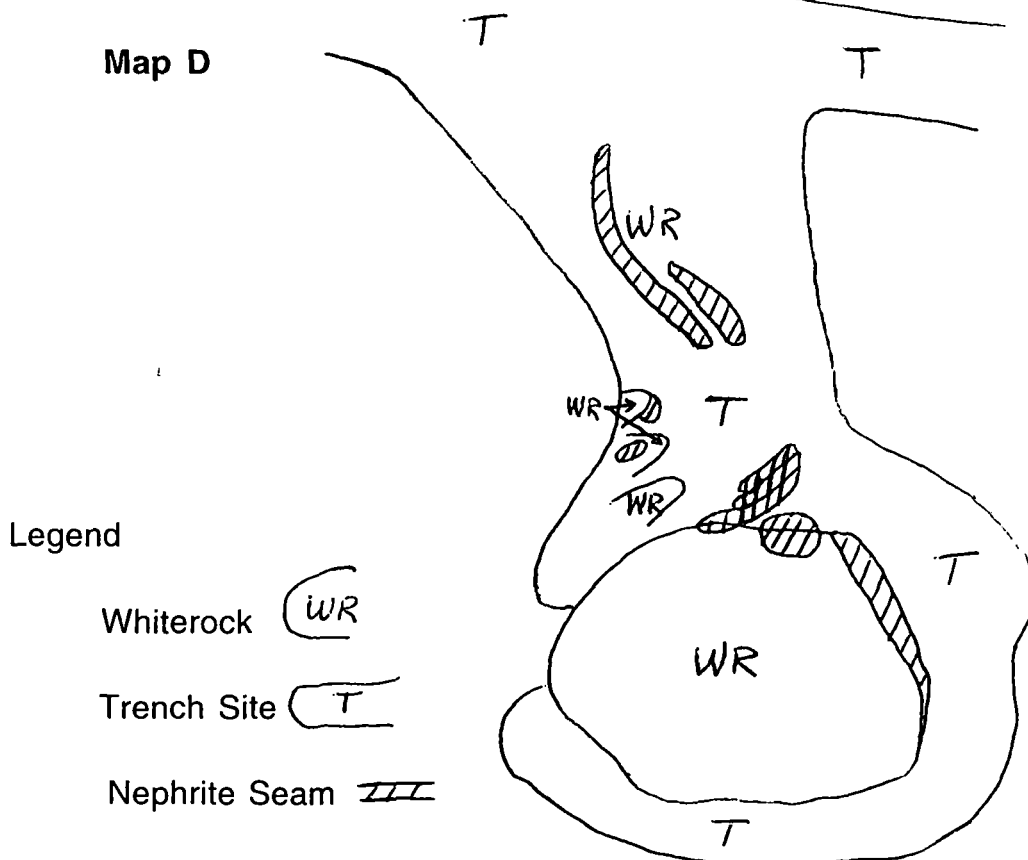
Trenching was done at several locations where indications seemed most likely for success. Trenching was done by Paul Amann (Paul Amann Industries) from Watson Lake using a Kobelco 300 SK track excavator with a "thumb" to facilitate rock handling. In addition, Paul Amaan had a D-8 Cat ripper adapted to fit on the excavator (in place of the bucket) to rip frozen ground and broken rock. This ripper worked very well, and made much of the work accomplished this year possible.

At Top Vein #1, approximately 15 meters (50 ft.) of trenching 9 meters (30 ft.) wide and 2 meters (6-8 ft.) deep was done . The material consisted of weathered and broken rock, which became increasingly solid as deeper material was encountered. Scattered permafrost was found. The site has a Northern aspect, and some permafrost was expected. As trenching got deeper, work became progressively more difficult and slow. Finally, progress became so slow that deeper digging was terminated. Approximately 270 cubic meters of material was removed in trenching at Top Vein #1 and placed beside the excavator to create pads to extend the trenching. Because nephrite was encountered along the entire trench, none of the trench was backfilled. Please refer to **Map C** below showing the trenching performed at Top Vein #1.



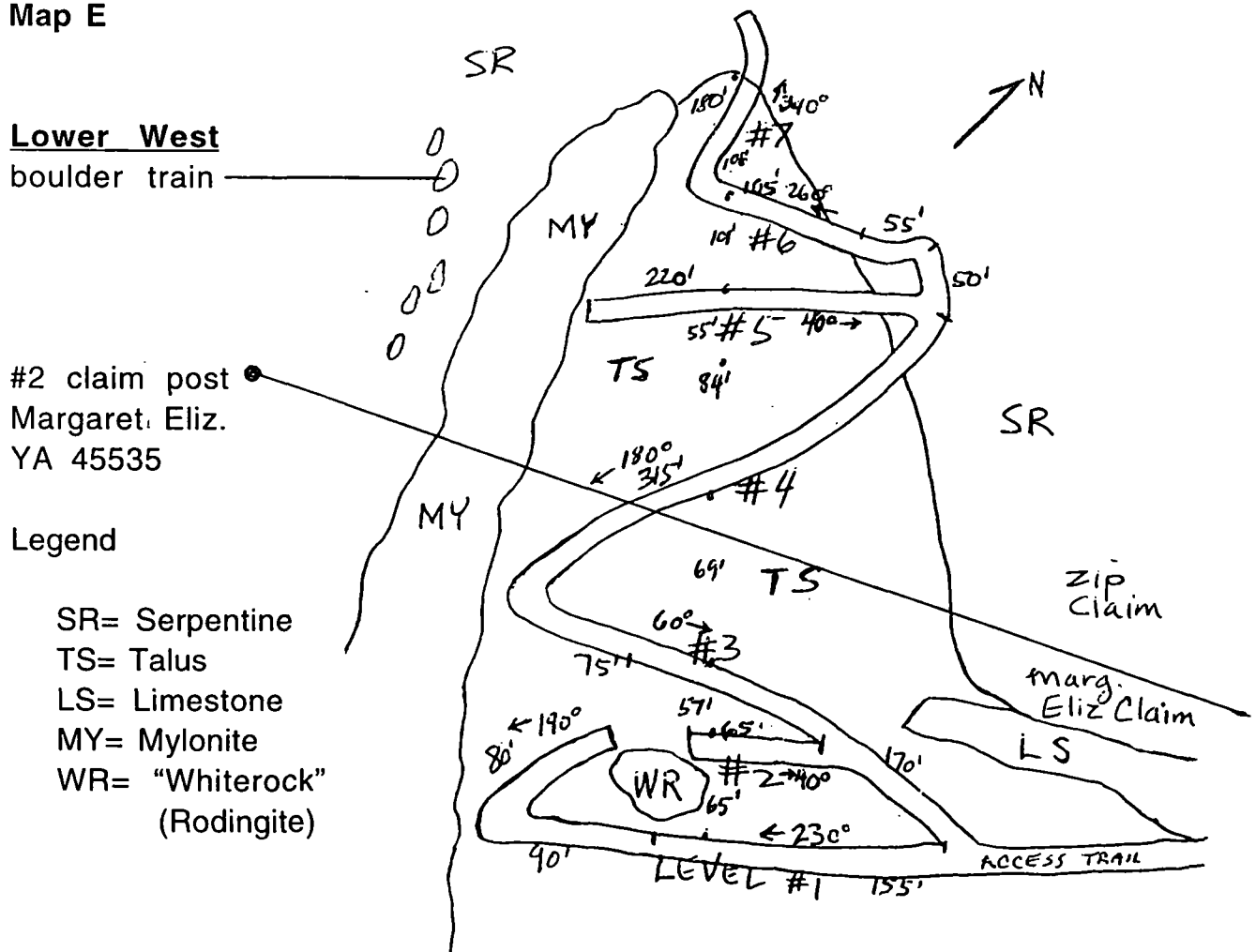
Work Performed - (continued)

At **Whiterock #1**, a trench had been previously dug most of the way around a 10 meter (35 ft.) diameter rodingite "whiterock" showing. The trench varied from 2-5 meters (7-17 ft.) wide and 2-3 meters (7-10 ft.) deep. This location was chosen because prospects appeared good for locating more seams at this site. One podiform seam was exposed at this site last year, but it's exposure was not completed due to frozen ground, and, as a result, the pod's dimensions could not be determined. The north side of the "whiterock", where the pod was located, was first excavated with the bucket because the ground had thawed from last year. Then, the ripper was used for deeper trenching as the digging got too difficult. More frozen ground and rock was encountered, including small blocks of ice. At the base of the pod the jade became a series of stringers. These were followed, and they continued on a northern strike down the slope. Within the pod and stringer area the trenching dimensions were approximately 6 meters (20 ft.) by 18 meters (60 ft.) by 3 meters (10 ft.) deep. As a result, approximately 325 cubic meters was moved trenching at this site. Please refer to **Map D** below showing the trenching performed at or near **Whiterock #1**.



Nephrite boulder trains continued for 200 meters on the surface downslope from the stringers. These suggested that the stringers probably continued, perhaps intermittently, much further down the slope. It was decided to excavate trenches across the steep slope to try to trace the stringers and in order to determine their dimensions at surface. This necessitated a series of switchbacks across the slope. Trenching was done deeply, and then backfilled in order to create further access for the excavator to travel across the slope. In addition, there was no where else to put the excavated material in order to not bury any more surface showings than necessary downslope. Some excavated moss "mats" were placed on the slopes to help stabilize the slopes and to start regeneration of native vegetation. It is planned to allow one winter for the slopes to stabilize and settle, and then apply forest grass seed mix. It is hoped that this shade tolerant mixture will take on the North facing slope. This talus slope trenching site is named Talus Slope #1. Map E below shows the trenching performed at Talus Slope #1 and the Lower West site.

Map E



Lower West

boulder train

#2 claim post
Margaret. Eliz.
YA 45535

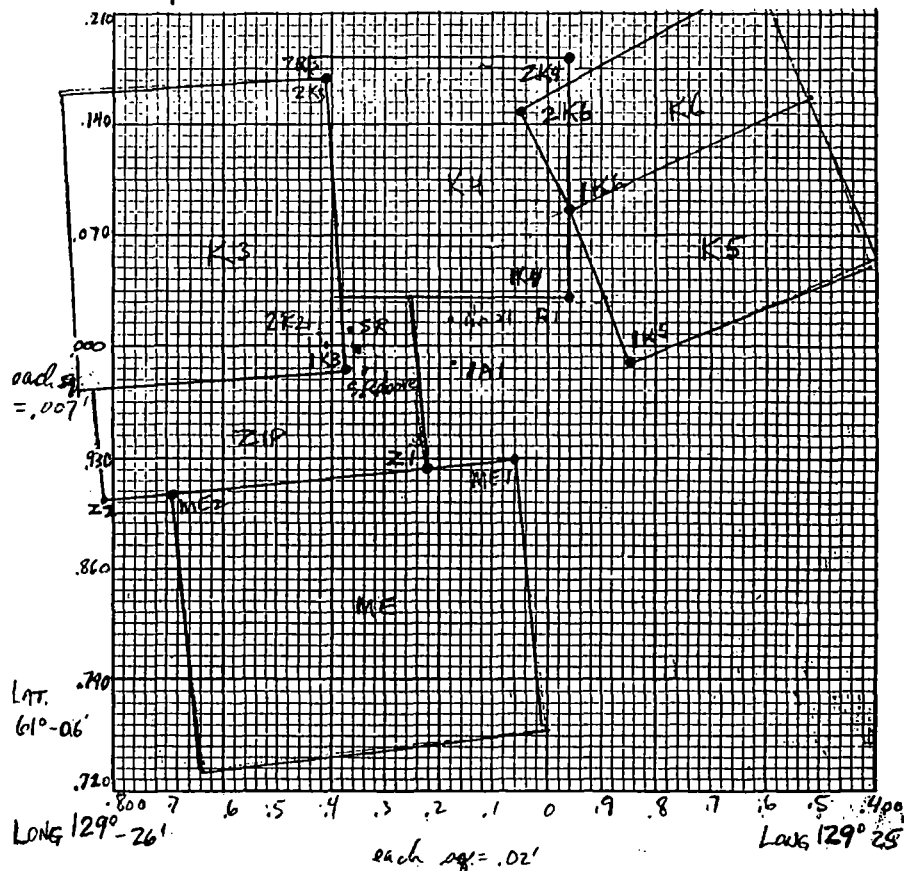
Legend

- SR= Serpentine
- TS= Talus
- LS= Limestone
- MY= Mylonite
- WR= "Whiterock"
(Rodingite)

Another nephrite boulder train was found on the Zip claim by carefully prospecting the immediate area. The nephrite has no immediate proximity to any visible reaction zone at the surface. Because the project was nearing an end, and because access would be very difficult for the excavator, it was decided to core drill the boulders with a small hand held Packsack Drill. All materials to conduct a small drill program were moved into place, but bad weather moved in and prevented further work at this site for this summer/fall season. More work needs to be done to determine the volume and value of this deposit. Please refer to **Map E** on page 8 for the location of this promising boulder train. It is called the Lower West site.

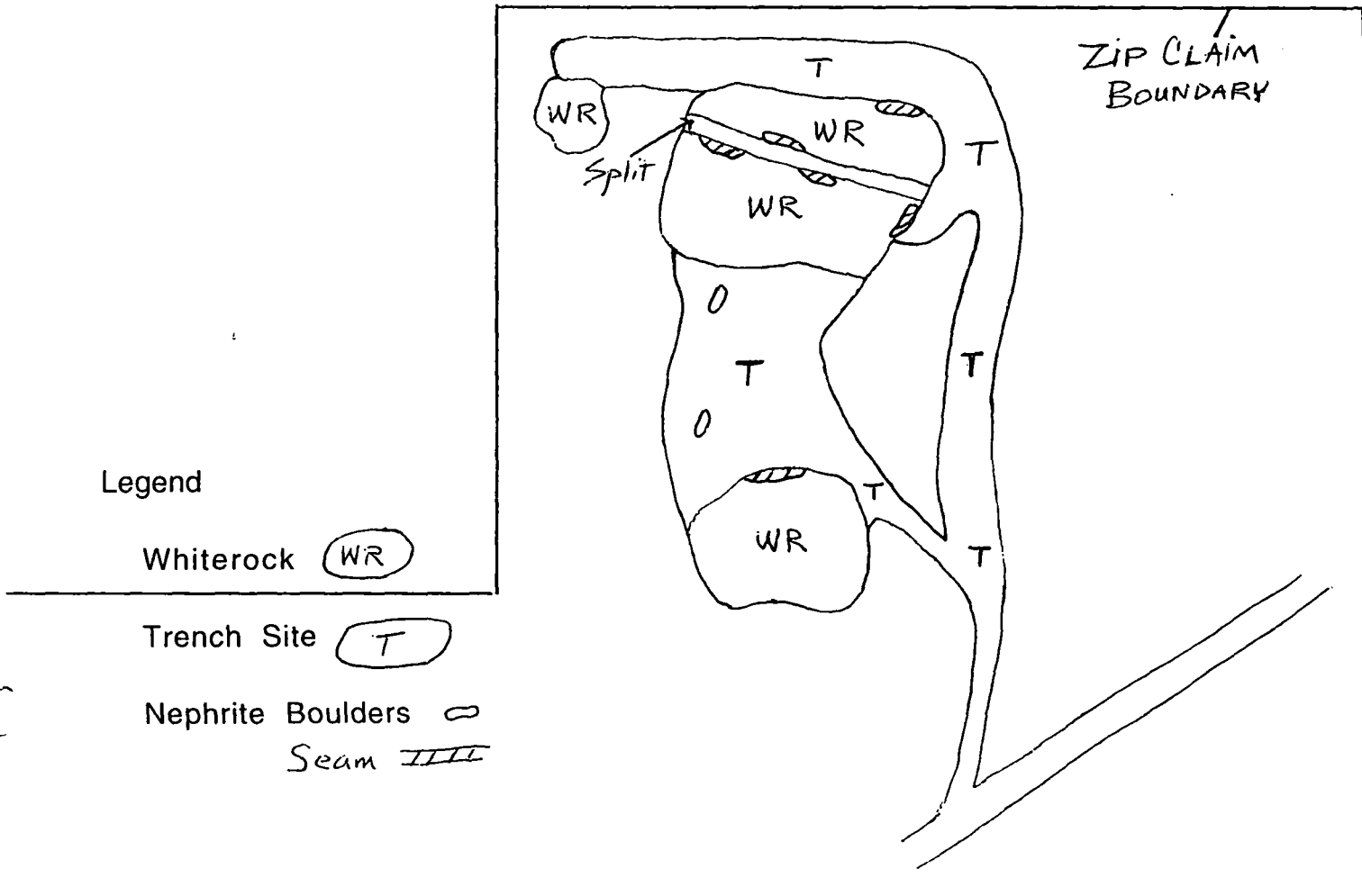
Claims mapping was also done. The entire cluster of claims at this site is confusing because the claims are irregular in size, overlapping, claim posts are fallen over and hard to locate, and the locator lines (direction between claim posts) are in various directions. Because of this, and to be certain that all trenching was done on our claims, it was decided to use a GPS to verify all claims. The claim posts were located with considerable difficulty, and their positions fixed with a 'Garmin 45' handheld GPS. Their positions were placed by coordinate on graph paper, and the claims were drawn in. Please refer to **Map F** below for the location and the placement of the claim posts and the claim boundaries on the mountain.

Map F

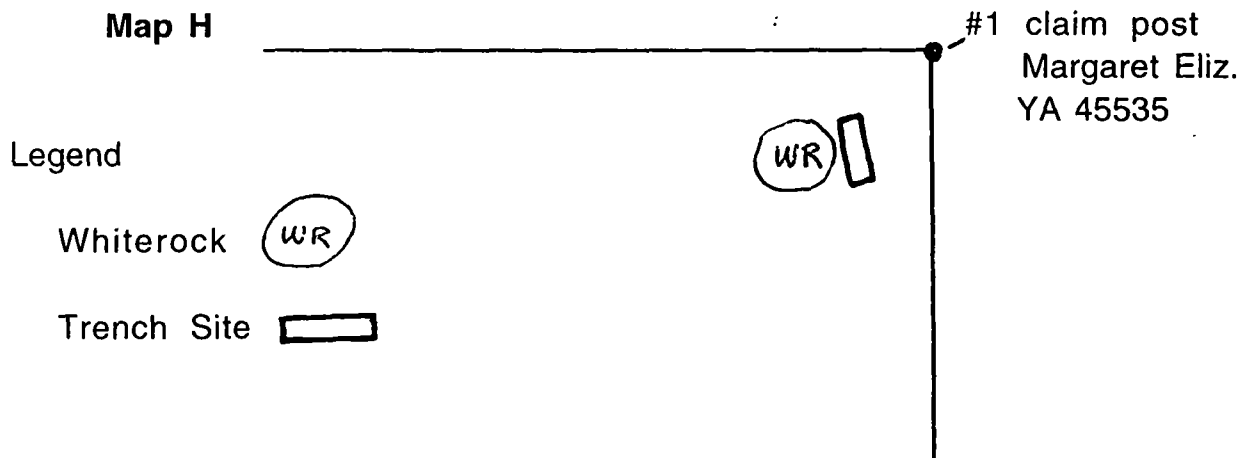


As a result of the GPS work, another possible nephrite site was found to be on the Zip Claim, and it was trenched also. This site consists of a large "whiterock" knob with a large split in it, a smaller one above it, and weathered serpentine ground between them. Lose rock was removed at the edges of the "whiterock", mostly on the North sides where the exposure was better. Weathered serpentine material was trenched around the North sides of, and between, the two "whiterock" knobs. Trenching was done deeply, and then backfilled in order to create further access for the excavator to travel across the slope. In addition, there was no where else to put the excavated material in order to not bury any more surface showings than necessary downslope. Some excavated moss "mats" were placed on the slopes to help stabilize the slopes and to start regeneration of native vegetation. It is planned to allow one winter for the slopes to stabilize and settle, and then apply forest grass seed mix. It is hoped that this shade tolerant mixture will take on the North facing slope. This trenching site is named **Split Rock**. Please refer to **Map G** below showing the trenching performed at **Split Rock**.

Map G



Another rodingite "whiterock" showing was also trenched. There were a few small pieces of nephrite (less than 20 pounds total) on the surface within 5 meters of the site, and suggested possible nephrite pods underneath. The whiterock itself was too competent for trenching more than two feet deep. Instead, the weathered serpentine was trenched to the East, next to the "whiterock" and where the nephrite pieces were found. Although reaction zones were found, no nephrite was encountered, so the site was backfilled and restored to it's original profile. Please refer to **Map H** below showing the trenching performed at **Whiterock #2**.



Samples were pressure washed right at the work site on the locally named 'Jade Mountain.' Samples were then selected for saw testing to establish the range of quality for each trench site.

Mapping the float and veins of nephrite was done to accurately determinè dimensions of the deposits to establish the quantity, and sampling, was done to establish quality for evaluation of the deposit.

Sawing and polishing of samples was done at the main camp to determine qualities such as color, translucency, cracking, black spots and mottling to make accurate market determinations of grade and unit price (price per pound and kilo).

Reclamation of trench sites by backfilling was done wherever possible. The site was backfilled with material from the trench to the natural contour level, and smoothed out. Where any soil existed, it was smoothed over the top.

Results (general)

- Numerous metamorphic “whiterock” alteration assemblages and contacts between serpentine and limestone are evident at the project location. All trenched sites illustrated the common observation that nephrite seams are associated with “whiterock” alteration and serpentine or serpentinite metasomatic contact reaction zones.

- The contacts between the nephrite, serpentine, limestone and calc-silicate rocks are sharp. At some places, nephrite develops as pods or contact reaction zone seams. In some places the nephrite seams exhibit smaller parallel complex sub-seams or stringers.

- There are differences in nephrite quality found at these sites in terms of color, amount of black spots, fracturing and schistosity. The highest quality occurs at the rodingite “whiterock” sites. The lowest quality occurs when the nephrite is at the contact between serpentinite and mylonitic calcareous mudstone. Those sites where serpentine undergoes contact metasomatic metamorphism with limestone produced highly variable quality nephrite.

- The original geologic interpretation for this part of the Yukon was that the serpentine occurred as an allochthonous ophiolitic thrust sheet. A newer proposed interpretation of the geology suggests that at least some of the serpentine may have formed in place instead of being an overthrust sheet. At Top Vein #1, the long consistent linear vein system indicates it is probably fault controlled contact metamorphism. The nephrite seam curves southward at the eastern end, indicating that deformation likely occurred later during plate tectonic emplacement of the land mass. My interpretation at Top Vein #1 is that the serpentine intruded into the country rock, and then the whole unit was later emplaced at its present location by tectonic forces.

- Another nephrite boulder train was found on the Zip claim (Lower West) by carefully prospecting the immediate area. Chip samples appeared promising, but bad weather moved in and prevented core drilling at this site for this summer/fall season. More work needs to be done to determine the volume, value and source of this promising boulder train.

•No other economic mineralization was found. There is an abundance of serpentine at the site, and it could possibly be economic for landscape material or for quarry material if any unfractured material can be found. Occasionally, small pockets of bowenite are found at the site, but are too small to be mined commercially for carving material.

Seam deposit volume data - for a summary, see **Table #1** on page 18.

The largest nephrite vein itself is at **Top Vein #1**. It is proven in excess of 30 m. long, and indications are that it may be even 50 m. long or more. The width of the seam remained surprisingly uniform over its length, at a width of approx. 1.6 m (4-5 ft.). Dip was difficult to determine because of fractures in the seam, but the best estimate is 80 degrees to the South. It was difficult to dig deeply with the excavator along the seam because of consolidated rock and permafrost. Even with the D-8 ripper tooth, the depth of the seam was not able to be determined. However, due to the long length and the uniform width of the seam, the depth could be on the order of 10 meters or more. The approximate best low volume estimate would be 240 cu. m. (50m. x 1.6m. x 3m.). At 3 tonnes per cubic meter, this represents a probable reserve of approx. 720 tonnes (800 tons). The length and depth still need more trenching to accurately determine the size of this seam.

At the **Whiterock #1** trenching site, the exposed "seam" was much more irregular than at **Top Vein #1**, and measurements are not easy to report. A pod removed during trenching was 10 tonnes (11 tons). Below the pod, the nephrite stringer veins swelled and pinched out. Those exposed by trenching are difficult to quantify. They were found with considerable frozen water between the stringer veins. For that reason we called this area the "ice seams". The trench exposed at **Whiterock #1** was approx. 20 meters (65 ft.), the average seam width was .5 meters (20 inches), but the depth is unknown. If the stringer seam depth is 1.6 meter (5 feet), and seams are developed for one half the trench length, then they are estimated to contain at least 8 cu. m. (20m. x .5m. x 1.6m. deep x 50 %), or 24 tonnes (27 tons). A visible seam(s) exists in the "whiterock", and is easily 1 tonne (1 ton). Because there is a trench around the "whiterock", this site should be fairly easy to saw with diamond wire to see if hidden seams exist. Much remains to be done to determine volume estimates.

The Talus Slope #1 site, while there were lots of apparent nephrite boulder train indications, turned out to be a disappointment. Only one large (3.5 tonne) buried nephrite boulder was encountered in trenching the talus slope, along with several smaller ones, and no nephrite seams. For a trench length of 300 meters, this was unexpected. What was encountered, below the rock talus surface, was highly weathered serpentinite(?) dirt, as deep as the excavator could trench on the sidehill (a minimum of 3 meters (10ft.) deep). Bedrock was not encountered in most or all of the trenching. When rock was encountered at depth below the surface boulder trains, it was broken serpentine with no indications of contact reaction zones or nephrite seams. It might not have even been bedrock. The apparent talus field nephrite boulder trains seem to be float from the Whiterock #1 site above, and not from bedrock nephrite seams buried below the talus slope. Perhaps 20 tonnes (22 tons) of nephrite were encountered, all talus.

At the West end of the lowest full traverse of Talus Slope #1, a possible reaction zone was encountered in the mylonite. However, the "jade" encountered was of such poor quality that it is doubtful it could even be called nephrite. Other similar "jade" like rock was found at this site on the surface. It evidently came from seams nearby, probably just upslope. The material is definitely noncommercial in quality.

At the Lower West site, another nephrite boulder train was found on the Zip claim by carefully prospecting the immediate area. Five larger nephrite boulders were found, the largest being approximately 10 tonnes (11 tons), and some smaller ones. The volume of nephrite rock is at least 27 tonnes (30 tons). The large size boulders, in a string not far apart from each other, especially at the lower end of the string, strongly suggests a seam underneath or nearby upslope. More work needs to be done to determine the volume and value of this deposit.

At Whiterock #2, another rodingite "whiterock" showing was also trenched. There were a few small pieces of nephrite (less than 20 pounds total) on the surface within 5 meters of the site, and suggested possible nephrite pods underneath. Although reaction zones were found, no nephrite was encountered underground, so the site was backfilled and restored to its original profile.

The last site trenched was the **Split Rock** site. The site consisted of two "whiterock" knobs trending downhill on a north-facing slope. Two pieces of nephrite were found between the two knobs, and some were found just below the lower knob. There was about a 1 meter wide split in the lower (and larger) "whiterock" - enough room to pass through. In the split a nephrite seam was found that resembled a flattened tube. It was passing through the "whiterock" at a right angle to the split. A nephrite seam was also found on the north and east face. The volume of nephrite found at this site is difficult to estimate because the seams are very irregular in shape and were found just within the "whiterock" itself. How far the seams go and how large they are is just speculation. However, I will venture an estimate of at least 5 cu. meters. At 3 tonnes/cu. m., this site could easily yield 15 tonnes (17 tons) of good quality nephrite. Further work is recommended for this site. Because of the split in the "whiterock", this site should be fairly easy to saw with diamond wire.

Seam deposit quality data

At **Top Vein #1**, the nephrite associated with the "serpentine contact alteration" zone is more schistose at the east end of the seam than the middle section of the seam. The western end of the seam has the most integrity. The seam has olive to bright green color, and a few to many "black spots." Again, there seems to be trends depending on the position within the seam. The more desirable properties, bright green and an absence of black spots, increase from east to west. Some desirable bright green chrome spotting is also present. Again, these are more common in the western portion of the seam. Because of this trend and increased slope angle, the eastern-most end of the seam was not trenched any further. It still remains open on strike to the East.

The **Whiterock #1** site nephrite is more fracture free, less schistose, with a more desirable green color, fewer undesirable black spots and more desirable chrome spots than the nephrite associated with the "serpentine contact alteration" at **Top Vein #1**. The best nephrite found trenching for this project was at **Whiterock #1**. The quality of some of the jade was "A" grade, and we believe it is the best nephrite jade found so far in the Yukon. One large pod (10 tonne) was zoned. It had a lighter green color at the center, surrounded by a darker but still bright green outer layer.

Seam deposit quality data - (continued)

The Talus Slope #1 site, while there were lots of apparent nephrite boulder train indications, seems to be float from the Whiterock #1 site above, and not from bedrock nephrite seams buried below the talus slope - at least, none were found. The nephrite in the boulder trains on the talus slope varied considerably. Some approached the quality found in the pod veins of the "whiterock" and the stringer veins below, but many are of lower quality and have no known source. Therefore, unfound seams probably exist below the talus slope. At the West end of the lowest full traverse of Talus Slope #1, a possible reaction zone was encountered in the mylonite. However, the "jade" encountered was of such poor quality that it is doubtful it could even be called nephrite. Other similar "jade" like rock was found at this site on the surface. It evidently came from seams nearby, probably just upslope. The material is definitely noncommercial in quality.

At the Split Rock site the nephrite found was exceptionally hard, as evidenced by the ringing sound they exhibited when struck with a rock hammer. The color is more 'blue' than any other nephrite found during the project. Spots are minute, and present a pleasing character to the nephrite. Some of the nephrite is exceptionally translucent at this site. The quality is good to very good, and the color is unique. This nephrite could be very desirable for the right market.

The Lower West site was another nephrite boulder train found on the Zip claim by carefully prospecting the immediate area. Chip samples appeared promising, especially as one sampled further upslope in the boulder train. For the future, it is recommended to core drill the boulders with a small hand held packsack type drill because access would be very difficult for an excavator. More work needs to be done to determine the volume and quality of this deposit.

At Whiterock #2, another rodingite "whiterock" bordered with serpentine was also trenched. There were a few small pieces of nephrite (less than 20 pounds total) on the surface within 5 meters of the site, and suggested possible nephrite pods underneath. Although reaction zones were found, no nephrite was encountered. The trench was reclaimed by backfilling with the excavated material to the original profile.

Top Vein #1 nephrite from the west end of the seam has an estimated conservative unit value of approx. \$5.00/kg. (2.25/lb.) based on current large volume market prices for that quality. Nephrite from the middle and east end of the seam has an estimated unit value of only \$2.20/kg. (1.00/lb.) based on current large volume market prices for that quality. If the assumptions are made that the seam is only as long as has been excavated, and it is excavated to a depth of 3 m., and only one half of the material is marketable, then the deposit has an estimated value of approx. \$360,000 for the west end (10m. long x 1.6m. wide x 3m. deep x 3 tonnes /cu. m. x \$5.00/kg. x 50%) and approx. \$630,000 for the middle and east end (40m. x 1.6m. x 3m. x 3 tonnes/cu. m. x \$2.20/kg. x 50%). The total value for this seam is approx. \$900,000 and the ave. unit value is \$2.75/kg for the material sold (and \$0.00/kg. for the material unsold).

The volume at Whiterock #1 was not able to be estimated accurately. However, the unit value should be approx. \$11.00/kg (\$5.00/lb.). The value of Whiterock #1 is approx. \$385,000 (11 tonnes at the "whiterock" plus 24 tonnes for the "ice seams" x \$11.00/kg.). It could be more than this estimate once the depth of the deposit is determined.

The value of the Whiterock #2 site is nill - no nephrite seam was found.

The value of the Talus Slope #1 site is difficult to accurately calculate because the nephrite rocks are all sizes, from small chips to boulders of 3.5 tonnes (4 tons), and they are all qualities from very poor to very good. In addition they are almost too numerable to count, especially the small ones. Therefore, the estimated volume is 20 tonnes (22 tons) that are marketable at an average unit value of \$5.00/kg (2.25/lb.), or \$100,000.

Split Rock nephrite should have a unit value of \$11.00 /kg. (\$5.00 /lb.). As the 15 tonnes were a conservative estimate for the nephrite volume at this site, then the conservative estimated value for this site is \$165,000.

Because the nephrite at Lower West was chip sampled only, a very low unit value of \$2.75/kg. (\$1.25/lb.) will be used for now. Lower West's valuation is \$75,000 (25 tonne x \$2.75/kg.

The total valuation for the YMIP Target Evaluation project is **\$1,725,000.**

Seam deposit evaluations - (continued)

Top Vein #1 represents the largest monetary value of the two excavated deposits due to its sheer volume. However, the smaller Whiterock #1 deposit is much higher quality, and has a much higher unit value. It should also be much easier to market, along with the Split Rock site nephrite jade.

Table - Summary of Deposit Results

Site Name	Deposit-Type	Ave. Quality Gd-Med-Poor	Volume- Tonnes	Unit Price \$/kg.	Evaluation - Each Site
Top Vein#1	Contact Metamor.	Med. - Poor	720 T. One-half saleable	2.75	\$ 990,000
Whiterock #1	Whiterock reaction	Good	35 T.	11.00	\$ 385,000
Talus Slope#1	Talus	Medium	20 T.	5.50	\$ 100,000
Whiterock #2	Whiterock reaction	None found	0 T.	0.00	\$ 0
Split Rock	Whiterock reaction	Good	15 T.	11.00	\$165,000
Lower West	Unknown	Medium	27 T.	2.75	\$75,000

Total Site Value = \$ 1,725,000

A word of caution should be made about the evaluation. While some of the nephrite is at the surface, not all is easily saleable. Some should be targeted at specialty markets, such as New Zealand for the darker jade material (Split Rock type). Some is more suited for the tile or table top market (Top Seam #1), and some is definitely Carving or Gem grade (Whiterock #1 and Split Rock). The nephrite still in the ground or rock is going to be difficult to remove without innovative mining techniques. Some of the nephrite will probably never be saleable at a profit. The cutoff grade will be governed by the quality and expenses at each site.

Conclusions

- Five different trenches were done. Two were continuations of previous trenching started last year (Top Seam #1 and Whiterock #1). These proved to be significant economic nephrite resources. Of the three new trenches, one site (Split Rock) also proved to be a significant economic nephrite resource, one trench did not encounter any nephrite seams of value (Talus Slope #1), and one trench did not encounter any nephrite seam at all (Whiterock #2).
- One more nephrite boulder train (Lower West) was found by prospecting the immediate area on the Margaret Elizabeth and Zip claims. Because of it's similarity to the Top Vein #1 occurrence, there is a chance that it also is associated with nephrite seams. Excavation needs to be done to determine if more seams exist at this site, and the volume and value of the expected deposit.
- Two different deposit types were observed. One was the "whiterock" association deposit type which occurs on the outside of or within a mass of rodingite within serpentine. Nephrite was also found associated with the "serpentine contact alteration" metasomatic deposit type which occurs with the alteration of serpentine by calcium rich ground water at or near the serpentinite-calcium rich sedimentary rock contact.
- A trend was observed that the "whiterock" association deposit type seems to produces much higher quality nephrite with more desirable brighter green color, more translucency, less schistosity, more desirable chrome green spots and fewer undesirable black spots than the nephrite found with the "serpentine contact alteration" metasomatic deposit type.
- Top Vein #1 represents the largest monetary value of the two excavated deposits due to its sheer volume. Three trenches uncovered nephrite seams with an estimated conservative value of over \$1,500,000 Canadian. However, the smaller Whiterock #1 and Split Rock deposits are of higher quality and have a higher unit value. They should also be easier to market. With additional trenching of the Lower West site , the total estimated value could increase significantly. Some talus downslope of Whiterock #1 is also a valuable nephrite resource.

Recommendations (general)

- The **Lower West** boulder train site should be further explored with a drill program, as well as the two “whiterock” seam sites (**Whiterock #1** and **Split Rock**) prior to doing any more trenching, and before starting any mining, except as noted below.

- A diamond cable saw system might be a more economical way than drilling to test the sites for seams because cable sawing would produce a complete transect, better than several drill holes that might hit or miss the twisting, pinching and swelling, and sometimes ‘worm like’ nephrite seams found in this “whiterock” deposit type. Initial mining could also be accomplished at the same time. Due to the prominent outcropping of the “whiterock” knobs containing nephrite seams, and the wide split at the **Split Rock** site, it should be possible to mine them using a diamond cable saw system.

- It is recommended that more trenching be done at the “ice seams” area at **Whiterock #1** after the site thaws out more. This promising site is still not exposed enough to accurately determine the potential there.

- One more nephrite boulder train (**Lower West**) was found by prospecting the immediate area on the Margaret Elizabeth and Zip claims. Because of it’s similarity to the **Top Vein #1** occurrence, there is a chance that it also is associated with nephrite seams. Excavation needs to be done to determine if more seams exist at this site, their volume and the value of the expected deposit.

- A market analysis should be done by sending sawn and polished samples to prospective buyers. In the nephrite jade market there is no numerical quantitative standard for grading and analysis, such as there is with ores. Rather, the unit price is driven by the aesthetic qualitative properties of the nephrite, combined with the market forces of supply and demand. At this point in time, the nephrite supply is low in Canada, the world’s largest supplier of nephrite jade. It should be evident soon what the demand is going to be, since the world’s largest buyers of nephrite jade are dealing with the ‘Asian meltdown’ in their economy. From what we have heard, the market should still be strong due to continued demand from China, whose economy has remained stronger than the rest of Asia.

Equipment recommendations

•Equipment recommendations to complete the project are the following:

1. Track excavator with a "thumb" similar to that used in 1998 to prepare trails on the claims, strip the top cover, trench, handle large rock and reclaim the disturbances. Also very highly recommended is a D-8 Cat ripper adapted to fit on the excavator (in place of the bucket) to rip frozen ground and broken rock. This ripper combination worked very well, and made much of the work accomplished in 1998 possible.
2. Core drill capable of coring up to 5 m. (17 ft.) to examine the nephrite boulders and "whiterock" projections for depth and make quality determinations of seams encountered.
3. Air or hydraulic rock chisels, splitters, and wedges to facilitate trenching where fractured rock are located. Due to the importance of the fracture free quality in the nephrite unit price, blasting can not be used for trenching.
4. Small hand-held diamond saw to saw slots for wedging and make quality determinations of seam faces encountered.
5. Diamond field saw with a blade diameter of at least 30-36 inches to facilitate trenching where solid rock is located.

Appendix A - Daily journal

i

2-4x4's
6 AUGUST 7
AOUT ⑦ Hoe
Argo trailer Thurs.

Hoe hauled from town by Jedway
to mine road at mill 82
Campbell Highway

Hoe walks in to mine road
split and makes a flat site
for camp.

Hoe fixes washouts in road to
make access easier for 4x4's

2-4x4's
1 Argo trailer
⑦ Hoe

Fri. AUGUST 7
AOUT

Hoe walks rest of way to claims
and prepares access to whiterock

Hoe digs trench in front of whiterock
and encounters little in way
of seam material.

Whiterock + serpentine contact
has no reaction zone for
nephrite. However, there appears
to be nephrite in place just
below

Decision is to continue trenching
of whiterock, serpentine contact
downslope.

Small float + subseam material
is ported from hoe trench
material for sampling/sawing
to determine quality of seam
material above in whiterock

8 AUGUST
AOUT

Sat.

2-4x4's
Argo + Trailer
⑦ Hoe

Hoe trenches below initial
whiterock site and encounters
more nephrite seams in the
whiterock at level 2 approx.
15 vertical feet below initial
level.

Seams are 1-2 feet wide and
variable in quality. Some
material is "foamy" in texture
appearance on the outside, other
material is smooth.

It appears that there are 2 seams
in the whiterock with the "foamy"
material the widest seam.

Quality factors observable are good
but not great color, and few or
no black spots.

Tanning - Coveralls, Tranny + Argo
parted

2-4x4's
Argo Trailer
Hoe ⑦

Sunday

AUGUST
AOUT 9

Hoe trenches to level #3 and
~~level #4~~ below the initial
whiterock site. Distances 60 ft

At level #3 there are definitely 2
seams, one "foamy" on the west
side and one regular on the
east side.

Trenching is proceeding at a direction
directly downhill from the
whiterock, northerly.

Sawing was done on sample rock
from the eastern trench site #1
from last year. Quality was
grade B, with no white rock
alteration and no black spots
but the color is just acceptable,
not real bright green. Translucency
is very good, approx. $\frac{3}{8}$ " visibility.
Many cracks are near the outside,
(outer inch) and less toward the
center.

Find more claim posts #2 Y 64886
and #2 YA 68812

10 AUGUST
AOUT

Mon 2-4x4's
⑦ Hoe Argo + trailer

Trenching continues below level #3, across the slope.

More whiterock / serpentine contact is encountered but there are no reaction zones.

Decision is made to trench even lower. A switch back is made to come back across the whiterock exposure trend which strikes north-south. Level #4 is next!

So far the amount of whiterock / nephrite seams is less than expected. Actually, below the ice seams or no more seams have been found of nephrite, nor any reaction zones. Just serpentine rock and "dirt".

⑦ Hoe
2-4x4's
Argo + trailer

Tues.

AUGUST
AOUT 11

Trenching is done across the hillside and down slope with the goal of hitting bedrock on strike with the previous whiterock / nephrite trend.

Deep trenching was done as no bedrock was encountered. Dirt & chips of serpentine were the most common material. On the steep slope, trenching was only possible to a depth of 8-10 feet.

Very little nephrite was encountered, only the occasional float boulder.

Weather was "nasty" cold with rain and high winds. This made for slow going, along with the deep trenching. Progress was only to the point where the whiterock strike would have started but no whiterock has yet been encountered.

12

AUGUST
AOUTWed. 4x4 Argo/Trailer
(7) Hoe

V/R/M/S/L

Trenching continues as the day before - deeply across the slope and fill in for access and to reduce burial of slope & below

Results are discouraging for finding any reaction zones or where the "ice seams" have gone - nowhere is bedrock near to the talus surface - can't even find bedrock.

Level #4 trenching below the boulder train yields nothing, also below the ice seams yields nothing.

⑥ Hoe
2-4x4's
Argo/TrailerThurs. AUGUST
AOUT 13

Laura leaves for Ontario

V/R/M/S/L go to trenching site

Decide to trench further down the slope in hopes of finding more bedrock and more contact reaction zones

Results below whiterock boulder train are equally disappointing - no whiterock bedrock is below, and thus no reaction zones were found.

Decide to make the trench across the slope one more time and if no success to end the trenching on the talus slope.

Paul Amman goes to town for fuel for hoe. Leaves hoe on mt. and is taking a few days off. Works a full day.

14 AUGUST
AOUT

Fri.

24x4/water trailer

Margaret (the cook) and Chris
leave with Don to return to
FST

Van goes to mine road with
Jason - to tow Van's 4x4 to
Camp.

V/R/M/S/J work on equipt.

Saw rock samples for
quality determination

- Color good, mostly green

- Some bronze spots in rock
from pebbles

- contact rock boundary
is sharp

- some minor cracking with
minor "water staining"

Car - Ford Tempo
4x4/water trailer
Angie's trailer (5)

Sat.

AUGUST
AOUT

Town

15

R/W/M/S work on equipt.

M/S take Jason to town to go
home in the eve. on the bus
at Watson Lake. - also pick
up Ann party and get camp
supplies and new camp cook

R goes to town Sat night with 4x4
in tow (Van's truck) for repairs

Install safety equipt. on field
Saw

Get load of water for camp.

Angie Latournaud arrives by bus

16 AUGUST
AOUT

Sunday

4x4
Argo/trailer
(5)

V/M/S - 4x4 + Argo go up mountain
and do GPS work on Zip claim

- GPS the split rock
- GPS other claim posts

- set up water system on saw
- bring small amount of
nephrite down for quality
determination + test sawing

- set up water blasting gun for
cleaning samples and seams
by hooking up a sandblasting
gun to compressor and water
instead of sand - works great!

4x4
Argo/trailer
(5) Hse

Monday AUGUST 17
AOUT

V/R/M/S 4x4 + Argo to claims
site.

Hse continues trenching on lower
level to the far side (West) level 5

Sporadic float nephrite is encountered
but mostly the material is fine
dirt and rocky chips, mostly
serpentine and occasionally larger
serpentine unweathered rock below

Bedrock was encountered on the
West end of the level #5. A
contact with the serpentine and
-nephrite bedrock produced a
rotation zone with a minor
seam of nephrite. The quality
is grade B or B- with a lack of
bright green color - color is
d/gray, dark green.

Sample of seam were taken for
sawing tests

Continue GPS work on surrounding
claims and ZIP boundary

18

AUGUST
AOUT

4x4/Argo+trailer

Water pump/gen.

Tues.

5. Hoe

U/M/S 4x4 + Argo up claims site

Hoe trenches pit #1 (from 1997 YMP program) deeper to try to determine the dip of and the extent of the nephrite seam showing.

Trenching encountered no frost or frozen ground where it was encountered last year.

Results were encouraging. Nephrite was encountered along the strike of the pit, but was intermittent and/or twisted or fault dislocated. Serpentine was found on the north side and calcareous mudstone on the south.

Collected water from pit on King #5 claim with hose from gen + wild pump to 45 gal drum in Argo - then emptied into 200 gal. metal tank by whiterock site

Load rock on 4x4 to go to main camp

Wed.

4x4 Argo/trailer

5 AUGUST
AOUT

19

Hoe

R/M/S 4x4 + Argo up to claims site

Hoe moves to whiterock site and starts working on the exposed pod in the whiterock on the north face using the ripper.

Hoe is effective somewhat on removing the whiterock in areas where it is naturally cracked. Hoe is using the ripper curve as a prying cam to increase the leverage. The whiterock is still very hard to remove.

Hoe is effective on whiterock only with repeated bangs/chippings and prys to gradually move and stress the whiterock as the hoe gets deeper into the more solid part of the whiterock.

Some nephrite separates from pod in upper left and below.

20

AUGUST
AOUT

4X4

Argo/trailer

Hoe (5)

Thurs.

Hoe continues as previous day gradually exposing more and more of the pod of nephrite to determine whether it ends, enlarges, or whatever.

With about 4 feet of whiterock removed the pod is dipping slightly to the South and staying about the same as big.

The ripper is more effective than the bucket for the work on "solid rock" - it can get into smaller cracks and crevices and exert more leverage with the cam shaped shank.

Nephrite pod quality stays consistently good with the increased depth - chips are excellent quality.

Depth is still undetermined for the whiterock pod of pod.

Fri.

4X4

Argo/trailer

Hoe (5)

AUGUST
AOUT

21

Saw rock test cuts for quality evaluation from pit #1 - Sawing done at the main camp with the 36" diamond saw blade. Results are unexpected. Natural breaks show high quality, med. green nephrite but cuts on three different samples all show white streaks, patches and inclusions, and the nephrite color tends a little bit more to the olive green more of an undesirable color.

Hoe succeeds in breaking pod off of the whiterock in 2 main pieces, each about 5 tons. The pod is very unusual in that it is darker on the outside and pale in the center - like a giant broken in half EGG.

- The pod nephrite is excellent quality, very hard, very nice color, good translucency and few to no black spots or blebs.

22

AUGUST
AOUT

4x4

A750/traile
Hoe (5)

Sat.

V/R/M/S 4x4 to claims site

Hoe works on taking the dangerous top overhang of the white rock. Has to reposition pad, adding to it.

Hoe uses ripper to penetrate frozen ground below white rock and cleans up with the bucket. Gems of nephrite at surface and just below, which was disappointing.

Hoe works till dark at end of day on starting level #6.

The lower road is seeded with forestry grass seed mix for erosion control.

Rocks at flatsite continue to be pressure washed for quality and volume determinations, and valuation.

Sunday

4x4

A750/traile
Hoe (5)AUGUST
AOUT

23

VR M/S 4x4 to claims site.

Trenching is started at the split rock site, on the upper white rock (most southern + western of the cluster of 3).

Nephrite was encountered on the Eastern side (again!) - seems to be the norm on the mountain. Boulders were float material, and no seam was encountered in the trench. However there is the possibility it goes under the white rock as a contact seam. This will be investigated with the ripper. The trench cut between the white rock and the split rock yielded no contact reaction zones, only serpentine and serpentine weathered to dirt.

Nephrite quality was high in the quality traits of color - bluish green and in other ways too - little or no spots, very hard, and few apparent cracks.

Rocks continued to be cleaned (pressure washed) for evaluation.

24

AUGUST
AOUT

4x4

Ago/trails

⑤ Hoel

Monday

4x4 to claims site. UR/M/S

Trenching continues at the split rock site, this time going to the East side and directly around to/along the north side.

Again nephrite float was encountered to the East, and also to the north.

The large rocks were only on the surface, and below was more weathered serpentine soil. Also in two places a yellow soil found that had rocks in it that looked like apatite - Samples were taken for assay - very unique!

Two contact metamorphic nephrite seams were encountered along the split-rock whiterock. Quality was low to med on the East, and very good on the north side.

Investigation of the split in the whiterock was productive, with nephrite of high quality found inside, although it is inaccessible. Paul goes to town.

Tues.

AUGUST
AOUT

⑥

25

Day in main camp. Paul Amason (hoel operator) arrives in mid afternoon and decides, after helping with some repairs on Ago, to start early the next morning instead. Spends supper + night + breakfast. - Paul helps inspect rock + discussion of trenching.

R/V/M/S work on laundry, repairs and rest. We have been working steady days from 8:00 AM + 12:00 AM (midnight).

Get water for camp after making new water fittings on a water tank. Old tank has bad leak.

Make shopping list for town.

Work on report / GPS / mapping.

26 AUGUST Hoe
AOUT (5)

4x4

Wed.

R 4x4 to claims site and monitors the trenching
V/S/A go to town for supplies & shower

Martin does test sawing at main camp
Select & make rocks for cutting,
and move them into place.

Shopping at town goes OK, but
Vern's 4x4 is still not repaired.

Saw results are not conclusive.
Some parts of cut nephrite from
the site, #1 are fairly nice, good
color and little white markings -
other parts are heavily white
included, and some has poor
green color - more murky or
olive green.

4x4
Argo/trailer
Hoe (5)

Thurs.

AUGUST 27
AOUT

Hoe puts on ripper and works
more on pit #11 on the top to
define veins "in situ" (in place)
Fracture lines are diagonal at
S.E./N.W. strikes, breaking seam
into locking blocks that are
hard to dislodge. The seam is
solidly in place, and will be hard
to mine.

-also does same at whiterock site
especially the west side of the
trench below the pod seam. The
ground is thrown out some more
and hard sections of whiterock are
exposed. Inside is possibly nephrite
because where they have been broken
in 2 places, nephrite was found.

It seems that the chemical reaction
zone to produce nephrite extends
into the footwall whiterock and
should provide a pathfinder signa-
ture for prospecting for hidden seams.
Mileage check 25.0 at top 30.6 bottom
= 5.6 miles (9.5 Km.)

28

AUGUST
AOUT4x4
Arjo/trailer
(5) Hoe

Fri.

Hoe operator called to cancel coming today for noon.

Cut rocks for test evaluation after moving & repositioning saw.

Rocks cut were from the split-rock site. Quality determinations are as follows:

1. Rock is very hard - some pieces ring like metal (chime).
2. Color is bluish green with some very small green and/or black spots.
3. Samples are relatively crack free and strong.
4. There is some patterning with white areas, but they are minor in volume.

Get another load of water for camp for showers, etc.

Fix hotwater tank and reight - hook up 100 lb propane cyl. as the other one ran out.

Take garbage to the land fill (dump)

Sat.

4x4
Arjo/trailer
Hoe (5)AUGUST
AOUT

29

Trenching sites flattened out for reclamation. Some original vegetation mats are placed on berm sides or in center area of trench. Some sites have soil spread over top.

Preparation is made for drilling rock at the lower + westernmost part of the ZIP claim. Boulder appears to be float, isolated from other boulders in a string below. Appears to be 6-8 ton, with "gunpowder rock" contact instead of the usual white rock or serpentine rock.

Rock is sorted with hoe to make preliminary estimates of total quantity + quality. Evaluation of the mineral property.

30 AUGUST
AOUT.

Jan.

4x4
Water trailer
⑤ Pump

Hoe operator takes day off so
we spend day in trail camp

Replenish camp water with
another 250 gal. load

Saw testing of samples from
trenching is done.

Samples from the whiterock site
are med dark green with water-
marks and some black spots.
Color patches of chrome green are
evident, but not as pervasive
as hoped for. Some microfractures
are present.

Samples from the upper site
are light med. to med. dark
pleasing green, but with lots
of strands and patches of white
material (nephrite?) - like white
clouds. Not gem or carving
grade, but could supply a specialty
market for carving, or floor tiles.

Mon...

4x4
Argo/trailer
Hoe ⑤

AUGUST
AOUT

31

4x4 to claims site & VNS. - 2 1/2 LB.

Work at loading samples with
the hoe. Rocks are gathered at
3 main sites to date, including
samples at the main camp.

Roga brings several loads down
the mountain to the staging
area at the harpi below
with his 4x4. Martin and
Sean do the same with the
Argo and the Argo trailer.

Rocks are categorized and marked
by paint spots as to their origin
- blue for split rock nephrite
- yellow for whiterock nephrite
- no mark for site #1 nephrite

1 SEPTEMBER
SEPTEMBRE

4x4
Argo/trailer
(5)

Tues.

Hoe is off for the day. 4x4 to claims

2 Argo loads of samples are collected from all the main trench sites and taken to the utility trailer and to the main camp for evaluation.

Water lines are drained and a load of equipment from the upper camp at the claims site is removed and taken to the main camp.

Some rock is sawed at the main camp from the whitewash trench site. Color was a pleasing green/grey with chrome green and black spots, and one white patch. Some/lots of water marks. Some stress cracks in patches but no water staining is present - conclusion - grade B/B

Wed.

4x4
Argo/trailer
Hoe (5)

Util. (ATV) Trailer
SEPTEMBER
SEPTEMBRE 2

Hoe walks down from claims site to Campbell Highway

More rock samples are collected and taken to saw site.

Secondary camp is cleaned up and almost all equipment is removed, except some of the drill parts.

Rock is hauled to Watson Lake for more saw testing. This decision is because the saw wiring on generator is acting up and the saw, run on 110 Volts, bogs down the generator and the saw motor won't run on 220 Volts, even when Oscar Electric of Whitehorse was called (it is a Baldor motor from their shop).

3 SEPTEMBER
SEPTEMBRE

(2)

Thurs.

Martin/Sean/Angella leave
camp for Fort St. John, B.C.

Van + Roger are left for test
sawing and final claims site
mapping and clean up.

Main camp is cleaned up
in preparation for shut-down.
Tools are put away, equipment
is moved and stored. Stuff
is organized and gathered
together.

Morning was used to help
M/S/A pack up their stuff
and load the car.

Margaretha (Van's wife) + Don
Friske arrive late to help
Van get his stuff back to
Fort St. John B.C. as his
truck hasn't got fixed yet.

Fri.
(2)

Argo

Don's Cargo Van

SEPTEMBER
SEPTEMBRE 4

V/M/D go up to claims with
the Argo

Drain water out of main tank
and wrap up hose

Go down Talus slope site with
Argo to "ice seams" area - check
for any items possibly forgotten,
also to Top Seam and the Split
Rock site

Walk down from Whiterock
to lower West Boulder trail
site and drain water barrel
at the drill site - wrap up
hose, store barrel. Way too
cold to drill, very icy wind and
freezing conditions.

Will have to drill next year
at lower West site, not this
year.

Take last load of small sample
rocks from lower staging
site at Paul Amaan's camp to road.

9 SEPTEMBER
SEPTEMBRE

Wed.

Thurs.

4x4
Argo/Trailer
SEPTEMBER
SEPTEMBRE 10

Roger goes to mine access Km 142
road and picks up Argo.

Loads it into trailer and takes
it to main camp at Km 108

Works on organizing gear to take
to Watson Lake for sample
sawing

13 SEPTEMBER
SEPTEMBRE

Sun:

4x4 Saw/Gen/P.Wash.

- Load the 36" saw and frame, gas generator, pressure washer, cards, tools, etc. into trailer and take to Watson Lake for setting up saw to prepare cut rock in Watson Lake.

Also take a load of nephrite rock to W. Lake in trailer for cutting

Mon

4x4
Saw/Gen
Pres. Washer

SEPTEMBER
SEPTEMBRE 14

- Set up gen + saw + water/elec.
- Make a cut on nephrite rock from Whiterock #1 site

Quality is poor - many stress fractures. Otherwise, no black spots, good color and translucency.

- Make second cut on same rock on a right angle to the first cut. Don't finish cut before quitting at night.

15 SEPTEMBER
SEPTEMBRE

Tues.

4X4
Pressure Wash
Saw/Gen.

Finish cut on rock from yesterday. Great results!

Quality of rock is excellent when cut in the other plane - apparently the stress fractures at at the end and don't penetrate deeply - perhaps only 3-4 inches max. Polishes very well.

Cut Split Rock sample
- Great quality. Very hard, highly translucent, some "ghostly" marks deeper in the rock. Color is pale but a dark green tone (low color density).

Cut sub-seam from "ice seams" site - very nice material, good color, translucent, some water staining, some chrome green spots

Wed.

4X4
Press. Wash. SEPTEMBER
Saw/Gen. SEPTEMBRE

16

Cut piece from the largest pod from the Whiterock - a piece of the EGG.

Quality is excellent - nephrite is hard, solid / crack free. The color is med. bright green and it glows. Very few spots

Cut another ice seam / sub-seam and the quality is even better than ice seam cut yesterday - Color is bright green "A" grade material. Polishes to mirror finish

Sofar, the samples from the whiterock association reaction zones (Whiterock #1 "ice seams" and split Rock have been very good to excellent and much better than the quality of nephrite at Top Seam #1 (Site #1).

17 SEPTEMBER
SEPTEMBRE

Thurs.

Cut another Split-Rock site sample. - Quality is greatly reduced by the large amount of cracks in the rock.

Otherwise, the properties aren't that bad. Still, in that condition it has very low market value.

- Second cut at right angle yields same fracturing (first sample cut so far with this much fracturing)

Cut Whiterock seam nephrite - turns out to be darker on the outside, like the EGS.

Polishes very nice. Good rock has Chrome green spots, also.

Cut light/white vein area of rock above - only "so-so" here.

Cut above rock again, again - nothing spectacular.

Fri.

SEPTEMBER
SEPTEMBRE 18

Make another cutting site. Shuffle saw / water / electric and rocks around.

Cut Split Rock site nephrite - turns out to have lots of soft black spots and areas with white also. Not good quality.

Another split rock sample is cut, this one is different again. - Sample is dark, very pleasing green, no cracks or black spots, very hard and uniform color (no splotchy / cloudy inclusions). Good translucency. Looks like nephrite often associated with New Zealand greenstone.

Overall conclusions. More variety than expected, cutting is necessary to determine inner quality, and whiterock jade is best, than split rock.

Appendix B. - Photographs



KOBELCO HOE
-with ripper



NOTE THE SLOPE ANGLE
FOR TALUS SLOPE #1

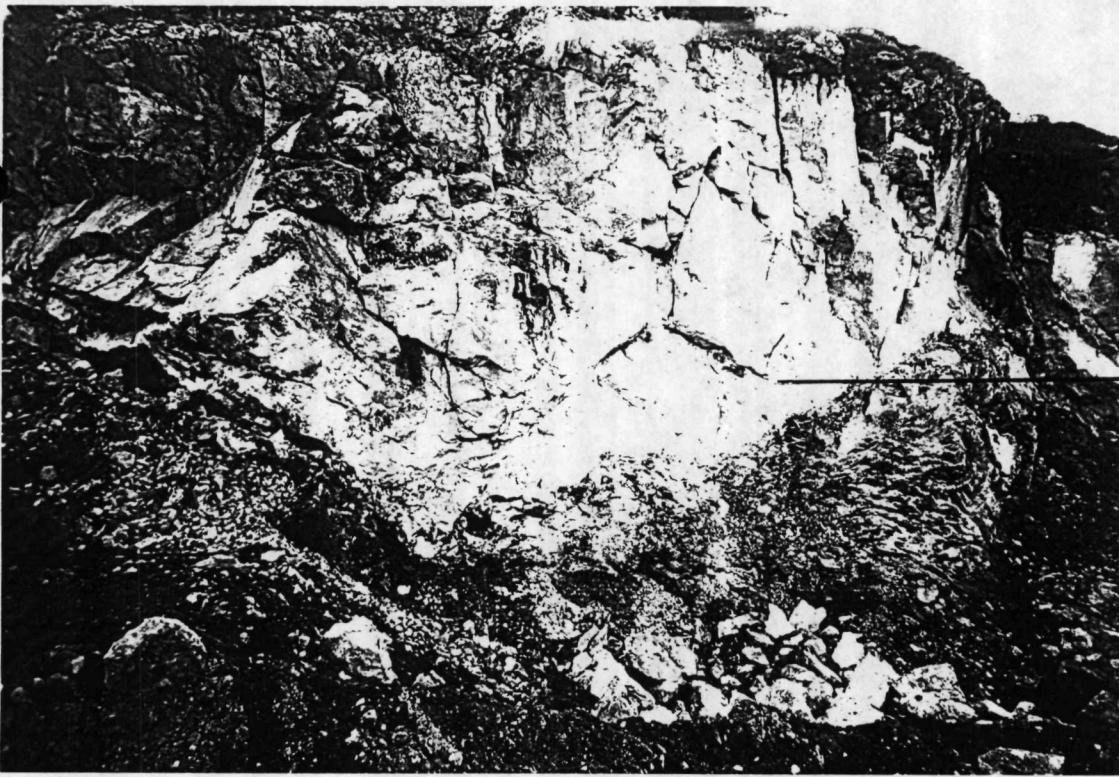


Whiterock #1
site



Talus Slope #1
site

P.3



Jade Seam
at SPLIT ROCK
site



Jade Seam uncovered
at SPLIT ROCK
site



Jade Seam at SPLIT ROCK site

Equipment
storage camp



Final expenses - Submission #2
Margaret E./Zip Project
Target Evaluation #98-036

Dec. 31, 1999

A. Equipment Costs : as per grant application
and YMIP recommendations

- | | | |
|---|------|---------------|
| 1. Rock field saw (36" blade): 9 days @ \$75.00/day | = \$ | 675.00 |
| [rental rate = \$100.00/day x 75% = \$75.00/day] | | |
| 2. Generator (6.25 KW gasoline): 1 month @\$112.50 | = \$ | 112.50 |
| [rental rate = \$450.00/month x 25% = \$112.50/mo.] | | |
| 3. Pressure Washer: 1 month @ \$73.75 | = \$ | 73.75 |
| [rental rate = \$295.00/month x 25% = \$73.75/mo.] | | |
| 4. 4x4 Truck: 1 month @ \$ 362.50/month | = \$ | <u>362.50</u> |
| [\$1450.00/month x 25% = \$362.50/mo.] | | |

Equip. Total \$ 1223.75 ✓

Final expenses - Submission #2

- | | | |
|---|------|---------------|
| A. Equipment Costs : as above | = \$ | 1223.75 |
| B. Camp Costs : 8 man-days @ \$35.00/day | = \$ | 280.00 ✓ |
| C. Transportation : 244 km. @ \$0.42/km | = \$ | 102.48 ✓ |
| 1. 2 trips x 34 Km each way to mine road | = | 136 Km |
| 2. 1 way from base camp to Watson Lake x 108 Km | = | <u>108 Km</u> |
| | | 244 Km |

Final expenses - Submission #2 = \$ 1606.23

Submission #2 - (one half above total) = \$ 803.11
-----(excepting that the above is only for **\$696.87**)
to the grant maximum of \$20,000 for the YMIP Target Evaluation
total eligible funding

Project Total	Submission #1	Total	\$ 38,606.27
	<u>Submission #2</u>	<u>Total</u>	<u>\$ 1,606.23</u>
	Project - Total Cost		\$ 40,212.50

(Final expenses of photocopies, binders etc. to prepare report not included)

Preliminary expenses - Submission #1

Sept.7/98

Margaret E./Zip Project

Target Evaluation #98-036

A. Equipment Costs : as per grant application
and YMIP recommendations

1. 1 Argo Industrial ATV: 31 days @\$87.00/day [commercial rate = \$116.00/day on weekly rate] [\$116.00 x 75% = \$87.00/day allowance]	= \$	2697.00
2. Diamond drill (backpack type): 3 days @\$60.00/day [rental rate = \$ 80.00/day x 75% = \$60.00/day]	= \$	180.00
3. Rock field saw (36" blade): 20 days @ \$75.00/day [rental rate = \$100.00/day x 75% = \$75.00/day]	= \$	1500.00
4. Generator (5 KW diesel engine):1 month @\$198.75 [rental rate = \$795.00/month x 25% = \$198.75/mo.]	= \$	198.75
5. Generator (6.25 KW gasoline): 1 month @\$112.50 [rental rate = \$450.00/month x 25% = \$112.50/mo.]	= \$	112.50
6. Water pump: 1 month @\$60.00/month [rental rate = \$240.00/month x 25% = \$60.00/mo.]	= \$	60.00
7. Chain Saw: 1 month @ \$ 112.50/month [rental rate = \$450.00/month x 25% = \$112.50/mo.]	= \$	112.50
8. Pressure Washer: 1 month @ \$73.75 [rental rate = \$295.00/month x 25% = \$73.75/mo.]	= \$	73.75
9. 4x4 Truck: 1 month @ \$ 362.50/month [\$1450.00/month x 25% = \$362.50/mo.]	= \$	362.50
10. 4x4 Truck: 1 month @ \$ 362.50/month [\$1450.00/month x 25% = \$362.50/mo.]	= \$	362.50
11. GPS: 1 month @ \$25.00 [\$100.00/month x 25% = \$25.00/mo.]	= \$	25.00
12. Radio telephone: 1 month @ \$25.00 [\$100.00/month x 25% = \$25.00/mo.]	= \$	25.00
13. ATV Trailer: 1 month @ \$90.00 [\$360.00/month x 25% = \$90.00/mo.]	= \$	90.00
14. Rock Sample Hauling Trailer: 1 month @ \$112.50 [\$450.00/month x 25% = \$112.50/mo.]	= \$	112.50
15. Track excavator: 154 hours @ \$150.00/hour + GST [\$ 23,100.00 x 1.07] (receipt included)	=	\$24,717.00
16. Trucking for excavator: 2 trips @ \$480.00/trip + GST [960.00 x 1.07](receipt included with #15. above)	= \$	1027.20

Equip. Total \$ 31,656.20

A. Equipment Costs : as per page 1	= \$	31656.20
B. Camp Costs : 134 man-days @ \$35.00/day	= \$	4690.00
C. Gasoline : 420 liters @ \$0.659/liter (receipt included)	= \$	276.78
D. Diesel :*****	= \$	201.36
E. Generator Oil : 20 liters @ \$2.28/liter (receipt included)	= \$	48.79
F. Propane : 100 lb. and 20 lb. refill (receipt included)	= \$	56.50
E. Transportation : 3992 km. @ \$0.42/km	= \$	1676.64
1. 38 trips x 92 Km each way to work site	=	3496 Km
2. 4 trips from base camp to Watson Lake x 226 Km	=	440 Km
3. 7 trips from base camp for water x 8 Km	=	<u>56 Km</u>
		3992 Km
	Total	<u>\$ 38,606.27</u>

Submission #1 (one half above total) \$ 19,303.13

Van Krichbaum
Box 6752
Fort St. John, B.C.
V1J 4J2
(250) 785-5368

Jan. 8, 1999

Dear Sir

Please find enclosed the second submission for YMIP Target Evaluation funding for Project #98-036.

Thanks to your program to help evaluate our property, we are now considering to option or sell the claims.

If any problems exist with the Summary Report, please do not hesitate to contact me at my winter address above, or contact me by telephone.

Sincerely,

A handwritten signature in cursive script that reads "Van Krichbaum". The signature is written in black ink and is positioned above the printed name.

Van Krichbaum

Final expenses - Submission #2
Margaret E./Zip Project
Target Evaluation #98-036

Dec. 31, 1999

A. Equipment Costs : as per grant application
and YMIP recommendations

1. Rock field saw (36" blade): 9 days @ \$75.00/day	= \$	675.00
[rental rate = \$100.00/day x 75% = \$75.00/day]		
2. Generator (6.25 KW gasoline): 1 month @\$112.50	= \$	112.50
[rental rate = \$450.00/month x 25% = \$112.50/mo.]		
3. Pressure Washer: 1 month @ \$73.75	= \$	73.75
[rental rate = \$295.00/month x 25% = \$73.75/mo.]		
4. 4x4 Truck: 1 month @ \$ 362.50/month	= \$	<u>362.50</u>
[\$1450.00/month x 25% = \$362.50/mo.]		
	Equip. Total \$	1223.75

Final expenses - Submission #2

A. Equipment Costs : as above	= \$	1223.75
B. Camp Costs : 8 man-days @ \$35.00/day	= \$	280.00
C. Transportation : 244 km. @ \$0.42/km	= \$	102.48
1. 2 trips x 34 Km each way to mine road	=	136 Km
2. 1 way from base camp to Watson Lake x 108 Km	=	<u>108 Km</u>
		244 Km

Final expenses - Submission #2 = \$ 1606.23

Submission #2 - (one half above total) = \$ 803.11

(excepting that the above is only for \$696.87)
to the grant maximum of \$20,000 for the YMIP Target Evaluation
total eligible funding.

Project Total	Submission #1	Total	\$ 38,606.27
	<u>Submission #2</u>	<u>Total</u>	<u>\$ 1,606.23</u>
	Project - Total Cost		\$ 40,212.50

(Final expenses of photocopies, binders etc. to prepare report not included)