



STEPHEN EXPLORATIONS LTD.

746 Regal Cres., North Vancouver, British Columbia V7K 2X8

Telephone (604) 988-1545

PROPERTY RECOMMENDATION

HOP-ACME CLAIMS WHITEHORSE M.D. YUKON

A

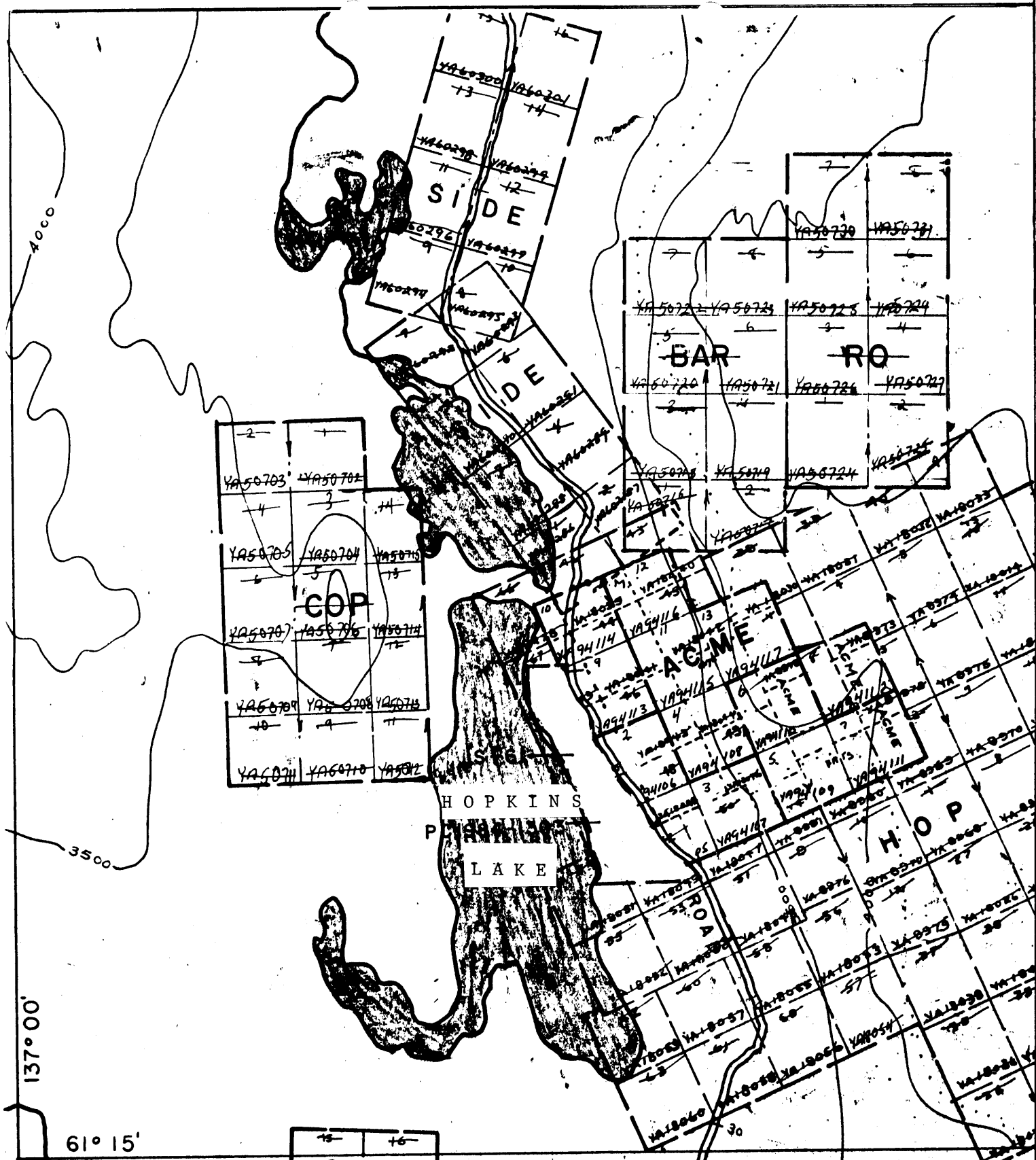
COPPER GOLD PROSPECT

J.C. Stephen Explorations Ltd has been asked by the property owners to provide data concerning the HOP-ACME claims with the intention of arranging an option of the claims. In the event that an option agreement should be arranged J.C. Stephen Explorations Ltd will not receive a finders, or other, fee from either the vendors nor the optioning company. In lieu of such a fee it is to be understood that the recommended exploration programs during the first two years of the option period will be conducted by J.C. Stephen Explorations Ltd.

The Property

The property consists of a number of mineral claims located on or close to the road giving access to Aishikik Lake northwest of Whitehorse, Yukon. See Figure 2 Claim Map.

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>	<u>Registered Owners</u>
ACME 1	YA 94105	Dec. 30, 1989	Douglas Baird
2	YA 94106		
3	YA 94107		
4	YA 94108		
5	YA 94109		
6	YA 94110		
7	YA 94111		
8	YA 94112		
9	YA 94113		
10	YA 94114		
11	YA 94115		
12	YA 94116		
13	YA 94117		



	15	16
Y61553	Y61554	Y61555
15	16	
Y61556	Y61557	Y61558

ACME CLAIM GROUP
 NTS 115H/7
 WHITEHORSE M.D. YUKON TERR.
 Scale 1"=1/2 mile FIGURE 1

DATA AVAILABLE

Portions of several reports on the property dated 1977 to 1981 are readily available. More extensive data may be obtained by seriously interested parties from the prospector.

Figure 3 shows the aeromagnetic anomaly in the vicinity of the property. This strong anomaly is probably caused by the local intrusive body noted in several reports. This structure may be a favourable exploration target for skarn hosted gold deposits additional to the mineralization so far outlined on the HOP-ACME claims.

MINERALIZATION

Skarn hosted copper mineralization outcrops in Franklin Creek and has been partially explored by diamond drilling, percussion drilling and various types of surveys. Minerals noted by Tully from examination of core include pyrrhotite, pyrite, chalcopyrite and magnetite in order of decreasing abundance. The most significant drill intersection encountered by Whitehorse Copper Mines was 61 feet averaging 1.94% copper. No gold or silver assays are given although D. Tenney 1977 mentions "trace amounts of precious metals", Ogilvie 1980 states "The copper mineralization is generally accompanied by minor but appreciable values in gold and silver." Ashton, 1981, states "Composite samples from 12 holes were assayed for gold. The highest value was that for PH-17, 0.14 oz/ton, and the average value was 0.018 oz/ton." These tests appear to have been done on cuttings from percussion holes about which Ashton says "It appears that no attempt was made to log the percussion holes to give even a semblance of what the geological picture may be. Many of the holes do not appear to have been sampled...."

CONCLUSIONS AND RECOMMENDATIONS

The property hosts a significant skarn deposit with documented copper values over a large area (Tully 1979 states "some 3000 feet northwest by some 2800 feet northeast.") The copper mineralization is apparently accompanied by significant precious metal values.

It is recommended that: -

PHASE I

- 1) all available documentation and reports be assembled and examined;
- 2) any remaining drill core be examined and, if any sample pulps are available, that samples be analysed for precious and trace elements.

- 3) in the event that magnetic, VLF-EM and IP data is either not now available or does not cover the area of interest in adequate detail, that additional geophysical surveying be carried out.
- 4) in the event that geological mapping is not now available or is not of sufficient scale or detail that geological mapping be carried out.
- 5) that mineral exposures on Franklin Creek be systematically sampled and assayed for precious metals.
- 6) that, if areas of shallow overburden are indicated, tractor trenching should be carried out for mapping and sampling purposes.

Budget proposed for this work is estimated at \$60,000.

PHASE II

If justified by Phase I results a program of diamond drilling be undertaken to: -

- 1) provide a check drill hole in the vicinity of earlier best grade intersections for determination of gold and silver content in conjunction with copper content.
- 2) explore priority areas indicated by mapping, trenching and geophysics.

Budget proposed for the work is estimated at \$100,000.

PHASE III

If Phase II drilling and assaying documents significant precious metal values in the skarn zone extensive drilling should be undertaken to delineate tonnage and grade. Initial Phase III budget should be in the order of \$250,000.

OPTION PROPOSAL

An option may be arranged on the following general terms which are open to negotiation.

- A) Available reports may be reviewed and the property visited for examination if the season allows.
- B) A \$10,000 cash payment is called for on signing of a letter of intent leading to a formal option agreement.
- C) A minimum \$50,000 work program is called for by December 31 1988 and a minimum of two years assessment work is to be filed based on this work.
- D) Written confirmation is to be provided by March 1 each year if the option is to be maintained;
- E) Cash payments of \$10,000 will be due and payable on or before March 31 each year until commencement of Royalty payment. The agreement will terminate automatically if payment is not made on time. These payments will not be deductible from any future royalty payments on production
- F) Work commitments may be staged over six years to total \$1,000,000 to earn 100% interest in the property subject to royalty payments. If \$1,000,000 exploration work is not completed by the seventh anniversary of the letter of intent the option will automatically lapse.
- G) Following earn in on completion of \$1,000,000 of exploration expenditure the \$10,000 annual cash payments will continue as \$10,000 annual cash advance on royalty. These cash advance payments will be deductible from the production royalty payments.
- H) A royalty of 3% Net Smelter Return will be payable quarterly following commencement of commercial production.
- I) A one mile area of influence around the perimeter of the optioned claims will be subject to the terms of the option agreement.

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HOP - ACME CLAIMS
NTS 115H/7
WHITEHORSE MINING DISTRICT

SUMMARY OF DATA

<u>REPORT</u>	<u>AUTHOR</u>	<u>DATE</u>
REPORT ON HOP CLAIMS	D.TENNY	JULY 28, 1977
REPORT ON HOP-ACME CLAIMS	D. HUREAU	NOVEMBER 24, 1978
REPORT ON THE HOP-ACME CLAIM GROUP	DONALD W. TULLY	AUGUST 22, 1979
GEOLOGICAL REPORT ON THE HOP-ACME CLAIM GROUP	A.C. OGILVY	MAY 26, 1980
HOP - ACME CLAIMS	A.S. ASHTON	DECEMBER 15, 1981

J.C. STEPHEN EXPLORATIONS LTD.

EXPLORATION PROPOSAL
AISHIHIK LAKE, YUKON, NTS 115H/7

SETTING

An existing claim group (ACME) covers a significant copper-gold skarn deposit located within a large structure indicated by an aeromagnetic anomaly. This skarn deposit has a possible potential of 10.5 million tons of copper-gold mineralization.

Other examples of skarn hosted gold deposits include:-

<u>MINE</u>	<u>LOCATION</u>	<u>TONS</u>	<u>GOLD oz/t</u>	<u>COPPER %</u>
Fortitude	Battle Mountain, Nevada	16,000,000	0.15	-
Mascot	Hedley, B.C.	10,800,000	0.13	-
Coast Copper	Vancouver Is. B.C.	2,800,000	0.044	1.6%
Marble Bay	B.C.	314,192	0.16	2.38%
Whitehorse Copper	Whitehorse, Yukon	9,944,036	0.028	1.44%

PROPOSAL

It is proposed that up to 312 claims be staked to cover the whole of the indicated structure and favourable geology beyond the ACME Claims and that an exploration program be mounted to explore for:-

- 1) additional copper gold skarn deposits,
- 2) possible structurally controlled vein or strata bound gold deposits.

← PROGRAM

<u>ITEM</u>	<u>UNITS</u>	<u>COST</u>
Claim staking	312 @ \$75	\$23,400
Line cutting	80 km @ \$350	28,000
Geochemistry	1200 samples @ \$30	36,000
Geology	90 mandays @ \$200	18,000
Geophysics VLF, Mag	80 km @ \$150/km	12,000
IP	30 days @ \$1500	45,000
Mob, demob		7,000
Truck operation		6,600
Camp/food etc		9,800
Consultant, supervision, report		14,200
		<u>\$200,000</u>

ORGANIZATION

J.C. Stephen Explorations has operated in the Yukon since 1974. Geologists, line cutting contractors etc. are presently available. Geophysical surveys will be carried out by Scott Geophysical using the latest computerized Scintrex equipment. Geochemical analysis will be done by Chemex Labs Ltd. Independant engineer's reports qualified for presentation to the Vancouver Stock Exchange and B.C. Securities Commission will be prepared by Peter Christopher and Associates.

TIMING

It is understood a large portion of the financing will be flow through share funding and requires completion of the program by June 30, 1988. Timing has been discussed with Scott Geophysics. Field work must commence by May 15 and line cutting should be complete by June 10. Geophysical surveys have to start by June 1 and will then be completed June 30. Geological mapping and soil sampling would commence June 1 and soil sampling must be complete by June 15 in order to complete analysis by June 30.

FINANCING

A service contract with JCS Explorations would ask for:-

- 1) deposit of \$50,000 on signing prior to May 10;
- 2) deposit of \$50,000 by June 1;
- 3) deposit of 70,000 by June 25;
- 4) deposit of \$30,000 on receipt of reports.

Invoices and services paid from funds advanced on time will be processed at cost. Invoices and services financed temporarily by JCS Exp. because of late deposit of funds will incur a 10% service fee.

Costs of staking and recording claims are not qualified for flow through tax deductions. All other expenses are expected to qualify.

J.C.STEPHEN EXPLORATIONS LTD.

OPTION PROPOSAL
ACME CLAIM GROUP, NTS 115H/7

PROPERTY

The present ACME claim group consists of 13 claims which are in good standing to December 30, 1989. If the property is optioned an additional 101 claims (approx) are to be added to cover favourable geology and known small mineral occurrences. These claims will be included under the option agreement.

LOCATION

The property has year round access by highway and good secondary road, a total distance of 70 miles north west of Whitehorse, Yukon.

DEPOSIT TYPE

A gently dipping copper, gold skarn deposit has been partially explored over an area of about 3000 feet by 2800 feet. Diamond drilling during 1978 encountered intersections of up to 1.94% Cu/61 feet; 1.36% Cu/29.4'; 1.72% Cu/15.2'. Precious metal values are not adequately documented but are said likely to average 0.03 ounces gold per ton. A composite sample representing hole PH-17 is reported to have assayed 0.14 oz/ton.

POTENTIAL

A possible 10.5 million ton copper-gold skarn deposit is indicated by the dimensions 3000' x 2800' if we assume an average thickness of 15 feet. Exploration would concentrate on locating possible higher grade zones of gold mineralization within the skarn horizon.

OPTION

The option agreement proposed calls for \$10,000 annual cash payments leading to earning 100% interest on completion of \$1,000,000 of exploration and development work subject to 3% Net Smelter Royalty.

INITIAL PROGRAM

A minimum program of \$50,000 for research, line cutting, geophysics, geology and sampling of mineralized exposures is proposed. The physical work program can commence May 15 and be completed by June 30, 1988.

AGENT

J.C. Stephen Explorations Ltd. represents the claim owners and J.C. Stephen holds power of attorney to sign an option on completion of negotiation. It is part of the agreement that J.C. Stephen Explorations would be retained to conduct the exploration programs during the first two years.

PROGRAM COMPONENTS

<u>ITEM</u>	<u>UNITS</u>	<u>COST</u>
Line cutting	50 km @ \$350	\$ 17,500
Geological mapping	30 mandays @ \$200	6,000
Geophysics VLF, Mag	50 km @ \$150	7,500
IP test	10 km	4,500
Geochemistry	200 samples @ \$30	6,000
Truck operation		2,000
Camp/food etc.		2,100
Report, supervision		4,400
		<hr/>
		\$ 50,000

25 Nov 787

A.E.Thom

Box # 712

Summerland, B.C.

VOH 120

Dear Cam.

I am pleased to know you are in good shape and health. I have enclosed (2(pieces) of the rock that has me puzzled.

Hoping you have more luck in defining what it is.

Yours Sincerely

A handwritten signature in cursive script, appearing to read "A.E. Thom". The signature is written in dark ink and is positioned below the typed name "Yours Sincerely".