

REPORT ON THE

AIRBORNE GEOPHYSICAL SURVEY

ON THE PROPERTY OF

PREMIER RESOURCES LTD.

BADEN TOWNSHIP, ONTARIO

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H. FERDERBER GEOPHYSICS LTD.

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MINING LANDS SECTION

October 24, 1986 Val d'Or, Quebec R.A. Campbell B.Sc. Geologist

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AIRBORNE GEOPHYSICAL SURVEY
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INTRODUCTION

On July 27, 1986 an airborne geophysical survey was carried out on the property of Premier Explorations Inc., in Baden Township, Ontario. Magnetic and VLF-electromagnetic data was collected by the airborne division of H. Ferderber Geophysics Ltd. The survey was flown from a base at Val d'Or, Quebec. A total of 34.7 line miles of data was collected.

The magnetic survey provides information which helps define the underlying geological structures and identifies any potential economic concentrations which may contain variations in accessory magnetic minerals. The VLF-electromagnetic survey helps define conductive zones which may represent shear zones and/or metallic sulphide deposits containing gold mineralization.

PROPERTY LOCATION, ACESS AND DESCRIPTION

The property is comprised of 28 unpatented mining claims in the northwest corner of Baden Township, Larder Lake Mining Division, Ontario. They cover approximately 448 hectares, are listed in Appendix 1, and are registered with the Ontario Mining Recorder at Kirkland Lake.

The property is located approximately 31 km northwest of the town of Matachewan, 58 km southeast of the city of Timmins and 54 km southwest of the town of Kirkland Lake. A road from Matachewan to Radisson Lake passes within 3 km of the eastern boundary of the property. Numerous skidder bush roads are located just east of the property. Access can also be obtained by Matachewan Lake - Montreal River system which passes through the centre of the property. An abandoned Ontario Hydro line bisects the property from north to south.

Most of the claim group is forested. Numerous lakes are located on the property, the biggest being Matachewan Lake. Swamp are situated in the northwest part of the property and around a small lake in the southwestern corner of the group. Ontario Division of Mines Map P.900 shows that the overburden cover is thin. The relief is moderate with numerous steep hills located on the property.

Supplies, services and manpower are readily available in the Matachewan-Timmins-Kirkland Lake area.

GEOLOGY

The property is located near the western end of the Abitibi Volcanic Belt of the Superior Province of the Canadian Shield. The Abitibi Volcanic Belt extends for nearly 350 miles in an eastwest direction from Timmins to Chibougamau. It is host to a variety of precious and base metal deposits including the Timmins, Kirkland Lake, Noranda, Val d'Or and Chibougamau mining camps.

The Abitibi Volcanic Belt is comprised of a complex assemblage of interbedded volcanic and sedimentary rocks intruded by a variety of intrusives from ultrabasic to granitic in composition. The rocks are Archean in age and have been metamorphosed to a greenschist facies. Numerous late Precambrian diabase dykes cut formations of the belt. The rocks generally strike east-west, have a vertical dip and are highly folded and faulted. Geological interpretation of the Abitibi Volcanic Belt is complicated by both the side scattering of outcrops and the complex structural relationships.

The Ontario Department of Mines compilation map 2205 and geological map 2109 show that the property is located near the contact of mafic volcanic flows/pyroclastic rock and a felsic/silicic intrusive body to the north and east. A small felsic/silicic intrusive is also shown to lie near the southwest corner of the property. These maps indicate that Montreal River-Whiskey Jack Creek Fault strikes southeast to northwest through the middle of the property. The Mistinikon Lake Fault striking north-south through the property offsets the Montreal River Fault north of the Matachewan Lake.

The Matachewan area was first prospected for gold in 1909. Interst was heightened in the 1930's and between 1934 and 1957 two mines (the Matachewan Consolidated Mines Ltd. and Young-Davidson Mines Ltd.) located 16 miles south of the proerty, produced 956,117 oz. of gold.

The Ontario Department of Mines, report 51 and maps 2109 and P.900 and the Ontario Geological Survey Mineral Deposits Circular 18 describe the work performed in Baden Township. In the northeast corner of the property, 650 feet from the head of Matachewan Lake a 308 foot shaft was sunk by Thesaurus Gold Mines Ltd. Between 1919 and 1923 drifts were established at the 100 and 300 foot levels, totally 330 feet of lateral development. The shaft was dewatered and resampled in 1934. Andesite tuff and hornblendemica granite cut by north striking diabase dykes were encountered. Gold was found in three quartz veins and surrounding alteration zones. Grab samples collected in 1963 from the dump produced gold assays of trace to 0.14 oz/ton. Two 1959 drill logs show assays of 0.3 to 0.6 oz Au/ton over narrow widths.

In 1948 E.J. Thompson drilled one hole near the northwest shore of Matachewan Lake for a depth of 160 feet, no assays were reported. The Baden Creek Occurrence drilled in 1959 is located near the southern boundary of the property on the east shore of Matachewan Lake. Two holes were drilled totallying 260 feet intersecting a quartz vein in syenite prophyry. An assay averaging 0.06 oz/ton over 2 feet was reported. In 1960 to 1966 Richore Gold Mines Ltd. outlined a gold occurrence 0.8 km north of the east end of Belt Lake. A sheared fractured zone, striking northeast, containing quartz-carbonate stringers and minor pyrite, 300 feet long and 3

feet wide, was delineated in metavolcanics and granite just north of near the southwestern boundary of the property. Grab samples were collected in 1963 from the dump assayed 0.10 to 0.27 oz Au/ton. A total of 1,498 feet was drilled, intersecting a few quartz stringers. The best assays obtained obtained were 0.01. The approximate locations of the Thesaurus Gold Mines Shaft and the Baden Creek and Richore Gold Mines Ltd occurrences are plotted on map GI-1.

INSTRUMENTATION AND SURVEY METHODS

The survey completed using a Cessna 172, fixed wing aircraft (CF-AAV) owned and operated by H. Ferderber Geophysics Ltd. It was piloted by D. Fauvelle of Val d'Or. The navigator/operator was G. Mullan, also from Val d'Or. Geophysical sensors were mounted in modified wing tips. GEM-GSM-9 BA Overhauser Proton Precession Magnetometer and Herz Totem 2AG VLF-electromagnetic systems were used. The magnetometer has a resolution of 0.5 recorded on analogue tape. The VLF-EM measures the change in total field and vertical quadrature field on two channels simultaneously, with an accuracy of 1%. The data is then transferred to a printer. The transmitting station at Annapolis, Maryland, (NSS), frequency 21.4 kilo herz was used.

The survey was conducted at an aircraft altitude of 250 feet above ground level. The altitude was measured with a Bonzer Mark 10 radar altimeter. A survey speed of approximately 100 miles per hour was used. Navigation was visual with reference to air photo mosaics at a scale of one inch to 1320 feet. Lines flown at 55° and 235° at spacings of 440 feet were recovered from the photo mosaics. Manual fiducials were recorded simultaneously on the geophysical tapes and solid state memory.

DATA PRESENTATION

Flight lines, fiducial points and geophysical responses were reproduced from the air photo mosaics on maps at a scale of 1:15840 (one inch to 1320 feet). The outline of the claim group and claim map are shown on each sheet.

The aeromagnetic data was corrected for diurnal variations by using a base line as reference. The data was then reduced to a base level of 58,000 gammas, contoured at 20 gamma intervals and presented on Map MG-1.

The VLF-EM was transferred from the Totem 2AG memory to printed form. A base value was determined and the change in the total field strength as a percentage of the base value was calculated. The values were plotted on Map EM-1 and the positive values were contoured at intervals of 2%. The conductor axes were determined and labelled 1, 2, 3, etc. No priority was attached to the numbering system.

DISCUSSION OF RESULTS

Magnetic Survey

The magnetic relief is relatively flat on the property. The highest readings are in the extreme eastern part of the surveyed area where the relief is 300 gammas above background. This zone indicates the presence of an undelying late diabase dyke. Just west of this dyke the contour interval and shape suggest the possibility of two small diabase dykes underlying the property

The rest of the magnetic data seems to delineate two types of rock units underlying the property. The zones of lower magnetic susceptibility probably represent felsic/silicic intrusive rocks. Areas slightly higher susceptibility indicate the presence of mafic volcanic flows/pyroclastic rocks. The felsic/silicic intrusive bodies are located in the north central, central and southern parts of the claim group. The geophysical interpretation is presented in Map GI-1.

Changes in the contour shape and pattern suggest that a fault zone strikes north-south through the eastern end of the property.

VLF-EM Survey

The VLF-EM survey outlined 5 conductive zones on the property, striking 320° to 360°. Most conductive zones are located over or very near topographical features and could be considered to be responses from weak conductive overburden. Three of these zones 2, 3, and 5 are presumed to follow conductive overburden trends inderlying bedrock structures such as faults, fractures and contacts.

Conductor zone 1 is comprised of 2 conductors following the shores of 2 lakes at the eastern end of the property. It is probably the result of conductive overburden along the shorelines but the southern limb is situated over the supposed contact between the volcanics and felsic intrusive.

Zone 2 generally follows the shoreline of Matachewan Lake but extends 1600 beyond the shoreline. This zone is located along the inferred contact betwen the volcanic units and felsic intrusive, near the Montreal River-Wiskey Jack Creek Fault and is situated in the vicinity of the Baden Creek occurrence. It probably defines a fault line.

Conductive zone 3 is located in the central part of the property. The southern part of the south limb follows the western shore of Matachewan Lake. This zone could represent a fault zone since it is situated near the north-south trending Mistinikon Lake Fault.

Conductor 4 is located along the edge of a swamp and is probably caused by conductive overburden reflecting the change in topography.

Conductive zone 5 is comprised of 2 limbs striking 320° near the western property boudary. The southern limb is located along a creek but near the Richmore Gold Mines Occurrence and along a contact. This zone may define a fault\shear zone.

Zone 2, 3, 4 and 5 all seem to be cut by a cross-cutting shear/fault zone striking approximately 50° across the property. The location of this inferred fault is located on map GI-1.

CONCLUSIONS AND RECOMMENDATIONS

The airborne geophysical survey was successful in outlining possible geological contacts and fault/shear zones on the Premier Explorations property in Baden Township. The geophysical interpretation is presented in map GI-1. Included on this map are the approximate location of gold occurrences on the property.

These occurrances are quartz veins and shear zones striking northeast-southwest and containing small amounts of sulphides usually in felsic/silicic rocks near the contacts with the surrounding volcanic rocks. The geophysical interpretation indicates inferred contacts and the possibility of 4 shear/fault zones on the property. These shear/fault zones strike northwest to north. An inferred cross-cutting fault striking northeast cuts 3 of these shears/faults. Since gold has been found in northeast striking veins and shear zones the intersection of these two types of fault/shears would be a good target for gold mineralization.

Further gold exploration work is warranted on the property. A ground horizontal loop-EM survey should be conducted at two directions northwest-southeast and northeast-southwest, using a short cable length to delineate conductors that could represent possible cross-cutting fault/shear zones. A ground gradient magnetic survey should be performed to better outline the geological contacts. After the ground geophysical program, the property should be mapped placing emphasis in areas of geophysical anomalies. Any mineralization shear/fault zones and quartz veins should be sampled and assayed for gold.

Respectfully submitted,

H. Ferderber Geophysics Ltd.

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R.A. Campbell, B.Sc. Geologist

APPENDIX 1 - CLAIM LIST

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SEPT. 22/86 Certification Verifying Report of Work

I hereby certify that I have a personal and intimate knowledge of the facts set forth in the Report of Work annexed hereto, having performed the work or witnessed same during and/or after its completion and the annexed report is true.

Name and Postal Address of Person Certifying

FORBES CARL

WEST PREMIER Certified by (Signature) Date Certified

P2N 257 SEPT. 22

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THE TOWNSHIP

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DISTRICT OF TIMISKAMING

LARDER LAKE MINING DIVISION

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NOTES

400' surface rights reservation along the shores of all lakes and rivers.

Flooding rights to contour elevation 870' to Ont. Hydro , L.O. 7601. File: 12290 v.2

- Part of township closed to staking The Mining Act Sec 38(F) K.1.0
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- (R) Mining and surface rights withdrawn from prospecting, stuking out, sale or lease, Sec 36, The Mining Act RJS. 0. 1980
 No NAW 65/83, Nov. 18, 1983; 4:35 p.m.

MAY 2 3 1986

PLAN NO. M. 205+1

ONTARIO.

MINISTRY OF NATURAL RESOURCES

SURVEYS AND MAPPING BRANCH

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