

KENNETH GUY
EXPLORATION SERVICES



42A11SE0269 2.10181 WHITNEY

010

REPORT ON A GROUND MAGNETIC

AND

ELECTROMAGNETIC SURVEY

FOR

MILL CITY GOLD CORPORATION

Whitney Township
Porcupine Mining Division

RECEIVED

1987

MINING LANDS SECTION

Timmins, Ontario
June, 1987

Kenneth Guy
Geologist

Qual.
2.5778

ph (705) 235-8271

BOX 6045 P.M.S., SOUTH PORCUPINE, ONTARIO PON IKO



42A11SE0269 2.10181 WHITNEY

010C

TABLE OF

	<u>Page No.</u>
SUMMARY AND RECOMMENDATIONS	1
INTRODUCTION	2
LOCATION AND ACCESS	2
PROPERTY	2
PREVIOUS WORK	3
LINE CUTTING	3
SURVEY EQUIPMENT AND PROCEDURE	4
DISCUSSION OF RESULTS	5, 6
CERTIFICATE	7

FIGURES

LOCATION MAP	2A
VLf-EM PLAN	back pocket
MAGNETIC CONTOUR PLAN	back pocket

SUMMARY AND RECOMMENDATIONS

The Whitney township property of Mill City Gold Corporation is located in Whitney township, in the heart of the Porcupine gold camp. The property encloses a portion of favourable, gold bearing stratigraphy along strike from the most prolific gold mines in Canada.

The VLF-EM and magnetic surveys were successful in outlining a number of anomalies, one of which testing by previous holders returned 0.94 oz/ton Au over 2.5 feet.

Five VLF-EM anomalies were detected of which two are rated high priority follow-up including the anomaly representing the gold occurrence. Another is rated for additional follow-up of a lower priority. The other two are not recommended for additional testing.

INTRODUCTION

The Mill City Gold Corporation, Whitney township project consists of three claims, 120 acres, in Whitney township, in the heart of the Porcupine gold camp.

The property lies between and on trend with the Hollinger - McIntyre, Coniaurium Mines sector, approximately three miles to the southwest and the Broulan - Hallnor - Pamour operations, 1/2 to 2 miles to the east.

The property overlies rocks of the Tisdale group of volcanics which host the majority of the gold production of the Porcupine camp.

LOCATION AND ACCESS

The Mill City Gold Corporation, Whitney property is located in Whitney township, District of Cochrane, Porcupine Mining Division, Ontario. The property lies within the boundaries of the city of Timmins.

Access to the property is from Porcupine via an all weather gravel road, off Highway 101. The gravel road transects the property from south-east to northwest.

PROPERTY

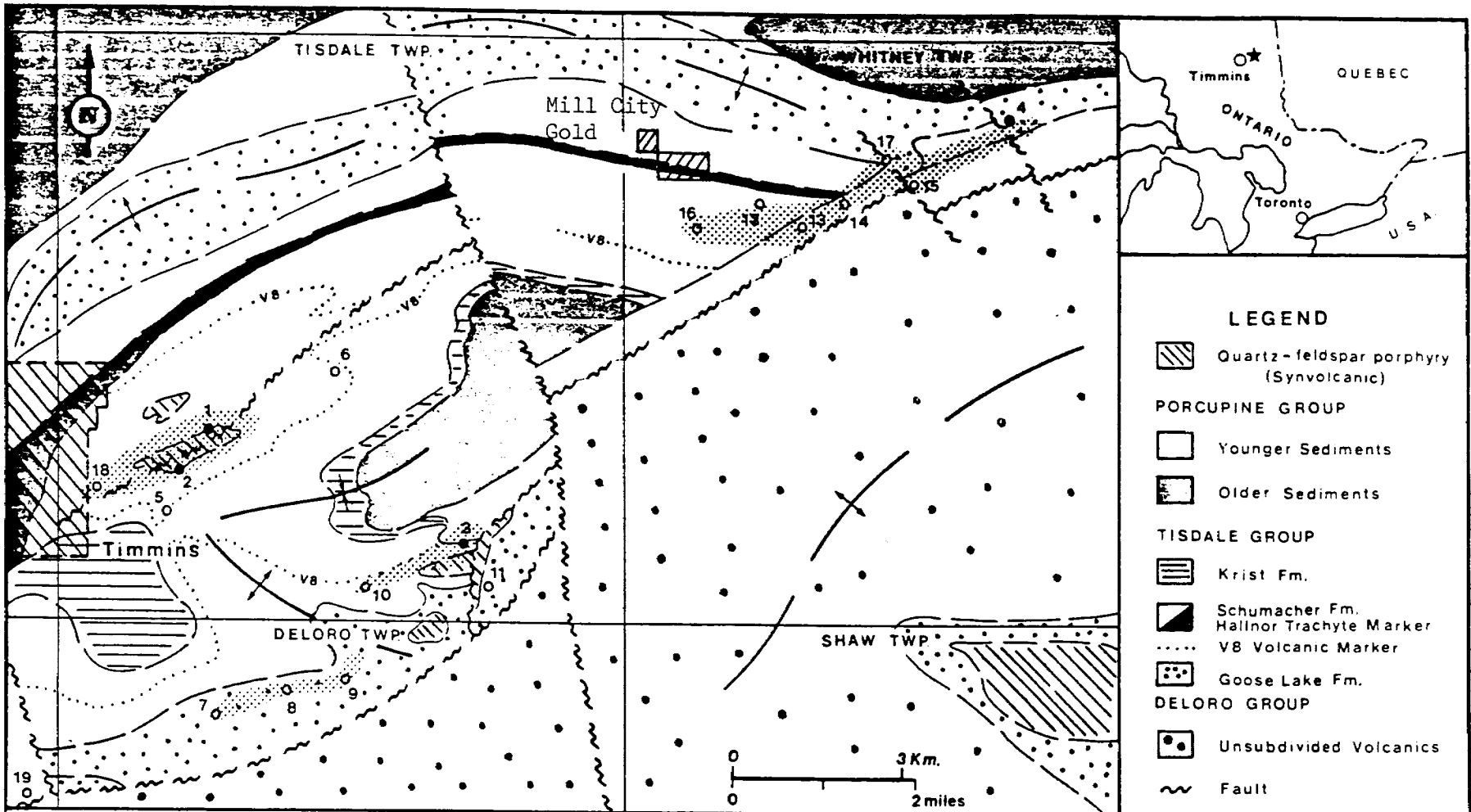
The claims covered in whole or in part are:

P921774 NE $\frac{1}{4}$, N $\frac{1}{2}$ L12 CV

P932117 SW $\frac{1}{4}$, N $\frac{1}{2}$ L11 CV

P932116 SE $\frac{1}{4}$, N $\frac{1}{2}$ L11 CV

Three contiguous claims, 120 acres.



● PRODUCING GOLD MINES

- 1 McIntyre (Pamour)
- 2 Hollinger
- 3 Dome
- 4 Pamour

○ PAST PRODUCING GOLD MINES

- | | | |
|-------------|--------------|--------------|
| 5 Vipond | 10 Paymaster | 15 Broulan |
| 6 Coniaurum | 11 Preston | 16 Hugh Pam |
| 7 Delnite | 12 Reef | 17 Hallnor |
| 8 Aunor | 13 Bonwhit | 18 Moneta |
| 9 Buffalo | 14 Bonetal | 19 Keniworth |

LEGEND

- Quartz-feldspar porphyry (Synvolcanic)
- PORCUPINE GROUP**
- Younger Sediments
- Older Sediments
- TISDALE GROUP**
- Krist Fm.
- Schumacher Fm.
- Hallnor Trachyte Marker
- V8 Volcanic Marker
- Goose Lake Fm.
- DELORO GROUP**
- Unsubdivided Volcanics
- Fault
- Anticline, Syncline
- Areal Extent of Major Ore Structures

MILL CITY GOLD CORPORATION

LOCATION MAP

PREVIOUS WORK

In 1960 - 61, four holes were drilled on the property then held by James H. Dillon. The holes tested a west-northwest striking magnetic high. The best intersection averaged 0.94 oz/ton Au over 2.5 feet. Along strike to the west, south of the Mill City Gold western claim, an old shaft is located within the same zone.

In 1981 Rio Alto conducted magnetic and VLF-EM surveys over the property. No record of additional follow-up.

In 1983 Kidd Creek Mines conducted HLEM and magnetic surveys over the property. Two diamond drill holes were drilled. Assay data is not available but the logs indicate that sericite-carbonate alteration zones were intersected.

LINE CUTTING

A total of 2.8 miles of lines were cut on the three claims during June, 1987.

An east-west BLO was established along the common east-west claim line. Section lines were cut at 400 foot intervals. A Tie line was established on the south boundary to circumvent an open beaver pond.

SURVEY EQUIPMENT AND PROCEDURE

The Very Low Frequency Electromagnetic (VLF-EM) survey was carried out utilizing a Geonics EM-16. Readings of both Inphase and Quadrature were taken every 100 feet, with an accuracy of 1% on both. The section lines were read utilizing the Cutler, Maine (NAA) transmission station operating at a frequency of 24.0 kHz. The base line and tie line were read utilizing the Annapolis, Maryland (NSS) transmission station operating at a frequency of 21.4 kHz.

A total of 2.8 miles of lines were surveyed during the VLF-EM survey conducted in June, 1987.

The magnetic survey was conducted utilizing a Geometrics G-816 proton precession magnetometer measuring the total magnetic field. Readings were taken every 100 feet along section lines, tie line and base line.

The intersection of the section lines on the base line served as a base station for monitoring diurnal drift. This method allows readings to be taken and corrected with an accuracy of one gamma.

A total of 2.8 miles of lines were surveyed during the magnetic survey conducted in June, 1987.

The magnetic data is presented as a contoured plan map (back pocket).

The VLF-EM data is presented as a profile plan map (back pocket).

DISCUSSION OF RESULTSMagnetic Survey -

A magnetic high, up to 1,500 gammas above background, strikes west-northwest through claims 932116 and 932117, and immediately south of 921774. This zone represents the target of the 1960 drilling and hosted spherulitic volcanics with disseminated sulphides, including an intersection of 0.94 oz/ton Au over 2.5 feet. Drilling by Kidd Creek intersected ultramafic volcanics which are the likely cause of the magnetic anomaly. However, to the south of the ultramafic a sericite-carbonate alteration zone was intersected.

Another magnetic anomaly occurs in the northeast corner of 921774 where an east-west striking, 100 gamma, anomaly is detected.

VLF-EM Survey -

The VLF-EM survey detected five anomalies, designated 'A' through 'E' on the VLF plan map.

Anomaly A - One line VLF anomaly with slight magnetic flanking to the north. Probable non-bedrock source - low priority follow-up.

Anomaly B - This anomaly represents the natural gas pipeline paralleling the road - anomaly explained, no follow-up.

Anomaly C - One line anomaly with no magnetic correlation. Appears to correspond to a Kidd Creek HLEM anomaly, therefore it is likely of bedrock source.

Additional follow-up is warranted.

Anomaly D - Three line anomaly, direct correlation with the magnetic high. On strike with the gold intersection and the reported shaft to the west.

HIGH PRIORITY FOLLOW-UP IS RECOMMENDED.

DISCUSSION OF RESULTS (Cont'd)

Anomaly E - Four line anomaly, flanks to the south the magnetic trend associated with the gold occurrence. It does not appear to have been directly tested previously, a Kidd Creek drill hole along strike to the east intersected a sericite-carbonate alteration zone.

HIGH PRIORITY FOLLOW-UP IS RECOMMENDED.

CERTIFICATE


I, the undersigned, Kenneth Guy, residing at 180 Nadine Street, South Porcupine, Ontario graduated with a Bachelor of Science degree in Earth Science - Geology from the University of Waterloo, Waterloo, Ontario in 1978.

I have been employed in the field of Geology since graduation in 1978.

I am a fellow of the Geological Association of Canada.

I do not hold, nor do I expect to receive an interest of any kind in these claims held by Mill City Gold Corporation or in any other mining claims they may have.

The interpretations and conclusions are based on my experience with the Davidson-Broulan Project, Getty-Davidson Tisdale Joint Venture and other properties in the Timmins area.



Kenneth Guy, Geologist

Timmins, Ontario



MAP SYMBOLLOGY

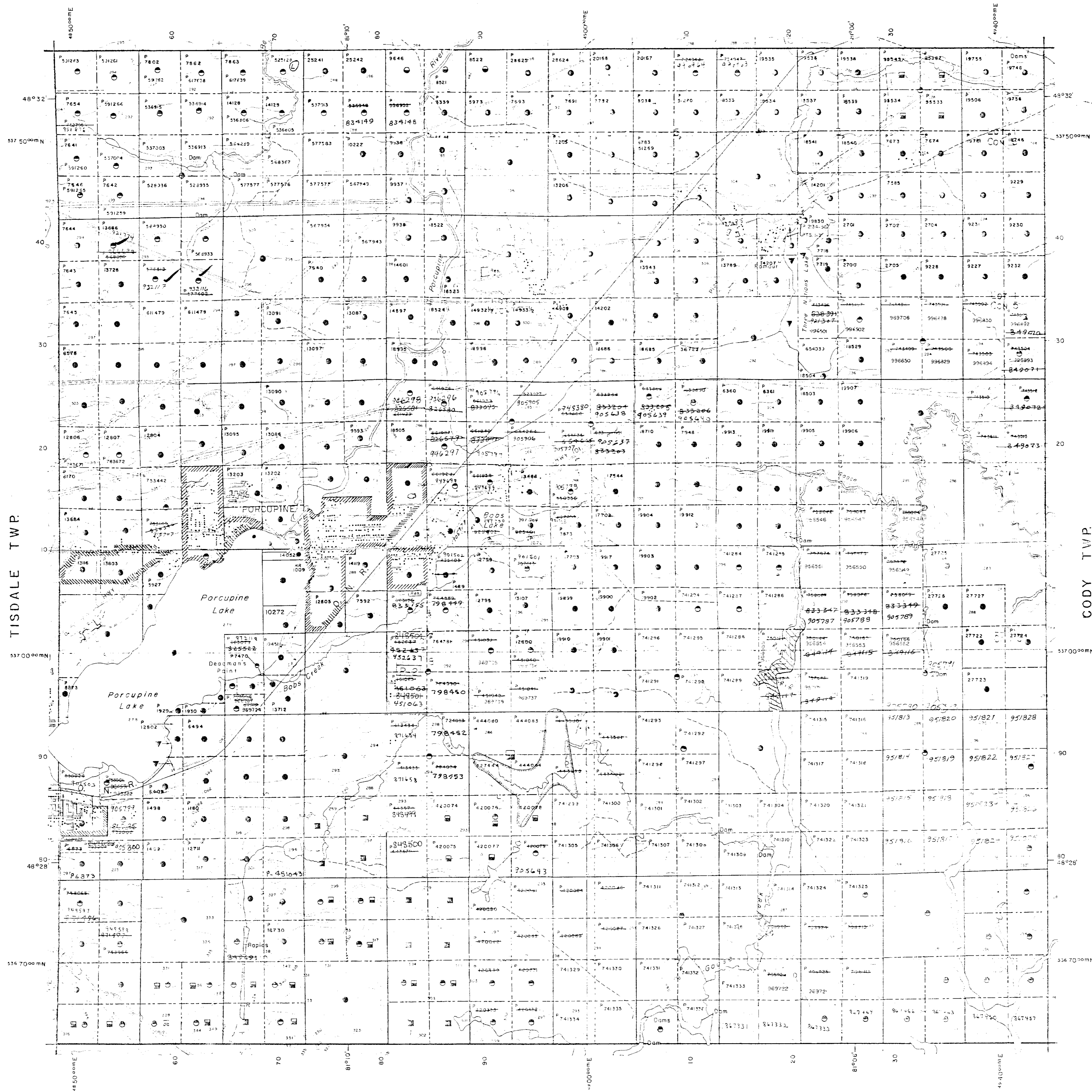
Aerial Cableway	Pipeline
Boundary	Railroad
Contour	Single Track
District/ Township	Double Track
Apprentice	Road
Lot/Concession	Highway/ County
Apprentice	Township
Part Boundary	Access
Bridge	Access
Road, Railroad	Access
Building	Road
Chimney	Road
Cliff, Pit, Pile	Road
Contours	Road
Interpretation	Road
Apprentice	Road
Depression	Road
Control Points	Road
Vertical	Road
Vertical	Road
Falls	Road
Fence, Hedge, Wall	Road
Feature Outline	Road
Flooded Land	Road
Lock	Road
Marsh or Swamp	Road
Mast	Road
Mine Head Frame	Road
Outcrop	Road

AREAS WITHDRAWN FROM DISPOSITION

- M.R.O. - MINING RIGHTS ONLY
- S.R.O. - SURFACE RIGHTS ONLY
- M.F.S. - MINING AND SURFACE RIGHTS

Description	Order No.	Date	Disposition	File
(A) APPLICATION PENDING UNDER PUBLIC LANDS ACT SURFACE RIGHTS WITHDRAWN.				
(R) W-59187 NR 87/06/01 M-5				

HOYLE TWP.



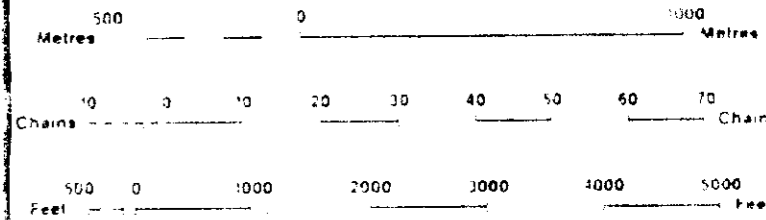
LEGEND

HIGHWAY AND ROUTE NO	
OTHER ROADS	
TRAILS	
SURVEYED LINES	
TOWNSHIPS, BASE LINES, ETC	
LOTS, MINING CLAIMS, PARCELS, ETC	
UNSURVEYED LINES	
LOT LINES	
PARCEL BOUNDARY	
MINING CLAIMS ETC	
RAILWAY AND RIGHT OF WAY	
UTILITY LINES	
NON PERENNIAL STREAM	
FLOODING OR FLOODING RIGHTS	
SUBDIVISION OR COMPOSITE PLAN	
RESERVATIONS	
ORIGINAL SHORELINE	
MARSH OR MUSKIEG	
MINES	
TRAVERSE MONUMENT	

DISPOSITION OF CROWN LANDS

TYPE OF DOCUMENT	SYMBOL
PATENT, SURFACE & MINING RIGHTS	
" SURFACE RIGHTS ONLY	
" MINING RIGHTS ONLY	
LEASE, SURFACE & MINING RIGHTS	
" SURFACE RIGHTS ONLY	
" MINING RIGHTS ONLY	
LICENCE OF OCCUPATION	
ORDER IN COUNCIL	
RESERVATION	
CANCELLED	
SAND & GRAVEL	

NOTE: MINING RIGHTS IN PARCELS PATENTED PRIOR TO MAY 9 1913 VESTED IN ORIGINAL PATENTEE BY THE PUBLIC LANDS ACT R.S.O. 1910 CHAP. 380 SEC. 93 SURSEC. 1



SCALE 1:20 000
GRID ZONE: 17

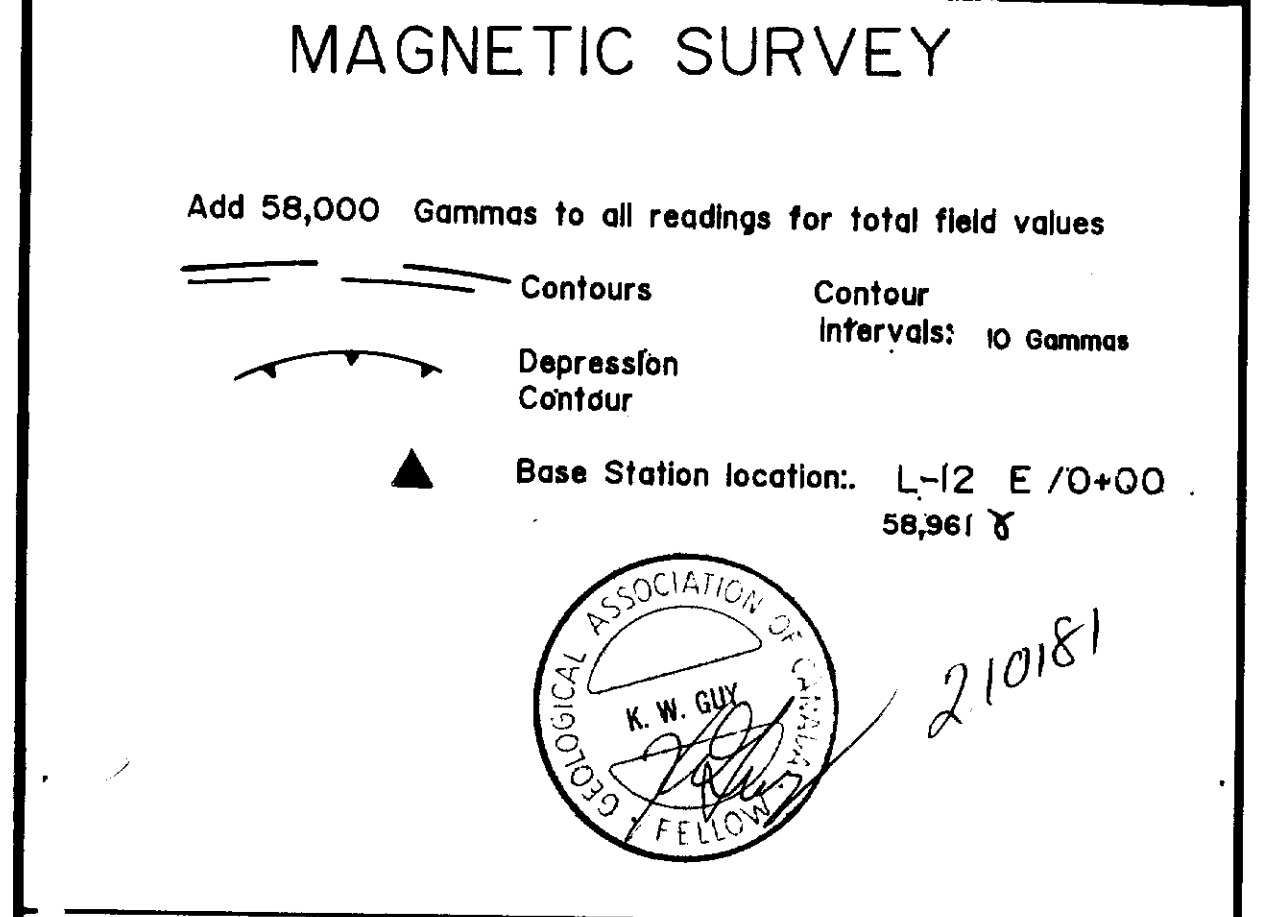
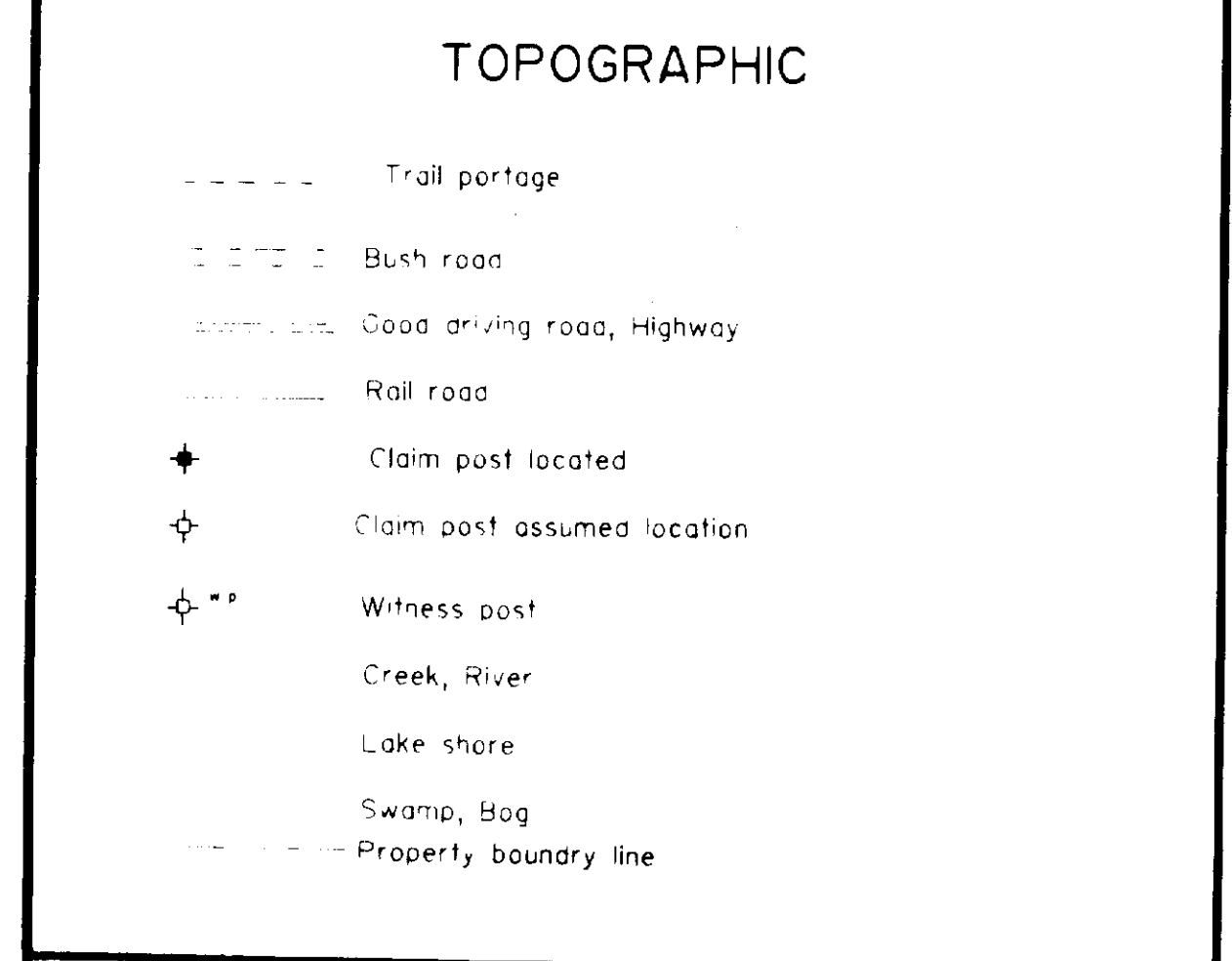
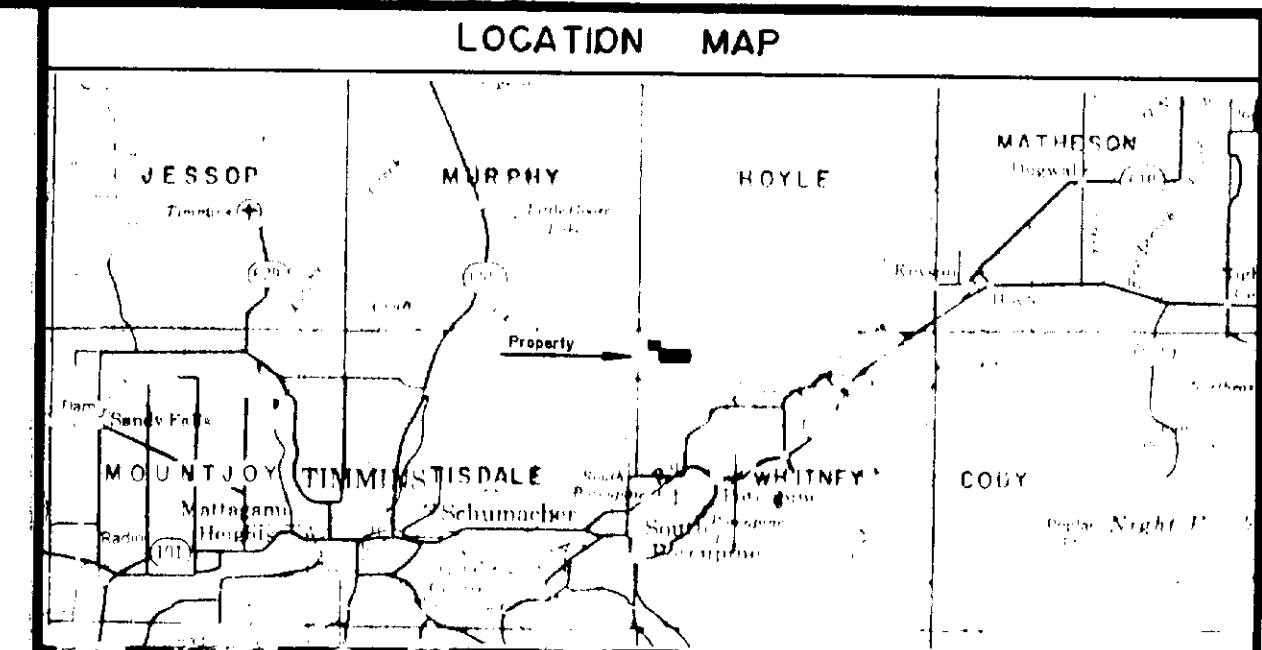
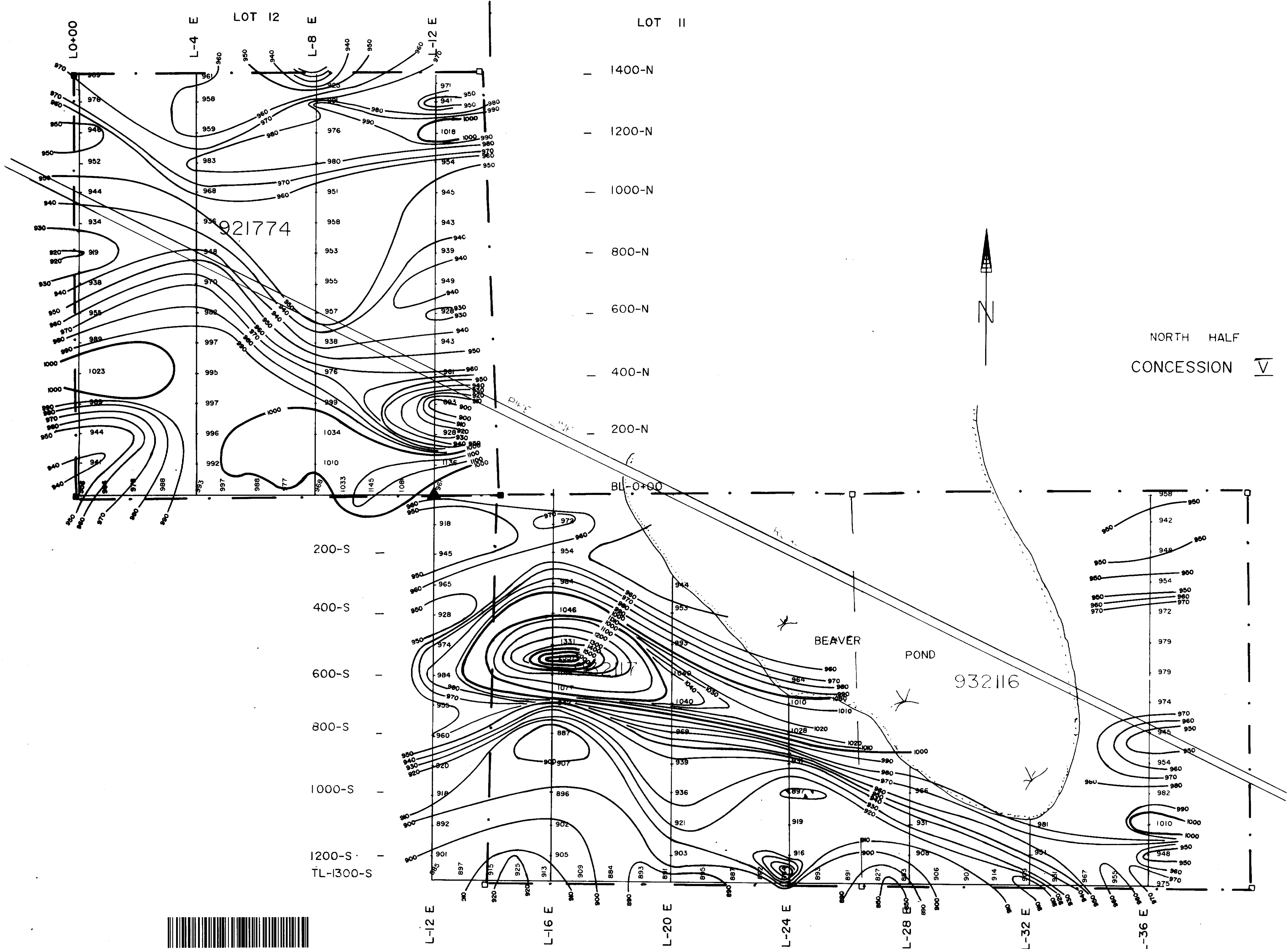
NOTE: Flooding rights reserved to the crown. TO BE UNLIMITED - See LAND REG. FILE

TOWNSHIP
WHITNEY
M.N.R. ADMINISTRATIVE DISTRICT
TIMMINS
MINING DIVISION
PORCUPINE
LAND TITLES / REGISTRY DIVISION
COCHRANE

Ministry of Natural Resources
Land Management Branch
Ontario

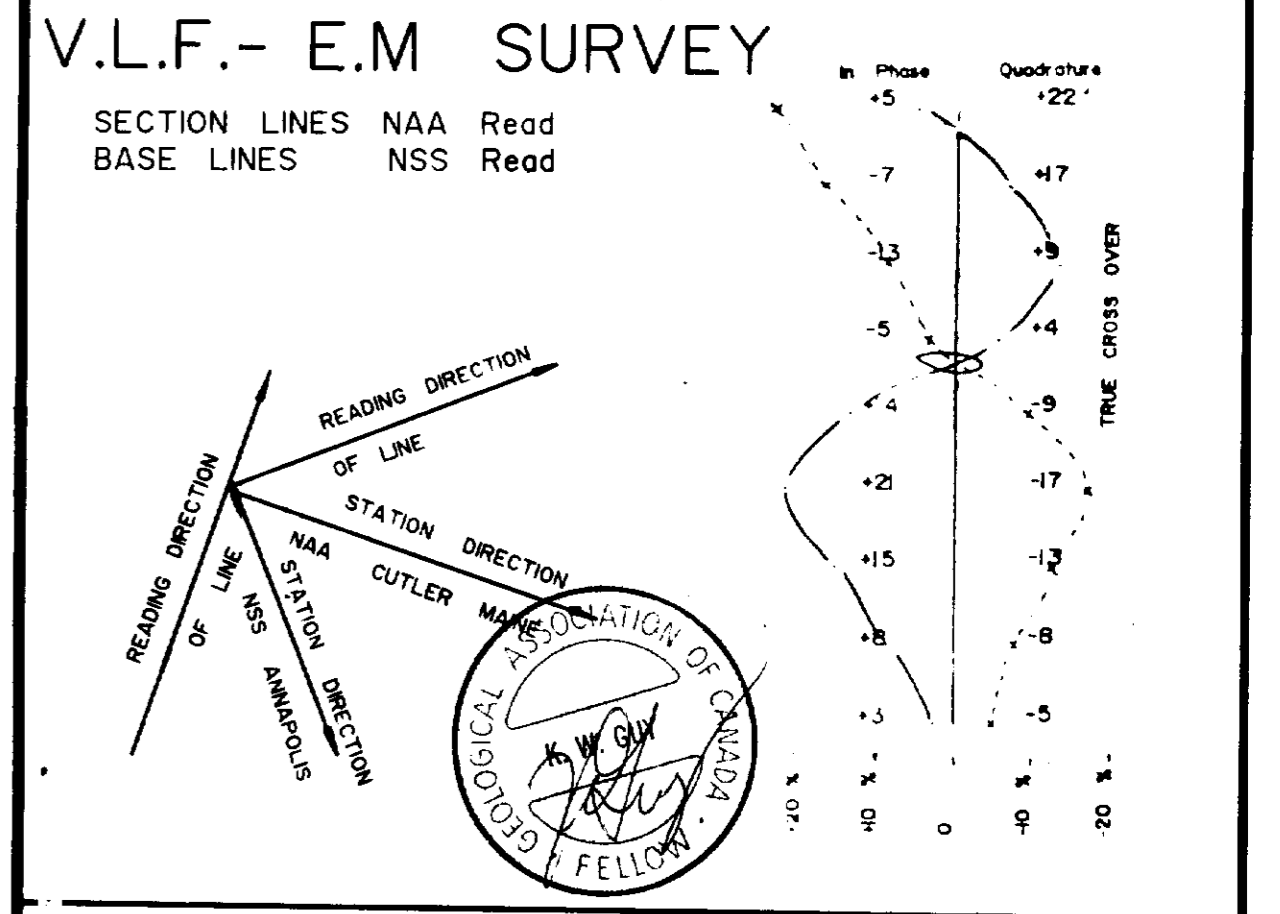
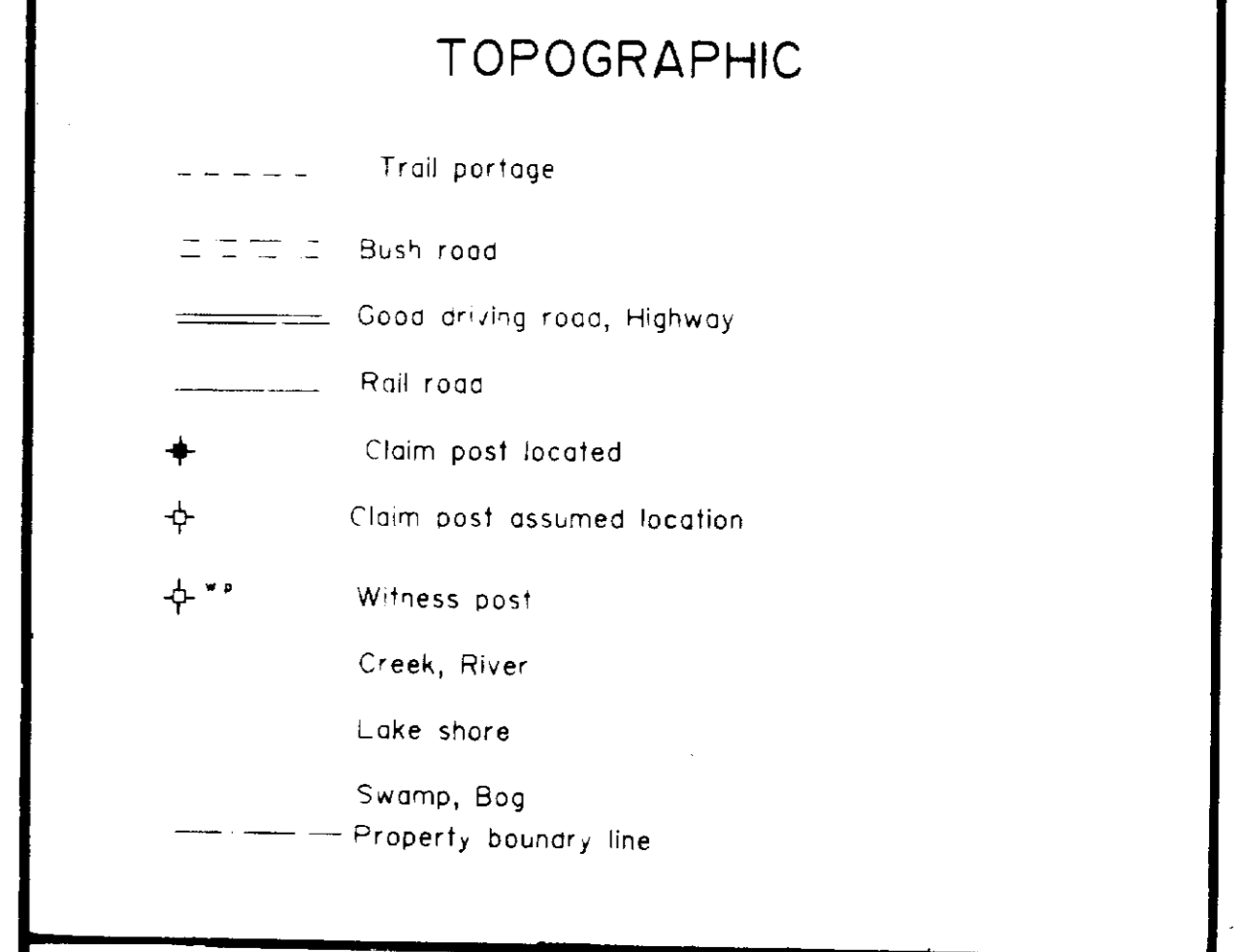
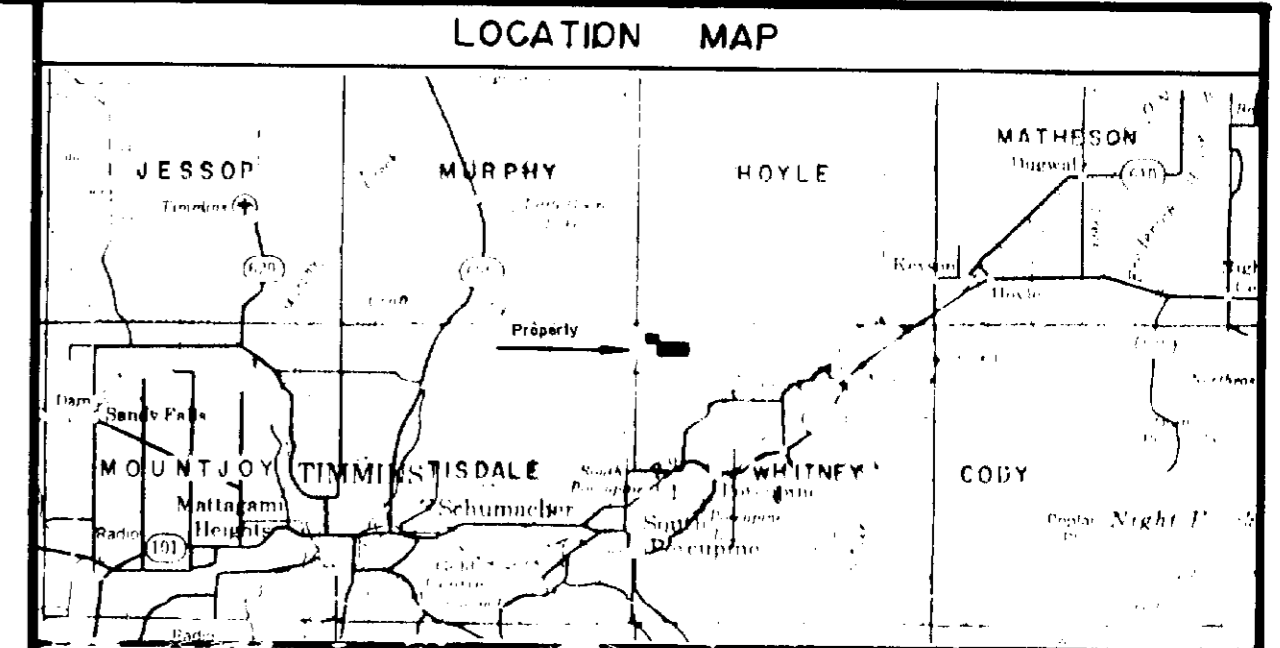
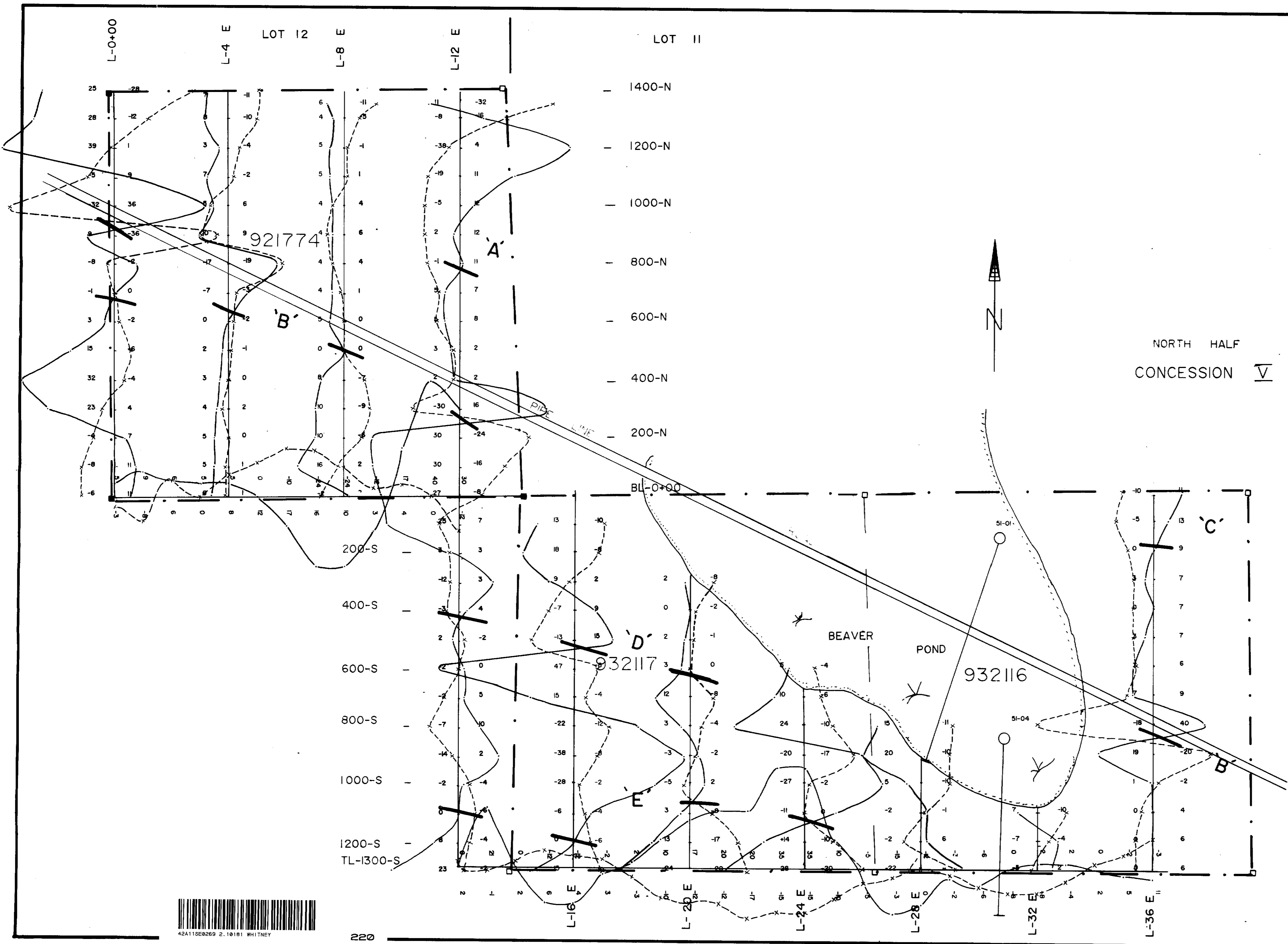
ORIGINAL COMPILATION JULY 1984
REVISED:
G-3975





MILL CITY GOLD CORP.	
WHITNEY TWP PROPERTY	
Surveyed by: D. Beard	
Instrument: Geometrics G-816 Proton Mag.	DATE: June 1987
Drafting by: Guy Thibault Exploration Services	SCALE: 1 inch: 200 Ft
Drawn by: G. Thibault	





MILL CITY GOLD CORP.	
WHITNEY TWP PROPERTY 21081	
Surveyed by: D. Laforest	
Instrument: Geonics EM - 16	DATE: June 1987
Drafting by: Guy Thibault Exploration Services	Vertical: 1 inch = 20'
Drawn by: G. Thibault	Horizontal: 1 inch = 200 Feet

