

**THE GEOLOGY AND GEOCHEMISTRY
OF THE
ARNOLD PROSPECT,
MARSHALL DISTRICT, ALASKA**

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LIST OF FIGURES

- Figure 1: Location Map of the Lower Yukon Greenston Belt
Figure 2: Mineral Occurrence Map of the Lower Yukon River Area
Figure 3: Geologic Map of the Marshall District
Figure 4: Geologic Map of the Arnold Prospect
Figure 5: Geologic Cross-Section of the Marshall District
Figure 6: Geochemical Map of the Marshall District

LIST OF TABLES

- Table 1: Rock Geochemistry of the Arnold Prospect
Table 2: Stream Sediment Geochemistry of the Marshall District
Table 3: Pan Concentrate Geochemistry of the Marshall District

The Arnold Prospect

The Arnold Prospect is located on a heavily trenched and pitted 800 x 400' talus slope on the upper east slope of Willow Creek, east of Marshall, Alaska. Auriferous quartz vein float was discovered in 1914 and the prospect has been repeatedly trenched over the years. Figure 4 is a geologic map of the prospect constructed by examination of the old trenches, pits, dumps, talus, and frost rubble. There is no outcrop on the prospect.

Geology

The prospect is a quartz vein stockwork with scattered small breccia zones hosted in a chloritic andesite tuff cut by albite diorite dikes. Fragments of quartz porphyry occur within the breccia zones. A southeast trending shear zone cuts the stockwork and has served as the focus for emplacement of two major and several small albite diorite dikes. The dikes exhibit sheared margins with the development of slickensides. Hydrothermal alteration has affected both the sheared greenstone and the albite diorite and appears to be associated with the generation of the auriferous quartz veins.

Figure 5 is a geologic cross-section of Mount Okumiak ridge drawn through the Arnold Prospect. This section indicates the prospect is situated approximately 700' directly above the siltstone-greenstone contact which is exposed on the north flank of Mount Okumiak about a mile north of the property. Immediately beneath this contact, the siltstone is carbonaceous, and in probability, the carbonaceous beds extend down dip beneath the Arnold showing. This horizon is interpreted to be an important exploration target considering the affinity of gold for carbon.

Mineralization

Minor pyrite-chalcopyrite-molybdenite occurs in the veins of the stockwork-breccia zone and as disseminations in the silica-iron carbonate altered and sheared greenstone. Grab samples of the stockwork yielded anomalous, but sub-ore gold values, the highest being 0.027 OPT gold. The late stage quartz veins, however, yielded significant gold assays. The veins are composed of massive white, limonite stained quartz that is occasionally vuggy. Pyrite-sphalerite-chalcopyrite-galena all occur in the quartz as occasional anhedral to subhedral clots up to two inches in diameter, but total sulfide content does not exceed two percent. Assay results from five grab samples of bull quartz ranged from 0.096 OPT gold to 2.72 OPT gold with an uncut average assay of 0.922 OPT gold (Figure 4, Table 1). All of the samples were taken from dump piles adjacent to caved trenches and it was impossible to estimate the vein width. The largest quartz fragments on the dumps were about two and one-half feet wide and one can assume this dimension as the minimum width for the larger veins.

There are two additional lode prospects located in upper Willow Creek. Both prospects consist of quartz vein stockworks hosted in greenstone tuff with minor chalcopyrite and molybdenite. Grab sample of mineralized float yield anomalous Co-Mo, but only background gold values.

Sediment samples taken immediately downstream from the Arnold Prospect contain anomalous copper and molybdenum values but mainly background gold content (Figure 6, Tables 2 and 3). In contrast, sample MS-9-86, collected one mile further downstream, is anomalous in gold and mercury as well as copper and molybdenum. This infers that the Arnold may not be the only lode source for the Willow Creek placer gold deposit and additional mineralization may be present elsewhere within the Willow Creek drainage. A

soil survey and additional pan and stream sediment sampling should resolve this question. Stream sediment samples collected in Disappointment and Elephant Creeks contain anomalous mercury that appears to have its lode source in the rhyolite-chert sequence exposed on the ridges above the creeks.

Conclusions

The Arnold Prospect has several similarities to the Treadwell Mine in southeast Alaska. The Treadwell Deposit is hosted in a Mesozoic greenstone belt that is comparable to the Lower Yukon Greenstone Belt. The deposit is a quartz-iron carbonate alteration pipe hosted in an albite diorite sill, and disseminated and vein molybdenum is present peripheral to the main deposit. These salient features; albite diorite intruding greenstones, quartz-iron carbonate alteration, and a molybdenite halo are all present in the Arnold Prospect. The two deposits may share a similar economic potential as the Treadwell produced over two million ounces of gold at a production grade of 0.12 OPT gold.

Calista Corporation believes that the Arnold Prospect has the potential to become a profitable lode gold mine. The surface showings and the historic gold placer production clearly demonstrate that the Willow Creek Drainage cuts an auriferous mineral system. Our current geologic data base compares favorably with the Treadwell Deposit, one of Alaska's premier lode gold mines. Finally, the property is ideally situated five miles off the Yukon River, with a good access road to the old placer camp, a suitable site to house an exploration crew.

It is Calista's intention to continue exploration of the Arnold Prospect and the Willow Creek drainage. We are committed to offering exploration leases at reasonable terms. Interested parties should contact Mike Neimeyer, Vice President, Land & Natural Resources, Calista Corporation, 601 W. Fifth Avenue, Suite 200, Anchorage, Alaska 99501, (907)279-5516.

Table 1: Rock Geochemistry of the Arnold Prospect

Sample No.	Cu ppm	Pb ppm	Zn ppm	Mo ppm	Ag ppm	As ppm	Hg ppb	Au ppb	NOTES
MR-34-86	250	1200	282	445	305	120	10	0.187	quartz vein, limonite stain
MR-35-86	560	20	120	52	0.5	28	5	20	quartz porphyry
MR-36-86	1090	18	130	20	1	135	10	50	altered greenstone
MR-37-86	300	6	32	19	1	20	5	420	brecciated greenstone tuff
MR-38-86	440	232	480	9	0.4	44	5	180	altered felsic dike, limonitic, slickensides
MR-43-86	500	6	56	560	0.2	3	5	5	greenstone breccia
MR-44-86	100	2690	140	30	10	110	5	1.012	limonitic quartz vein, minor pyrite, vugs
MR-45-86	300	6050	210	20	22	160	95	0.668	white vuggy quartz vein, minor pyrite
MR-46-86	3400	73	144	370	2.4	2	15	150	altered greenstone with quartz veinlets
MR-47-86	400	24	18	50	0.8	11	10	40	red/white quartz veinlets in greenstone
MR-48-86	1500	10	80	1000	1.1	2	10	15	greenstone tuff with quartz veinlets
MR-49-86	800	10	80	640	1.1	2	10	15	altered greenstone with quartz veinlets
MR-50-86	500	7	64	80	0.8	48	10	180	altered greenstone with quartz-pyrite veinlets
MR-51-86	800	6	78	20	0.4	38	5	30	altered greenstone
MR-52-86	100	8	12	20	0.2	12	20	260	white vuggy quartz vein
MR-53-86	1400	6	90	120	0.8	4	15	10	altered brecciated greenstone
MR-54-86	100	4	42	40	0.2	3	15	5	hornblende granodiorite porphyry
MR-55-86	100	54	56	20	0.3	4	5	0.115	white quartz vein
MR-56-86	400	7	44	20	0.2	11	10	30	brecciated greenstone with intrusive rock fragment
MR-57-86	400	1400	192	20	32	240	125	2.721	pyritic quartz vein
MR-58-86	700	32	112	100	1.1	100	30	0.027	altered greenstone
MR-59-86	500	18	92	20	0.7	75	5	840	altered greenstone
MR-60-86	400	7	70	20	0.3	53	10	120	brecciated altered greenstone

Table 2: Stream Sediment Geochemistry of the Marshall District

Sample No.	Cu ppm	Pb ppm	Zn ppm	Mo ppm	Ag ppm	As ppm	Hg ppb	Au ppb
M-4-85	32	10	72			50	50	5
M-7-85	19	10	60			9	75	5
M-8-85	14	9	54			9	65	20
M-8-86	40	15	74	1	0.2	12	35	5
M-9-86	147	13	74	11	1.3	46	300	5100
M-10-86	149	11	80	12	0.2	35	80	55
M-11-86	20	12	68	2	0.2	42	1250	5
M-12-86	15	10	70	2	0.2	22	2800	5
M-13-86	33	10	80	2	0.2	45	1250	5
M-14-86	16	13	62	2	0.2	24	310	5
M-15-86	23	11	60	2	0.2	35	110	960
M-16-86	36	16	90	3	0.2	41	50	30
M-17-86	103	12	64	13	0.2	20	65	5
M-18-86	125	24	68	13	0.2	17	85	25
M-19-86	35	11	66	2	0.2	13	40	5
M-20-86	40	15	80	3	0.2	16	70	10
M-21-86	44	16	70	2	0.2	36	80	5
M-22-86	16	12	40	2	0.2	14	50	5
M-23-86	25	13	74	2	0.2	32	50	5

Table 3: Pan Con Geochemistry of the Marshall District

Sample No.	16" Pan	Notes
MP-7-86	0 color	greenstone-gabbro float
MP-8-86	19 colors, 0.2-1 mm dia	sluice tailing pile, pyrite in con
MP-9-86	50 colors, 0.2-0.5 mm dia	flat, angular habit, hand tailings
MP-10-86	5 colors, 0.2-0.5 mm dia	flat, angular habit, Willow Creek
MP-11-86	2 colors, 0.2 mm dia	elongate, angular habit, chert-felsite-grnstn float
MP-12-86	4 colors, 0.05 mm dia	angular habit, gravel orange brown color, above tailings
MP-13-86	7 colors, 1-0.3 mm dia	flat, subangular habit, pyrite, hematite, tailings
MP-14-86	1 color, 0.1 mm	angular habit, tailings
MP-15-86	0 color	minor pyrite, chert rhyolite float
MP-16-86	5 colors, 0.1 mm dia	flat angular rod habit
MP-17-86	0 color	minor pyrite, poor sample
MP-18-86	1 color, 0.2 mm dia	upper tailing
MP-19-86	4 colors, 0.2-0.75 mm dia	angular shotty habit, smaller colors dendritic

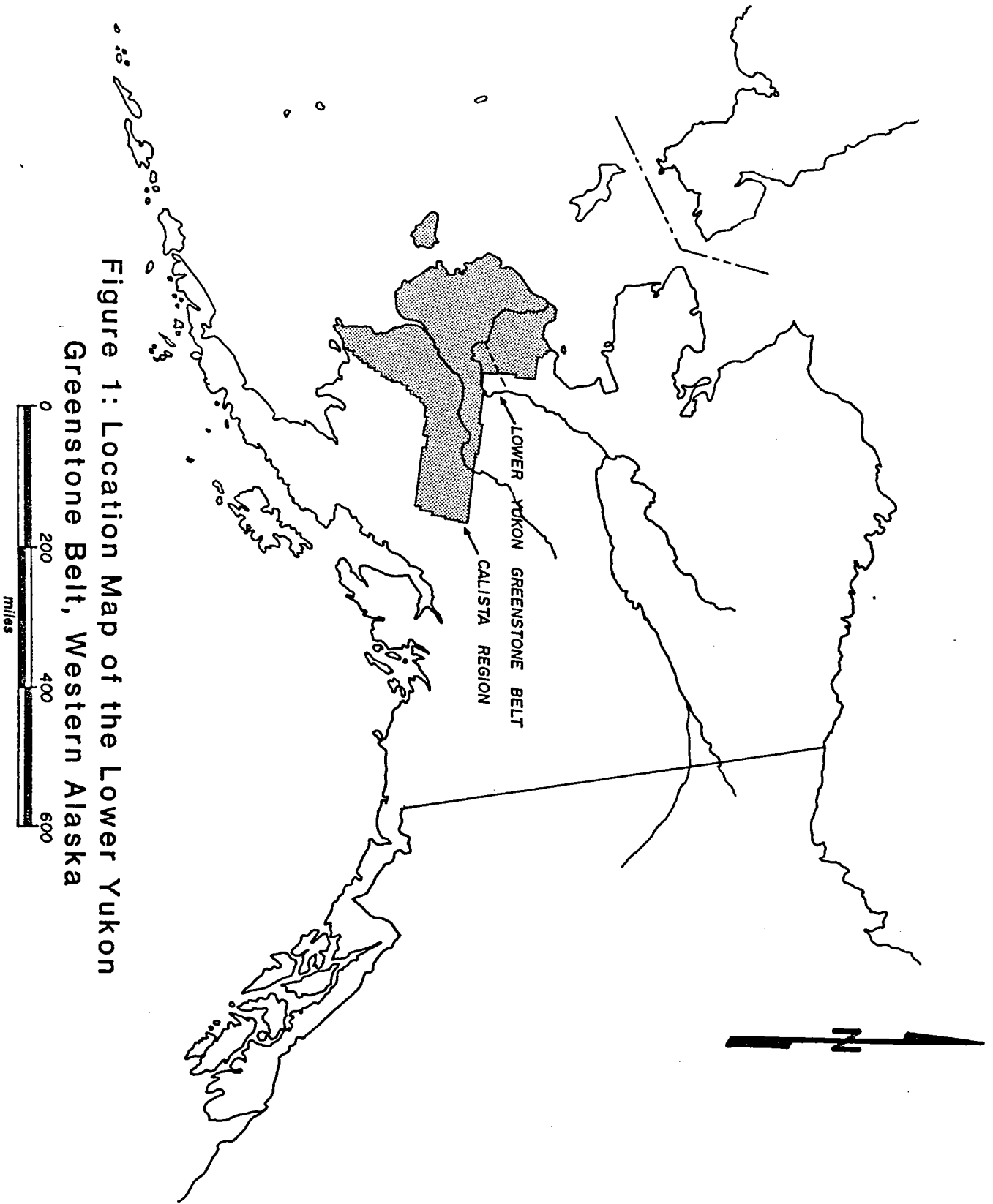


Figure 1: Location Map of the Lower Yukon
Greenstone Belt, Western Alaska

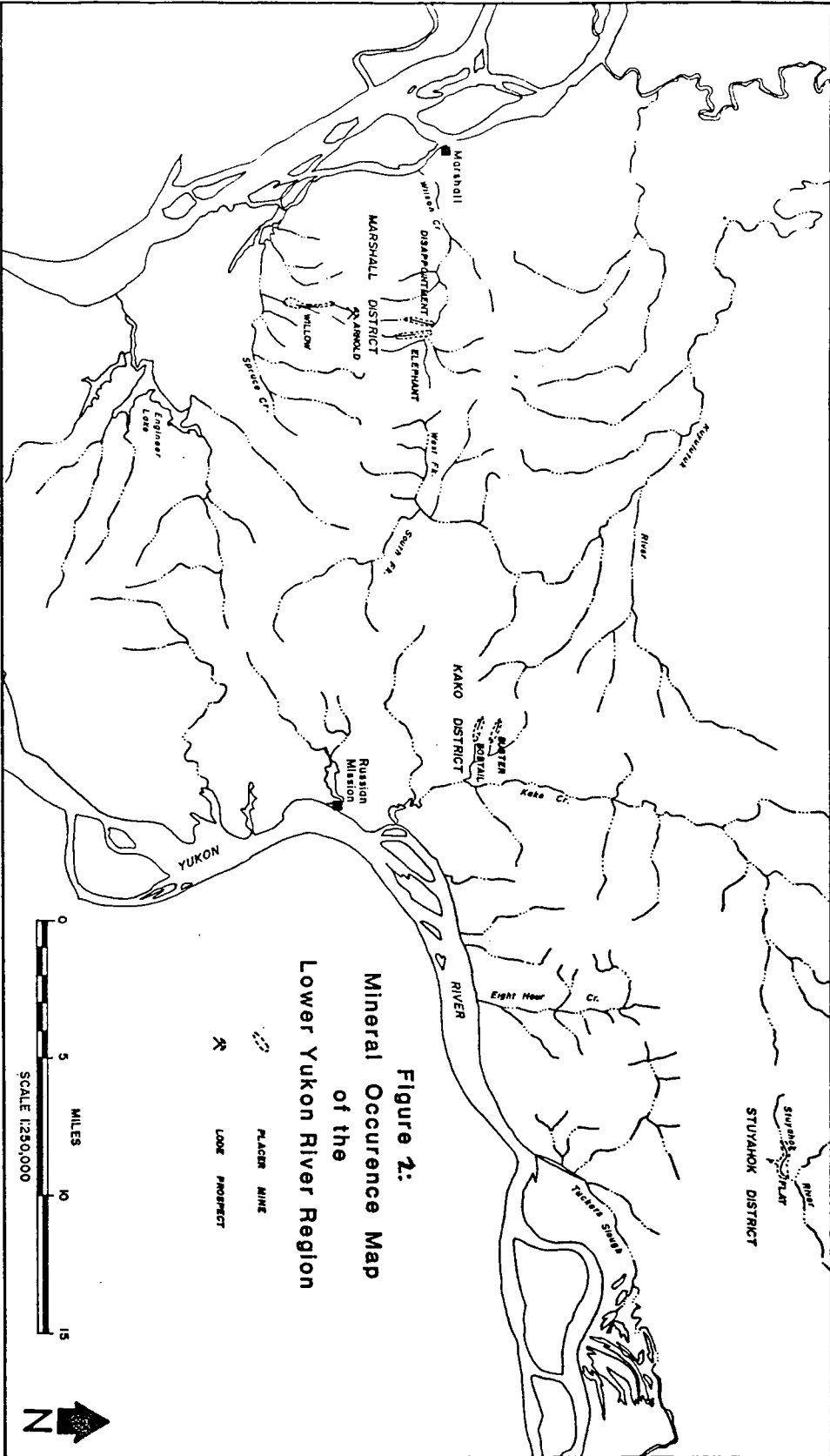


Figure 2:
Mineral Occurrence Map
of the
Lower Yukon River Region

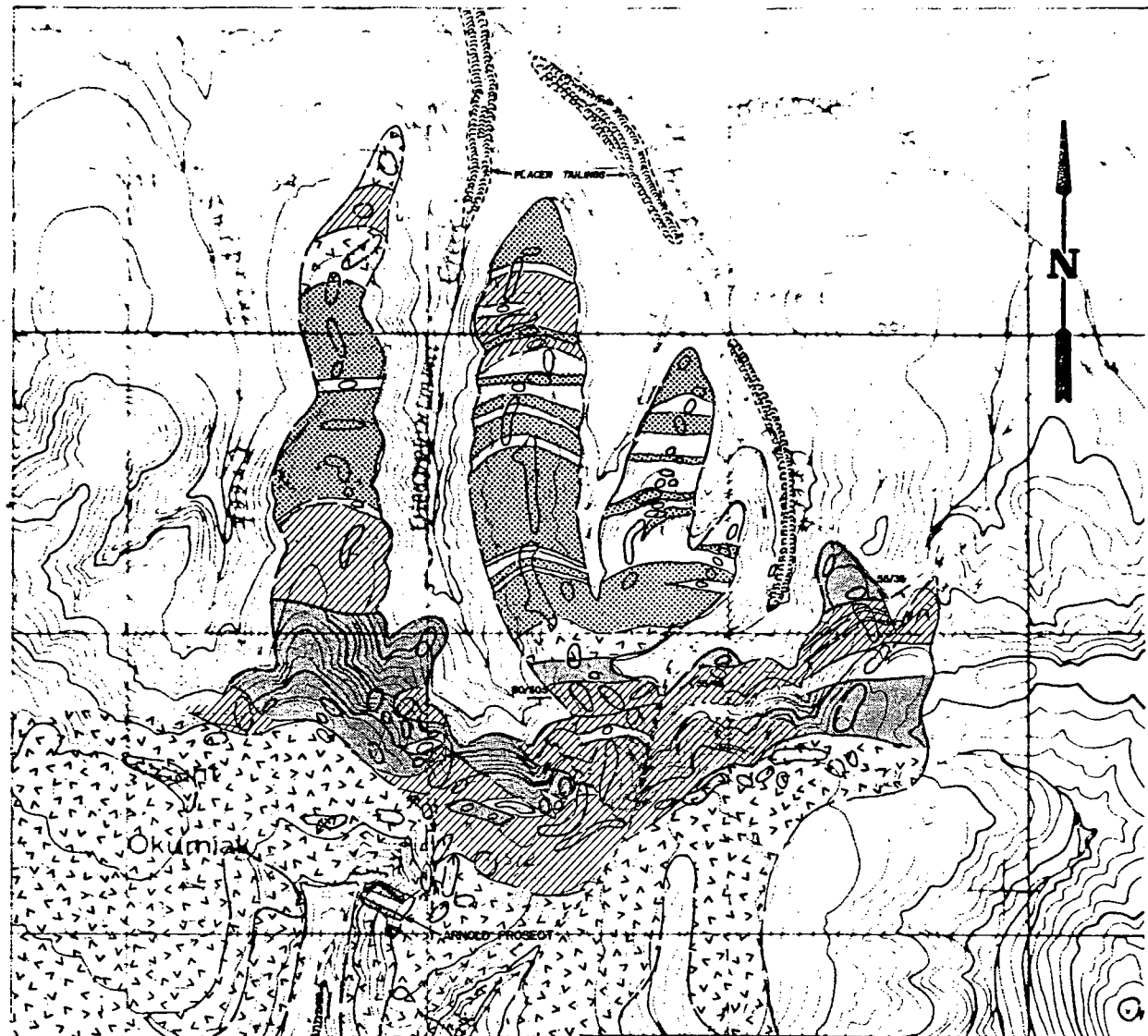











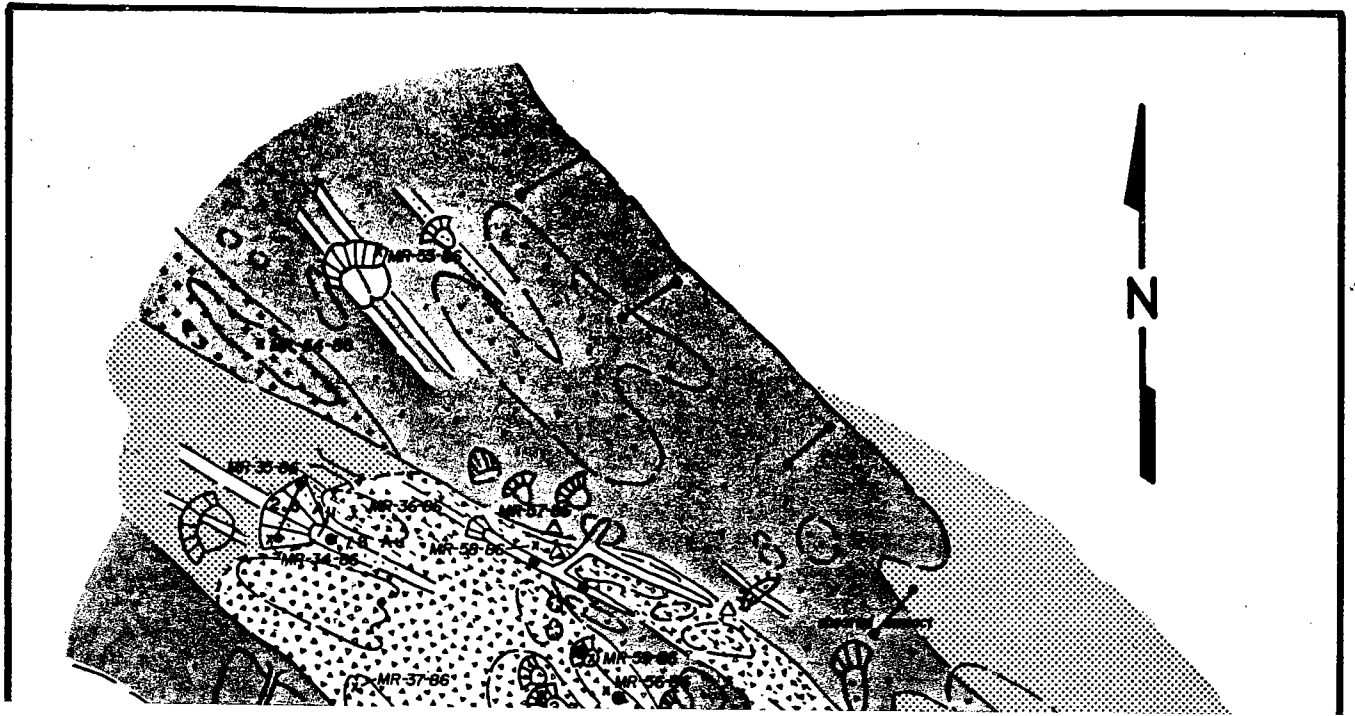
Fig. 3:
Geologic Map of the Marshall District



EXPLANATION

-  Albite diorite with variable quartz-sericite-limonite-iron carbonate alteration and occasional quartz porphyry zones.
-  Marine basalt to andesite flows, breccia, lapilli tuff and tuff.
-  Siliceous siltstone with carbonaceous shale and chert interbeds.
-  Marine quartz-eye rhyolite with subrounded chert fragments.
-  White to gray-brown chert, fractured and often with weak limonite stain.
-  Quartz vein stockwork with molybdenite-chalcopyrite
-  Fault
-  Frost rubble and/or talus subcrop
-  Outcrop

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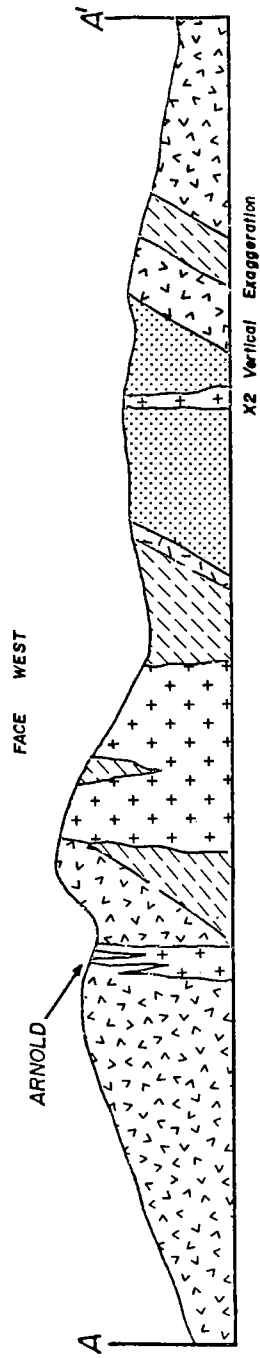
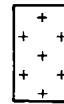
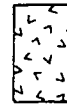


Figure 5: Geologic Cross Section of the Marshall District



Albite diorite with variable quartz-sericite-limonite-iron carbonate alteration and occasional quartz porphyry zones.



Marine basalt to andesite flows, breccia, lapilli tuff and tuff.



Siliceous siltstone with carbonaceous shale and chert interbeds.



Marine quartz-eye rhyolite with subrounded chert fragments.



White to gray-brown chert, fractured and often with weak limonite stain.

