

Memo

To:	File	Date:	July 20, 2006
cc:		From:	Dylan MacGregor
Subject:	Limestone sources near Faro	Project #:	1CD003.065.0700

In June 2006 I had a brief discussion with Grant Abbott, director of the Yukon Geological Survey (867 667-3200), regarding the capacity of the YGS to confidentially develop a summary report and map of known limestone occurrences in reasonable proximity to the Anvil Range Mining Complex. From memory, Grant noted that there was a limestone unit exposed above the Robert Campbell Highway just east of Little Salmon Lake, and thought that this would be one prospective locale.

Grant indicated that, while the compilation task was straightforward and was not a large commitment, he would prefer not to have the YGS involved. Instead, he recommended issuing a \$2000-\$3000 contract to a Whitehorse geological consultant to perform the work. Three candidates were put forward: Aurum Geological Consultants, Daniel Heon, and Mike Phillips.

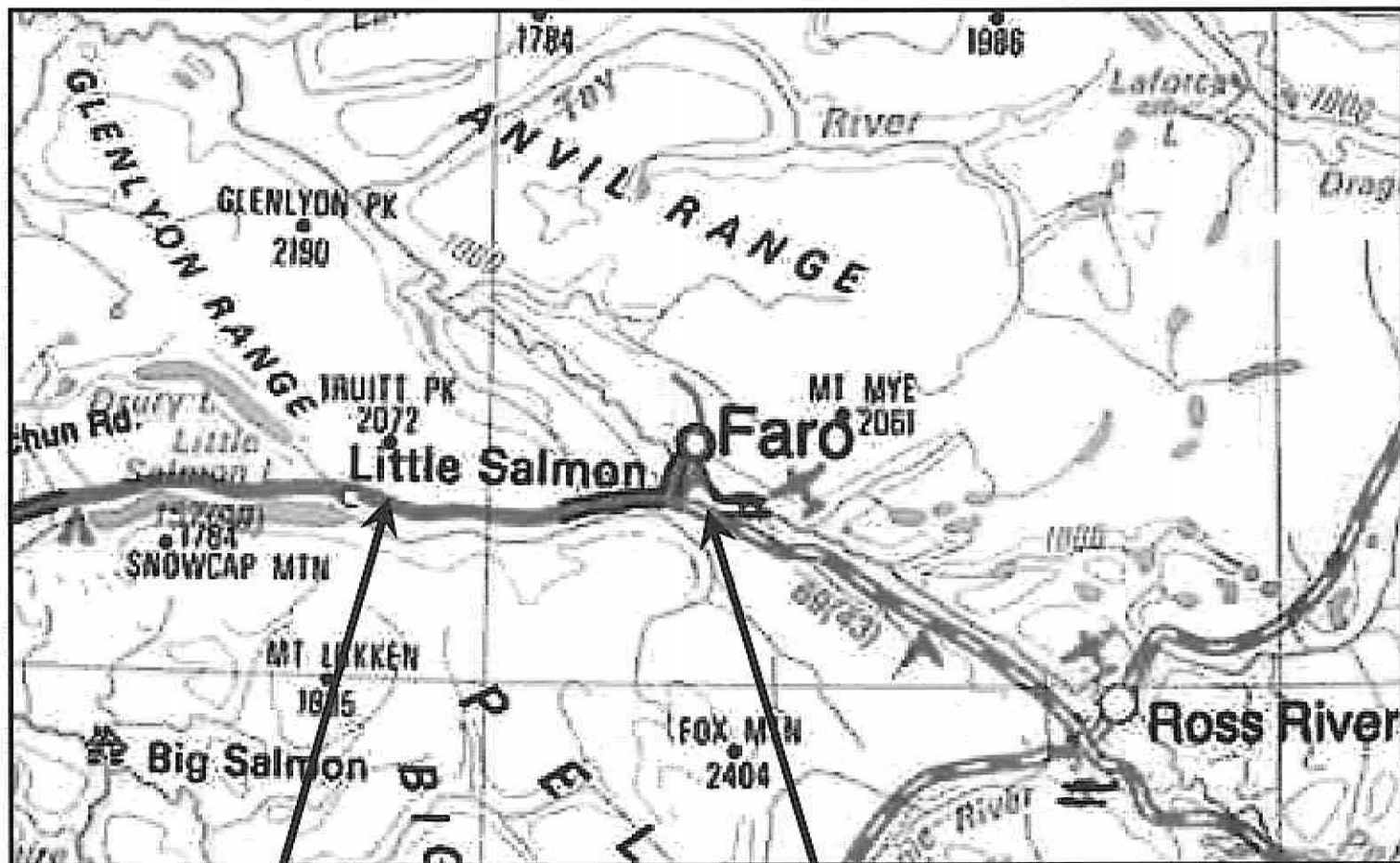
The limestone units east of Little Salmon Lake are situated in a package of Askin Group rocks that is shown on the Truitt Creek bedrock geology map (105L/1- see note in Figure 1). This map is available online at: www.geology.gov.yk.ca/publications/index.html. The area for further investigation is the blue map unit in the northeast corner of the map, adjacent to the highway, which contains MINFILE occurrence 105L 004. A portion of this map, showing this unit, is included for reference as Figure 2, and MINFILE report 105L 004 is included as Attachment 1.

Another location where limestone has been identified is located adjacent to the Robert Campbell Highway, 20 km east of the junction with the mine road. MINFILE occurrence 105K 022 (Bobcat) is located approximately 1.3 km north of the highway; the MINFILE report indicates that four quarry leases were staked over this area in 1966-67, with consideration of the limestone as a potential source of smelter flux, and 3 holes were drilled. No drill logs are referenced, and it is unknown whether the core still exists in a useable form. The occurrence is shown on MINFILE map 105K- Tay River, which is available online at: www.geology.gov.yk.ca/minfile/index.html. A portion of this map is included as Figure 3, and MINFILE report 105K 022 is included as Attachment 2.

This is by no means a comprehensive assessment of available limestone sources in the region. Geological maps from the region indicate that limestone units are widespread within sedimentary packages. The two locales outlined above are conspicuous due to their proximity to the Robert Campbell Highway.

If chemical analysis of limestone samples is of interest, it can be carried out at ALS Chemex in North Vancouver (604 984-0221). Their schedule of analyses and fees indicates that method ME-ICP86 is appropriate for limestone analysis, that the parameters analysed include CaO, MgO, Al₂O₃, Fe₂O₃, SiO₂, and LOI, for a cost of \$55 per sample. Neutralizing value of limestone can be evaluated by method OA-VOL07, at a cost of \$37.50 per sample. A sample size of 1 kg would provide sufficient material for both tests.

Figures



Limestone outcrops in cliffs upslope of highway

Source: Grant Abott, director, Yukon Geological Survey, pers. comm.

Reference: Gladwin, K., Colpron, M., and Black, R., 2002. Geological Map of Truitt Creek (NTS 105L/1), central Yukon, (1:50 000 scale). Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada, Open File 2002-5.

Map available at: www.geology.gov.yk.ca/publications/index.html

MINFILE Occurrence 105K 022- Bobcat. Four quarry leases were granted and three holes drilled in 1966-67; may currently be part of Grew Creek claim block being worked by Freegold Ventures Ltd.

MINFILE report states: "The quarry leases cover a large outcrop of ... limestone that was investigated as a potential source of smelter flux"

Reference: Yukon MINFILE- Mineral Occurrence Map: 105K- Tay River (1:250 000 scale), Version 2004-1. Yukon Geological Survey, Energy Mines and Resources, Yukon Government, 2004.

Map available at: www.geology.gov.yk.ca/minfile/index.html



Job No 1CD003.065.0700:

Filename: Limestone sources.figures.ppt

**Deloitte
& Touche**

Anvil Range Mining Complex
Limestone Sources in Region

Annotated Regional Map

Date:
July 20, 2006

Approved:

Figure:

1

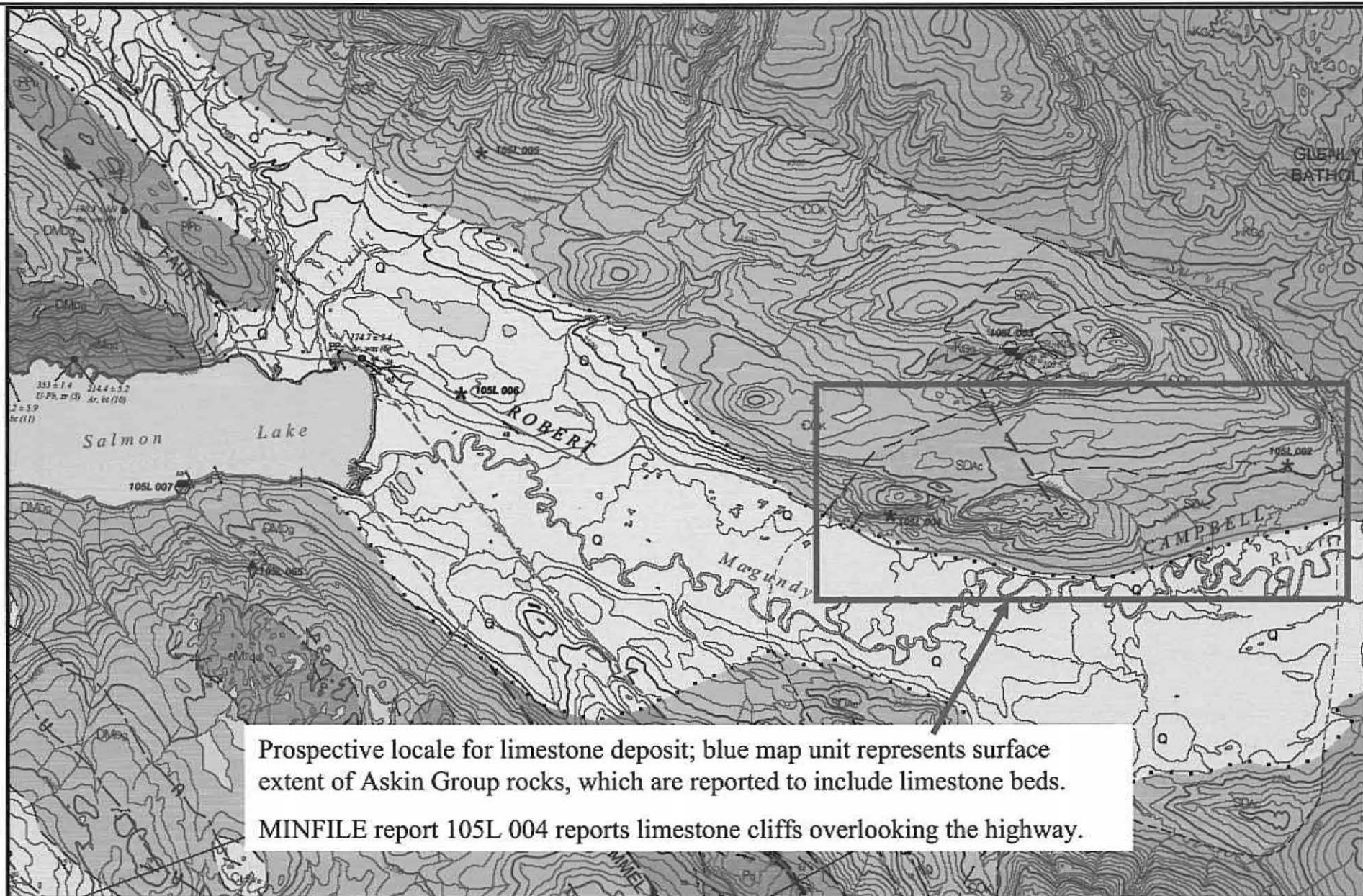


Figure adapted from:

Gladwin, K., Colpron, M., and Black, R., 2002. Geological Map of Truitt Creek (NTS 105L/1), central Yukon, (1:50 000 scale). Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada, Open File 2002-5.



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**Deloitte
& Touche**

Anvil Range Mining Complex
Limestone Sources in Region

**Bedrock geology along Robert
Campbell Highway east of Little
Salmon Lake**

Date:
July 20, 2006

Approved:

Figure:

2

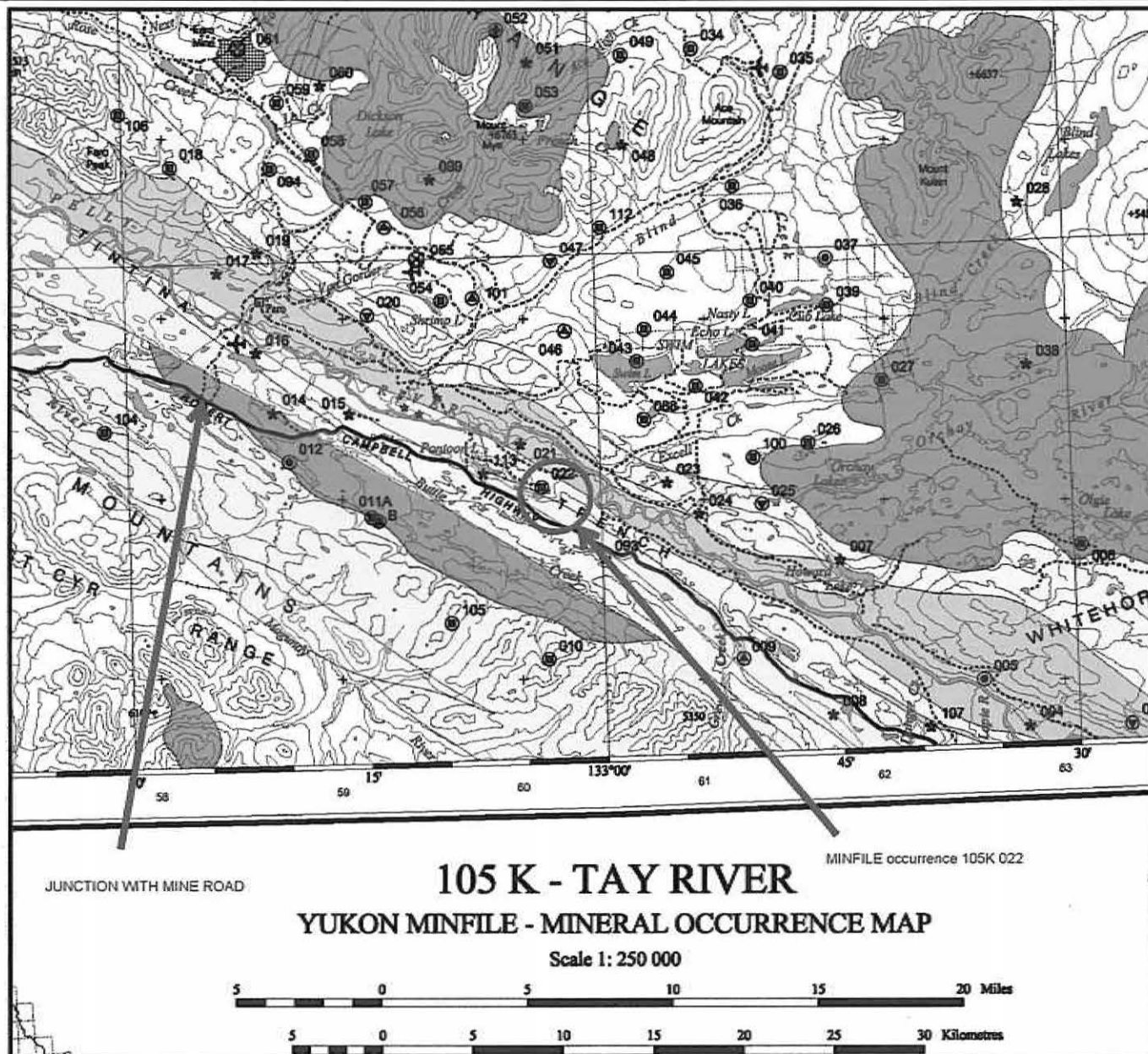


Figure adapted from:

Yukon MINFILE- Mineral Occurrence Map: 105K- Tay River (1:250 000 scale), Version 2004-1. Yukon Geological Survey, Energy Mines and Resources, Yukon Government, 2004.



Job No 1CD003.065.0700:

Filename: Limestone sources.figures.ppt

**Deloitte
& Touche**

Anvil Range Mining Complex
Limestone Sources in Region

Location of MINFILE occurrence
105K 022

Date:
July 20, 2006

Approved:

Figure:

3

Attachment 1
MINFILE report 105L 004

MINFILE: 105L 004
PAGE: 1 of 1
UPDATED: 1998/03/01

**YUKON MINFILE
YUKON GEOLOGICAL SURVEY
WHITEHORSE**

MINFILE: 105L 004
NAME: MOULE
STATUS: ANOMALY
TECTONIC ELEMENT: CASSIAR PLATFORM
DEPOSIT TYPE: UNKNOWN

NTS MAP SHEET: 105L\1
LATITUDE: 62° 10' 37" N
LONGITUDE: 134° 12' 1" W

OTHER NAME(S):
MAJOR COMMODITIES:
MINOR COMMODITIES:
TRACE COMMODITIES:

CLAIMS (PREVIOUS & CURRENT)

ACE, TAGO, VERNA

WORK HISTORY

Staked as Lessle cl (77333) in Nov/61 by F. Stretch. Restaked as Ram and Sunset cl (Y30241) in Feb/69 by R. Grant and T. Wheeler, and as Tom cl (Y53628) in Jul/70 by T. Moule. Bulldozer trenching has been done here although no assessment work was ever filed.

Restaked as Verna cl (YA48860) in May/80 by F. Algar. Cominco staked the northeast side as Salmon cl (YA51274) in Jan/81 and performed mapping and geochem sampling in 1982. In Sept/94 J. Murnion staked the Tago cl 1-30 (YB54685) 2 km southeast of the anomaly. Murnion added the Ace cl 1-4 (YB54754) to the west side of his holdings in Oct/94. In Jul/95 Murnion staked Sun cl 1-18 (YB57999) on the south and west boundary of the Ace claims. In Sept/95 Murnion staked Ben cl 1-34 (YB66242) east and south of the Sun claims. In Oct/95 Murnion staked King cl 1-30 (YB66305) 13 km to the south.

GEOLOGY

Claims are underlain by limestone and metasedimentary rocks on the flank of an almost square aeromagnetic anomaly of 200 gamma intensity. Copper stain was noted by the GSC at the base of a limestone cliff overlooking the highway.

REFERENCES

GEOLOGICAL SURVEY OF CANADA Memoir 352, p. 81.

Attachment 2
MINFILE report 105K 022

MINFILE: 105K 022
PAGE: 1 of 1
UPDATED: 1996/02/16

**YUKON MINFILE
YUKON GEOLOGICAL SURVEY
WHITEHORSE**

MINFILE: 105K 022

NAME: BOBCAT

STATUS: DRILLED PROSPECT

TECTONIC ELEMENT: TERTIARY VOLCANICS

DEPOSIT TYPE: EPITHERMAL AU-AG-CU: HIGH SULPHIDATION

NTS MAP SHEET: 105K3

LATITUDE: 62° 8' 6" N

LONGITUDE: 133° 3' 45" W

OTHER NAME(S):

MAJOR COMMODITIES:

MINOR COMMODITIES:

TRACE COMMODITIES:

CLAIMS (PREVIOUS & CURRENT)

WORK HISTORY

Investigated by J.D. Curry in Oct/65 for Dynasty EL and by Archer, Cathro during 1966 and 1967 for Anvil Mg Corp L, which staked the Bobcat 1-4 quarry leases in Jun/66 and Jul/67. Anvil drilled 3 holes (88 m) in Aug/67.

A large block of Canyon cl (YA92110) was tied on to the northwest and the southeast in Jan/84 by a joint venture between Noranda, Brenda ML and Golden Nevada Res Inc as part of a staking rush around the Grew occurrence. The Canyon claims were transferred to A. Carlos in Feb/92. In Feb/93 Carlos optioned his Grew Creek claim holdings to YGC Resources Ltd.

YGC carried out a large exploration program in 1993 which included diamond drilling, line cutting, soil sampling, geophysics and trenching throughout the Grew Creek property. In 1994 YGC drilled 14 holes (1307 m) in the South and Main Zones located approximately 18 km to the southeast.

GEOLOGY

The quarry leases cover a large outcrop of Permo-Pennsylvanian limestone of the Anvil Allochthon that was investigated as a potential source of smelter flux. The 1987 claims were staked along a poorly exposed area which is potentially underlain by Tertiary volcanic rocks.

REFERENCES

YGC RESOURCES LTD., Mar/95. Assessment Report #093239 by R. Stroshein