Prospecting Report for Indian River

YMIP 02-021

Prepared for SLATE RIVER MINING LTD

By David McBurney

NTS Map Numbers 115 - 014

Grid Coordinates 755744 - 779745

Claim Numbers P40885 - P40895 (TIM 1 - 11)
P44987 - P45001 (DP 1 - 15)

Dates June 25, 26, 27, 28, Sep 1

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Prospecting - Indian River

TECHNICAL REPORT

Work was carried out on claims # P40885 - P40895 owned by Tim Osler, and claims #P44987 - P45001 owned by David McBurney

Dates of prospecting June 25, 26, 27, 28, and Sept 1, 2002

Work performed by David McBurney, Box 475, Dawson City
Sylvain Fleurant, Box 404, Dawson City

Report prepared by David McBurney, address as above
Ren Causer, Box 475, Dawson City

Equipment used 1- Bombardier track machine with 6" auger drill
2- Hitachi EX200 excavator, used for some tracking and clearing brush/trees, rehabilitating drill sites, constructing approaches for river crossings, carrying fuel and supplies for the drill and personnel, and carrying drill sample pails to The river edge for clean-up
3- Drill samples were cleaned up using a purpose-built washing hopper and long tom

SUMMARY

All equipment was moved to the DP claims on 25 June and camp set up by the river on Claim# P44995
Drilling was carried out as indicated in the YMIP application, with holes 25 - 30 m apart on lines 1000' apart
The waste section (mud/silt/sand/fine gravel) of most drill holes was less than 10', with the pay gravel section being generally less than 5' Drilling continued 2-4' into bedrock, to obtain a good sample of the gravel/bedrock contact
Drill samples were cleaned up with a small purpose-built washing hopper and long tom, and the concentrate panned Gold was then dried and weighed
Encouraging results were obtained from most of the holes on drill line #1, with average to poor results from all other drill lines
However, this drill programme came to an early and abrupt halt when a track on the Bombardier broke irreparably By the time a replacement track was located and flown in by helicopter in early August, the Indian River was in high flood The river level remained high and unable to be crossed by the Bombardier until late September The machine was walked out overland in early September, after completing a drill line on the north side of the river The drill programme was abandoned for the 2002 season
This was disappointing, as only two of the six flats had been looked at, and only at the wide-spaced 1000' interval

INTERPRETATION

Drill line #1 comprised eight holes over a distance of 190m , near the middle section of a large left limit flat The total width of the flat at this point is approximately250m from the river edge to the toe of the hill, and is level to gently rising Three adjacent holes returned good values of 30mg , 24mg , and 34mg , with coarse gold in the samples Two holes yielded average values of 11mg and 13mg of small and fine , grainy and flat gold The remaining holes contained trace to 6mg of fine flat gold
An interesting feature found in line #1 was a deeper channel in an otherwise fairly level bedrock surface (see diag) This channel was infilled with layers of mud, gravel and pea gravel (fine, unconsolidated gravel) From experience gained mining the Indian River flats downstream from this site, bedrock channels have never contained gold values any greater than the adjacent higher bedrock Pea gravel on bedrock has never been found to contain gold The 6mg result from hole #8 probably comes from the top layer of gravel encountered in this hole

Drill line #2, 1000' downstream, had six holes over 140m The flat is fairly level for approximately 100m along this line, before rising steeply towards the hillside Most holes had only a trace of gold, except the two holes closest to the river, with 7mg and 4mg of small and fine, grainy and flat gold

Only one hole was drilled on line #3, approximately 500' downstream This hole contained trace gold only

Upstream from drill line #1, the flat is narrow for over 2000' , and fairly level for 35-40m before rising quickly towards the hill
Drill line #4 was 1000' upstream from line #1 One hole had 11mg of small and fine, grainy and flat gold The second hole had 2mg of small and fine flat gold

Line #5 was 1000' upstream from line #4 Results from both holes were poor, both containing only 3mg of fine flat gold

Two lines were drilled on the right limit flat at the upstream end of the DP claims This flat is 60-70m wide, and rises gently from the river to the hillside
Line #6 was approximately 750' downstream from the top claim post Three holes contained small and fine flat gold, from trace to 6mg

Line #7 was alongside the top claim boundary Three holes contained 5mg to 17mg of medium and small, grainy and flat gold

CONCLUSION

Because of the widespread nature of the drill programme, and great variation in values between lines, it is impossible to determine whether there is an economically viable section of ground on the flats tested
Only line #1 contained drill holes with good values Four holes averaged 25mg over a horizontal interval of approximately 100m This equates to approximately $1 62 per square foot, or $14 62 per square yard, with gold at Cdn$500 per oz and a purity of 80% If a 6' section of gravel and bedrock was to be mined, this would lead to an in-place value of $7 31 per cubic yard
Considering the shallow overburden (generally less than 10') , this is very economic

Line #7 averaged 9mg over a 60m width This equates to $0 58 per square foot, or $5 26 per square yard Over a 6' mine section, this results in $2 63 per cubic yard With less than 10' of overburden, this could be marginally economic

Substantial infill drilling will be required on these two flats to prove up sufficient volume to support a mining operation It is hoped to follow this up in 2003 and/or 2004 with further YMIP assistance

PLACER DRILL LOG

Date 29-Jun-02	Time	Driller Sylvain Fleurant	Helper
Type of Drill auger		Inside Diameter of Drill 6 inch	
Location DP CLAIMS		Lease or Grant Numbers	

Drill Hole Number	Total Footage	Breakdown IN Feet (of materials encounterd)	Remarks samples/results
A-1	18ft	10ft muck 4gravel 4 bedrock	30 mg
A-2	13ft	4ft muck 7 gravel 2 bedrock	24 mg
A-3	15ft	2 muck 5 pea gravel6 gravel 2 bedrock	34 mg
A-4	19ft	3 muck 9 pea gravel 1gravel 2 gravel bolder 4 bedrock	11 mg
A-5	18ft	9 muck 4 gravel 2bolder 3 bedrock	trace
A-6	19ft	14 muck 2gravel 3 bedrock	trace
A-7	17ft	13 muck 1 gravel 1gravel bolder 2 bedrock	13 mg
A-8	27ft	9 muck 4 gravel 3 muck1gravel 5 muck 3 pea gravel 2 bedrock	6 mg
A-9	15ft	5 muck 7 gravel 3 bedrock	7 mg
A-10	16ft	1 muck 3 pea gravel 6 gravel 3 gravel bolder 3 bedrock	4 mg
A-11	15ft	4 muck 9 gravel 2 bedrock	0
A-12	18ft	10 muck 4 pea gravel 4 bedrock	tr
total	192 ft		

Date 29-Jun-02 Signed (Driller or Representative Sylvain Fleurant

Drill Hole Number	Total Footage	Breakdown IN Feet (of materials encounterd)	Remarks samples/results
A-13	22ft	14 muck 5 gravel 3 bedrock	2 mg
A-14	26ft	20 muck 2 gravel 4 bedrock	tr
A-15	11ft	5 muck 1 gravel 3 gravel bolder 2 bedrock	tr.
A-16	15ft	5 muck 5 gravel 2gravel bolder 3 bedrock	11 mg
A-17	13ft	8 muck 2 gravel 3 bedrock	2 mg
A-18	11ft	7 muck 2 gravel 2 bedrock	1 mg
B-1	15ft	6 muck 7 gravel 2 bedrock	6 mg
B-2	15ft	6 muck 6 gravel 3 bedrock	3 mg
B-3	16ft	2 muck 1 gravel 9 muck 2 gravel 2 bedrock	tr
B-4	12ft	2 muck 7 gravel 3 bedrock hard or bolder	5 mg
total	156 ft		

Date 29-Jun-02 Signed (Driller or Representative Sylvain Hamel

PLACER DRILL LOG

Date 1-Sep-02	Time	Driller Sylvain Fleurant	Helper
Type of Drill auger		Inside Diameter of Drill 6 inch	
Location Indian river DP claims		Lease or Grant Numbers	

Drill Hole Number	Total Footage	Breakdown IN Feet (of materials encounterd)	Remarks samples/results
B-5	17ft	7ft muck 3ft gravel 2ftgravel bolder 5ft bedrock	17 mg
B-6	15ft	2ft muck 8ft pea gravel 2ft gravel bolder 3ft bedrock	5 mg
	32'		

Date 1-Sep-02 Signed (Driller or Representative

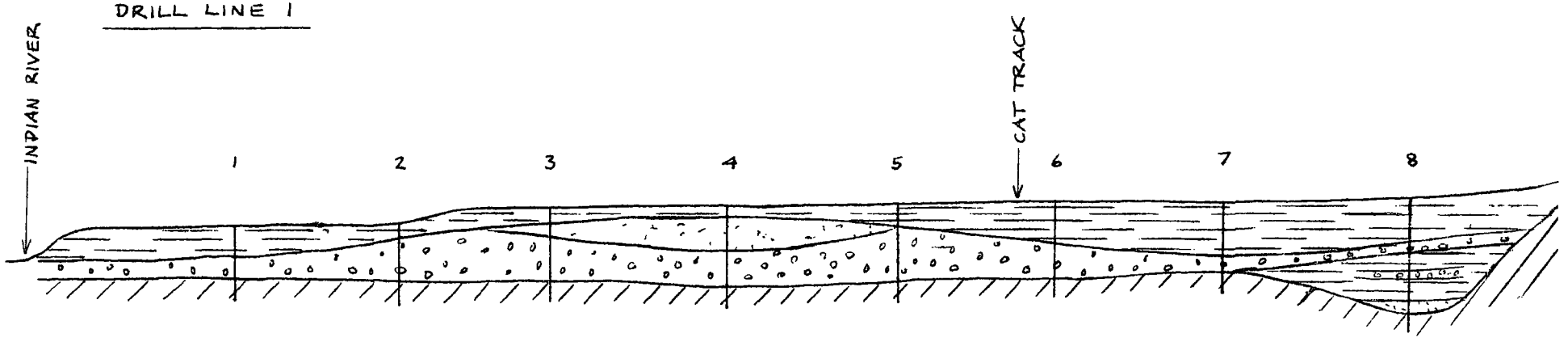
DRILL RESULTS (mg. GOLD)

DRILL HOLE #

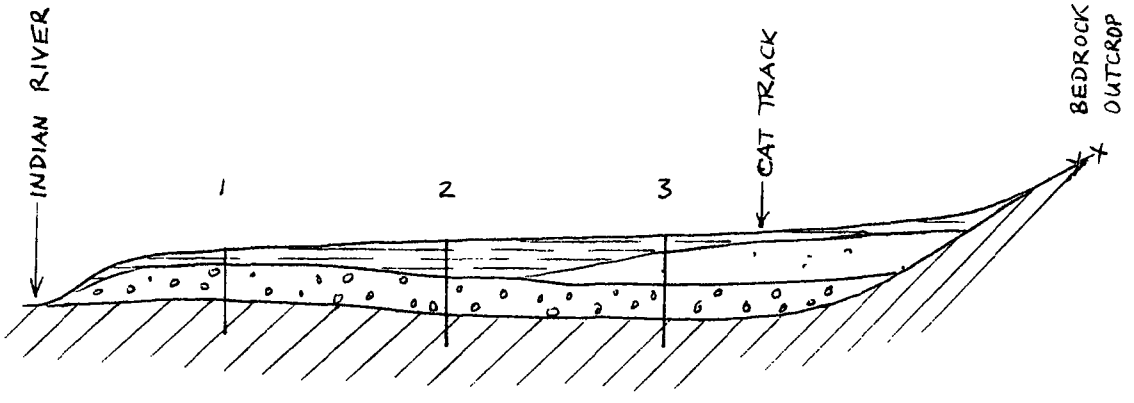
DRILL LINE #	1	2	3	4	5	6	7	8
1	30	24	34	11	tr	tr	13	6
2	7	4	0	tr	2	tr		
3	tr							
4	11	2						
5	4	3						
6	6	3	tr					
7	5	17	5					

SCHEMATIC CROSS SECTIONS ALONG DRILL LINES 1 AND 7

DRILL LINE 1



DRILL LINE 7

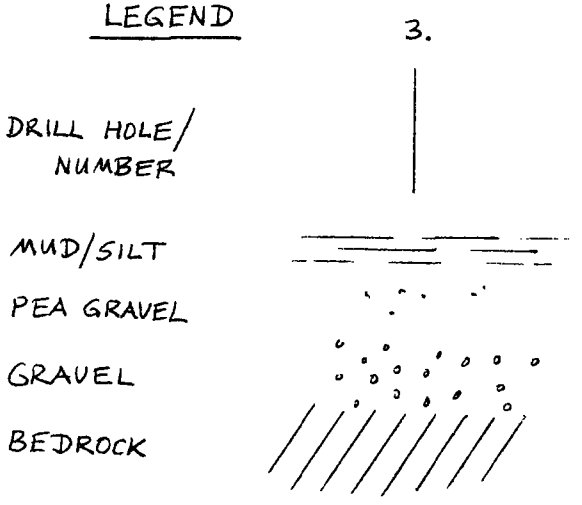


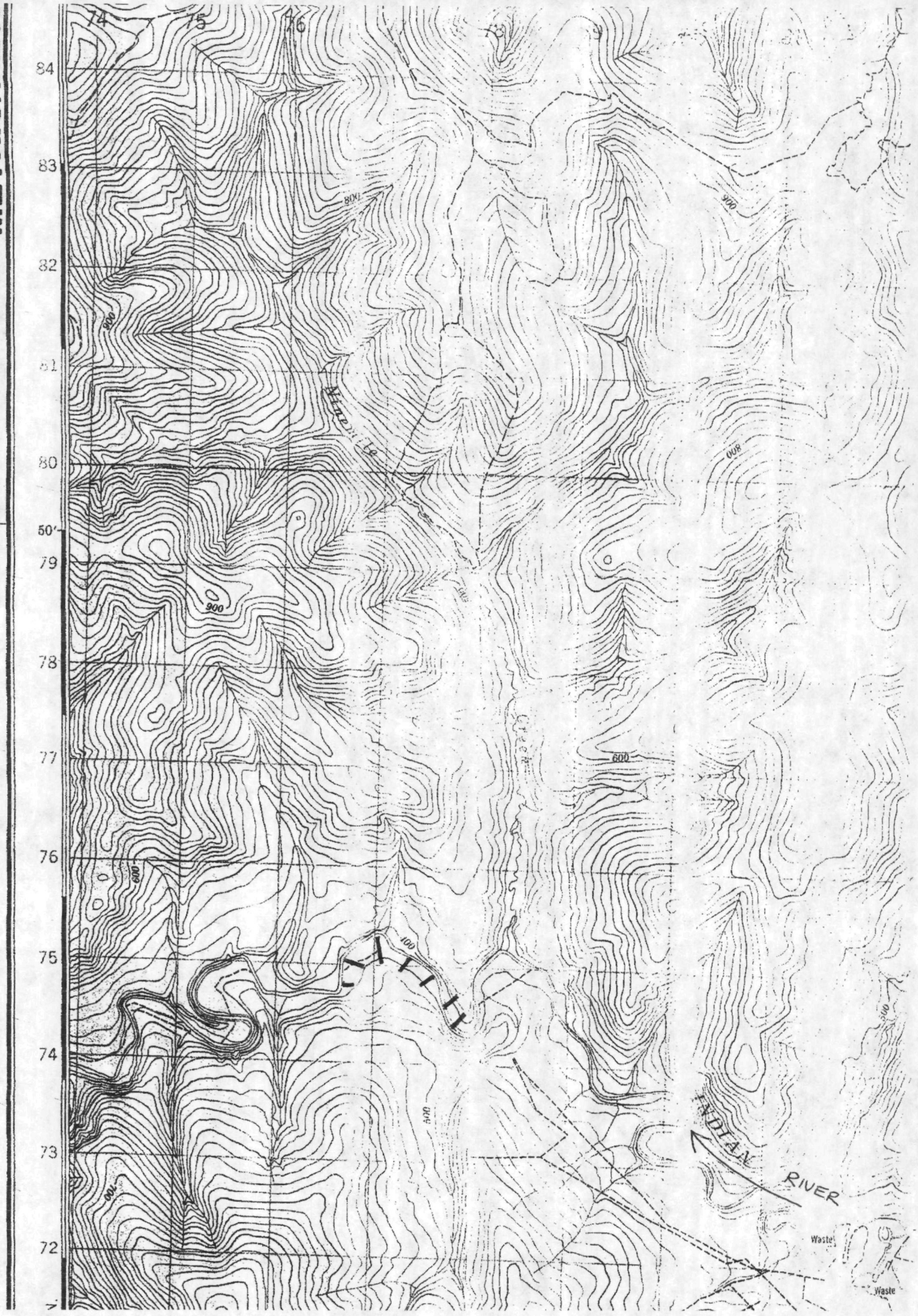
HORIZONTAL SCALE (APPROX)

0 10 20 30 40 50 100 m

(VERTICAL SCALE IS SCHEMATIC ONLY)

LEGEND




METRIC/MÉTR
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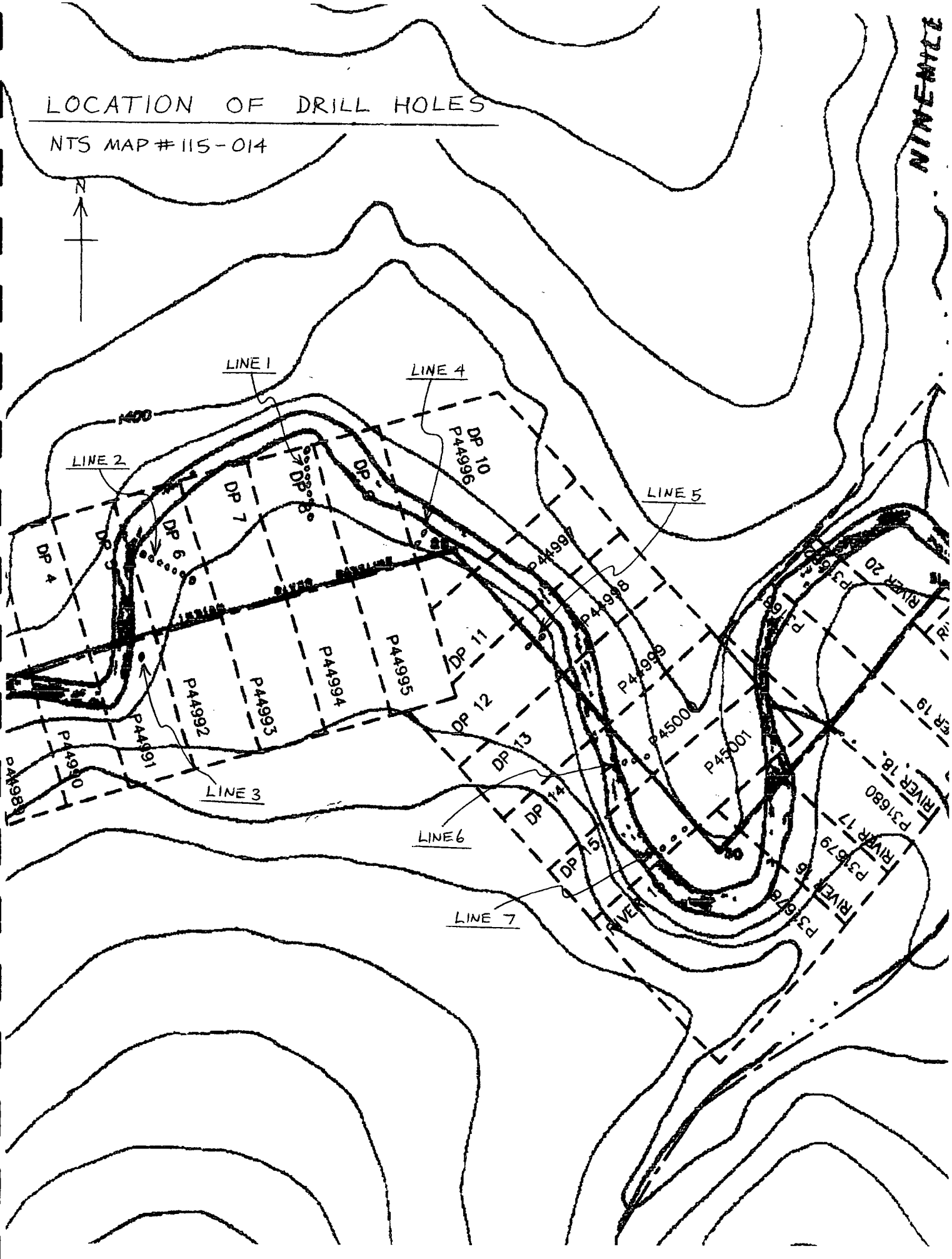
UTS MAP
15-014
LOCATION
OF
DRILL
LINES
LEGEND
DRILL
LINE
800
900
600
100
INDIAN
RIVER
Waste
Waste

LOCATION OF DRILL HOLES

NTS MAP # 115-014



CLEANING UP DRILL SAMPLES - DAVID MCBURNEY

DRILLING - SYLVAIN FLEURANT