

File # ED 90-1/91080

Placer Evaluation Report on the Chum Drilling Program

on

Dominion Creek, Dawson Mining District, Yukon

on

Placer Lease #8776

NTS: 63°45'N

138°50'W

by

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for

Dominion Gold Co.

May 20 - May 28, 1991

50%

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Location and Access

The lease is located on the left limit of Dominion Creek between the mouths of Gold Run and Sulphur Creeks. The claims can be accessed by government-maintained gravel road from Dawson City, Yukon. It is 65 km from the junction of the Klondike Highway and the Hunker Road to the lease location. Access from the road to the lease is accomplished through a network of cat trails that cross Dominion Ditch about 1.5 km downstream from the end of the lease. From here, a Nodwell and 4x4 Yamaha swamp buggy were used to transport drill equipment, personnel and samples on the swampy valley flat. Dominion Creek was not crossable at any point where it flows for the entire length of lease, and drilling was restricted to the accessible side.

Physiography

The lease covers the original Dominion Creek Channel where it flows along the left limit of the valley. The lease averages 600 to 700 feet in width on the valley bottom and covers varying amounts of low level bench ground that remains untested. The Dominion Creek valley flat is from 2,000 to 5,000 feet wide in this area. The valley bottom has not been cut appreciably since White Channel depositing time and White Channel gravels are visible and actively being mined for the entire length of valley bottom beside this lease. The creek valley is unglaciated and unincised by stream action due to recent uplifts. The ground is very flat.

Previous Work

This lease lies in the heart of the Klondike and is adjacent to the most productive placer gold area on the Indian River drainage. White Channel gravels adjacent to this lease have been mined since 1900 by hand, dredge and modern equipment. The Gold Run Channel, which enters Dominion Creek 1 km upstream from this lease, was second only to

Yukon Territory
 Area: 478,034 sq. km.
 Population: 25,000
 Capital: *Whitehorse*

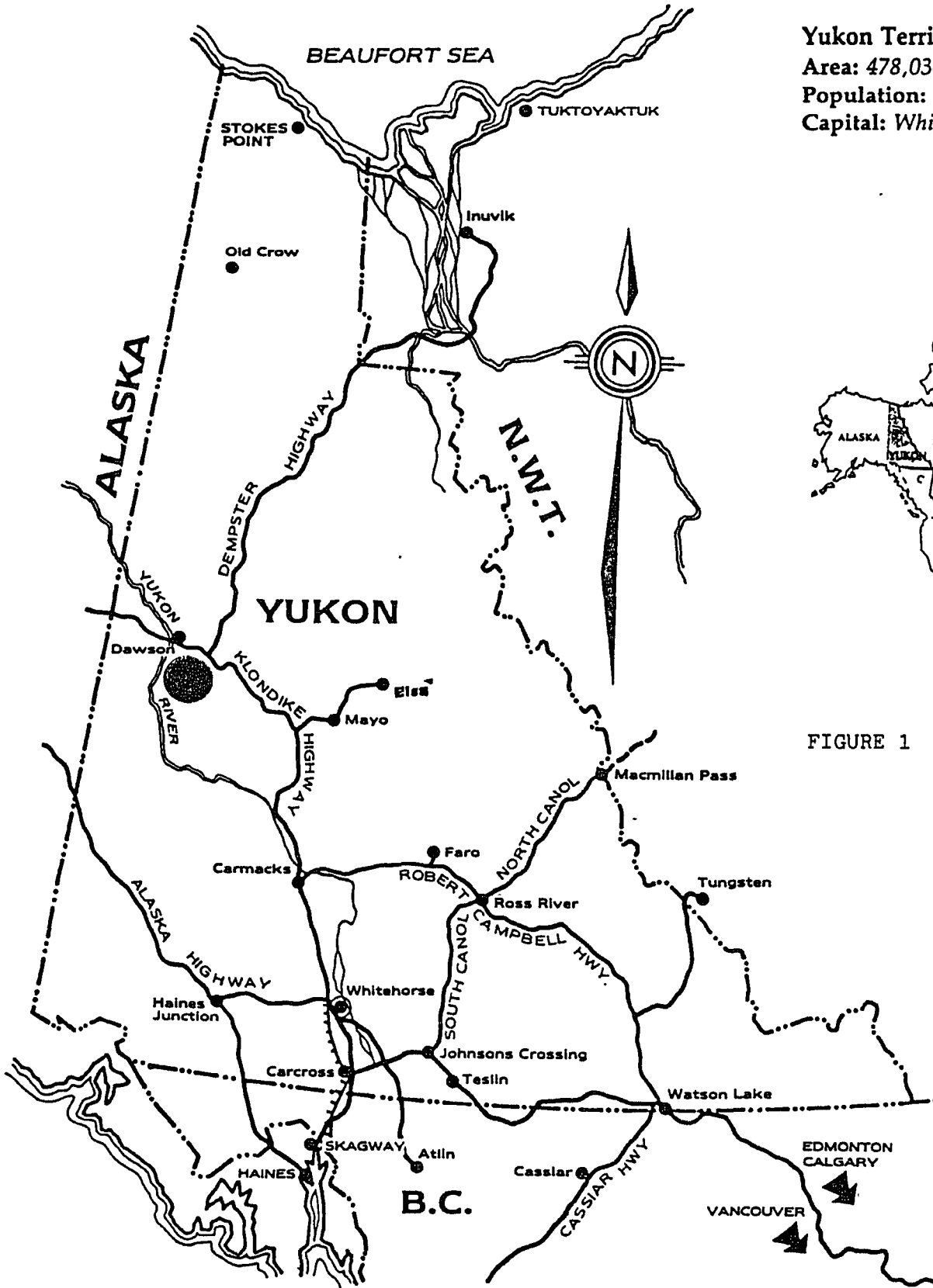
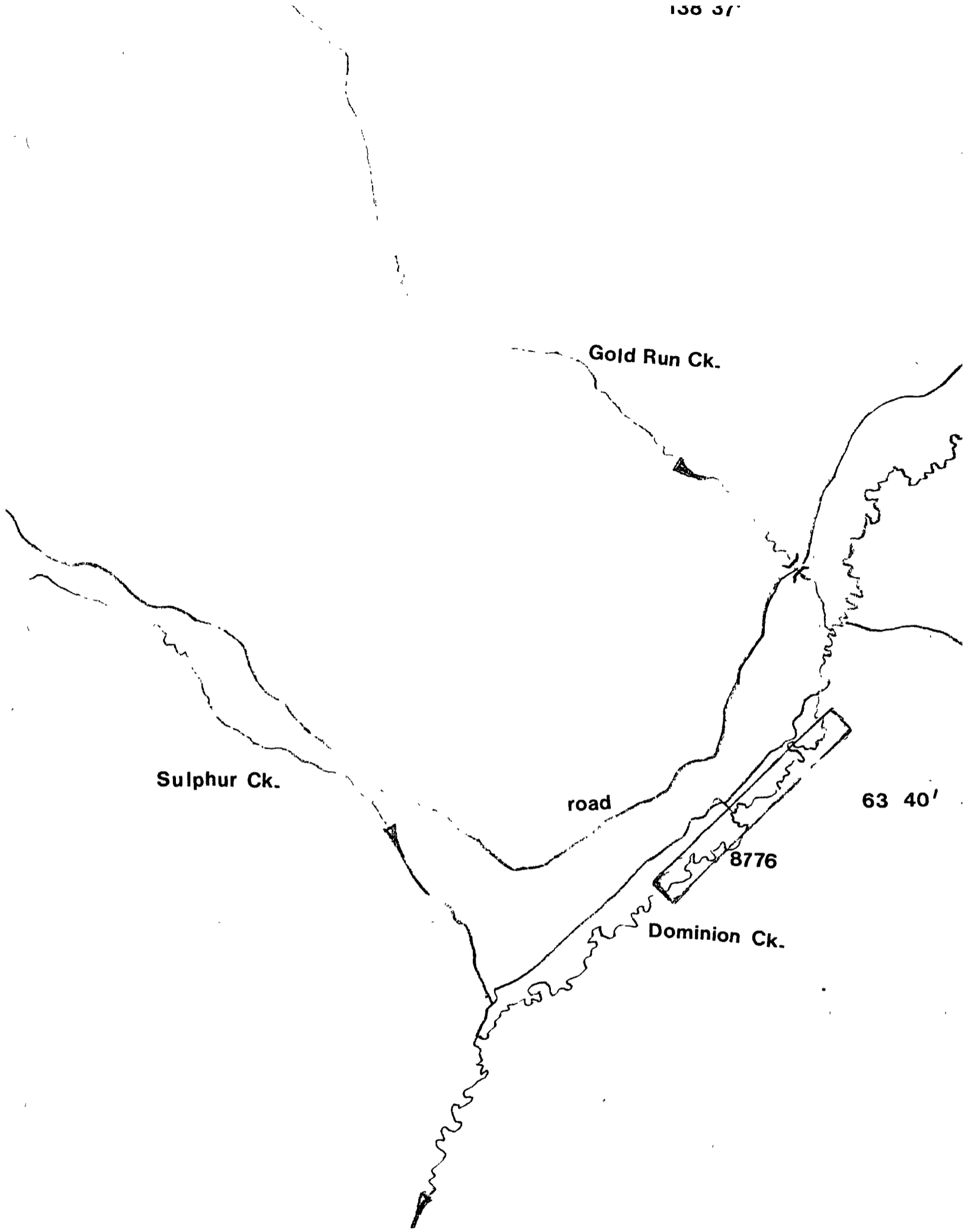


FIGURE 1



Sulphur Ck.

Gold Run Ck.

road

63 40'

8776

Dominion Ck.

CLAIM MAP

1:50,000

Fig. 2

Eldorado in richness. No drill holes have ever been previously drilled on this lease, as a rich paystreak was found and worked on the far side of the valley.

A few prospect shafts were dug on the lease, but no information is available on this work. In one area, a line of shafts, with raised gravels, extends to the back of the lease along a bedrock reef. This area remains untested, as the Nodwell could not cross the deep, steep banked channel of Dominion Creek to access the area.

Current Work

A chum drilling program was undertaken to test the placer gold potential of this lease. The area was first traversed by foot and hole locations were decided based on access, physiography and the need to test the entire length of the lease. A Nodwell-mounted Failing CFD-1B drill was used to drill the 6¼" diameter holes. Two drillers were employed to do the drilling, and two additional men were required to assist in sampling and to haul samples by 4-wheeler to the truck. The drill contractor was Midnight Sun Drilling of 13 MacDonald Road, Whitehorse, Yukon. The drill rig and personnel were mobilized out of Whitehorse, with the drill rig being trucked to within 4 km of the lease. Accommodations were provided both in Dawson City and at Queenstake Resources' camp on Dominion Creek.

A total of 15 vertical holes were drilled through the overburden and creek gravels and into bedrock. The drill rig arrived on the property on May 22, 1991, and drilling was completed May 24, 1991. Cuttings were blown up the hole and collected in bags. The cuttings were then sluiced slowly by hand in a long-tom box with riffles, expanded metal and matting. Sluice concentrates were panned down using a "Dan-Pan" and the

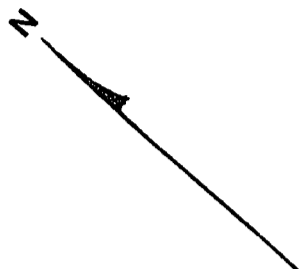


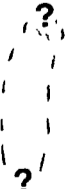
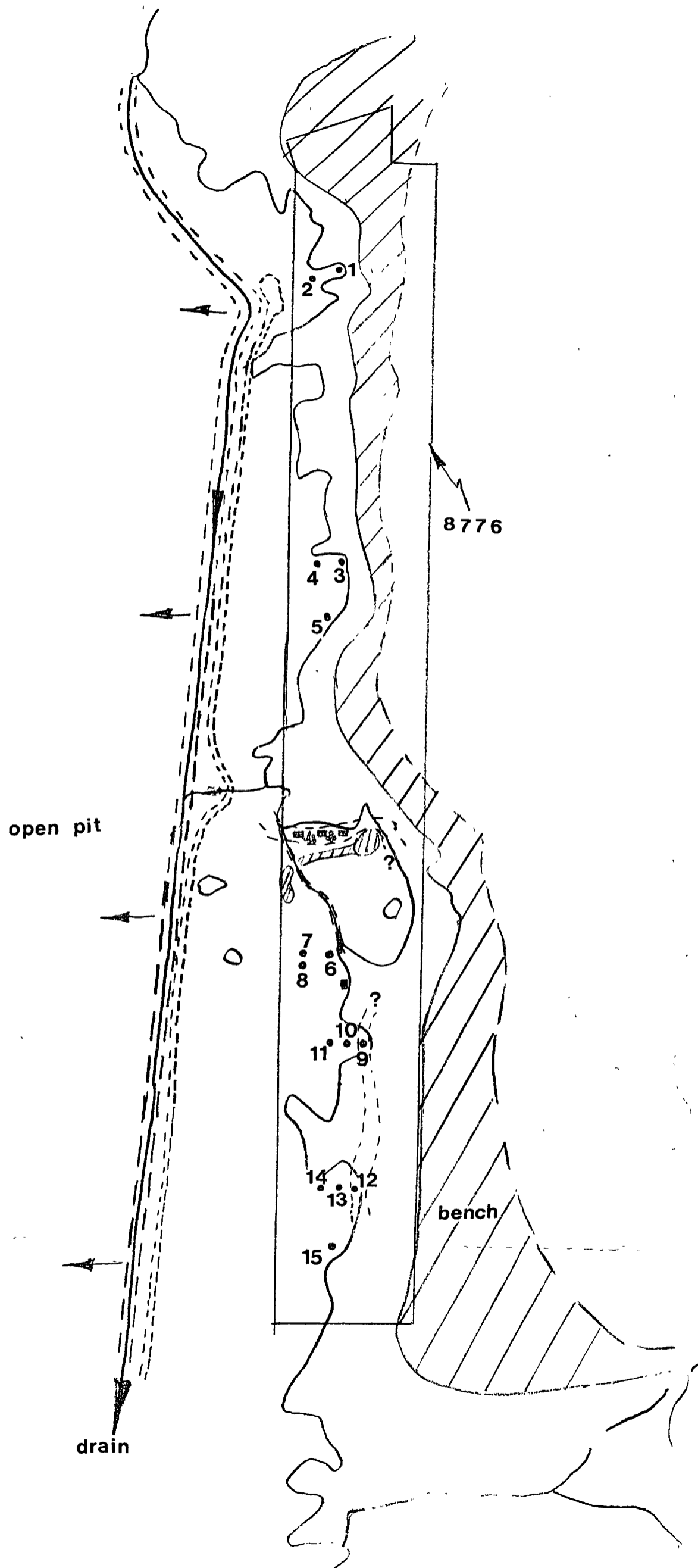


FIG. 3

LEGEND

- Drill hole
- Shaft
-  Low bench
-  Cat trail
-  inferred paystreak



recovered gold was weighed. Calculations of troy oz/yd were done based on gravel depth, hole diameter and gold recovered.

Results

Hole locations are as plotted on Figure 3. Results are tabled below:

Hole #	Muck	Gravel	Hole Depth	Hole Grade oz/yd of gravel
1	0-10'	10'-15'		.003
2	0- 8'	8'-20'		Trace
3	0-13'	13'-18'		Trace
4	0-13'	13'-18'		Trace
5	0-13'	13'-20'		Trace
6	0-15'	15'-20'		Trace
7	0-13'	13'-15' (no bedrock)		Trace
8	0-10'	10'-18'		Trace
9	0-10'	10'-15'		.017
10	0-13'	13'-20'		Trace
11	0-14'	14'-20'		Trace
12	0-10'	10'-15'		.015
13	0-15'	15'-20'		Trace
14	0-11'	11'-14'		Trace
15	0-12'	12'-15'		Trace

Discussion

The area drilled represents a bench zone along the left limit of Dominion Creek. Fine gold was recovered from every hole but only 2 holes contained appreciable quantities. Both holes 9 and 12 contained weighable gold and indicate the presence of a paystreak along the lower area of the lease, tight against the left limit of the valley.

The overburden is shallow in this area, consisting of 10 feet of ice and muck, followed by 5 feet of pay gravel. The two holes payed about \$7.00 and \$8.00 per yard for the bottom 5 feet of gravel.

All holes contained large amounts of garnet in the concentrate.

Conclusion and Recommendations

It is concluded that a paystreak of unknown dimensions occurs on the lower section of this lease, tight against the left limit of the valley flat. Drill indicated grades approach economic viability at \$7.00 to \$8.00 per yard due to the shallowness of the ground, with no gravel to strip. Good roads and plentiful water also add to the viability.

It is recommended that further testing, bulk testing, or pitting on a large scale should be carried out along the left limit where the drill indicated paystreak occurs. A few small 50'x100' pits to bedrock, with sluice recovery of the contained gold, would test the economics of large scale mining of this area.

Statement of Costs

15 holes to bedrock

294' of drilling

Drill Crew:

Mob Whse-Dawson-Whse - Nodwell and drill	\$ 3,544.38
294' @ \$25/ft. - 6½" hole	7,350.00
Nodwell time - 14 hrs @ \$145/hr. (unscheduled)	2,030.00
Nodwell time - (scheduled)	750.00
Camp - 2 men x 3 days x \$100/manday	600.00
Mob-Demob drillers and supply truck	780.00

Sample Crew:

4 wheeler rental - 5 days @ \$75/day	375.00
Sluice and pump rental - 6 days @ \$75/day	450.00
Truck and fuel - mob - Whse-Dawson-Whse 6 days @ \$150/day	900.00
2 men x 5 days x \$200/manday wages	2,000.00
2 men x 2 days x \$200/manday - sample processing	800.00

Camp:

2 men x 6 days x \$100/manday	1,200.00
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Report:

	<u>500.00</u>
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Total:

	\$ 20,679.38
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