Prospecting Report for Indian River

YMIP 01 - 056

Prepared for SLATE RIVER MINING LTD

By David McBurney

NTS Map Numbers 115 - 0 13, 115 - 0 14

Grid Coordinates 729735 - 736734 - 735737 - 729737
744740 - 742743

Claim Numbers P40905 - P40920

Dates 14th - 22nd August, 2001

TABLE OF CONTENTS

Prospecting - Indian River

PROSPECTING - INDIAN RIVER - AIRSTRIP
BERTHA FLAT BENCH

TECHNICAL REPORT

Claim Numbers P40905 - P40920, owned by T Osler

Dates of prospecting 14 - 22nd August, 2001

Work performed by David McBurney, Box 475, Dawson City

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

Employees Simon Hambrook and Devin Bailey

Equipment used
1/ Hitachi EX200 excavator for digging test pits / trenches, carting bucket load sample to test plant at creek, rehabilitating pit sites

2/ Trailer - mounted test plant comprising 4 ft x 18 in trommel, and Knudsen bowl

Summary
Two right limit benches were prospected, using an excavator to dig test pits, or in some cases, to trench in from the terrace edge

Most test pits were approx 2m x 5m at the surface, by varying depths to bedrock where not frozen Excavated material was stockpiled alongside the pit vegetation and soil / clay on one side, gravels on the other A 0 7m3 / 1yd3 sample was removed and processed from pits that reached bedrock This sample was of contact bedrock and gravel

The sample was processed through a small test trommel/Knudsen bowl and concentrate panned Gold was dried and weighed

Pits were then backfilled with the vegetation and soil/clay stockpiles spread on the surface

It was decided to prospect all the thawed areas first with the excavator and test plant, before following up with drilling of the frozen parts of the benches
The results were not encouraging enough to warrant a drilling program

Detailed description of test pits and results attached
Maps attached

INDIAN RIVER - AIRSTRIP

1/ West end bench, 15m from road, 40m in from the edge, 100m E of SW tip of the terrace

1 0m	Soil, Clay
1 0m	Light brown sand 0 2m mud layer
1 5m	Layered fine gravel
1 0m	Brown, slightly rusty brown coarser gravel clasts to 0 3m
	Hard grey schist

Test Sample
0 7m3 (1yd3) sample, lower part coarse gravel and bedrock
Lots of fine garnets and black sand
250mg mostly small and medium flat gold

2/ 30m N of 1/

1 5m	Soil, clay
1 0m	Fine sandy gravel
2 0+m	Mud Frozen

No Sample

3/ 20m N of 2/

2 5m	Soil, clay
1 0m	Very fine gravel and sand
2 0m	Mud
0 5m	Fine gravel, Frozen, water

No Sample

4/ 20m in from terrace edge 90m E of 1/, S side of road, 15m from road

0 5 to 2 0m	Soil, clay Hole on slope/ in cutting
1 5m	Layered fine gravel and sand Loose, unconsolidated Little/ no clay
0 5m	Coarse gravel rocks to 0 3m Sandy, loose matrix
	Slightly decomposed grey/brown schist

Test Sample 1
0 7m3 (1 0 yd3 sample)
270mg small coarse gold some flat and fine

Test Sample 2
1 x 20L pail from contact, hole #4, panned out
Pan 1 - 2 x 1mm flat colours a few specks
Pan 2 - 1 x 2mm colour, 3 x 1mm, few specks, all flat gold
Pan 3 - 1 x 3mm colour, 3 x 1mm, few specks, all flat gold
Pan 4 - 4 x 1mm, few specks

5/ 120m E of 4/ N, side of road 5m from road

3 5m	Clay
2 0m	Fine grey gravel
	Frozen

No Sample

6/ 20m E of 5/ 70m S of 5/ 25m in from edge opened up small gravel pit

0 5m	Soil, clay
3 0m	Layered fine gravel and sand, grey and light brown
1 0m	Layered coarser grey gravel and fine gravel, all very sandy matrix Stones to 0 15m
	Bedrock, blocky grey schist

Test Sample 1
0 7m3 (1 0 yd3) 1/2 bedrock / 1/2 fine gravel
700mg small and medium coarse gold, some flat and fine

Test Sample 2
Bedrock
Pan 1 - 5 x 2mm, few fines
Pan 2 - 1 x 4mm, 1 x 3mm, 8 x 2mm, 10 x 1mm, few specks
Mix of flat and coarse gold

Test Sample 3
Sandy gravel 1 - 2 feet above contact
Pan 1 - trace
Pan 2 - trace

7/ 100m E of 6/ S side of airstrip, 20m in from edge, opened up small gravel pit

0 5m	Soil, clay
3 0m	Layered fine gravel and sand All very sandy matrix
	One boulder 400mm on bottom, most to 100mm max
	Bedrock, flakey grey and brown schist

Test Sample 1
0 7m3 (1 0 yd3) sample, 1/2 bedrock / 1/2 sand and gravel
550mg small and medium coarse gold Lots of very fine/dust gold

Test Sample 2
Pan samples from bedrock
Pan 1 - 5 x 2mm few specks
Pan 2 - 2 x 3mm, 5 x 2mm, 8 x 1mm, lots specks
Pan 3 - 1 x 4mm, 2 x 3mm, 3 x 2mm 5 x 1mm lots specks
Mix of flat and coarse gold

Test Sample 3
Sand depression in bedrock
Pan 1 - few fines
Pan 2 - few fines

Test Sample 4
White channel layer (gravel) on sand/clay layer, 2 feet above bedrock
Pan 1 - Trace
Pan 2 - Trace / fine specks only

7/ cont

Test Sample 5

More claybound white channel gravel layer 5 feet above bedrock Other gravel very loose / unconsolidated

Pan 1 and 2 - nothing

Pan 3 and 4 - 1 x 1mm each, very flat gold

Pan 5 and 6 - nothing

No fines or specks in any of the pans

8/ 100m E of 7/ S side of airstrip edge of bench Trenched in from edge

2 5m	Soil, clay
1 0m	Fine gravel and sand, brown and grey, layered
1 0m	Coarse gravel, much coarser than previous holes, rocks 0 2 - 0 3m grades, up to finer gravel brown and grey/brown Bedrock Pale blue/grey small blocky schist, and rotten, crumbly schist

Test Sample

0 7m3 sample 3/4+ bedrock

200mg - one very coarse 4mm piece, mix small coarse and small flat

9/ 100m E 0f 8/, terrace edge

2 0m	Soil, clay
0 5m	Rusty coloured fine gravel and sand
0 7m	Rusty to brown unlayered coarse gravel, sandy matrix, rocks to 0 4m
1 0m	Light grey coarse gravel
	Bedrock, light grey schist

Test Sample

0 7m3 sample, very little bedrock (less than 1/10th)

90mg - 3 medium coarse, rest small and medium flat

10/ 100m E of 9/, 50m N of terrace edge, trench 10m in from E terrace edge

1 0m	Soil clay
1 0m	Poorly sorted small gravel and sand, brown/grey
1 5m	Unsorted coarse gravel loose sandy and fine gravel matrix Stones to 0 3m in lower part
0 5m	Pale grey, in places rusty quartz rich gravels, stones to 0 2m
	Mostly rotten light grey schist, crumbly

Test Sample 1
0 7m3 sample - virtually all bedrock (9/10ths)
160mg - one coarse 5mm piece, rest medium coarse

Test Sample 2
1 x 20L pail of gravel/bedrock from contact, hole #10, panned out
2 pans nothing
1 pan 3 specks, 1 pan 1 small flat colour

11/ 150m N along terrace edge from 10/ Opened up old trench 20m in from edge

1 0	Soil, clay
4 0 unsorted	Lots of quartz, lots of grey stones Boulders to 0 4m mostly
	Rocks larger to bottom
	Very hard bedrock Dark grey schist, rusty on surface

Test Sample 1
0 7m3 sample - good scrape bedrock 1/4 bedrock, 3/4 gravel
< 50mg - all small flat gold

Test Sample 2
20L pail of gravel from contact, hole #11
Pan 1 - 1 x 1mm colour
Pan 2 - few specks
Pan 3 - 1 x 1mm rusty colour, few specks
Pan 4 - nothing

12/ 40m to hill from 8/, edge of airstrip

2 0m	Soil, clay
1 0m	Layered sand and fine gravel
3 0m	Loose fine, mostly grey gravel, unconsolidated One rock to 0 3m, rest to 0 1m Hole kept collapsing
	Bedrock, blue/grey schist, fairly competent

Test Sample
0 7m3 sample - 1/2 bedrock, 1/2 gravel
100mg mostly small flat gold

13/ Tried to find bedrock in gravel pit Full reach 6 5m All white channel derived gravel, as for 11/ Ground level here is around 5m higher than 11/

No sample

14/ Hole midway between 6/ and 7/, 40m in from terrace edge

0 8m	Black soil
1 2m	Light brown clay
3 5m	Mostly fine gravel, some bands with little or no matrix Unconsolidated, mostly light grey gravels Rocks to 0 4m on/near bedrock
	Dark grey to light blue/grey schist Some light grey, clay matrix, fine gravel on bedrock

Test Sample 1
0 7m sample - all gravel, no bedrock
90mg - all flat, fine gold

Test Sample 2
0 7m sample - 1/4 bedrock, 3/4 gravel
270mg - mix of medium size coarse, and fine gold Some larger flat flakes to 5mm

BERTHA FLAT

15/ Hole in edge of road turnaround, edge of intermediate bench, where road heads down to valley

0 7m	Soil, clay
2 0m	Unsorted gravel, though tends to coarsen down Boulders to 0 3m
	Bedrock - light grey decomposed

Test Sample
20L pail of bedrock / contact gravel, panned out
Pan 1 - 3 x 1mm, few specks
Pan 2 - 1 x 3mm, 6 x 1mm, few specks
Pan 3 - 9 x 1mm, lots specks
Pan 4 - 10 x 1mm, lots specks
Pan 5 - 4 x 2mm, 12 x 1mm, lots specks (extra pan)
All flat, flakey gold

Test Sample 2
0 7m3 / 1yd3 - bedrock and gravel
300mg medium and small flake gold, few small coarse

16/ 35m beyond 15/, same level

0 8m	Soil, clay
2 5m	Mostly unsorted gravel, grey, rocks to 0 3m, random in lower 1 5m
	Bedrock - mid-grey, hard, shattered

Test Sample
20L pail of gravel - bedrock from contact
Pan 1 - 3 x 1mm, few specks, flat gold
Pan 2 - 1 x 1mm, coarse, few specks
Pan 3 - 3 x 1mm, few specks, flat
Pan 4 - 3 x 1mm, few specks, flat

17/ 20m beyond 16/, 0 5m higher elevation

1 5m	Soil, clay
0 8m	Layered grey and brown/rusty sand
0 0 -0 5m	Layered fine gravel, rocks to 100mm Very hard, blocky grey bedrock, uneven surface

Test Sample 1
20L pail of gravel
No gold in any of 4 pans

Test Sample 2
0 7m3 - bedrock and gravel
90mg fine and flat gold only

18/ 20m beyond 17/, 1 0m higher elevation

1 0	Soil, clay
1 2m	Small gravels, Stones to 0 3m
	Bedrock - dark grey shattered slate

Test Sample
20L pail from bedrock/contact gravel
Pan 1 - 1 x 3mm, 2 x 2mm, 3 x 1mm, no specks
Pan 2 - 1 x 3mm, 4 x 2mm, 5 x 1mm, few specks
Pan 3 - 3 x 2mm, 2 x 1mm, few specks
Pan 4 - 1 x 2mm, 5 x 1mm, few specks
Mostly flat gold, some rusty, few small coarse bits

19/ 25m beyond 18/, 1 5m higher elevation

1 0m	Soil, clay
1 0m	Light brown gravels, stones to 100mm, sandy matrix
	Frozen on sand layer

No sample

Gentle hillside, holes dug on slope

20/ 25m on L) side of track
0 8m soil, clay on dark grey bedrock - slate, not schist
1 pan of bedrock - no gold

21/ 45m on L) side of track
0 8m soil and clay to dark grey slate
No sample

22/ 30m on L) side
0 5m soil and clay to dark grey slate
No sample

23/ 25m on L) side
0 8m soil and clay to dark grey slate
1 pan of bedrock on contact with soil No gold

24/ 30m on from 23/, R) side of track

0 8m	Soil, clay
1 0m	Unsorted, mostly small gravel Stones to 100mm Sandy matrix upper part, more clay/decomposed sand lower
	Dark grey shattered slate

Test Sample
20l pail of bedrock and contact gravel
Pan 1 - 3 x 1mm, few specks
Pan 2 - 3 x 1mm, few specks
Pan 3 - 1 x 1mm, few specks
Pan 4 - 2 x 1mm, few specks
All very flat gold - no weight

25/ 25m on from 24/, L) side of track, 1 0m igher elevation

1 5m	Soil, clay
2 0m	Layered fine gravel 0 5m, then poorly sorted small gravels, grey, lots of quartz, loose sandy matrix Stones to 0 2m, 1 at 0 4m
	Bedrock - light grey blocky and flakey schist

Test sample
20L pail of bedrock and contact gravel
1 - 2 specks only in each pan

26/ 30m E along the edge from 15/, same level

1 2m	Soil, clay
2 0m	Mostly unsorted gravels, though finer top 0 6m
	Bedrock - light grey, soft broken schist

Test Sample
0 7m3 sample
520mg - small medium flake gold, some small and medium coarse

27/ 30m further in from 26/, same level

1 2m	Soil, clay
2 0m	Mostly unsorted gravels, finer top 0 5m
	Bedrock - light grey broken schist

Test Sample
0 7m3 sample
330mg - mostly small and medium flake gold, a little coarse

28/ 25m N (toward hill) from 27/, same level

2 0m	Soil, clay
1 7m	Fine, slightly layered gravel top 0 5m Mostly medium coarse gravel, unsorted
	Frozen

No sample

INTERPRETATION - Airstrip bench

Two test pits, 6/ and 7/, yielded good results, 700mg and 550mg respectively, from 0 7m3

Five test pits produced around 200mg, namely sites 1/, 4/, 8/, 10/, 14/

Three test pits produced 100mg or less - sites 9/, 11/, 12/

The remaining four pits did not reach bedrock because of frozen gravel, and no sample was processed

At site 14/, one sample was taken from gravel just above bedrock, yielding 90mg A second sample of bedrock and contact gravel produced 270mg

Some detailed pan sampling from several sites indicated that gold only occurred on and within bedrock Gravel samples contained trace gold only

With gold at $420CDN/oz, and assuming 80% assay, which is the average for the Indian River valley gold, the gold from pit 6/ equates to $7 56 /yd3, and from pit 7/ $5 94 /yd3

The pits with around 200mg equates to $2 16/yd3 approx

The minable section amounts to a maximum of 0 5m / 20in, so the volume of potentially economic gravel is quite small, even if it was assumed these values continued within the frozen part of the bench

The total length of the bench is about 700m Assuming a mine width of 100m the total area equals 70,000m2 With a depth of 0 5m, this equates to a volume of 35,000m3 - approx 50,000yd3

The average grade over all 10 sites that a sample was taken from was 264mg, which equates to $2 85/yd3 Based on this value, the gold reserves on this bench amount to 424 raw oz, which would be uneconomic for the volume of waste overburden to be stripped, and surface area to be covered

INTERPRETATION - Bertha Flat Bench
Fourteen test pits were dug, with eleven pits in one line up the right limit hillside

The pits indicated there was a small intermediate bench approx 50 ft above the main valley, and an upper level bench approx 150 - 200 ft higher

Pits 15/, 16/, 17/, 18/, 24/, 25/, contained a gravel section from which a 20L pail of contact gravel/bedrock was panned

The sample from pits 15, 16/, 18/, on the intermediate bench yielded reasonable colours of gold
Pit 17/ was barren, pits 24/ and 25/ on the upper bench yielded trace to very small flat colours
Pits 19/ and 28/ were frozen
Pits 20/, 21/, 22/, 23/, contained no gravel, but only bedrock beneath the surface organic and clay layer
Several pan samples of bedrock showed no gold

Pan sampling was followed up by a larger bulk test
From pits 15/, 17/, 26/, 27/, a 0 7m3/1 0yd3 sample of contact bedrock and gravel was taken and processed through the test plant

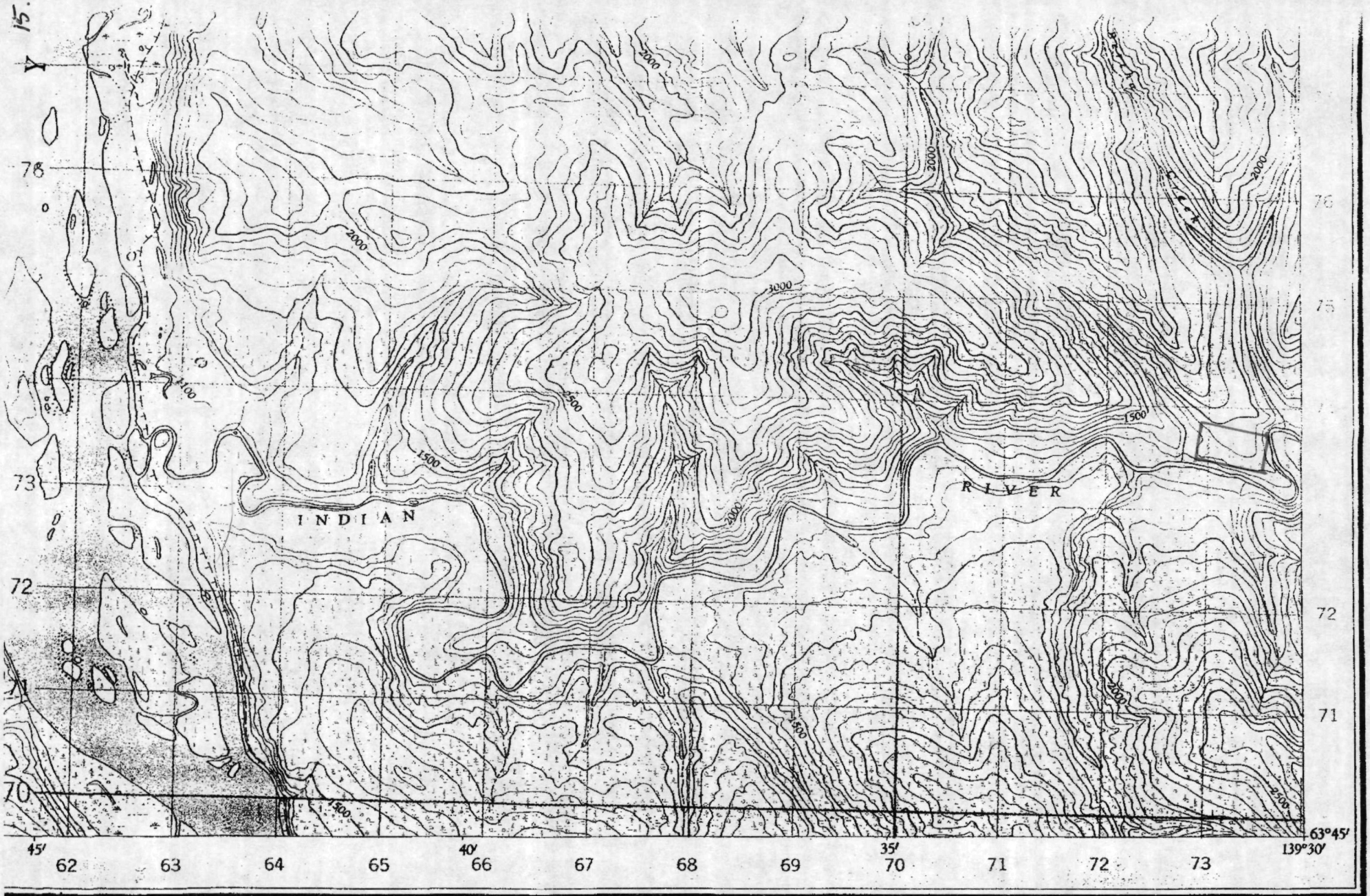
Pit 15/ yielded 300mg, pit 17/ yielded 90mg, pit 26/ yieded 520mg, and pit 27/ yielded 330mg
These figures amount to dollar values of $3 20/yd3, $1 00/yd3, $5 60/yd3, and $3 50/yd3 respectively, based on an assay of 80% and gold at $420CDN/oz

The intermediate bench is quite small in extent, being a max of 100m wide x 300m long, giving a volume of approx 30,000m3, assuming a 1 0m thick mine section
Taking an approx figure of $3 00/yd3, the contained gold would probably amount to approx 300 raw oz Although this is low grade and the total gold content small, the amount of stripping is negligible, amounting to 1 - 2m, depending how much gravel was stripped It might therefore be a very small yet economical deposit

The fact that no gold was found on the bedrock slope above the intermediate bench, and the upper bench margin contained mainly trace to very fine gold, indicate that the pay zone, if it existed, of the old upper bench gravels was probably further south towards the present valley center, and has been eroded away

V111 SUMMARY OF EXPENDITURES

1	Daily living allowance	$35 00/day x 2 = $70 00/day x 8 days	$560 00
2	Transport	10km/day @0 42c = $4 20 x 8 days	$33 60
		2 return trips to Dawson City 110km x 2 = 220km x 0 42c	$92 40
3	Not applicable		
4	Heavy equipment	Excavator Hitachi EX200 20 tonne 69 hrs @ $120 00/hr	$8280 00
		Test plant $100/day x 6 days	$600 00
5	Not applicable		
6	Not applicable		
7	Not applicable		
8	Not applicable		
9	See 4 above		
10	Not applicable		
11	Included in excavator rental - see 4 above		
12	Report preparation	2 days applicant @ $350 00/day	$700 00
		Typing, printing, binding etc 1 1/2 days @ $200	$300 00
13	Other expenses	Wages - applicant @ $350 00/day x 8	$2800 00
		Employee x 1/day @ $200 00/day x 8	$1200 00
		Topographic/claim maps	$10 00
TOTAL			$14,576.00



ER CREEK
TERRITORY

NTS MAP # 115 O 13

PROSPECTING AREA OUTLINED IN RED

Établie et imprimée par la DIRECTION DES LEVÉS ET DE LA CARTOGRAPHIE, MINISTÈRE DES MINES ET DES RELEVÉS TECHNIQUES en 1961 d'après les photographies aériennes prises en 1949 et 1952.

Ces cartes sont en vente au Bureau de distribution des cartes, ministère des Mines et des Relevés techniques, Ottawa.

50,000 ÉCHELLE

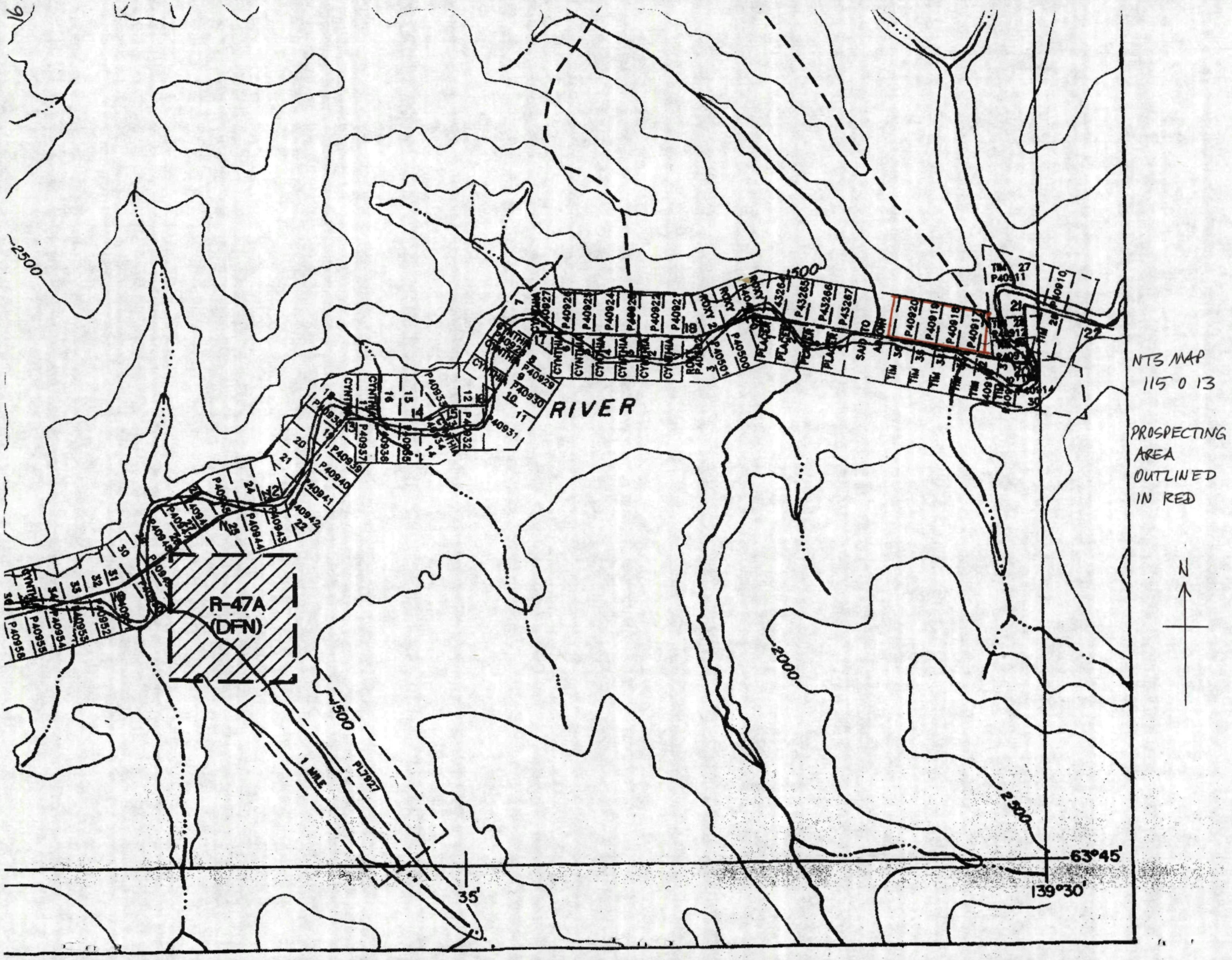
1 2 3 Miles

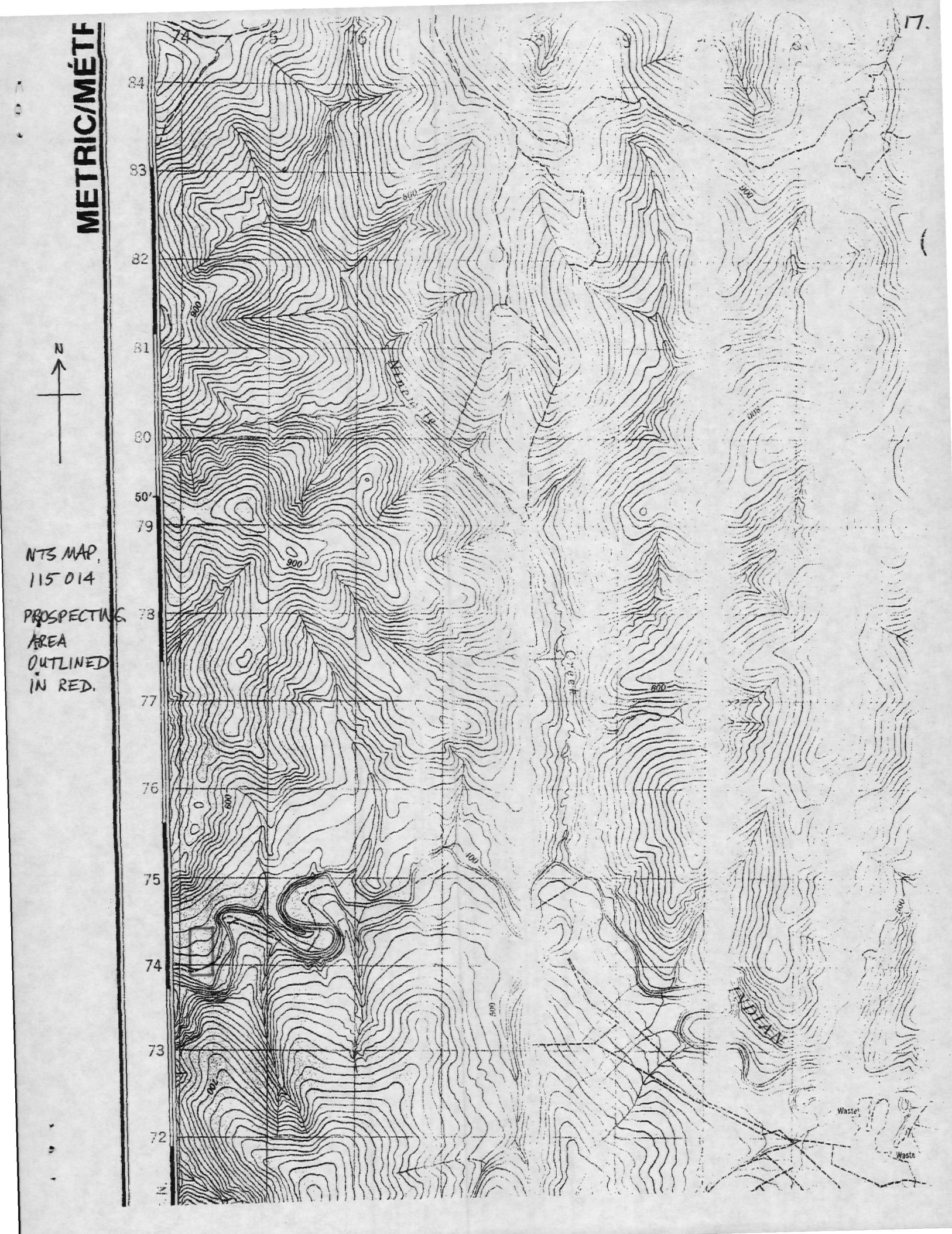
Building..... Bâtiment.....
School..... École.....
Bars..... Grange.....
Post Office..... Bureau de poste.....

T.N.

1°07'
or
20 Mils

30°39'
or
543

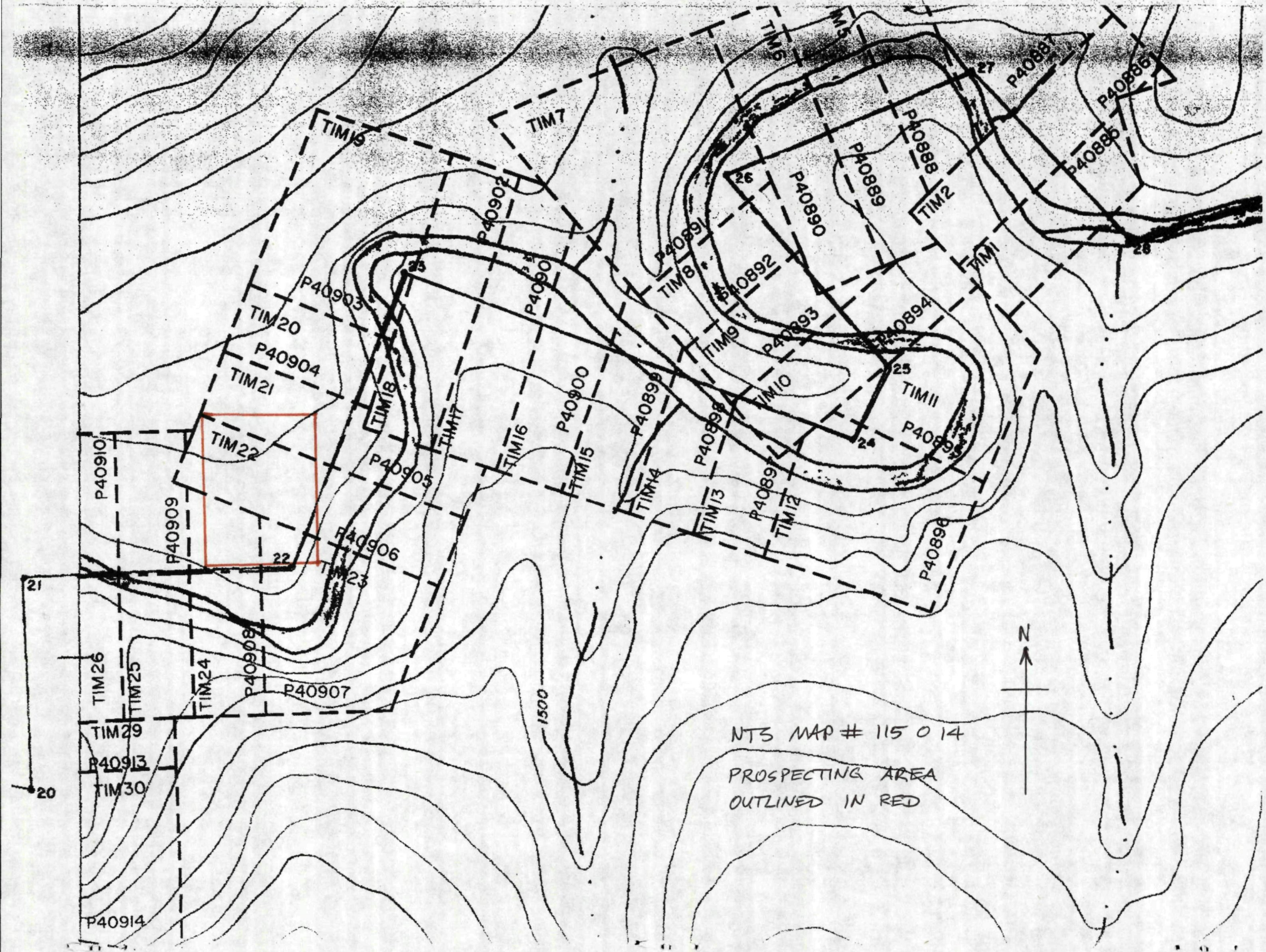

RIVER
R-47A
(DFN)
1 MILE
PL7927
2500
2000
1500
63°45'
139°30'
35'
N
NTS MAP
115 O 13
PROSPECTING
AREA
OUTLINED
IN RED



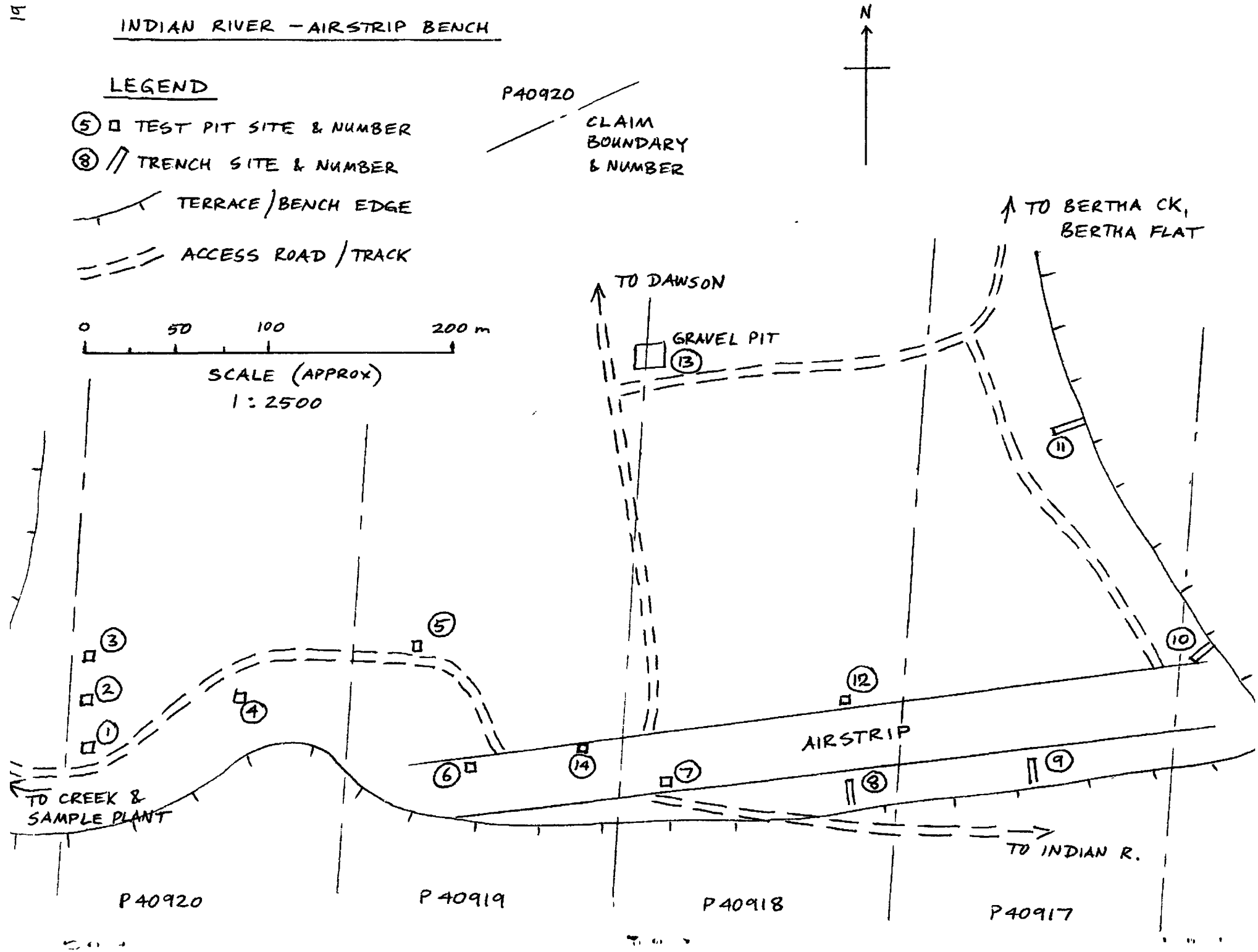
NTS MAP, 115 O14

PROSPECTING AREA OUTLINED IN RED.

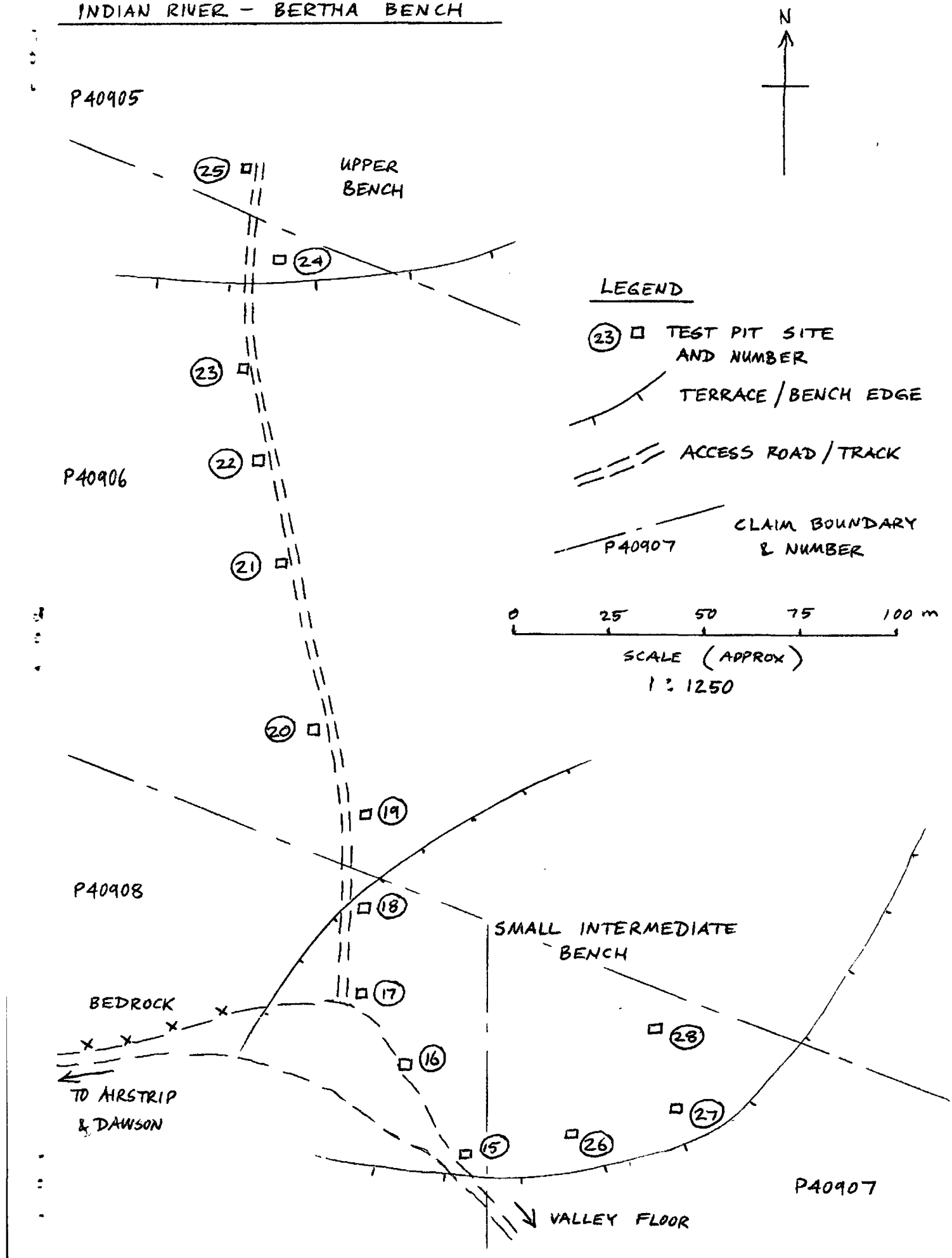
18.


TIM5
TIM6
TIM7
TIM8
TIM9
TIM10
TIM11
TIM12
TIM13
TIM14
TIM15
TIM16
TIM17
TIM18
TIM19
TIM20
TIM21
TIM22
TIM23
TIM24
TIM25
TIM26
TIM29
TIM30
TIM1
TIM2
P40887
P40886
P40885
P40888
P40889
P40890
P40891
P40892
P40893
P40894
P40895
P40896
P40897
P40898
P40899
P40900
P40901
P40902
P40903
P40904
P40905
P40906
P40907
P40908
P40909
P40910
P40913
P40914
27
26
25
24
23
22
21
20
28
1500
N
NTS MAP # 115 O 14
PROSPECTING AREA
OUTLINED IN RED

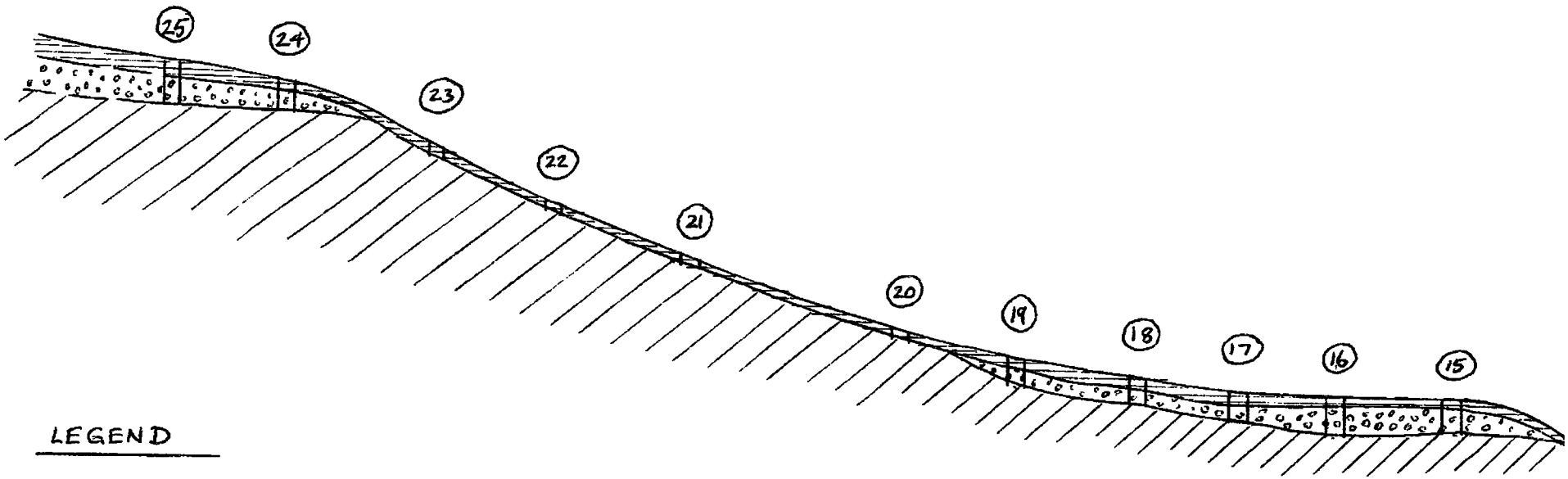
INDIAN RIVER – AIRSTRIP BENCH



INDIAN RIVER – BERTHA BENCH



SCHEMATIC CROSS SECTION - BERTHA BENCH



LEGEND

SOIL / CLAY

GRAVEL / SAND

BEDROCK

21

TEST PIT & NUMBER

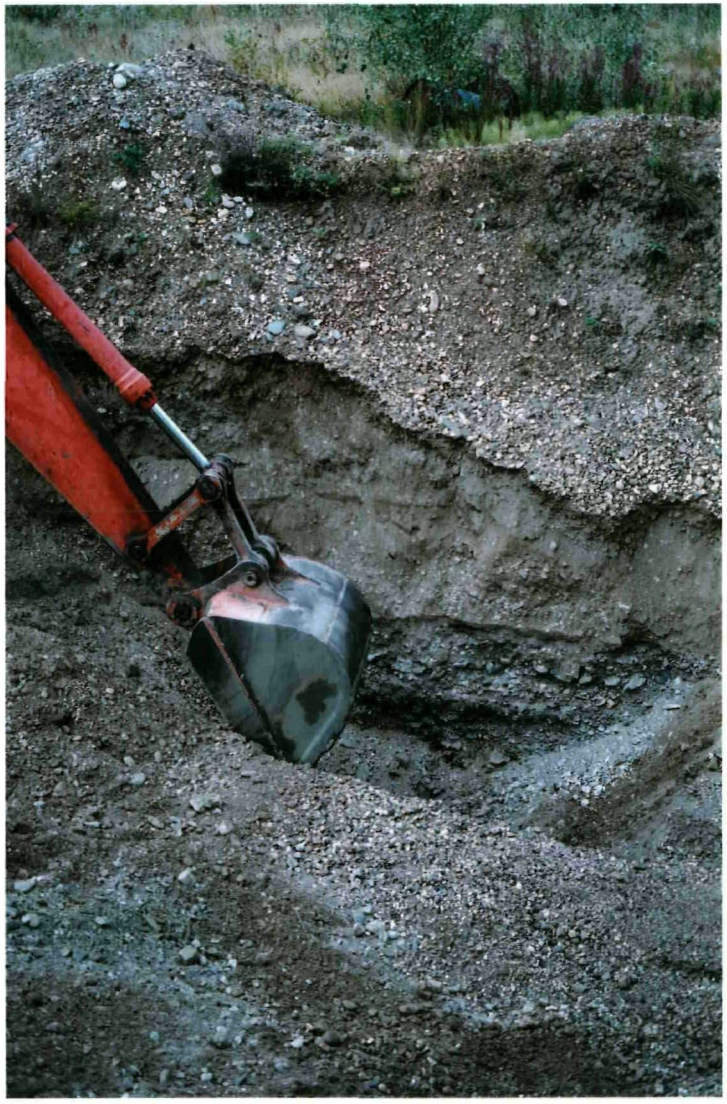
0 25 50 75 100 m

HORIZONTAL SCALE (APPROX)

0

5 m.

VERTICAL SCALE (APPROX)



TEST PIT # 6 , AIRSTRIP BENCH.

TEST PIT #10, AIRSTRIP BENCH

TEST PIT #12, AIRSTRIP BENCH.

TEST PIT #12, SHOWING SITE REHABILITATION.

TEST PIT #11, AIRSTRIP BENCH.

PROCESSING 1 yd^3 SAMPLE WITH SMALL TROMMEL / KNUDSEN BOWL.