

YEIP
2002-079
2002

TARGET EVALUATION , YMIP # 02-079

Placer claims [upper Canadian] 115 J 10

Sharon, Amy 1-15, Rawi 1,2

Latitude 62 deg ,15 min Long 138 deg , 51 min

Placer claims [lower Canadian] 115 J 15

Travis 6, 7.

Latitude 62 deg 30 min Long 138 deg 48 min

Lokey Mining Services Ltd / Lee A Olynyk

26 August to 3 September 2002

YEIP
2002-079
2002

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Lokey Mining Services Ltd. Box 10143, RR#1 Whitehorse, Yukon, Y1A 7A1
Phone [867] 6605025 Email lee@marshlakepolarcom.com

Technical Report
YMIP file # 02-079, Upper Canadian Creek, 22 January 2003

Project location.

The primary placer property investigated was situated on the upper reaches of Canadian Creek and adjoined Patton Gulch. This property was formerly referred to as the Meloy property [circa 1940/50's] or the Jacob's property [circa 1970/80's]. Both groups placer mined at this location over consecutive years.

The property is located in the Whitehorse Mining district, on topo map sheet 115 J 10. The claims are plotted on 115 J 10 **placer** sheet.

Latitude 62 degrees, 15 minutes
Longitude 138 degrees, 51 minutes

Placer claims investigated were

Sharon P46953
Amy P46954
Amy 1-15, P47003-P47016, P46985
Rawi 1,2 P47001,2

Access.

Access to the property is by fixed wing aircraft or boat.

By **air**, a person can fly from Dawson City or Minto landing to the Casino strip located approximately 2 miles west of the property. The property is connected to the airstrip by a four wheel drive road.

By **water** a person can boat downstream the Yukon River, from Minto landing, approximately 80 miles to the Britannia Creek landing. From the landing, approx 15 miles of four wheel drive road, routed along upper Britannia Creek, connect the river to the project property.

For this project, **Big River Ent.** was contracted to freight our gear from Minto to Britannia landing with their Carolina skiff. This boat was able to freight three, very full, 3/4 ton pickup loads of machines, gear and five persons downstream in one trip. It took two trips to return upstream.

Valley Characteristics.

The Canadian Creek section of the property lies in a basin about 3 miles in length by 3000 feet or more in width. It resembles a giant bowl.

The altitude of the valley floor here is approx. 4000 feet asl.

The entire section is located above treeline and hosts typical alpine vegetation.

Creek gradient here is moderate although this changes dramatically as you approach the head of the canyon located approximately one half mile below Canadian creek's confluence with Patton gulch.

Geology.

The geology of Upper Canadian creek is well described by G S C geologist D D. Cairnes in the year of 1916:

"The mountains surrounding the head of Canadian Creek are dominantly composed of Mesozoic granite rocks." Adjacent Patton Hill is described as "a round hill, about a mile in diameter, which is composed largely of pegmatitic and porphyritic rocks. The whole hill is highly mineralized, chiefly with an iron ochre which is largely the decomposition product of iron containing minerals, including pyrite, magnetite and hematite. ... It is evidently from this hill that the gold and wolframite now found in the gravels a few hundred feet below has been derived." [D D Cairnes, 1916, mem. 284, page 443]

On the same page Cairnes describes the placer deposit worked by Mann and partners in 1913. "The uppermost deposit at the workings of Mann and partners is a layer of muck about 3 feet thick, and directly underneath this are the pay gravels which have a thickness of 3 to 5 feet. Below these gravels, the various deposits down to bedrock, so far as they have been explored, do not pay to mine. These deposits in place are cemented by a reddish, iron-stained matrix, to form a 'hard-pan' or really quite a firm conglomerate rock."

Our test work corroborates the observations of Cairnes regarding the presence of heavy minerals in quantity, the red iron stained ochre and pay gravels near surface of 3 to 5 feet in depth.

Stratigraphy.

Most work in the Canadian creek valley was done in areas where the creek had cut through the deposit allowing the workers to accurately assess the stratigraphic section of the deposit.

'Pay' was encountered in some instances immediately on surface [original ground] and sometimes as deep as 3 feet. On average, 'pay' was encountered 1 foot below original ground surface. Overburden generally was a red stained earth.

Frost was not encountered anywhere.

Immediately below the overburden was located, on average, a 2 to 3 foot deep layer of reddish/brown, bedrock-like, material. This material was sporadically embedded with occasional, well worn, cobbles of the same color. The material was extremely decomposed and shovelled up readily in a granular fashion. The material broke up into square cubed, rice sized grains when a shovel was introduced.

Immediately below this section was a layer averaging 2 to 3 feet in thickness. Here the presence of cobbles increased in size and number. The material was sometimes stained red/brown and sometimes grey. Cobble size averaged 1 to 4 inches in diameter.

Immediately below this layer was a layer of larger, very well washed, smooth cobbles. Two feet of this material was shovelled up without reaching the bottom of this layer. Cobble size approached 6 to 7" in diameter.

'Pay' was found throughout all three distinct layers with approximately the same values present, although the gold coarsened up with depth.

Occasional boulders of up to 3 feet in diameter were present on the valley floor surface, particularly as one proceeded upstream. These boulders increase in size and frequency approximately one mile above the confluence of Patton gulch/Canadian creek.

Work Done.

A total of five persons worked on this project for seven full days including travel. Two of these people stayed an additional two days for a total of nine days each.

In total, 39 person/field days were worked. Additional time was spent on preparing and evaluating the samples in Dawson [1.5 days].

Of this total, travel between Dawson and Canadian creek camp consumed 10 person days.

Itinerary was as follows.

26 Aug 2002

Three, 4 wheel drive, 3/4 ton pickups, fully loaded with gear and sharing 5 passengers travelled from Dawson city to Minto landing. The total load and all passengers were transported to the Britannia landing via *Big River Ent's* Carolina skiff.

Cargo included 2 heavy, 4 wheel drive, ATV's c/w tub trailers, three 2 inch pumps, 1 sluice box, 1 Keene suction dredge c/w sluice, 60 gallons gasoline, camp and sluice gear, food and supplies.

Several trips were made to shuttle the gear 5 miles up Britannia and 3 miles up Canadian creek to camp {previously belonging to A. Radford}.

This 16 hour work day was capped with preparing gear for an early start the following morning.

27 Aug 2002

Four persons travel the 13 miles to the work site via the Britannia creek road with 2 ATV's and trailers loaded with gear. One party makes a second shuttle trip
The fifth person remained behind for camp support and continued to do so for the duration of the trip. This lower camp was to be used as a base for daily operations. Twenty six miles were commuted daily to and from the project location
On property, the day was spent doing general reconnaissance work and prospect panning. Several dozen pans were taken stretching over a distance of a mile on Canadian creek and a short distance up Patton gulch

28 Aug 2002

Hand shovel sluicing commenced later in the day at the completion of concentrated reconnaissance and prospect panning activities
One 4 foot aluminum box was shovelled into, while the other was fed with a Keene suction dredge. Both methods had their respective advantages
Approximately one cubic yard was processed by each 2 person/team
Boxes were cleaned up. The concentrate was rough panned to get a "ballpark" evaluation then bagged and labelled

29 Aug 2002

The dredge prospected 2 separate locations sluicing 3/4 cubic yard per location
Two separate locations were hand shovelled to the box, with 1.5 & 0.75 cubic yards sluiced respectively
Concentrates were rough processed, bagged & labelled

30 Aug 2002

Dredging was halted for the day so that more prospect panning could be accomplished
Two cubic yards were processed over 2 locations with the "shovel in" box

31 Aug 2002

A total of 3 cubic yards were processed at one pit location. The above water sluice material was hand shovelled in while the submerged material was dredged. This combination worked well
All gear was demobilized to camp

1 Sept 2002

3 persons returned to Dawson. Two stayed behind to prospect the area surrounding the confluence of left limit tributary "Potato" creek. This tributary earned its local name from its yield of many very large nuggets. Nuggets of several ounces in size were recovered by Radford during the 2002 sluice season, including one 7 ounce piece
This creek heads at the same location as the head of Excelsior creek, tributary of the Yukon River
Its confluence with Canadian creek is 8 claimlengths upstream of the ex-Radford camp or approximately four miles upstream of Canadian's confluence with Britannia creek

It was decided to prospect here for two reasons One being that Radford said that he lost the paystreak on the lower portion of Potato creek and suspected that it might be on the deeper right limit We speculated that the tributary's wealth might have been derived from the reconcentration of a Canadian creek, ancient left limit, bench deposit Prospect panning was carried out along the lower 800 feet of Potato creek

2 Sept 2002

2 men prospect panned Potato creek and the left limit of Canadian immediately upstream and downstream of the confluence Samples were collected and tagged

All prospect work done at this location was carried out on Canadian creek claims

Travis 6,7,8 [P32963,64,65]

3 Sept 2002

2 men returned to Dawson

Values Obtained Upper Canadian

Prospect panning on **Patton gulch** resulted in very little gold recovery No placer cobbles could be found here. We did not have the benefit of the creek downcutting the material to the extent that we could sample at relative depth The only material tested here was a decomposed red ochre that was present throughout Only occasionally were traces of gold found in the pan

The portion of Canadian creek from between the mouth of Patton gulch and the head of the canyon was prospect panned only It appears that the valley centre may have been previously mined [Meloy/Jacobs?]

Values approaching \$10 00 per in place cubic yard were panned along the rim of the valley [av 50 feet from valley centre]

The gold was fine and went zero to 8 pieces to the pan

The portion of Canadian creek from Patton gulch to one half mile upstream was bulk tested by hand An attempt was made to determine pay limits upstream and to the valley sides

Only the areas immediately adjoining the creek were sluiced due to the inavailability of water elsewhere

A total of 10.75 cubic,in place, yards were sluiced for a total recovery of 23 1 grams of gold The 3 yard pit that was dug on the final day yielded 9 0 grams Most gold was fine with the exception of a few quartz/rich nuggets found at depth

Two other one yard samples produced 2 8 and 3 1 grams respectively

The remaining 6 holes, totalling 5 75 yards processed, yielded the balance of 8 2 grams

The best 3 pits, totalling 5 yards, yielded 14.9 grams of gold or 2.98 gms/in place yard
Value per yard = today's price of \$550.00 Cdn divided by 31.1035 X .86 fine x 2.98 gm =
\$45.31/in place yard

The remaining six pits, totalling 5.75 yards yielded 8.2 grams or 1.43 grams/ in place yard
Value per yard = today's price of \$550.00 Cdn divided by 31.1035 x .86 fine x 1.43 =
\$21.74 / in place yard

Averaging all the pits together we get an average value of \$550.00 divided by 31.1035 x .86 fine x 23.1 gms divided by 10.75 yds = \$32.67 / in place yard

These values were found on a section of creek on claims Amy #'s 8,9
Test pans on ground away from the creek adjacent the pits indicate that the pay could perhaps be upwards of 100 feet wide in places

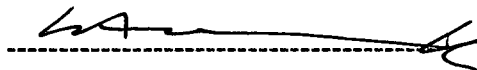
Values obtained Lower Canadian.

The lower Travis claims at the **mouth of Potato creek** yielded some good pans of coarse gold. Gold was sporadic, but some \$20.00 / in place yard values were established. Good values were also identified on Canadian's left limit wall immediately downstream of Potato creek. No conclusion was made as to the origin of this paystake. Deep overburden prevented us from obtaining good samples upstream of Potato creek.

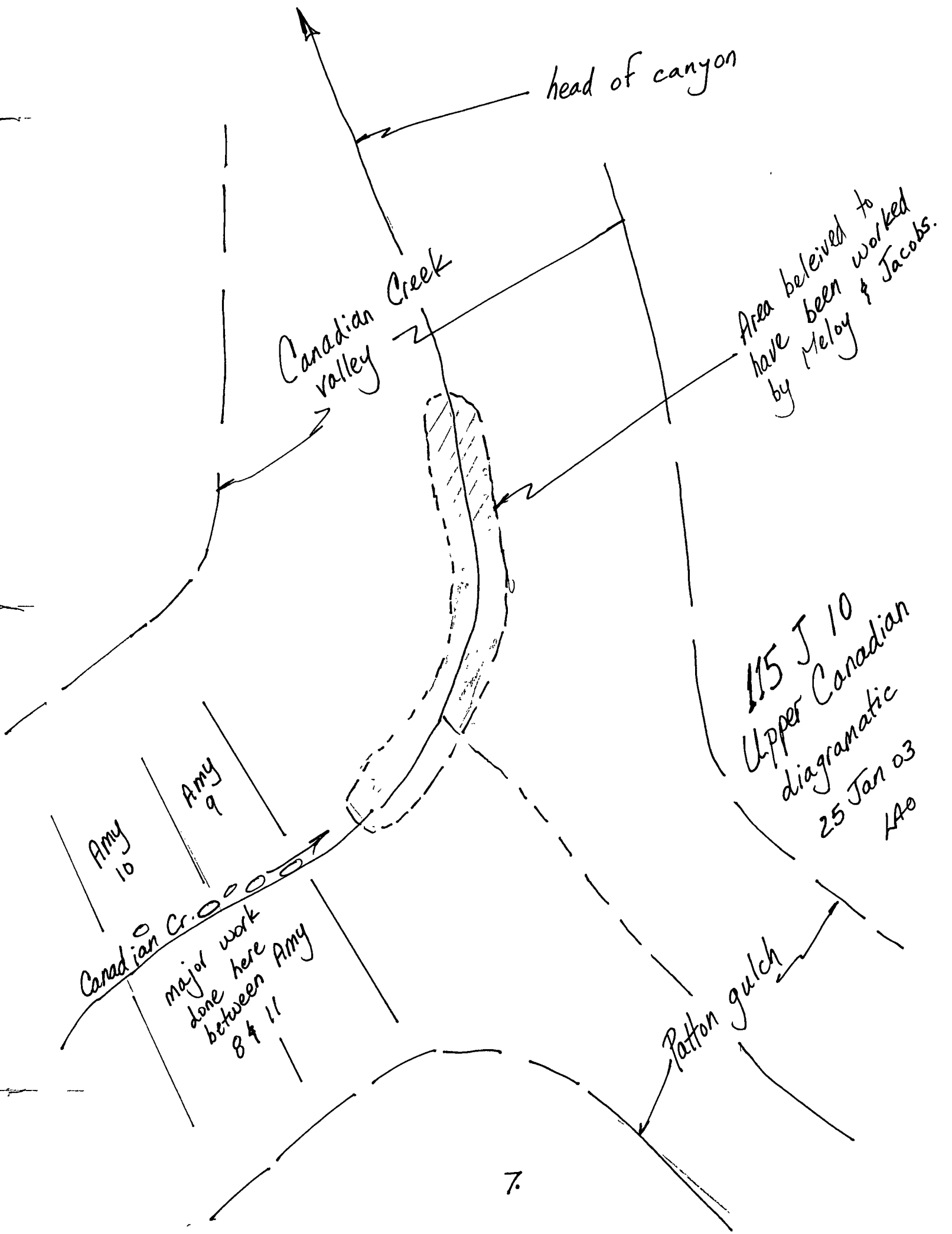
Recommendations.

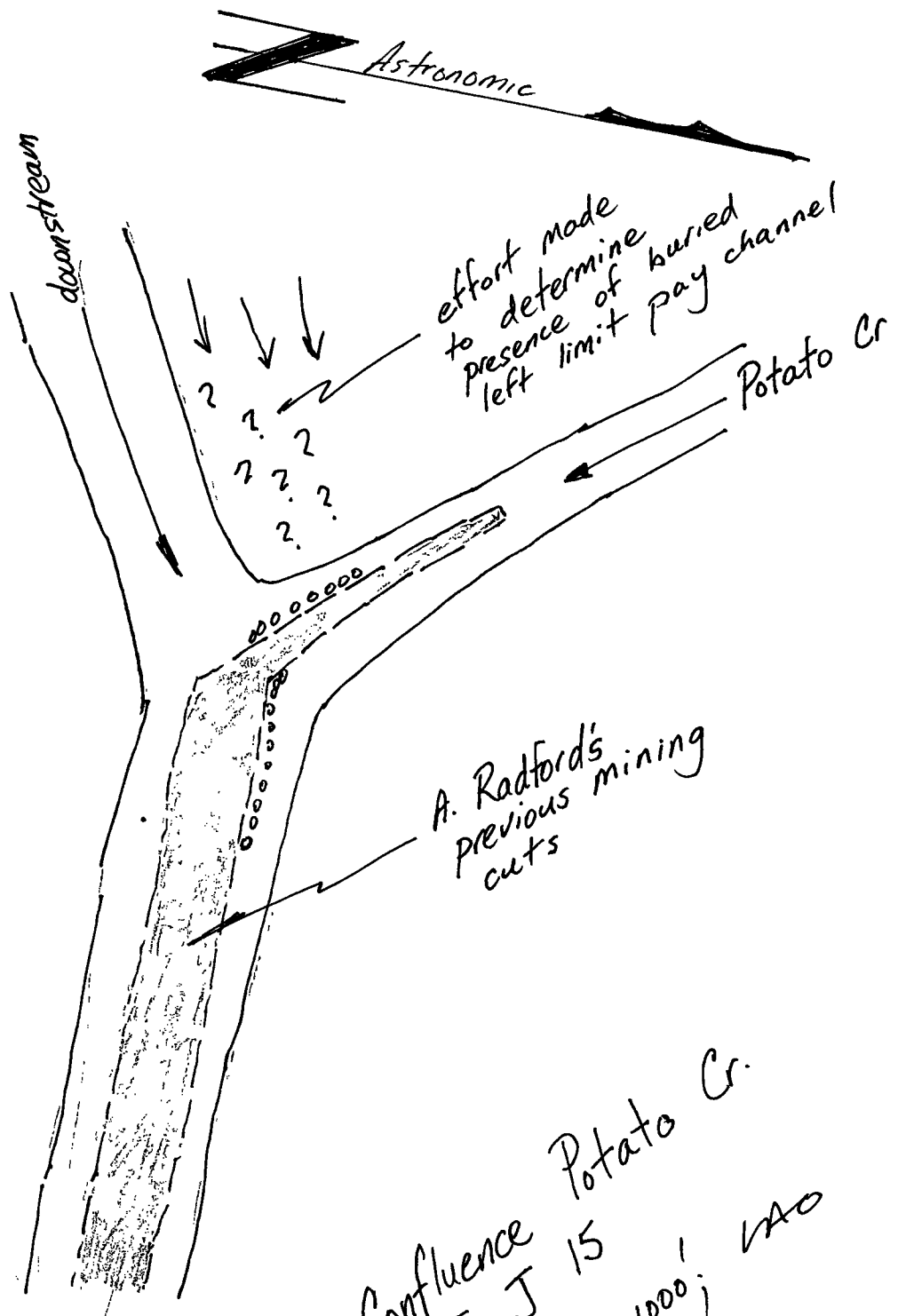
It is recommended that prior to production a small excavator be brought onto the **upper property** so that a person can process greater amounts of material, dig at greater depth and explore the upstream/downstream/ sidepay limits.
The heavy concentrate samples should be tested for the presence of other valuable minerals and quantified.

The mouth of Potato should likewise be further evaluated, with an excavator, in order to determine the origin of the two paystake here.



Lee A. Olynyk
President Lokey Mining Services





8.

Confluence Potato Cr.
 115 J 15
 Scale 1" = 1000'; 1/400

SEE ADJACENT MAP SHEET(S) EDGES
FOR ADJOINING MINERAL CLAIMS
NOT SHOWN ON THIS MAP

115 J 10
Placer Sheet.

Astronomic

head canyon

Δ
5487 ±

CANADIAN CREEK

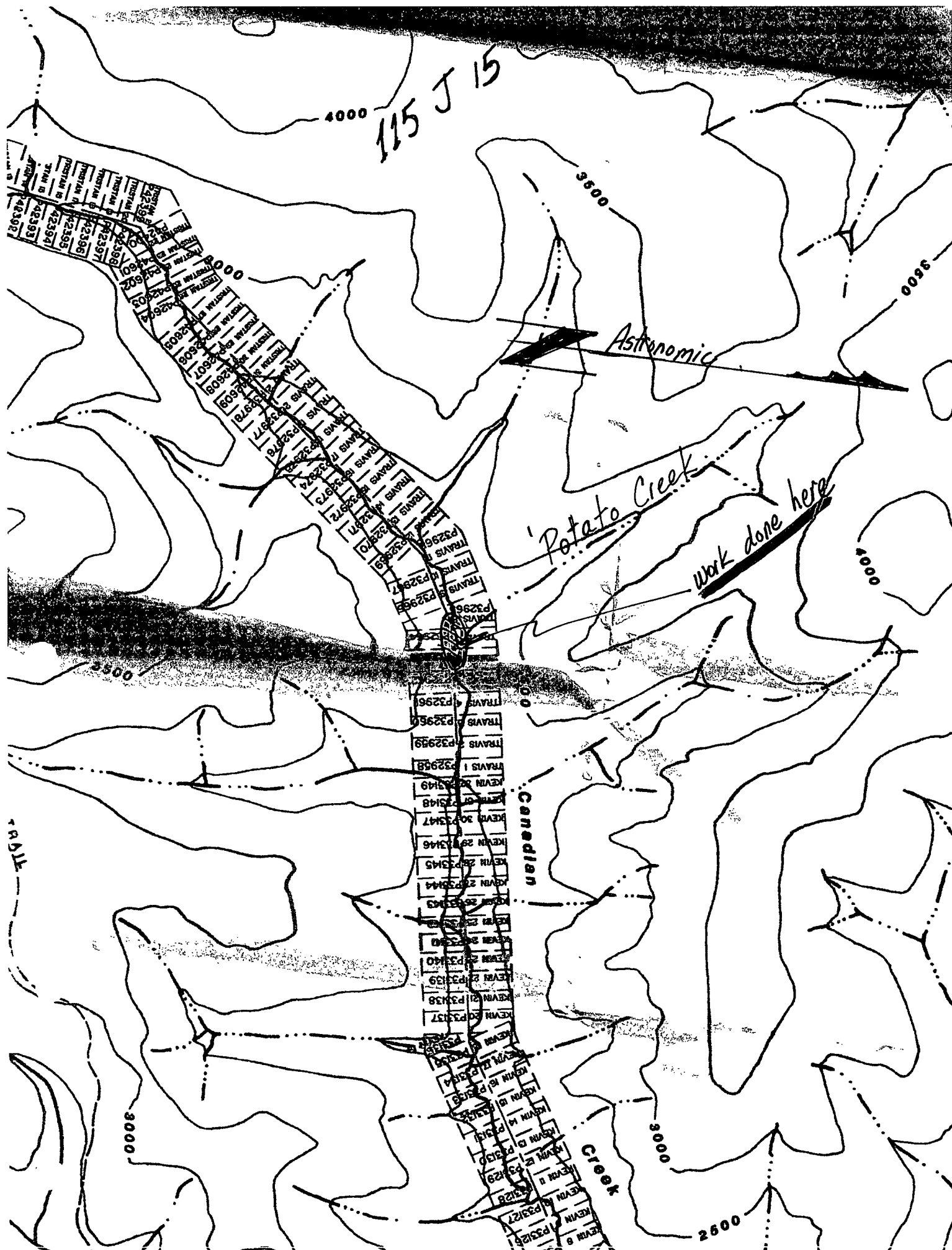
major work
done here

PATTON
HILL

Patton gulch

4500

00001



YUKON MINING INCENTIVES PROGRAM

FINAL SUBMISSION FORM

INSTRUCTIONS Please read the guidebook before completing form

Please type or print

Submit completed form and summary or Technical Report by January 31 for the Grassroots Prospecting, Grassroots Grubstake, Focused Regional and for the Target Evaluation programs to

Yukon Mining Incentives program
Energy, Mines and Resources
Government of the Yukon
2099 - 2nd Avenue
Box 2703, Whitehorse, Yukon, Y1A 2C6

TO BE COMPLETED AFTER PROJECT COMPLETION AND ACCOMPANIED BY THE SUMMARY OR TECHNICAL REPORT

Applicant LOKEY MINING SERVICES File Number YMIP # 02 - 079

Proposed project area(s) (NTS map no and project name) completed? Attach list if space is insufficient

- | | | | |
|---|--------------------------------|------------|----|
| 1 | <u>CANADIAN CREEK 115 J 10</u> | <u>Yes</u> | No |
| 2 | <u>CANADIAN CREEK 115 J 15</u> | <u>Yes</u> | No |
| 3 | _____ | Yes | No |
| 4 | _____ | Yes | No |

Changes to proposed project(s) (if any)

YES; the work on lower Canadian was done in addition to that proposed on Upper. Main reason was that of safety concern for upper project after one ATV was removed from site

List other partners or personnel that worked on the project

personnel D'Arcy Olynik, Sek Park, Don MacDonald, Ken Jackson.

1 WORK PERFORMED BY APPLICANT

1 Project #1 area/name Upper Canadian (115 J 10) No of days worked by Applicant _____

Traditional prospecting No of Samples _____

Geological surveys Scale _____

Geophysical surveys Type _____

Geochemical surveys Type No of Samples _____

Drilling Type _____ Ft (m) _____

Trenching Method _____

Other hand sluicing; prospect panning Type 35 (incl travel)
TOTAL _____

2 Project #2 area/name lower Canadian

No of days worked
by Applicant

Traditional prospecting No of Samples _____

Geological surveys Scale _____

Geophysical surveys Type _____

Geochemical surveys Type No of Samples _____

Drilling Type _____ Ft (m) _____

Trenching Method _____

Other Type prospect panning.

TOTAL

4

3 Project #3 area/name _____

No of days worked
by Applicant

Traditional prospecting No of Samples _____

Geological surveys Scale _____

Geophysical surveys Type _____

Geochemical surveys Type No of Samples _____

Drilling Type _____ Ft (m) _____

Trenching Method _____

Other Type _____

TOTAL

4 Project #4 area/name _____

No of days worked
by Applicant

Traditional prospecting No of Samples _____

Geological surveys Scale _____

Geophysical surveys Type _____

Geochemical surveys Type No of Samples _____

Drilling Type _____ Ft (m) _____

Trenching Method _____

Other Type _____

TOTAL

YUKON MINING INCENTIVES PROGRAM

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Applicant LOKEY MINING SERVICES File Number YMIP # 02 - 079

Proposed project area(s) (NTS map no and project name) completed? Attach list if space is insufficient

- | | | | |
|---|--------------------------------|--------------------------------------|----|
| 1 | <u>CANADIAN CREEK 115 J 10</u> | <input checked="" type="radio"/> Yes | No |
| 2 | <u>CANADIAN CREEK 115 J 15</u> | <input checked="" type="radio"/> Yes | No |
| 3 | _____ | Yes | No |
| 4 | _____ | Yes | No |

Changes to proposed project(s) (if any)

YES; the work on lower Canadian was done in addition to that proposed on Upper. Main reason was that of safety concern for upper project after one ATV was removed from site

List other partners or personnel that worked on the project

personnel Darcy Olynyk, Sek Park, Don MacDonald, Ken Jackson.

I WORK PERFORMED BY APPLICANT

1 Project #1 area/name Upper Canadian (115 J 10) No of days worked by Applicant _____

Traditional prospecting No of Samples _____

Geological surveys Scale _____

Geophysical surveys Type _____

Geochemical surveys Type No of Samples _____

Drilling Type _____ Ft (m) _____

Trenching Method _____

Other hand sluicing; prospect panning TOTAL _____

35 (incl. travel)

II. SIGNIFICANT RESULTS (please complete)

Project Area	New Showings and/or Anomalies	Commodity	Best Analyses
<u>Upper Canadian</u>		<u>gold</u>	<u>\$ 32 76 cubic yard.</u>
<u>Lower Canadian</u>		<u>gold</u>	<u>\$ 20 00 cubic yard</u>

III CLAIMS STAKED DURING / AFTER ACTIVITY (please complete)

Project Area	Claim Numbers	Number of Claim Units
<u>none staked</u>		

IV OPTION AGREEMENTS RESULTING FROM YMIP PROJECT (please complete)

Optionee	Property/Claim	Dollar Value of Work Component
<u>None yet.</u>		

V TYPE OF MINERAL EXPLORATION UNDERTAKEN (please check one)

<input checked="" type="checkbox"/>	Preliminary work on claims
<input type="checkbox"/>	Initial exploration
<input type="checkbox"/>	Advanced exploration
<input type="checkbox"/>	Development

VI VALUE OF GOODS AND SERVICES PURCHASED (estimate, please complete)

Within the Yukon \$	<u>\$ 14,576.00</u>
Outside the Yukon	\$ <u>00</u>

VII RESULTS OF MINERAL EXPLORATION (please complete)

<input type="checkbox"/>	The discovery of a new prospect
<input type="checkbox"/>	The identification of a prospect warranting further exploration
<input checked="" type="checkbox"/>	The identification of an economic mineral deposit
<input type="checkbox"/>	The identification of a deposit which cannot support production

VIII SUMMARY OF EXPENDITURES

1	Daily Living Expense No of days x YG rate/person, per day <u>39 person days @ \$35</u>	\$ <u>1365</u>
2	Travel (state method road, air, etc) Truck - total km x YG rate/km <u>1600 km @ 0.485</u>	\$ <u>776</u>
	Air _____	\$ _____
	Other (*) <u>see below 13.</u>	\$ _____
3	Analyses/Assay Costs (specify sample type and price/assay) _____	\$ _____
4	Equipment Rentals/Supplies <u>2 (4x4) ATV @ \$500/weekly</u>	\$ <u>1000.00</u>
	<u>2 tub trailers @ 120/weekly</u>	\$ <u>240.00</u>
	<u>2 2" honda pumps 120/week</u>	\$ <u>240.00</u>
5	Contractors (state name and type of work) <u>Last Chance Placers. contract labor</u>	\$ _____
	<u>(see invoice)</u>	\$ <u>7650.00</u>
6	Line Cutting No of km x price/km _____	\$ <u>—</u>
7	Geochemical Survey (specify sample type) No of km x price/km _____	\$ <u>—</u>
8	Geophysical Survey (specify type of survey) No of km x price/km _____	\$ <u>—</u>
9	Trenching (specify equipment used and price/hour) _____	\$ <u>—</u>
10	Drilling (specify diamond or percussion and rod size) No of meters x price/meter _____	\$ <u>—</u>
11	Reclamation (specify type) _____	\$ <u>—</u>
12	Report Preparation <u>18 days @ \$250</u>	\$ <u>4500.00</u>
13	Other Expenses (specify) <u>* Big River Enterprises. 2 trips Minto</u>	\$ _____
	<u>to Britannia landing.</u>	\$ <u>1950.00</u>
	<u>Sample clean, prep, evaluate 1.3 days</u>	\$ <u>325.00</u>
	<u>(@ 250/day)</u>	
	TOTAL EXPENDITURES	\$ _____

Attach list if space is insufficient

4 continued.

1 Keene suction dredge @ 180/wk	180.00
1 SBX 11 radio @ 40/wk	40.00
1 Honda 500 W genset @ 180/wk	180.00
1 Husky chainsaw @ 180/wk	180.00
	<u>14,576.00 total.</u>

The Department of Energy, Mines and Resources may verify all statements related to and make herein this application

- 1 I am the person, or the representative of the company or partnership, named in the Application for Contribution under the Yukon Mining Incentives Program
- 2 I am a person who is nineteen years of age or older, or represent a person, who is ordinarily a resident of Canada
- 3 I have complied with all the requirements of the said program
- 4 I hereby apply for the final payment of a contribution under the Yukon Mining Incentives Program (YMIP) and declare the information given above to be true and accurate

Signature of Applicant [Signature] Date 25 JAN 2003

Name (print) LEE OLYNYK

Position or Title (if applicable) PRESIDENT

34842 YUKON INC.
BN 86129 7265 RT0001

P O Box 127 • Carmacks • Yukon Territory • Y0B 1C0 • Canada

LOKEY Mailing Services
Ltd.

Whitehorse, Yukon

Sept 3/02

№ 0111

LAST CHANCE PLACERS LTD.
 Box 531
 DAWSON, Y.T.
 Y0B1G0

INVOICE

OUR NUMBER 226830
 DATE 25 SEPT 03
 CUSTOMER'S ORDER

SOLD TO Lokey Mining Services Ltd.
 ADDRESS Box 10143
 R.R. 1, Whitehorse, Y.T.
 Y1A 7A1

SHIP TO
 ADDRESS

TAX REG NO SALES PERSON FOB TERMS VIA

QUANTITY	DESCRIPTION	PRICE	AMOUNT
2	(week) rental two 4x4 ATVs	500.00	1000.00
2	tub trailers for (1 week)	120.00	240.00
2	honda 2" pumps (1 week)	120.00	240.00
1	Keene suction dredge (week)	180.00	180.00
1	SBX 11 radio (week)	40.00	40.00
1	Honda 5000 W genset (week)	180.00	180.00
1	Husky chainsaw (week)	180.00	180.00
	Total.		2060.00
		GST	144.20
		PST	
		TOTAL	2204.20

paid in full

LAST CHANCE PLACERS LTD.
 Box 531
 Dawson Y.T.
 Y0B1G0

INVOICE

OUR NUMBER 226832

DATE 25 SEPT 03

CUSTOMER'S ORDER

SOLD TO lokey mining services Ltd.

ADDRESS box 1043, R.R.1
 White Y.T. Y1A 7A1

SHIP TO

ADDRESS

paid in full
 L.A.C.

TAX REG NO

SALESPERSON

FOB

TERMS

VIA

QUANTITY	DESCRIPTION	PRICE	AMOUNT
2	Senior prospectors for 9 days (D. Dlynik, P. MacDonald)	250 00	4500 00
1	Senior prospector for 7 days (L. dlynik)	250 00	1750 00
1	Junior prospector for 7 days. (K. Jackson)	150 00	1050 00
			350 00
1	Camp cook / bullcook (7 days)	50 00	76.50 00
			76.50 00
			535 50
			7% 95t.
			TOTAL

BLUELINE DC 31

total \$ 8185.50

YUKON ENERGY, MINES
 & RESOURCES LIBRARY
 PO Box 2703
 Whitehorse, Yukon Y1A 2C6