YEIP
2003-003
2003

2003 Geophysical & Geological Report on the KIT 3-14 Claims (YC07107-YC07118)

NTS 115O/3 & 115J/14
Latitude 63° 03' N
Longitude 139° 14' W

Dawson Mining District
Yukon Territory

Prepared for Farrell Andersen by
Prospex Geological Enterprises

Compiled from the 2003 work program
June 24 to July 8, 2003 under the
YMIP Grant 03-003 Target Evaluation Module
Yukon Energy, Mines and Resources

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TABLE OF CONTENTS

Summary

A total of 15 days were spent camping near the property in 2003, from June 24th to July 8th, however repeated bear encounters and extreme precipitation limited work to eight days on the KIT claims.

Ground magnetometer traverses were made along a grid with baseline bearing of 060 degrees true north, and hand excavating of quartz vein material occurred at previously sampled and anomalous rock or soil locations.

A baseline was established that parallels the claim line between the KIT9 to KIT14 claims with flagged and tagged stations at 50 metre spacing. The baseline ends at 50 metres east of post 2 KIT 13 and KIT 14. The ground magnetometer survey covered the east half of claims KIT 7 and KIT 8 and could not be expanded due to equipment problems and animal encounters.

Work in 2003 was successful at locating a quartz vein that appears to be weathered out in-situ and distributed as talus and colluvium. The vein was exposed by hand excavation to be a 0.6 metre wide quartz vein subcropping for a length of 15 metres in a 096 degrees true north bearing. Gold values at this location from a sample of white quartz veining in a fine grained two-mica quartz feldspar gneiss returned 0.48 grams per tonne. Also in 2003, a large quartz vein boulder was found up the slope from the 1991 grid soil sample containing 811 ppb gold. Samples taken from this quartz boulder did not contain anomalous values.

The ground magnetometer line spacing is too wide apart to allow detailed geophysical interpretation, but it does indicate that a more detailed and expanded survey would prove useful in identifying geologic contacts and defining structural features. A narrow east-west trending low can be discerned across the three lines around station 4860N. This low correlates to the region where the vein subcrop was exposed and sampled in 2003. A northeast trending high can be delineated on line 4900E at station 5280N. The weakly high magnetic linear correlates to the 2003 quartz vein boulder and the 811 ppb grid soil sample and grid follow up sampling that averaged 276 ppb gold.

Introduction

The KIT claims encompass gold vein float and anomalous soil gold values found while prospecting mapsheets 115O/03, and 115J/14 during the 1990's. Gold assays nearing 1 ounce per ton in quartz vein float were located in Ballarat Creek in 1990.

Quartz vein float from Ballarat Creek was again sampled in 1996 and assayed above detection limit (>7000 ppb). This pulp was sent in for a 30g fire-assay in 2002 and yielded 0.31 ounces per ton gold. A quartz vein float sample collected in 1998 assayed 0.27 ounces per ton gold.

Geochemical soil and rock sampling was undertaken in 2003 attempting to locate the quartz veining and was successful at identifying one location where a vein appears to be weathered out in-situ. A ground magnetometer survey was also started on the property and covered the east half of claims KIT 7 and KIT 8 before equipment and animal difficulties caused the geophysical program to be discontinued.

The host rock covering the property is early to mid-Palaeozoic Nisutlin Assemblage. Felsic metagranite occurs on the west half of the property.

Rock and soil samples were analyzed at Acme Laboratories in Vancouver for gold plus 30 elements by ICP-ES method using fire assay for gold and aqua-regia digestion for the other elements. Geophysical data was manipulated and plotted by Farrell Andersen, using the programs MagCor, Grid2UTM and Oasis Montaj, all registered to Aurora Geosciences Ltd. of Whitehorse.

Location, Access and Topography

The KIT 3 to KIT 14 claims are located 120 kilometres south of Dawson City at latitude 63° 00' and longitude 139° 06' W. (see Figure A). Access to the property was provided by Big Salmon Air from Carmacks to Thistle Creek airstrip, and from there by four-wheel drive truck to a base cabin on Ballarat Creek located 3.2 kilometres downstream from the property. The field crew consisted of assistant Karen Taylor, Kelsey Dog and geologist Farrell Andersen.

The property is in the central part of the Klondike Plateau, a peneplain uplifted in the Tertiary period and incised by streams into v-shaped valleys with interconnecting ridges. Elevation ranges from 890 metres at valley bottom to 1503 metres at the peak of Thistle Mountain. Treeline is at approximately 1219 metres. The area escaped the last two glacial episodes and the placer gold gravel is of local origin.

Soil development varies on the property, and continuous well-developed soil horizons are difficult to find. North and west facing slopes contain thick, frozen layers of moss and decomposed organic material. South and east facing slopes have a veneer of rocky soil and fine loess overtop large blocky talus. The terrain is steep but not rugged. Slopes average 30 degrees inclination. Due to prolonged and deep weathering of bedrock, outcrop exposure is most easily found on the ridges above tree line and in canyons within the valleys.

The climate is characterised by low precipitation and a wide temperature range. Winters are cold, and temperatures of -30°C to -40°C are common. Summers are moderately cool to hot, with daily highs of 10°C to 25°C. The property is free of snow from late May to the end of September, and the creeks keep flowing from May until October.

Figure A: KIT Property Location

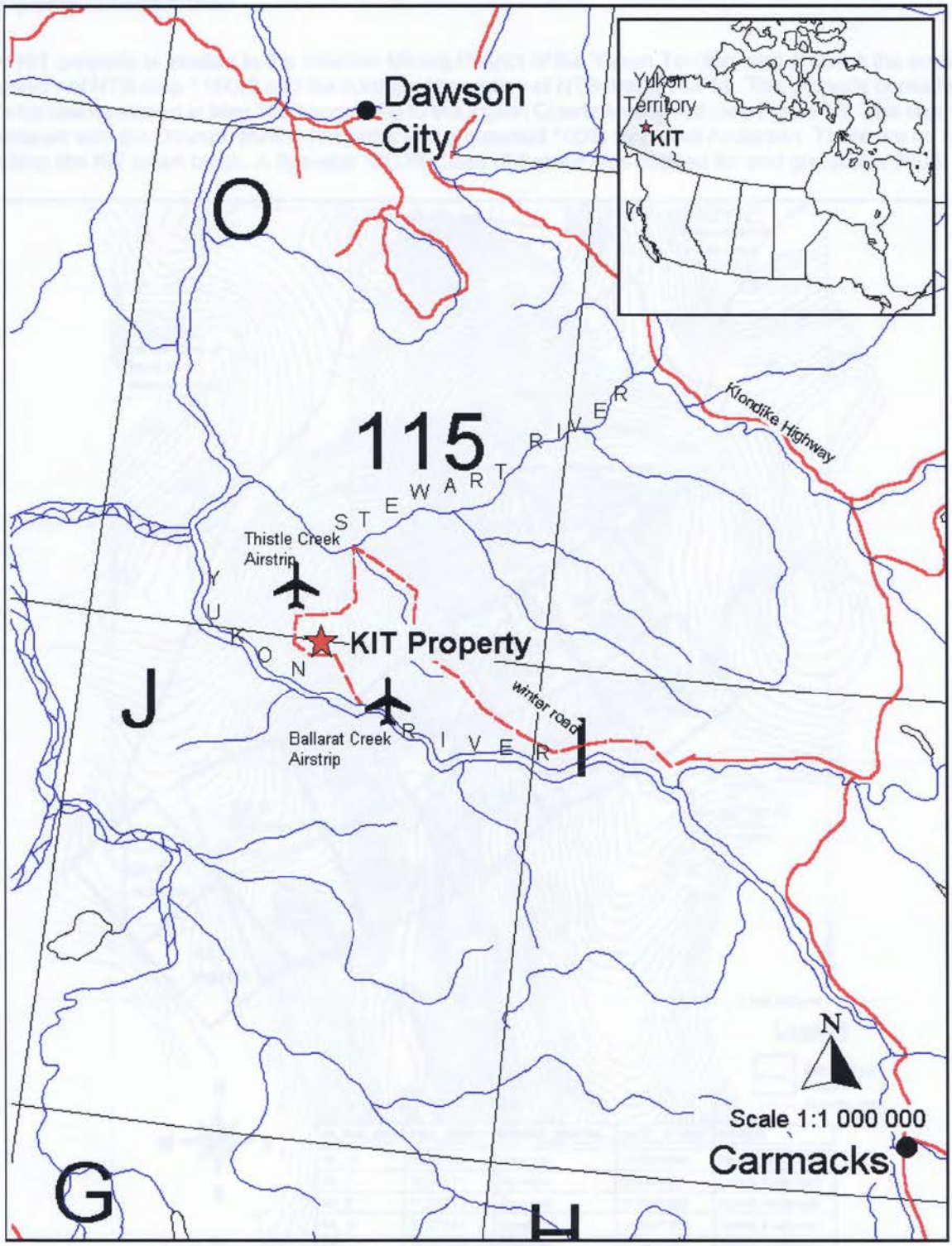
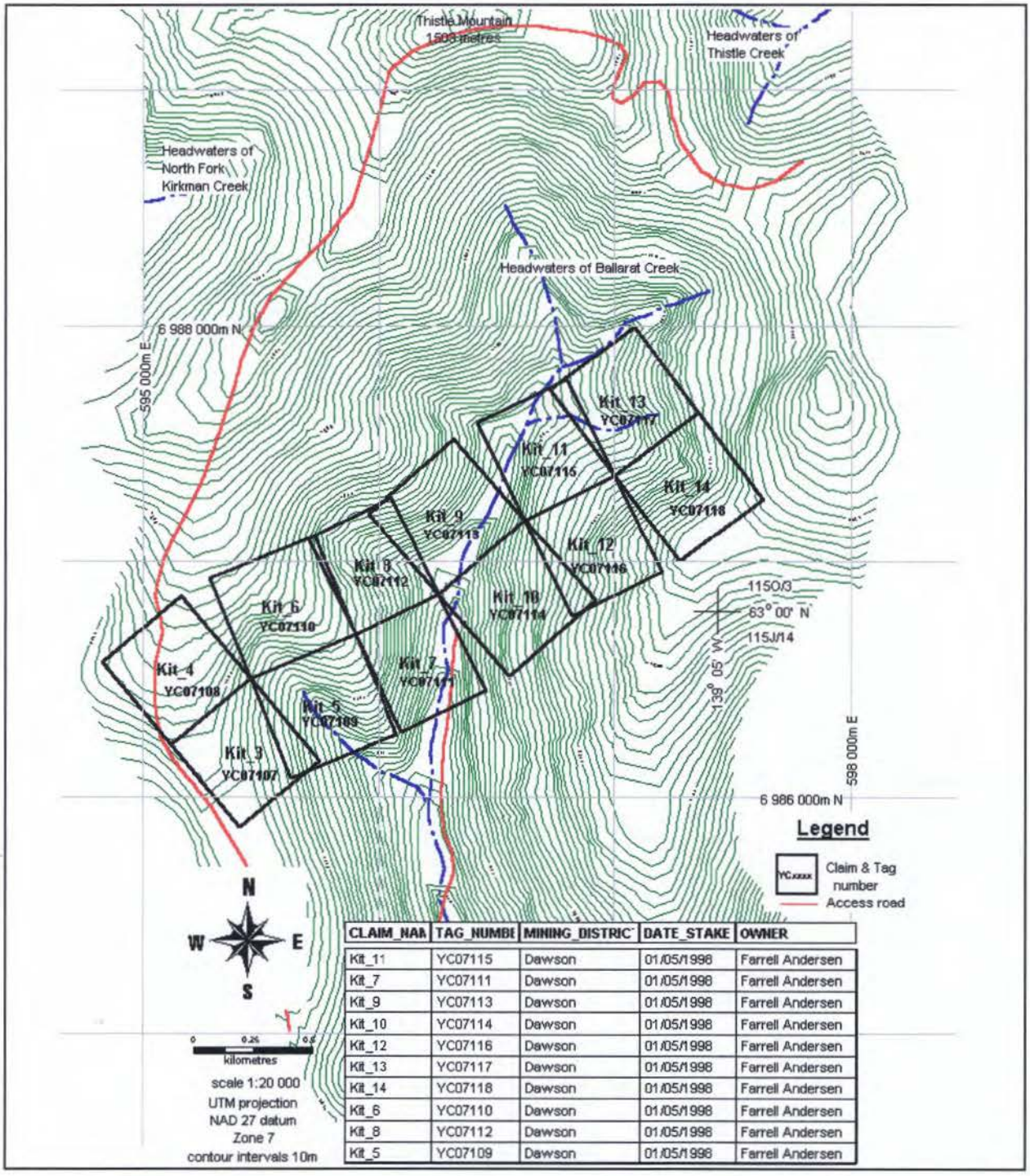


Figure A: Map showing the location of the KIT claims, west-central Yukon.

Property Information

The KIT property is located in the Dawson Mining District of the Yukon Territory and crosses the southeast boundary of NTS map 115O/3 and the northeast boundary of NTS map 114J/14. The property consists of 14 full size claims staked in May 1998 according to the Yukon Quartz Mining Act (see Figure B). The claims are registered with the Dawson Mining Recorder and are owned 100% by Farrell Andersen. There are no claims abutting the KIT claim block. A five-year MLUR Class III licence was applied for and granted in 2003.



CLAIM_NAM	TAG_NUMBE	MINING_DISTRIC	DATE_STAKE	OWNER
Kit_11	YC07115	Dawson	01/05/1998	Farrell Andersen
Kit_7	YC07111	Dawson	01/05/1998	Farrell Andersen
Kit_9	YC07113	Dawson	01/05/1998	Farrell Andersen
Kit_10	YC07114	Dawson	01/05/1998	Farrell Andersen
Kit_12	YC07116	Dawson	01/05/1998	Farrell Andersen
Kit_13	YC07117	Dawson	01/05/1998	Farrell Andersen
Kit_14	YC07118	Dawson	01/05/1998	Farrell Andersen
Kit_6	YC07110	Dawson	01/05/1998	Farrell Andersen
Kit_8	YC07112	Dawson	01/05/1998	Farrell Andersen
Kit_5	YC07109	Dawson	01/05/1998	Farrell Andersen

Figure B: Map showing the KIT 3-14 claims on NTS mapsheets 115O/3 & 115J/14

Table 1: List of Claims & Ownership

Claim Name	Grant Numbers	Date of Record	Registered Owner	New date for renewal*
KIT 3-6	YC07107-07110	01-May-1998	Farrell Andersen	01-May-2009
KIT 7-10	YC07111-07114	01-May-1998	Farrell Andersen	01-May-2009
KIT 11-14	YC07115-07118	01-May-1998	Farrell Andersen	01-May-2009

*contingent on acceptance of this report

Geology

Regional Geology

The KIT claims lie southwest of the Tintina Trench within the Yukon Tanana Terrane. The geology has not been mapped since Bostock came through with packhorses in the mid-1930's (GSC Map 711A, published 1942). The best reference for geology in the area is the tectonic assemblage map of the Cordillera (Gordey and Makepeace, 1999). A regional linear visible on Land-Sat and air photos is located 25 kilometres north of the property. This linear parallels the Tintina Trench and may be an extension of southeast structures (Teslin Fault Zone or Big Creek fault).

The major rock assemblage underlying the KIT claims can be correlated to the Devonian Nisutlin Subterrane (Gabrielse and Yorath, 1992). It is a package of interbedded mica-rich quartzofeldspathic schists, gneiss and minor marble intruded by thick metagabbro and mafic metavolcanic sills. Outcrops of quartzofeldspathic schists and gneiss of the Devonian Mink Creek Suite are found less than one kilometre south of the property. A distinctive linear visible on air photos may be related to this contact. Three kilometres north of the property is another distinctive linear where the Nisutlin Subterrane is thrust onto the Nisling Terrane. The fault contact likely causes the drainage patterns of Thistle Creek and its northerly flowing tributaries. Both the Nisutlin and Mink Creek Suite are strongly deformed. Metamorphic grade in the Nisutlin is undivided amphibolite facies.

The Nisutlin Assemblage is interpreted to be a pericratonic off-shelf basin, correlating to the larger Kootenay Terrane in southeast BC. Around the property, the Nisutlin Assemblage, or allochthon, represents a thrusted portion of a larger rift related basin. The Nisutlin Assemblage of metagabbro, hornblende gneiss, quartz mica schist and calcareous biotite-garnet schists on the property resemble units 2 and 1 of Murphy and Hunt in the Fyre Lake region (Hunt and Murphy, 1998). Included with the mafic volcanic package on Thistle Mountain is a sericite-muscovite-feldspar schist. The parent of this unit may have been a rhyolite or tuff. Float of this rock is found on the south flanks of Thistle Mountain. The felsic schist/gneiss, referred to as the Pelly Gneiss in older nomenclature, is commonly present throughout the YTT, and around the property it may have been thrust onto the Nisutlin or have intruded the Nisutlin.

Property Geology

Geology underlying the KIT 3-14 claims is comprised of two-mica quartz-feldspar gneiss and phyllite, and biotite-feldspar schist and gneiss, locally garnet bearing and calcareous. A foliated, sometimes augen, felsic granitic gneiss is found as talus on the west side of Ballarat Creek and often contains quartz veins along joints and fractures. This granitic gneiss macroscopically looks less deformed than the Pelly Gneiss and may represent an unmapped Mississipian or later intrusive event in the area.

The high grade of metamorphism and inferred faulting makes the area geologically complex. Numerous linear features can be identified on air photos, and pingos are found in several valleys. No offsetting features or markers have been located yet. Foliation on the property dominantly trends 060 degrees true north with moderate to steep southeast dips. The prominent joint orientation in the more felsic units is 040 degrees true north and nearly vertical dips.

Post-accretionary intrusive mapped around the property consists of pyroxene-amphibole gabbro, feldspar-quartz pegmatite and aplite dikes and sills. The ages of these intrusives are unknown. The gabbro has weak metamorphic fabric and seems spatially related to the Nisutlin/Pelly Gneiss contact. They may be fault slices of Slide Mountain Terrane (Mortenson, 1992) or the rock may correlate to the Jurassic Pyroxene Mountain pluton east of the property. The felsic dike rocks show no fabric, and may be related to the quartz veining (Bostock, 1957).

Property Mineralization & Veining

Quartz vein material on the KIT claims is locally pitted and vuggy, and contains disseminated pyrite, specular hematite and magnetite as well as traces of galena, sphalerite and chalcopyrite. The vein consists of massive interlocked white crystalline quartz that splinters easily due to subsequent deformation. There is no associated alteration of the host rock but the veins appear to best form in the quartzofeldspathic schist and gneiss. Samples collected from the pitted and vuggy quartz material that contained weathering cubes of galena have assayed up to 0.925 ounces per ton gold.

Previous Exploration

Placer mining has been documented around Thistle Mountain since 1898 (Bostock, 1957). A hydraulic concession for Ballarat Creek was granted in 1901. Archives show that the discovery claim on the creek is located approximately 2 km south of the KIT property and only six claims immediately above the discovery were mined until 1986. Mining on Ballarat Creek was intermittent from 1957 until 1981 when rich gold bearing gravel was exposed downstream. Since then, Ballarat Creek had been continually mined until 1999.

Hard rock exploration was limited to isolated claims staked intermittently since 1901. Most claims were staked on ground believed to host the Black Fox showing, a 0.9 metre wide quartz vein that was worked at the turn of the century. Exposed in 1915, the vein contains chalcopyrite, galena and pyrite (Cairnes, 1917).
In 1990, Sparkling Minerals Inc. embarked on a land acquisition program hoping to locate a potential source for the alluvial gold in the region. Regional mapping, prospecting, and contour and grid soil sampling were carried out in 1991. Over 100 rock samples and 400 soil samples were collected in 1990 and 1991. Physical work was filed on the property in 1993 and the claims subsequently lapsed in 1997. Another block of claims, KIT 3-14, was staked in 1998 to cover the area of anomalous sampling located in the 1991 work. Soil sampling and stream sediment sampling were conducted in July 1998 by the registered owner of the claims, F. Andersen, operating as Prospex Geological Enterprises.

Faith Mines Ltd. staked 164 claims adjacent to and surrounding the north half of Sparkling Minerals property in 1990 and lapsed their claims in 1995. Other third parties have subsequently staked hard rock claims within seven kilometres of the KIT property boundaries.

2003 Work Program

A program of geophysics, soil and rock geochemistry was conducted on the property from June 25-July 7, 2003. The owner of the claims, F. Andersen, operating as Prospex Geological Enterprises conducted the work. Partial funding for the work program was provided from a Yukon Energy, MInes and Resources grant under their Yukon Mining Incentives Program (file YMIP 03-003).

A 1.35 kilometre baseline was established along the claim line comprising the KIT 8 through KIT 14 claims. The only remaining untagged posts (#2 KIT13/14) had their tags affixed to bring all claim posts into compliance with regulations under the Quartz Mining Act of the Yukon Territory.

A total of 4.6 line kilometres of geophysical magnetic data and 19 rock samples and 7 soil samples were obtained from the KIT 7 and KIT 8 claims (see Figure C). The samples were collected by Farrell Andersen and submitted for analysis. The geophysical data was collected, manipulated and interpreted by Farrell Andersen. Karen Taylor did the excavation on the quartz vein exposure and assisted with establishing the baseline. K. Taylor took the photographs.

Geophysical equipment was rented from Aurora Geosciences, Whitehorse and the 4wd pickup and the 2.5kW generator were rented from FellHawk Placers, Dawson City, Yukon. Accommodation was graciously provided in a cabin on FellHawk Placers claims located on Ballarat Creek.

Geophysical Methods and Equipment

A total of 3 days were spent on this part of the program. On June 27, 2003, a hand cut baseline was started at posts 1 KIT 7/8/9/10 and referenced as local grid co-ordinate 5000E, 5000N. Stations were flagged and labelled every 50 metres using a hand-held Garmin 12XL GPS unit along the east extension of the claim line. It was then decided to run the grid using the GPS exclusively and forgo the flagged baseline along the west extension of the claim line. The ground magnetometer survey started on July 1 and finished on July 2 as a result of the serious bear encounter at a site undergoing hand excavation 300 metres away.

The magnetometer survey started at the south end of the grid at station 5000E, 4510N. Grid lines 5000E, 4900E and 4800E were walked with 10m station spacing based on the hand held GPS or in conjunction with compass and hipchain. Daily GPS reception would disappear from the hours of 1:30pm until 2:30pm or later. On July 1, solid GPS reception did not return until 7:00pm.

The base station was established 2.1 kilometres downstream from the property where motor vehicle access ended. A levelling survey was laid out as a 17-station loop near the base location. Base station cycle time was set for 5 seconds on July 1, and 10 seconds on July 2. The field unit battery remained strong and worked well throughout the survey, however the base station magnetometer internal battery shut down on day 1 at 1:30pm and at 1:45pm on day 2. The portion of the July 1 survey conducted after the base shutdown was resurveyed on July 2. Upon discovering the base station had shutdown on July 2, an attempt was made to salvage the day's data by redoing the levelling survey. The base station and field units used were GSM-19T proton magnetometers made by GEM Systems Limited.

Stations were read at 10 metre intervals for a distance of 500 metres north and 500 metres south of the baseline along lines 4800E, 4900E, and 5000E. The survey ended abruptly at Line 4800E, station 5270N with a bear encountering a worker at line 4900E, 4900N. A total of 2.8 line kilometres of the grid have been covered by the magnetic survey.

Geophysical data was corrected in the field using the MagCor program (Aurora Geosciences Ltd) and GPS data was correlated to local grid co-ordinates using the Grid2UTM program (Aurora Geosciences Ltd.). The corrected and referenced data was imported into an Oasis Montaj database and was gridded using a 25 metre cell spacing. The raw data can be found on 3.5-inch diskette in the pocket with Figure E at the end of the report.

Figure C: 2003 KIT Field Work Program

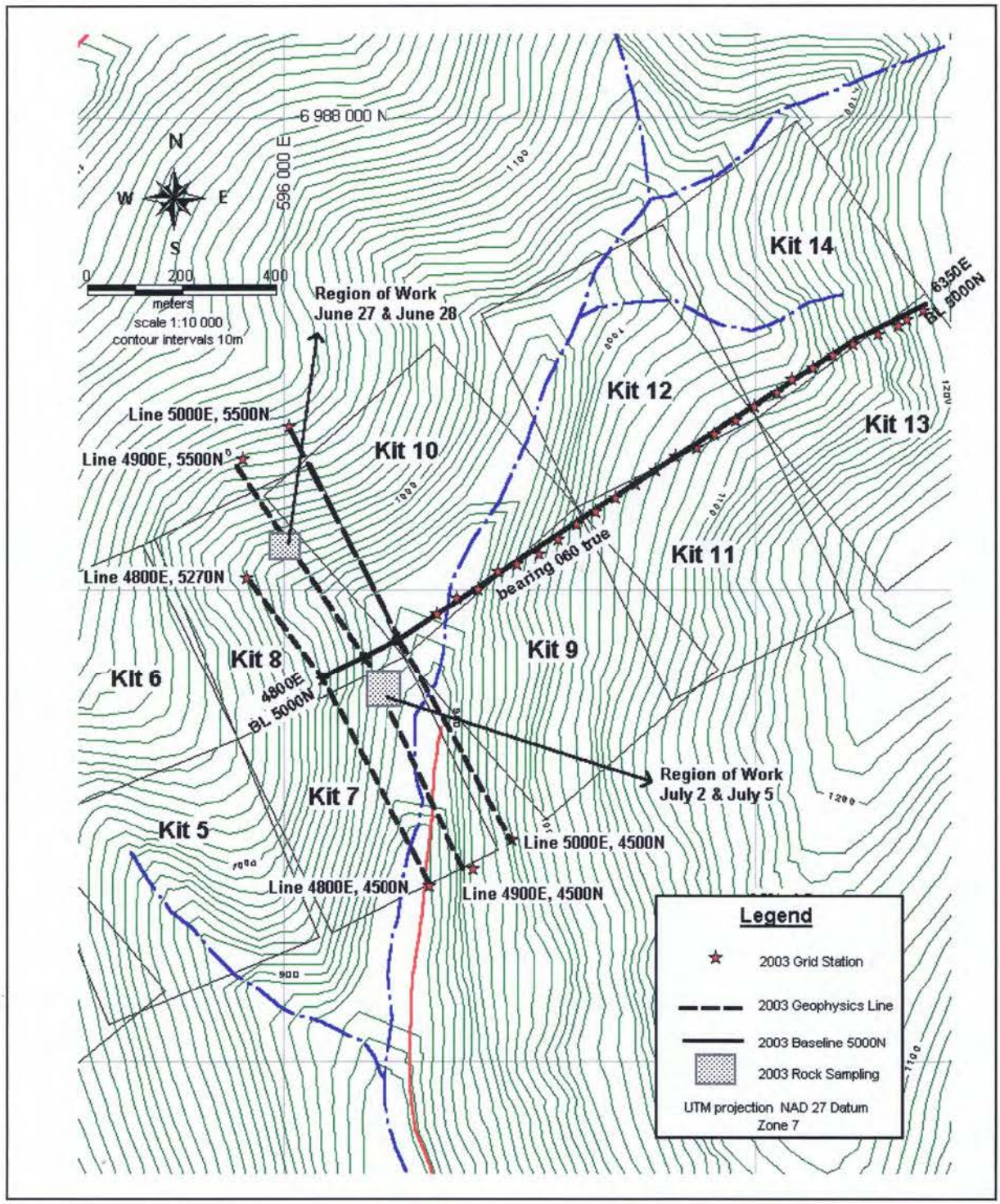


Figure C: Map showing work done for the 2003 YMIP program. Grid lines surveyed by magnetometer appear as black dashes. The solid black line is the established baseline on the east half of the property. Hand-held GPS defined stations are shown as stars. Regions prospected and sampled in 2003 are outlined as patterned rectangles.

Geochemical Sampling and Methods of Analysis

In 2003, seven soil samples were collected over three days from the vicinity of anomalous soil or rock samples collected in previous years, and 50 metres above a subcropping exposure of a quartz vein. Table 2 shows the location and horizon sampled for the soils. A mattock, geotul and shovel were used to dig through the moss and organic layers on south and east facing slopes averaging 25 degrees inclination. Sample locations were referenced in UTM projection and NAD 27 datum using a hand held GPS. Approximately 500 grams of good quality B and C horizon soil was placed into Kraft paper bags and sent to Acme Analytical Labs in Vancouver for analysis. The analytical technique involved lead-bead collection fire assay for gold and aqua-regia digestion for 30 other elements from splits of 100 grams of dried material sieved to -80 mesh screen size. Elemental content was then determined using an ICP-ES spectrometer. Figure D shows the locations of the 2003 soil samples.

Table 2: 2003 Soil Table *Soil sample labelling is in the format yy-m-dd--# #*

Sample # Prefix 03	Zone 7 East	Zone 7 North	Claim Name	Sample Horizon	Sample Quality	Depth (cm)	Gold ppb
62801	596015	6987099	KIT 8	B	high	50	6
70101	596238	6986885	KIT 7	C	high	50	3
70501	596192	6986783	KIT 7	B	high	30	11
70502	586194	6986785	KIT 7	B	moderate	35	7
70503	596193	6986778	KIT 7	B	moderate	15	5
70504	596188	6986808	KIT 7	B	high	20	7
70505	596185	6986823	KIT 7	B	high	20	5

Rock Sampling and Methods of Analysis

A total of 19 rock samples were collected from two different locations. On June 27, samples 140462 to140465 were obtained from a 1m long quartz vein float boulder located 15 metres up a 28 degree slope from a 1991 soil sample containing 811ppb gold. The host geology in the area is garnet bearing biotite-feldspar schist and gneiss, but wallrock on the quartz boulder was a quartz-feldspar schist. Upon inspection of this work area during the magnetometer survey of July 2, it was noted a bear had torn down flagging and marked trees with his claws.

The other 15 samples, 140466 to140480, were collected on July 5 along a weathered in-situ quartz vein occurrence bearing hematite and pyrite blebs and grains that had been exposed on July 2. The vein locates on a 23 degree east facing hillslope about 50 metres elevation above the creek bed on the KIT 7 claim. Geology around the area is dominantly biotite-feldspar gneiss, but the local geology hosting the vein is pink tinted, fine grained quartz-feldspar gneiss. Late in the afternoon, on July 2, a very large black bear emerged from the creek following the traverse we had walked that morning and encountered K. Taylor. This event halted further excavation and the area was returned to and sampled on July 5, 2003.

The rocks were collected into polybags and labelled with sample tags. Locations were referenced in UTM projection and NAD 27 datum using a hand held GPS. Sample locations were marked in the field by flags and Tyvek tags with the sample number written in ballpoint pen. Rocks were shipped to Acme Analytical Laboratories in Vancouver. The analytical technique involved lead-bead collection fire assay for gold and aqua-regia digestion for 30 other elements from splits of 250 grams of pulverised material sieved to -150 mesh screen size. Elemental content was then determined using an ICP-ES spectrometer. Rock sample locations and descriptions are included in Appendix A. Figure D on the following page shows the locations of the 2003 rock samples.

Figure D: 2003 KIT Sample Locations

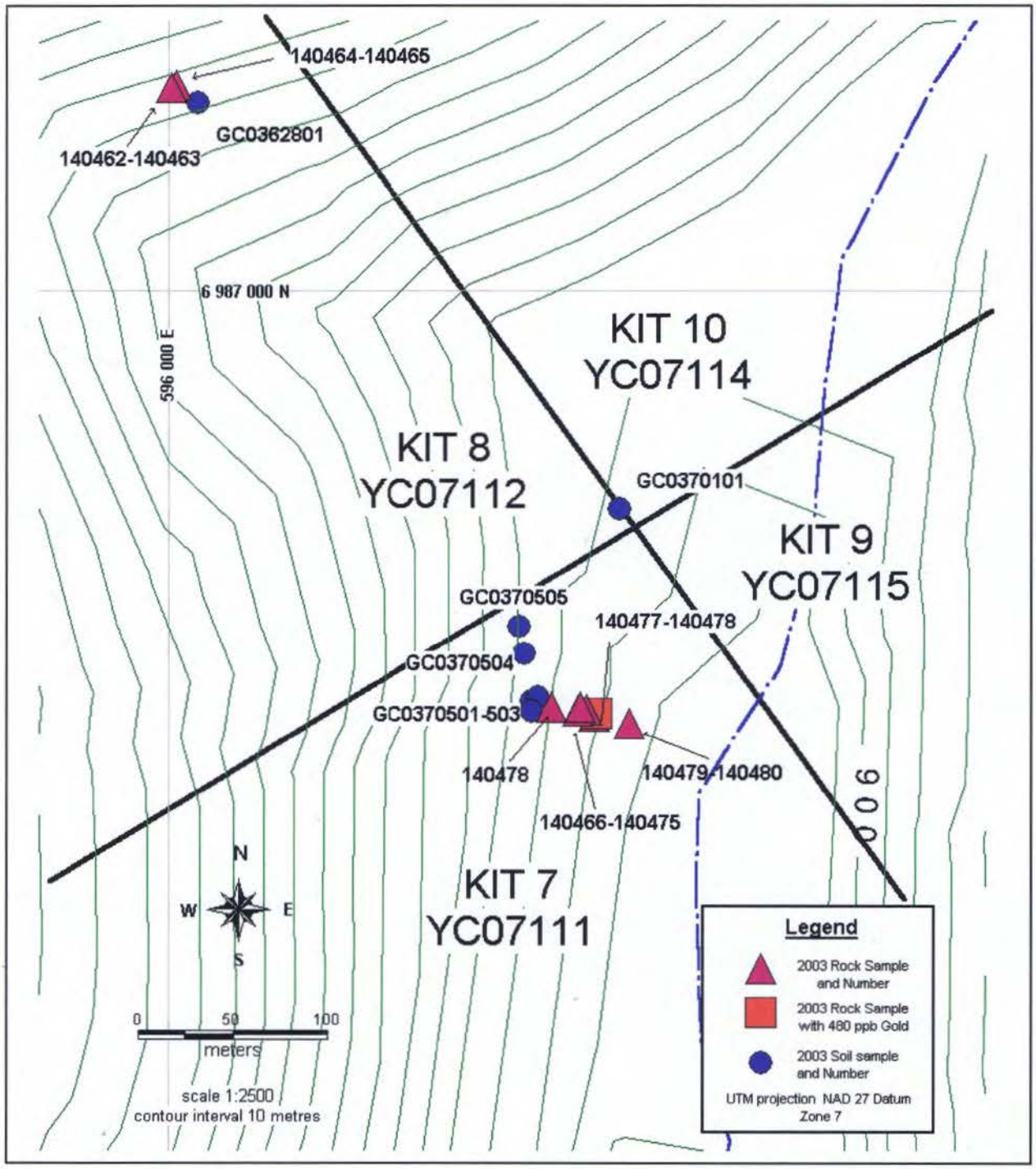


Figure D: Map showing the locations of 2003 geochemical and rock sampling on the KIT 7 and KIT 8 claims, Dawson mining District, Yukon. Soil samples appear as filled circles and 2003 rock samples appear as filled triangles. The solid square is rock sample 140477 that had a gold value of 0.48 grams per tonne.

2003 Exploration Results

Geophysical Survey & Figure E in pocket

The grid lines are too widely spaced to allow detailed interpretation of the magnetic data, but some general correlations between the geophysics and geology can be inferred. Reference is made to Figure E located in the pocket after the appendices.

The extreme magnetic high at the south end of the grid (L4800E, 4500N) is caused by the pyroxene-amphibole gabbro bedrock. This extreme high (920 nT) has caused the Oasis contouring program to form a correlative low to the east (L5000E, 4510N) that can not be considered reliable without more magnetic data further to the east.

A distinctive but spurious anomaly is the 300nT high located just south of the baseline and between lines 4900E and 5000E. The anomaly is caused by one station (L4900E, 4970N) with a value 850nT higher than the stations immediately to the north or south. The data has been checked and appears to be reliable. A weaker high (30 nT) appears at this point on the line furthest to the west (L4800E, 4990N), but due to the constraints of the Oasis program, no inference can be made that this represents a through going feature without infilling the data between the two lines.

Station 4990N along line 4900E (L4900, 4990N) was taken at the base of a 2 metre high exposure of biotite-feldspar-quartz schist that appears to be magnetically non-susceptible. This bedrock type was exposed in Ballarat Creek again at station 4730N (L4900E, 4730N), with another resultant low. This unit has caused the broad low seen south of the baseline.

The north half of the map has two distinctive features. Most noticeable is the gradient from low values in the south to higher values in the north. This gradient roughly parallels the pingo gulch and represents some structural feature. Bedrock north of the gulch is biotite-hornblende feldspar schist. Bedrock south of the baseline is more felsic and consists of biotite-quartz feldspar gneiss and mica quartz feldspar gneiss and quartzite. The gradient represents a lithologic change in the geology but is indeterminate as to the nature of the contact.

The other feature on the north half of the map is the northeasterly trending weak magnetic high that corresponds to the 2003 sampling north of the pingo gulch. It is around this region that soil values collected in 1991 averaged 276 ppb gold, and a large quartz vein float boulder was found and sampled in 2003.

The most intriguing feature is a narrow east trending low intersecting all three lines around 4900N. It is at this location that a quartz vein trending 096 degrees true north was exposed in subcrop and colluvium, and rock sample 140477 returned 480 ppb gold. Again, infill data between the lines, and data further to the east and the west, would be beneficial to supporting the interpretation that this low feature is an east-west trending quartz vein.

The baseline grid co-ordinates and the final georeferenced magnetic data can be found in Appendix C. Four photos of the survey being undertaken are included after the appendices in a photo pocket.

Geochemical Results

Overall, the soil samples returned results that can be interpreted as background values for gold and the other 30 elements.

Soil sample 0362801 analysed 6 ppb gold in a region where 1991 soil samples collected from a grid survey conducted in 1991 average 276 ppb gold. The 2003 sample was good quality B-horizon soil collected at a 50 cm depth within subcropping biotite-feldspar gneiss. The sample locations of the 2003 work and the anomalous 1991 grid soil sampling plot on a northeast trending, weakly high magnetic anomaly within what has been identified as homogenous bedrock from 1991 geological mapping.

Soil sample 0370101 was collected from 10 metres southwest of the site of a 170 ppb gold soil sample collected from the grid in 1991. The 2003 sample did not yield an anomalous gold value. This site was frozen at depth in 1991 and was resampled 5 meters to the west in 1996. The 1996 sample was submitted for analysis in 1998, and did not yield an anomalous gold value. The actual soil site was further excavated in 1998 and resampled and analysed that year, again without an anomalous gold value. The results of the 2003 sample and the nearby duplicates are tabled below to show the correlation with some of the other elements analysed.

Table 3: Comparing Duplicate Soil Sample Values

	Sample # (year)	Sample # (year)	Sample # (year)	Sample # (year)
Element	0370101 (2003)	9870306 (1998)	9870518 (1996)	076 (1991)
Au ppb	3	nd	nd	170
Ag ppm	nd	nd	nd	0.3
Al ppm	1.93	3.08	2.43	1.79
As ppm	3	2	6	4
Ca %	0.35	0.53	0.37	0.27
Cr ppm	35	56	39	29
Cu ppm	33	45	35	33
Fe %	3.9	5.2	4.58	3.39
Mn ppm	659	645	675	472
Mo ppm	nd	4	3	1
Mg %	1.46	1.27	1.86	1.02
Ni ppm	16	24	17	15
P %	0.086	0.118	0.073	0.055
Pb ppm	4	nd	nd	11
Sb ppm	nd	2	nd	2
V ppm	94	87	84	67
Zn ppm	102	122	100	83

*nd indicates not detected

Soil samples 03070501-0505 were collected on July 5, and are located 15 metres uphill from, and across the strike of, a quartz vein exposed in subcrop on July 2. Four of the five samples were closely spaced to try and delineate the surface expression of the vein occurrence 50 metres below. The fifth sample, 037505, was collected 25 meters north of the expected trace of the vein. Bedrock at this sample site showed a gradational contact between the quartz-feldspar schist to the north and the biotite-feldspar gneiss to the south. These soil samples plot on the north margin of a magnetic low. The soil samples were fair to good B-horizon soil with biotite-feldspar gneiss rock chips except for sample 0370503, which has colluvium of the two-mica quartz feldspar schist found in occurrence with the vein exposed down the slope. This soil was the only sample that detected silver, and it also has the highest arsenic and antimony values. The highest gold value in the soils (0370501, 11 ppb) was collected on the surface of the projected vein trend. Soil results are included in Appendix C. Figure F shows the soil results.

Figure F: 2003 Sample Results

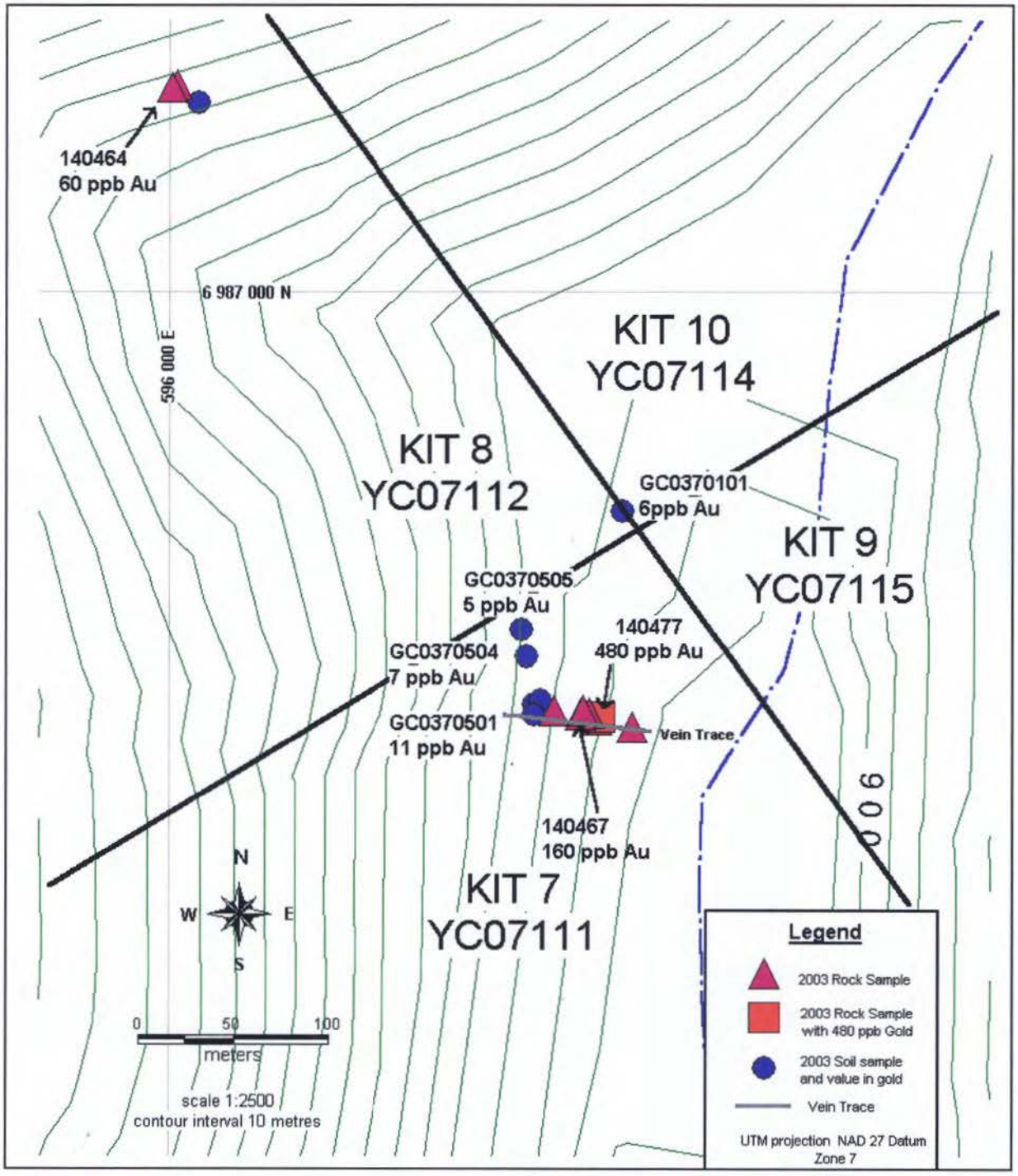


Figure F: Map showing the location and values of gold in ppb from soil and rock samples collected during the 2003 work program.

Rock Sampling Results

On June 27, a large quartz vein float boulder was located 25 metres uphill from a 1991 grid soil sample that returned 811 ppb gold. The location is on a steep 28 degree south facing slope on the KIT 8 claim. The boulder was sampled and submitted as numbers 140464 and 140465. Excavating around and below the float occurrence produced other talus pieces of massive quartz material. This material was sampled as 140462 and 140463. Comparison of the values returned from the samples indicates that the quartz hosted by quartz-feldspar schist (140462, 140464,140465) is more anomalous in base metals than the sample of quartz hosted by biotite-feldspar gneiss (140463). The quartz vein float correlates to an area sampled in 1991 at 25 metre step outs from a grid soil point that carried 811 ppb gold. This area also correlates to a weakly magnetically high feature having an apparent northeast trend across lines 4900E and 5000E visible at the north end of the grid on Figure E.

On July 2, a quartz vein exposure was excavated on a moderately steep 23 degree east facing slope on the KIT 7 claim. The exposure occurs along the north margin of a magnetic low trending east-west across all three geophysical survey lines, and along the south margin of a potentially linear, easterly trending magnetic high. Fifteen rock samples were collected from the area on July 5, 2003.

The quartz vein can be seen to be subcropping over a 15-metre length trending 096 degrees true north and dipping steeply to the south. Bedrock excavated at the site is a mica quartz-feldspar schist and gneiss cut by mm to cm scale quartz veinlets. The exposure was taken to subcrop by Karen Taylor for a 1.0 metre width plus 4.0 metres width of colluvial dispersion on the footwall slope of the vein. The subcrop material was sampled as numbers 140466 to 14068 and the colluvial dispersion as 140469 to 140471. The colluvial samples returned the best values for arsenic, up to 12 ppm. The highest gold value from this group of samples was obtained from the subcrop (#140467, 160ppb Au). Samples 140472 through 140475 were collected from a pile of vein material excavated from the subcrop exposure. Overall, the colluvial and excavated material returned higher levels of pathfinder elements than the subcropping vein material.

Samples 140476 and 140477 were collected down the slope from the vein. Sample 140477 returned a value of 0.48 grams per tonne gold from a two mica feldspar-quartz schist cut by massive white quartz veins. This is the highest value obtained in the 2003 rock samples. The material was surface float on trend 15 metres down slope from the subcrop exposure. Sample 140478 was a 0.6 metre wide chip across the surface of a 0.5m wide vein and a 0.1 metre width of quartz-feldspar schist country rock. The quartz boulder was located on trend 25 metres uphill of the subcrop exposure. This sample was the only rock submitted that the pathfinder element bismuth was detected in (140478, 4 ppm Bi). The values for gold and other elements for these samples are all at background levels. Values in copper and zinc were an order of magnitude greater in the vein material sampled at this location in 1990 and 1991 than in the samples collected in 2003.

Samples 140479 and 140480 were collected from the east wall of a trench excavated in1993. The trench follows the creek approximately 15 metres in elevation above the valley floor for a distance of 120 meters. Numerous float of quartz vein material has been exposed in the east wall of the trench at sample point 140480. The two samples are composite grabs of white quartz vein material forming float and subcrop on strike with samples 140466 to 140478. The vein float cannot be followed to the east and into the Ballarat Creek floodplain. The quartz is massive white, locally vuggy, cutting metamorphosed bedrock along planes of weakness. There is 1% to 3% pyrite and specular hematite ranging from specks to patches in the quartz vein and infilling fractures with limonite. The trench was excavated as part of a physical work program conducted on the 1993 property of Sparkling Minerals Inc.

Rock sample results are in Appendix C. Figure F on the previous page shows the location of the 480 ppb gold rock sample.

Conclusions and Recommendations

Soil sample 0362801 returned 6 ppb gold in an area where 25 meter spaced soil samples returned an average of 267 ppb gold in 1991. The 2003 soil sample was collected at a 50 cm depth near the base of an unmineralized bedrock exposure and would have a very localised area of influence for any geochemical anomaly. The 1991 soil nearest to this sample, which carried 811 ppb gold, was similar soil but collected on the steep, open slope, with a greater area of influence for a geochemical anomaly. Rock samples collected from quartz vein float at this location did not yield anomalous results. The highest gold value obtained was 60 ppb. The values returned, and the values of all other elements analysed can be interpreted as background values for the host bedrock comprising biotite-feldspar schist and gneiss. The magnetic data collected in 2003 indicates a potential northeast trending magnetically high anomaly through this point. Following the weak high to the east may prove beneficial to locating the source for the anomalous gold values in the 1991 soils.

Repeated soil sampling of an area that returned 170 ppb gold in 1991 has failed to return anomalous values in gold. This sample locates 20 metres up the slope from a pingo at the mouth of a gulch. This gulch forms a gradient from low magnetic signature on the south side and high magnetic signature on the north side. The geophysical survey did not expand enough to the east and was too broadly spaced to derive any information for this sample point. A possible error in assay may have to be concluded for this sample.

An occurrence of quartz vein was located in subcrop beneath poplar trees having a colluvial distribution down and up the slope for a distance of 25 metres along an east-west trend. Rocks previously sampled at this site in 1991 returned values up to 202 ppb gold, 3.4 ppm silver, 465 ppm copper and 0.34% zinc. The high values in zinc and elevated values in copper did not show up in the 2003 rock samples. The quartz vein material sampled at this site is descriptively identical to the high-grade gold in quartz float found in Ballarat Creek in previous years. One sample of excavated material from the vein exposure yielded 0.48 grams per tonne gold and shows there is gold mineralization in the quartz vein material. The highest gold value in the 2003 soil samples (0370501, 11 ppb) came from a site 25 metres up the slope and on trend with the vein exposure and the 480 ppb gold rock sample. Host rock for the vein was a quartzofeldspathic gneiss. The vein subcrop occurs immediately north of a weak east-west trending linear magnetic low that cuts all three survey lines around station 4900N.

The mica (muscovite-sericite) quartz-feldspar gneiss and schist in the region appears to be the best host rock for the white, pitted, quartz veins found in the vicinity. This unit has not been mapped regionally but appears to be fairly widespread, and is likely a felsic component of the Nisutlin Assemblage of the Yukon Tanana Terrane.

A program of closely spaced contour soil sampling would allow coverage of veins trending northeast as originally thought, and east-west as defined by the 2003 work program. The 2003 geophysical progam indicates that a more thorough magnetometer survey is warranted. The survey should use a line spacing of 50 metres and keep station spacing at 10 metres. The veining hosts percentage amounts of iron oxides and sulphides and an orientation survey to determine the magnetic signature of the vein would prove useful. Owing to the steep terrain, and the thick vegetation near the creek valleys, a flagged line and station grid should be surveyed in before the geophysical program is commenced. Mechanical trenching of the vein occurrence should also be undertaken with the geophysical survey. A small, helicopter portable excavator could be utilised to trench through the thick colluvium on the moderately steep east facing hillslopes.

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Statement and Qualifications of Author

I, Farrell J. Andersen, state that:

- I am the sole proprietor of Prospex Geological Enterprises, producer of this report.
- I have been conducting mineral exploration since 1985 and have been operating as PGE since 1994
- I am the registered owner of the KIT 3-14 claims.
- I planned and supervised all exploration described in this report.
- I reside at 901 Fir Street, Whitehorse, Yukon Territory, Y1A 4B7.
- I was assisted during the work program by my fiancee, Karen Taylor, and my late dog, Kelsey, both residents at the above address.
- I majored in geology at the University of British Columbia, graduating with a B.Sc. in 1989.
- I obtained a Certificate in Desktop GIS Mapping (Honour's) from Southern Alberta Institute of Technology in 2000.

Signature: 

Appendix A: Rock & Soil Analytical Results

Soil Sample Analytical Results

@ CSV TEXT FORMAT
s PROJECT BALLARAT
samples in this disk file.
: GROUP 1D - 0.50 GM
ANALYSIS BY FA/ICP.

ELEMENT	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Au**
SAMPLES	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppb
G-1	2	2	4	45	< .3	6	4	597	2.13	< 2	< 8	< 2	4	92	< .5	< 3	< 3	43	0.63	0.085	10	23	0.58	274	0.16	< 3	1.19	0.13	0.74	2	< 2
GC0362801	1	46	4	61	< .3	26	17	437	3.76	6	< 8	< 2	5	15	< .5	3	< 3	74	0.19	0.039	13	50	1.2	145	0.14	< 3	2.16	0.01	0.21	< 2	6
GC0370101	< 1	33	4	102	< .3	16	19	659	3.9	3	< 8	< 2	3	18	< .5	< 3	< 3	94	0.35	0.086	11	35	1.46	361	0.21	< 3	2.05	0.02	0.74	< 2	3
GC0370501	1	32	13	72	< .3	26	16	454	3.28	6	< 8	< 2	3	20	< .5	< 3	< 3	90	0.37	0.059	9	59	1.04	301	0.13	< 3	1.78	0.01	0.15	< 2	11
GC0370502	1	26	8	50	< .3	17	13	383	2.89	6	< 8	< 2	2	17	< .5	3	< 3	76	0.35	0.067	6	37	0.76	170	0.1	< 3	1.4	0.02	0.1	< 2	7
GC0370503	1	29	7	78	0.3	20	10	456	3.41	11	< 8	< 2	4	17	< .5	4	< 3	81	0.2	0.047	18	45	1.02	221	0.14	< 3	1.77	0.01	0.16	< 2	5
GC0370504	1	31	9	63	< .3	18	14	395	3.21	7	< 8	< 2	2	17	< .5	< 3	< 3	84	0.31	0.038	7	36	0.8	194	0.1	< 3	1.53	0.02	0.1	< 2	7
GC0370505	1	20	10	59	< .3	16	12	332	3.44	7	< 8	< 2	3	39	< .5	< 3	< 3	91	0.17	0.033	8	36	0.64	202	0.1	< 3	1.93	0.01	0.07	< 2	5
STANDARD DS5/AU-S	12	136	24	130	0.3	24	12	743	2.85	18	< 8	< 2	3	47	5.3	4	6	58	0.71	0.093	12	182	0.64	135	0.09	14	1.99	0.03	0.14	4	48

Rock Sample Analytical Results

@ CSV TEXT FORMAT
s PROJECT BALLARAT
samples in this disk file.
: GROUP 1D - 0.50 GM
FROM 1 A.T. SAMPLE.

ELEMENT	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Au**
SAMPLES	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	gm/mt
SI	< 1	< 1	< 3	< 1	< .3	< 1	< 1	< 2	0.06	< 2	< 8	< 2	< 2	2	< .5	< 3	< 3	< 1	0.09	< .001	< 1	< 1	< .01	2	< .01	< 3	< .01	0.42	< .01	< 2	< .01
140462	7	3	5	33	0.3	41	7	1301	2.45	< 2	< 8	< 2	< 2	180	0.7	6	< 3	13	3.91	0.005	5	37	1.62	1478	< .01	< 3	0.06	0.03	< .01	12	0.02
140463	7	2	3	25	< .3	68	6	1948	1.64	< 2	< 8	< 2	3	103	0.7	< 3	< 3	14	1.86	0.006	11	58	0.88	2129	0.01	< 3	0.14	0.03	0.05	< 2	< .01
140464	8	8	36	6	< .3	32	7	224	1.21	< 2	< 8	< 2	2	30	< .5	< 3	< 3	3	0.29	0.043	4	28	0.07	1090	< .01	< 3	0.06	0.02	0.01	11	0.06
140465	2	24	39	28	< .3	70	15	370	2.07	4	< 8	< 2	5	19	< .5	< 3	< 3	16	0.09	0.018	14	16	0.08	775	0.01	< 3	0.24	0.06	0.07	< 2	0.03
140466	7	18	< 3	13	< .3	4	2	177	0.79	< 2	< 8	< 2	2	180	< .5	< 3	< 3	6	0.4	0.007	6	22	0.17	2117	< .01	< 3	0.12	0.04	0.03	6	0.03
140467	34	5	7	4	< .3	2	5	222	0.9	2	< 8	< 2	3	63	< .5	< 3	< 3	4	0.41	0.187	9	3	0.01	215	< .01	< 3	0.14	0.08	0.02	< 2	0.16
140468	17	2	< 3	1	< .3	4	6	60	0.8	< 2	< 8	< 2	< 2	16	< .5	< 3	< 3	2	0.04	0.014	< 1	25	0.01	82	< .01	< 3	0.03	0.01	0.02	9	0.02
140469	4	1	7	85	< .3	8	5	418	1.84	12	< 8	< 2	< 2	80	< .5	< 3	< 3	19	0.44	0.003	2	2	0.04	2257	< .01	< 3	0.07	< .01	0.01	< 2	0.01
140470	12	2	20	69	< .3	7	4	255	1.35	11	< 8	< 2	< 2	88	< .5	< 3	< 3	15	0.35	0.004	1	27	0.14	2195	< .01	< 3	0.06	< .01	< .01	13	0.01
140471	6	13	4	24	< .3	< 1	3	278	0.92	2	< 8	< 2	6	85	< .5	< 3	< 3	6	0.11	0.01	14	2	0.04	797	< .01	< 3	0.21	0.06	0.08	< 2	0.04
140472	7	2	< 3	11	< .3	3	2	306	0.78	< 2	< 8	< 2	< 2	29	< .5	< 3	< 3	6	0.68	0.004	1	27	0.29	257	< .01	< 3	0.04	0.01	< .01	12	< .01
140473	2	1	5	26	< .3	3	2	858	1.25	< 2	< 8	< 2	< 2	274	< .5	3	< 3	6	2.83	0.004	1	4	1.25	2001	< .01	< 3	0.04	0.01	0.01	< 2	< .01
140474	7	4	< 3	9	< .3	2	1	239	0.82	< 2	< 8	< 2	< 2	35	< .5	< 3	< 3	9	0.64	0.011	3	29	0.26	240	< .01	< 3	0.03	0.01	< .01	13	0.01
RE 140474	7	3	< 3	9	< .3	4	1	233	0.8	< 2	< 8	< 2	< 2	35	< .5	< 3	< 3	8	0.64	0.01	3	28	0.26	236	0.01	< 3	0.03	0.01	< .01	8	0.01
140475	27	2	7	36	< .3	3	5	239	1.33	2	< 8	< 2	7	35	< .5	< 3	< 3	14	0.11	0.022	18	2	0.03	571	< .01	< 3	0.14	0.1	0.01	< 2	0.09
140476	6	2	< 3	19	< .3	4	1	1027	1.06	< 2	< 8	< 2	< 2	67	< .5	< 3	< 3	2	2.43	0.003	1	22	1.1	99	< .01	< 3	0.01	< .01	< .01	8	0.01
140477	4	11	37	10	1	1	2	139	0.51	2	< 8	< 2	2	68	< .5	< 3	< 3	3	0.11	0.005	4	2	0.05	2061	0.01	< 3	0.14	0.03	0.05	< 2	0.48
140478	9	9	11	156	< .3	12	6	617	2.53	2	< 8	< 2	< 2	239	< .5	< 3	4	35	1.25	0.015	3	43	0.54	2040	< .01	< 3	0.24	0.01	0.06	9	0.01
140479	4	5	< 3	19	< .3	2	6	193	1.2	2	< 8	< 2	< 2	88	< .5	< 3	< 3	6	1.37	0.004	1	2	0.57	1169	< .01	< 3	0.04	< .01	< .01	< 2	0.03
140480	14	4	4	14	< .3	4	2	210	0.77	< 2	< 8	< 2	2	41	< .5	< 3	< 3	4	0.46	0.008	2	26	0.2	912	< .01	3	0.09	0.03	0.02	7	0.04
STANDARD DS5/AU-1	12	138	24	130	0.4	24	12	741	2.81	17	11	< 2	3	47	5.3	3	6	58	0.72	0.091	12	181	0.64	140	0.09	15	1.97	0.03	0.13	3	3.3

Appendix B: Rock Sample Location & Description UTM Projection & NAD 27 Datum

Sample #	Zone 7 Easting	Zone 7 Northing	Sample Type	Sample Description
140462	596000	6987107	float	massive splintery white qv + vugs & py blebs
140463	596000	6987107	float	as above with wallrock of bio-hbl-fel banded gneiss
140464	596004	6987108	float	massive splintery yw stained qv + vugs & specular hem blebs
140465	596004	6987108	float	as above w silicified qtz-fel-mica schist wallrock & py blebs
140466	596217	6986779	subcrop	1% diss py in glassy white massive qv subcrop & qtz-fel schist + calc patches & vnlets
140467	596216	6986778	subcrop	as above +vugs+ patches of dk br & yw/ochre lim stain
140468	596218	6986779	subcrop	glassy white qv + drusy vugs + dk red oxidation of hem + lim on fractures + tr fresh py
140469	596220	6986779	float	gy/br silicified qtz-fel schist + cm scale vuggy qv coated by yw & br lim clays
140470	596219	6986784	float	white qv + pervasive hem stain + drusy vugs + lim stain on fractures + tr fresh py
140471	596217	6986785	float	mm-cm vuggy qv in qtz-fel-mica schist + 1% diss specular hem + lim clay on fractures
140472	596219	6886777	subcrop	massive white qv + drusy vugs+tr diss py
140473	596219	6886777	subcrop	as above +qtz-fel vnlets
140474	596219	6886777	subcrop	massive white qv + fel patches
140475	596219	6886777	subcrop	non foliated felsic rock + lim fractures & tr diss py
140476	596226	9686774	subcrop	massive white qv + fel patches+py cubes
140477	596226	9686774	subcrop	qtz-fel-mica schist + cm scale vuggy qv + tr py
140478	596202	6986762	float	0.6m wide lim stained qv + minor qtz-fel schist
140479	596243	6986771	float	massive vuggy white qv + Fe carb + tr py cubes
140480	596247	6986772	subcrop	white vuggy qv + qtz-fel schist + lim fractures & blebs + hem selvage on vn

Appendix C: 2003 Final Geophysical Data UTM Projection NAD 27 Datum

Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)	Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)
4800	4500	596318.8	6986362.0	58848.6	4800	5050	596051.4	6986851.0	56970.3
4800	4510	596313.8	6986370.6	58144.3	4800	5060	596045.4	6986859.0	56964.7
4800	4520	596308.8	6986379.3	57394.5	4800	5070	596039.5	6986867.0	56968.8
4800	4530	596303.8	6986388.0	57334.4	4800	5080	596033.6	6986875.0	56963.3
4800	4540	596298.8	6986396.6	57261.8	4800	5090	596027.7	6986883.0	56971.4
4800	4550	596293.8	6986405.3	57054.1	4800	5100	596021.7	6986891.0	56983.3
4800	4560	596288.8	6986413.9	57315.7	4800	5110	596015.8	6986899.0	56978.5
4800	4570	596283.8	6986422.6	57936.8	4800	5120	596009.9	6986907.0	56981.9
4800	4580	596278.8	6986431.3	56861.0	4800	5130	596004.0	6986915.0	56970.2
4800	4590	596273.8	6986439.9	56852.8	4800	5140	595998.0	6986923.0	56975.0
4800	4600	596268.8	6986448.6	56876.6	4800	5150	595992.1	6986931.0	56970.8
4800	4610	596263.8	6986457.3	57172.8	4800	5160	595986.2	6986939.0	56971.1
4800	4620	596258.8	6986465.9	57455.3	4800	5170	595980.3	6986947.0	56952.7
4800	4630	596253.8	6986474.6	57648.1	4800	5180	595974.3	6986955.0	56952.5
4800	4640	596248.8	6986483.2	57276.8	4800	5190	595968.4	6986963.0	56961.6
4800	4650	596243.8	6986491.9	56850.4	4800	5200	595962.5	6986971.0	56992.7
4800	4660	596238.8	6986500.6	56856.9	4800	5210	595956.6	6986979.0	56987.8
4800	4670	596233.8	6986509.2	56905.7	4800	5220	595950.6	6986987.0	56951.7
4800	4680	596228.8	6986517.9	57144.3	4800	5230	595944.7	6986995.0	56948.6
4800	4690	596223.8	6986526.5	56971.5	4800	5240	595938.8	6987003.0	56956.5
4800	4700	596218.8	6986535.2	56963.6	4800	5250	595932.9	6987011.0	56959.0
4800	4710	596213.8	6986543.9	56980.0	4800	5260	595926.9	6987019.0	56969.4
4800	4720	596208.8	6986552.5	57003.6	4800	5270	595921.0	6987027.0	56976.8
4800	4730	596203.8	6986561.2	56934.1	4900	4500	596401.0	6986411.0	56967.7
4800	4740	596198.8	6986569.8	56958.7	4900	4510	596396.1	6986419.7	56948.9
4800	4750	596193.8	6986578.5	56942.6	4900	4520	596391.3	6986428.4	56985.4
4800	4760	596188.8	6986587.2	56927.9	4900	4530	596386.4	6986437.1	57070.2
4800	4770	596183.8	6986595.8	56920.3	4900	4540	596381.6	6986445.8	57125.7
4800	4780	596178.8	6986604.5	56926.3	4900	4550	596376.7	6986454.5	57165.9
4800	4790	596173.8	6986613.1	56945.0	4900	4560	596371.9	6986463.2	57254.3
4800	4800	596168.8	6986621.8	56931.0	4900	4570	596367.0	6986471.9	57274.5
4800	4810	596164.4	6986631.3	56919.3	4900	4580	596362.2	6986480.5	57164.6
4800	4820	596160.0	6986640.7	56898.3	4900	4590	596357.3	6986489.2	57150.6
4800	4830	596155.6	6986650.2	56944.0	4900	4600	596352.5	6986497.9	57142.7
4800	4840	596151.2	6986659.6	56923.3	4900	4610	596347.6	6986506.6	57316.4
4800	4850	596146.8	6986669.1	56916.6	4900	4620	596342.8	6986515.3	57333.7
4800	4860	596142.5	6986678.6	56924.8	4900	4630	596337.9	6986524.0	57756.0
4800	4870	596138.1	6986688.0	56946.4	4900	4640	596333.1	6986532.7	56960.6
4800	4880	596133.7	6986697.5	56919.7	4900	4650	596328.2	6986541.4	56983.3
4800	4890	596129.3	6986706.9	56946.4	4900	4660	596323.3	6986550.1	57061.2
4800	4900	596124.9	6986716.4	56951.3	4900	4670	596318.5	6986558.8	57068.6
4800	4910	596120.5	6986725.9	56957.3	4900	4680	596313.6	6986567.5	57102.3
4800	4920	596116.1	6986735.3	56978.2	4900	4690	596308.8	6986576.2	56921.2
4800	4930	596111.7	6986744.8	56952.6	4900	4700	596303.9	6986584.9	57143.4
4800	4940	596107.3	6986754.2	56962.5	4900	4710	596299.1	6986593.6	56823.6
4800	4950	596102.9	6986763.7	56979.1	4900	4720	596294.2	6986602.2	56803.0
4800	4960	596098.6	6986773.2	56977.7	4900	4730	596289.4	6986610.9	56739.0
4800	4970	596094.2	6986782.6	57009.0	4900	4740	596284.5	6986619.6	56763.6
4800	4980	596089.8	6986792.1	57002.2	4900	4750	596279.7	6986628.3	56704.1
4800	4990	596085.4	6986801.5	57035.8	4900	4760	596274.8	6986637.0	56830.7
4800	5000	596081.0	6986811.0	57016.3	4900	4770	596270.0	6986645.7	56940.2
4800	5010	596075.1	6986819.0	56986.1	4900	4780	596265.1	6986654.4	56944.9
4800	5020	596069.1	6986827.0	56990.0	4900	4790	596260.3	6986663.1	56887.8
4800	5030	596063.2	6986835.0	57000.8	4900	4800	596255.4	6986671.8	56866.4

Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)	Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)
4800	5040	596057.3	6986843.0	57034.1	4900	4810	596251.1	6986681.5	56874.2
4900	4820	596246.9	6986691.2	56897.9	4900	5370	595999.8	6987187.2	57000.2
4900	4830	596242.6	6986700.9	56904.7	4900	5380	595995.2	6987195.8	56996.6
4900	4840	596238.3	6986710.6	56904.2	4900	5390	595990.6	6987204.5	56994.6
4900	4850	596234.0	6986720.3	56907.8	4900	5400	595986.0	6987213.2	57010.0
4900	4860	596229.8	6986730.1	56916.3	4900	5410	595981.4	6987221.9	57008.0
4900	4870	596225.5	6986739.8	56940.7	4900	5420	595976.8	6987230.6	57005.7
4900	4880	596221.2	6986749.5	56916.3	4900	5430	595972.2	6987239.2	57012.3
4900	4890	596217.0	6986759.2	56916.8	4900	5440	595967.6	6987247.9	57004.5
4900	4900	596212.7	6986768.9	56924.8	4900	5450	595963.0	6987256.6	57006.6
4900	4910	596208.4	6986778.6	56938.1	4900	5460	595958.4	6987265.3	57011.2
4900	4920	596204.2	6986788.3	56948.3	4900	5470	595953.8	6987274.0	57010.0
4900	4930	596199.9	6986798.0	56983.7	4900	5480	595949.2	6987282.6	57014.8
4900	4940	596195.6	6986807.7	56962.0	4900	5490	595944.6	6987291.3	57019.0
4900	4950	596191.3	6986817.4	56932.0	4900	5500	595940.0	6987300.0	57024.9
4900	4960	596187.1	6986827.2	56874.6	5000	4510	596484.0	6986472.0	57078.2
4900	4970	596182.8	6986836.9	57694.4	5000	4520	596479.1	6986480.6	57026.8
4900	4980	596178.5	6986846.6	56824.2	5000	4530	596474.2	6986489.2	57060.0
4900	4990	596174.3	6986856.3	56847.2	5000	4540	596469.3	6986497.8	57075.7
4900	5000	596170.0	6986866.0	56902.4	5000	4550	596464.4	6986506.5	57028.7
4900	5010	596165.4	6986874.7	56906.8	5000	4560	596459.5	6986515.1	57013.5
4900	5020	596160.8	6986883.4	56932.1	5000	4570	596454.6	6986523.7	57037.6
4900	5030	596156.2	6986892.0	56939.5	5000	4580	596449.7	6986532.3	57133.4
4900	5040	596151.6	6986900.7	56950.8	5000	4590	596444.8	6986540.9	57167.0
4900	5050	596147.0	6986909.4	56957.7	5000	4600	596439.9	6986549.5	57139.6
4900	5060	596142.4	6986918.1	56971.7	5000	4610	596435.0	6986558.1	57132.7
4900	5070	596137.8	6986926.8	56966.9	5000	4620	596430.1	6986566.7	57185.2
4900	5080	596133.2	6986935.4	56975.9	5000	4630	596425.2	6986575.4	57101.8
4900	5090	596128.6	6986944.1	56971.4	5000	4640	596420.3	6986584.0	57139.0
4900	5100	596124.0	6986952.8	56960.7	5000	4650	596415.4	6986592.6	57081.2
4900	5110	596119.4	6986961.5	56965.3	5000	4660	596410.6	6986601.2	57038.3
4900	5120	596114.8	6986970.2	56965.6	5000	4670	596405.7	6986609.8	56927.2
4900	5130	596110.2	6986978.8	56960.3	5000	4680	596400.8	6986618.4	56908.4
4900	5140	596105.6	6986987.5	56958.4	5000	4690	596395.9	6986627.0	56957.4
4900	5150	596101.0	6986996.2	56952.4	5000	4700	596391.0	6986635.7	56875.1
4900	5160	596096.4	6987004.9	56947.4	5000	4710	596386.1	6986644.3	56884.1
4900	5170	596091.8	6987013.6	56963.0	5000	4720	596381.2	6986652.9	56914.4
4900	5180	596087.2	6987022.2	56978.6	5000	4730	596376.3	6986661.5	56932.4
4900	5190	596082.6	6987030.9	56980.8	5000	4740	596371.4	6986670.1	56895.5
4900	5200	596078.0	6987039.6	56988.1	5000	4750	596366.5	6986678.7	56872.3
4900	5210	596073.4	6987048.3	56983.1	5000	4760	596361.6	6986687.3	56893.7
4900	5220	596068.8	6987057.0	56984.8	5000	4770	596356.7	6986696.0	56979.9
4900	5230	596064.2	6987065.6	56999.3	5000	4780	596351.8	6986704.6	56868.8
4900	5240	596059.6	6987074.3	57004.8	5000	4790	596346.9	6986713.2	56877.7
4900	5250	596055.0	6987083.0	56991.7	5000	4800	596342.0	6986721.8	56900.7
4900	5260	596050.4	6987091.7	56980.4	5000	4810	596337.0	6986730.5	56911.4
4900	5270	596045.8	6987100.4	56996.1	5000	4820	596332.0	6986739.1	56932.7
4900	5280	596041.2	6987109.0	57143.4	5000	4830	596327.0	6986747.8	56934.8
4900	5290	596036.6	6987117.7	57017.5	5000	4840	596322.0	6986756.4	56946.5
4900	5300	596032.0	6987126.4	57014.4	5000	4850	596317.0	6986765.1	56921.3
4900	5310	596027.4	6987135.1	57002.4	5000	4860	596312.0	6986773.8	56905.8
4900	5320	596022.8	6987143.8	56998.5	5000	4870	596307.0	6986782.4	56930.1
4900	5330	596018.2	6987152.4	57008.9	5000	4880	596302.0	6986791.1	56939.9
4900	5340	596013.6	6987161.1	57010.4	5000	4890	596297.0	6986799.7	56961.6
4900	5350	596009.0	6987169.8	57005.0	5000	4900	596292.0	6986808.4	56942.2
4900	5360	596004.4	6987178.5	57001.8	5000	4910	596287.0	6986817.1	56938.6

Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)	Line	Station	Zone 7 Easting	Zone 7 Northing	Corrected Mag (value in nT)
5000	4920	596282.0	6986825.7	56948.6	5000	5220	596139.5	6987094.3	56997.6
5000	4930	596277.0	6986834.4	56969.0	5000	5230	596134.8	6987103.4	57001.1
5000	4940	596272.0	6986843.0	56954.9	5000	5240	596130.2	6987112.4	57023.9
5000	4950	596267.0	6986851.7	56948.2	5000	5250	596125.5	6987121.5	57023.0
5000	4960	596262.0	6986860.4	56953.2	5000	5260	596120.8	6987130.6	57019.6
5000	4970	596257.0	6986869.0	56961.8	5000	5270	596116.2	6987139.6	57019.2
5000	4980	596252.0	6986877.7	56946.2	5000	5280	596111.5	6987148.7	57036.4
5000	4990	596247.0	6986886.3	56940.6	5000	5290	596106.9	6987157.7	57029.3
5000	5000	596242.0	6986895.0	56946.1	5000	5300	596102.2	6987166.8	57031.4
5000	5010	596237.3	6986904.1	56959.8	5000	5310	596097.5	6987175.9	57014.8
5000	5020	596232.7	6986913.1	56956.9	5000	5320	596092.9	6987184.9	57009.5
5000	5030	596228.0	6986922.2	56957.1	5000	5330	596088.2	6987194.0	57019.9
5000	5040	596223.4	6986931.2	56964.9	5000	5340	596083.6	6987203.0	57012.8
5000	5050	596218.7	6986940.3	56963.9	5000	5350	596078.9	6987212.1	57004.0
5000	5060	596214.0	6986949.4	56966.3	5000	5360	596074.2	6987221.2	57008.8
5000	5070	596209.4	6986958.4	56960.8	5000	5370	596069.6	6987230.2	56998.6
5000	5080	596204.7	6986967.5	56963.8	5000	5380	596064.9	6987239.3	57004.9
5000	5090	596200.1	6986976.5	56969.1	5000	5390	596060.3	6987248.3	57013.7
5000	5100	596195.4	6986985.6	56983.7	5000	5400	596055.6	6987257.4	57017.2
5000	5110	596190.7	6986994.7	56986.8	5000	5410	596050.9	6987266.5	57019.2
5000	5120	596186.1	6987003.7	56997.3	5000	5420	596046.3	6987275.5	57011.2
5000	5130	596181.4	6987012.8	57013.9	5000	5430	596041.6	6987284.6	57015.9
5000	5140	596176.8	6987021.8	57009.9	5000	5440	596037.0	6987293.6	57015.5
5000	5150	596172.1	6987030.9	56982.9	5000	5450	596032.3	6987302.7	57016.3
5000	5160	596167.4	6987040.0	56974.2	5000	5460	596027.6	6987311.8	57014.2
5000	5170	596162.8	6987049.0	56989.6	5000	5470	596023.0	6987320.8	57015.3
5000	5180	596158.1	6987058.1	56979.5	5000	5480	596018.3	6987329.9	57028.4
5000	5190	596153.5	6987067.1	56987.2	5000	5490	596013.7	6987338.9	57022.0
5000	5200	596148.8	6987076.2	57007.3	5000	5500	596009.0	6987348.0	57019.0
5000	5210	596144.1	6987085.3	56993.9					

Baseline 5000N Local Grid Referenced to UTM Projection NAD 27 Datum

Station	Zone 7 Easting	Zone 7 Northing	Station	Zone 7 Easting	Zone 7 Northing
4800E	596080	6886810	5650E	596788	6987254
4900E	596170	6886860	5700E	596830	6987285
5000E	596245	6986899	5750E	596874	6987302
5100E	596326	6986951	5800E	596913	6987333
5150E	596366	6986985	5850E	596956	6987360
5200E	596411	6987005	5900E	596997	6987390
5250E	596454	6987040	5950E	597044	6987420
5300E	596493	6987058	6000E	597077	6987447
5350E	596541	6987078	6050E	597122	6987473
5400E	596582	6987110	6100E	597163	6987499
5450E	596621	6987141	6150E	597207	6987523
5500E	596661	6987169	6200E	597260	6987543
5550E	596704	6987198	6250E	597302	6987561
5600E	596745	6987227	6300E	597354	6987593

Photographs of the 2003 Work Program

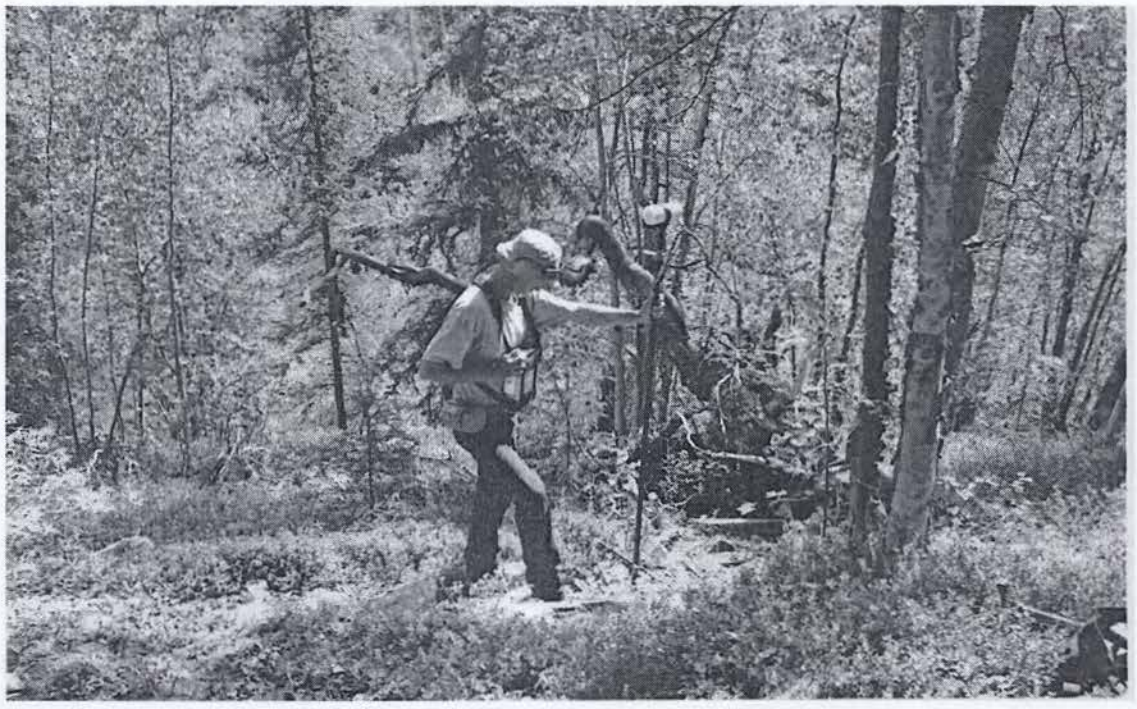


Photo 1: Ground magnetometer survey on the KIT 7 claim

Photo 2: Ground magnetometer survey on the KIT 7 claim

Photo 3: Ground magnetometer survey on the KIT 7 claim

Photo 4: Ground magnetometer survey on the KIT 7 claim

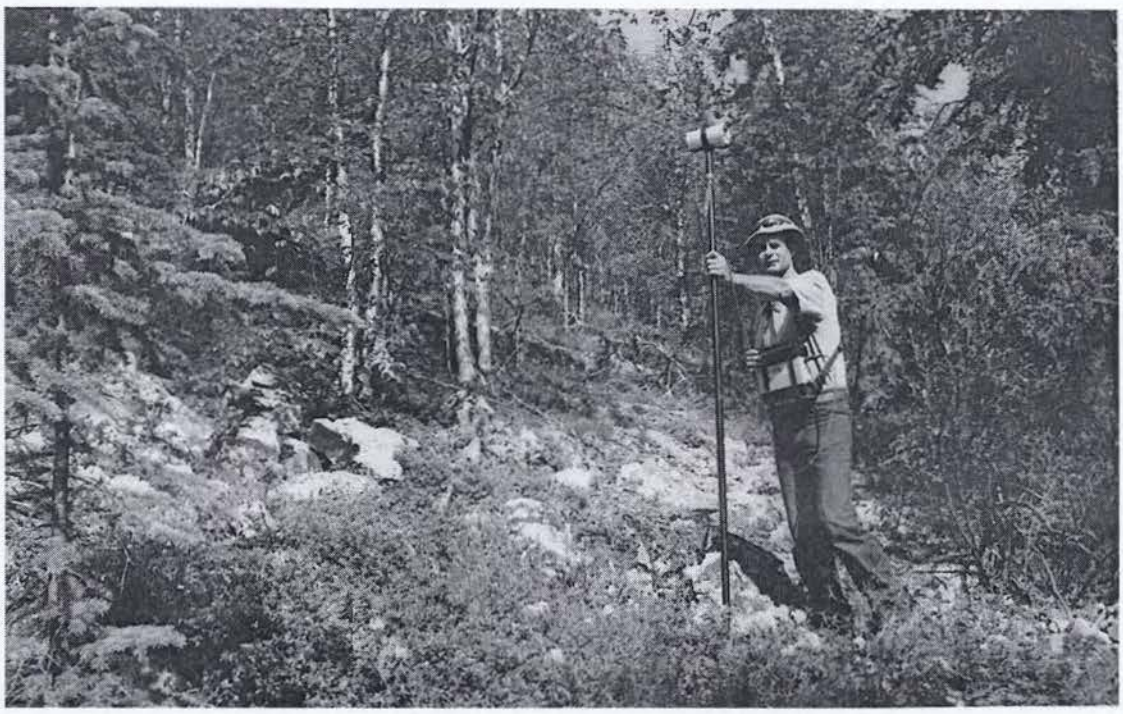


Photo 5 shows the 1 meter quartz float boulder before it was broken and submitted as samples 140464 and 140465

Photo 6 shows the sample locations of 140466 to 140471. The base of the geotul handle marks the vein in subcrop.

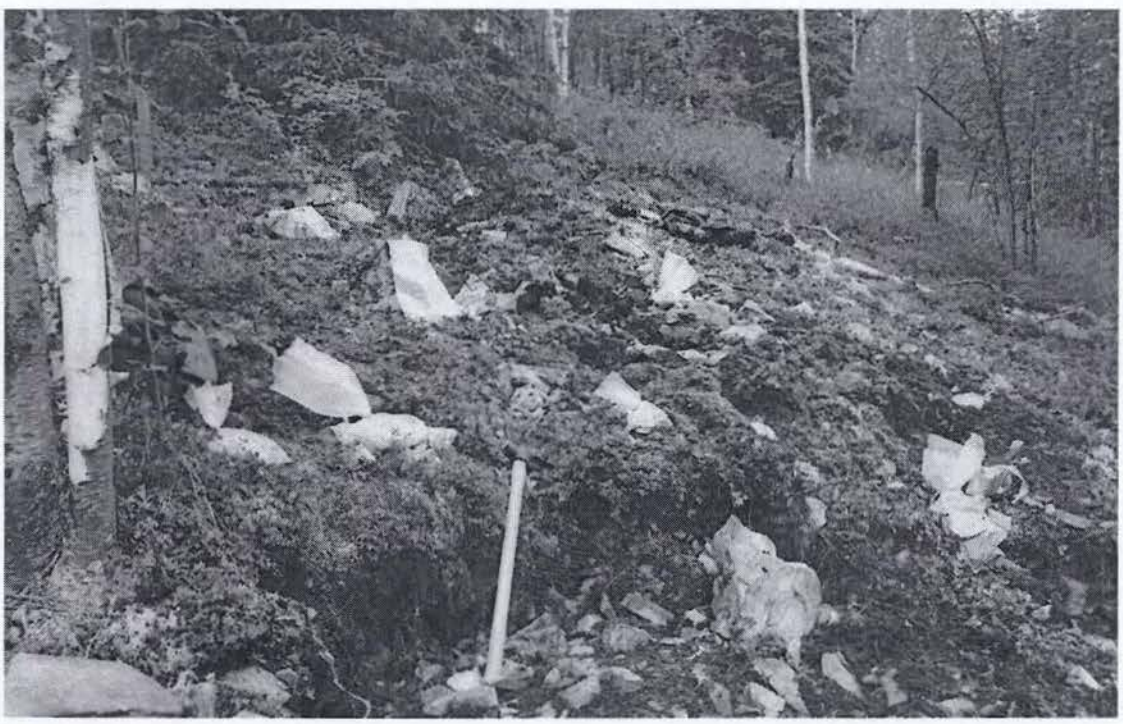


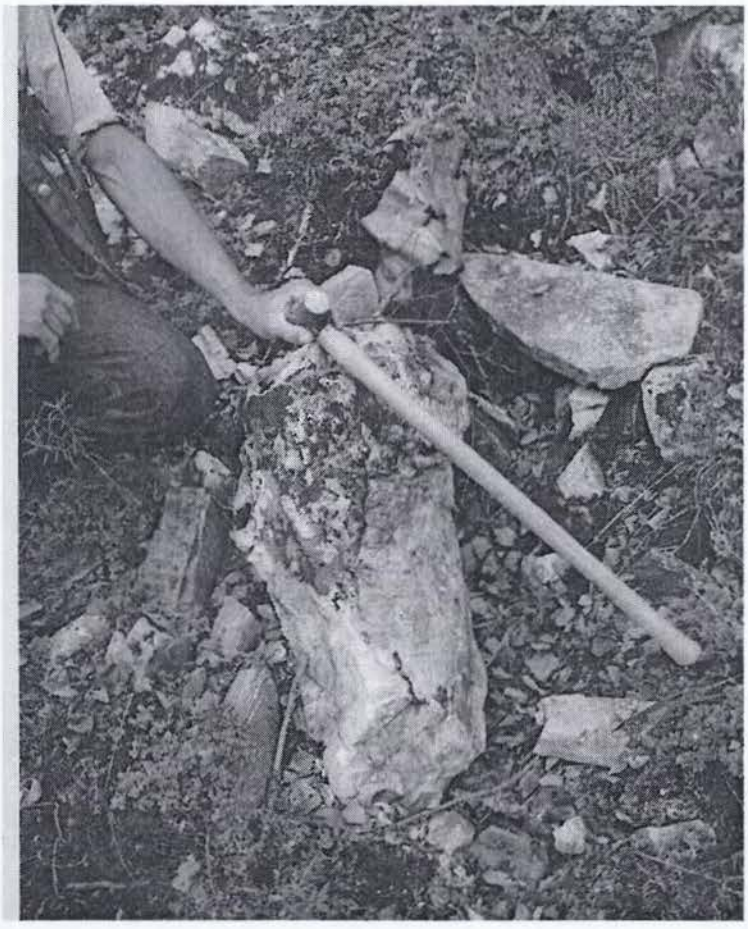
Photo 7 shows the sample locations of 140466 to 140471. The base of the geotul handle marks the vein in subcrop. Sample 140466 is in the foreground.

Photo 8 shows the colluvial dispersion of the quartz vein material around samples 140466 to 140471.

Photo 9 shows the vein material excavated from the exposure that was submitted as samples 140472 to 140475.

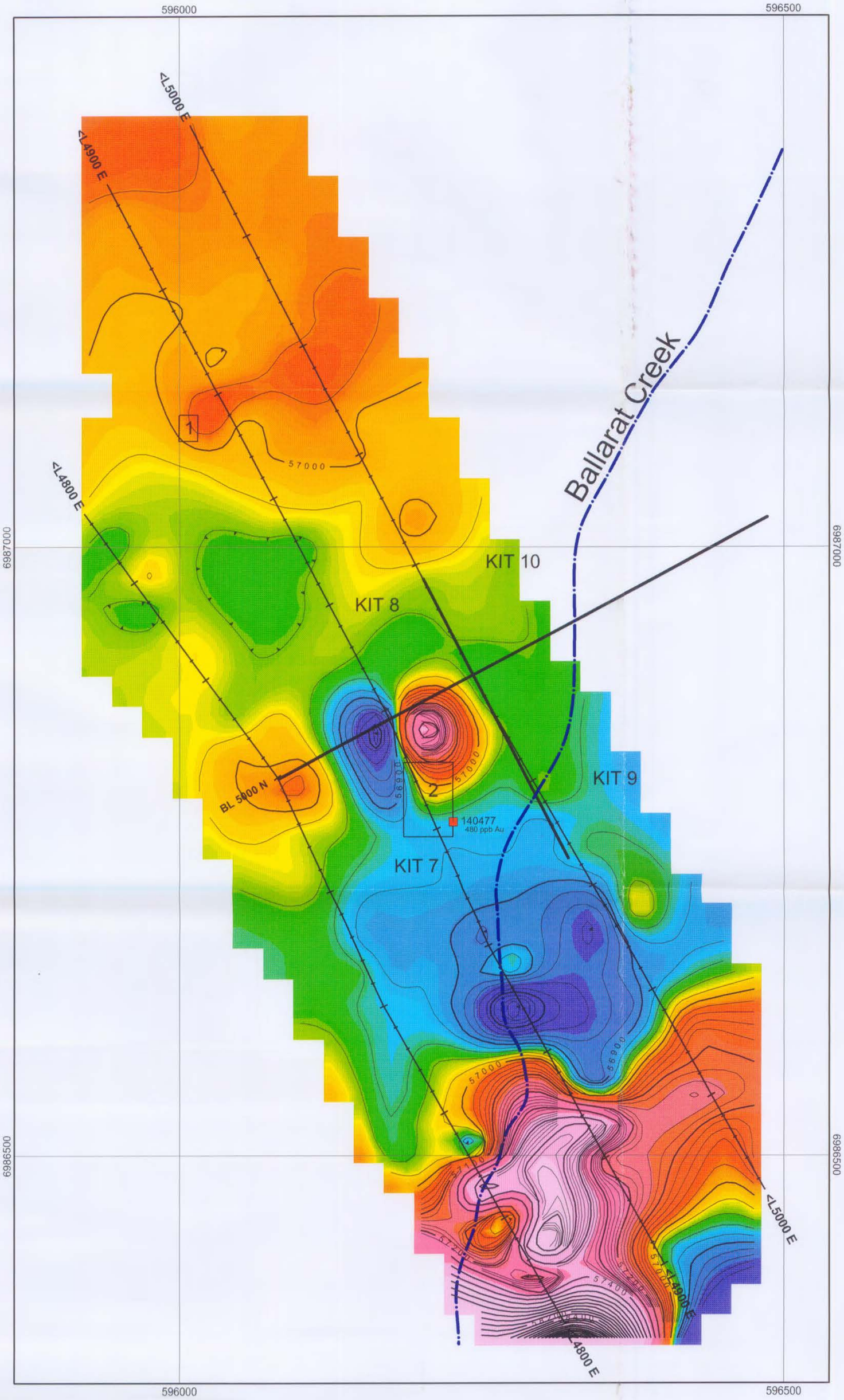
Photo 10 shows sample 140477 before sampling. The quartz vein and wall rock sample returned 0.48 grams per tonne gold.

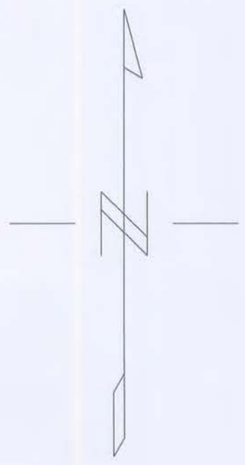
Picture 11 (right) shows the quartz vein material before it was sampled as 140476.



Picture 12 (below) shows the quartz vein material before it was sampled across the 0.6 metre face (140478)

Figure E: Total Field Magnetics for the KIT 7 & KIT 8 Claims





Scale 1:2500

25 0 25 50 75 100 125 150 175

metres

NAD27 / UTM zone 7N

LEGEND

Total Field Magnetics

57543
57350
57194
57133
57090
57044
57027
57021
57017
57015
57012
57008
57004
57000
56996
56992
56988
56983
56978
56975
56972
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56966
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56958
56955
56953
56949
56945
56938
56931
56925
56919
56913
56899
56880
56846

value in nT

1	Location of 2003 Rock Samples 140462-140465
2	Location of 2003 Rock Samples 140466-140480

2003 Geophysical Survey
KIT 7 & KIT 8 Claims

NTS Map 115 J/14
Dawson Mining District, Yukon
YMIP Grant 03-003
Figure E