YUKON TERRITORIAL GOVERNMENT
EXPLORATION INCENTIVES PROGRAM
PROJECT 05 - 012

PLACER EXPLORATION ON THOMPSON CREEK / PROCTOR LAKE PROJECT SAMPLING

MAY 01,2005 - NOVEMBER 31,2005
PLACER PROSPECTING LEASES:
IM00082 - # IM00084
IM00086 - # IM00089
IM00091 - # IM00092
#IM00094

63 Degrees 54' Latitude - 135 Degrees 37' Longitude
PLACER CLAIM SHEET 105-M-13

Prepared By:
MR. KIM KLIPPERT
STEPHRON RESOURCES
Box 152
Mayo,Yukon Y0B 1M0

INTRODUCTION

In this report, the data collected was from the results of exploration work completed between May - November 2005. This is my first application of exploration under the Yukon Territorial Government Exploration Incentives Program for the Thompson Creek and Proctor Lake area in the McQuesten River Valley.

OVERVIEW

The Thompson Creek and Proctor Lake area is situated within the McQuesten River Valley which is surrounded by Mount Haldaine, Galena Hill and Potato Hills (Dublin Gulch). Gold, silver, lead and zinc have been explored in this area prior to 1903 when Jake Davidson staked the Hells Gate quartz claim on Galena Creek.

I have been mining and prospecting in the McQuesten Valley tributary system for the past 25 years. The creeks that I have mined and explored in past and present are Johnson Creek and Goodman Creek. Both have history of being gold producing creeks.

In 1981, Bema Industries Ltd. completed an overburden drill program with a reverse circulation drill, consisting of 53 holes reaching bedrock. These drill results would suggest that the potential for placer gold deposits could exist in the Thompson Creek and Proctor Lake and surrounding unnamed tributaries.

PROJECT DESCRIPTION

Exploration work performed during the 2005 season was based upon 1981 reports on drill results on western "Zap Claims" held by Canada Tungston Ltd., drilled by Bema Industries Ltd. 6 of the 53 drill holes are located on my leases. Due to the unusual wet summer and fall, it was impossible to explore previous drill sites with an excavator. The work on leases was done along the benches of the McQuesten Valley near the south end of Galena Hill, the Proctor Lake area, and an unamed tributary to the McQuesten River Valley.

EQUIPMENT USED

UH16 Excavator
D3 Crawler
4 x 4 Welding Truck
2" Water Pump
Long Tom Sluice Box
4 x 4 ATV
4 x 4 Fuel Truck

WORK DESCRIPTION

Area 1: Thompson Creek and 5 Tier Bench Leases:
Lease # IM00086 # IM00087 # IM00088 # IM00089 # IM00092 # IM00094

Work consisted of taking samples from trenches and test pits excavated along Thompson Creek and across the 5 tier bench lease to Thompson Creek. We sampled 7 trenches and 8 test pits for or a total of 44 samples. Four 20 liter pails from each trench and two 20 liter pails from each test pit were collected. The pails were cleaned with gasoline, then washed with detergent to remove any oil residue.

We had taken gravel samples from various layers in the trenches, in an attempt to get a fair representative sample. The samples were shovelled and fed into a 10" x 48" long tom. The long tom had a solid rubber mat consisting of diamond shaped pockets that caught the heavy concentrates. Below this was a section of "nomad matting", beneath this a set of riffles followed by expanded metal. There was no contamination of samples due to the easy to clean matting. Once the mat was placed into a clean pail of water, all heavy particles fell out of the diamond shaped pockets leaving mat clean of any material concentrates and ready for the next sample. Samples were then panned down and analized for gold and other potential minerals.

Area 2: Proctor Lake: Leases # IM00082 # IM00083 # IM00084

Work consisted of sampling trenches and test pits with the same method as Area 1. We sampled 5 trenches and 4 test pits for a total of 28 samples. This area lies in the bottom of the McQuesten Valley approximate elevation 2000 - 2100 feet. This area differs from the Thompson Creek upper reaches which has an elevation of 2500 - 2600 feet.

On lease # IM00082, a surface layer of mud 10 feet thick covered a mixture of gravel and clay to the depth of 16 feet with no defined layering to represent any type of mineralization. Water was encountered at a depth of 8 feet which made sampling difficult to impossible.

On lease #IM00083 and # IM00084, a thin 2-3 foot layer of mud covered loose gravel. Attempting to dig trenches and test pits in this area became difficult. Due to loose and extremely clean well washed iron stained gravel, it became evident a proper sampling would prove to be non beneficial for any mineralized concentration, and had proved so after sampling methods were carried out. Black sand was all that had been recovered along with 2 small garnets.

Area 3: Unnamed Tributary to McQuesten Valley: Lease # IM00091

This creek lies to the south of the Prospecting Lease Group. 4 trenches and 4 test pits were completed for a total of 24 samples taken. Work consisted of sampling trenches and pits with the same method as Area 1 section (shown on map).

The one trench and 3 test pits excavated on the down stream end of lease appeared to be the same gravel composition as lease # IM00083 and # IM00084 Proctor Creek. The material was diffficult to excavate due to extremely well washed material which created the sluffing of the banks.

A 1-2 foot layer of mud was covering a clean well washed iron stained gravel layer. We had excavated to the maximum depth of 16 feet. We had at first sampled with a pan and in recovery discovered black sand, 2 pieces of hemitite, 1 garnet and some iron stain microscopic gold particles (4 particles, nothing significant). With no significant results, we decided to progress upstream to Section 2 (shown on map).

SECTION 2

The lower trench on section 2 proved to be a glacial pocket of mud, with the first 6 feet thawed, followed by the next 7 feet frozen to total depth of 12 - 14 feet of mud overlaying a frozen layer of iron stained gravel. In the test results from the gravels sampled; black sand, hemitite, and three pieces of garnets were contained in the test results.

With no significant results we moved upstream to the next set of trenches. At these trenches we encountered a 6 foot layer of mud over a layer of lacusterine clay over gravel and the gravel over another layer of lacusterine clay. Amongst these layers we recovered four colors of visible gold and 200 - 250 micron gold particles, 7 small pieces of garnets, 16 small pieces of hemitite, and four small cubes of pyrite. At the north west end of the trench, bedrock was encountered. Physical bedrock did not produce any gold values or any other mineralization (ie. garnets or hemitite) other than fine black sand. It would appear that this area needs to be stripped and thawed for a more thorough bulk sampling test. A few hundred cubic yards processed could help prove test results. Lease # IM00091 was staked into claims due to encouraging results from visible gold, garnets, hemitite, black sand, etc. In the near future I will be applying for a water licence on this particular lease.

CONCLUSION

Due to frozen layers of mud varying in thickness, in the attempt to reach potential pay layers, it was difficult to achieve proper samples on leases
IM00086, # IM00087, # IM00088, # IM00089.
(ie: mud layers 10-14 feet were non existant for gold or other mineralization in areas where thin layers of black mud were excavated 3- 4 feet thick).

The material beneath was either thin layers of gravel or a type of laclusterine clay. The mineralization consisted of hematite, pyrite, black sand, and some small garnets. Most gold recovered was micron in size, only detectable by magnification and not possible to detect physical gold value (weight).

On leases # IM00092 # IM00094 mud layers varied in thickness between 3 -7 feet thick on top of well washed iron stained gravel. Gravel layers were between 4 -7 feet thick situated on a quartz bedrock. The bedrock was tested by panning method with no visible gold present. In a couple of samples, micron gold was present. Small garnets, black sand, and hemitite were also detected.
Lease # IM00091 showed the most promising of all leases, recovering 4 colors of visible gold and 200-250 micron gold particles, 4 garnets (small), 14 pieces of hemitite, and 4 small cubes of pyritite.

SUMMARY

There needs to be more exploration on leases to continue to prove the potential for economic gold values. Lease # IM00091 was staked into claims for future exploration. The stripping of the claims is necessary to thaw the gravels for a larger bulk sampling program in hopes that a future placer mine could be developed.

Scale 0 100 200 km

1:5,000,000 APPROXIMATE

CANADA TUNGSTEN MINING CORPORATION

KENO HILL Y·T·

1980 GEOLOGICAL EXPLORATION PROGRAMME

ZAP, SINISTER AND CONE CLAIMS

KEY MAP

DATE: FEBRUARY 1981	JOB NO. 80-09-A
REVISED BY	FIG. NO. 1

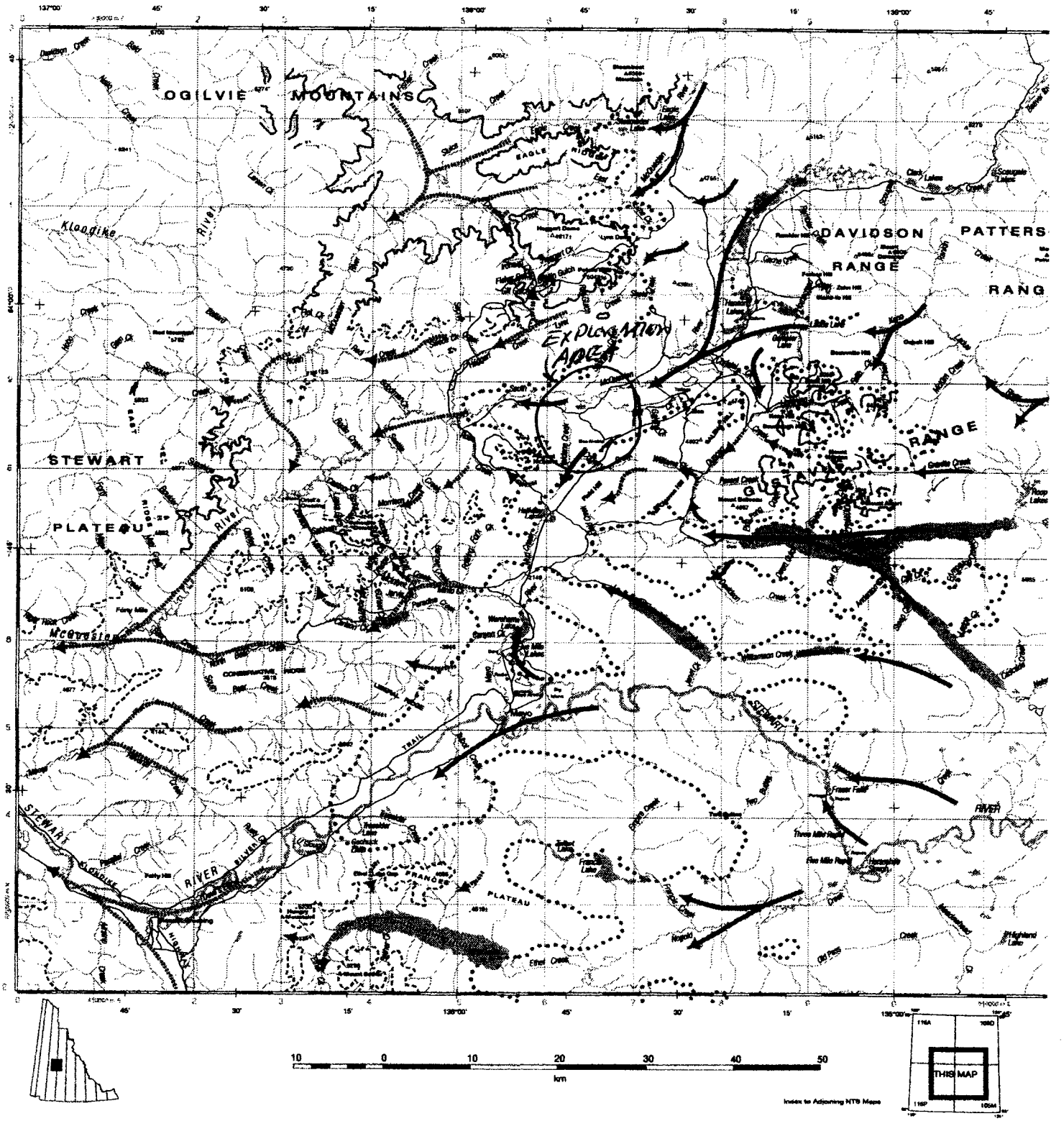


Figure 3. Glacial limits and ice flow patterns, Mayo area (after Bond, 1999. in pocket).

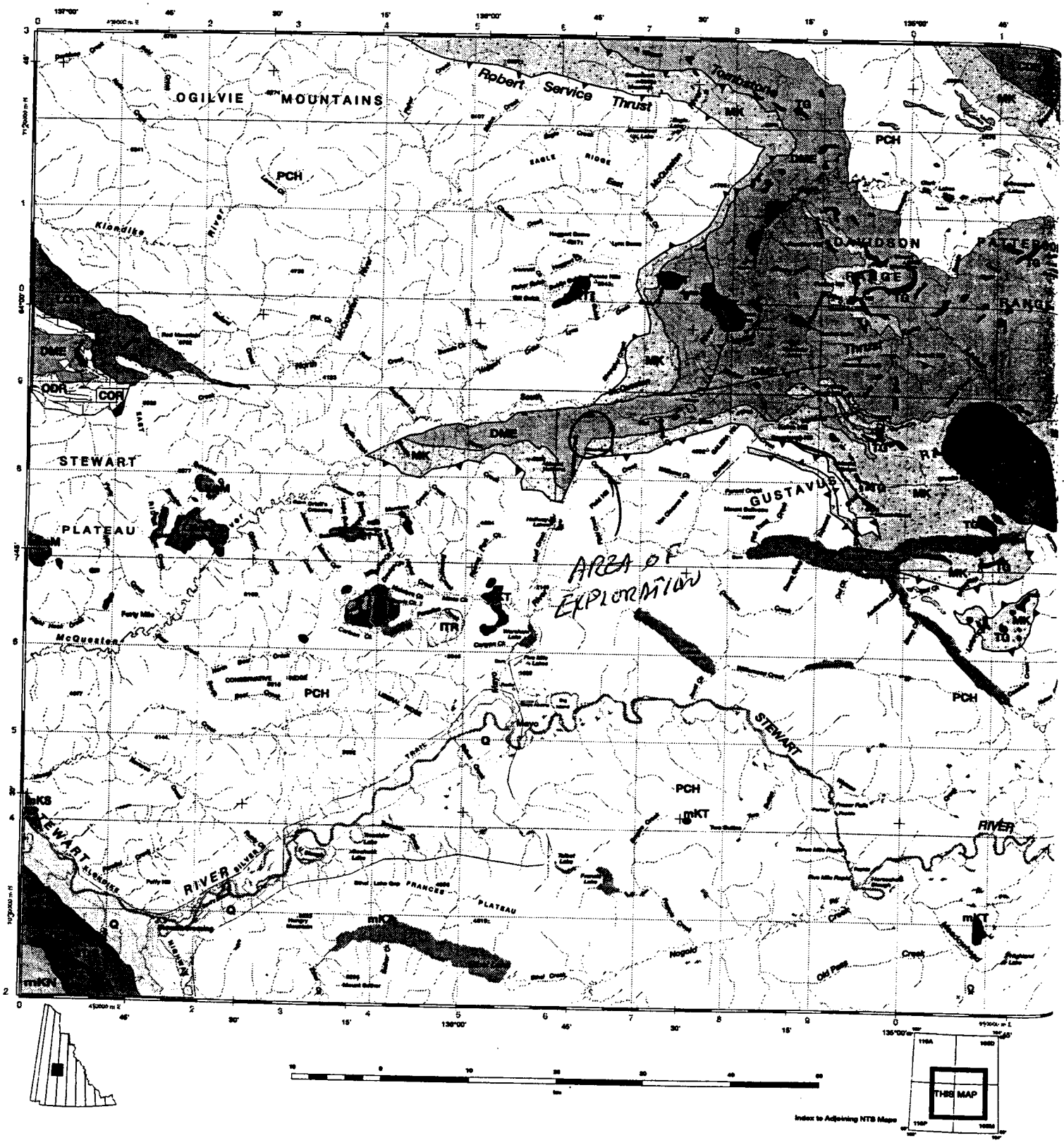
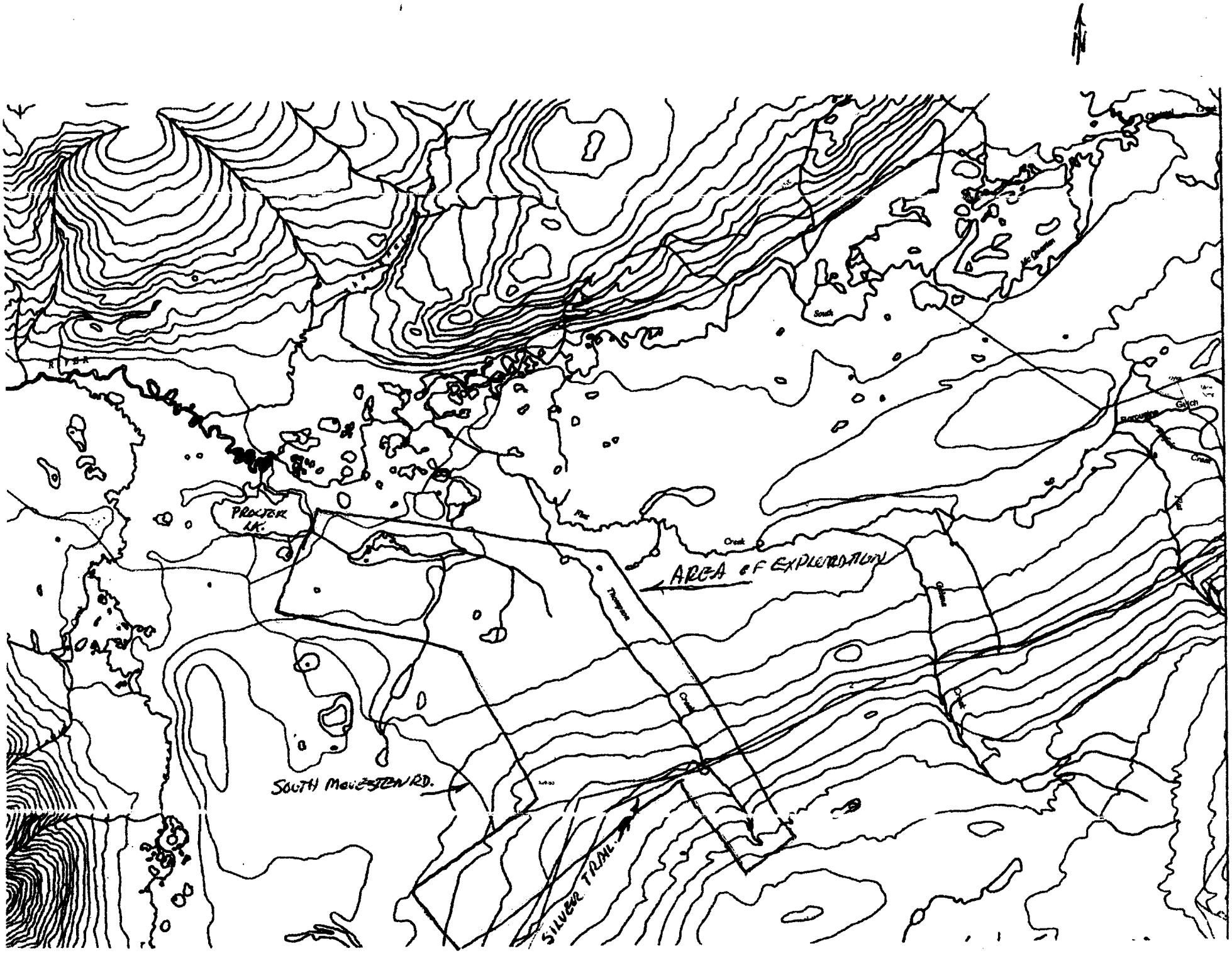


Figure 4. Generalized bedrock geology (after Roots and Murphy, 1992; legend on adjacent page).


PROCTOR LK.
AREA of EXPLORATION
SOUTH MULLENSTEIN RD.
SILVER TRAIL

OVERBURDEN DRILLING REPORT

ON THE

ZAP, CONE, SIN, IS AND TER CLAIMS

Bema Industries Ltd. was engaged by Canada Tungsten Mining Corporation Limited to carry out an overburden drill program on their wholly owned ZAP and CONE claims and the optioned SIN, IS and TER claims.

Six hundred and twenty-seven (627) ZAP claims and eighty-eight (88) ZAP fractions lie within the boundaries of the McQuesten Valley between Mt. Haldane and the Hansen Lake area. Twenty-one (21) CONE claims and one (1) CONE fraction are located on the northwestern boundary of the ZAP claims in the area of Proctor Lake.

The SINISTER group includes forty (40) SIN claims and two (2) SIN fractions, thirty-two (32) IS claims and twenty-four (24) TER claims which occupy a narrow strip of land along the Haldane Creek Valley and are joined to the southwestern boundary of the ZAP claims. The SINISTER claim group is owned by Archer, Cathro & Associates Ltd. and was optioned to Canada Tungsten Mining Corporation Limited in April 1979. See Figure 1.

The overburden drilling was done on the following claims: ZAP 2, 3, 4, 6, 8, 9, 11, 21, 22, 23, 24, 25, 26, 41, 1012 Fr., 1015 Fr., 1018 Fr., and SIN 10, 11 and 12.

Bema Industries Ltd. carried out a unique deep overburden drill program which commenced on June 4 and terminated August 9, 1980. Sixty-seven (67) overburden drill holes were drilled, of which fifty-three (53) were successful in intersecting bedrock. See Figure 2, Overburden Drill Hole Location Map. The concept of overburden drilling involves tracing clastic mechanical dispersion trains of silver, lead and zinc mineralization within the basal till.

Heath and Sherwood Drilling Limited were contracted to supply an Acker Mark IV, track mounted, dual-tube reverse circulation rotary drill system. The orientation drill program was designed with a certain amount of flexibility so that it could be modified to follow-up anomalous areas. Initially four exploration lines were laid out approximately seven hundred (700) metres apart with one hundred and fifty (150) metre hole spacings. These holes were located to obtain the following information:

a) test soil geochemical anomalies;

b) confirm the existence of the Central Quartzite formation;

c) determine the type of overburden material;

d) determine the depth to bedrock and bedrock lithology;

e) locate lead, zinc and silver geochemical and mechanical dispersion trains from up-ice vein structures.

The dual-tube drilling system assures that a continuous and representative sample can be obtained from any desirable sample interval. Overburden samples are collected from three (3) metre intervals in glaciofluvial deposits, one (1) metre intervals in glacial tills or at lithological contacts. The slurry is logged on the drill by a geologist. When the desired sample interval has been drilled, the geologist, with aid from a helper, changes two sample buckets and replaces them with two clean buckets. One sample bucket contains -10 to +180 mesh material and the second bucket contains -80 to +250 mesh material. While the geologist continues to log the new slurry, the helper collects proportionally, two identical samples from both buckets.

The first bucket is covered by a +10 mesh screen, fragments larger than +10 mesh are retained on this screen, while -10 mesh material passes through into the first bucket. This system provides a quick and efficient way of rejecting oversize material. The majority of the +10 mesh bedrock material is disgarded but a small proportion is kept for whole rock analysis, logging and identification purposes. The -10 mesh to +180 mesh material sinks to the bottom of the bucket while the finer suspended material, -180 mesh, flows from the first bucket by way of an overflow valve into a second bucket. The second bucket acts

like a settling pond collecting the -180 to +250 mesh material. Any overflow from the second bucket into the drills' water-tank consists only of the finest (-250 mesh) clay particles.

The -10 mesh to +180 mesh sample is split into two portions. One of the two -10 mesh to +180 mesh samples collected is run over the concentrating table and the other sample is stored. A portion of the heavy mineral concentrate obtained from the -10 mesh to +180 mesh sample was sent to Bondar-Clegg & Company, Whitehorse for silver, lead, zinc, copper and gold geochemical analyses. A two hundred and fifty (250) gram sample of the -180 to +250 mesh fine sample was collected in a Kraft sample bag, dried and then shipped to Bondar-Clegg & Company, Whitehorse for silver, lead, zinc and copper geochemical analyses. The geochemical values for heavy mineral concentrates and -250 mesh samples are tabulated with the overburden lithologic drill logs. See Appendix I.

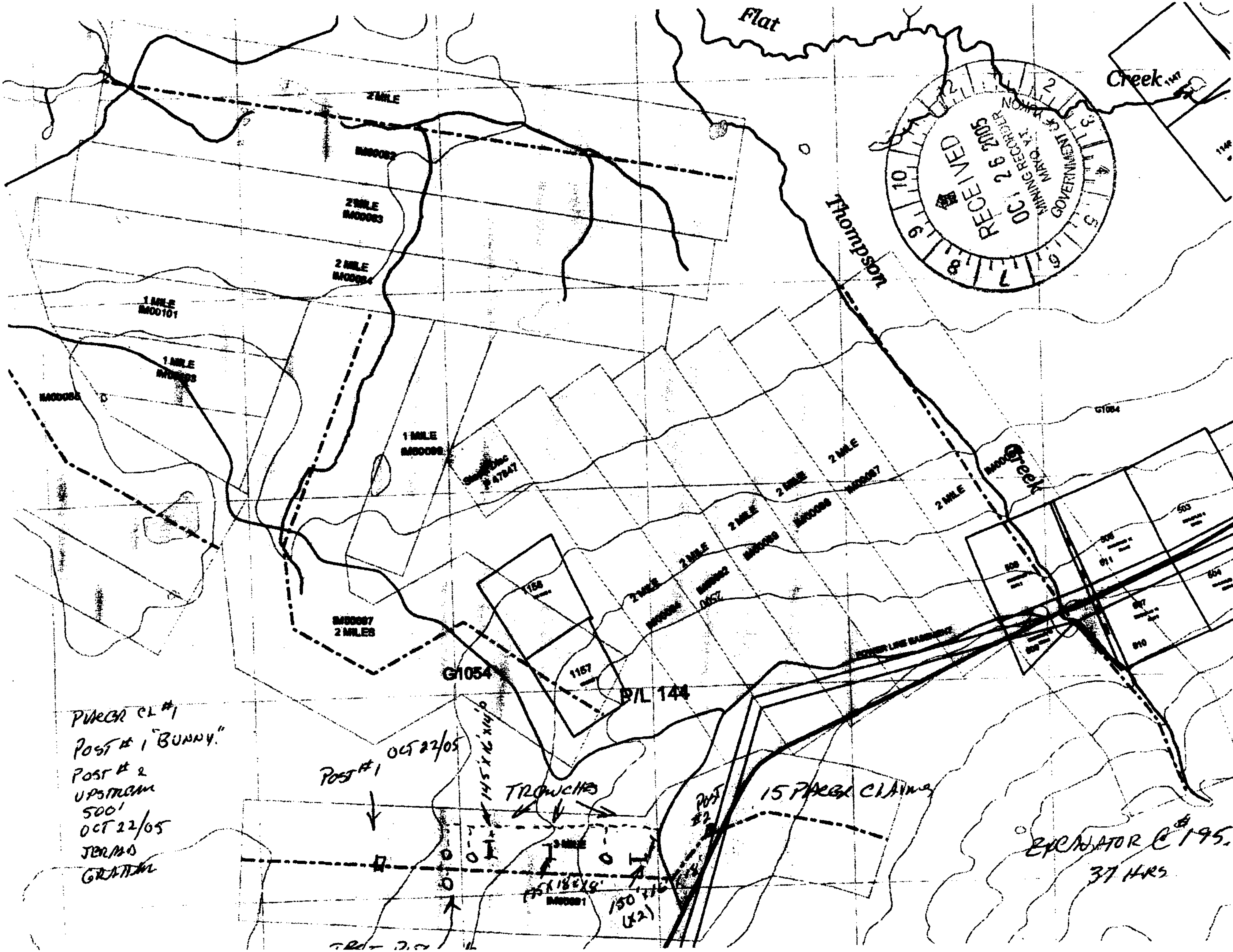
Report by: M.D. Philpot

M.D. Philpot, B.Sc.
Geologist

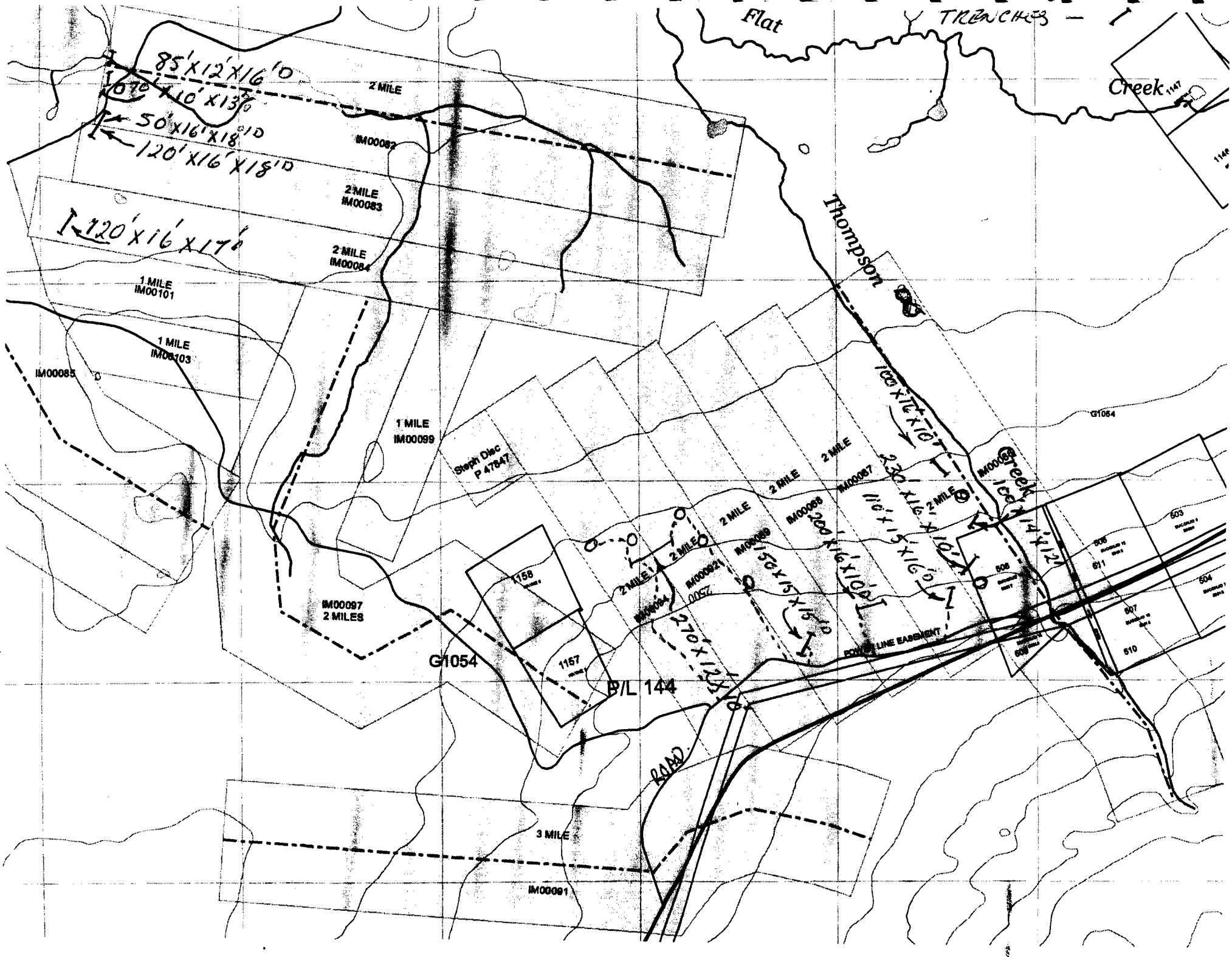
K.E. Northcote

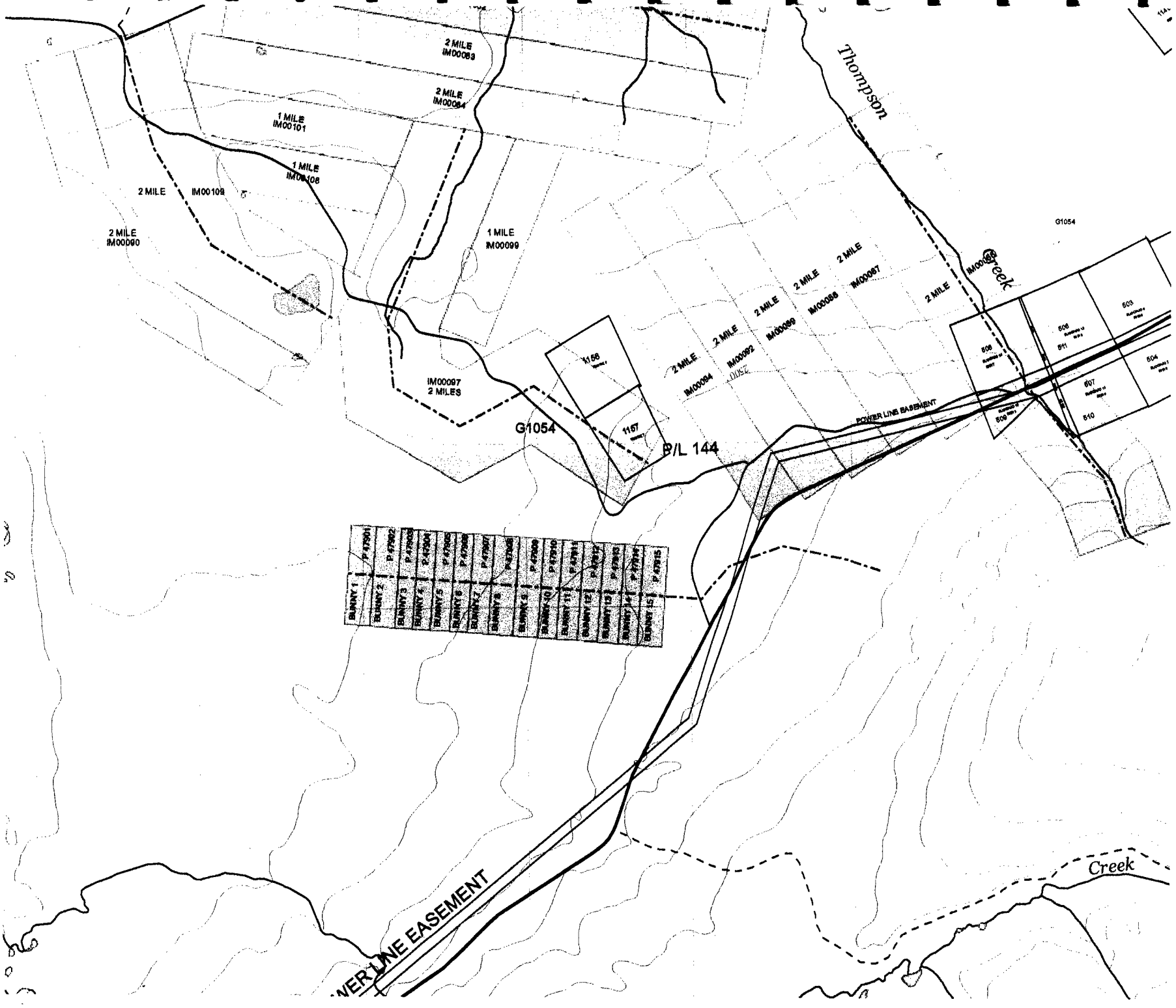
K.E. Northcote, Ph.D.,P.Eng.
Geological Supervisor

MDP/pcd



Flat
Creek
Thompson
Creek
RECEIVED
OCT 26 2005
MINING RECORDER
MAYO, Y.T.
GOVERNMENT OF YUKON
2 MILE
IM00082
2 MILE
IM00083
2 MILE
IM00084
1 MILE
IM00101
1 MILE
IM00086
1 MILE
IM00098
IM00087
2 MILES
G1054
P/L 144
1156
1157
POWER LINE EASEMENT
G1054
2 MILE
IM00097
503
504
505
506
507
508
509
510
511
IM00081
PURCER CL #1
POST # 1 "BUNNY"
POST # 2
UPSTREAM
500'
OCT 22/05
JERMD
GRATTAN
POST #1 OCT 22/05
145'X14'X10'
TRENCHES
15 PURCER CLAIMS
POST #2
EXCAVATOR C# 195.00
37 HRS
150'X18'X8'
150'X16'
(X2)


Flat
TRENCHES
Creek
Thompson
85'x12'x16'D
107'x10'x13'
50'x16'x18'D
120'x16'x18'D
120'x16'x17'
2 MILE
IM00082
2 MILE
IM00083
2 MILE
IM00084
1 MILE
IM00101
1 MILE
IM00103
IM00085
1 MILE
IM00099
Steph Disc
P 47847
IM00097
2 MILES
G1054
1158
1157
P/L 144
ROAD
3 MILE
IM00091
2 MILE
IM00087
IM00088
IM00089
IM00090
IM00092
IM00094
150'x15'x15'D
270'x12'x12'D
200'x16'x10'D
110'x15'x16'D
POWER LINE EASEMENT
503
504
505
506
507
508
509
510
511


2 MILE IM00089
2 MILE IM00084
1 MILE IM00101
1 MILE IM00108
2 MILE IM00109
2 MILE IM00090
1 MILE IM00099
IM00097 2 MILES
G1054
1156
1157
P/L 144
2 MILE IM00094
2 MILE IM00092
2 MILE IM00091
2 MILE IM00088
2 MILE IM00087
2 MILE IM00086
Thompson Creek
G1054
POWER LINE EASEMENT
Creek
POWER LINE EASEMENT