

06-037

**YEIP
2006
-037**

Secret Creek

Target Evaluation

T-101 – 2006

Vern Evans & Walter Malickey

Table of Contents

Secret Creek Placers - Target Evaluation T-101 2006

1. Table of Contents
2. Foreword
3. Accumulated Data Report
4. Journal
5. Pictures
6. Balance Sheet, Total Expenditures
vs. Government Grant
7. Summation
8. Complete Yukon Mining Incentives
Program - Final Submission Form
9. Previous History

**Secret Creek Placers
Vern Evans & Walter Malickey**

**Target Evaluation
T-101 - 2006**

FOREWORD

As a geological study is carried out, I've learned that the results can only be derived by the depth you dig when it comes to placer mining. The previous history and study will be included with this report.

The summations by the previous professionals may be contradicted by this report and, of course, will contain new pertinent information that will give a clearer understanding of how this geology was achieved by the physical forces acting upon it.

Core Principals to bring about achievable goals utilizing our government grant:

1. Tap into other peoples' knowledge
2. Tap into other peoples' experiences
3. Believe in yourself and do it.
4. Be open minded, exercise ideas with the intention of capitalizing monetarily.

Vern Evans

SECRET CREEK TARGET EVALUATION

T-101 2006

**ACCMULATED DATA
&
Definitive Findings / Theory**

Secret Creek Target Evaluation

T-101 2006

INTRODUCTION:

Operation/Location

Vern Evans and Walter Malickey began testing Secret Creek in 2004 utilizing a D-7 Caterpillar and Hitachi Hoe. The Hitachi has since been replaced by my 7000 Series Hi-Hoe. Secret Creek can be found 35 km north of Mayo. (Refer to Map 105 M13). Enter Swede Creek, turn off and drive 3 km over rough road to our camp.

Equipment/Function

A D-7 Caterpillar was used for stripping and a creek diversion. The 7000 Series Hi-Hoe was used to excavate our test hole and dig a drainage ditch. As we dug the pit, we utilized our 24" x 24'-0 test Trommel to process gravels.

Ground Description

Test Hole T-101 is 10 meters x 25 meters with a drainage ditch approximately 4 meters x 30 meters. Maximum depth attained 4.5 – 4.6 meters. The test hole is being dug across the valley and will eventually encompass the area where the existing creek ran. Walter diverted the creek to the right limit of the valley (if you are facing west).

Mining Cuts

The target area is stripped of black muck approximately 50 x 100 meters with accesses in and around the test area. The plan is to pump the pit dry, utilizing a loader in the pit to load the Trommel while the 7000 series Hi-Hoe will pull back overburden, so we can continue going down safely. Our target depth will be an attempt to dig to bedrock. This will eliminate our current drainage problems.

Water Supply and Treatment

Currently, we are utilizing all water from the pit to do our testing. The water is then allowed to flow into our settling ponds with no connection to the creek whatsoever. The area of the settling ponds absorbs all water we put out and dries up by the next shift.

Gold

Gold samples range coarse to flour, with surprising amounts of gold in black sand that would otherwise be tossed out. I utilize a household blender at high speed and pan out the black sand a second time. I then take the black sand a third time and this time add 4 cups of water and ¼ cup bleach to 1 cup black sand, leave overnight, turn the blender on high, and pan out a third time.

Comments

On a large scale, our operation is viable; 64 – 71 cu. yds. yielded over 4.72 oz. I say over, because we left our black sand in the clean-up box and it contains gold. I will give it the blender process when I get out there again.

* * * * *

Secret Creek Target Evaluation T-101 2006 Accumulated Data

Type of Equipment Used

D-7E Caterpillar

7000 Series Hi-Hoe with

1:5 cubic yard Bucket

Test Trommel fed through

Grizzly

Test Hole T-101

- Colour code *Blue*
- Tested at 300 mm intervals over 5 m x 10 m area
- Approximate overall maximum depth attained 4.6 meters
- Water table within 1.2 meters, 4'-0" of surface
- Utilized 75 mm 3" pump to pump the pit dry
- Volume of material washed through the test Trommel 64-72 yards maximum total
- Total volumes documented by amount of tailings washed through the plant

Volumetric Accounting as follows:

- Total gold recovery 4.72 ozs (After secondary refinement)

| Date | Test # | Depth of Pit | # Yards Processed | Total Grams Recovered | Grams/Yard |
|---------------|--------|--------------|-------------------|-----------------------|-----------------|
| Jul 2 | 1 | 1.3 m | 5.5 | 04.95 | .9 |
| Jul 10 | 2 | 1.4 m | 6.5 | 05.95 | .9 |
| Jul 22 | 3 | 1.5 m | 6.5 | 06.10 | 1.06 |
| Jul 24 | 4 | 3.1 m | 7.0 | 07.14 | 1.02 |
| Jul 29 | 5 | 4.0 m | 8.5 | 11.50 | 1.35 |
| Jul 31 | 6 | 4.2 m | 6.0 | 07.80 | 1.30 |
| Aug 1 | 7 | 4.3 m | 6.0 | 10.60 | 1.70 |
| Aug 13 | 8 | 4.4 m | 6.5 | 12.60 | 1.93 |
| Aug 20 | 9 | 4.5 m | 5.5 | 11.80 | 2.14 |
| Aug 26 | 10 | 4.5 m | 6.0 | 17.16 | 2.86 |
| Aug 27 | 11 | 4.5 m | 6.0 | 12.50 | 2.04 |
| Totals | | | 70.0 | 108.10 | 1.56 Avg |

Definitive Findings / Theory

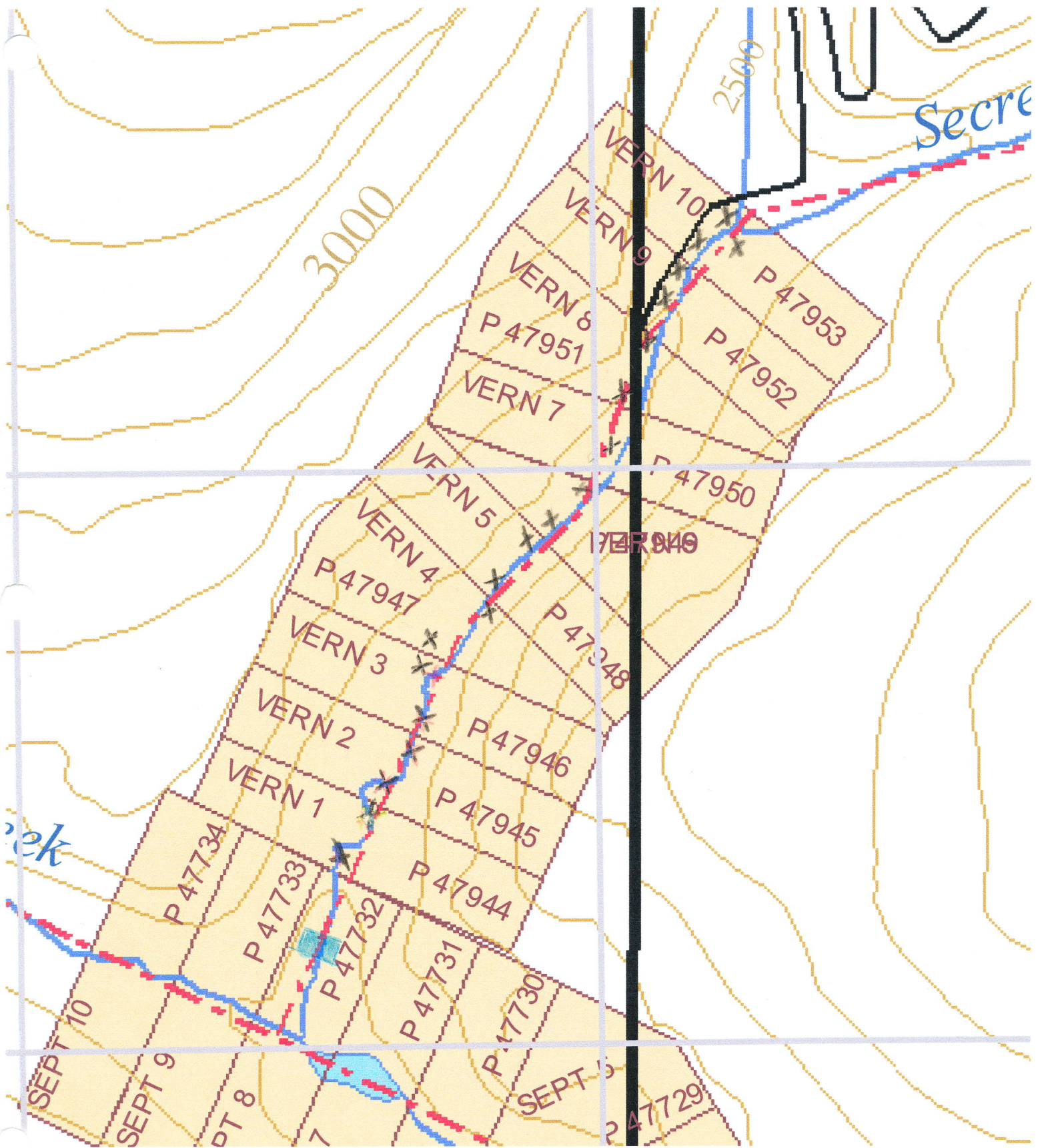
Secret Creek gravels are laid down in stratification consistent with little glacial effect. The gravels are Tertiary gravels – Hematite. Glaciations did not scour and move along this valley, rather it stopped here. Gold, conglomerate and high mineralization indicated natural erosion from specific gold, silver, iron and tungsten loads (shear zones).

The Peso Silver Mine at the upper extreme confirms a silver shear zone. A very important thing to note is the very limited area where the zones have occurred. I have only two possible directions to test for gold at the forks; with one test hole done at the fall-out from each small valley, we will definitely know the correct direction where the gold came from.

The forces acting upon the formation as they stand are the effects of natural erosion, water, frost heaves, earthquakes, and previous volcanic activity, with some glacial effect. Another indicator of little glacial effect is the lack of large moraines and large boulders. The rusty gravel strata are very consistent and not mixed. The overburden is shallow. I am very excited by these findings.

We also know there was substantial gold washed from Secret Creek into Swede Creek. We hold the two claims at the out-fall. This area has a variable gold resource waiting to be tapped. I intend to continue to test next year and will focus our targeting on stepping down and hitting schist bedrock and doing two test holes, T-102 and T-103, at the outflow of the two valleys.

* * * * *

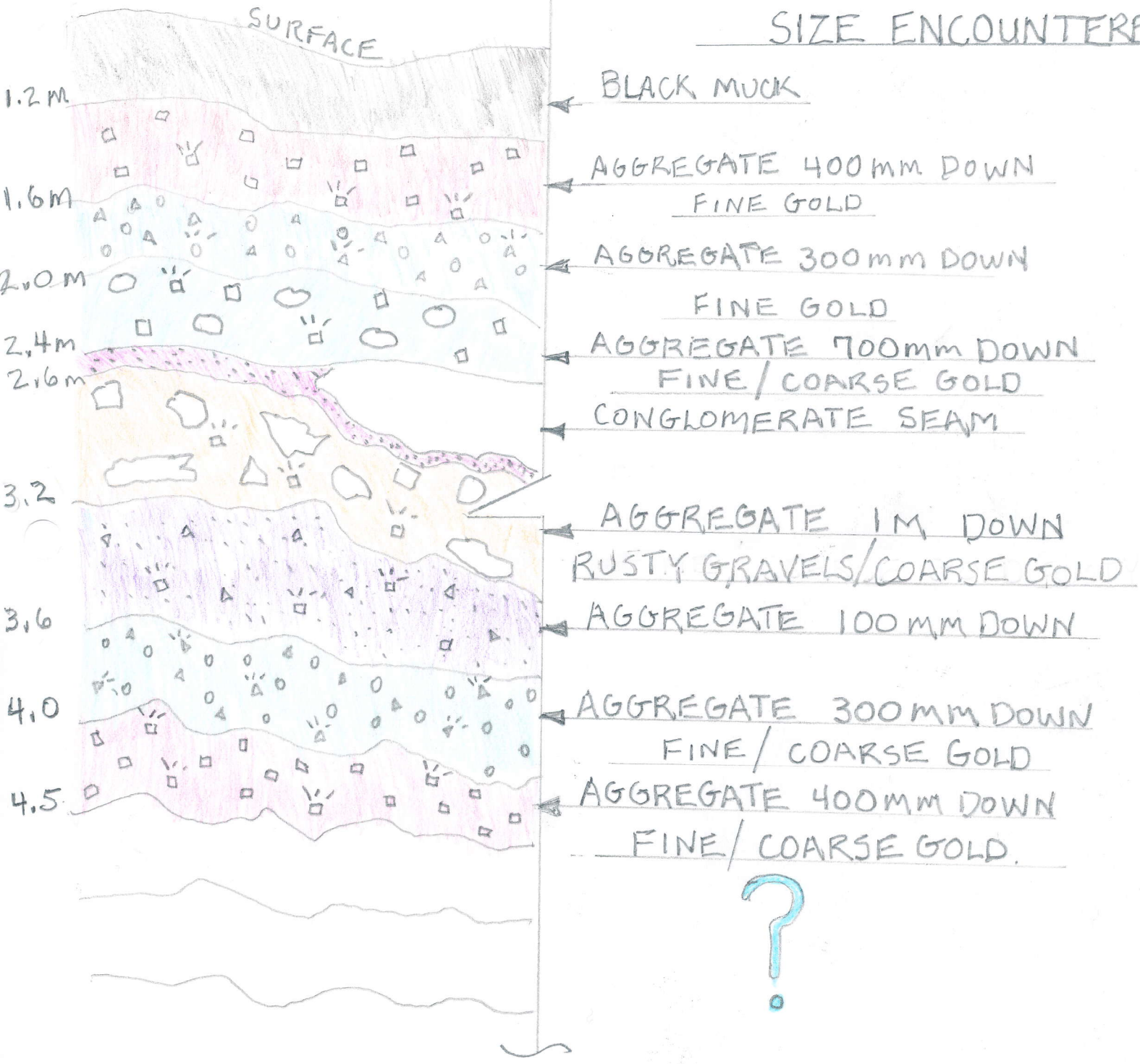


Legend: Blue Square – T-101 Target
Black X's – Test Sample Sites

T-101

DEPTH

ROCK/AGGREGATE
SIZE ENCOUNTERED



MINING JOURNAL

T-101 2006

Secret Creek Target Evaluation

Vern Evans & Walter Malickey

**Secret Creek Target Evaluation
T-101 – 2006**

**MINING JOURNAL
Vern Evans and Walter Malickey**

Multipliers Used:

| | | |
|-----------------------------|---|----------------------|
| Feet to Meters | x | 0.3048 |
| Cubic Feet to Cubic Meters | x | 0.028317 |
| Cubic Yards to Cubic Meters | x | 0.7645 |
| Miles to Kilometers | x | 1.6 |
| 1 Yard | = | 0.9144 |
| 1 Cubic Foot | = | 0.037037 Cubic Yards |
| 1 Ounce | = | 31.10 Grams |

April 29, 2006 -- V/W

Left for Mayo, Yukon at 4:00 a.m. on Saturday. This is our first entry of the mining year which should prove to be a continuation of the biggest adventure I've ever experienced. I like field work. Last year at this time we plowed 7 feet of snow to Base Camp to test Thunder Gulch. Walter and I walked the D-7 through Hans Barnsaw's mining camp and claims and over the mountains to Walters's claim, in two stages. Today our prime objective is to drive to Davidson Creek and recover my 7000 Series High Hoe, to be used for targeting at our Secret Creek Claims and One Mile Lease. We arrived at Davidson Creek at 1:00 p.m., snowing heavily not a good scenario. Our window for recovery has to be now while the ground is still frozen. If the ground thaws the 44 Ton Hoe will wreck the road. Oh no, Kim Klippert has left his D-8 across the road. This means I will have to sled the Herman Knelson, backup batteries and generator over the hill to Paul Revest's camp where the Hoe is approximately 2 miles up.

Arrived at camp, after 4 hours of fighting gravity, to tarp the Hoe, install batteries and fire up the Hoe heater, all before 6:00 p.m. By 7:00 p.m. I fired up the Hoe, and positioned all the equipment including the test trammel for removal in the morning. The weather cleared up and it's getting cold. We're too tired to continue so lit a fire in the main cabin and will eat and sleep.

April 30, 2006 -- V/W

We awoke today, at 8:30 a.m. to a very cold morning. Good to get the Hoe out, but hard to get everything started and moving. After 2 hours finally have everything warmed up. Had to top up the hydraulic fluid, fuel at 75%, oil full. With a puff of diesel smoke and a loud roar we were off. Walter operated the Hoe, while I watched for problems with the Trommel. Everything seemed to be going well until we started moving downhill. The Trommel rammed into the back of the Hoe. Nothing damaged, but it was quite the awakening. I allowed the Tongue to ride this position all the way down until we got to where the D-8 blocked the road. This could not be a worse problem. I decided to get Walter to backup 30'-0, there I blocked the Trommel wheels and released the Hoe.

Now for the fun part, there was a 35-0' drop-off to make to our road out of there. Walter placed the Bucket 20 -0' down and carefully inched his way over the drop-off. Then he lowered the Hoe and took another bite with the bucket. After doing this 5 or 6 times he finally got to the bottom and walked the Hoe to the Creek, approximately .25 kilometers. This would complete this trip. The next move would be to contact the Waterboard, D.F.O, and Power Authority to extricate the Hoe across the Creek legally.

May 6, 2006 -- V/W

Left Whitehorse Friday, May 5, 2006 at 6:00 p.m. and drove to Secret Creek towing my 26' trailer. We arrived at 3:30 a.m. Saturday. This will be a very busy day to set up camp, build a latrine and work on our mining plan. The Hoe is still sitting at Davidson Creek, due to day-to-day road restrictions so we will have to begin by checking elevations so we can position our settling ponds, test the Trommel and start the pit cut to provide the optimum test results. We want to find and test as many channels as possible. I will be taking photographs to provide a visual of how the pit/cut settling ponds, position of the Hoe and Test Trommel are set up when we get everything to the site. At this point we have the creek too close to where we want to test so Walter has commenced taking the moss off to allow the ground to begin thawing, so we can do a .25 km creek diversion. This will allow us to do a 70-80 meter cut cross valley and eventually with the right pumps do an open cut and a step down via the drainage ditch. This will allow us up to 10 meter depths which should take us to

bedrock. The ground is still frozen but at least we've scratched the surface and have a visible runway, 8 hard hours on the D-7 with no breakdowns, back to building the latrine.

May 7, 2006 -- V/W

We awoke at 10:00 a.m. to overcast weather with snow immanent. Walter and I disagree on how to attain drainage from pit when we can get around to digging it -- probably late June or early July before frost is fully out of the ground. I think the easiest way to start is simply use pumps. Walter thinks bedrock is close to surface and wants to dig a drainage trench. This could be an expensive method if we don't hit bedrock. Take the rest of the day setting up camp and tooling, establish equipment maintenance area, and unload cutting torches and welder. It is a lot of work to modify the Trommel for our purposes. I will have to build grizzly and water jacket for spray bar and nozzles. I left Whitehorse at 3:30 p.m. Can't fight Mother Nature. Walter stayed on to continue clearing the target mine site.

May 15, 2006 -- V/W

Walter spent the day line cutting and improving our road in. The weather is slowly improving. The surface muck is thawing by early afternoon and refreezing at night. Still lots of snow where we haven't run the D-7, Walter calls this dead work but it's all got to be done. Walter informed me he worked 6 hours today on the D-7.

May 16, 2006 -- V/W

Today Walter worked on the settling ponds. He ran a runway east/west 100 meters with the D-7 until he was stopped by the frozen ground. Enough work to help the spring thaw. He worked 6.0 hours today

May 17, 2006 -- V/W

Walter spent the day working on the dozer (maintenance and upkeep). No use breaking the blade on perma-frost.

May 18, 2006 -- V/W

Walter continued the line cut into my lease to check out some workings done in the early 80's by a miner from Alberta. He informed me that he was surprised to see cemented

gravels jutting out of a slide area just west where we're working. He flagged a trail in and the conglomerate seemed to run in our direction, east/west down the valley. This area is located 200 meters upstream on Secret Creek and could indicate false bedrock is close to the surface; 5.0 hours dozer time.

May 19, 2006 -- V/W

I left Whitehorse at 5:30 p.m. this being the beginning of a long weekend. I knew Walter and I would have to make the most of it. I phoned Wilf Tuck to see if he could haul the Hoe this weekend, but the road advisory was on and he said we were probably out of luck until mid-June. Okay, so now we will have to make the most of it with the D-7 and at least haul the 3.5 ton Test Trommel to our site. I arrived at camp late at night 3:00 a.m. in the morning. Exhausted, I called it a day.

May 20, 2006 -- V/W

Started the day at 8:00 a.m. left camp and drove to Davidson Creek where the Trommel was sitting. Kelly, the owner the D-8, was nice enough to come out and tow the Trommel to the Davidson Creek Bridge. From here I chained the Towing Tongue to Walter's 4x4 bumper and we towed it out to the road. The Trommel weighs approximately 3.5 ton and includes a 24'-0 x 20" barrel, 8'-0 x 8'-0 Hopper/Dump Box all sitting on a two ton truck frame. We decided to tow the Trommel ourselves because Wilf Tuck would have to make two trips if we didn't; a very costly proposition. I also want to proceed with modifications that would be conducive to our targeting. Arrived back at camp and unhooked the Trommel at our mechanical maintenance area. The time was 11:00 p.m.

May 21, 2006 -- W/V

I started the day assembling valves, fittings and steel to make modifications to the Trommel. The modifications would be to the water jacket and I plan to install two spray nozzles directly above the 1/2 x 1/2 screen. The downward directional water pressure would allow most of the concentrate to drop out into the sluice run. I had never worked with equipment like this before. So I know we will have to address water velocity, control, gradient and volume in order to fine tune the Trommel, to begin as soon as possible. Walter is continuing to work the ground with the D-7. 7 hours run time today.

May 22, 2006 -- V/W

We awoke at 8:00 a.m. to a reasonably good day. Started work on the Trommel and realized we were short parts. Made parts lists and coordinated with Walter our game plan. Walter had moved enough ground to give us a visual perception of how everything would work.

Our flagged areas for settling ponds were now runways. The creek diversion channel was started, location of initial pit conducive with our mining plan, has now been laid out.

Walter bulldozed 6.0 hours today. He pushed surface muck until he hit perma-frost. We agreed on today's judgment call. We had better leave the ground to thaw another week. I had to shop for a pump anyway. We left camp at 5:00 p.m. and headed for Whitehorse.

May 27, 2006 -- V/W

Walter and I arrived at the camp at 10:30 a.m. We quickly set about our chores. I did the maintenance on the D-7 and fire it up. Walter is continuing to think out the mining plan. We will now be stripping the area forming the pit, 30 meters x 40 meters. It is very important to give yourself room to operate. The Hoe has an out-stretched free-board movement of 22'-0. Now when it arrives the Trommel has to be set at least 16'-0 away. Sixteen feet allows a comfortable bucket dump without overworking the main boom rams.

The Trommel Hopper will have to face the corner of the Hoe 16'-0 away. The tailings pond will have to face into the settling ponds and then we can move tailing with the D-7. Worked until 6:00 p.m. Ran the D-7 for 7.0 hours.

May 28, 2006 -- V/W

Walter continued to bulldoze today, ran the Cat for 5.0 hours; still much frost. I left for Whitehorse at 3:00 p.m. Walter stayed at camp and was going further up to Prospect Creek, some of the lease property.

May 29, 2006 -- W

Walter bulldozed 6.0 hours and hit a layer of rusty gravel, pans and gets colours. Good indicator we will be targeting here.

May 30, 2006 -- W

Walter bulldozed more of the settling ponds. He ran the cat 6.0 hours; still too much frost.

May 31, 2006 -- W

Walter ran the cat for 4.0 hours, diversion preparation, ground needs to thaw.

June 1, 2006 -- W

Walter ran the cat for 5.0 hours today. He deforested a stretch and increased our work area around the proposed pit by approximately 20'-0. This would allow us to segregate larger rocks, move them out of the way and also aid in reclamation.

June 2, 2006 -- V/W

We bulldozed as much as we could by alternating worked areas which allowed the ground to thaw. The weather finally was warm enough to thaw 24 hours a day without refreezing. It truly is a short season. Walter had worked the ground as much as he could, so today instead of bulldozing he went to our Raz claim located .5 km upstream on Swede Creek. There he located our rails needed for our Grizzly. The previous owner of the claim had left lots of steel and even a D-8 cat that at some point I plan to reclaim. Walter used the D-7 to drag out a sluice box, approximately 120'-0 of very heavy rails and some bracing steel. I arrived from Whitehorse at about 3:00 a.m. to see the steel laid out in our maintenance welding area. Ran the D-7 for 6.0 hours today.

June 3, 2006 -- V/W

This day was one of the toughest I had experienced in a long time. The Grizzly had to be laid out. I had to design a support system that would not interfere with the hopper feed and figure out how to prevent larger rocks from jamming up the Trommel. I had to design a water system that could consistently move the gravels through the Trommel. I welded 10 hours today with Walter approving each layout. The top of the Grizzly was welded with the racks 100mm apart. The bottom of the rails were 800 mm apart. By setting the Grizzly at 30° off flat, the configuration allowed larger rocks to roll off. Finished work at 8:00 p.m. dead tired.

June 4, 2006 -- V/W

Woke up today at 10:00 a.m. The weather was overcast, and not raining yet. I make breakfast. Walter and I continued to work on the Grizzly. If I needed it moved or raised we used the blade on the Cat to lift, lower and block. This Grizzly is going to be heavy, probably 550 kilos \pm a few. Everyday offers new challenges and dangers. I welded another 10 hours today. The D-7 was run 2.0 hours. We were both exhausted so we decided to call it quits and go back to Whitehorse.

June 10, 2006 --- V/W

We arrived at camp at 4:00 a.m. weather partly cloudy, slept for 6 hours and made breakfast. Discussed with Walter the plan on how to mount the Grizzly on the Trommel. We decided to use the drill pipe that was lying around. I cut back the support pipe so Grizzly would lay across the Hopper at 30°. I welded the pipe to the Hopper with brace steel, continued to beef up the weld on the Grizzly. The final mounting would require a three point hookup so Grizzly would lift off of the ground and be received by our prep work. Welded 6.0 hours today.

June 11, 2006 --- V/W

Started work by 9:00 a.m., finished the welding on the Grizzly and began working on the water jacket. I grooved the end of the 100mm pipe and drilled a 50 mm x 100 mm mechanical tee onto the 100 mm pipe; hard piped with threaded pipe to form a spray bar over the Hopper. Drilled 38 mm mechanical tee onto 100 mm pipe and hard piped two nozzles that point down where concentrate drops out. Looking forward to fine tuning to see how everything works. Need the Hoe to place the Grizzly so Walter and I decided to wait. The ground is continuing to thaw on a daily basis so if we give it another week we should be able to work it. Wilf Tuck said he could move the Hoe on the 15th. Walter will walk it in. We headed back to Whitehorse at 5:30 p.m.

June 15, 2006 -- W

Walter left Whitehorse at 4:00 a.m. The weather was clear and the day to move the Hoe looked good. Wilf Tuck would retrieve the Hoe from Davidson Creek and move it to across the McQuestin Bridge. I previously measured the bridge and had all of 200 mm clearance,

100 mm on each side. Walter arrived at the rendezvous point at 2:00 p.m. and Wilf showed up at 3:30 p.m. All went well, now Walter had to walk the Hoe to the target site approximately 12 km at a top speed of 2-4 km per hour. When Walter was finally finished the time was 10:30 p.m. Walter dropped a roller off of the left track so he couldn't run at top speed. When I heard this, all I could think is we made it and I will have to add 6-10 hours maintenance before we use the Hoe. Not the worst thing that could have happened, "Thank God".

June 16, 2006 -- W

Walter bulldozed more of the diversion channel today. The Hoe needed work so he waited for me to do it before we started digging. We operated 5 hours today. Frost is melting daily. Some hard areas are totally thawed.

June 17, 2006 -- V/W

Arrived in camp at 2:30 a.m. had a look at the damage to the Hoe. The left track would have to be jacked up so I could weld the high tensile steel base and roller assembly. The assembly had been welded before but not good enough. Went to bed slept 6 hours got up, made breakfast and started the D-7 for Walter. Walter went to work on the overburden again.

I started the repairs. I first spent 4 hours grinding and refitting the roller housing. The fit has to be perfect. I jacked up the track and ground out the base that broke, then tacked the two pieces of the housing together and proceeded to pre-heat the metal and welding rods to 250°. Hi-tension steel is tricky to weld all positions. I then proceeded to weld an entire box of rods and a 25 mm fillet around the break. After welding, I released the track and pumped grease into the track expanders. The end result was as good as the surrounding metal fatigue. Everything held together. I then changed the oil and filter, and checked the hydraulic fluid. We were good to go. D-7 running time was 5 hours.

June 18, 2006 -- V/W

Woke up to an overcast day, ate breakfast and burned garbage to keep the bears away. I showed Walter the repair and fired up the Hoe. Today we will attempt to mount the Grizzly onto the Trommel. I made a three point hook-up. Walter lifted the Grizzly and surprisingly it lifted relatively level. Walter had to make at last 6 tries to set it properly. By the sixth try

I was getting upset. Each try took at least 20 minutes. Finally all points landed and I proceeded to weld as fast as I could. Each weld fastened the Grizzly to the Hopper making the task safer. It was 5:00 p.m. before I finished and I had to head back to Whitehorse. Walter would stay on this week and continue working on the diversion, settling ponds and drainage.

June 19, 2006 -- W

Worked on the diversion for 5.0 hours with the D-7.

June 20, 2006 -- W

Worked on the pit site 5.0 hours with the D-7.

June 21, 2006 -- W

Worked on the diversion 6.0 hours with the D-7.

June 22, 2006 -- W

Worked on the pit for 5.0 hours with the D-7.

June 23, 2006 -- W

Tested and did assessment work on P47731 for Vern. Towed dump box to site and sluiced with 2' high speed pump. Got some coarse gold and colours. Will wait for Vern to complete the test.

June 24, 2006 -- V/W

Arrived in camp at 3:00 a.m. Walter had dragged the dump box sluice down to P47731, namely Sept 7, and wanted me to help clean up. At 9:30 the next morning we went down to see what we had. The dump box has only a nugget trap so we washed approximately 10 yards through. I then sampled the nugget trap. I assessed 4 grams of gold @ 10 yards .4 grams per yard. I told Walter you can't test this way. We need to test by accurately measuring the pay as we go down with a proper concentrator and know all the pay is being processed. I will be doing another test with proper equipment at this same location next year. The Trommel seems to be a good device to test with because you can calculate the

volume of your tailings and therefore accurately know the concentration and gold you are getting per yard. We dragged the dump box back to the scrap area. I might be able to mount it on springs and use a vibrator to get it to work like a shaker table, running material over a drop-out screen to the sluice run, but as its scrap. It took until 4:00 p.m. to get all the equipment where it was supposed to be ... moving the Trommel into position. Will try again tomorrow.

June 25, 2006 -- V/W

Woke up early, 7:00 a.m. and made Walter his pancakes. We discussed the day's strategy on safely moving all the equipment into position. The Trommel now had an added 500 kilos resting on the Hopper end. So we had to plan how to release the trailer tongue so the Trommel wouldn't tip back with a lot of force. We rigged the chain up to the D-7 winch and towed the Trommel into position. By adding weight to the front we counter balanced the Trommel and released it from the Cat. Everything went according to the plan. I walked the Hoe from the maintenance area to our soon-to-be pit area. I positioned it approximately 6 meters away. Walter positioned the D-7 to remove tailings. Now we planned to dig. I operated for 2 hours and realized we were not going to make any headway. The ground was still frozen. I knew we had better try to speed things up so I dug a channel to allow run-off and the water table to fill the pit. This would loosen things up if left for a few days. So Walter and I decided he would do more clearing and have the diversion ready to be completed by the following week. Bulldozer 5.0 hours. Hoe 2 hours

June 30, 2006 -- V/W

We left Whitehorse at 5:30 p.m. I checked our maintenance supplies list twice to be sure we hadn't forgotten anything. Our goal this weekend was to pump the pit with sump pumps, install the 9.0 H.P. motor on the Trommel and run the gravel through as we dug the drainage ditch to achieve a dry gravel test. Arrived on-site at 3:00 a.m., still a lot of work to do.

July 1, 2006 -- V/W

We started setting up at 9:00 a.m. It would take at least 4 hours to modify the Trommel motor to fit the couplers that would run from it to the gear reduction drive. I helped Walter fire up the Cat and he went to work on completing the diversion channel. I proceeded to

weld additional plating, slotting holes and finally cutting the drive shaft to properly set the motor and hook it up to the gear reduction driver. It was 4:00 p.m. before I was finished, a little disheartened by how involved this was. I pulled the starter rope and everything worked. The Trommel operated smoothly. I then set about unraveling 200'-0 of 1 ½" hose and connected the 2' high speed pump to the water jacket. I then placed two sump pumps in the pit and ran these hoses to the hopper end of the Trommel. I then fired up our generator and started pumping out the pit. I fired up the high speed centrifugal pump and let it pressurize this water jacket. With all pumps going we had 270 gallons per minute. Now all we had to do was make up a sluice run and we could begin testing T-101. T-101 will be the target identifier, colour code blue. Another long day. Had better make dinner for Walter.

July 2, 2006 -- V/W

Awoke at 7:00 a.m. to check how much water the sump pumps had pumped out. To my utter disappointment the water table had dropped only 2'-0 and we had scraped out only the over burden muck to 4.0. This meant we needed larger and different pumps. We would go to using 3' or 4' hi-head solid waste motorized pumps. Sump pumps did not do the job. I said I would test dry and no matter what it takes, we will test dry. Today we will operate by calculating volume of material by our tailings through the Trommel. I had to manage pumps, generator, and the Trommel so I let Walter operate the Hoe. Two hours later we finally got everything positioned. Walter cleaned out the pit of muck and proceeded to dig. I guided his movement until he slowly could feed the Trommel. The bucket is 1.5 yards but some serious flaws in Grizzly/Hopper design soon became apparent. When Walter would dump onto the Grizzly at least 50% of the contents would slide off with larger cobbles and rock, "good pay dirt". The bucket was also working underwater, so another 50% of the bucket was filled with water. We ran 5.0 hours and at the end of it, all we produced was 5.5 yard of tailings. Well you have to start somewhere! Another disappointment was when I was panning colours in our tailings and off of the short sluice run. The tailings looked like soft cement which indicated too much angle on the Trommel barrel and not enough water to wash the rocks clean. Our results for today are:

Depth 1.3 mm
Total 5.5 yards
Recovered 4.95 grams
Gold .9 gr/yd

July 3, 2006 -- W

Walter completed the diversion channel and diverted the creek. I left for Whitehorse to take the sump pumps back. Walter would stay on to open up the lease with the D-7

July 4, 2006 -- W

Walter continued to bulldoze access into the lease for target and panning -- hit a good run of conglomerate gravels near the surface.

July 5, 2006 -- W

Walter prospected and hit rusty gold bearing gravels approx. 300meters into the lease.

July 6, 2006 -- W

Walter worked with pan and shovel. More gold bearing ground at head water forks approx. 1600 meters into the lease.

July 7, 2006 -- W

Walter established workable areas. Three claims are tight spots to operate. All areas throughout the lease produce colour. I arrive at camp with the new pump at 3:00 a.m. Walter woke up and gave me the news. "We had better break this lease up into claims". We have a lot of testing to do, so I went to bed.

July 8, 2006 -- V/W

Woke up to a cool, wet downpour, hopefully we get to try out the new pump. Raining hard, I am going to roll out the hoses anyway. Still raining and it is 2:00 p.m. I got soaked. Walter says wait it out. I'm running out of dry clothes. It finally quit raining at 7:00 p.m. The ground was saturated and the pit was full to the flood level elevation to our drainage ditch. "We'll see how things look tomorrow". When the buck brush gets this wet you're soaked in minutes, so we couldn't do anything.

July 9, 2006 -- V/W

We awoke to a reasonably good day, still overcast but no rain. Walter and I worked together, started the Hoe, did our maintenance, untarped the 3" pump and fired it up. The

result was 330 - 340 gallons per minute, a lot more water to use to wash down gravels. I fired up the Trommel and our 2' high speed pump. I took a picture of everything running. We ran for 4 hours. Today our testing began.

As the pump lowered the water table I realized a 3' pump was capable of allowing us to work dry. At the end of 4 hours we had run 5-6 yards through the Trommel. Our calculation is very close because the clean rock was removed by just over three shovels of the Hoe which has a 1.5 yard bucket. When the tailings were removed, I realized the height of the tailing pile to the bottom of the Trommel would give the same results. Now we can quantify material running through the Trommel; very encouraging. Our only limitations are getting material through the Grizzly. Shut the pumps down and let the concentrate drip dry. "Hey, Walther we have visible gold!" So I shook his hand, "good job". Walter took a handful of gravel out of the box and was about to pan it. I said, "No, Walter, all panning has to be done over the clean-up box for accuracy." I have a 99.9% recovery clean-up box. We dump all the pea sized gravels and concentrate into it and wash it a second time to clean and concentrate further. I have a picture of this with everything in operation. Walter was getting tired so we shut her down for today. We would clean up tomorrow.

Hoe 4 hours. Cat 1 hour

July 10, 2006 -- V/W

Up at 7:00 a.m. thinking about how to tabulate geology. I will draw a geological section. The depth will be indicated and the geology encountered. What is actually there will be represented pictorially complete with written text. I am also wondering what's in the box that we would clean up today. I made Walter breakfast and we hurried back to our find. I transferred the 1 ½" hose from the Trommel nozzles to the clean up box fired up the 2' high speed pump and we were in business. Walter sat on the bucket and panned gravel while I pulled the expanded metal and shoveled all of the gravel into the "gold finder" total recovery.

(Clean-up box – see picture)

"I got some good gold", Walter stated. After the gravel was shoveled in I worked on the carpets banging them out and shaking them vigorously under water in the clean-up box.

Now the water action would give us our base concentrate. Clean up is a time consuming part of testing. From the clean up box I took an egg turner and remove all of the concentrate and put it in a bucket. We sat and panned it out over the gold finder panning box. Nothing leaves the box and I continued to recycle all material back through the clean-up box. After all was said and done, from 5-6 yards of gravel taken from a 1.4 meter depth, gravels a mixture of larger rock up to 300 mm, depth 1.4 m, 6.5 yards = .9 grams /yd. Yield if volume of 6-7 yards is averaged 6.5 yards, total recovered 5.96 grams.

I asked Walter if this was good. He just laughed. It was getting late, 4:00 p.m. and I had to leave for Whitehorse. Walter would be on his own for two weeks so we discussed his duties/actions. We agreed if we could hit bedrock we would probably do a lot better. So he would work the Hoe and get the pit deeper, exposing more bottom strata without having a cone effect that a hole generally shapes into. This will prevent sluffing in from upper strata. He would also do more prospecting on the upper reaches of our lease. I said goodbye and left.

July 11, 2006 -- W

Operated the Hoe today, hitting what I think are big boulders. Panned some. Need Vern to run the Trommel and pumps. Started to open the pit up more. Panning colours. Operated 3 hours.

July 12, 2006 -- W

Not feeling well today will rest.

July 13, 2006 -- W

Frank Plutt, our neighbor, came to visit. Things are taking shape. We have lots of room to work with, now that the creek is diverted. Look forward to getting a bigger box when we can afford it. I don't like the Trommel, it's only good for testing. We need production.

July 14, 2006 -- W

Took the D-7 up to the old workings and plowed a new runway. Water table less of a problem. Pushed out red gravel and panned some. Colour in second pan. Ran Cat 4.0 hours.

July 15, 2006 -- W

Went to see Kelly working at the McQuesten River; won't say too much but says he hit bedrock. Frank Plutt says his ground is leased out and the Albertans (Velocity Resources) would be moving their equipment in. Worked on hand-panning on the lease. Old workings are pre-80's. Getting colours.

July 16, 2006 -- W

Did some clean up with the cat today. Brought the tailing ponds down from 2'-0 to 3'-0. Taking down some trees that are in the way. Operated 3.0 hours

July 17, 2006 -- W

Have to go to Whitehorse to look after things. Anxious to get going with more testing.

July 21, 2006 -- V

In Whitehorse, trying to find a pump that would look after the water problems more efficiently. Met Ron Holloway through Walter. He said he had a pump for sale. The pump is behind the garage. Walter and I had to a look, very impressive and it would suit our needs in the future. The pump had a 14" suction leg and a 10" discharge, powered by an 8 cylinder blown V-71 Detroit diesel. After a little haggling a price was met and I proceeded to the bank to retrieve the funds. Hopefully I will be in full production someday. I will tow the pump up when I have a light load. It probably weighs 3 tons, so I will need a tandem trailer to tow it. Leaving for camp tonight, will take Walter with me.

July 22, 2006 -- V/W

Arrived at camp approximately 3:00 a.m. feeling pretty tired from the long drive. Weather looks good. Excited to continue testing on T-101. Awoke this morning at 9:00 a.m. Made Walter breakfast and we discussed problems. I don't like that Trommel. Walter piped up, "Oh, eat your eggs, we're testing and it's all we have, maybe it's the operator." So, I said I would operate. Operated the Hoe for 4 hours. All equipment operated well. Very little change in tailing volume. I managed 6-7 yards which would average 6.5 yards for our calculations. I dug from 1.1 m to 1.5 meters, ground is extremely hard, rock size 790 mm

largest down to concentrate. Walter panned some of the gravels again. I got gold, coarse gold. Pan looked colourful, so I used a gold snifter to retrieve some small nuggets.

Processed remaining concentrate. Total weight gold retrieved 6.1 grams @ 6.5 yard = 1.06 G/P/Y. It's been a long day so will eat and turn in.

July 23, 2006 -- V/W

I woke up at 8:00 a.m. and did the usual routine. I wanted to try testing a little deeper so I got Walter to operate the Hoe. He scraped out all the mud that constantly sluffed into the pit and began to scratch bottom. There he brought up some conglomerate (cemented gravels). I saved a couple of samples; a hopeful sign, but not conclusive. Then he brought up rocks 1.2 – 1.6 m in diameter across. Big boulders, hopefully there is some gold under them. I fired up the Trommel and pumps. My intuition was we may get a better test. We broke into another layer. Walter ran the Hoe for 4 hours and actually did better than his first attempt, 5.5 – 6.7 yards. The pit was now 3.1 meters deep with rocks ranging in size from 1.6m in diameter down to concentrate. Our yardage average would be 7.0 yards. Now to get a final weigh out. I stopped the pumps and then the Trommel. When the water drained away, I could pick out colours. “We’ve got some gold Walter.” Walter took his pan and dug his hand into the sluice box. He panned over the clean-up box and there was at least a gram in his pan. I sniftered the little nuggets up. We decided to clean up tomorrow.

July 24, 2004 -- V/W

I woke up wondering what was in the box. Today was clean up day. I pulled the expanded metal from our 8'0 sluice run and shoveled all gravels into the 99.9% recovery box. I then banged out the carpets and shook them vigorously under water. Walter and then panned out the concentrate. Total 7.14 grams of gold or 1.16 per yard. Results are getting consistent. If only we could do even 10 yards and hour. I've decided on getting a larger well-designed plant next year to do bulk testing. Our Hoe should be able to feed it and I've already got the pump for it. Have to head back to Whitehorse for fuel and oil. Plan to return on the 28th. Walter seems happy with the results.

July 28, 2006 -- V

Left Whitehorse at 5:00 a.m. Arrived at camp 2:30 p.m. Walter and I will continue to test in the morning. We will continue to open up the bottom of the pit.

July 29, 2006 -- V/W

Up at 9:00 a.m. today, ate breakfast and went right to work. Checked all fluid levels and fueled up the Hoe, Trommel and pumps. The testing is repetitive but what I want is consistency. Anyway, all the equipment was up and running by 10:30 a.m. We planned to run for 6 hours or 3 moves of the tailing pile 8-9 yards. Today I wanted to check the tailing pile and sluice run tailings for gold. I sampled tailings from the Trommel outfall. The second pan yielded a little gold medallion about ½ a gram. We were losing gold through the Trommel. I quickly thought of what we should do to prevent this. 1) decrease the slope of the Trommel, and 2) add more water. Adding water would create a slurry solution the gold could drop out at. I could only decrease the slope. We stopped testing and raised the Trommel 75 – 100 mm with the D-7. We would try this and I would continue to monitor (pan the tailings). Completed our test at 5:30 p.m. with 8-9 yards run through. We would calculate using 8.5 yards for volume. The pit size of rock had changed again and we were in rock 150 mm down to concentrate. The pit depth was 4 meters. Walter panned out of the sluice box, while I shoveled into the clean-up box. “I got some gold.” “The gold seems to be getting bigger.” The clean up yielded 11.5 grams @ 8.5 yards, 1.3 grams/yard.

July 30, 2006 -- V/W

We had to do some maintenance today, grease up the rollers on the cat and add oil to the transmission and clutch. Walter and I were going up to the lease to do some more exploring. We ran the cat .5 km up so we could get in to do some staking. On the way up, we uncovered some extremely old wooden sluice box wood. I panned some of the surrounding gravel and got a colour. The old timers sure had to work hard here with pick and shovel. This ground requires volume digging to make ends meet and then there is the problem with water. Today we can work with both problems using pumps and heavy equipment. Moving half way up the lease the valley narrows over 3 claims as if there had been a mud slide at some point. It appears to have a lot of clay in this overburden. We dug and panned some and got a colour. The gold on the surface is extremely fine but easily picked out when you

see it in your pan. We continued on to blaze a trail to the upper forks where we should really make an effort to test. Separate valleys feed ours, so I would like to confirm where the gold has come from. Cat 6.0 hours today.

July 31, 2006 -- V/W

Got up at 8:00 a.m., woke up Walter and made breakfast. Today we would resume testing. I wanted to drop the drainage another 2'-0", that will rid us of more water in the pit. Walter has some good ideas and now that he has some equipment can put them into practice. I helped him fire up the Hoe and for the first 2 hours he cleaned out the pit, then dug another 2'-0" of drainage for 30 meters. The Hoe operates well enough. We just can't get much through the Trommel. I fired up the Trommel and pumps and we began to process. Today we ran our usual 4 hours. We processed 5.5 – 6.5 yards of gravel ranging in size from 100 mm down to concentrate. We continue to hit conglomerate but only in one spot, the pit depth after we finished was 4.2 meters. We obviously hit this finer gravel and it seems to sluff back in from the sides. I noticed Walter was digging closer to the channel we had just diverted. The sluice water colour was almost red. He was into the rusty gravels. I stopped the water, then the Trommel, and let the sluice run drip dry. Little gold medallions were visible at the head of the sluice box. I let Walter pan some gravel out of his favorite spot. "I've got more gold, in this pan." I walked over and sniftered at least a gram out of his pan. Total weigh out today 7.8 grams out of 6 yards, or 1.3 grams per yard.

August 1, 2006 -- W/V

We awoke to an overcast day. It sure has been a cool summer, lots of bugs though. The spray from the Trommel keeps them off while I'm hand panning things. It's my birthday today so Walter and I decided to take a couple of hours and visit the "Velocity Resources" crew. They were setting up a 60 yard per hour hydraulic de-rocker. They had a loader with a 6 cubic yard bucket and a Hoe with a 1 ½ yard bucket. They were setting up their new 6" centrifugal diesel pump when Walter and I arrived. It was an amazing set-up with everyone going about their business. I'm glad I had an opportunity to watch the professionals at work.

We went back to our targeting at 1:00 p.m. I fired up the Trommel and pumps, Walter operated the Hoe. Again, we continued to dig towards the old streambed and increased the

size of the pit. Walter enlightened me on the best scenario for the future. He suggested we open up the pit and do an open cut, move the Hoe to the other side to pull off overburden, and run a 966 loader into the pit at a downward slope. We would eventually hit bedrock and with the drainage we would no longer need pumps. I think this is completely “do-able”, but for now we will continue to target.

Days Results:

Depth of pit 4.3 m

6.0 yards run through the Trommel

Total Gold weight 10.6 grams

1.7 grams per yard

The gold is getting bigger as we go down. The gravel remains small 100mm and down. “It holds good gold”, as Walter puts it.

August 2, 2006 -- V/W

We were up early and heading for Whitehorse today. Walter needs to take care of some business and we’re running low on a few items. We plan to tow the big pump up next trip and set it up. I feel confident with the way things are going. The test results confirm at least 12’-0 of pay gravel with no abrupt changes.

August 11-12, 2006 -- V/W

We stopped at Ron Holloway’s with a 15 ton capacity tandem trailer. We would attempt to load the pump onto the tilt deck trailer using come-alongs and an electric winch. I rigged everything up and we attempted to move the pump. It didn’t move. The time was getting late, 5:30 p.m. so I suggested to Walter we phone a tow truck and get it loaded. The tow truck arrived and it took every bit of its winching power to load the pump. My truck is a 6.9 litre diesel and towed the trailer well enough, so we left Whitehorse. We arrived at camp at 5:30 a.m., unloaded the pump with the D-7 and went to bed. We awoke at noon to start our day. Fired up the pumps and the Trommel. I let Walter sit on a bucket to monitor the machinery. I operated the Hoe for 7 hours non-stop and managed 8-8 yards through the test Trommel. When we stopped the water I could see .5 gram nuggets on the top riffles. Walter panned some tailings. “We’re still losing some nice gold”, he commented. The pit depth 4.4

meters. I was hitting pretty hard rock which turned out to be more cemented gravel. The rock size ranged from 400 mm down to concentrate, hard to keep the pit from sluffing in. Total gold recovered 16.2 grams.

Total yardage 8.5 grams or 1.9 grams per yard.

August 13, 2006 -- V/W

We were up at 8:00 a.m. Looking forward to a good day if only we had a large plant and loader. This ground would really pay off. I serviced the Hoe and cat and did a fuel calculation per hour. We were getting 14.5 litres/hr when running the Hoe at 65% power. At \$1.05/litre we were spending \$15.22 per hour or when operating 6 hours \$91.32. The focus next year will be to utilize a plant that will accept everything we put into it. The Hoe quite easily can do 40 yd/hr without running it any harder.

I let Walter operate today. We can be up and running in less than a half hour; fire up the Trommel, fire up the pumps and finally fire up the Hoe.

Today we ran 5 hours.

Rock size, 300 mm and down to concentrate

Depth of the pit 4.4 meters.

Total yardage moved through Trommel 6-7 yards.

Total Gold recovered 12.6 grams or 1.9 gram/yd.

August 14, 2006 -- V/W

I'm sitting here with Walter analyzing our test data. Hole T-101 is providing some interesting facts:

1. As we go deeper we are recovering more gold.
2. Bedrock is deeper than 4.6 meters, at 3 - 3.5 meters we hit rusty gravels containing finer and coarse gold.
3. Rock stone sizes are such that with the proper equipment we can run 100% of the material through.
4. We have not hit any benches at 4.6 meters.
5. A three inch pump is enough to lower the water table to the bottom and allow testing to be dry.

6. By utilizing the proper equipment, we will eventually hit bedrock as we follow the creek upstream.
7. We have hit cemented gravels at 4.0 meters. We will track the extent (area and depth when we complete our 200'-0 open cut).
8. By breaking our lease up into claims we will be able to mine in one direction upstream 1 mile, 1.60 km.
9. Given these facts, I can draw a reasonable conclusion for total potential

5,280' x 200' x 20'-0 x .037 = cubic yards
Length width depth

Total Volume excluding benches 781,440 cubic yards

200' width ± at 1.0 grams/yd average

$\frac{781,440 \text{ grams}}{31.1} = 25,126.68 \text{ oz} \times \600.00 oz

At \$600.00/oz = **\$15,578,120.00 Total Valuation To-Date**

This estimate derived from gold values to 20' – 0. We do not know how deep we can go at this point. We have to step down.

I expect gold values to improve when we hit bedrock. This conservative estimate confirms it is worth future testing.

August 15, 2006 -- W

Walter is testing ground at the lease with the D-7, hand panning in a number of spots.

Surface gold is fine but remains consistent throughout the lease. "If you dig off the surface muck you get colours." D-7 for 6.0 hours

August 16, 2006 -- W

Continue to test throughout the day, it looks good higher up. We continue to pan colour.

We picked out trees for claim posts and flagged the entire lease. I will show Vern when he gets back. I plan to see Velocity Resources at work. They are finally up and running on Frank Plutt's claims.

August 17, 2006 -- W

I need to go to Whitehorse today, not feeling well.

August 18, 2006 -- V/W

I Met Walter in Whitehorse and we plan to break the lease up into claims. We are on the road by 5:00 p.m. and arrive at camp by 2:30 a.m.

August 19, 2006 -- V/W

It is overcast and cool in the valley today. I woke up and made breakfast. Walter still isn't feeling well, so I let him sleep in. I prepared our equipment for staking today: the power-saw, axe, fuel mix, spare plug, plug-wrench and bar oil. I can hear heavy machinery down stream on Swede Creek. Velocity Resources is up and running. I woke Walter up at 9:30 a.m. and we start our day. The buck brush and spruce trees are alive with mosquitoes and black flies. I work up a sweat and don't stop working. I want this done as soon as possible. Finally at 6:00 p.m. that evening I cut the final claim post. Thank God this is over.

August 20, 2006 -- V/W

Walter and I discuss our capacity problems today. With a larger Trommel, a controlled feed and a 4' pump providing water, our testing would be profitable. I could modify our equipment to possibly double our output and we could run "long hours". We agreed this would be the wrong way to go.

Next year we plan to change our equipment, move the test Trommel further up and test with a new larger Trommel capable of at least 60 yd/hr. We will also look at acquiring a loader so we then would have the equipment to step down and go to 35'-0 at T-101. The Hoe will be moved to the opposite side of T-101 - up-stream on Secret Creek. The loader will then enter the pit via the drainage ditch and be used to load the high capacity Trommel. The Hoe is used to pull back overburden and loosen gravel so we don't get buried. After thinking about and reviewing our options we set out and go back to testing with what we have.

I spent 2 hours on maintenance. Walter is operating the Hoe today. We fire the equipment up and begin today's testing. Walter cleaned out the bottom of the pit and we load the Grizzly. I really enjoy this part of the program, there is a feeling of independence. After successfully running the equipment I can take more time panning samples. My duties include: panning tailings, unjamming the Trommel, fueling the pumps, fueling the Trommel

motor, pre-start up maintenance, moving tailings with the D-7 and signaling Walter if I detect anything new and unusual.

Today's testing started at 11:00 a.m. and we plan to run 4.0 hours. There are lots of hematite rocks today and more pieces of conglomerate. Walter is digging rocks 400 mm and down to pit depth of 4.5m. We stop the Trommel at 3:00 p.m. and anxiously look in the sluice box after it drips dry. I let Walter take some concentrate and pan it. "Still good Vern, nice colour." I look into the pan and see at least 2 grams of gold rimming the pan. I had moved the tailing pile twice so we had run 5.5 - 6.0 yards through the Trommel.

Today's weigh-out 11.8 gm/yd. "Definitely getting better Walter."

It was getting late 5:30 p.m. by this time we had completed the day. I had to be in Whitehorse tomorrow, Monday the 21st. Walter will stay to do assessment work on other claims we hold in the area. I feel very positive with our results and drive towards Whitehorse with an optimistic outlook.

August 26, 2006 -- V/W

Arrive back at camp at 2:45 a.m. from Whitehorse. Up at 10:00 a.m. It's a week later and we are still feeling the effects of last weeks staking. We look out of the trailer and it's an overcast rainy day, so we decide to wait it out. Walter brought up the fact that, "It's Fall now and in three weeks we would probably get a cold spell". The rain lasted until 11:30 a.m. So out the door we went. I did our required maintenance and Walter ran the Hoe. Walter, now, has to extend the bucket ram as far as possible to get to the bottom of the pit. The rock size is still 400 mm down. The Grizzly does its job and accepts only up to 100mm down but in the process only allows one-third to one-half a bucket through. This other volume is generally water and two-thirds of the pit is above the water line. So every second bucket Walter scoops a load of dry aggregate. The pumps are working well enough, but I plan to go from a 3" to a 4" pump.

We operated until 6:00 p.m. and run 6.0 yards through. I stop the water and see gold before it drips dry. Walter take his sample and finds ¼ to ½ gram nuggets with fine gold. Our

clean-up totaled 17.16 grams or 2.86 – 6/yd. It's 9:30 p.m. and we enjoy the comfort of an open fire by the trailer. 7.5 hours for the Hoe. 1 hour cat to push tailings.

August 27, 2006 -- V/W

Woke up at 7:30 a.m. This season of targeting has been an experience of a life-time. At breakfast, I discussed our experiences with Walter. I go over this journal and from my former lifestyle to this. Now I know why there are a lot of old prospectors. It's exciting; man vs. nature. The hardships keep you going. Frank Plutt is 81 and rebuilt his D-8 cat. These older guys have definitely shown me "Success Through Effort", at all costs. By being out on the land you have to contemplate each move, thinking before you act. Walter reminds me we'd better get going as this would be our last day targeting. The balance of the season would be wrapping up. Walter and I would have 2 weeks to do assessment work on the Upper Duncan where we hold a one-mile lease. We also have assessment work to do on Roaring Fork and some silver claims in Keno.

I ran the Hoe today for 4.0 hours, Walter ran 6.0 yards of tailings down the settling ponds to our dump. "I bet the gold is really accumulating in the dump," smiles Walter. The rocks are from 300 mm down, smaller than yesterday. The depth of the pit is 4.5 m. Total for the day 12.5 grams or 2.03 gm/yd.

Cat - 1 hour each day to push tailings.

| | | | | |
|---------------|----------|-----------|----------|-----------|
| TOTALS | Cat Time | 150.00/hr | Hoe Time | 175.00/hr |
|---------------|----------|-----------|----------|-----------|

PICTURES

- Picture #1 Facing Southwest: 1.5 cu. Yd. Bucket feeding Trommel Hopper
- Picture #2 Facing South: Test Trommel
- Picture #3 Facing Northeast: 7000 Series Hi-Hoe
- Picture #4 Facing South: Walter Working on Settling Ponds
- Picture #5 Facing North: Trommel Sluice Run with 99% Recovery Box
Note: How little volume can be put through.
- Picture #6 Facing South: Hoe 1.5 Cubic Yard Bucket
- Picture #7 Band of Rusty Gravel - 3.03 - 3 m Depth
- Picture #8 Clay / Sediment Mixed Aggregate 400 mm down
- Picture #9 Rusty Gravels
- Picture #10 Overburden Strata
- Picture #11 Typical Rock Slides
- Picture #12 Main Pit and Drainage Channels
- Picture #13 Hematite Tertiary Gravels
- Picture #14 Conglomerate
- Picture #15 Rusty Gravels
- Picture #16 Surface Strata Away from Creek
- Picture #17 Drainage / Rusty Gravels
- Picture #18 Work Area Facing West
- Picture #19 Drainage Ditch Being Excavated
- Picture #20 Flow of water from 3" Pump

Pictures

- Picture #21 Hoe Feeding Test Trommel
- Picture #22 Hoe Feeding Test Trommel – End View
- Picture #23 3” Pump – Pumping Out Main Pit
- Picture #24 Pit Being Excavated
- Picture #25 Tailings Being Moved to Settling Ponds
- Picture #26 Test Trommel and Hoe in Operation
- Picture #27 Main Pit Being Pumped Out
- Picture #28 Walter Operating
- Picture #29 North End of Pit
- Picture #30 South End of Pit















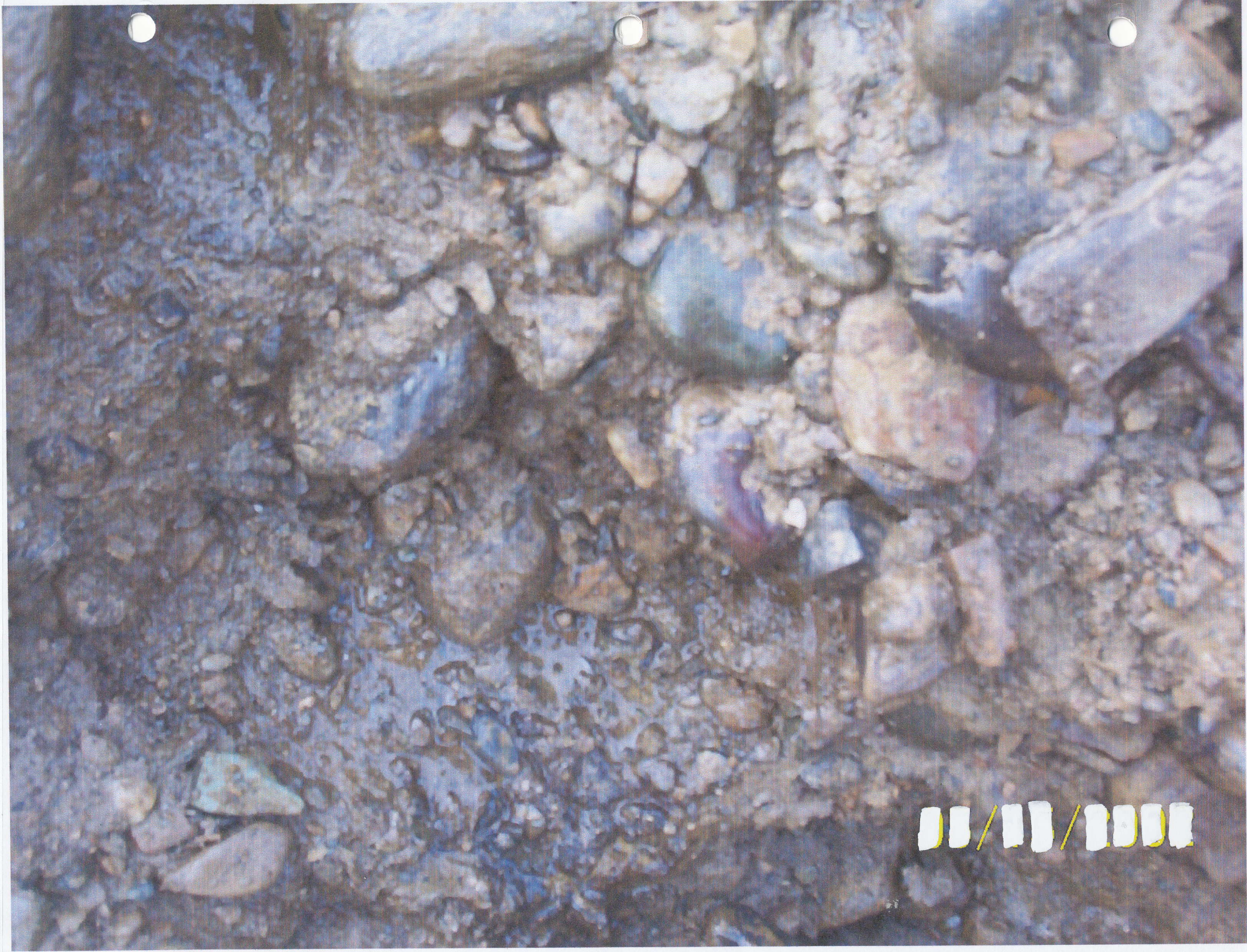


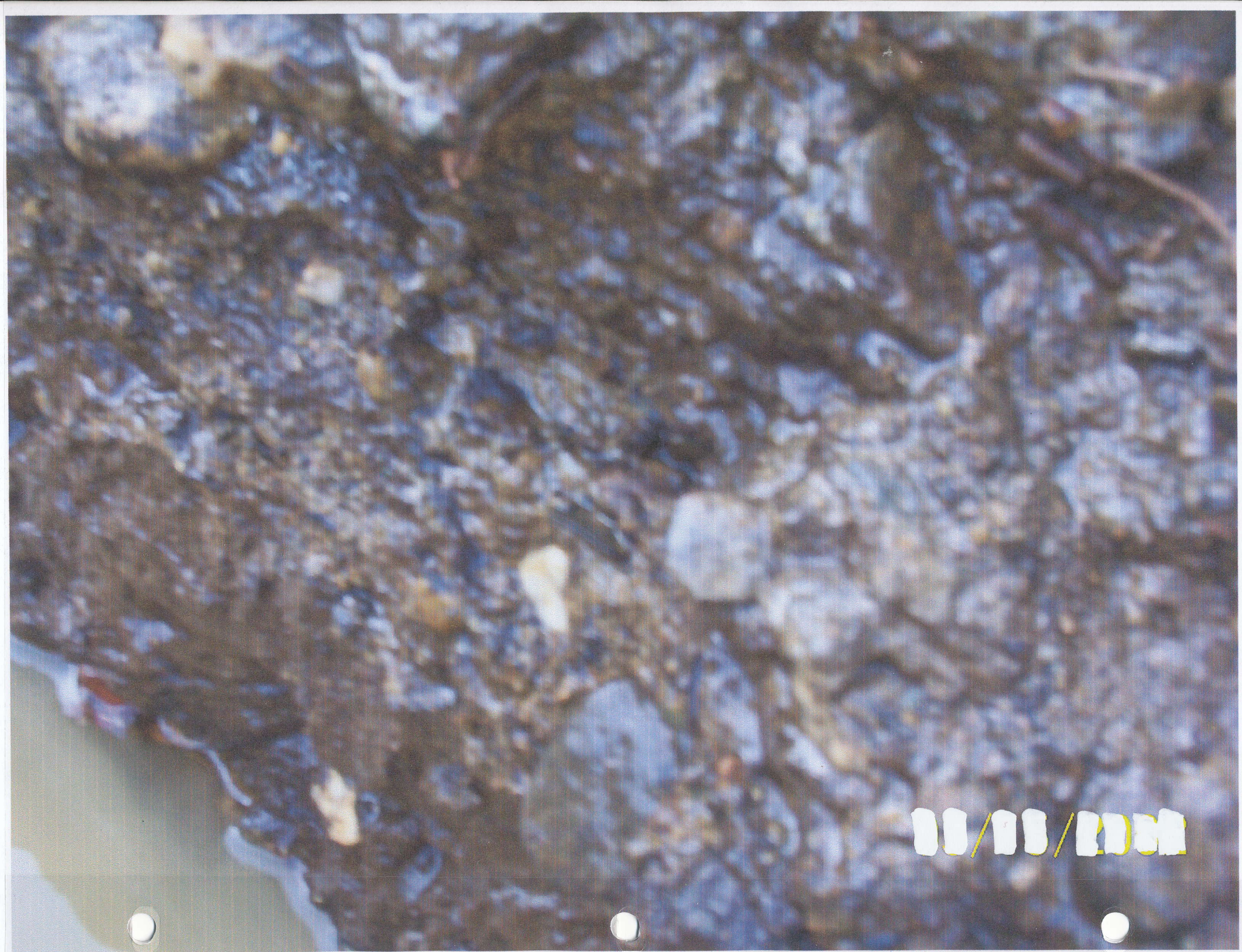








































01 / 11 / 2002





BALANCE SHEET

TOTAL EXPENDITURES

VS

GOVERNMENT GRANT

SECRET CREEK PLACERS
Vern Evans
Walter Malickey

T-101
Target Evaluation 2006

CAMP SET-UP

TOOLS - HEAVY EQUIPMENT MAINTENANCE - PARTS - TRUCK MAINTENANCE

| | | | | | | | |
|---------------|-------------------|-------------|-------------------|--|-------------------|--------------|--------------------|
| | 48.14 | | 129.96 | | 445.45 | | 13.77 |
| | 18.47 | | 81.51 | | 12.70 | | 243.54 |
| | 8.24 | | 132.48 | | 21.39 | | 120.00 |
| | 140.37 | | 50.16 | | 7.51 | | 68.89 |
| | 34.26 | | 13.22 | | 79.91 | | 85.40 |
| | 263.04 | | 90.57 | | 126.62 | | 25.49 |
| | 80.45 | | 211.22 | | 77.49 | | |
| | 44.89 | | 5.11 | | 93.54 | | |
| | 248.92 | | 29.57 | | 24.36 | | |
| | 26.72 | | 50.33 | | 36.98 | | |
| | 14.47 | | 91.22 | | 8.54 | | |
| | 26.72 | | 11.65 | | 183.45 | | |
| | 29.61 | | 13.77 | | 12.51 | | |
| | 950.61 | | 17.14 | | 14.77 | | |
| | 59.33 | | 13.28 | | 3000.00 | Camp Trailer | |
| | 32.08 | | 9.19 | | 9.60 | | |
| | 282.94 | | 18.61 | | 643.48 | | |
| | 11.63 | | 16.03 | | 85.59 | | |
| | 18.17 | | 7.49 | | 2.85 | | |
| | 2382.35 | Hoe Service | 23.93 | | 101.76 | | |
| | 74.95 | Bucket Ram | 25.43 | | 20.60 | | |
| | 10.58 | | 197.03 | | 85.59 | | |
| | 64.27 | | 94.66 | | 77.02 | | |
| | 19.07 | | 4.46 | | 63.29 | | |
| | 277.68 | | 33.90 | | 94.11 | | |
| | 56.87 | | 7.16 | | 77.49 | | |
| | 37.41 | | 12.82 | | 39.93 | | |
| | 11.57 | | 5.54 | | 86.56 | | |
| TOTALS | \$5,273.81 | | \$1,397.44 | | \$5,533.09 | | \$557.09 |
| | | | | | | | \$12,761.43 |

**SECRET CREEK PLACERS
Vern Evans Walter Malickey**

Page 2

**T-101
Target Evaluation 2006**

CAMP SET-UP

D-7 CAT LOG

TASKS

Area Access
Area Clearing
Diversion
Drainage
Settling Ponds
Assessment Work
Assessment Work

HOURS LOGGED

137 Hours x \$150.00/Hr = **\$20,550.00**

7000 SERIERS HI-HOE

TASKS

Mobilization
Drainage
Initial Pit

HOURS LOGGED

52 Hours x \$175.00/Hr = **\$9,100.00**

SECRET CREEK PLACERS
Vern Evens Walter Malickey

T-101
Target Evaluation 2006

MINING RENTALS - WATER USE FEES - PHOTO FEES

| Date | Vendor | Amount |
|-------------|------------------------|-------------------|
| 7-Mar | Yukon Water Board | 30.00 |
| 4-Oct | Yukon Water Board | 60.00 |
| | | |
| 13-Apr | Versatile Rentals Plus | 85.60 |
| 2-Jun | Versatile Rentals Plus | 80.25 |
| 23-Jun | Versatile Rentals Plus | 96.30 |
| 28-Jun | Versatile Rentals Plus | 768.50 |
| 7-Jul | Versatile Rentals Plus | 90.10 |
| 4-Aug | Versatile Rentals Plus | 169.60 |
| | | |
| 3-Jul | Jacob's Industries | 18.02 |
| 13-Jul | Jacob's Industries | 18.02 |
| 20-Sep | Jacob's Industries | 36.04 |
| | | |
| 2-Sep | MacPherson Rentals | 530.00 |
| | | |
| 31-Aug | Mayo Mining Recorder | 30.00 |
| 27-Sep | Mayo Mining Recorder | 60.00 |
| | | |
| | | |
| 23-Sep | Wal Mart Photo Centre | 26.19 |
| 24-Apr | Tags - film | 12.14 |
| | | |
| | TOTAL | \$2,110.76 |

SECRET CREEK PLACERS

Vern Evans

Walter Malickey

T-101

Target Evaluation 2006

FUEL RECEIPTS

| | | | | | | | |
|---------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|
| | 9.96 | 46.16 | 32.71 | 42.12 | 261.40 | 14.25 | |
| | 36.65 | 72.84 | 233.00 | 199.93 | 10.08 | 101.44 | |
| | 24.45 | 33.06 | 112.05 | 40.00 | 151.39 | 35.00 | |
| | 65.45 | 291.94 | 158.82 | 17.36 | 40.07 | | |
| | 86.05 | 30.07 | 35.78 | 68.21 | 291.94 | | |
| | 18.54 | 66.96 | 25.00 | 19.00 | 19.41 | | |
| | 32.59 | 40.00 | 303.26 | 32.85 | 62.18 | | |
| | 220.00 | 46.41 | 44.04 | 26.00 | 39.53 | | |
| | 32.19 | 312.64 | 25.00 | 49.81 | 262.75 | | |
| | 254.14 | 52.09 | 43.96 | 40.10 | 43.12 | | |
| | 10.00 | 74.36 | 60.06 | 16.04 | 34.76 | | |
| | 60.00 | 25.00 | 40.00 | 100.00 | 28.40 | | |
| | 70.52 | 40.01 | 65.97 | 206.81 | 21.14 | | |
| | 75.30 | 120.95 | 23.56 | 80.65 | 34.61 | | |
| | 51.49 | 37.64 | 41.03 | 25.01 | 44.37 | | |
| | 50.14 | 54.62 | 75.02 | 14.94 | 30.01 | | |
| | 38.38 | 121.22 | 189.93 | 406.81 | 146.85 | | |
| | 20.39 | 19.00 | 106.95 | 76.35 | | | |
| | 92.17 | 44.26 | 53.34 | 60.97 | | | |
| | 39.05 | 182.37 | 45.44 | 127.04 | | | |
| | 20.00 | 37.97 | 19.15 | 70.05 | | | |
| | 54.03 | 37.53 | 48.01 | 31.26 | | | |
| | 59.83 | 42.12 | 45.61 | 249.65 | | | |
| | 39.50 | 56.96 | 48.62 | 122.25 | | | |
| | 316.47 | 26.50 | 70.05 | 36.50 | | | |
| | 41.25 | 100.00 | 20.01 | 328.65 | | | |
| | 62.21 | 61.23 | 47.13 | 39.73 | | | |
| | 109.67 | 195.80 | 20.00 | 44.26 | | | |
| | 49.91 | 107.00 | 59.83 | 30.09 | | | |
| TOTALS | \$2,040.33 | \$2,376.71 | \$2,093.33 | \$2,602.44 | \$1,522.01 | \$150.69 | \$10,785.51 |

SECRET CREEK PLACERS

Vern Evans

Walter Malickey

T-101

Target Evaluation 2006

GROCERY' RECEIPTS

April - August

| | | | |
|---------------|-------------------|-----------------|-------------------|
| | 90.56 | 22.98 | |
| | 67.04 | 137.58 | |
| | 4.47 | 106.58 | |
| | 39.45 | 56.01 | |
| | 7.48 | 112.21 | |
| | 35.56 | 40.08 | |
| | 40.24 | 56.84 | |
| | 36.98 | 29.52 | |
| | 25.61 | 99.88 | |
| | 165.20 | 22.11 | |
| | 81.28 | 18.69 | |
| | 85.53 | 114.10 | |
| | 24.91 | 35.84 | |
| | 64.02 | 10.10 | |
| | 5.74 | 19.50 | |
| | 149.45 | | |
| | 51.36 | | |
| | 16.30 | | |
| | 106.25 | | |
| | 15.15 | | |
| | 19.35 | | |
| | 40.03 | | |
| | 107.61 | | |
| | 32.61 | | |
| | 29.70 | | |
| | 33.96 | | |
| | 88.85 | | |
| | 26.00 | | |
| | 20.09 | | |
| TOTALS | \$1,510.78 | \$882.02 | \$2,392.80 |

SECRET CREEK PLACERS
Vern Evans
Walter Malickey

T-101
Target Evaluation 2006

BALANCE SHEET

Expenditures:

| | |
|--------------|--------------------|
| Fuel | 10,785.51 |
| Groceries | 2,392.80 |
| Equipment | 12,761.43 |
| Rentals | <u>2,110.76</u> |
| Total | \$28,050.50 |

Assets:

| | |
|---|--------------------|
| Government of Yukon Grant July 10, 2006 | 5,930.95 |
| Government of Yukon Grant August 11, 2006 | <u>9,069.05</u> |
| Total | \$15,000.00 |

SECRET CREEK PLACER

T-101 2006

SUMMATION

Definitive Findings / Theories

YMIP TARGET EVALUATION 06-037

SECRET CREEK PLACER

T-101 2006

Claims: Vern 1-10
Sept 4-10

Location: Approximately 35 km Nort of Mayo
NTS Map 105 M13

For: Vern Evans

By: Darwin Wreggitt, Geologist
Box 2399, Marsh Lake
Yukon Y0B 1Y2

January 12, 2007

SUMMARY

Mr. Vern Evans undertook a target evaluation on Secret Creek with financial assistance from YMIP in the summer of 2006. Mr. Evans asked if I would write a summary report for his project. I have talked extensively with Mr. Evans about this project, however with other commitments, and his weekend scheduling I was unable to visit the property. This summary report outlines the work completed, my observations, and recommendations.

The exploration target was on secret creek, the test hole (T-101) was located low in the valley near the confluence of Secret Creek with Swede Creek on claim P47732. Twenty additional surface samples were panned upstream on Secret Creek on claims Vern I--Vern 10.

A D-7 cat was used to prepare drainage and to clear the work site for T-101. A 7000 series Hi-Hoe was used to excavate the test hole, and allow stratigraphic testing as the test hole was deepened. A twenty-four inch diameter by twenty-four feet long trommel was used to classify the material before passing through a sluice box.

The enclosed work journal describes the work undertaken between April 29, 2006 and August 27, 2006. Vern experienced considerable difficulties with the classifying equipment to get good gold recovery. Various attempts were made to remove the larger rocks, and allow all of the gold bearing gravels to pass through the sluice box. These attempts were not entirely successful as gold was still appearing in the tailings. (Improved recovery techniques should alleviate this)

The method used to determine the amount of material processed was to measure the tailings with the hoe bucket. Vern determined that approximately 65 yards of material was processed. This yielded 87 grams of gold, which if valued at \$23. per gram would be \$2001. Or \$30.78 per cubic yard. This value should make mining quite lucrative.

The intention was to do dry testing in T-101, however the pumps used were not adequate to keep the water level below the extraction level. The gravels were tested by each horizon as the hole was deepened. The enclosed sketch with 'measured gold recovery' indicates that there is an increase in the gold values as the hole was deepened.

Test panning was conducted on all ten of the Vern claims. Gold counts were found in all of the tests taken along Secret Creek.

Observations

1. Because the operations were not conducted in a dry test environment, it is possible that there was some sluicing effect as gold will constantly sink to the bottom of the pit. It is probably best to average the gold values across the total material extracted. The gold values are high enough that the entire gravel bed will be sluiced anyway.
2. The method used to calculate the amount of material sluiced could be improved. By measuring the tailings there will always be less material apparent due to the compaction of interstitial spaces in the ground. The dimensions of the test hole after completion of the test program indicate there was considerably more than 65 cubic yards of material extracted. Some of this material was stripped as surface non-gold bearing a-horizon, as well as some removed for access to the site.
3. The gold itself has what appears to be manganese staining (black material on the gold), which causes the gold particles to be lighter and more difficult to separate. The only gold values used in calculating the value per yard of material are those that were actually recovered. There is still a considerable amount of gold that remains in the black sand.
4. The equipment used to process the gravel was typical of a placer exploration program. A better system of classifying the material should be developed. The large to medium sized material was plugging up the system allowing gold bearing material to pass through the trommel and not enter the sluice box. There was also a problem with the grizzly plugging up before the material entered the trommel.
5. An efficient closed system total recovery sluice box was used to process the gold bearing gravels from the main sluice box. This was very effective at removing all material and leaving mainly black sand and gold. The coarser gold was separated by panning, the very fine gold (approximately 200 mesh in size) remains in the black sand.
6. Previous mining history indicates there has been considerable mineral bearing rock formations in the vicinity of these claims. Old reports on the Peso ground indicate there are anomalies in gold and other metals. This property is near the historically mined Dublin Gulch, while Strata Gold is actively doing mineral exploration in the area today.

RECOMMENDATIONS

1. Additional test holes should be conducted upstream on Secret Creek from T-101. This will determine if there is continuity in the gold values found in T-101.
2. The processing system should be improved with a more efficient classifying method to remove larger material. This would allow all of the gold bearing gravels to pass through the sluice box.
3. Adequate pumps should be utilized to drain the test holes to allow dry testing of the material. (This was improved upon during the 2006 program). A better picture of whether the gold is more or less homogenous, or if it is strata related may be determined.
4. Research should be conducted to determine a method to remove the very fine gold from the black sand. There may be known methods that Mr. Evans is not aware of.
5. Increased water volume should be used to provide a better sluicing process. Some of the plugged up systems may be avoided. It will probably allow for a larger volume of material to processed per hour of operation.
6. Test hole T-101 did not reach bedrock in 2006. As this area is now exposed it will thaw much more quickly next summer. Sites for the next test holes should be stripped in the Spring, and T-101 should be deepened to bedrock while the new sites are thawing. It will be important to know the depth of the gold bearing gravels in this valley if palcer mining is planned.

**COMPLETE
MINING
INCENTIVES
PROGRAM**

Final Submission Form

PREVIOUS HISTORY

1978

PROJECT REPORT

ON

THE SECRET CREEK PROPERTY

MAYO MINING DISTRICT

N.T.S. 115-P-16 AND 105-M-13

136° 1' W. LONG. 63° 58' N. LAT.

CLAIMS: SA 1-30 YA30321 - YA30350
SWEDE 1-42 YA30351 - YA30392

COMMODITIES: TUNGSTEN, TIN, GOLD, SILVER

PROPERTY OWNERSHIP: CANADA TUNGSTEN MINING CORPORATION LIMITED



June 1979

Written By: W.B. Lennan, B.Sc.
Exploration Geologist

090482

This report has been examined by the Geological Evaluation Unit and is recommended to the Commission to be considered as representation work in the amount of

\$ 14,400.00

A/ J A Morin
Resident Geologist or
Resident Mining Engineer

Considered as representation work under
Section 53 (4) Yukon Quartz Mining Act.

B. R. BAXTER
Supervising Mining Recorder
Commissioner of Yukon Territory

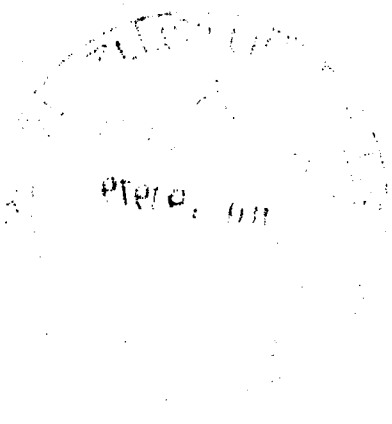


TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| SUMMARY | I |
| CONCLUSIONS | III |
| RECOMMENDATIONS | V |
| STATEMENT OF COSTS - FOR 1979 PROJECT | VII |
| | |
| INTRODUCTION | |
| Location and Access | 1 |
| Climate | 2 |
| Topography and Vegetation | 2 |
| History | 3 |
| Work Done in the 1978 Program | 5 |
| Secret Creek - Survey Controls | 6 |
| | |
| GEOLOGIC SETTING OF THE SECRET CREEK PROPERTY | 10 |
| Regional Geology | 10 |
| Structural Geology | 12 |
| | |
| GEOCHEMISTRY | 13 |
| Stream and Soil Geochemistry | 14 |
| | |
| GEOCHEMICAL SAMPLE PREPARATION AND ANALYTICAL PROCEDURES 1978 | 15 |
| Data Compilation and Computer Processing | 16 |
| | |
| Interpretation of Stream Sediment Geochemical Data | 17 |
| Tungsten | 17 |
| Tin | 19 |
| Gold | 21 |
| Silver | 23 |
| | |
| Interpretation of Soil Geochemical Data | 23 |
| Tungsten | 23 |
| Tin | 26 |
| Gold | 28 |
| Silver | 30 |

Cont'd. . .

TABLE OF CONTENTS (Cont'd)

| | | |
|------------|---|---------------|
| APPENDIX I | Notarized Statement of Costs and Statement of Qualifications | After page 32 |
|------------|---|---------------|

FIGURES

| | | |
|-----------|--------------------------------|--------------|
| Figure 1 | Yukon Location Map | After page 1 |
| Figure 2 | Claim Map | After page 1 |
| Figure 3 | Tungsten Sediment Geochemistry | Page 18 |
| Figure 4 | Tin Sediment Geochemistry | Page 20 |
| Figure 5 | Gold Sediment Geochemistry | Page 22 |
| Figure 6 | Silver Sediment Geochemistry | Page 24 |
| Figure 7 | Tungsten Soil Geochemistry | Page 25 |
| Figure 8 | Tin Soil Geochemistry | Page 27 |
| Figure 9 | Gold Soil Geochemistry | Page 29 |
| Figure 10 | Silver Gold Geochemistry | Page 31 |

MAPS

| | | |
|-------|--|----------------------|
| Map 1 | Index of Aerial Photography Map Sheets | Attached File Folder |
| Map 2 | Plan of Photo Control | Attached File Folder |
| Map 3 | Tungsten Sediment and Soil Geochemistry Map | Attached File Folder |
| Map 4 | Tin Sediment and Soil Geochemistry Map | Attached File Folder |
| Map 5 | Gold Sediment and Soil Geochemistry Map | Attached File Folder |
| Map 6 | Silver Sediment and Soil Geochemistry Map | Attached File Folder |

GEOCHEMICAL DATA

| | |
|--------------------------------------|----------------------|
| Sample Listings - soil and sediments | Attached File Folder |
|--------------------------------------|----------------------|

SUMMARY

The S.A. and SWEDE claims comprising a total of 72 contiguous mineral claims are located in the central Yukon some 20 air miles northwest of Mayo. It is accessible only on its southeastern Swede #38 and #40 claims by a rough 4-wheel drive road some 45 miles from Mayo.

The claims were staked during the latter part of May 1978 after a study of government geochemical maps, old claim maps and old reports on the Peso ground was done. This study revealed that the area is anomalous in tin, tungsten, boron and gold. The junctions of several major streams, possible vein extensions from the Peso ground and the possibility of another small tin bearing intrusive plug near the junction of Swede and Secret Creek made this area an attractive exploration target.

It was decided to evaluate this property at the same time the Dublin Gulch Property was being evaluated. Personnel from the Dublin Gulch Project became available near the last week of August and first two weeks of September 1978.

As a major aerial photography survey, aerial triangulation survey and map production was being considered for Dublin Gulch in early May 1978, it was decided to incorporate the Secret Creek and Swede Creek area into this program. The additional costs would be much less than if a totally new survey was implemented at a later date. The aerial photography, aerial triangulation and 1:5000 scale map production would be necessary for geologic mapping control, geochemical survey control and other future survey controls.

The cutting out and establishing of survey sites was done during the first two weeks of July. The helicopter was used for this work as well as setting out reconnaissance sampling and mapping crews on Dublin Gulch. From the 14th of July to the 31st of July 1978, two McElhanney surveyor surveyed all the sites with the aid of a helicopter and tied them into the government control points. The government control points were also checked for accuracy. The aerial photography, consisting of three high level flight lines over the Dublin Gulch and Secret Creek areas, was flown on July 30, 1978. The resultant photos are of very high quality and a 1:5000 scale orthophoto of the area is presently being prepared from them.

McElhanney Engineering was also commissioned to produce 13 1:5000 scale topography maps from government aerial photography done in 1960-1961. Eleven of the map sheets cover the Dublin Gulch - Haggart Creek claims area while 2 of the map sheets cover the S.A. and SWEDE claims and proximal areas. It was hoped to have the completed maps available before the mapping and geochemical program began at the end of August 1978. This was not the case and data was plotted on a 1:10000 scale blow-up map made up of 4 1:50000 scale government topography maps. The 1:5000 maps arrived in late September and were sent back to McElhanney for correcting when the new photography was available. This work as well as the orthophoto production is still in progress.

When the cutting out of survey sites was done it was observed that very little outcrop if any, existed on the property. It was decided to do a reconnaissance sediment sampling survey on the drainages running across the claims and do a soil sampling survey on the claim lines as well as do geologic mapping along the claim lines.

III

From August 22 to August 27, 1978 the claim lines and non existent intermediary claim boundary lines were cut and blazed, chained, compassed and marked with stations at 150 meter intervals. Almost all the soil sampling on the grid lines was done from Aug. 28 to Sept. 9, 1978 while the bulk of the streams were sampled from Sept. 10 to Sept. 14, 1978. A helicopter was used to drop out and pick up crews when necessary. The lines were mapped from Sept. 2 to Sept. 5, 1978 and no outcrop was found.

Several areas of anomalous values in tin, tungsten, gold and silver were located within the claim boundaries and outside the claim boundaries. These anomalies are discussed under the title of "CONCLUSIONS".

CONCLUSIONS

- 1) Only two tungsten anomalies of significance are located on the claims. Second order anomalies are located on the Swede #3 claim and more notably on the Swede #38 and #40 claims. It is believed by the writer that erosion of scheelite bearing skarn units are responsible for the anomalies. The anomaly found on the Swede #38 and #40 claims is coincident with a gold anomaly.
- 2) Tin is more mobile in stream sediments and is more reliable for defining anomalous areas than soil samples. Sediment anomalies range from 14 p.p.m. Sn to 120 p.p.m. Sn while soil anomalies rarely exceeded 5 p.p.m. Significant sediment anomalies are located along Secret Creek north of its confluence with Swede Creek. Anomalous values are found along Swede Creek southeast of where Secret Creek joins in. Soil samples taken near the confluence of Secret Creek and Swede Creek are anomalous in tin. These samples are located in the creek valleys and would more closely represent a silt sample rather than a soil sample thus explaining the higher tin values than those found in the other soil samples.

RECOMMENDATIONS

- 1) Detailed soil sampling should be done at 50 meter intervals along lines spaced 150 meters apart between the already established lines. This would define the lateral extent of the anomalies discussed above to a greater degree.
- 2) Streams that lie south of the S.A. claims and flow into Haggart Creek should be sampled.
- 3) The ridge and valley walls that flank the two silver bearing streams to the northwest of the S.A. claims should be geologically mapped, prospected and sampled (soil) to try and establish a definite source for the silver anomalies. The ridges and valley walls along Secret Creek (north of its junction with Swede Creek) should be geologically mapped, prospected for intrusive plugs and soil sampled. Lines could be established along the valley walls paralleling contours and spaced 150 meters apart. Three lines each on the east and west valley walls of Secret Creek should be done to start. If results proved encouraging more lines could be established up slope from the previous lines.
- 4) If the results of the above work prove to be encouraging and the anomalies further defined, cat renching should be considered to exposed bedrock to facilitate geologic mapping and channel sampling.
- 5) The creek that flows northwesterly into Haggart Creek and across the Swede #38 and #40 claims should be prospected to its headwaters to check for skarn float. If an area of considerable skarn float is located and it contains scheelite, cat trenching should be done to expose any units that may be buried under shallow overburden.

- 6) If the additional soil sampling on the new lines in the vicinity of the Swede #25, 26, 27 and 28 claims outlines the silver anomaly more precisely, cat trenching should be done to try and penetrate the overburden. If the overburden is not too deep northeasterly trenching silver-lead veins may be found in bedrock.

- 7) A proton magnetometer (for maximum overburden penetration) survey should be conducted along all the claim grid lines established in 1978 as well as along the new lines that would be established as noted in these recommendations. The data from this survey may outline an overburden covered intrusion. It is expected that any intrusive units in the area would have a different magnetic signature than that of the metasedimentary rocks as is the case on Dublin Gulch. The tin, gold and silver anomalies may be associated with veining, dyking and faulting emanating from the intrusion.

INTRODUCTION

Location and Access - Figure 1 and 11.

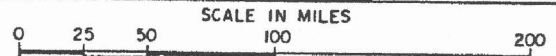
The contiguous groups of claims called the S.A. and SWEDE are located in the vicinity of Secret Creek, Swede Creek and Haggart Creek. This area is located in the central Yukon some 20 air miles northwest of Mayo and bounded by Lines of Longitude $135^{\circ}57'$ West and $136^{\circ}5'$ West Long. and by Lines of Latitude $63^{\circ}57'$ and $63^{\circ}59'$ North Lat. This area is located on N.T.S. map sheets 115-P-16 and 105-M-13.

The property is accessible on its southern extremities by road some 45 miles from Mayo. A good all weather road goes from Mayo for 30 miles to the South McQuesten River Bridge. From the bridge, a 4-wheel drive (primarily) tote road runs along Haggart Creek some 15 miles to a point where Swede Creek (local name) flows over the road and joins Haggart Creek. An old cat road follows Swede Creek to its confluence with Secret Creek and then proceeds to the old Peso ground located on the hills to the north-east of the above creeks. This road was last used in the early 1960's and has all but disappeared where it should have joined the main road. The tote road was only negotiable by caterpillar tractor during the summer of 1978. A helicopter was used to set out geochemical sampling crews and survey crews because of the lack of vehicle accessibility.

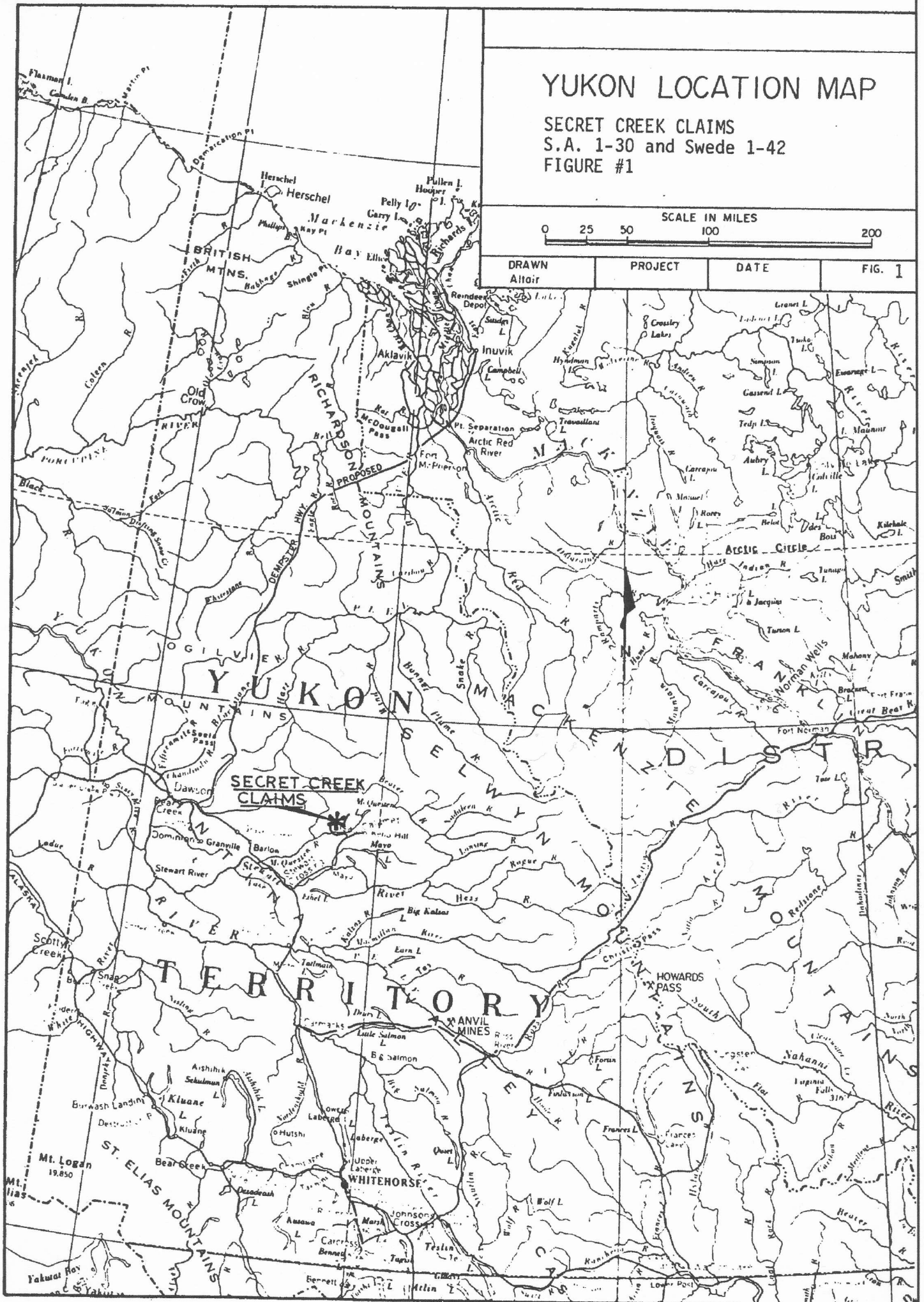
All exploration and sampling was carried on out of the Dublin Gulch base camp. A flood caused by a heavy rain, occurred in mid July and negated the possibility of fixing up the road to a point where it could readily be utilized by trucks during the remainder of the season.

YUKON LOCATION MAP

SECRET CREEK CLAIMS
S.A. 1-30 and Swede 1-42
FIGURE #1



| DRAWN | PROJECT | DATE | FIG. 1 |
|--------|---------|------|--------|
| Altair | | | |



Climate

The climate is typical of the Central Yukon area with a mean annual temperature of -2°C . The low average temperature is about -10°C and the high average temperature is about -3°C . The temperatures from winter to summer range from lows of -55°C to highs of $+30^{\circ}\text{C}$.

The average annual precipitation is about 38.1 cm. with most of the rainfall occurring in May and June. Daily heavy thunder showers occur throughout the summer months.

Snow begins to accumulate as early as mid September and is melted by mid June at higher elevations. Up to 1.5 meters of snow may accumulate on the hill tops surrounding the Swede and Secret Creek drainages.

Topography and Vegetation.

The claim area is traversed by three main drainages. Swede Creek flows easterly through the center of the S.A. claims and then flows southeasterly through the center of the Swede claims. Swede Creek crosses the Haggart Creek road and joins the southwesterly flowing Haggart Creek. Secret Creek (southwesterly flowing) joins Swede Creek at a point some 2800 meters upstream from its confluence with Haggart Creek. Haggart Creek discharges all the water from the above creeks into the South McQuesten River.

The Swede Creek Valley is covered with dense buck brush that reaches heights of up to 1.5 meters. Walking is very difficult in this brush. Overmature sparsely distributed fir and spruce are found in this swampy valley. The fir and spruce trees become much more dense on the valley walls and cover completely most of the hills that are less than 1370 meters in elevation. Patches of poplar are found throughout the area. The Secret Creek Valley is better drained in its lower reaches and is well timbered with fir, spruce and poplar. The buck brush is still present but rarely exceeds 1 meter in height. Only in the upper reaches of the creek valley to the northeast where Ironrust Creek also originates, do the trees disappear and the buck brush takes over. This is indicative of the more swamp like conditions.

The hills surrounding the claims generally range from 1060 meters to 1220 meters in height. The hills are well timbered up to 1220 meters and then gives way to buck brush as the elevation reaches 1370 meters on the higher peaks.

Overburden cover on the claims is extensive and even though detailed prospecting was carried out in conjunction with geo-chemical sampling, no outcrop was found. Checks were done on the float rock found in creek channels.

History

The Swede Creek and Secret Creek drainages have been explored over the last 80 years. This exploration appears to have occurred intermittently with no period of consistent and systematic exploration evident. The only exception to this is the work done on the lead, antimony and silver veins found on the Peso claims located northeast of the Swede and S.A. claims. Numerous grown over roads

as well as open roads cross these hills. Many cat trenches and shafts and adits are located on this property. The MIC 1-4 and 6-8, H 1-6 and Rex 1-8 claims are owned by Peso Silver Mines.

A small high grading operation ran for a short time with the lead, silver and antimony bearing ore coming from a series of east-northeast trending quartz veins.

Secret Creek and Swede Creek were worked by placer miners that came into the Dublin Gulch area in the late 1890 and early 1900's. Little gold was found apparently as there is no evidence of sluice placer mining or other types of placer operations as compared to the Dublin Gulch area to the east. Placer leases have been staked and allowed to lapse over the years.

A review of government geochemistry programs brought the area to the attention of Canada Tungsten's staff. A few anomalous boron samples and the associated presence of tungsten and tin in the stream sediments indicated the possibility of a placer tungsten and tin deposit existing near bedrock in old stream channels. It was then felt that an extension of the Peso lead silver veins may cut the area and be masked by overburden. If the vein system is zoned, gold and tungsten may be present in these vein extensions. Small tin bearing stocks are found in the Dublin Gulch area and it is feasible that another one exists in this area and may be hidden by overburden. Scheelite bearing skarn units belonging to the Yukon Group of metasediments may also be masked by overburden. These systems may be the source area for any placer minerals. It was felt that a good geochemical silt and soil sampling and prospecting program might indicate possible source areas under the overburden in the claim area.

Work Done in the 1978 Program.

A program of ground survey control for aerial photography control, 1:5000 map production, geologic prospecting and geochemical soil and silt sampling was carried out on and around the 72 S.A. and Swede mineral claims. This program was designed to provide accurate control for geologic and geochemical surveys.

McElhanney Surveying was commissioned to prepare 13 1:5000 base maps from government air photos. The map sheets cover the Dublin Gulch, Haggart Creek and Lynx Creek drainages while approximately $2\frac{1}{2}$ of the 13 maps cover the Secret Creek and Swede Creek drainages. (See map 1). These maps were necessary so work could begin while McElhanney was carrying out a new comprehensive aerial triangulation survey tied in with the flying of new aerial photography. (See map 2). The 1:5000 maps produced from government photography were merged with the new survey data and new corrected maps are nearing completion. All data from the 1978 geochemical survey program is plotted on a 1:10000 scale map which was produced from a 1:50000 scale government topography map. The data on this map will be transferred and combined with 1979 field data on the new 1:5000 scale maps.

Three high level air photo flight lines were flown to give stereo coverage at a scale of 1 inch equals $\frac{1}{2}$ mile over 76 square miles of ground. Corrected 1:5000 topography maps with a 10 meter contour interval and a 1:5000 scale orthophoto are currently nearing completion as a result of the new triangulation survey and aerial photography.

Canada Tungsten crews cut out and established all survey sites with the aid of a helicopter during the first week of July. During the latter part of July, McElhanney crews quickly surveyed all the sites in with the aid of a helicopter. On July 29 the aerial photography was flown.

As initial prospecting indicated a severe lack of outcrop in the claim area, it was decided to carry out a detailed reconnaissance stream sediment and soil sampling program. This program was designed to locate anomalies which would provide target areas that would, in the future, justify the expense of bulldozer trenching to bedrock. More detailed geologic prospecting was carried on in conjunction with the sampling program in the hopes of locating some outcrop or at least good angular scree. It was hoped this would help to correlate geologic information from the more outcrop rich Peso and Dublin Gulch area with this new area in the hope of finding more skarn zones, stocks and vein systems.

During the fall of 1978 and spring of 1979 all the geochemical data was compiled, keypunched and processed with the aid of a computer. Statistical analysis of the data was done by hand.

Secret Creek Property - Survey Controls.

Survey control procedures undertaken at Secret Creek and Dublin Gulch were combined to give accurate and complete coverage over all the ground. As thirteen map sheets were produced, the cost of map production, aerial triangulation, photography and orthophoto production was prorated over the 13 sheet areas. Control procedures for the Secret Creek area can be broken down into five distinct parts. They are (1) Map production from government aerial photography (1960-1961), (2) 1978 Ground Aerial Triangulation Survey, (3) 1978 Aerial Photography, (4) Production of new 1:5000 scale topography maps and orthophoto from 1978 Aerial Photography, (5) Chain and compass grid control on claim lines and claim boundaries.

1. Map Production from Government Aerial Photography (1960-1961). (See Map 1).

With the acquisition by Canada Tungsten of some 72 mineral claims in the Secret-Swede Creek area and another 453 claims in the Dublin Gulch area during April and May of 1978, it was necessary to have map coverage at sufficient scale to adequately evaluate this area.

Government 1:50000 scale maps are the only topographic map sheets available so McElhanney Surveying and Engineering were commissioned to produce 13 map sheets at a scale of 1:5000 with a 10 meter contour interval. All aspects of the aerial map and photography work, mapping and geochemical surveys were carried out in metric to avoid conversion and confusion in future years as Canada goes metric. The 13 map sheets are outlined on Map 1 but the actual topography plotted lies within the boundaries of the fine dashed line. This was done to give cost effective map production that would encompass all the claims and yield enough peripheral topographic information to aid in evaluating the outer boundaries of the claims.

The production maps by McElhanney was slow so blow ups of government 1:50000 scale maps to a scale of 1:10000 were required to carry out geologic and geochemical surveys. All contours are measured in "feet" on these maps. This data is plotted on maps 3, 4, 5 and 6. This work and 1979 work is being transferred and/or plotted directly onto the 1:5000 maps during the 1979 summer field season.

2. 1978 Ground Aerial Triangulation Survey (Map 2).

In order to meet the time limit set for a best date for taking aerial photographs, Canada Tungsten crews cut out sites, laid survey markers and placed survey pins on 35 horizontal and vertical control sites. These sites were specified by McElhanney engineers. After these sites were established an additional 55 sites were established on grid lines, old roads and other notable topographic features. The sites were tied to the 35 control sites and their U.T.M. coordinates and elevations are located on Map No. 2. The sites were established with the aid of a helicopter during the first 1½ weeks of July.

The McElhanney survey crew consisting of 2 men arrived on July 14th and commenced surveying immediately. The surveyors were positioned at their sites and moved from site to site by a helicopter. The surveying was completed on July 30, 1978.

3. 1978 Aerial Photography - (see Map 1).

The surveying of ground control points was completed on schedule and the photography aircraft flew three high level flight lines and two low level flight lines over the Secret Creek and Dublin Gulch areas on July 29, 1979. The high level lines produced stereo photo covering at a scale of 1 inch equals one-half mile. The two low level lines (one flown down Dublin Creek, the other down Haggart Creek) produced photo coverage at a scale of 1 inch equals 1,000 feet. The flight lines and photo numbers are located on Map 1.

4. Production of new Topography maps and orthophotos from 1978 Aerial Photography.

The results of the new aerial photography yielded very high quality photos. McElhanney instructed Canada Tungsten to mark any additional significant points on the photos. Some 130 points in addition to the 90 established points were located on the photos. Most of these points fell inside the Dublin Gulch claim block. With the aid of the computer, the elevations and co-ordinates of these new points could be estimated directly from the photos.

The orthophoto being made from the high level photography covering the mineral claims is nearing completion. The new survey data is correlating very well with the old government air photos so only minor adjustments will have to be made to the 13 1:5000 maps produced from them earlier. Grown over cat roads and trenches that were made after the 1969-61 government work, show up well on the new photos. This information will be transferred onto the 1:5000 map sheets. These minor adjustments negate the production of a complete set of new maps from the new photography thereby saving considerable expenditures.

5. Grid Control.

It was decided to proceed with a geochemical soil sampling program that would utilize the existing claim lines as well as the intermediary claim boundary lines. The claim lines were located and recompassed, chained and slope corrected for accuracy. Stations were spaced at 150 meter intervals along the lines. The accurate

establishment of the claim lines provided the additional control for compassing, chaining and blazing in the intermediary claim boundary lines. Stations were spaced at 150 meter intervals along these lines as well. The lines on the S.A. claims run AZ. 004⁰ while those on the Swede claims run AZ. 094⁰.

The stream sediment sampling survey was carried out on most drainages of significance. The sample stations were "generally" spaced at 150 meter intervals. The distance between stations was measured by the standard pace method. The distance varied between stations to a small extent due the lack of silt material at the allocated distance of 150 meters. Flags were hung at the sample sites.

GEOLOGIC SETTING OF THE SECRET CREEK PROPERTY

Regional Geology

The S.A. and Swede claims are underlain by a thick succession of Yukon Group metasedimentary rocks. These rocks are believed to be Precambrian and/or Palaeozoic in age (R.W. Boyle - G.S.C. Bulletin 111, L.H. Green - G.S.C. Memoir 364) but uncertainty about this age exists at present. Mapping of the units on the hills and ridges (old Peso area) between the Secret Creek claims and the Dublin Gulch claims shows that the units belonging to the Yukon Group in this area are different from those found on the Dublin Gulch Property. These differences are more textural rather than compositional.

Boyle (Bulletin 111) indicates that the area in which the S.A. and Swede claims lie are underlain with units of Quartz-mica schist (Muscovite-Quartz Schist - Dublin Gulch Project Report - B. Lennan), Pebbly to gritty quartzites and minor limestone and skarn. As mentioned above, these units, with the exception of limestone and skarns, have been located between the Secret Creek Claims and Dublin Gulch Claims. No outcrop has been found to date on the S.A. and Swede Claims.

The writer believes that the gritty to pebbly quartz units indicate that original pelitic sedimentation was interrupted with a more turbid influx that may have reworked and/or deposited more poorly sorted sediments of arkosic composition. The pebbly quartzite units may represent the erosion and redeposition of quartz arenite units. No skarn or limestone units have been located to date in the area described above.

Intrusive activity in the area is of Cretaceous age and is represented by small stocks (1-3 miles long - Dublin Gulch area) and plugs (Dublin Gulch area and ridges between Dublin Gulch and Secret Creek) of granodioritic, granitic, dioritic and quartz monzonitic composition. Because of overburden, no intrusive rocks have been located on the S.A. and Swede Claims.

Several float specimens of metamorphosed porphyritic rhyolite have been located in the creeks draining southeasterly into the S.A. 1-6 and S.A. 12, 14, 16 claims. No outcrop has been found and it is not known what kind of stratigraphic relationship exists between volcanic and metasedimentary units. Green (memoir 364) indicates that most of the rhyolite units are sill-like bodies that are less than 15 meters thick and are seldom traced along strike for more than 100 meters. McConnell

and Cockfield suggest a Tertiary age for these rocks while Wheeler sites the possibility that some of these rocks may be the same age and genetically related to the Cretaceous intrusives that occur in this area.

Structural Geology

Overburden and lack of outcrop in the claim area has completely masked the subtle geologic structural picture. Broader structures and trends can be implied from various drainage trends and from the geologic mapping done on the Dublin Gulch Claims and on the ridges (Peso area) between the Secret Creek Claims and Dublin Gulch Claims (1978 Dublin Gulch Project Report - B. Lennan). The Secret Creek claim area has undergone three phases of regional metamorphism. The Quartz-mica schists and phyllites found on the ridge to the northeast of the claims exhibit a micaceous foliation parallel to compositional layering. This is an F_1 event. Rootless isoclines, Chevron folds and kinks also occur in these rocks and their axial planes lie parallel to the compositional layering and F_1 foliation. This represents an F_2 event. The F_3 folding event is occasionally evident as quartz rodding features that also lie within the planes of F_1 and F_2 . Contact metamorphism occurs but is not pervasive in the vicinity of the small granitic plugs that outcrop on the ridge that lies between the Secret Creek claims and the Dublin Gulch claims. It is not known whether any intrusive bodies exist in the claim area.

Anticline and syncline fold axis in the area trend in a north-east-southwest direction. The Lynx Creek Anticline is readily observed on the Dublin Gulch Property. The nose of this fold plunges west-southwesterly along the ridge south of Dublin Gulch. On the ridge (Peso area) between the Secret Creek claims and Haggart Creek, the attitudes of the foliation and original compositional layering indicate the existence of a synclinal feature.

This feature may carry on westward and underly the Secret Creek claims. The bedding has strikes that range from west-northwest to north-northwest with dips of 30° to 40° northeast. The axis of the syncline "appears" to plunge southeasterly towards Haggart Creek.

Three faulting events are evident in the Secret Creek claim area. The oldest faults appear to be normal dip-slip types that are parallel or sub-parallel to the fold axis. They trend in an easterly direction and may have a small amount of strike slip displacement. Easterly trending drainages that cut the ridges between Secret Creek and Haggart Creek outline these faults very well. A north-northeasterly to north-northwesterly trending set of faults displace the above mentioned faults and are believed to represent the second period of faulting. The Secret Creek valley outlines the best example of this fault while other drainages on the S.A. claims flowing northerly and southerly into Swede Creek outline similar faults. The youngest faulting event "appears" to be related to the intrusive activity in the area. This fault is a veined fissure system that lies on the ridge northeast of the claims. The Peso silver, lead and antimony showings are found in veins belonging to this system. This system trends in a northeasterly direction and may be connected to the gold-arsenic veins found on the ridge south of Dublin Gulch. The writer believes this is a strong and fairly continuous system and could continue southwesterly and lie under covered Secret Creek claims. The fault and its associated veins cut across all rock types and faults observed to date.

GEOCHEMISTRY

A geochemical survey program was undertaken on the S.A. and Swede claims during the summer of 1978. The program was made up of two surveys. A reconnaissance stream sediment sampling and prospecting program was initiated to test the drainages flowing into and within claims. This survey was done during the latter part of August 1978. A grid was then established on the claim

lines and intermediary claim boundary lines. Soil sampling, geologic mapping and prospecting was carried out on the lines. From the initial reconnaissance work and observations made while establishing survey sites, it was felt that the sampling might reflect background and anomalous signatures of the underlying rock in this outcrop deficient area.

All stream sediment and soil samples were sent to Chemex Labs in Vancouver and analyzed for tungsten, tin, gold and silver. A few samples were analyzed for lead, zinc, titanium and zirconium. Results were plotted on 1:10000 scale topographic maps. During the summer and fall of 1979 this data will be transferred to new 1:5000 scale maps prepared by McElhanney Engineering. During the fall of 1978 and spring of 1979 all the geochemical data was compiled and processed with the aid of a C.G.E. computer. Statistical analysis of the results was done by hand.

Stream Sediment and Soil Geochemistry

Silt samples were taken in most drainages within and surrounding the claim block. A 150 meter sample interval was established on all streams. Due to lack of sediment at a specific site, the sample was taken where silt first occurred. This resulted in a few deviations from the 150 meter interval. The distance between the sample sites on the streams were rarely less than 100 meters apart. A 150 meter sample interval was used for soil sampling on the grid lines. The grid lines are 455 meters apart. The grid trends Az. 004⁰ on the S.A. claim lines 094⁰ on the Swede claim lines.

It is not known what effects glaciation has had on the Secret Creek Claim area. Test profiles were done prior to sampling to check soil horizon development. No distinct horizons were observed and the soil was gravelly. Because heavier minerals like scheelite, gold and cassiterite would be concentrated near bedrock, it was decided to utilize soil augers to take the samples. Soil augers 1½ inches in diameter were driven 1 meter into the soil and the

samples were taken from the last 10 cms. This yielded a series of samples taken at a consistent depth over all the grid lines. A total of 211 stream sediment and 265 soil samples were taken and analyzed for tungsten, tin, gold and silver. Six samples were analyzed for lead, zinc, titanium and zirconium.

GEOCHEMICAL SAMPLE PREPARATION AND ANALYTICAL PROCEDURES - 1978

ppm Ag, ppb Au, ppm W, ppm Sn

Sample Preparation (Silts, Sediments)

Sample materials are dried at 50°C. and screened to -35 mesh. The screened portion is pulverized in a ring grinder to reduce particle size and also acts to homogenize the sample. This is required when tin and tungsten values are required.

Sample Analysis

ppm Silver

A 1 gm. sample is attacked with $\text{HClO}_4\text{-HNO}_3$, heating to fuming HClO_4 . After dilution to volume with demineralized water and mixing, the silver content is determined by atomic absorption spectrometry with simultaneous background correction.

ppm Tungsten

An 0.2 g. sample is fused with potassium pyrosulfate and leached in HCl. An aliquot is reduced with stannous chloride and quantitatively extracted with toluene-3, 4-dithiol in amylacetate in a water bath. The tungsten dithiolate is dissolved in kerosene and the concentration determined colorimetrically against tungsten standards carried through the same extraction procedure.

ppm Tin

A 1 gm. sample is sintered with ammonium iodide and the stannic iodide volatilized trapped on a cool surface of the test tube. After leaching with HCl and reduction with ascorbic acid, the tin is quantitatively extracted into methylisobutylketone containing trioctylphosphine oxide. The tin concentration is determined by atomic absorption spectrometry against tin standards extracted by the same procedure.

ppb Gold

Five grams of pulverized material is digested to dryness twice with Aqua Regia. The residue is baked and dissolved in 25% HCl. Gold is extracted into MIBK as the gold bromide complex. The extract is analyzed for gold by atomic absorption techniques. Detection limit = 10 ppb.

Data Compilation and Computer Processing

Prior to the sampling, a 50 column sample code sheet was made up. This sheet was used in the field and the sampler, sample location, sample type, sample composition etc. were identified by code numbers or letters. This system was used for all sampling on the Secret Creek and Dublin Gulch Projects. These sheets could then be key punched directly from the field. The key punched data was then fed into the computer where a sort according to sample type was done. The sample analysis results were key punched and fed into the computer where they were merged with the appropriate sample numbers and types. The sorted data was stored in the computer system according to a file system listed below.

- 1) soil samples and corresponding analysis results -
"SC Dirt File"
- 2) silt samples and corresponding analysis results -
"SC Sed File"

All the samples and their analysis results belonging to the above files are listed and located in the pouch attached to the report.

A statistical analysis program was adapted to the geochemical data situation. It was found that ordinary statistical procedures cannot be made "to fit" the data so the results of the program were not completely satisfactory. More work is needed to provide a suitable program. The computer statistics program was not run for Secret Creek as it was on Dublin Gulch.

A statistical analysis was done on each element by hand (tungsten, tin, gold, silver) for soil and silt samples. This was done to determine background levels, threshold break and anomalous levels. The average, standard deviation, log of mean, log of standard deviation and cumulative percent for each element was calculated from histogram analysis. The data was plotted by hand on semi-logarithmic paper with parts per million or billion located on the X axis and cumulative percent on the Y axis.

Interpretation of Stream Sediment Geochemical Data

(four elements plotted on Maps 3, 4, 5 and 6)

abbreviations ppm - parts per million

ppb - parts per billion

Tungsten (see Figure 3 and Map 3)

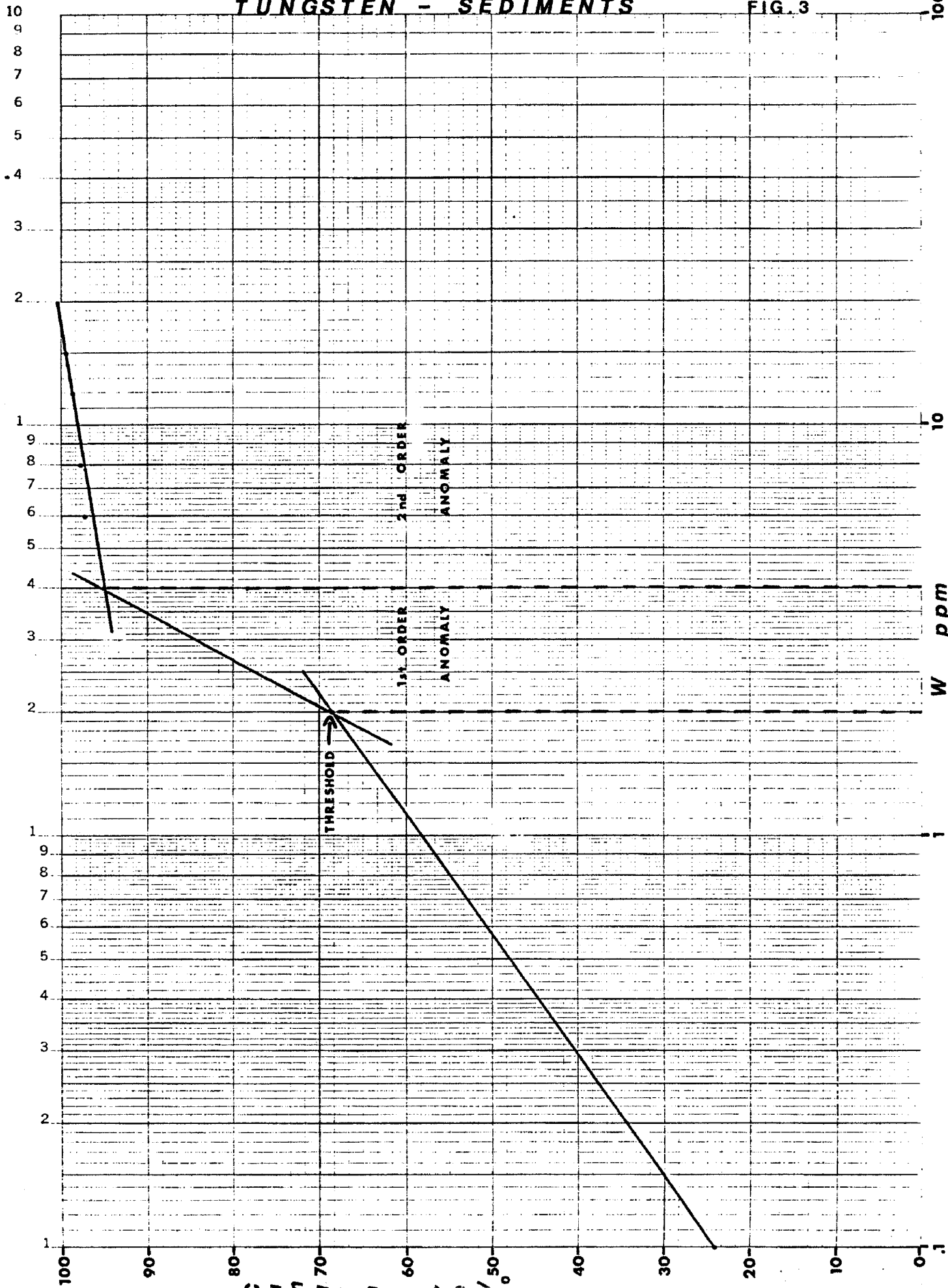
The background readings for tungsten in sediment samples are 2 ppm or less. Virtually all drainages within and surrounding the claim area register background readings. The threshold break for tungsten is 2 ppm while first order anomalies range between 2 and 4 ppm's. Only a few second order anomalies (greater than 4 ppm's) are found in the stream sediments. Map 3 is contoured and colour coded according to the order of the anomaly. Second order anomalies

TUNGSTEN - SEDIMENTS

FIG. 3

46 5370

SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
KEUFFEL & ESSNER CO. MODEL 10-3-1



for the most part are single sample anomalies and no connection to a possible source area can be made. A 22 ppm sample occurs on a creek located west of Secret Creek is a case in point. Sample No. S-151 is the sample in question. Two streams that have second order anomalies that are relatively continuous are located on Secret Creek near Swede No. 3 claim and on a north-westerly trending stream that crosses the Swede 38 and 40 claims near Haggart Creek. These two areas may be underlain by scheelite bearing skarn horizons and require further investigation in the form of deeper sampling and possibly some trenching.

Tin (see Figure 4 and Map 4)

From the graph on Figure 4 it is readily shown that the background levels for tin in the Secret-Swede Creek area is less than 2 ppm's. First order anomalies range in value from the threshold break at 2 ppm to 14 ppm's. Second order anomalies range from 14 ppm to the highest value of 120 ppm.

By observing the data from the work on Dublin Gulch it is known that tin in sediments and soil is almost exclusively related to intrusive events in the form of small granitic plugs.

The Secret Creek claims have numerous first and second order anomalies primarily along Secret Creek and Swede Creek southeast and downstream from its confluence with Secret Creek. The anomalous values continue into Haggart Creek.

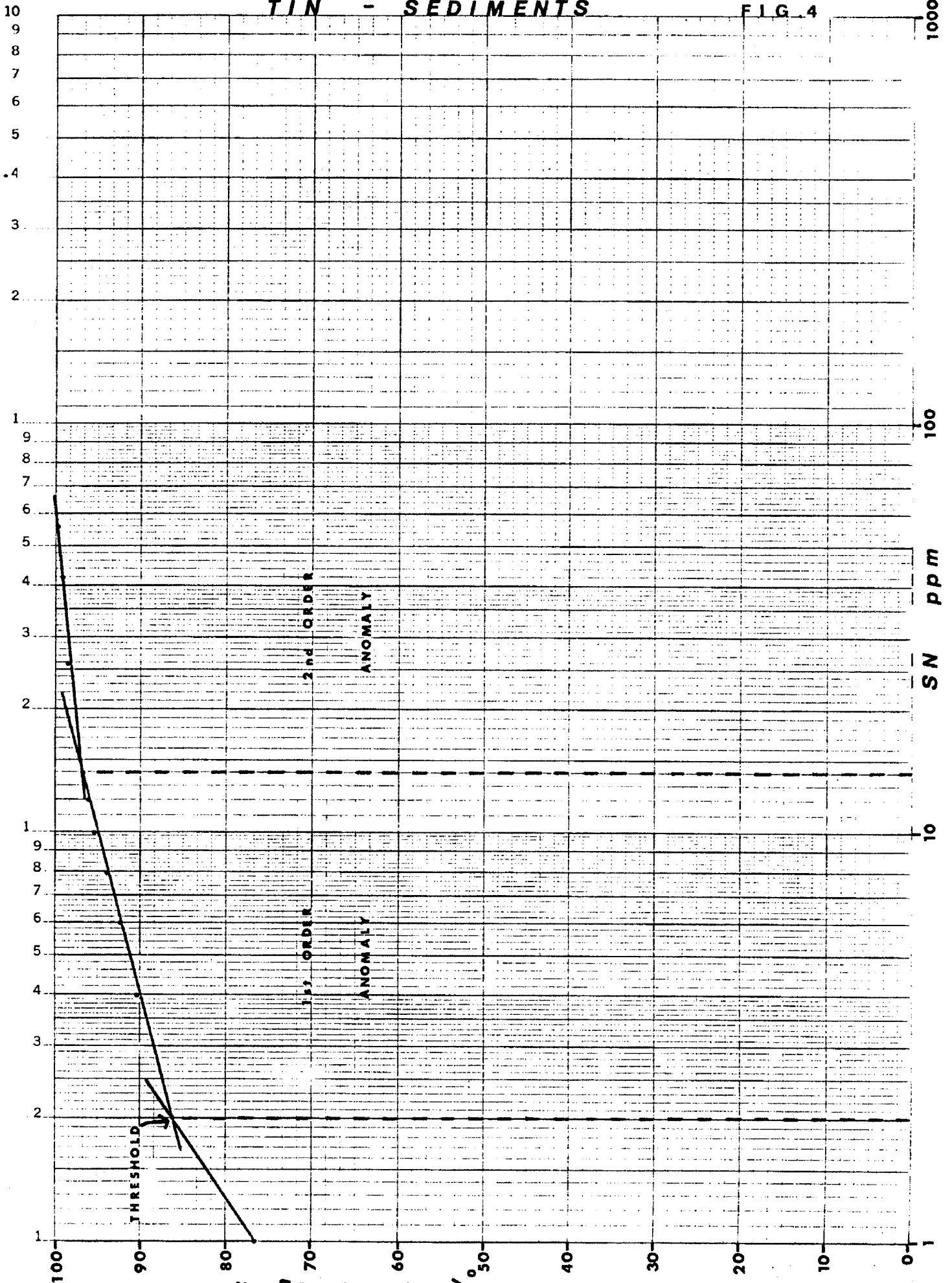
As tin is the most randomly distributed element on the property it may highlight underlying geologic features better than all the other elements. With abundant 2nd order anomalous stream samples occurring it is felt by the writer that an overburden covered tin bearing intrusive may be found on the slopes flanking Secret Creek.

TIN - SEDIMENTS

FIG. 4

46 5370

SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.



Vein extensions from the Peso showings to the northeast may be tin bearing and underly the property. A careful check of talus slopes and if possible, outcrop, should be done on the eastern flanks of the Secret-Swede Creek Valleys. The eastern half of the Swede claims would be covered in this check. Single sample anomalies are most likely the results of erosion of very small tin bearing quartz veins.

Gold (see Figure 5 and Map 5)

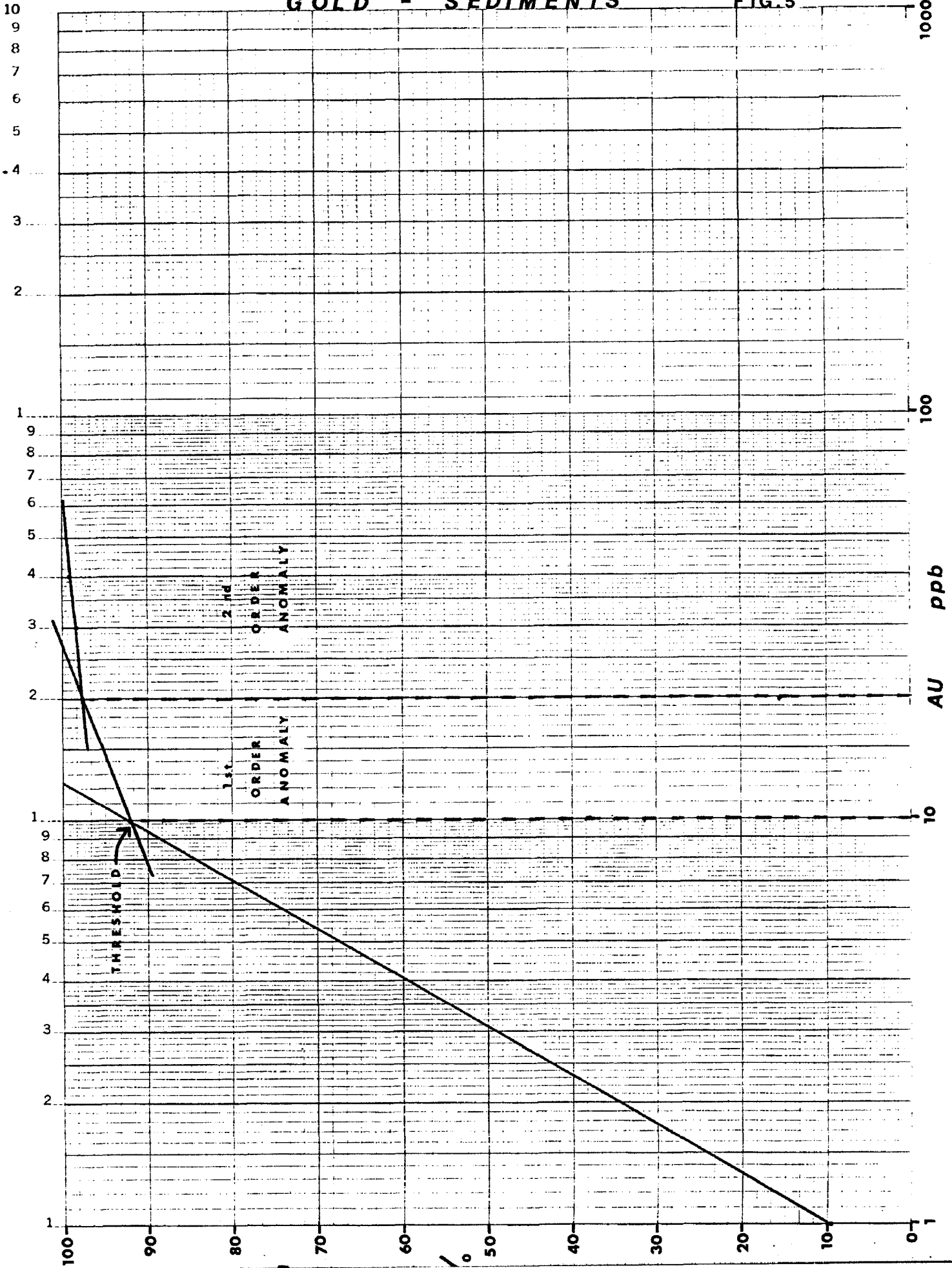
From the graph on Figure 5 the sediments of the Secret Creek - Swede Creek claims have a background of less than 10 p.p.b. The threshold break occurs at 10 p.p.b. Another break in slope is clearly evident at 20 p.p.b. First order anomalies range between 10 and 20 p.p.b.'s while second order anomalies are greater than 20 p.p.b.'s. No further breaks in the slope of the line occur beyond 20 p.p.b.'s which suggests only one source for the gold. Three second order anomalies occur in stream sediments. The first anomaly is located near the mouth of a creek (also called Secret Creek) where it flows into Swede Creek on the S.A. - 14 claim. The sample range from 10 p.p.b.'s to 70 p.p.b.'s. The second anomaly is located on Swede Creek southeast of where Secret Creek joins in. This anomaly ranges from 10 p.p.b.'s to 140 p.p.b. This is in the locale of the Swede #4 and #6 claims. The third anomaly occurs along a northwesterly trending stream near its confluencic with Haggart Creek. The Swede #37, 38 and #40 claims cover this anomaly. This anomaly ranges from 10 p.p.b.'s to 70 p.p.b. All of these anomalies appear to represent downstream concentration of gold as they occur near the mouths' of creeks. Underlying gold quartz veins may be outlined by these anomalies.

GOLD - SEDIMENTS

FIG. 5

45 5370

SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.



Silver (see Figure 6 and Map 7)

Background readings for silver and sediments in the S.A. and Swede claims area are less than .1 p.p.m. The threshold break is at .1 p.p.m. First order anomalies range from .1 p.p.m. to .2 p.p.m. A distinct break in the slope of the line occurs at .2 p.p.m. and marks the start of second order anomalous readings.

Only two streams in the claims area exhibit second order anomalies. A small stream that joins Swede Creek in the vicinity of the S.A. #5 claims has only one sample with a background value of .1 p.p.m. The remaining 5 samples have values ranging from .4 p.p.m. to 1.2 p.p.m. This stream carries some of the most anomalous readings found in the claim area. The second small anomalous stream lies to the east of the above mentioned stream and also drains into Swede Creek passing through the S.A. #2, 4, 13 and 15 claims. The samples on this stream have values ranging from .1 p.p.m. to .8 p.p.m. Detailed soil sampling and prospecting is required to help locate the source area for these anomalies. Small silver and lead bearing quartz veins may cross the area in a northeasterly direction.

Interpretation of Soil Geochemical Data

(four elements plotted on Maps 3, 4, 5 and 6)

abbreviations p.p.m. - parts per million

p.p.b. - parts per billion

Tungsten (see Figure 7 and Map 3)

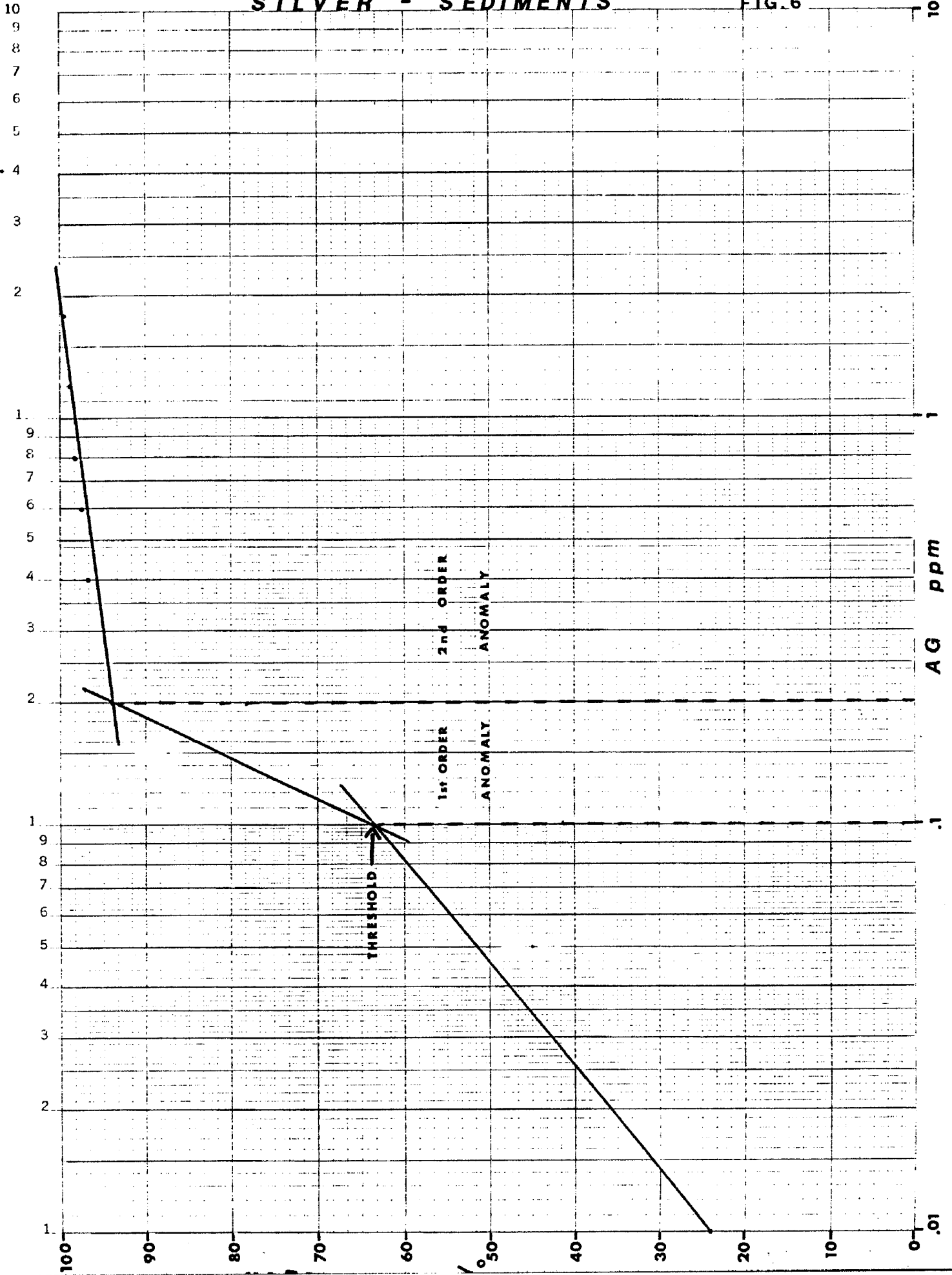
The background readings for tungsten in soil samples are 2 p.p.m. or less while the threshold break is right at 2 p.p.m. Any values over 2 p.p.m. are considered anomalous. Contour intervals of 3 p.p.m. and 6 p.p.m. were used on Map 3 to make subtle anomalies stand out from the many samples with values of 2 p.p.m. Three second order

SILVER - SEDIMENTS

FIG. 6

45 5370

SEMI-LOGARITHMIC 3 CYCLES X 50 DIVISIONS
KEUFEL & ESSER CO. MINNAPOLIS, MINN.

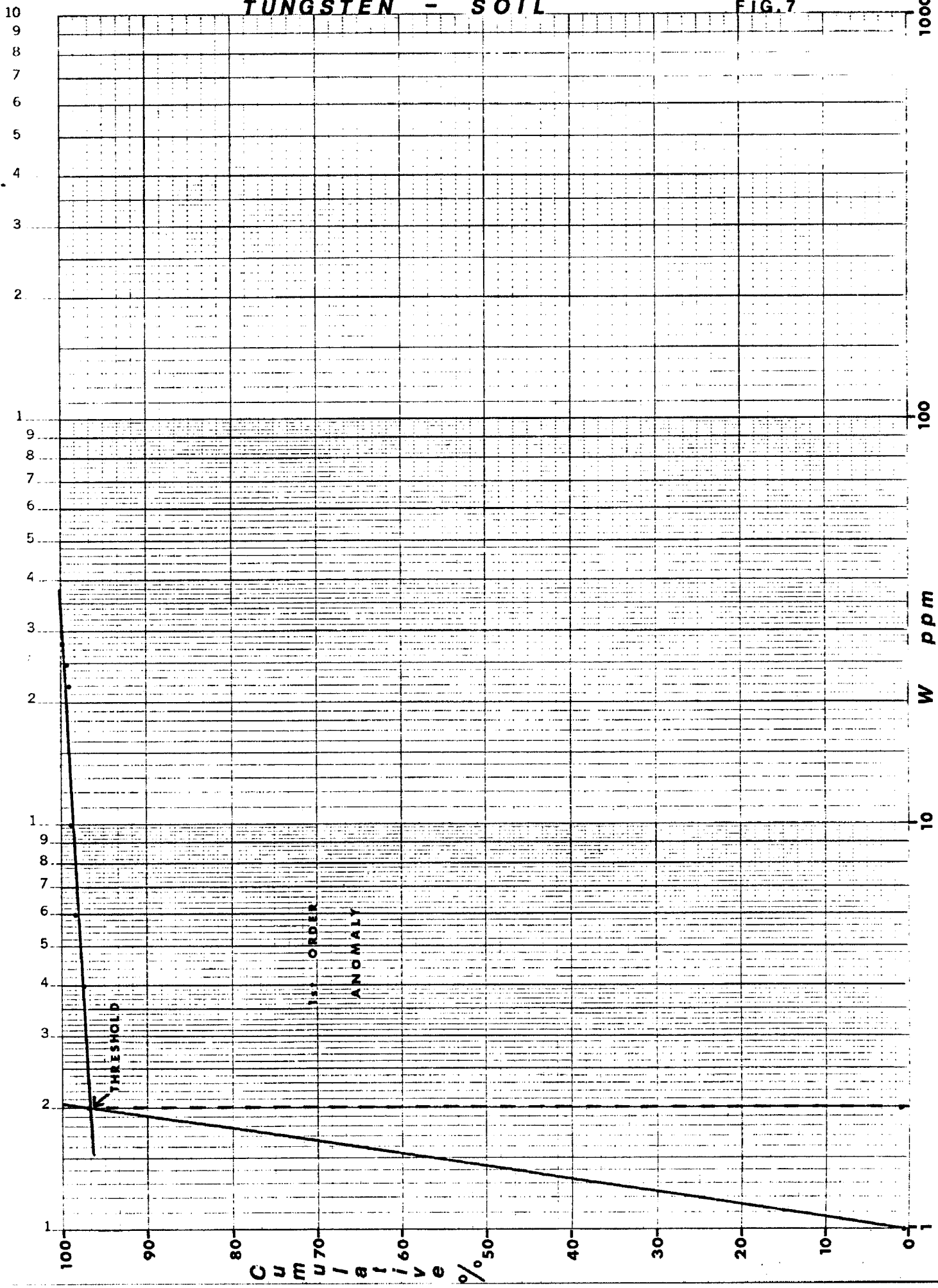


TUNGSTEN - SOIL

FIG. 7

45 5370

M.T. SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
M. T. KEUFEL & ESTER CO. MADE IN U.S.A.



level anomalies in soil samples are found on the Swede claims. The first one is a single sample anomaly with a reading of 10 p.p.m. that lies in the Swede #5 claim. A small amount of skarnified scheelite bearing scree or scheelite bearing quartz vein scree may be the source of this anomaly. Two samples, one up slope and the other downslope from the anomalous sample register only background readings so the source area is localized and small. The second anomaly is made up of two widely spaced samples that have values of 6 p.p.m. and 25 p.p.m. respectively. This anomaly crosses the Swede 6, 17, 18, 19 and 20 claims. No float rock or outcrop was located in the area of this anomaly. Again samples on either side of the anomalous one carry only background levels of tungsten. The third anomaly is made of a single 28 p.p.m. sample on the Swede 38 claim. This is a significant anomaly in that it may be connected with the anomalous stream (discussed earlier) to the east that enters Haggart Creek after it crosses the Swede 38 and 40 claims. Downslope creek of scheelite in soils emanating from skarn units are the likely source of the stream and soil anomalies. More detailed sampling and prospecting is required in this area.

Tin (see Figure 8 and Map 4)

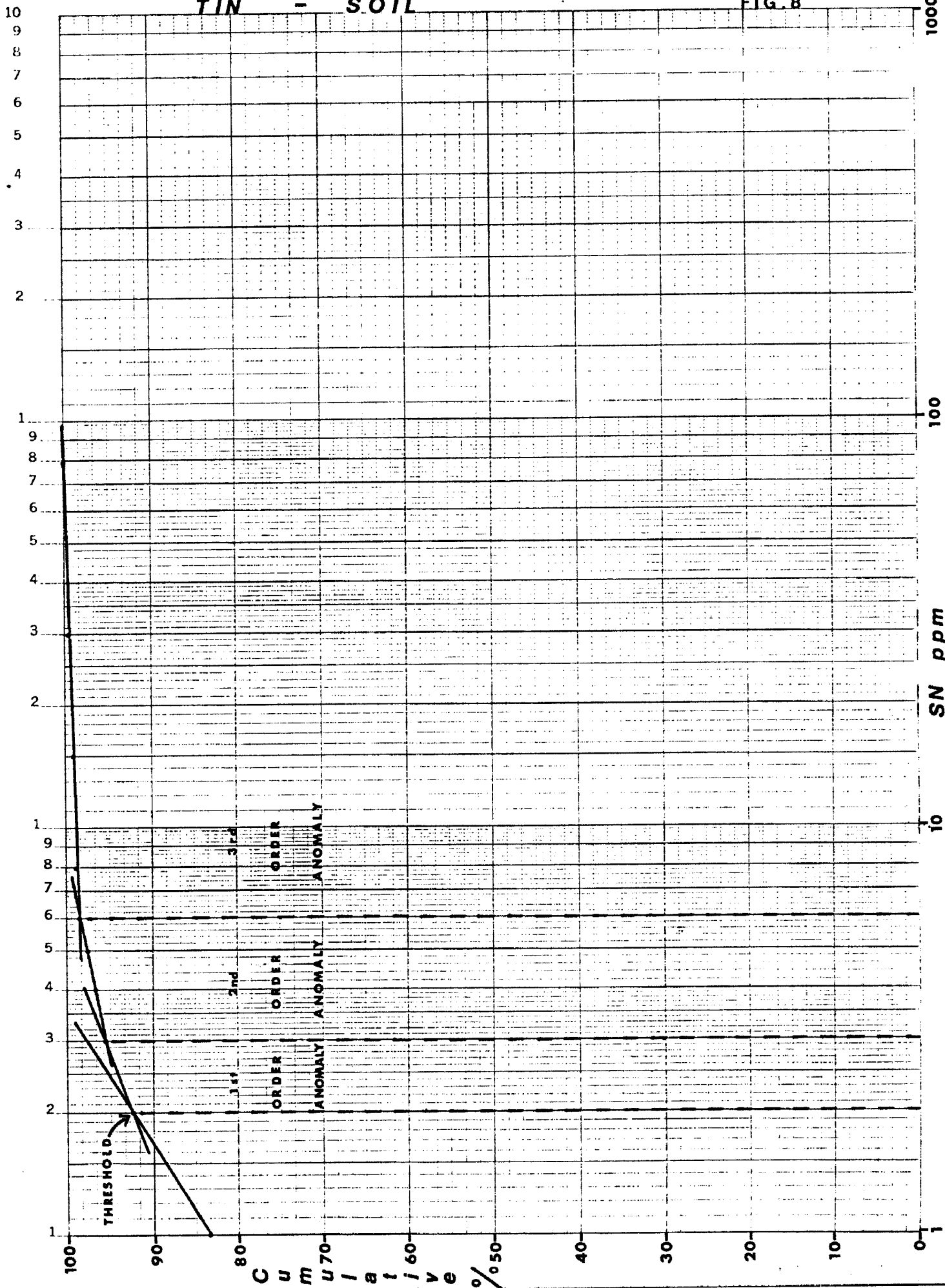
Most of the tin anomalies in the claim area are found in stream sediment. Secret Creek, Swede Creek (S.E. of its junction with Secret Creek) and a small creek west of the S.A. claims (crossing S.A. #5) all have first to third order anomalies. Many of the stream samples have in excess of 10 p.p.m. tin while soil samples rarely exceed 6 p.p.m. tin. Tin is much more mobile in sediments than in soils.

TIN - SOIL

FIG. 8

45 5370

SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
KEUFEL & ESSER CO. MADE IN U.S.A.



In soil samples the background values are less than 2 p.p.m. The threshold break is at 2 p.p.m. while two more breaks in slope at 3 and 6 p.p.m. indicate the second order and third order anomaly breaks respectively. This is quite different than the graph for sediment samples shown on Figure 4.

Three second order soil anomalies occur on the claims. The first one is located near the confluence of Secret Creek and Swede Creek and covers the S.A. #24 and 26 claims as well as the Swede 1-4 claims. The anomaly contains samples ranging from 3 p.p.m. to 79 p.p.m. The second anomaly is located on the Swede 7, 8, 9, 10 and 23 claims. The samples in this anomaly range from 2 p.p.m. to 5 p.p.m. Although appearing to be a very weak anomaly, the fact that tin does not exhibit its presence in soil as well as it does in sediments, may make this a significant anomaly. A close check of the gravelly material in the soil should be done to see if any pieces of tin bearing quartz pebbles can be found. This material may not be displaced too far from its source. The third anomaly is a single sample anomaly located at the junction point of the S.A. #30 and Swede 15 and 16 claims. As this sample is close to a ridge top, the soil cover may be thin. Some hand trenching may expose bedrock and facilitate limited geologic mapping thereby locating the source of the anomaly.

Gold (see Figure 9 and Map 5)

From Figure 9 it can be seen that background levels for soil samples are less than 20 p.p.b. The threshold break is at 20 p.p.b. and any values greater than this are considered anomalous.

Five anomalies of greater than 20 p.p.b. are found on the claims. The first one is a very significant one and is located on the S.A. 9 and 10 claims. Two samples make up this anomaly and have values of 120 and 180 p.p.b. respectively. This anomaly

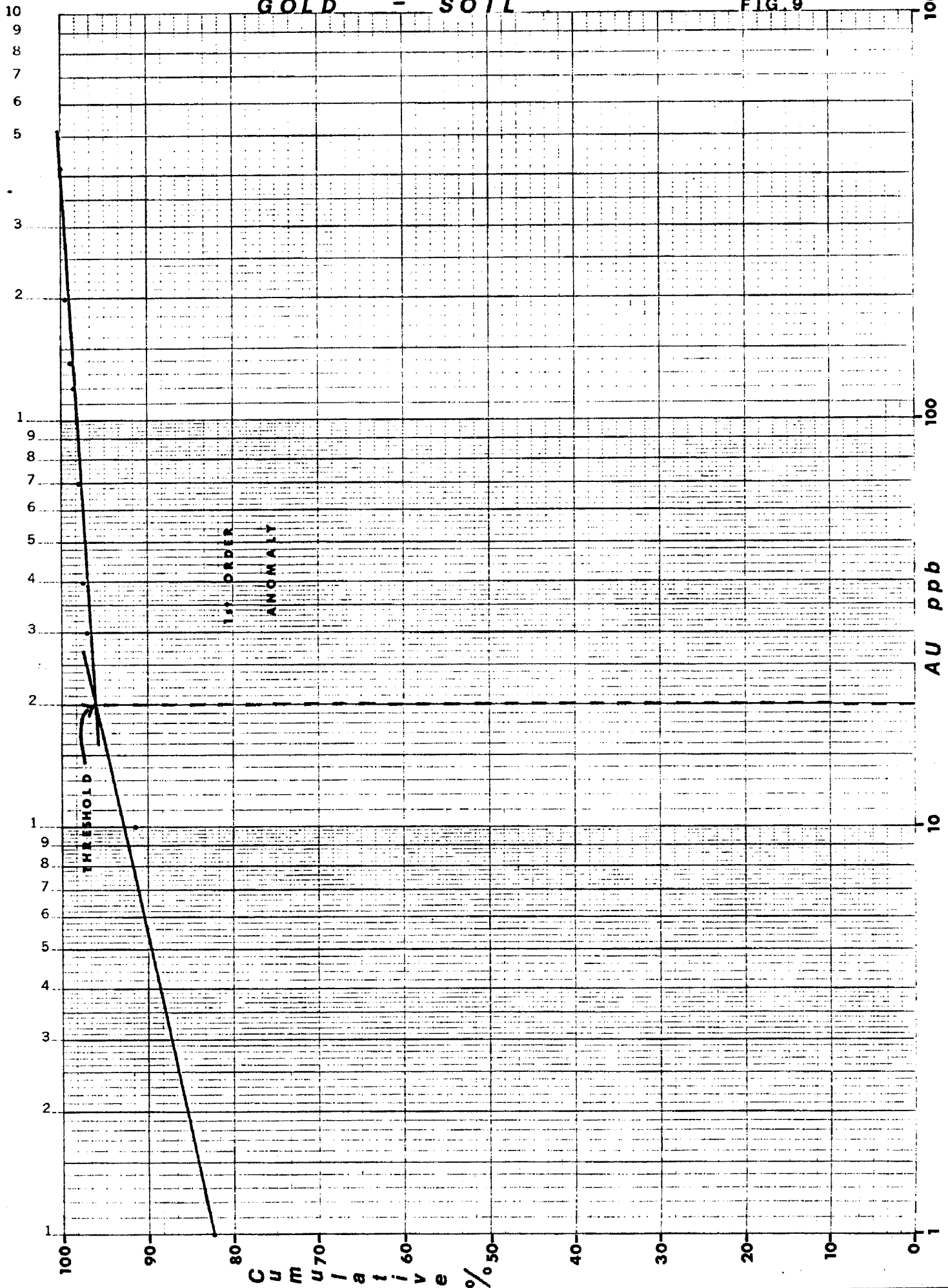
GOLD - SOIL

FIG. 9

29
1000.

46 5370

SEMI-LOGARITHMIC 3 CYCLES X 40 DIVISIONS
KEU/FEL R. ESSER CO. MADE IN U.S.A.



AU ppb

Cumulative %

is located near a ridge top and although no outcrop is located in this area, it is believed that overburden is thin and some hand trenching may locate bedrock and possible sources for the gold. The second anomaly is a single sample anomaly that has a reading of 30 p.p.b. and is located on the S.A. #4 and S.A #13 boundary line. This anomaly may represent an alluvial fan concentration as it is located near the mouth of a small stream. The third anomaly is also a single sample anomaly located on the Swede #3 claim. It has a value of 30 p.p.b. This anomaly may be the result of concentration of gold from downslope soil creep as it is located downslope from the fourth anomaly of the same value. This anomaly is located on the Swede #5 claim. A very small source for both these anomalies is suggested because the values of the anomalies are low and they are discontinuous. The fifth anomaly has been mentioned previously under "Gold" in sediments. This anomaly is a coincident soil and sediment anomaly. A single soil sample with a value of 70 p.p.b. is surrounded by other soil and sediment samples with values of 20 p.p.b. This anomaly is located on the Swede #37, #38 and 40 claims and is coincident with the tungsten anomaly found on the small stream that flows northwesterly into Haggart Creek across the Swede #38 and #40 claims. Because of the occurrence of gold and tungsten in the same relative area, this anomaly becomes significant and follow up evaluation as suggested previously is required.

Silver (see Figure 10 and Map 6)

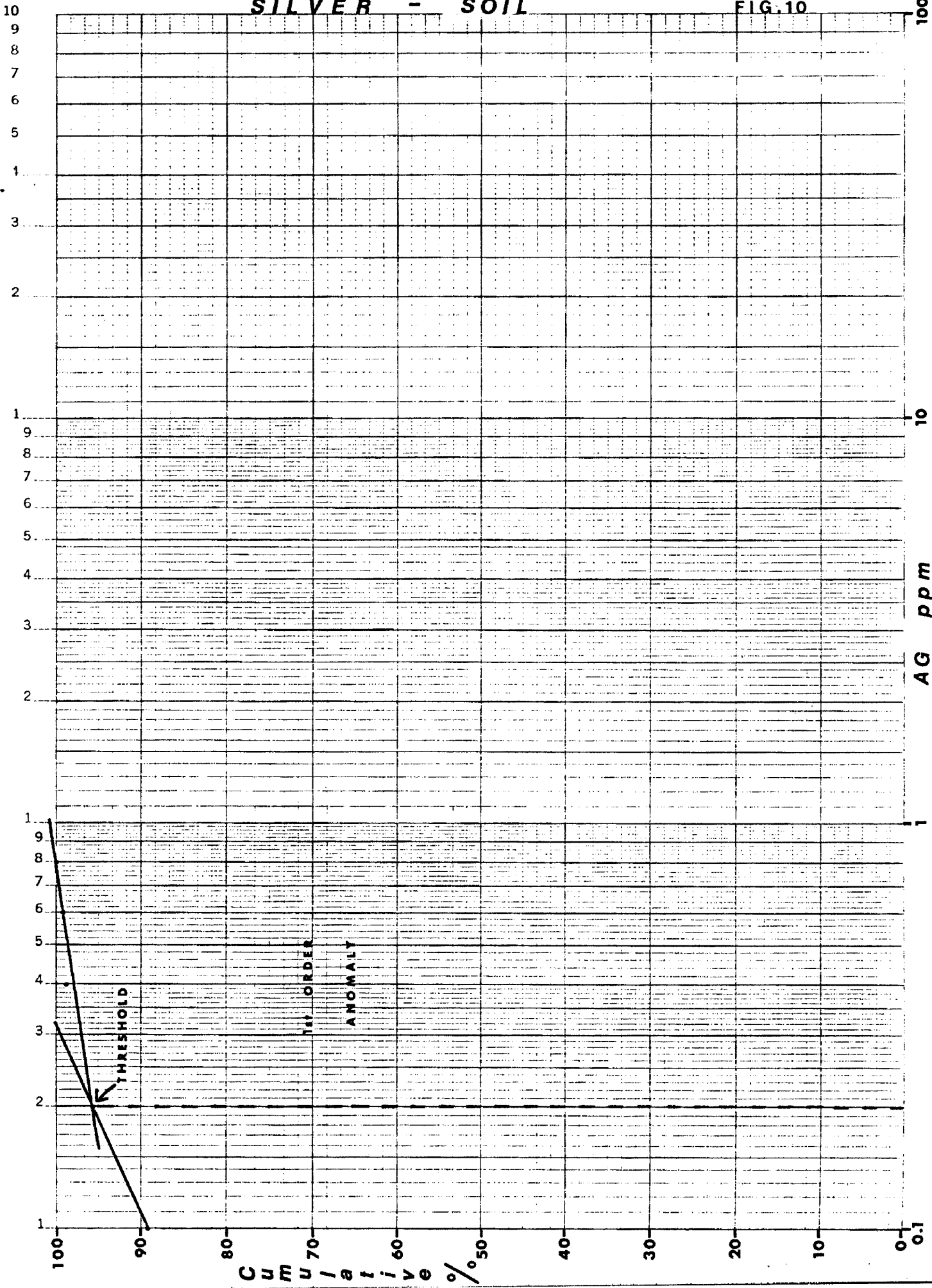
The background readings for soil samples in the claims area is .1 p.p.m. and the threshold break occurs at .2 p.p.m. Values over .2 p.p.m. are considered anomalous. Only two streams (described previously) have anomalous readings of significance. Five soil anomalies of greater than .2 p.p.m. Ag. are found on the claims. The first anomaly is located on the S.A. #28 and #30 and Swede #2 claims. The readings range from .2 p.p.m. to .4 p.p.m. This anomaly is located on the nose of a ridge which

SILVER - SOIL

FIG. 10

46 5370

SEMI-LOGARITHMIC 3 CYCLES X 60 DIVISIONS
KEUFEL P. ESSER CO. MADE IN U.S.A.



has anomalous samples in tin and gold near top of the ridge. The second and third anomalies are single sample anomalies located on the Swede #3 and #5 claims. These samples both have values of .4 p.p.m. and are nearly coincident with the previously described third and fourth gold anomalies. The fourth silver anomaly is located on the Swede #25, #26, #27 and #28 claims. The sample range in value from .2 p.p.m. to .6 p.p.m. Ag. The fifth anomaly lies to the west of the fourth anomaly and the samples range in value from .2 p.p.m. to 4 p.p.m. Ag. It is significant to note that the fourth and fifth silver anomalies lie along an east-west trend that may outline a buried silver bearing vein system similar to those on the Peso claims lying to the north-east. More detailed soil sampling and a small amount of cat trenching if results warrant it should be considered.