

**YEIP
2006
-041**

LIVINGSTONE/MENDOCINA PROJECT

**YUKON MINING INCENTIVES PROGRAM
YMIP PROJECT 06-041**

APRIL 1, 2006 –JANUARY 31, 2006

PLACER CLAIM SHEET - 105E08

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PROPERTY LOCATION and ACCESS

The Livingstone Gold Camp is approximately 85 km north-east of Whitehorse. Access is by trail north from Whitehorse up the east side of the Yukon River valley to about one third way down Lake Laberge, then north east and then east to the Teslin River crossing. From there about 20 km east the trail crosses the south fork of the Big Salmon River to the site of the historic town of Livingstone.

The road is accessible by ATV's in the summer if there is a boat to use to cross the Teslin River. In the winter there is access via snowmobile or vehicles if the winter road has been ploughed out. When this is done Livingstone can be accessed by semi-trailer trucks.

There is a flight strip that can be used by small to medium size planes – a 25 minute flight.

The road goes north down the Big Salmon River valley past the creeks that come off the mountain ridge to the east, paralleling the valley. About 7 km north of Livingstone the road reaches Mendocina Creek. A road travel up the north side of Mendocina Creek about 8 km,

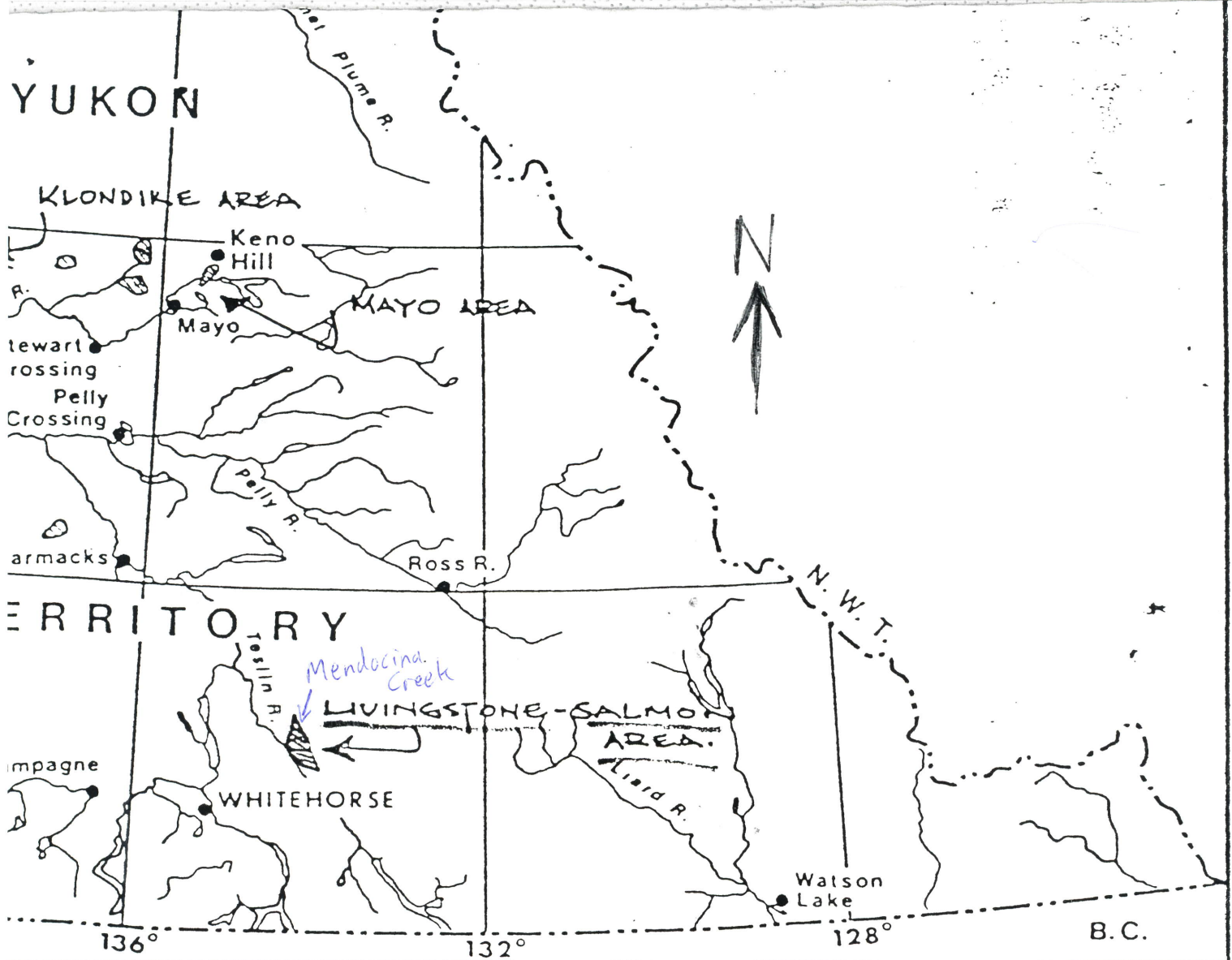
DEPOSIT TYPE(S) & GEOLOGY

The geology changes from the east side of the Big Salmon River to the west side. Volcanic and sedimentary rocks are to the west. On the east side are intensely metamorphosed sedimentary and igneous rocks. These are various schists – chloritic, cericitic, graphitic, grey quartz-mica schists, quartz-biotite schist. and white and light grey sericite schists. They are associated with quartzites and limestones. Lenses of vein quartz carry small amounts of sulphides and sometimes visible gold. This appears to be the origin of the placer gold found in the creek that come off of the ridge. The placer gold is very coarse with ½ oz and larger nuggets not uncommon. The gold is mainly caught in the bedrock ridges, especially above and below waterfalls in the gorges

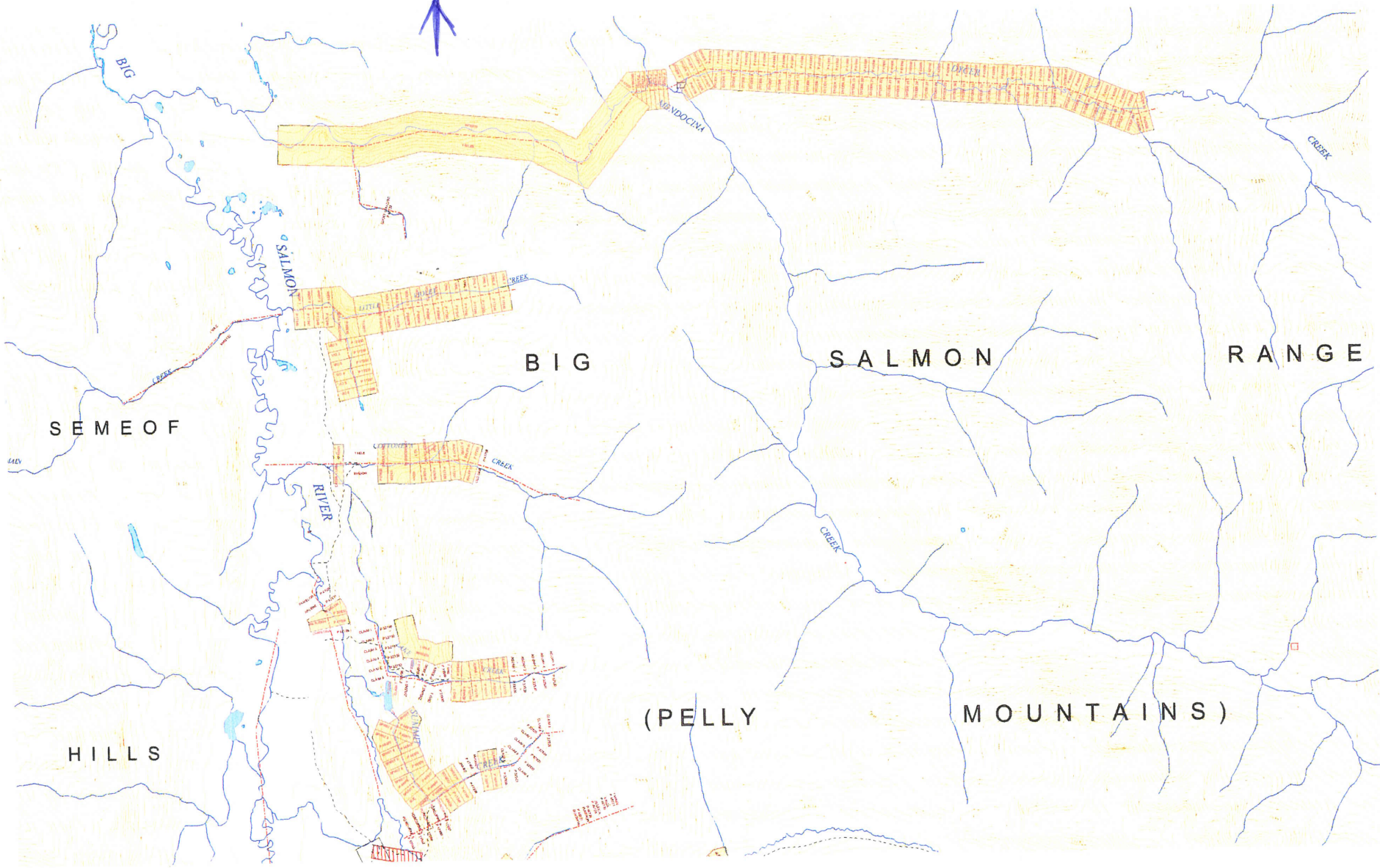
OBJECTIVES

The objective for this mineral exploration project was to appraise the potential of this previously unevaluated target by means of conventional prospecting, the excavation of pits and trenches (by hand and with equipment).

The objective was partially achieved. The hoe that was to be used had broken down, necessitating only work by hand being done. Due to the location, equipment must be brought in via the winter road and remain for the summer season.



Livingstone/Mendocina Location MAP



Mendocina Location Map

The objective of obtaining information and data to appraise the mineral potential was achieved by hand digging. Many test holes were dug by hand over most of the Lease to Prospect 1W00219. Four shafts were dug, some of which will be continued in 2007. An old adit was explored at the lower end of the creek. Some gold was found indicating it is a gold bearing creek. More sampling and testing is necessary to properly appraise the potential gold value of this valley. Research and work is ongoing this winter of 2007. Detailed records and maps showing locations of all test holes and sample locations were kept.

EQUIPMENT USED

- The John Deer Hoe was non-operational so all work was done by hand.
- An electric jack hammer was used powered by a generator for the 4th expedition in January 2007.
- Transport was by ATV's, snowmobiles, and aircraft.
- chainsaws
- Hand held GPS's
- Hand shovels and gold pans
- 4x4 truck

METHODOLOGY & WORK PERFORMED

This area survey was conducted by truck, ATV and foot, with the aid of GPS and mapping programs.

Field placer samples were tested in the field. Means of transportation was by truck for the first expedition and by plane and ATV for Expedition #2. Expedition #3 was by ATV's and Expedition #4 was by snowmobile. All test holes were located and mapped with a GPS. Traditional panning techniques were used.. Hand excavation was used with the aid of an electric jack hammer for the shafting done during Expedition #4 in January, 2007.

Difficulties, especially the breakdown of the backhoe, caused expenses to rise above budget plans and required digging and sampling to be done by hand. The neighbouring miner, Wilf Phillips was willing to do digging and testing if he had a backhoe ready to work before the winter. He was unable to. Hopefully in 2007 I can rent a hoe from him

Nevertheless, the lease was prospected most of its length at various depths below the ground surface and one 30 ft. adit tested 3 shafts dug.

See map for details and location of test holes and 4 shafts and adit.

Waypoint List

Map Name : 105e.png
Map File : D:\105E\105E.map

Datum : NAD83

Waypoint File : C:\OziExplorer\Data\Mendoallocations06.wpt

10/27/2006 9:27:50 AM *MAP #1*

Num	Name	Zone	Easting	Northing	Alt(ft)	Description
1	137	8V	533410	6811745	2595	
2	139	8V	533561	6811873	2617	
3	142	8V	533638	6811995	2595	
4	143	8V	533787	6811976	2624	
5	151	8V	534702	6811892	2638	
6	152	8V	534576	6811839	2683	
7	157	8V	534896	6811939	2664	
8	158	8V	534899	6811930	2658	
9	159	8V	534894	6811926	2665	
10	160	8V	534905	6811889	2642	
11	171	8V	536530	6811915	2736	
12	177	8V	537266	6811759	2747	
13	183	8V	537813	6811510	2813	
14	184	8V	537811	6811510	2818	
15	189	8V	538102	6811990	2882	
16	190	8V	537929	6811721	2809	
17	191	8V	537930	6811720	2811	
18	211	8V	533794	6811823	3347	
19	212	8V	533741	6811973	2564	
20	001	8V	533639	6811985	2596	
21	002	8V	534064	6811689	2675	
22	003	8V	534191	6811689	2704	
23	004	8V	534360	6811732	2698	

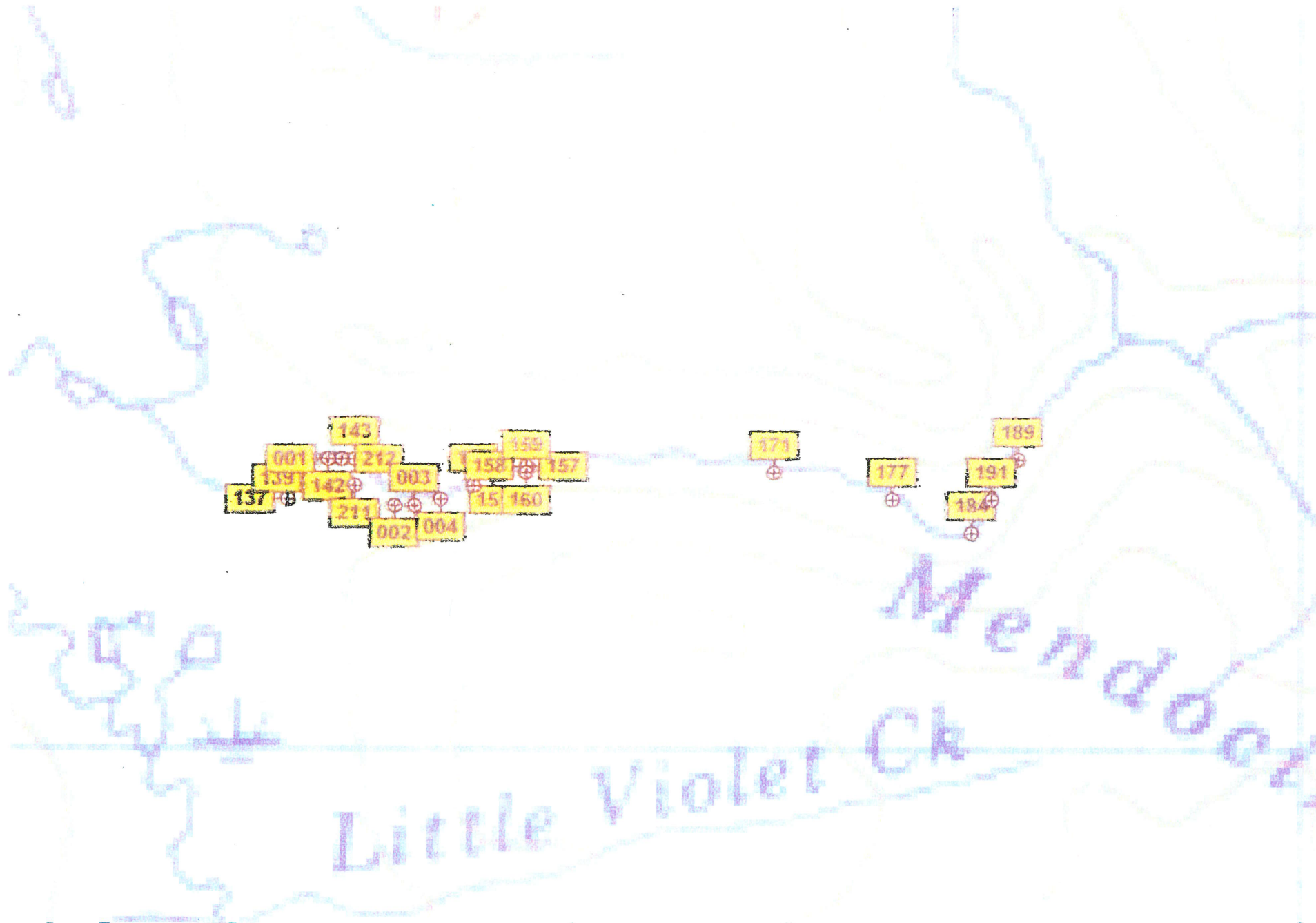
Map Feature Waypoints

Re: Lease to Prospect 1W00219

Location of all sample sites – test holes, shafts and adit taken from Mendocina Creek
Lease to Prospect 1W00219 marked on Mendocina Creek Map 1.

103e.png

Mendocina Map #1 location of all sample sites in valley



Waypoint List

Map Name : 105e.png
Map File : D:\105E\105E.map

Datum : NAD83

Waypoint File : C:\OziExplorer\Data\Mendodeep2Oct2406.wpt

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MAP #2

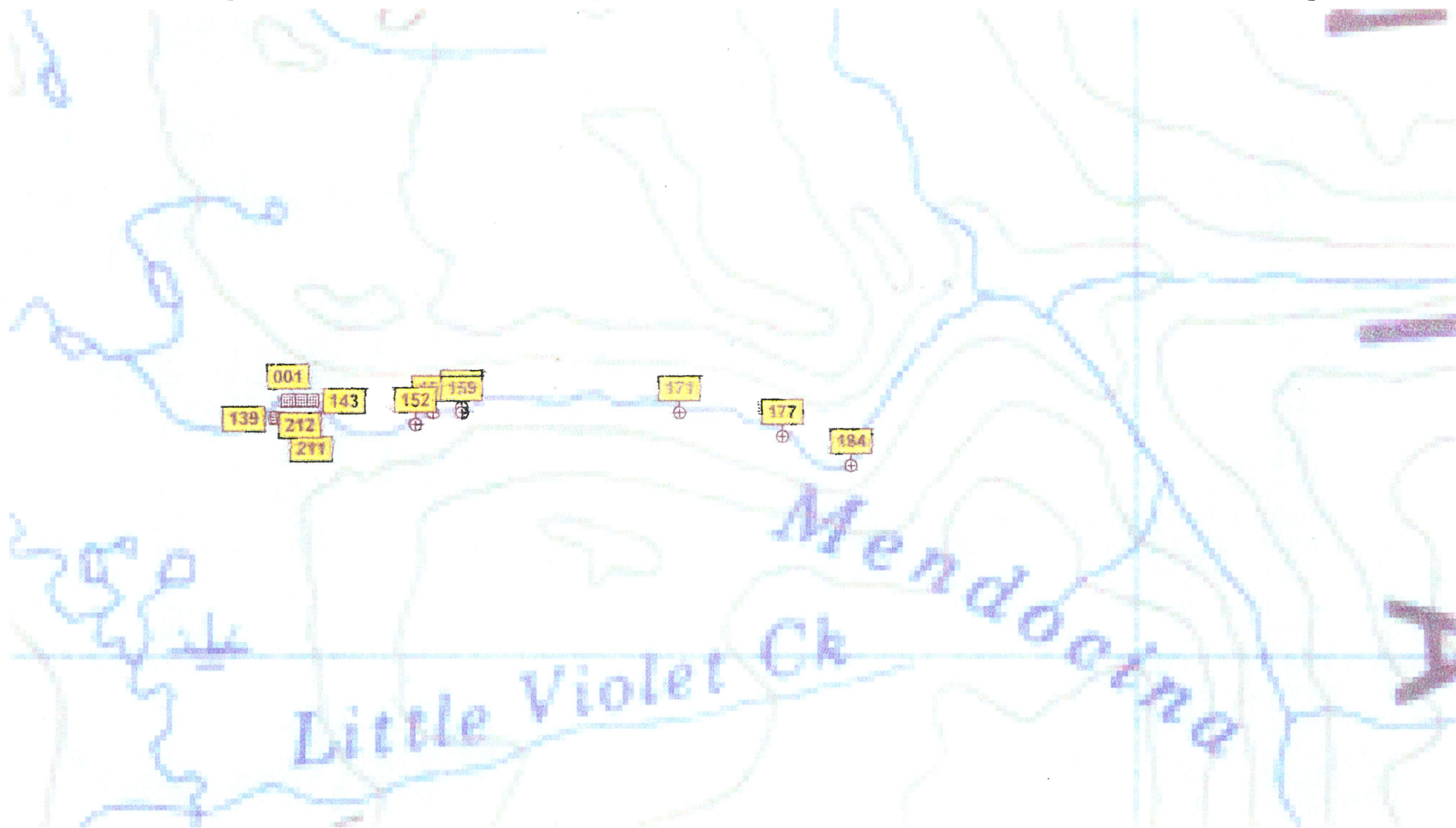
Num	Name	Zone	Easting	Northing	Alt(ft)	Description
1	139	8V	533561	6811873	2617	4ft. below surface
2	143	8V	533787	6811976	2624	Shaft #3 3x4x7ft. deep
3	151	8V	534702	6811892	2638	4 ft. below surface
4	152	8V	534576	6811839	2683	5 ft. below surface
5	158	8V	534899	6811930	2658	7 ft. below surface
6	159	8V	534894	6811926	2665	7 ft. below surface
7	171	8V	536530	6811915	2736	30 ft. above river, samples tested 1,3 and 5 ft. below surface
8	177	8V	537266	6811759	2747	Under rock by creek
9	183	8V	537813	6811510	2813	5ft. below surface
10	184	8V	537811	6811510	2818	3ft. below surface
11	211	8V	533794	6811823	3347	Shaft #2 3x3x6.5ft. deep
12	212	8V	533741	6811973	2564	Shaft #1 3x3x6.5ft. deep
13	001	8V	533639	6811985	2596	old adit 30 ft. in, 30 ft. below surface, 4 samples taken

Map Feature Waypoints

Re: Lease to Prospect 1W00219

Location of sample sites – test holes, shafts and adit taken from 3 feet or more below surface of ground marked on Mendocina Creek Map 2.
The shafts and adits are marked on Map 2 with grey block symbol.

Mendocina Map #2 - location of all samples from more than 3 feet below surface of the ground



Mendocina Map #2 - location of all samples from more than 3 feet below surface of the ground