

**YEIP
2007
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Upper Scroggie Creek

Target Evaluation Project

By

Jana Bidrman

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Receipt for rentals and supplies purchased from BCM

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Technical Report and Conclusions

Location and Access:

Upper Scroggie Creek is a tributary of Stuart River and is located approx 125 kms south of Dawson City in the Yukon. It is on NTS map sheet 115J/15 in the Dawson Mining District. The coordinates of Scroggie Creek at the confluence with Mariposa Creek are 62°59' N Lat. and 138°33' W Long. For Claim map see Map #2. The claims worked on in this project are Tuit 24-28 recorded on 11th of November 1981 with earliest expiry on 31 December 2008

The claims can be best reached by a fixed wing aircraft from Dawson City (approx 120km north to an airstrip on Scroggie Creek 3km north of the mouth of Stevens Creek that is a tributary of Scroggie Creek approximately 10 km downstream from the Tuit 24 claim. There is a good access road within 2 km of the Project location built by 700 Holdings company in mid 80's. The last two km to the site are accessed via exploration road.

Alternatively the claims can be reached by a helicopter from Dawson City, approx 120km north of the project location. An ATV trail is also available from Pelly Farm via the Old

Dawson Trail, but due to recent forest fire along 30 miles of the 65-mile road it's use proved to be uneconomical even for ATV at this time. Bear Creek Mining (BCM) camp is 1 km north of the airstrip and has good access allowing the applicant the use of ATV as transportation method for this project. Applicant rented room and board from BCM camp.

General Geology:

Most of Scroggie Creek placer gold production has come from creeks flowing across a wide contact zone of granite batholith, as mapped by H.S. Bostock, 1942 (GSC Map 711A Ogilvie), an environment that includes Upper Scroggie Creek. Gravels in the area average six to eight feet thick overlain by two to four feet of black much. Bedrock is unoxidized blocky granite and gneiss. The exposed bedrock in the current trench is gneiss with very large blocky granite boulders up to 8' in diameter. The granite blocks increase in size the deeper the bedrock is exposed. At 4' below bedrock surface the blocks become too large to move with a D9 dozer (36 ton machine). The gneiss is completely decomposed with rock sizes no bigger than 1" and flowery in consistency. The alluvial profile is simple, consisting of 2 – 4' organic layer overlaying coarsely bedded gravel measuring 4 – 6 feet thick on an unculating bedrock surface. It should be noted that the gravels consist of very coarse alluvial boulders increasing in size with depth up to 4' in diameter. The gravels are noticeably less rounded than seen downstream on Scroggie Creek. And the layers are very poorly sorted with rare layers of sand. The organic

material consists of black muck of various thickness (2 to 4 feet) with occasional silt layers directly above gravels.

Work Done

Work on this project proceeded as scheduled in the application. Claims had an access road constructed in mid 1980s to within 2 km from the site therefore only minimal effort had to be used to clear the road of fallen trees (approximately 1h). A D9 dozer owned by the applicant was used for all the work at \$250/hr plus fuel. All the fuels for the dozer, ATV and a 2" pump was purchased from BCM at bulk prices. Other than unexpected increase in fuel costs the expenses remained as planned.

A trench was dug from Tuit 24 to Tuit 28 following the valley floor as planned. The trench was connected to an existing trench on claims Tuit 19 -23 which was dug for the 2006 target evaluation. 54 one to two yard samples were collected from the 1' basal gravel section directly above the bedrock surface and from the top 2' of the decomposed bedrock. Panning of gravels above this layer confirmed previous years findings that very little gold is present above bedrock. .

All work was done under BCM Water License #PM04360 effective April 16 2005. This license contains land use operation permit #AP04360. All refuse from the project was returned to BCM camp for proper disposal at their garbage site.

Early Summer 2007

June 5 – June 11

All the work was done by the applicant.

The project started by extending the access past claim Tuit 23. Using a dozer all the overburden and muck was stripped off. Unusual amount of ice was still present from the spring thaw and one extra day had to be spent removing the ice layers around the trench to help thawing of the trench. The mud was then ripped and stripped off the trench areas. The organic layer varied from 2' to 4'. Some of the mud was also very dry, easing the ripping process. Once gravels were exposed the area was left to thaw.

Early Fall 2007

August 1 – August 4

All the work was done by the applicant

The gravel layers were removed at 1' intervals and panning was used to determine first occurrence of significant gold in the gravels. There were no significant amounts of gold showing until bottom foot above bedrock. The gravels varied from large alluvial rock to thin layers of sand. The gravels were mostly washed making sampling more difficult. Except Tuit 28 the bedrock was exposed, but large sections of Tuit 28 trench did not melt down to bedrock and had to be left to melt further. The gravel layer gradually thickened upstream which most probably caused the longer melting required. The area was left to thaw.

Late Fall 2007

September 10 – September 30

All work was done by the applicant.

A 2" pump was used to help drain portions of the trench flooded by thawing. The remaining gravel from Tuit 28 was removed and sampling began at 75' intervals. On Tuit 28 the trench did not melt down 2' into the bedrock and only bedrock surface samples were collected. The applicant will return in summer 2008 to collect more samples from this area to confirm this years finding. One to two yard samples were collected from the both sides of the trench. The sample locations were mapped on Map #4. The samples were than screened to <1" and then processed through a mechanical jig owned by the applicant. The concentrates were than panned to remove remaining black sand. Gold fines were then removed by mercury amalgamation placed in a ceramic crucible and evaporated to dryness. Hg was removed by burning with nitric acid leaving a pure raw gold sample that was weighed on an electronic scale. Weights of gold were combined with sample sizes to complete average grade measured as raw oz Au/yd³ and recorded on Sample Data Sheet. Fineness of gold was not assayed by a lab but presumed to be 900 fine, that is a well-established fineness for Scroggie Creek.

Conclusion:

Two types of testing were used to determine gold grades. First the gravels were panned to determine gold grades in the gravels 1' and higher above the bedrock surface. This process showed no significant gold showings except a few grains in about 20% of the samples panned. It can be concluded that the gravel layers 1' above bedrock would be uneconomical to mine and therefore would be stripped off.

Second, bedrock-gravel samples were collected and the results yielded significantly higher average grades than expected. The results vary from 0.001 and 0.089 raw oz Au/yd³. The average is 0.039 raw oz Au/yd³. Plotting the results on a map showed an erratic distribution with no trends. The deposit can be only described as spotty. The gold was deposited predominantly within the first foot of bedrock. The applicant has panned some layers below 2' sample collection depth in the bedrock and found no gold and black sand showings at all. This indicates that gold did not deposit in the decomposed bedrock below the two-foot mark. Gold grain size can be described as coarse with most samples containing nuggets ¼" in diameter. Gold is well rounded and few nuggets containing quartz. >50% of gold collected is less than 10 mesh and >20% less than 18 mesh. Therefore the deposit can be described as coarse gold deposit with only a small percentage of fines.

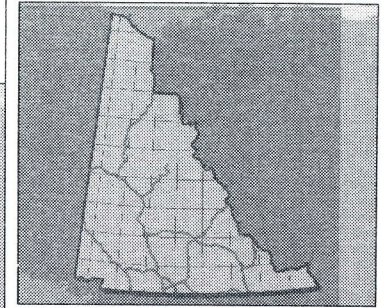
The second target of this project was to identify the contact between the granitic intrusion and the metamorphic rock. The contact was not exposed and the entire trench for claims Tuit 24 – Tuit 28 is still on the granitic intrusion. The applicant will propose for next stage of this project to open a trench on the most upstream claims Tuit 43 – 45, to establish whether a change in bedrock type occurs. There are no outcrops to confirm

bedrock type without exposing the bedrock on the valley floor. This and last years testing has shown a deposit with a very good economic potential. The testing shows that a two to three-foot layer of pay bedrock-gravels with consistent level above average is present. A size of the deposit needs to be determined in the future. The trench was not reclaimed in 2007 since further testing will be proposed for next year and the trench will be used for drainage.

**Sample Data Sheet
Upper Scroggie Project 2007**

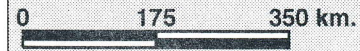
Sample#	Size (yd3)	Results (raw oz Au/yd3)	Sample#	Size (yd3)	Results (raw oz Au/yd3)
1	1	0.001	36	2	0.023
2	1	0.013	37	2	0.078
3	1	0.024	38	2	0.008
4	1	0.003	39	1	0.036
5	1	0.072	40	1	0.013
6	1	0.036	41	1	0.002
7	2	0.013	42	1	0.054
8	1	0.055	43	1	0.067
9	2	0.047	44	1	0.057
10	2	0.037	45	1	0.032
11	2	0.050	46	1	0.011
12	1	0.061	47	1	0.059
13	2	0.089	48	1	0.037
14	2	0.023	49	1	0.042
15	1	0.043	50	1	0.018
16	1	0.044	51	1	0.035
17	2	0.002	52	1	0.051
18	2	0.008	53	1	0.039
19	2	0.067	54	1	0.023
20	2	0.029	Average raw oz Au/yd3		0.039
21	1	0.052			
22	1	0.064			
23	1	0.016			
24	1	0.041			
25	2	0.039			
26	1	0.059			
27	2	0.006			
28	2	0.051			
29	2	0.069			
30	2	0.077			
31	1	0.032			
32	1	0.022			
33	1	0.058			
34	2	0.043			
35	2	0.067			

Map #1 - Upper Scroggie Creek



Legend

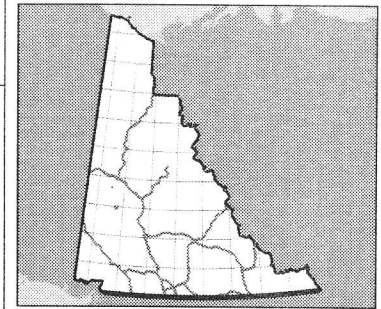
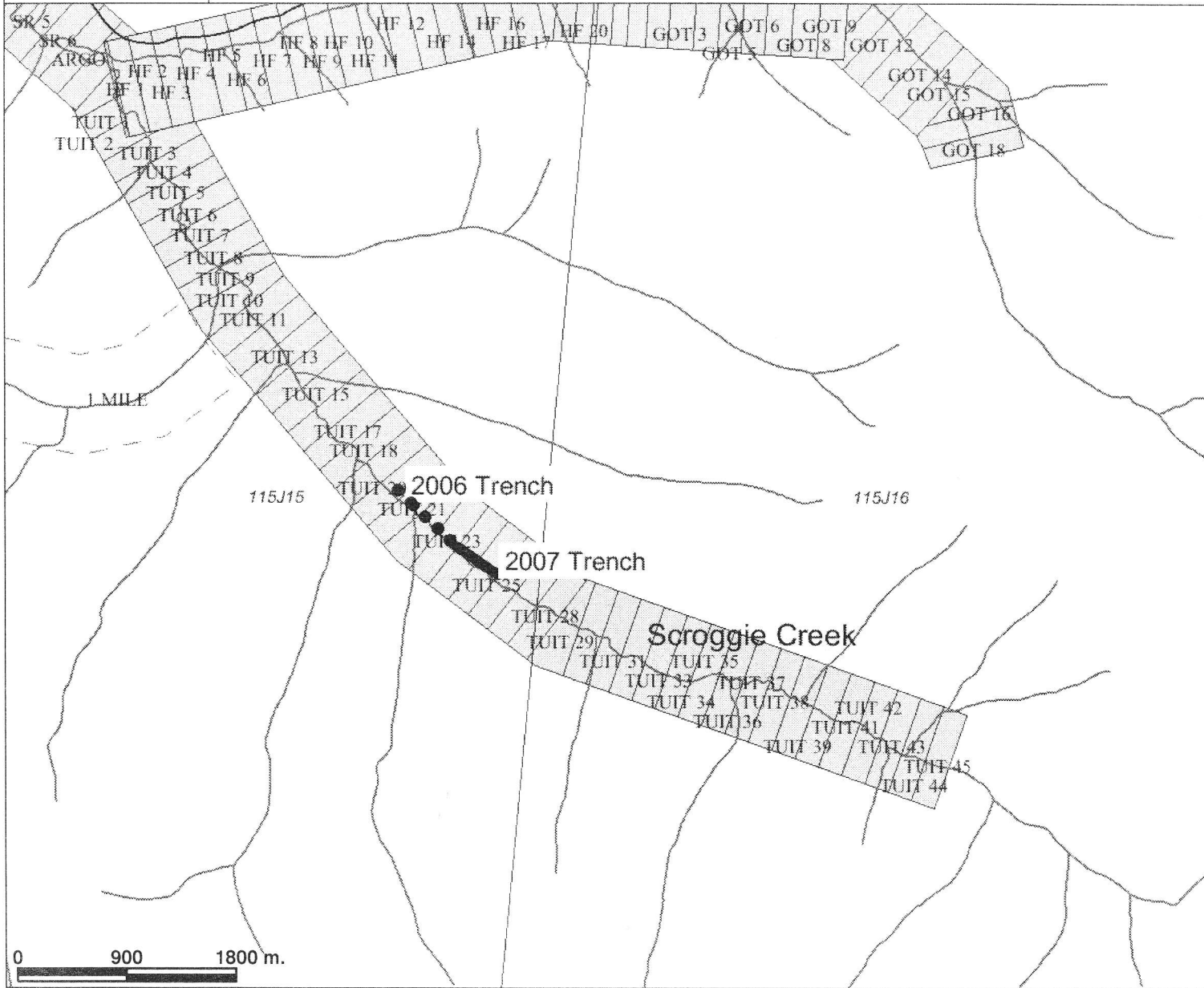
- City Road Labels
- Placer Claims 1M
- Active
- Expired



Scale: 1:10,000,000

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.
Date Printed: 29-Jan-2008 11:09:36 PM

Map #2 Upper Scroggie Creek - Tuit Claims



Legend

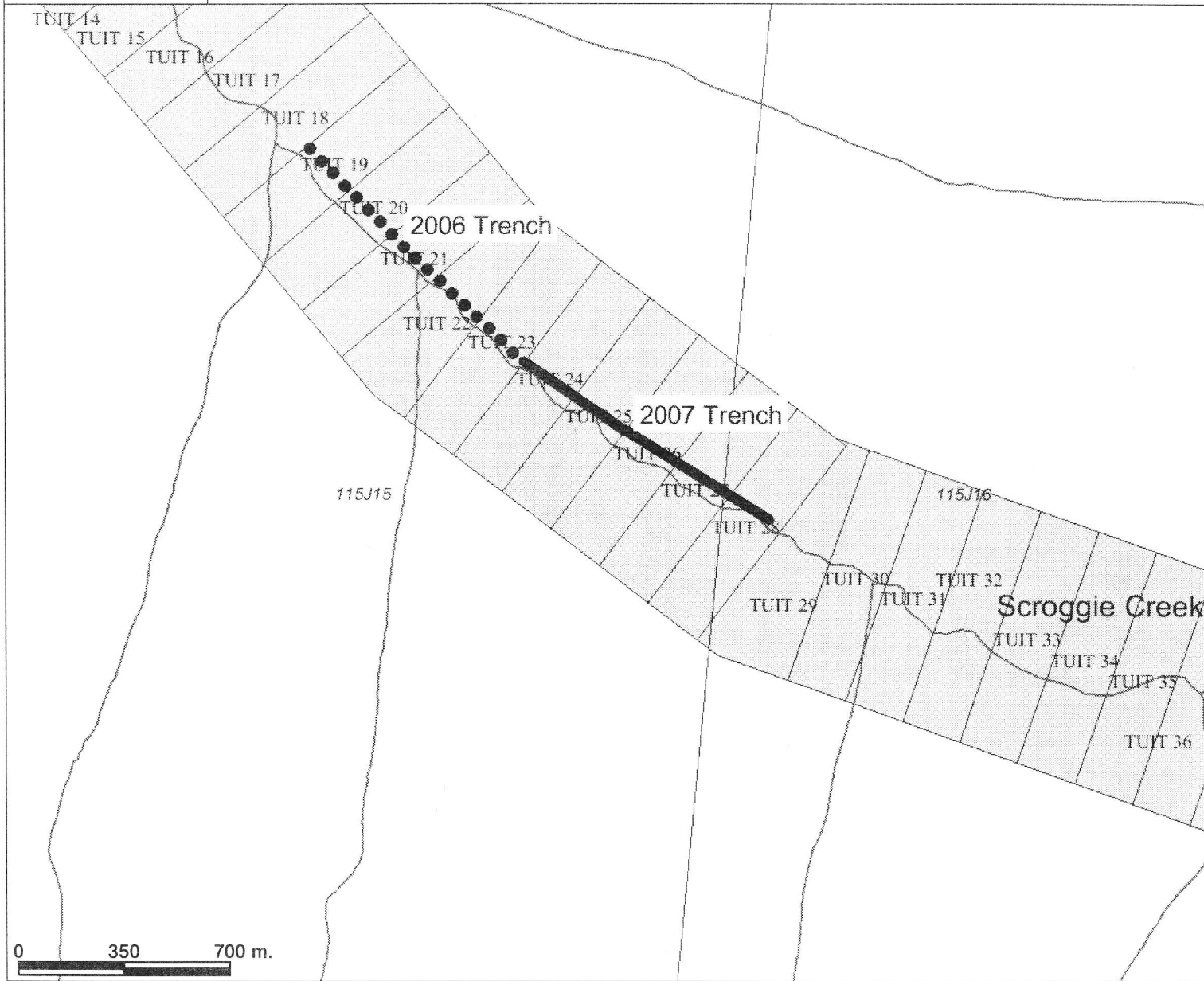
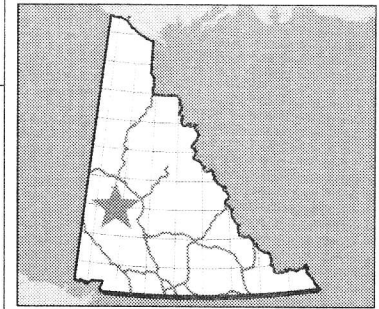
- Railway
- Trail
- City Road Labels
- Placer Claims²**
- Active
- Expired

N
 Scale: 1:50,000

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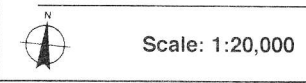
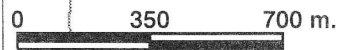
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Map #3 Upper Scroggie Creek



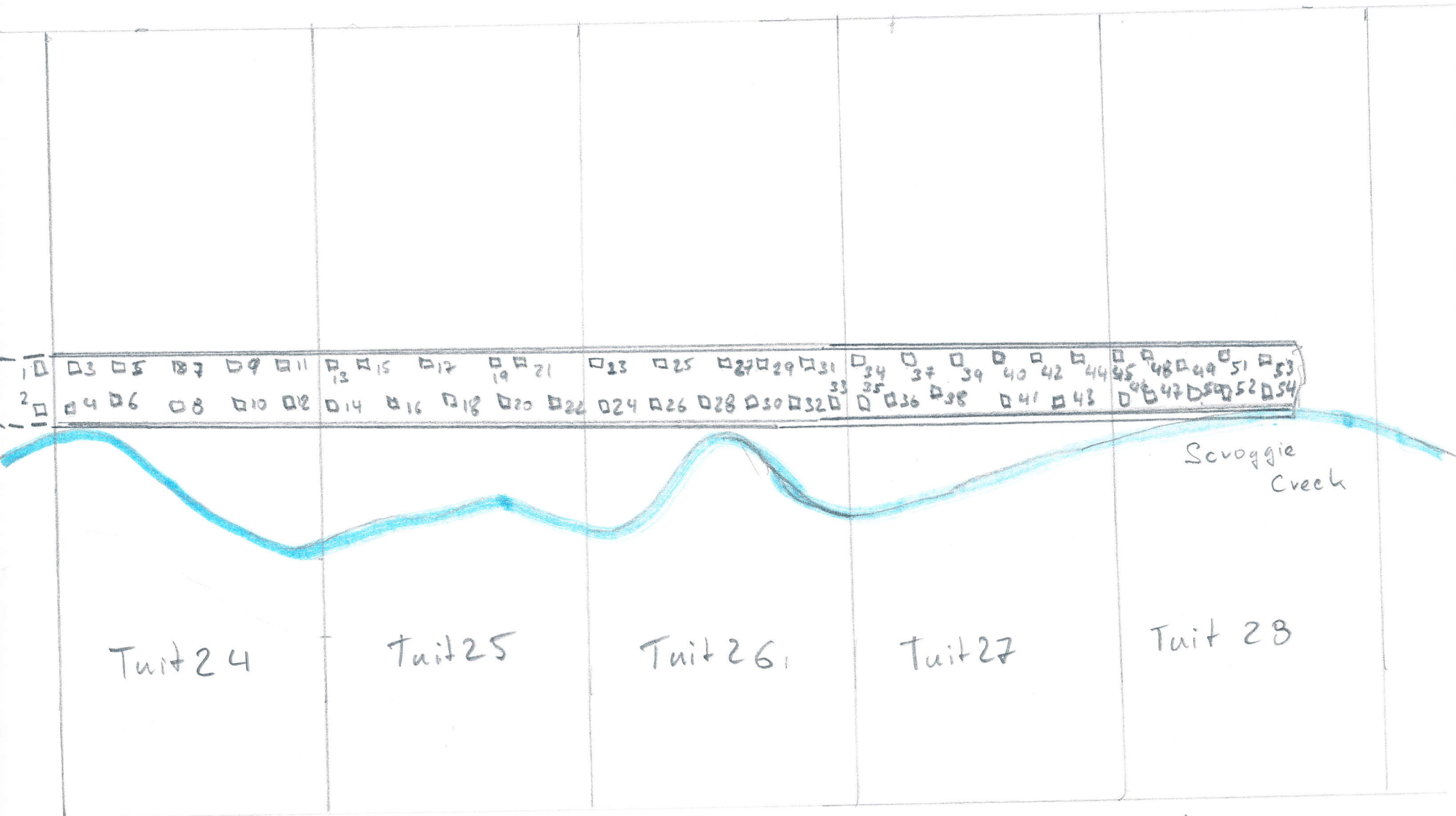
Legend

- Railway
- Trail
- City Road Labels
- Placer Claims²**
- Active
- Expired



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Map #4 - Upper Scroggie Creek



Sample Location

*Trench Width Exaggerated
to show sample location

□ - sample location
 == - Trench Walls
 ~ - Creek

Scale: 1cm = 100m

