

Bear Cr. Placer Project

Evaluation of Au bearing gravels
Through
Auger drilling and Hand testing methods
on

Inca 5, P 44963

Inca 6 P 44964

Inca 7 P 44965

Inca 8 P 44966

Inca 9 P 44967

Jam P 10372

Jam 2 P 14861

Jam Out P 43034

Owned by 16406 Yukon Inc

Work performed between June 18,2008 and Oct27,2008

Bear Creek Dawson Mining Division

116B3b NTS map sheet

Lat 64*00'30''

Long 139*14'

Prepared by Tom Morgan for 16406 Yukon Inc

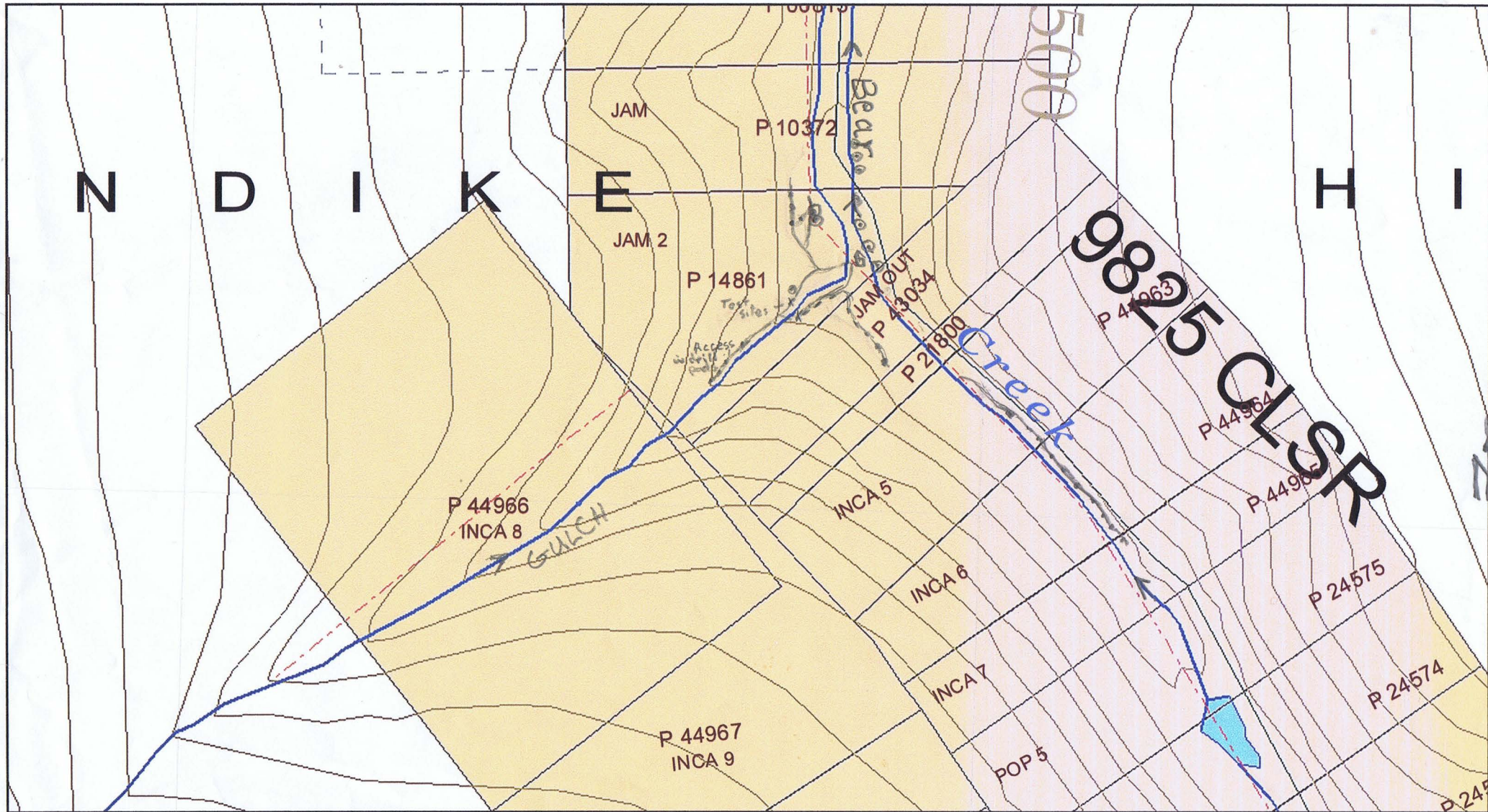
For YMIP #08 -027

Dec 5,2008

Location, Access, Geology, Current History

Location is obtained off the Klondike highway, to the south, at Bear Creek Subdivision road, 6 miles east of Dawson. This is followed to the end (around 1.5 miles) where it turns up into Bear Creek off the Klondike valley. The creek road is followed up 6000 ft to 8 claims starting on Bear Cr. at P 10372 (JAM), followed by P 14861, P 43034, P 44966 (LL trib), P 44967(LL bench), P44963, P 44964, and P 44965. These claims are owned by 16406 Yukon Inc., which Tom Morgan is the director. The creek has cut into chloritic quartz, mica schists and has developed a 5ft section of Au bearing gravels as seen in the 2006 shaft. These gravels are made up of rounded to sub angular schist and quartz, with cobbles up to 2 ft across. The concentrate consisted of magnetite, hematite, and pyrite with Au particles up to 5mm across. The gold was seen in a pan 5ft above bedrock in the top gravels just below the bottom organic muck and continuing down, and into the cracks in bedrock. This shows a pay channel, instead of bedrock pay, which is a thin streak at the base of the gravels on bedrock (normal deposit in almost all cases). A hardrock showing and mill site from the turn of the century is around 3500ft upstream on Discovery Pup and has the same schists that were seen in the shaft. Six of the eight claims are in the valley bottom. Placer Au was discovered along the edge of the dredged area on the right limit of Bear Cr. through drilling in 2004. Follow-up drilling in 2005 confirmed Au in economic quantities downstream (100ft) and upstream (200ft) of the 2004 discovery hole on this right limit. A shaft was dug on the 2005 upstream drill hole in 2006. 5 cubic yards of gravel and bedrock was hoisted and sluiced out of a 5x4.5x6 ft volume to obtain 2ozs. of raw placer gold. This test confirmed the 352mg Au from the 6 in. drill hole of 2005 to be an accurate value. In 2007, through the Incentive Program, drill pads were put in with a D-6 cat and 7 drill holes with a 6" auger drill were done on the bottom claim P 10372. The drilling by the Creek was inconclusive due to tailings and thawed ground (sample was washed off and bedrock not reached). The holes that were stepped back from this edge (#5, #6 & #7) showed there were gold bearing gravels present on the right limit, 50'-75' back from the creek edge. The holes were deeper than anticipated at 39, 45, & 51ft and the lower gravel boulder layer very hard to drill

WORK LOCATION MAP 2008 w CLAIMS



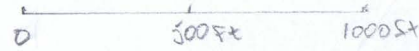
NTS 116 B 36

Access in drill pads

Test sites X

Shaft 2005 ■

Auger Drill Hole ○



Recommendations, Work Done, and Results on Bear Creek 2008

The drill program on Bear Creek showed that the lower ground on the claims (Jam, Jam2) had been hand mined extensively along the and as a result was thawed out, into the edges of where the dredge left off, to the valley wall. The drilling along this right limit of the Jam claims, and the 2 holes on the left limit below the gulch, showed thawed areas along the edge of the dredge tailings, and ice pockets above bedrock, (old drifts). Trace amounts of Au were found in these holes, therefore nothing conclusive could be determined with this drilling. The lower 700' on the left limit of Jam and Jam2 claims needs to be checked as the undisturbed edge from tailing edge to valley wall goes to 200' wide. The access was put in here with two pads and more easily accessible. The drilling along 200' of right limit where holes 5, 6, & 7 were drilled needs to be looked at in the spring when most ground water is frozen, as the holes failed because of this. There was frozen mud under the thaw, therefore a good chance the ground water would be frozen through to the permafrost in the spring. Access and drill pads were put in on left limit edge (Jam and Jam Out) , above the left limit gulch for 500 ft, where a mud slide has come down and covered a piece of creek channel, which was exposed putting in the access to the RL of the gulch mouth where it hits the Bear Cr. valley. Access and pads were also extended 700' up the right limit of (Inca5, 6, & 7) where the dredge left off, to the valley wall, where side pay of economic values was observed in past drilling and shaft work. Access and drill pads were put in at the mouth of the gulch on both limits, connecting with Bear Creek LL upstream access and pads, and downstream on the left limit of Bear Creek for 350ft. In all 4 of these prospective areas permafrost and fewer workings were noticed, for a better chance of drilling success. These will be drilled, when time allows, in the new year. The attempt to open the 2005 shaft failed due to water coming in at 15ft from the thawed dredge tailings going up the center of the valley. The exposing and hand testing of the LL Bear Cr gulch gravels up the gulch's right limit side was successful in identifying economic grade in a preliminary test. The Au weight from the ½ yd test over 2 yd thickness was 300mg, which gives 0.6g/cubic yd. The gold recovered was coarse to fine and was dendritic and angular, with slightly different color, and not as rounded as Bear Creek Au (found in 2006 shaft and drill holes). This auriferous gravel layer is the side pay left from a mined portion of the gulch running 250' up from Bear Cr. measuring 25' wide x 10' deep, cut into rotten schist bedrock. The left limit (of gulch), test of these gulch outwash gravels showed subeconomic grades with 20mg coming out of a ½ yd hand test. The gravel, boulder layer was exposed 100ft up the gulch, which had the same characteristics and pannings, (one or two colors/pan and goethite/ magnetite/ barite heavies) which was seen in the 0.6g/cubic yd. test, 50' up from the mouth of the gulch. Access and three pads were put in going up this gulch to test the extensions of the auriferous gravel observed in the RL ½ yd test. The center of gulch has tailings pushed on it, where the access was put up to the pads 150' and 250' up from the mouth. The tailings stop at this point and the access was connected into an old road heading up the gulch. Small bulk tests from pits intersecting gravel/ bedrock contact and the 6ft above, in the gravels, is recommended for determining grade up this gulch. The remaining pads will be drilled off upon drill modifications and repairs.

Drill Program- Bear Cr. 2008 YMP 08-027

Location- R.L. Bear Cr. SAM 1 Claim

GPS Co ordinates - 02V 0585830
7099432

Time Started 11:00 (10:00) **Time Finished** 3:00 (1200)

Hole # BR-08-111

Auger Size- 5 1/2

Depth of Muck- 23'

Gravel Interval- 23'-24' 28'-37'

Depth to Bedrock- 32'

Depth Drilled- 34'

Interval Sampled- 23'-34'

No. of Pails- (5+4)

Comments-

0-5' Organics, sliderock of decayed blond schist

5'-10' sliderock in muck

10'-15' sliderock w muck

15'-20' sliderock w muck muck layer @ 17'-18'

20'-25' 20'-23' Muck 23'-24' coarse gravel 24'-25' Muck

25'-30' 25'-28' Muck w pebbles 28'-31' coarse gravel

broke driver

back down hole hoisted auger

31'-32' Coarse gravel

32'-34' Bedrock Part green decayed quartzite schist

Driller TM **Date** June 23+(24)

Drill Program- Bear Cr. 2008

Location- Rt. Bear Cr.

GPS Co ordinates - 07V 0585838
7099408

Time Started 11:00 **Time Finished** 4:00

Hole # BR-08-H2 **Auger Size-** 3 1/2"

Depth of Muck- 24' **Gravel Interval-** 24'-27'

Depth to Bedrock- ? **Depth Drilled-** 27

Interval Sampled- **No. of Pails-** 3

Comments-

0'-2' Thawed Muck + Organics
2'-4' slide material
4'-10' Sliderock + muck/silt
10'-15' Sliderock muck/silt
15'-19' sand/silt/pebbles
19'-24' muck
24'-27' coarse gravel refusal @ 27'

Driller JM **Date** June 26/08

Drill Program-

Bear Cr. 2008

Location-

4' east of H2 R.L.

GPS Co ordinates -

07V

0585838

7099408

Time Started

10:00

Time Finished

3:00

Hole #

BR-08-H3

Auger Size-

5/8

Depth of Muck & Boulders

23'

Gravel Interval-

23'-28'

Depth to Bedrock-

?

Depth Drilled-

28

Interval Sampled-

23'-28'

No. of Pails-

3

Comments-

0'-1' Thawed Muck Organics

1'-4' slide Material, gravel

4'-10' Boulder / slide rock muck / silt

10'-15' slide rock muck / silt.

15'-18' sand / silt, pebbles

18'-23' muck

23'-28' coarse gravel refusal @ 28'

Driller

TM

Date June 27/08

Drill Program- Bear Cr. 2008	
Location- R.L. Bear Cr. West side Road	
GPS Co ordinates - 07V <u>0585841</u> <u>7099369</u>	
Time Started <u>10:00</u>	Time Finished <u>4:00</u>
Hole # BR-08-44	Auger Size- 5 1/2"
Depth of Muck- 24'	Gravel Interval- 24'-30'
Depth to Bedrock- 30'	Depth Drilled- 33'
Interval Sampled- 24'-33'	No. of Pails- 6
Comments-	
0'-1' Thawed Muck	
1'-6' - Frozen Muck	
6'-19' - Muck, Silt, Sand	
19'-21' - Coarse Gravel	
21'-24' Muck	
24'-26' Gravel 26'-27' Sand/Muck	
27'-30' Coarse Gravel	
30'-33' Bedrock Quartzite/schist (Blond schist)	
Driller TM	Date July 1/08

Drill Program- Bear 2008

Trieb

Location-

PL Bear Cr. 4. of Trieb

GPS Co ordinates -

071 0585753
7099295

Time Started

12:00

Time Finished

2:00

Hole # BR-08-H8

Auger Size- 5 1/2"

Depth of Muck- /

Gravel Interval- 6' (+7')

Depth to Bedrock- 6' ?

Depth Drilled- 15'

Interval Sampled- 0'-15'

No. of Pails- 2

Comments-

Cat cut 7' of slide/out wash building 0' of drill hole

0'-3' - Boulders + silt + slide Rock. Silt-clay 0'-0.5'

3'-6' - Fine Gravel / angular schist / Clay Silt

6'-10' Thawed Decayed Clay / schist (Water @ 6')

10'-15' - Clay schist (Beige / Blond)

(Most of sample Washed off)

Driller

Date

July 22/08

Drill Program-

Beac Cr. 2008

Location-

R.L. Beac Cr.

GPS Co ordinates -

07V 0585852
7099339

Time Started

0.5hr 0.5hr 0.5hr
2hr.

Time Finished

Hole #

BR-08-H5(A-B-C-D)

Auger Size-

5 1/2

Depth of Muck-

7', 10', 8', 8'

Gravel Interval-

?

Depth to Bedrock-

?

Depth Drilled-

A, B, C, D
7, 10, 8, 8'

Interval Sampled-

—

No. of Pails-

—

Comments-

Thawed gravel to 4' then Boulders and peaty mud that plugged bit and pushed drill off hole on 5A+5B. Quit on large boulder on 5C and 5D at (8') with layer (thawed) at 4' caving in hole.

Driller

JM

Date

July 4, 13, 20

Drill Program-

Bear 2008

Location-

R.L. Bear Cr.

GPS Co ordinates -

071 0585858
70 99312

071 0585860
70 99290

12:00 - 12:30

12:30 - 1:00

Time Started

(0.5hr + 0.5hr)

Time Finished

Hole #

BR-08-H6+H7

Auger Size-

5 1/2

Depth of Muck-

5' + 5'

Gravel Interval-

✓

Depth to Bedrock-

?

Depth Drilled-

5'-8'

Interval Sampled-

✓

No. of Pails-

✓

Comments-

Drilled into 5' of thaw and water table & moved on.

Driller

T.M.

Date

July 20 / 08

Drill Program- Bear 2008 YMIP 08-027

Location- LL, Bear Cr. 30' from ditch

GPS Co ordinates - 07V 0585782
7099362

Time Started (23) (10:00)
24 9:30

Time Finished (12:30)
2:30

Hole # BR-08-H9 (A+B)

Auger Size- 5 1/2

Depth of Muck- 24'

Gravel Interval- 24'-30'

Depth to Bedrock- 30'

(A), (B)
Depth Drilled- 13' + 33'

Interval Sampled- 26'-33'

No. of Pails- 2

Comments-

H9A - (13')

Muck 0'-4'

Moved 4' down stream to

H-9(B)

4-6' Coarse ^(tough) Slide rock

6-13' sticky organics pebb

0-4' Muck

(broke drive)

4-5' Gravel/Slide Material

up & down 5+ times !!!

5'-12' Hard Drilling (plugging) ↑↓↑ organics/rotten wood

12'-19' Smooth Drilling ice filled silty muck

19'-24' Ice (Caverin?)

24'-26' Gravel

26'-30' Coarse Gravel (staked tailings??)

30'-33' Decayed beige quartzite/mica schist

Driller

Tom Kave

Date July 23, 24

Drill Program- Bear Cr. 2007	
Location- Jan claim P 10372	
GPS Co ordinates - 07V <u>0585829</u> 7099465	
Time Started <small>19th 2:15 pm 20th 10:30 am 21st 2:30</small>	Time Finished <small>- 4:15 pm - 5:45 pm - 4:15 pm</small>
Hole # BR-07-H-7	Auger Size- 8 1/2
Depth of Muck- 2'	Gravel Interval- (2'-20')/26'-34')
Depth to Bedrock- 34	Depth Drilled- 39'
Interval Sampled- 7A - 0'-26' 7B - 26'-34'	No. of Pails- 0'-26' - 11 pails 26'-34' - 10 pails
Comments- Started hole on 19th and went off side, repositioned drill on 20th	
0'-8' Organics, Muck 0'-2' Mix of Boulders, sand, muck 2'-8'	
8'-13' Boulders, sand, muck 8'-11' Sand, pebbles, muck 11'-13'	
13'-18' sand, pebbles, muck	
18'-23' sand, pebbles muck 18'-20' Muck, sand 20'-23'	
23'-28' Muck, sand 23'-26' Fine gravel 26'-27' Gravel 27'-28'	
28'-33' Gravel 28'-29' Coarse Gravel 29'-33'	
33'-38' Coarse Gravel 33'-34' soft Bedrock 34'-36'	
38'-39' Harder Grinding 36'-38'	
Retract Schist	
Went back down hole ^{21st} after breaking drive on 20th drilled 38'-39' in hard Schist	
Driller Tom Morgan	Date Jan ⁽¹⁹⁾ 20, ⁽²¹⁾

Drill Program- Bear Cr. 2007

Location- Jam claim P10372

GPS Co ordinates - 07 ✓ 0585850
7099554

Time Started ^{16th - 10:00 am} 18th - 9:30 am **Time Finished** ^{- 2:00 pm} - 4:30 pm

Hole # BR-07-146

Auger Size- 5 1/2

Depth of Muck- 34'

Gravel Interval- 34'-48'

Depth to Bedrock- 48'

Depth Drilled- 51'

Interval Sampled- 1'-3' (2 pail)
34'-51' (10 pail)

No. of Pails- 12

Comments-

0'-8' Moss, Organics 0'-1' Boulders, Muck, Sand 1'-8'
8'-13' Boulders (slide Rock), Muck, Sand 8'-9' Muck, Wood, Rock 9'-13'
13'-18' Muck, Wood, Some Rock, Stopped in Muck (Bit Broken)
18'-23' Muck, Sand, Some Rock
23'-28' Muck in schist pebbles
28'-33' Muck in schist pebbles 28'-30' Muck 30'-33'
33'-38' Muck, Sand 33'-34' Gravel 34'-38'
38'-43' Gravel 38'-41' Coarse Gravel 41'-43'
43'-48' Coarse Gravel
48'-51' 48'-49' Soft Bedrock From Bedrock 49'-51'
Graphitic Schist

Driller Tom Morgan

Date Jan 16, 18

Trouble
Back down hole

Drill Program- Bear 2007

Location- Jam claim P10372

GPS Co ordinates - 07V 0585844
7099534

Time Started 9:45 Time Finished 5:50

Hole # BR-07-H5

Auger Size-

Depth of Muck-

Gravel Interval- 32' - 41'

Depth to Bedrock- 41'

Depth Drilled- 45'

Interval Sampled-

No. of Pails-

Comments-

0'-3' Muck, Organics 0'-2' Slide rock, Muck, Sand 2'-3'
3'-13' Muck, Wood, Slide Rock
13'-18' Sand, Pebbles 13'-16' Muck 16'-18'
18'-23' Sand, Pebbles, Muck
23'-28' Sand, Pebbles, Muck 23'-25' ^(Hard) Smooth Muck 25'-28'
28'-33' Muck Sand 28'-31' Fine Gravel 31'-33'
33'-38' Course Gravel Hand slow drilling (refusal?)
38'-43' Course Gravel 38'-41' Soft Bedrock 41'-43'
43'-45' Firm Bedrock (Black Graphitic Pyritic Schist)

Driller

Date Jan 5

Drill Program- Bear 2007	
Location- Jam claim P10372	
GPS Co ordinates - 07 ✓ 0585844 7099533	
Time Started 9:30	Time Finished 3:30
Hole # BR-07-H4	Auger Size- 7 1/2"
Depth of Muck- 2'	Gravel Interval- 2'-8' 21'-33'
Depth to Bedrock- — ?	Depth Drilled- 33'
Interval Sampled- 18'-33'	No. of Pails- 8
Comments-	
0'-8' Muck, organics 0'-2' Slide rock Muck Sand 2'-8'	
8'-13' Wood, Muck, Slide Rock	
13'-18' Sand, Pebbles, Muck 16'-18' Muck (Smooth)	
18'-23' - Pebbles, Muck Some Rocks	
23'-28' Sand, Pebbles, Muck	
28'-33' 28'-31' Muck 31'-33' Gravel	
Ran out of 7 1/2" Augers had to stop hole to keep from collapsing in hole (using 5 1/2" on top on 2 1/2")	
Driller Tom Morgan	Date Jan 4

Drill Program- Bear Cr. 2007

Location- Jam claim P10372

GPS Co ordinates - 07V 0585836
7099533

Time Started 10:15 am **Time Finished** 2:15 pm

Hole # BR-07-H3

Auger Size- 7½"

Depth of Muck- ~

Gravel Interval- 1'-15'

Depth to Bedrock- ?

Depth Drilled- 15'

Interval Sampled- 1'-15'

No. of Pails- 3

Comments-

0'-8' 0'-1' Organics 1'-8' Tailings (Gravel Mix)
8'-13' Tailings hit water @ 10'
13'-15' losing sample in water pulled up

Driller Tom Morgan

Date Jan 3

Drill Program- Bear Cr. 2007

Location- Jam claim P10372

GPS Co ordinates - 07 ✓ 0585827
7099520

Time Started 10:15 am Time Finished 2:20 pm

Hole # BR-07-H2

Auger Size- 7 1/2"

Depth of Muck- /

Gravel Interval- (1'-13') (18'-25')

Depth to Bedrock- ?

Depth Drilled- 25'

Interval Sampled- 1'-25'

No. of Pails- 4

Comments-

0'-3'	0'-1' Moss Organics	1'-8' Tailings (course)
3'-13'	Course Tailings	Water @ around 9'
13'-18'	Smooth h. Fast Drop	14'-18' (Sand? Old Room?)
18'-23'	Mix of Rock and Thawed Muck	
23'-25'	Hard Drilling	(Boulder)?


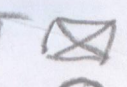
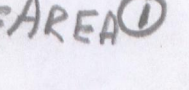
Bottom material was washed out
auger

Driller Tom Morgan

Date Nov 14th

Drill Program- Bear 2007	
Location- Jam claim P 10372	
GPS Co ordinates - 07U <u>0585820</u> 7099450	
Time Started <u>9:30 am</u>	Time Finished <u>1:30 pm</u>
Hole # BR-07-H1	Auger Size- 7 1/2"
Depth of Muck- 15'	Gravel Interval- 15'-25'
Depth to Bedrock- ?	Depth Drilled- 25'
Interval Sampled- 15'-25'	No. of Pails- 3
Comments-	
0'-3' 0'-5' Organics Mud 5'-8' Slide rock & Muck	
8'-13' Slide rock, Muck 8'-12' Wood 12'-13'	
13'-18' Sand, Muck, Fine Gravel Water 15' (Fine Gravel)	
18'-23' Fine Gravel & Water 15'-20' (Coarse) 20'-23'	
23'-25' Hard Grinding (Coarse Gravel)	
Material washing off @ water layer	
stopped @ 25'	
Driller Tom Meyer	Date Oct 19



2008
 Access Pads → 
 Drill Holes ⊙
 PLACER HAND TEST 
 PROSPECTIVE AREA 

Bear Creek Placer Project

