

**YEIP
2008
-031**

FORTY MILE PROJECT

YUKON MINING INCENTIVES PROGRAM

**YMIP PROJECT 08-31
Target Evaluation**

April 1, 2008 – Feb. 15, 2009

2008

PLACER CLAIM SHEET - 116 C 7

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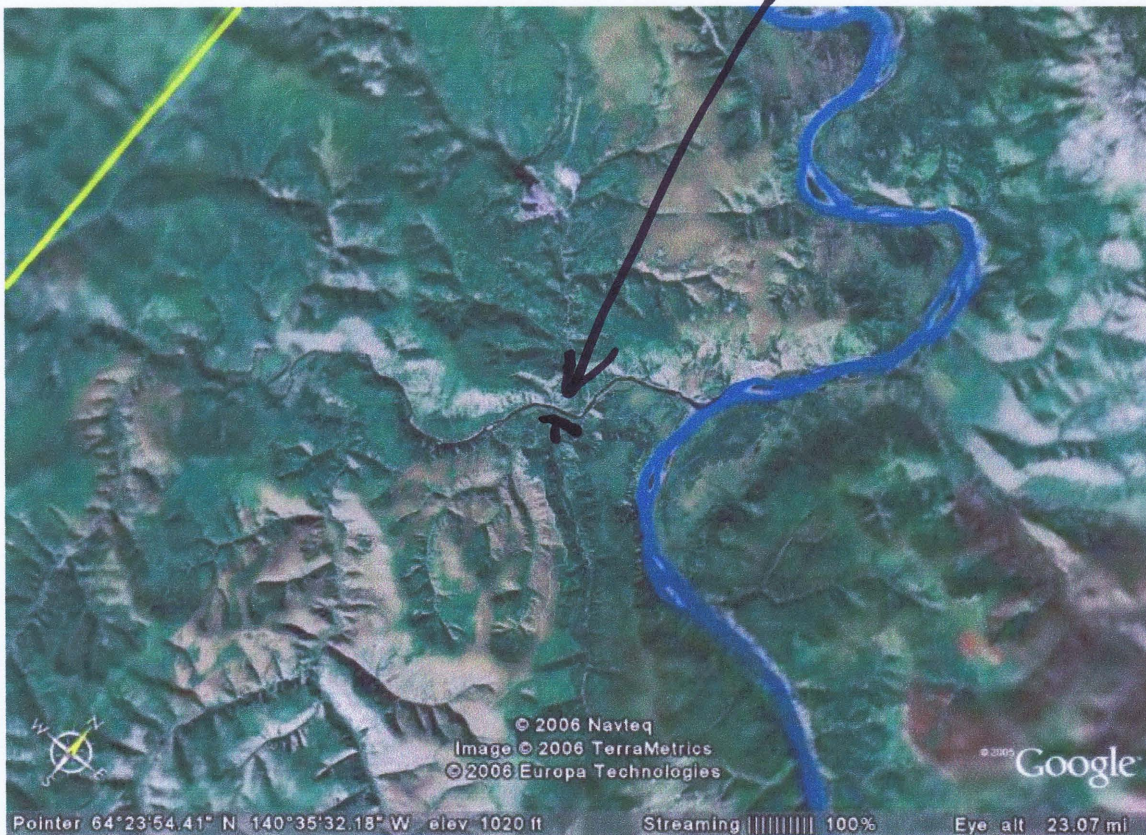
PROPERTY LOCATION and ACCESS

The property being evaluated for placer gold in this project is in the 40 Mile/Clinton Creek area of the Dawson Mining District of the Yukon. Specifically it is 25 claims on Mickey Creek and on the lower bench on the south side of the 40 Mile River that the Clinton Creek Rd. travels through, just before the bridge over the 40 Mile River. The areas involved can be found on NTS map & placer claim sheet **116C-7** and is in the Dawson Mining District.
See Location Reference Map.#1and #2

Access to area is from our base camp located in West Dawson, Yukon. The project area is reached by driving approx. 50 km (45 min. drive) west of Dawson on the *Top of the World Highway* (YTG Hwy # 9) to the *Clinton Creek Road*; then north-west approx. 35 km down the Clinton Creek Road. Prospect North's initial field camp was at a gravel pit in the upper Maiden Creek valley. In the fall of 2006 it was moved to an abandoned road construction and prospecting camp near the intersection of the road and Mickey Creek. From here, roads & trails access most locations defined in this report.

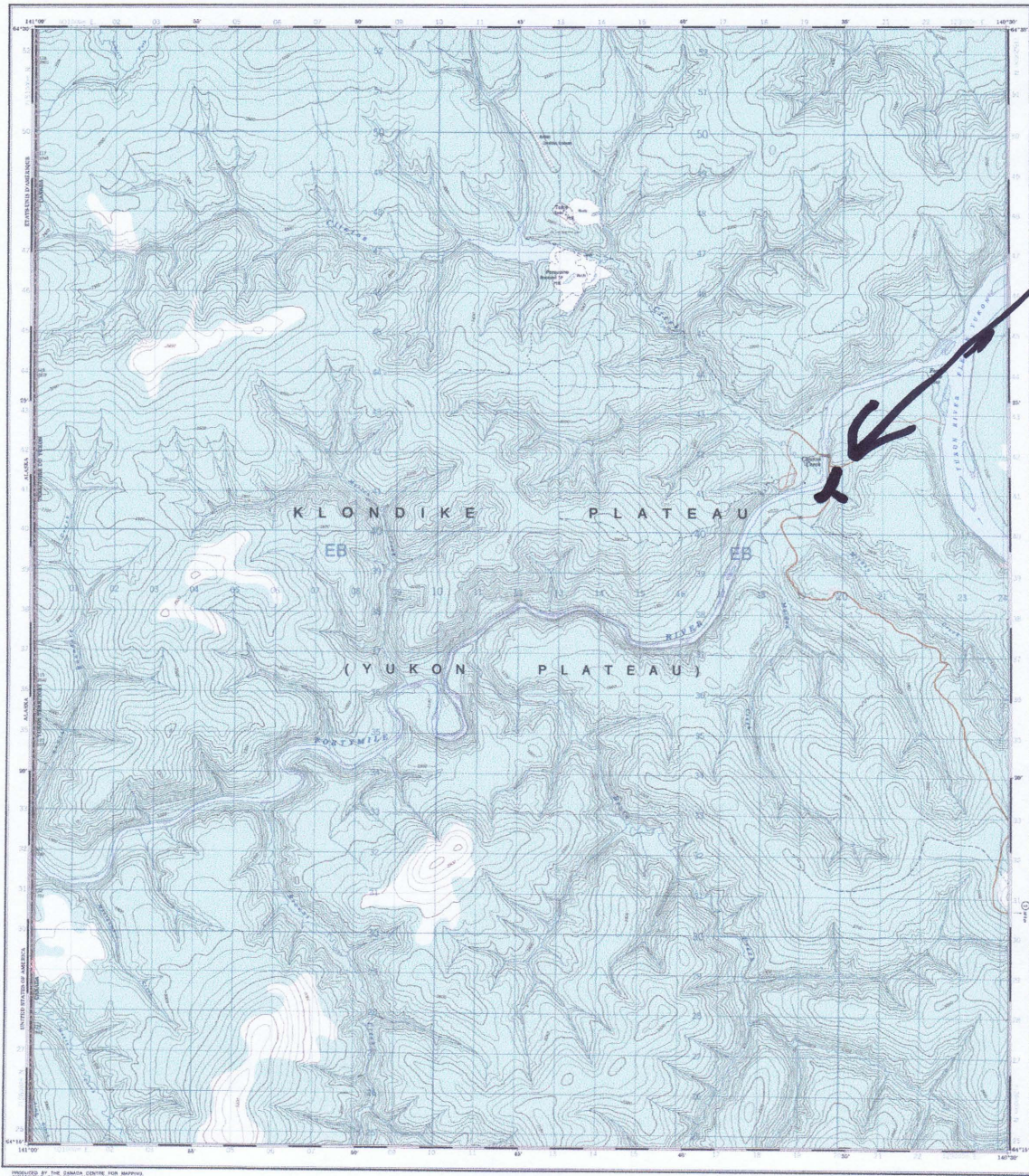
Despite its isolated situation, easy access to most of these areas has been made by many years of hard rock & placer exploration by others over the past century. The main access roads to the various test sites can be traveled by car or tractor/trailers with heavy equipment. More remote prospecting sites in the area are accessible by ATVs & 4x4 trucks on trails/cat trails that require little to moderate brush clearing. Quite often these roads & trails have side cuts & clearings to access gravels and bedrock at many of the target locations. Helicopter support is about ½ hr. from Dawson City. Barging and/or small boat travel is also available to the area approx. 75 km downstream of Dawson City on the Yukon River.

Forty mile Mickey Project



Location Reference Map #1





Fortymile
Mickey
claim
Block

N
↑

→
To
Dawson

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CLINTON CREEK
 CANADA UNITED STATES OF AMERICA
 CANADA ÉTATS-UNIS D'AMÉRIQUE

Scale 1:50 000 Echelle



118007 EdBon2 UTM Zone 7

| Symbol | Meaning | Symbol | Meaning |
|----------|---------|----------|-------------|
| [Symbol] | Water | [Symbol] | Power lines |
| [Symbol] | Water | [Symbol] | Power lines |
| [Symbol] | Water | [Symbol] | Power lines |
| [Symbol] | Water | [Symbol] | Power lines |

ÉTAPE 101 LE CLINTON CREEK ET LE YUKON
 MÉTRIQUE ET IMPÉRIALE
 MÉTRIQUE ET IMPÉRIALE
 MÉTRIQUE ET IMPÉRIALE

| Scale | Scale |
|----------|----------|
| 1:50 000 | 1:50 000 |
| 1:50 000 | 1:50 000 |
| 1:50 000 | 1:50 000 |

Location Reference Map#2

11607

Claim Block PIT/40 mile

CLINTON CREEK TOWNSITE

103 (REM)

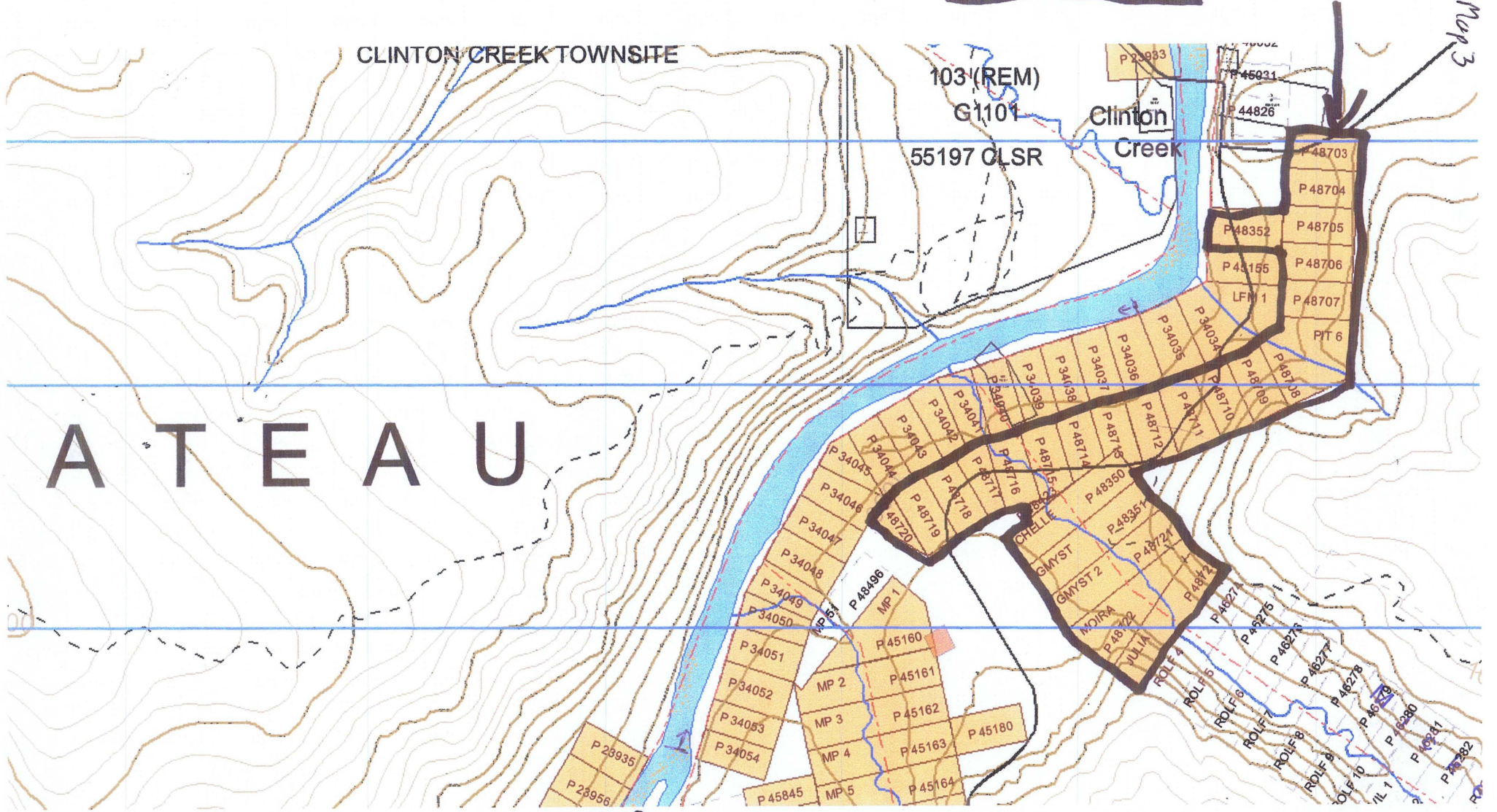
G1101

55197 OLSR

Clinton Creek

Map 3

A T E A U



DEPOSIT TYPE(S) & GEOLOGY

These deposits are from large gravel channels from ancient streams that flowed generally east and south as part of the Bell River system. This river system is considered to have been slow moving and deposited what is known as white channel in the Tertiary period, possibly, specifically late Pliocene. The stream erosion of the 40 Mile River and its tributaries, such as Clinton Creek, Mickey Creek and Maiden Creek, has eroded this floodplain deposit. Schist and quartzite are the predominant clast types with some granitic and white quartz clasts.

The white channel is reported to vary from a relatively thin layer 1 to 2 meters above bedrock to up to 200ft. thickness in some locations (such as in the Maiden/Mickey Creek area. Placer gold is found in varying quantities in these high terrace white channel gravels.

There is more recent yellow or brown channel deposits, some from the outwash of glaciers. The medium and lower terraces are formed where existing rivers and creeks have flowed, concentrating and depositing the higher gravels into these benches over time. These benches are referred to as: *high bench*, *medium bench* and *low bench*.

McConnell reports that gold in the high benches is more concentrated in the 2 metres above bedrock. Other studies have found gold concentrations dispersed through the white channel over 75 metres above bedrock.

In the studied area the bedrock underneath the high gravels generally at the 1600 foot level.

The medium benches in the areas studied consist of a mix of gravels and weathered bedrock approximately 300 to 500 ft. above at the lowest benches above the Fortymile River and its lower tributaries. It is understood that these geological features contain eroded white channel gravels from above with re-concentrated placer gold.

The low benches and the current flood plain contain a mix of gravels eroded from above and contain concentrations of gold where it would be expected by examining the current and recent river and creek courses.

Gravels encountered were various blends of smooth & rounded stones and pebbles, angular bedrock material, possibly talus, intermixed with sands, silts and clay.

In 2006 placer gold was found in the lower bench where a placer lease and 4 claims were staked, plus 3 more on Mickey Creek in 2007.

OBJECTIVES

The objectives were to:

- further test the ground on the staked claims on the bench in the gravel pit area, Mickey Creek, and by 'Washout Creek'.
- perform auger drilling in the gravel pit, in the bench by the gravel pit, by the old power line road, on the Mickey Creek claims and on the Tally Claims. Additional drilling could be done as well as results came in.
- do further prospecting and testing by hand and by excavator if possible.

These main project objectives for the YMIP 08-31 were successfully completed by October 2008. Plans are being made for further work for the 2009 season. Research, planning and reporting work is ongoing during the winter 2008/09.

The potential of the placer gold deposits were appraised and evaluated. The 6" auger drill of Sylvain Fleurant mounted on a Nodwell with an excellent testing plant was contracted. Also further prospecting, sampling and testing was completed. Records and maps showing locations of all test holes, drill holes and sample locations were made. (*see attached logs*).

The proposed exploration goals in the area were exceeded in a cost-effective manner and samples were obtained and tested in the target areas being evaluated.

Planning logistics and permitting for more extensive works and bulk sampling for future years prospecting was also a priority. Based upon the knowledge gained an exploration plan for further work is being planned to find if there is a consistent grade of gold.

EQUIPMENT USED

- 6" auger drill mounted on Nodwell
- 4x4 Chev ¾ ton truck
- 4' long sluice with 2" pump
- 4x4 ATV
- chainsaws
- Hand held GPS's
- Hand shovels and gold pans
- Laptops & scanners

METHODOLOGY & WORK PERFORMED

The area survey was conducted by trucks, ATV and foot, with the aid of GPS and mapping programs. The Nodwell was very efficient in accessing all areas. Access to some target areas underwent minor brush clearing on existing trails. The auger drill performed well and 16 holes were drilled. The gravels that could contain gold were tested in the testing trailer with a sluice box and pan. This proved to be very efficient.

All samples were panned out and specs and flakes of gold noted, recorded and stored, and some later transported to Whitehorse. Gravel characteristics were noted and recorded and some samples left at the field camp for future reference. Some samples were transported to head office in Whitehorse.

A water license and land use permit for mining was applied for and obtained.

RESULTS & CONCLUSIONS

The testing and evaluations completed confirmed the presence of fine and small flakes of gold in the lower bench specifically in sections of the gravel pit. See the attached drill and sample logs for more details and locations.

The drilling program resulted in more gold being found compared to the previous year's drill program.

The gold present and quartz white channel rocks present in tributaries of Clinton creek and the Forty Mile River benches shows that it is likely the gold from the white channel at higher levels (approximately 1600 ft. and higher) has been concentrated in current stream channels and benches.

It was assumed that concentration of gold bearing White Channel from above has occurred in pay-streaks deposits within this section of the watershed that was tested. The narrow valley complicates modern placer requirements for minimum setback from creeks, but the tight valley of bedrock may have created an opportunity for placer gold to settle.

More detail information on the work done, locations and the results can be seen on the attached field logs.

RECOMMENDATIONS

To further test with accuracy, a bulk sample of 200 to 1,000 yards of gravel from the northwest corner of the gravel pit should be completed. This would require a medium to large excavator, sluice box or trommel, pumps, etc.

With the water license and land use permit obtained, it is hoped that an experienced miner with equipment will be interested in a joint venture and assist in more thoroughly testing the ground.

Shafts should be dug to bedrock in the frozen bench just up river from the gravel pit. One was started this year but the contractor did not complete it.

More drilling should be done in the same area as well as on the Tally claims. This area could be tested with an auger drill on an all terrain vehicle, preferably the same driller and equipment.

A testing plant should be set up at the field camp to test: It should be efficient and include a gold wheel and/or gold table for efficient separations.

GRAVEL PIT & LOWER MICKY CREEK

SCALE: 1cm = 100'
Drill hole locations

Drill Map 1

08

07

10

PIT 11

TYP. DRILL HOLE
6" AUGER

GRAY PIT (FORMER U.T.G.)
NOW OWNED - P.V.K.
3' x 5' SHAFT.

DH15

DH9

EXIST. GRAVEL PIT

DH16

DH07

DH06

DH10

DH05

CLINTON CREEK

DH01

DH04

DH02

DH03

BASE CAMP

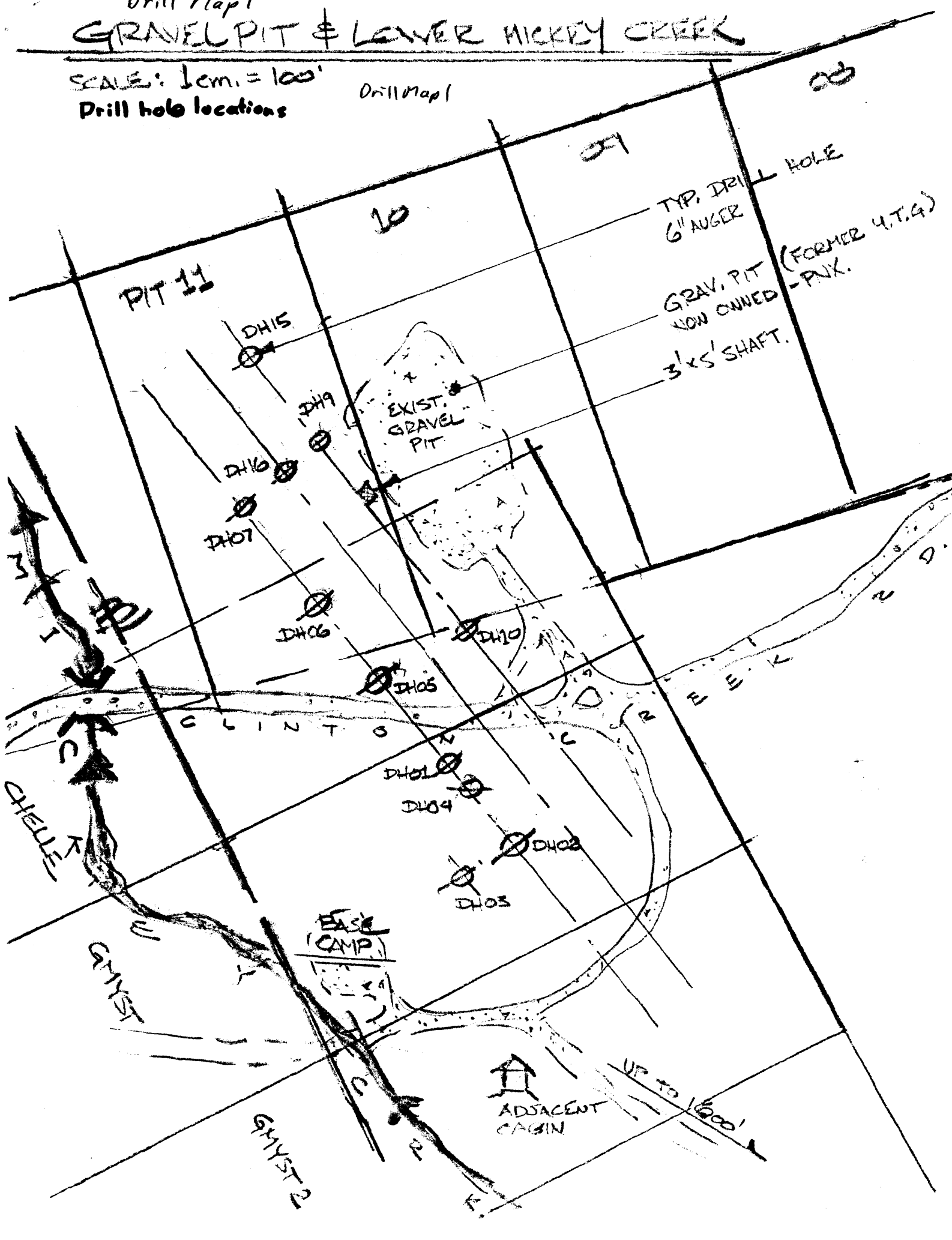
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UP TO 1000'

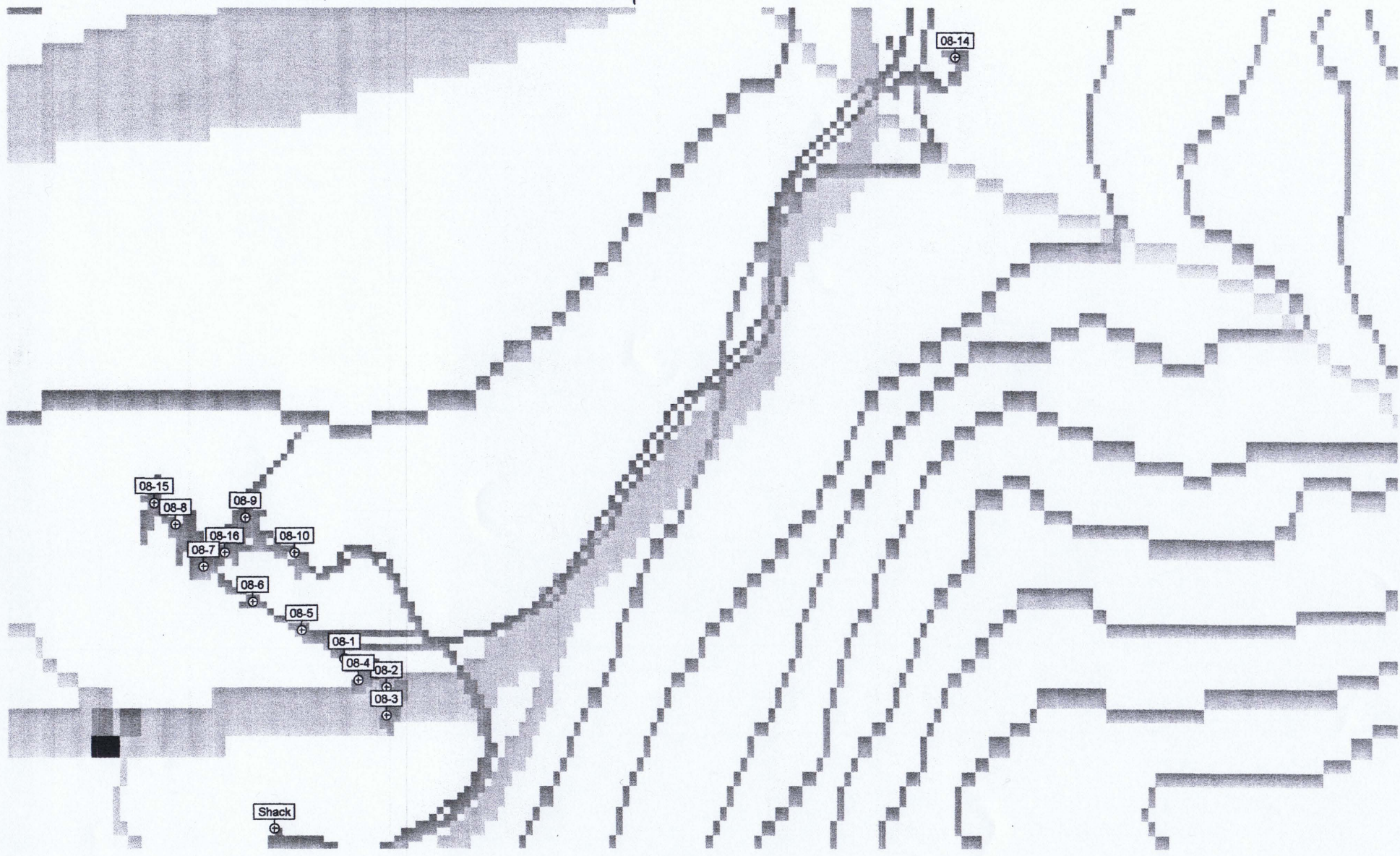
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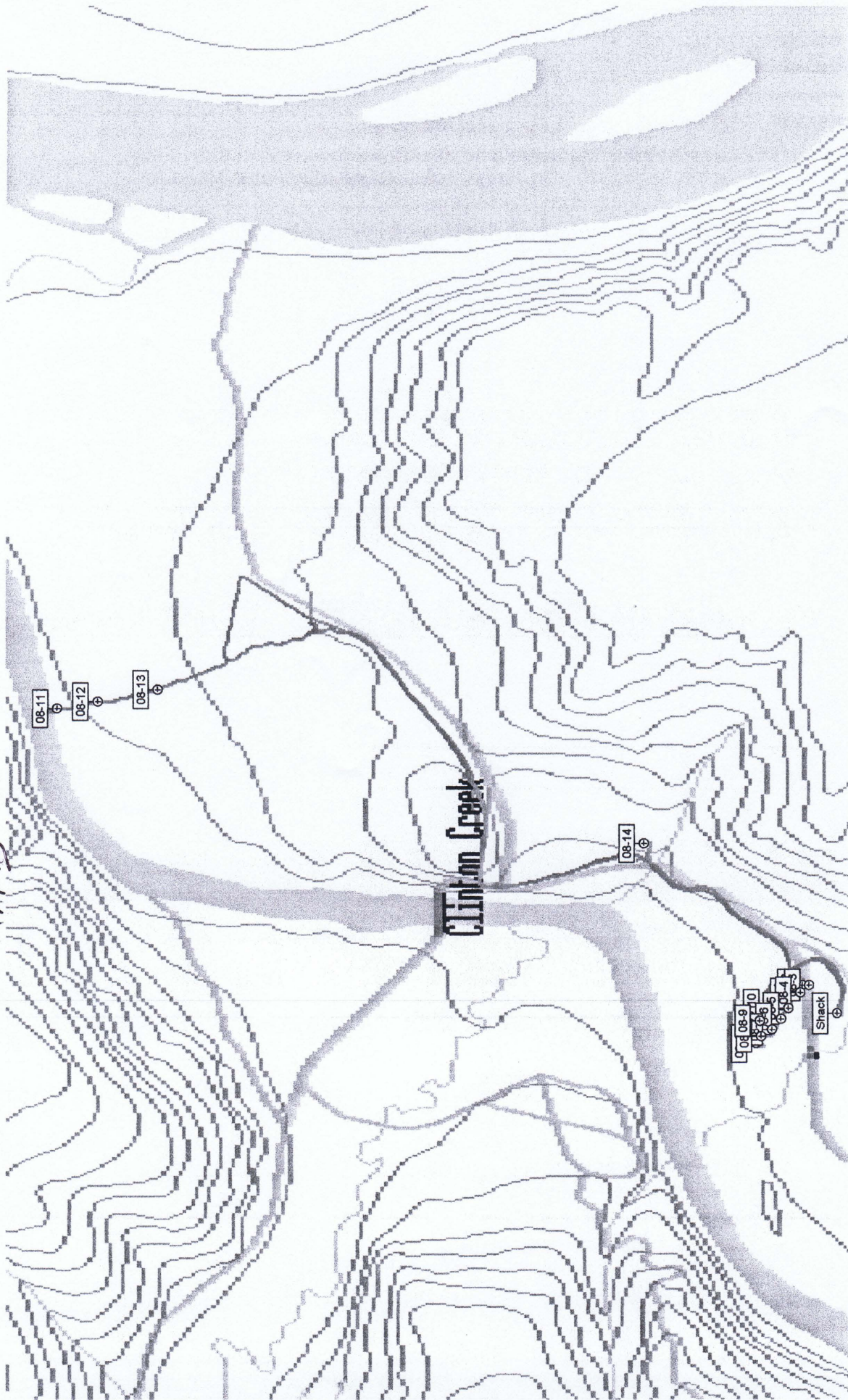
08-031 DRILL PROGRAM MAP #1 116-C-01



Drill Map

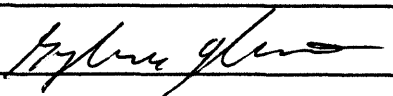
Drill Map 3

08-031 DRILL PROGRAM
MAPS 116-C-01
MAP 2




PLACER DRILL LOG

Drill Log 1

| Date: 4aug--08 | | Time: | Driller: Sylvain Fleurant | Helper: |
|--|---------------|---|--|---------|
| Type of Drill: auger | | | Inside Diameter of Drill: 6 inch | |
| Location: Mickey creek Map;116-c-07 | | Lease or Grant Numbers: | | |
| Drill Hole Number | Total Footage | Breakdown IN Feet (of materials encountered) | Remarks: samples/results | |
| 08-1 | 18ft | 10ft frozen muck 2ft thawed muck water 6ft thawed gravel muck mix water | very bad recovery 1/6 of a pail | |
| 08-2 | 27ft | 10ft frozen muck 3ft thawed muck soft water 7ft soft small gravel muck mix water 3ft gravel little hard more compacted | (pull out at 23ft black shell gravel) 1ft gravel medium hard 3ft soft bedrock green white shist soft | |
| 08-3 | 18ft | 4ft thawed muck 14ft small bolder gravel water pull out at 18ft no bedrock back in bolder cave in could not go futher | 1/2 pail bad recovery | |
| 08-4 | 27ft | 9ft frozen muck 5ft thawed muck water 3ft soft gravel muck mix 6ft gravel small bolder 2ft bedrock medium hard black shell 2ft hard bedrock bad recovery 1 pail | | |
| 08-5 | 28ft | 3ft frozen muck 7ft thawed muck water 2ft thawed gravel 5ft soft sand little gravel 3ft gravel 3ft sand yellow brown | pull out 23ft back in 3ft soft gravel 2ft bedrock hard blue bad recovery 1.3 pail | |
| total 118ft | | Date: 4aug--08 | Signed (Driller or Representative)  | |

PLACER DRILL LOG

| Date: 5 aug--08 | | Time: | Driller: Sylvain Fleurant | Helper: |
|------------------------------------|---------------|--|---|--|
| Type of Drill: auger | | Inside Diameter of Drill: 6 inch | | |
| Location: Mickey Creek 116-c-07 | | Lease or Grant Numbers: | | |
| Drill Hole Number | Total Footage | Breakdown IN Feet (of materials encountered) | Remarks: samples/results | |
| 08-6 | 23ft | 2ft thawed sand 12ft soft thawed gravel water 7ft compacted small bolder gravel 2ft medium hard bedrock black | good recovery | |
| 08-7 | 25ft | 13ft frozen muck 2ft soft thawed gravel water 7ft compacted gravel 1ft soft gravel maybe bedrock 2ft bedrock medium hard | bad recovery some signe of bedrock black lost 1 auger and bit | |
| 08-8 | 22ft | 11ft frozen muck 6ft gravel hard (pull out at 17ft) back in 3ft very hard bedrock 2ft medium hard grey blue bedrock dry hole | | |
| 08-9 | 18ft | 10ft frozen muck 1ft soft gravel 1ft gravel medium hard 1ft soft bedrock 5ft soft bedrock black dry | | |
| 08-10 | 13ft | 5ft frozen muck 5ft hard gravel 3ft hard gravel maybe bedrock dry | | |
| total | 101ft | | Date: 5-Aug-08 | Signed (Driller or Representative)  |

Drill log 2

PLACER DRILL LOG

| Date: 6-Aug-08 | Time: | Driller: Sylvain Fleurant | Helper: |
|---|---------------|---|--------------------------|
| Type of Drill: auger | | Inside Diameter of Drill: 6 inch | |
| Location: 40 mille Nofish Creek Map;116-c-07 | | Lease or Grant Numbers: | |
| Drill Hole Number | Total Footage | Breakdown IN Feet (of materials encountered) | Remarks: samples/results |
| 08-11 | 23ft | 16ft frozen muck 3ft gravel medium hard 4ft bedrock medium hard black | 3 pail |
| 08-12 | 23ft | 8ft frozen muck 5ft gravel medium hard 9ft hard gravel 1ft bedrock medium hard black | 7.5 pail |
| 08-13 | 37ft | 12ft frozen muck 1ft soft gravel 2ft muck 8ft gravel medium hard 7ft gravel hard 3ft gravel very hard pull out at 33ft change bit 2ft gravel hard 1ft bedrock medium hard 1ft hard bedrock grey blue | 6pail |
| total | 83ft | | |
| Date: 6-Aug-08 | | Signed (Driller or Representative) <i>Sylvain Fleurant</i> | |

Drill Log 3

PLACER DRILL LOG

0-11694

| Date: 7-Aug-08 | | Time: | Driller: Sylvain Fleurant | Helper: |
|---|---------------|--|----------------------------------|--|
| Type of Drill: auger | | | Inside Diameter of Drill: 6 inch | |
| Location: Mickey Creek Map; 116-c-07 | | Lease or Grant Numbers: | | |
| Drill Hole Number | Total Footage | Breakdown IN Feet (of materials encountered) | Remarks: samples/results | |
| 08-14 | 48ft | 48ft frozen muck | | |
| 08-15 | 17ft | 2ft frozen muck 1ft soft gravel 5ft gravel medium hard 6ft hard gravel 3ft bedrock medium hard black dry | | |
| 08-16 | 23ft | 12ft frozen muck 1ft gravel medium hard 1ft hard gravel 4ft very hard gravel 3ft hard gravel 2ft bedrock medium hard black dry | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| total | 88ft | | Date: 7-Aug-08 | Signed (Driller or Representative) <i>Sylvain Fleurant</i> |

08-031 DRILL LOG P.1

| 2 | TOTAL | | | | | | | | | 3 |
|-------|-------|------|--------|--------------|----|-----------------|-----------------|--------|--|---|
| HOLE | DEPT | MUCK | GRAVEL | THAWED | OR | BEDROCK | | WEIGHT | | |
| 08-1 | 18FT | 12FT | 6FT | THAWED WATER | | NO | BAD RECOVERY | TRACE | | |
| 08-2 | 27FT | 13FT | 11FT | THAWED WATER | | 3FT SOFT GREEN | GOOD REC. | 7MG | | |
| 08-3 | 18FT | 4FT | 14FT | THAWED WATER | | NO | BAD RECOVERY | NO | | |
| 08-4 | 27FT | 14FT | 9FT | THAWED WATER | | 4FT | BAD RECOVERY | NO | | |
| 08-5 | 28FT | 10FT | 16FT | THAWED WATER | | 2FT | BAD RECOVERY | TRACE | | |
| 08-6 | 23FT | 2FT | 19FT | THAWED WATER | | 2FT HARD | BLACK GOOD REC. | TRACE | | |
| 08-7 | 13FT | 13FT | 10FT | WATER | | 2FT MEDIUM HARD | BLACK TRACE | | | |
| | | | | | | (LOST BIT) | BAD RECOVERY | | | |
| 08-8 | 22FT | 11FT | 6FT | FROZEN | | 5FT | GRAY BLUE | 5MG | | |
| 08-9 | 18FT | 10FT | 2FT | FROZEN | | 6FT SOFT | BLACK | TRACE | | |
| 08-10 | 13FT | 5FT | 5FT | FROZEN | | 3FT | BLACK | TRACE | | |
| 08-11 | 23FT | 16FT | 3FT | FROZEN | | 4FT MEDIUM HARD | BLACK | TRACE | | |

Drill log 5

08031 DRILL LOG P. 2

| A HOLE | TOTAL | | FROZEN OR THAWED | BEDROCK | WEIGHT | 5 |
|-----------|-------|-------|------------------------|------------------------|--------|---|
| | DEPT | MUCK | | | | |
| 08-12 | 23 FT | 8 FT | 14 FT FROZEN | 1 FT MEDIUM HARD BLACK | 4 mg | |
| 08-13 | 37 FT | 15 FT | 22 FT FROZEN | 2 FT GREY BLUE | TRACE | |
| 08-14 | 48 FT | 48 FT | C FROZEN | CANCEL | NO | |
| 08-15 | 17 FT | 2 FT | 12 FT FROZEN | 3 FT MEDIUM HARD BLACK | 2 mg | |
| 08-16 | 23 FT | 12 FT | 9 FT FROZEN | 2 FT HARD BLACK | 5 mg | |

Drill log 5

Samplelog 1

2008 Sample List - FortyMile Project (YMIP 08-031)

See attached Map Reference Sheets (NTS 116C07)

| Samp# | Gold Count | Size (c.ft.) | Details/Indicators | Depth/Location |
|-------|-----------------|--------------|--------------------------|------------------------|
| 10 | 6ssp,1lsp | 0.10 | Very High BS & WCI | Snipe in 40Mile River |
| 11 | 6ssp,3msp,3lsp | 0.10 | High BS & WCI | " |
| 12 | 10ssp,2msp,2lsp | 0.10 | " | " |
| 13 | 1ssp,1msp | 0.10 | " | " |
| 16 | 1ssp | 0.10 | High BS & WCI | " |
| 17 | 0 | 0.10 | Very High BS & WCI | " |
| 19 | 4ssp,1msp,1lsp | 0.10 | " | " |
| 21 | 1ssp | 0.10 | Medium BS | 6-12"@crk |
| 22 | 0 | 0.10 | Little BS | " |
| 23 | 3ssp,lsp,1sfl | 0.50 | Some BS. Hi Qtz,GS,Talus | 36-42"@slide |
| 38 | 16ssp,3msp,2lsp | 0.10 | " | 46-50"@trench@crk cut |
| 39 | 0 | 0.25 | Medium BS | 16-24"@Grav pit |
| 42 | 0 | 0.15 | Little BS | MMI-3, 16-24"@Grav pit |
| 46 | 0 | 0.20 | Little BS | 12-18"@crk |
| 64 | 0 | 0.20 | Some WCI. Froz. @ 24" | 12-24"@4' cat cut |
| 65 | 0 | 0.25 | Sand, some silt | 64-70" |
| 66 | 0 | 0.25 | Sand, Silt, Clay | 18-24" (6' upslope) |
| 116 | 2ssp | 0.30 | High WCI | 6-12"@Pup |

GOLD COUNT GLOSSARY:
with approx. gold estimates

ssp=small speck .02 mg.
msp=medium speck .05 mg.
lsp=large speck .15 mg.

sfl=small flake .5 mg.
mfl=medium flake 2 mg.
lfl=large flake 5 mg.

GENERAL GLOSSARY:

BS=black sand
WC=white channel
WCI=WC Indicators

GS=graph.schist(bedrock)
Tan=(bedrock)
ab=above bedrock
bb=below bedrock

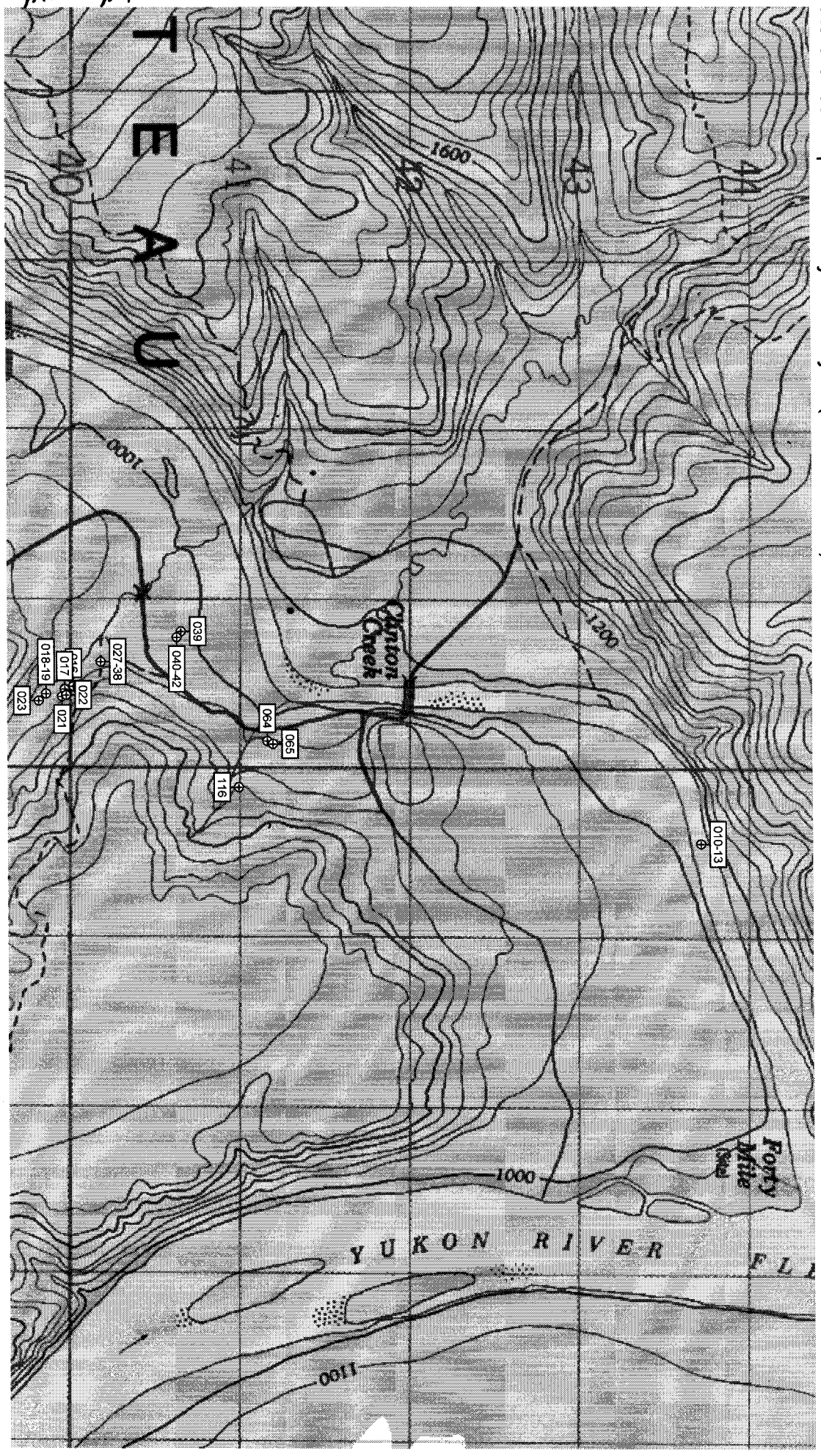
ssp=small speck .02 mg.
msp=medium speck .05 mg.
lsp=large speck .15 mg.

sfl=small flake .5 mg.
mfl=medium flake 2 mg.
lfl=large flake 5 mg.

Sample Map 1

116c07.png

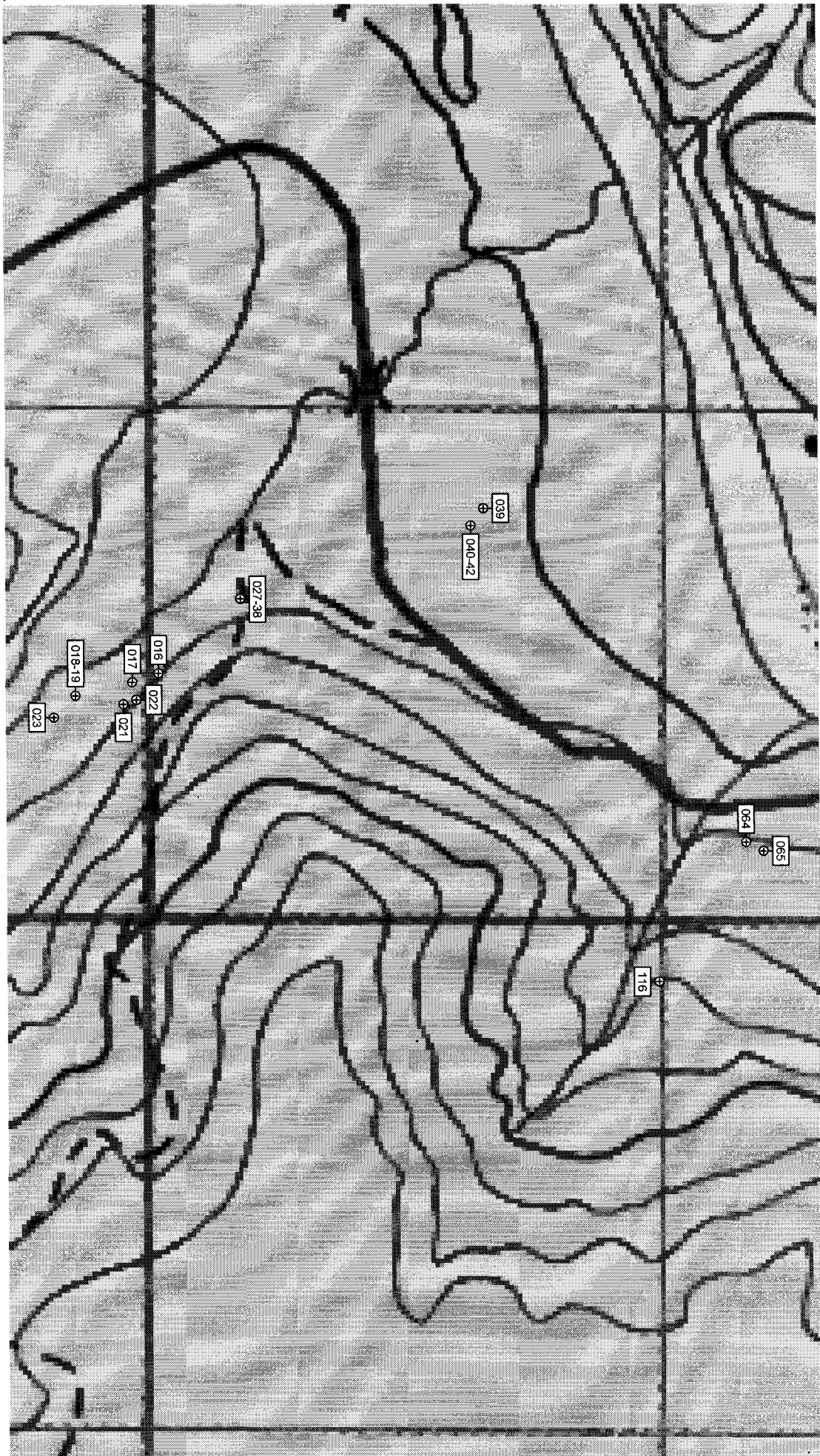
Reference Map #1 - FortMile Project (YMIP 08-031)



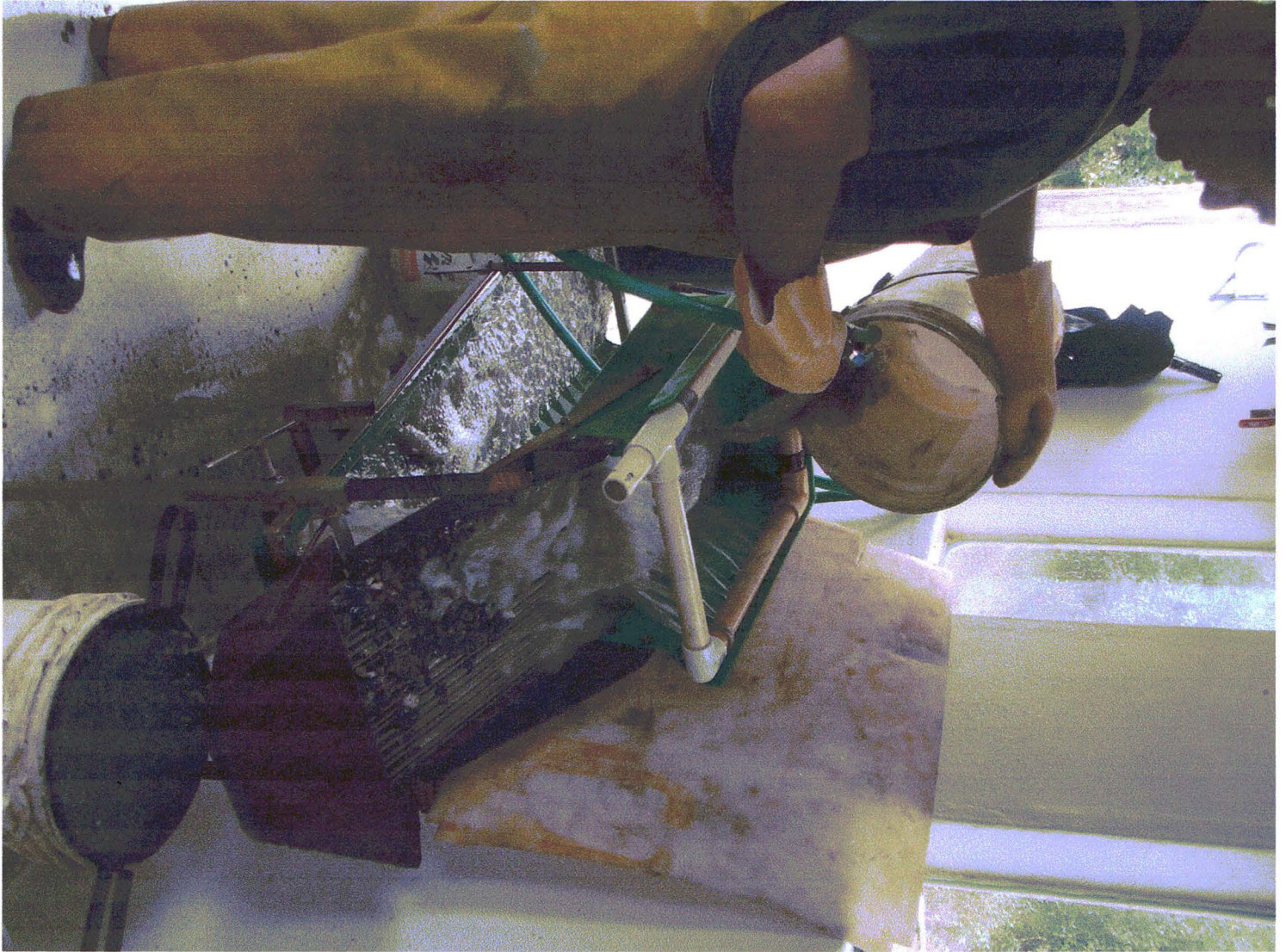
Sample Map 2

116c07.png

Reference Map #2 - FortyMile Project (YMIP 08-031)



TE Pic 1



Testing sluice in trailer for auger drill samples

TEP:22



6" Auger Drill on Nodwell

TE Pic 3



Sylvain Fleurant and truck, Nodwell, drill and testing trailer