

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 Dec1,2009 and Mar30,2010

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 #09 -140

Mar 30,2010

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 This makes the time it takes to drill a hole double. There still is an unmined and untested stretch of this right limit extending upstream 750' from hole #7. The 2008 drilling of this section encountered water and the holes were abandoned along the top 400'. Trace values were found in the holes along the 350' stepping off the 2007 drilling. There is another 800' on this RL above the old drill holes and shaft on P44964, and P44965 where pads and access were put in, in 2008, and drilled with the current 2009/10 program. There was also an unmined, untested section of ground on the left limit below the left limit tributary that enters Bear Cr. at P14861. This section had 4 drill holes put on it in Dec 2009 The 2008 testing of the LL trib showed it to have values of 0.6gm/yd³, that would run into economics if the value observed continues up the gulch. Access was put in up the gulch for further testing in the fall of 2008. The gulch needs further testing.

Conclusions and Recommendations of Bear Creek Drilling Winter 2009/10

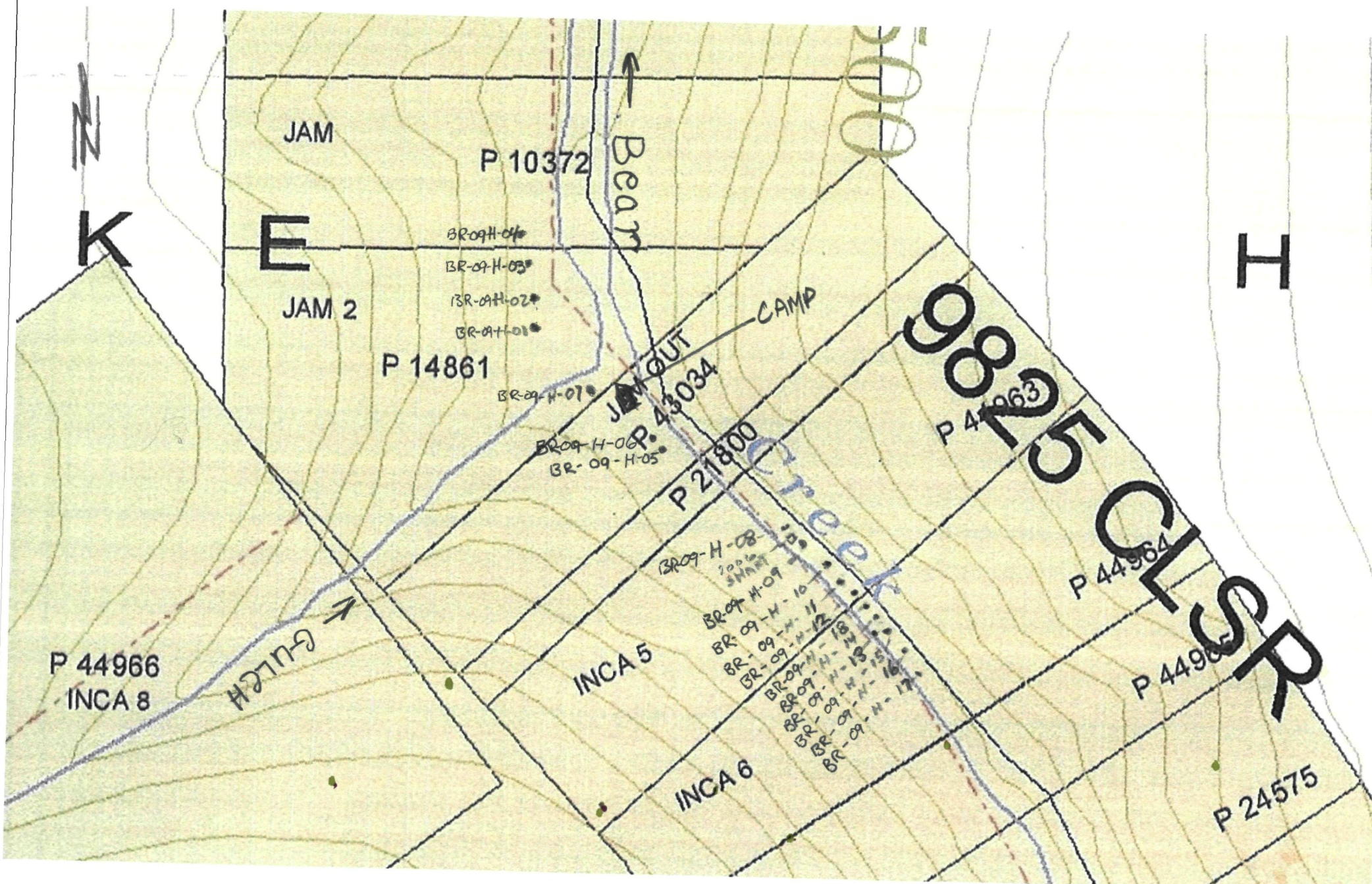
A total of 18 holes with 2 redrill, (moving back over the hole and deepening them) were drilled along the right and left limits of Bear Cr off the access and pads put in, in the 2008 YMIP program. Holes 1 to 4 were 100' back from the ditch edge/dredged area below the gulch on the right limit. Holes 5, 6, & 7 were on the right limit edge upstream of the gulch. Holes 8 to 18 were on the left limit starting 35' downstream from the 2006 shaft and extending upstream for 400'.

The drilling this winter identified some economic values related to the old showing on P44963 and going onto P44964. Thawed ground was encountered on the creek side of the drill pads, but values were still witnessed in these reduced samples. The smaller sample was caused by water washing gravel/bedrock material off the augers when they were pulled up after intersecting bedrock under the gravels. The thawed area was coming in on a sand layer above gravels and under the muck. The muck and gravel was frozen on top and below this sand layer. The left limit holes on the road side of the pads 30' to 50' from creek edge and right limit holes 60' to 80' back from the edge of the ditch, had minor values showing the present limit of minable gravels. The wet holes along the edge of the right and left limit showed some economic values, within 10' to 30' from the dredged edge, creek edge, with 74mg, H-09 and 46mg, H-13 upstream from the shaft. From this result, out of a wet washed off sample, more holes are needed along the edge within 10' of the creek. Casing would be the way to secure the recovery, as it would seal the layer where the water is coming in and the bottom frozen gravels could then be drilled through the casing. Holes 1 to 4 intersected a +20' thick layer of hard drilling coarse gravel, downstream from the gulch. Refusal happened on 3 of the 4 holes, even after redrilling. Holes 5 and 6 had 8'-9' of hard drilling to refusal also, but on the upstream side of the gulch. On hole 5 enough fine gold was seen (22mg) from top gravels and washed off augers (very wet), with refusal (no bedrock) to warrant further investigation. The outwash fan of the bench gravels through the gulch here appears to be the reason for the thick layer of hard drilling, as large rounded boulders are seen in the gulch extending up from Bear Cr. These gravels coming out of this left limit gulch need to be tested, which was not done this year, where a value of 0.6gm Au/ yd³ was seen in 2008 testing. This gulch and Discovery Pup cut the left limit bench of Bear Cr which was worked by the old timers, on the downstream left limit corner of Discovery and Bear Cr. These claims on Discovery Pup are owned by T. Morgan which cover this bench corner of white channel that appears to run along this left limit of Bear creek for 4000' to the downstream gulch covered by Inca 8 and Inca 9 claims. The two gulches and the bench gravels they cut need to be explored. There is large volumes of undisturbed gravel left here, which has cut Au bearing quartz veins in the schists, as seen in hardrock drifts and crushing mill on this corner from the turn of the century. The right limits of these two gulches are north facing and have a layer of gravel going under the frozen muck. Testing of the gravels on Inca 8 Gulch have shown an encouraging result of 0.6gm/yd³. coming from this layer of rounded bench gravel and slide schist fragments. Assessment work on Discovery Pup in Nov 2009 showed over 12' of gravel extending under the bank, from drifting under muck along the top of the gravels, which were going in level under the muck bank. Bedrock was not reached, but the floor of the drift had many rounded boulders in it, which needs to be taken down to bedrock. This will be tested this 2010 summer.

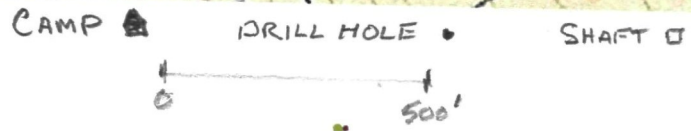
Bear Cr 2009/2010 Drilling Au sample weights

BR-09-H-01	Trace
BR-09-H-01Re	4mg
BR-09-H-02	Trace
BR-09-H-02Re	Trace
BR-09-H-03	14mg
BR-09-H-04	Trace
BR-09-H-05	22mg
BR-09-H-06	Trace
BR-09-H-07	NS
BR-09-H-08	NS
BR-09-H-09	76mg
BR-09-H-10	6mg
BR-09-H-11	Trace
BR-09-H-12	4mg
BR-09-H-13	46mg
BR-09-H-14	12mg
BR-09-H-15	10mg
BR-09-H-16	6mg
BR-09-H-17	Trace
BR-09-H-18	Trace

DRILL HOLE LOCATION MAP 2009-2010 WINTER



116-B-036



Proposed Work Locations + Bench Location



H I L L S

Bear

Creek

Creek

116-B-31
115-0-14

Discovery Pup

Bench Cravel
Property Outline
Cased Drill Holes
Proposed Backhoe Pits
DRILL HOLES

Hole #3



Hole #9



Hole #5



Au Drill Holes 9 and 13



Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	Excess NTS #s
R Barb 1	P 21545	2010/11/30	Tom Morgan	100.00	2 115O14h, 116B03b
R Barb 2	P 21546	2010/11/30	Tom Morgan	100.00	1 115O14h, 116B03b
R Eagle 3	P 14482	2010/11/30	Tom Morgan	100.00	2 115O14h, 116B03b
R Glitter 1 - 7	P 31353 - P 31359	2010/11/30	Tom Morgan	100.00	1 115O14h, 116B03b
R Glitter 8 - 10	P 31360 - P 31362	2010/11/30	Tom Morgan	100.00	0 115O14h, 116B03b

Criteria(s) used for search:

CLAIM STATUS: ACTIVE & PENDING OWNER(S): MORGAN TOM REGULATION TYPE: PLACER

LOCATION AREA: Discovery Pup

Left column indicator legend:

- R - Indicates the claim is on one or more pending renewal(s).
- P - Indicates the claim is pending.

Right column indicator legend:

- L - Indicates the Quartz Lease.
- F - Indicates Full Quartz fraction (25+ acres)
- P - Indicates Partial Quartz fraction (<25 acres)

Total claims selected: 13

- D - Indicates Placer Discovery
- C - Indicates Placer Codiscovery
- B - Indicates Placer Fraction

Claim Status Report

30 March 2010

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	Excess NTS #s	
Inca 5 - 7	P 44963 - P 44965	2011/04/12	16406 Yukon Inc.	100.00	5	116B03b
Inca 8	P 44966	2011/04/12	16406 Yukon Inc.	100.00	5	116B03b D
Inca 9	P 44967	2011/04/12	16406 Yukon Inc.	100.00	4	116B03b D
Jam	P 10372	2010/04/12	16406 Yukon Inc.	100.00	10	116B03b
Jam 2	P 14861	2010/04/12	16406 Yukon Inc.	100.00	10	116B03b
Jam Out	P 43034	2010/04/12	16406 Yukon Inc.	100.00	5	116B03b B

Criteria(s) used for search:

CLAIM STATUS: ACTIVE & PENDING OWNER(S): 16406 YUKON INC. REGULATION TYPE: PLACER

Left column indicator legend:

- R - Indicates the claim is on one or more pending renewal(s).
- P - Indicates the claim is pending.

Right column indicator legend:

- L - Indicates the Quartz Lease.
- F - Indicates Full Quartz fraction (25+ acres)
- P - Indicates Partial Quartz fraction (<25 acres)

Total claims selected : 9 8

- D - Indicates Placer Discovery
- C - Indicates Placer Codiscovery
- B - Indicates Placer Fraction

Drill Program- Bear Cr. 2009/2010

Location- P14861 JAM 2 L.L.
Bear Cr. 90m DOWNSTREAM FR. CULCH / 90m H-7

GPS Co ordinates - 09 ✓ 0585771
7099355

Time Started ^{Dec-2-3pm} 3-12pm _{4-11am} Time Finished ^{2-6pm} 3-4pm _{4-4pm} (3+4+5)

Hole # BR-09-H-01

Auger Size- 5 1/2"

Depth of Muck- 29'

Gravel Interval- 29' - 37'

Depth to Bedrock- 37' ?

Depth Drilled- 39.5

Interval Sampled- 29' - 39.5

No. of Pails- 4

Comments-

Doesn't
Back UP
↑
↓
↑
↓
↑
↓

0'-5'	Organics, slide rock	} Dec 2
5'-10'	Muck, Silt, Dark Brown (5'-6' Thawed)	
10'-15'	Muck Thawed at 13'-15' (Wet Muck)	
15'-20'	Muck some pebbles	} Dec 3
20'-25'	Muck, Wood - Firmed up a bit but still	
25'-29'	Muck, sand, Wood Wet Hole.	
29'-35'	Gravel, Coarse fr. 32'-35'	} Dec 4
35'-39.5	Coarse Gravel 35'-37' (Bedrock 37'-40') (sand Fine Gravel)	
Hole Frozen overnight (Very Hard) 39.5		

Driller Tom Morgan

Date Dec 2, 3, 4

Drill Program- Bear Cr. 2009/2010

Location- P14861 JAMZ L.L.
20m DOWNSTREAM H-01

GPS Co ordinates - 07 ✓ 0585764
7099371

Time Started ^{7-1pm} _{8-9am} 9-10am Time Finished ^{7-4pm} _{8-1pm} 9-3pm 3-4-5

Hole # BR-09-H-02

Auger Size- 5 1/2"

Depth of Muck- 26'

Gravel Interval- 26'-38'

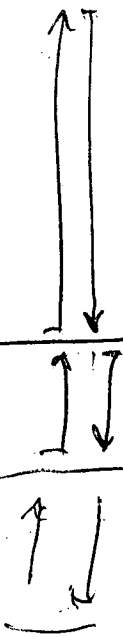
Depth to Bedrock- 38'

Depth Drilled- 40'

Interval Sampled- 26'-40'

No. of Pails- 4

Comments-



0'-5' Organics, Muck, Slide Rock (Decayed Schist)

5'-10' 5'-7' Thawed Muck, some Slide Rock

10'-15' Black Muck organic

15'-20' Black Muck some pebbles.

20'-26' Black Muck, Sand 25'-26' finegravel

26'-30' Gravel

30'-35' Coarse Gravel Auger Drive Broke @ 35'

35'-38' Coarse Gravel (Boulders)

38'-40' Bedrock? (Sand Fine Gravel)

Hard @ 40'

Driller: Tom Morgan

Date 7, 8, 9

Drill Program- Bear Cr. 2009/2010

Location- P14861 JAMZ E.L.
28m DOWNSTREAM Fr. H-02

GPS Co ordinates - 07 U 0585764
7099394

Time Started ^{Dec. 10 - 12 am} 12-9 am Time Finished ^{10 - 4 pm 4+7} 12-4 pm

Hole # BR-09-H-03

Auger Size- 5 1/2"

Depth of Muck- 23'

Gravel Interval- 23'-37'

Depth to Bedrock- 37'

Depth Drilled- 40'

Interval Sampled- 23'-40'

No. of Pails- 8 Buckets

Comments-

0'-5' Organics / Slide rock
 5'-10' Muck / Slide rock
 10'-15' Muck Dark Brown
 15'-20' Muck, Some Pebbles
 20'-25' 20'-23' Muck, wood, sand 23'-25' Fine Gravel
 25'-30' Gravel
 30'-35' Coarse Gravel
 35'-40' 35 to 37' Boulders 37'-40' Bedrock?
 (Silt Sand / pebbles)

Driller Tom Morgan

Date Dec 10, 12

Drill Program- Bear Cr.

Location- P10372 JAM L.L.

18^m DOWNSTREAM FR. H-03

GPS Co ordinates -

07U 0585760
7099406

Time Started ^{22-1pm}
^{23-10am}
~~28-10am~~
~~28-1pm~~

Time Finished ^{22-5pm}
^{23-4pm}
~~26-3pm~~
~~28-5pm~~

Hole # BR-09-H-04

Auger Size- 5 1/2"

Depth of Muck- 26'

Gravel Interval- 26'-43'

Depth to Bedrock- 43'

Depth Drilled- 47'

Interval Sampled- 26'-47'

No. of Pails- 11

Comments-



0'-5' Moss, slide rock (schist), Muck

5'-10' Muck in slide rock (4 1/6' Thawed)

10'-15' Muck in slide rock + pebbles (22nd)

15'-20' 15'-17' Muck w pebbles 17'-20' Muck

20'-25' 20'-22' Muck 22'-25' Muck in some rock

25'-30' 25'-26' Muck/pebbles, 26'-27' Fine Gravel 27'-30' Gravel

30'-35' Coarse Gravel (23rd)

35'-40' Coarse Gravel Refused

40'-45' 40'-41' Boulder 41'-43' Gravel (Bedrock) 43'-45' Smooth Gritty (26th)

45'-47' Smooth, soft (schist Blend) (28th)

Driller Tom Morgan

Date 22, 23, 26, 28

Drill Program-

Location- P1486 JAM 2 L.L.
BR-09-H-02

GPS Co ordinates - _____

Time Started 1:00 am **Time Finished** 4 pm

Hole # BR-09-H-02 Re

Auger Size- 5 1/2"

Depth of Muck-

Gravel Interval-

Depth to Bedrock- 43'

Depth Drilled- 46'

Interval Sampled- 40'-46'

No. of Pails- 6

Comments-

Drilled From
40'-43' C. Gravel
43'-46' Smooth, Gritty Bedrock mix
46' Refusal

Driller

Date Dec 29

Drill Program-

Location- P14861 JAMZLL.

GPS Co ordinates - _____

Time Started 11:30 a.m.

Time Finished 4:30 p.m.

Hole # BR-09-H-01 Re

Auger Size- 5 1/2"

Depth of Muck- 0

Gravel Interval-

Depth to Bedrock- 41'-42' ?

Depth Drilled- 45'

Interval Sampled- 39.5'-45'

No. of Pails- 6

Comments-

39.5' - 41' Coarse Gravel

41' - 43' - Smooth, Britty (Like Bedrock)

43' - 45' - Hardening up to Refusal @ 45'
(creamy decayed schist)?

Looks like Bedrock Mix Gravel

Driller

Date Feb 31

Drill Program- Bear Cr. 2009/2010

Location- @ 43034 JAMOUT L.L.
UPSTREAM 130m FR. GULCH/110m FR. H-7

GPS Co ordinates - 07 U 0585871
7099195

Time Started ^{Dec-18 9:am} 20 10:am **Time Finished** ^{18-1pm} 20 6pm

Hole # BR-09-H-05

Auger Size- 5 1/2"

Depth of Muck- 19'

Gravel Interval- 19'-29.5'

Depth to Bedrock- ?

Depth Drilled- 29.5'

Interval Sampled- 19' - ?

No. of Pails- 2.5 (3)

Comments-

0'-5' - Muck + Slide Rock

5'-10' 5'-8' Thawed Muck 8'-10' Black Muck

10'-15' 10'-14' Black Muck 14'-15' Rock Thawed

15'-20' Muck in Wood 18'-19' Sand 19'-20' Pebbles, Rock

20'-25' 20'-21' Rock 21'-22' Ice/Pebbles 22'-25' Coarse Gravel

25'-29.5' Coarse Gravel Refusal @ 29.5'

~~Hose~~ Blew @ 21'

Chain hoisted Augers up

Driller Tom Morgan

Date Jan 18 + 20/2010

Hose Blew

Drill Program- Bear Cr. 2009/2010

Location- P 43034 JAM OUT LL
20m DOWNSTREAM FROM H-5

GPS Co ordinates - 07 V 0585861
7099213

Time Started 10:00am

Time Finished 5pm

Hole # BR-09-H-06

Auger Size- 5 1/2"

Depth of Muck- 21'

Gravel Interval- 21'-29'

Depth to Bedrock- ?

Depth Drilled- 29'

Interval Sampled- 21'-?

No. of Pails- 2

Comments-

0'-5' Muck Slide Rock
 5'-10' Muck some Rock
 10'-15' Muck
 15'-20' Muck in Wood (Thawed)
 20'-24' 20'-21' Muck in Wood 21'-24' Sand Gravel
 24'-29' Coarse Gravel Refusal @ 29'

Driller Tom Morgan

Date Jan 24/10

Drill Program- Bear Cr 2009/2010

Location- P14861 JAMZ L.L.
90m DOWNSTREAM Fr, H-6

GPS Co ordinates - 07 ✓ 0585799
7099268

Time Started 10:00am Time Finished 1pm

Hole # BR-09-H-07

Auger Size- 5 1/2"

Depth of Muck- 13'

Gravel Interval- 7 13'-15'

Depth to Bedrock- 7

Depth Drilled- 15'

Interval Sampled- /

No. of Pails- /

Comments-

0'-5' Frozen Muck
5'-10' Thawed Muck
10'-13' Thawed Muck & Slide
13'+ Gravel @ 13' Very Sloppy

Driller Tom Morgan

Date Feb 3 / 10

Drill Program- Bear Cr. 2009-2010

Location- INEAS P44963 A - 2m Fr. B (Rd)
13m DOWNSTREAM FR. SHAF-T(2006) (cr)

GPS Co ordinates - 07 U 0586049
7099108

Time Started 17 11am
23 9am

Time Finished 1pm
11am

Hole # BR-09-H-08A+B

Auger Size- 5 1/2"

Depth of Muck-

Gravel Interval-

Depth to Bedrock-

Depth Drilled- (A) (B) 1
15' + 15'

Interval Sampled-

No. of Pails-

Comments-

H-08(A)+(B) Drilled to 15' + 15'
0'-6' Frozen Muck + Slide
6'-15' Thawed Sloppy Muck
Abandoned Holes @ 15'
Drill Pad
2-A 2-B
shaft

Driller

Date Feb 17 8A
Feb 23 8B

Drill Program- Bear Cr. 2009/2010

Location- INCA 5 CLAIM P44963 R.L.
UPSTREAM 12m from 2006 SHAFT

GPS Co ordinates - 07 V 0586067
7099090

Time Started 10am

Time Finished 5pm

Hole # BR-09-H-09

Auger Size- 5 1/2"

Depth of Muck- 27'

Gravel Interval- 27' - 34'

Depth to Bedrock- 34'

Depth Drilled- 37'

Interval Sampled- 27' - 37'

No. of Pails- 5

Comments-

0'-5' Frozen Muck, Slide

5'-10' Thawed Muck, Slide

10'-15' 10'-17' Thawed Muck 12'-15' Frozen Muck/Slide

15'-19' 15'-17' Frozen Muck/Slide 17'-19' Thawed Slide/Muck

19'-24' Frozen Muck

24'-29' 24'-27' Muck/Slide 27'-29' Fine Gravel

29'-34' Coarse Gravel

34'-37' Hard Green Quartzite Schist

Wet hole - Contact material looks washed

Driller Tom Morgan

Date Feb 24 /10

Drill Program- Bear Cr. 2009 / 2010

Location- INEAS CLAIM P44963 Pl.
UPSTREAM 27m From H-9

GPS Co ordinates - 07 ✓ 0586088
7099071

Time Started 10:30 am

Time Finished 4:00 p

Hole # BR-09-H-10

Auger Size- 5 1/2"

Depth of Muck- 20' - 25'

Gravel Interval- 25' - 33'

Depth to Bedrock- 32' (33')

Depth Drilled- 37'

Interval Sampled- 25' - 37'

No. of Pails- 8

Comments-

0'-5' Organics / Slide Rock

5'-10' - 5'-7' Thawed 7'-10' Frozen Muck Slide

10'-15' Muck / Slide (Schist)

15'-20' 15'-18' Slide / Muck (Wood 18'-20')

20'-25' Fine Gravel

25'-30' 25'-27' Gravel 27'-30' Coarse Gravel

30'-35' 30'-33' Coarse Gravel 33'-35' Bedrock

35'-37' Firm Orange Blond Schist

Good Dry Hole

Driller

Date Feb 25

Drill Program- BEAR C. 2009/2010

Location- IVEA 5 CLAIM P44963
UPSTREAM 13m from A-10

GPS Co ordinates - 07 0586095
7099057

Time Started 9:00 am Time Finished 1:00 pm

Hole # BR-09-H-11

Auger Size- 5 1/2"

Depth of Muck- 21' - 25'

Gravel Interval- 25' - 33'

Depth to Bedrock- 33'

Depth Drilled- 37'

Interval Sampled- 25' - 37'

No. of Pails- 4

Comments-

0'-5' Frozen Muck / Slide

5'-10' 5'-7' Thawed 7'-10' Frozen Muck / Slide Schist

10'-15' Frozen Muck & Slide Rock

15'-20' Muck & Slide Rock

20'-25' 20'-21' Muck / 21'-25' Fine Gravel & Thawed

25'-30' 25'-29' Gravel 29'-30' Coarse Gravel

30'-35' 30'-33' Coarse Gravel 33'-35' Bedrock

35'-37' Decayed Blaud Schist w Green Schist Fragments

Main Contact Material Washed off Augers

Driller Tom Morgan

Date Mar 3/10

Drill Program- Bear Cr. 2009-2010

Location- PH4963 - INCA5 R.L.
UPSTREAM 9m Fr. H-11

GPS Co ordinates - 07 V 0536102
7099052

Time Started 1:30pm **Time Finished** 6:30pm

Hole # BR-09-H-12

Auger Size- 5 1/2"

Depth of Muck- 21'

Gravel Interval- 21'-29'

Depth to Bedrock- 29

Depth Drilled- 33'

Interval Sampled- 24'-33

No. of Pails- 7

Comments-

0'-5' Organics Muck / Slide Frozen

5'-10' Muck / Slide 5'-7' Thawed Muck

10'-15' Muck / Slide

15'-20' Muck minor Slide

20'-26' 20'-21' Muck w/ Wood 21'-29' Fine Gravel

24'-29' Coarse Gravel

29'-33' Bedrock (Decayed Black Quartzite Schist)

Driller Tom Morgan

Date March 3/10

Drill Program- Bear Cr. 2009-2010

Location- P44964 INOCA CHAM R.L.
UPSTREAM 30m Fr. H-12

GPS Co ordinates - 07 V 0586119
7099033

Time Started 9:30 am Time Finished 12:30

Hole # BR-09-H-13

Auger Size- 5 1/2

Depth of Muck- 20'

Gravel Interval- 20'-28'

Depth to Bedrock- 28'

Depth Drilled- 33'

Interval Sampled-

No. of Pails- 2

Comments-

0'-5' Frozen Muck / Slide

5'-10' Muck / Slide 5'-6.5' Thawed

10'-15' Muck / Slide

15'-20' Fine Gravel / Muck

20'-25' 20'-22' Gravel 22'-25' ^{Thawed} Fast Fine Gravel

25'-28' 25'-27' Gravel 27'-28' Coarse Gravel

28'-33' Bedrock

Wet hole Moved back
and away from Creek for H-14

Driller Tom Morgan

Date Mar. 4/10

Drill Program- Bear Cr 2009 / 2010

Location- INCA 5 - P44964 RIL.
DOWNSTREAM 11m from H-13

GPS Co ordinates - 07 V 0586116
7099038

Time Started 1:00 Time Finished 6:30

Hole # BR-09-H-14

Auger Size- 5 1/2

Depth of Muck- 23'

Gravel Interval- 23'-29'

Depth to Bedrock- 29'

Depth Drilled- 33'

Interval Sampled- 23'-33'

No. of Pails- 4

Comments-

0'-5' Slide / Tailings?

5'-10' Thawed Muck / Slide

10'-16' Frozen Muck / Slide (Schist) to 16'

16'-20' 16'-19' Fast Thawed Slide / Silty material 19'-20' Rock

20'-25' 20'-21' Slide 21'-23' Frozen Organic Muck 23'-25' Coarse Gravel

25'-30' 25'-29' Coarse Gravel 29'-30' Bedrock

30'-33' Bedrock Decayed Blund Schist

Driller Tom Morgan

Date Mar 4, 2010

Drill Program- Bear Cr. 2009-2010

Location- INCA 6 P44964
UPSTREAM ~~Tom~~ From H-15 ^{to west} 4m fr. A-13

GPS Co ordinates - 07 V 0586121
7099032

Time Started 9:00am Time Finished 1:00pm

Hole # BR-09-H-15

Auger Size- 5 1/2"

Depth of Muck- 21'

Gravel Interval- 21'-23'

Depth to Bedrock- 23'

Depth Drilled- 27'

Interval Sampled- 21'-27'

No. of Pails-

Comments-

0'-5' Frozen Muck/Slide 4'-5' Boulder (Schist)

5'-10' Thawed Muck Slide

10'-13' Frozen Muck + Slide

13'-18' Muck & Wood Gray Muck 13'-15'

18'-21' Smooth Drilling Muck Dark Brown

21'-23' Gravel 22'-23' Coarse Gravel

23'-27' Bedrock Dry Decayed Blond Schist

Driller Tom Morgan

Date Mar 5, 2010

Drill Program- Bear Cr. 2009-2010

Location- INEAG - P 44964 R/L.
UPSTREAM 1.6m from H-15

GPS Co ordinates - 07 V 0586132
7099022

Time Started 9:00 Time Finished 1:30

Hole # BR-09-H-16

Auger Size- 5 1/2"

Depth of Muck- 21'

Gravel Interval- 21'-30'

Depth to Bedrock- 30'

Depth Drilled- 33'

Interval Sampled- 21'-33'

No. of Pails- 9

Comments-

0'-5' Frozen Muck/Slide

5'-10' 5'-7' Thawed Muck/Slide 7'-10' Frozen M/s

10'-15' Slide, Muck, Sand

15'-20' 16'-17' Slide/Muck 17'-20' Slide/Gravel

20'-25' 20'-21' Organic Muck 21'-23' Fine Gravel

25'-30' 23'-30' Coarse Gravel

30'-33' Green Chloritic Schist Bedrock

Good Dry Hole

Gravel Slide material

Fr. 14'-20'

Driller Tom Morgan

Date Mar 12

Drill Program- Bear Cr. 2009-2010

Location- TACA P44964
UPSTREAM 18m Fr. H-16

GPS Co ordinates - 07 V-0586145
7099011

Time Started 2:00

Time Finished 6:00

Hole # BR-09-H-17

Auger Size- 5 1/2

Depth of Muck- 24'

Gravel Interval- 24'-27'

Depth to Bedrock- 27'

Depth Drilled- 31'

Interval Sampled- 24'-31'

No. of Pails- 2

Comments-

0'-5' - Muck + Minor Slide Material

5'-10' Muck (Thaw)

10'-15' Muck Dark Brown Frozen

15'-20' Muck + Slide

20'-24' Slide / Muck Thawed (Old workings?)

24'-27' Fine Gravel / Gravel

27'-31' Bedrock Green Decayed Clay Schist

Felt Like Old Working were hit.
A shaft was within 20' of drill hole

Diller Tom Morgan

Date Mar. 12, 2010

Drill Program- Bear Cr. 2009-2010

Location- ENCAL P44964
DOWNSTREAM 10m Fr. H-14

GPS Co ordinates - 07 V 0586107
7099047

Time Started 9:30 Time Finished 2:00

Hole # BR-09-H-18

Auger Size- 5 1/2"

Depth of Muck- 25'

Gravel interval- 28'-30'

Depth to Bedrock- 30'

Depth Drilled- 32'

Interval Sampled- 25'-32'

No. of Pails- 4

Comments-

0'-5' - Slide/Gravel?

5'-10' 5'-6' Thawed Slide 6-10' Frozen Slide/Muck

10'-15' Muck smooth

15'-20' Muck some slide/schist

20'-25' 20-22 Fine Gravel 22'-23' Muck/SAND 23'-25' Fine Gravel

25'-30' Coarse Gravel

30'-32' Bedrock (Decayed Pale Green Quartzite Schist)

Driller Tom Morgan

Date Mar 13/10

Submit completed form by March 31st to:

Yukon Mining Incentives Program
Energy, Mines and Resources
Government of the Yukon
102 - 300 Main Street
Box 2703 (K102), Whitehorse, Yukon, Y1A 2C6
E-mail: ymip@gov.yk.ca

YMIP # **09-140**

PROJECT NAME: **Bear Creek**

NAME AND ADDRESS	Please indicate any changes or omissions
16406 Yukon Inc Mr. Tom Morgan Bag 7080 Dawson City, Yukon Y0B 1G0	_____
Phone: (867)993-4453	Correct phone # _____
E-mail: prospectortom@hotmail.com	Correct e-mail if it has changed: _____

SUMMARY OR TECHNICAL REPORT CHECKLIST

- o Please check the appropriate section.
- o **MUST** be completed and submitted with your final report.
- o Ensure all required information is attached to prevent delays in processing your claim

INFORMATION	INCLUDED	NOT APPLICABLE
1. Description/implementation of work	✓	
2. Location map(s) of completed work	✓	
3. Colored maps at adequate scale showing		
- Geology		✓
- Geophysics		✓
- Geochemistry		✓
4. Results		
- Drill core assays <i>Aa weights</i>	✓	
- Geochemistry data		✓
- Geophysical data		✓
5. Drill collar location map(s)	✓	
6. Drill hole sections		
7. Typewritten <u>drill logs</u>	✓	
8. Longitudinal Section(s)		
9. Recommendations	✓	
10. Future Plans	✓	
11. Detailed list of project expenditures		
12. Copies of receipts	✓	
13. Final submission form signed and dated	✓	
14. Hardcopy of report with maps and data	✓	
15. Electronic version of report, etc in PDF format	✓	

*Geomorphology ✓
(Bench Location)*

submitted by email

Access to Information and Protection of Privacy Act
The information requested on this form is collected under the authority of and used for the purpose of administering the Yukon Mining Incentives Program. Questions about the collection and use of this information can be directed to the Mineral Development Geologist, Department of Energy, Mines and Resources, Yukon Government, Box 2703 (K102), Whitehorse, Yukon Territory, Y1A 2C6 (867) 456-3828.

The Department of Energy, Mines and Resources may verify all statements related to and made on this form, in any previously submitted reports, interim claims and in the Summary or Technical Report which accompanies it.

I certify that;

- 1. I am the person, or the representative of the company or partnership, named in the Application for Funding and in the Contribution Agreement under the Yukon Mining Incentives Program.
- 2. I am a person who is nineteen years of age or older, and I have complied with all the requirements of the said program.
- 4. I hereby apply for the final payment of a contribution under the Yukon Mining Incentives Program (YMIP) and declare the information contained within the Summary or Technical Report and the Financial Summary Report to be true and accurate.

Signature of Applicant Tom Morgan Date MARCH 31, 2010
 Name (print) Tom Morgan

Your opinions are requested to help evaluate the formal objectives of the program, client satisfaction with regard to its administration and delivery and to determine if any changes or improvements are indicated.

1. Have you previously applied for financial assistance through YMIP? YES NO
- a. If YES, proceed to 'Question 2'.
- b. If NO, what was your reason for not applying:
- Desire to maintain confidentiality
 - Moral objection to YMIP
 - Thought it was a hardrock program
 - Not aware of YMIP
 - To much work to apply
 - Other _____

2. How important was YMIP funding to your decision to undertake the proposed project?
- | | Strongly Agree | Somewhat Agree | Somewhat Disagree | Strongly Disagree |
|---|--------------------------|-------------------------------------|-------------------------------------|--------------------------|
| a. Without YMIP the project would not have gone ahead. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. The project would have gone ahead, but on a reduced scale. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. The project would have gone ahead with or without YMIP. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Comments: One would have to finance through options or work related activities

3. Did YMIP help to lever additional funding and/or secure an option deal? YES NO
- If YES, please provide details: _____

4. Regarding the YMIP application/approval process, please indicate your agreement or disagreement with the following statements:
- | | Strongly Agree | Somewhat Agree | Somewhat Disagree | Strongly Disagree |
|---|-------------------------------------|--------------------------|--------------------------|--------------------------|
| a. Written program information and forms were clear. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Questions and inquiries were answered promptly. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Applications were fairly and consistently handled | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Project evaluations were done in a timely manner | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Interim claims and payments were processed on time | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5. If you have any suggestions for improvements or changes to YMIP or any other additional comments, please include them below.



YUKON MINING INCENTIVES PROGRAM (YMIP)

FINANCIAL SUMMARY REPORT

Submit completed form by February 15th to:

Yukon Mining Incentives Program
 Energy, Mines and Resources
 Government of the Yukon
 102 - 300 Main Street
 Box 2703 (K102), Whitehorse, Yukon, Y1A 2C6
 E-mail: ymip@gov.yk.ca

YMIP # 09-140

PROJECT NAME: **Bear Creek**

NAME AND ADDRESS	Please indicate any changes or omissions
16406 Yukon Inc Mr. Tom Morgan Bag 7080 Dawson City, Yukon Y0B 1G0	_____
Phone: (867)993-4453	Correct phone # _____
E-mail: prospectortom@hotmail.com	Correct e-mail if it has changed: _____

TOTAL PROJECT EXPENDITURES	
Within the Yukon \$	<u>60,543.12</u>
Outside the Yukon \$	_____
# of person days of paid employment	_____

SUMMARY OF EXPENDITURES – Please attach copies of any receipts not yet submitted

1.	Daily Living Expense No. of days x YG rate/person, per day <u>93 x \$ 50</u>	\$ <u>4,650.00</u>
2.	Travel (state method: road, air, etc.) Truck – total km x YG rate/km _____ Air _____ Other _____	\$ _____ \$ _____ \$ _____
3.	Analyses/Assay Costs (specify sample type and price/assay) _____	\$ _____
4.	Equipment Rentals/Supplies <u>D-6 CAT 74 hrs x \$ 120/hr x 75%</u> <u>6" AUGER DRILL 143 hrs x \$ 90/hr x 75%</u> <u>4x4 PICK UP \$ 6560 x 25%</u> <u>SAMPLE SHACK W MIXER \$ 1300 x 25%</u> <u>HERMAN NELSON \$ 1300 x 25%</u> <u>PKW GENSET \$ 2320 x 25%</u> <u>GPS \$ 270 x 25%</u>	\$ <u>6,660.00</u> \$ <u>9,592.50</u> \$ <u>1640.00</u> \$ <u>325.00</u> <u>325.00</u> <u>580.00</u> <u>67.50</u>

3 MONTHS
RENTALS

equipment
operating &
sample processing

5.	Contractors (state name and type of work)	
	TOM MORGAN 54 days x \$ 350 /d	\$ 18,900.00
	VERONICA MORGAN 39 days x \$ 250/d	\$ 9,750.00
	JAN ZADRZIL - WELDING AUGERS	\$ 1,542.50
		\$
6.	Line Cutting No. of km x price/km	\$
7.	Geochemical Survey (specify sample type) No. of km x price/km	\$
8.	Geophysical Survey (specify type of survey) No. of km x price/km	\$
9.	Trenching (specify equipment used and price/hour)	\$
10.	Drilling (specify diamond or percussion and rod size) No. of meters x price/meter	\$
11.	Reclamation (specify type)	\$
12.	Report Preparation TOM MORGAN 3 days x \$ 350 /d	\$ 1,050.00
13.	Other Expenses (specify)	
	PROPANE	\$ 580.00
	MISCELLANEOUS (filters, oil, rod, ink, tubes)	\$ 520.99
	DIESEL	\$ 4,249.18
	GAS	\$ 110.45
	TOTAL EXPENDITURES	\$ 60,543.12

IMPORTANT NOTE

The deadline for submission of the Summary or Technical Report for this project is March 31st. A holdback of 15% of the 'Contribution Funds' will be retained pending receipt and approval of the Summary or Technical Report and a signed copy of the Final Submission Form (If the Summary or Technical Report for this project is being submitted at this time please ensure that a signed copy of the Final Submission Form is attached).

Access to Information and Protection of Privacy Act

The information requested on this form is collected under the authority of and used for the purpose of administering the Yukon Mining Incentives Program. Questions about the collection and use of this information can be directed to the Mineral Development Geologist, Department of Energy, Mines and Resources, Yukon Government, Box 2703 (K102), Whitehorse, Yukon Territory, Y1A 2C6 (867) 456-3828.

Target Evaluation Program (YMIP# 09-140)		
Project Name:	Bear Creek Placer Drilling	
Name:	Tom Morgan	
Address:	Bag 7080	
City:	Dawson City	
Postal code:	Y0B1G0	
Phone number:	867-993-2777	
email address:	prospectortom@hotmail.com	
Final Accounting		
Date submitted:	31-Mar-10	<i>amounts before</i>
	<i>(provide photocopy of receipts)</i>	
	93 man-days x \$50	\$ 4,650.00
Travel		
	Truck (km @ \$ /km)	\$ -
	Air (fixed wing)	
	Helicopter	\$ -
	Other (describe)	\$ -
Analyses / Assay Costs		
	Assays	\$ -
	shipping	\$ -
Equipment Rentals / Supplies (itemize)		
	D-6 Cat 74hrs @\$120 /hr x 75%	\$ 6,660.00
	6" auger drill 143hrs @ \$90/hr x 75%	\$ 9,592.50
	The rentals below are on a 1 month and two wk x 2	
	4x4 pick-up \$6560 x 25%	\$ 1,640.00
	Sample Shack with mixer \$1300 x 25%	\$ 325.00
	Herman Nelson \$1300 x 25%	\$ 325.00
	8kw genset \$2320 x 25%	\$ 580.00
	GPS \$270 x 25%	\$ 67.50
Contractors (itemize)		
	Tom Morgan 54 days x \$350/day	\$ 18,900.00
	Veronika Morgan 39 days x \$250/ day	\$ 9,750.00
	16406 Yukon inc T. Morgan and helper to operate the above equipment and process the samples	
	Jan Zadrazil Welding Augers	\$ 1,542.50
Reclamation		
Report Preparation		
	Tom Morgan 3 days x \$350/day	\$ 1,050.00
Other Expenses (itemize)		
	Total propane	\$ 580.00
	Total misc (filters, oil, rod, ink, tubs)	\$ 520.99
	Total diesel	\$ 4,249.18
	Total gas	\$ 110.45
TOTAL ELLIGIBLE EXPENSES		\$ 60,543.12