

Kluane Project III

YMIP 12-003 Grassroots Placer
Final Report

Dick McKenna
January 31, 2013

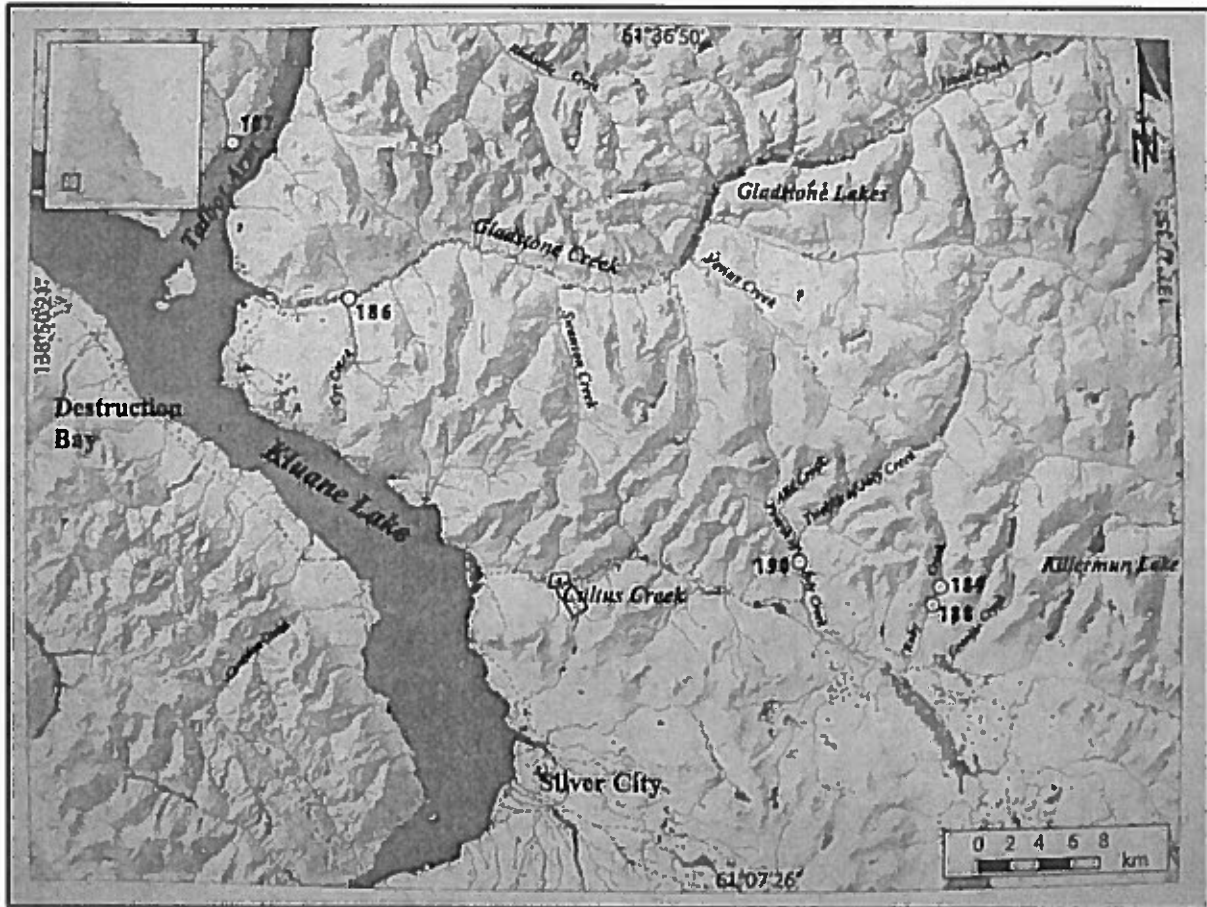
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Cover photo: KP3 crew with the small lake that feeds the gulch in the background.

Background



Map 1: Shows the target location of Klwane Project III, a 6 claim block on Cultus Creek left limit tributary and 2 claims on Cultus Creek. The white circles indicate active operations on nearby creeks (2012) – some have been major producers. Since the 1970's Gladstone and Fourth of July Creeks alone have produced over 50,000 ounces of gold. Most of the named (and a few un-named) creeks have produced at least some gold in the past, including Printers Creek, the right limit tributary of Cultus Creek, located about 2 km downstream from the target tributary.

Based on research including: geological reports and maps and further discussion with federal geologists¹, a target location ie: left-limit tributary of Cultus Creek, was chosen to be hand prospected for the presence of gold of economic quantities. The main factors in choosing this location were:

- 1) The presence of rich gold bearing ground in the nearby vicinity
- 2) A bedrock composed of Kluane Schist (with quartz)
- 3) Ease of access, and
- 4) GSC Memoir 284 (Bostock), which states that "Coarse gold was reported by prospectors on Cultus Creek and some tributaries" and "Gold in encouraging amounts was reported on a Cultus Creek left-limit tributary". Both reports date from around 1914. Subsequent research reveals that (with the exception of Printers Creek) little to no prospecting has been done on Cultus or it's tributaries.

The Kluane Project III is a continuation of Kluane Project I (YMIP 10-116 Grassroots Placer), carried out during the 2010 prospecting season, and Kluane Project II (YMIP 11-051 Grassroots Placer) carried out during the 2011 prospecting season. A detailed account of the events and findings of these programs will be found on file at YMIP. .Notwithstanding, for the sake of continuity a brief summary of these programs will be given as follows.

Kluane Project I (2010)

This project was carried out intermittently between the months of June and October 2010 during which a total of 54 man-days were spent on the project divided between Dick McKenna, Henry Johnson and Dylan McGinty. A brief summary of the events and findings of KP1 are as follows:

A tent camp was established at Cultus Bay (Kluane Lake) and access to the target location (5 km westward along Ruby Creek Road.) was made daily via a 4x4 truck. A low impact trail was built to access the gulch which is located on the south side of Cultus Creek and across from Ruby Road. Much deadfall and dense foliage was encountered and 5 log bridges were required to cross the creek

A target location on the lower portion of the gulch was chosen and a total of 11 (3 – 8 ft.) holes and 2 small trenches were hand dug. These holes for the most part followed the baseline of the gulch from about 600 to 1200 feet from its mouth. Nowhere was bedrock met, however the presence of large

¹Mike Burke. Bill Le Barge.

boulders (≈/- 100 pounds) at the bottom of the holes may indicate that bedrock is near. All holes along the baseline were similar in that about 3 – 4 ft. of “muck” was encountered overlying unsorted “unfrozen” gravels. Both holes on the left bank encountered frozen muck/gravel a few feet down. Both trenches were small and were discontinued due to sloughing.

About 15mgs of gold was recovered from about 7 cubic feet of gravel panned from various levels. This gold was very evenly distributed throughout the samples with no trends or richer sections encountered. .

Two discovery claims were staked at the foot of the gulch with the addition of two regular size claims tied on in an upstream direction (3500 ft. total length of claims). Assessment work carried out on the claims during the season covers 14 years and has been filed (5 years paid for and 9 years banked).

Subsequent prospecting had revealed a gorge at about the 3000 foot level² of the gulch where (schist) rimrock suddenly appears in the form of a canyon about 20 feet wide by about 50 feet high. Further exposures of rimrock were discovered several hundred feet downstream on the right limit where the base of the valley widens to about 100 feet. Due to the widening of the valley and the leveling of the stream at this place it was determined that it would be a prime target location for the following season (YMIP 11-051).

Kluane Project I I (2011)

The goal of Kluane Project II (YMIP Grassroots Placer 11-051) was to further prospect (with hand tools) a small left limit tributary of Cultus Creek for the presence of placer gold deposits of economic value. This project was carried out intermittently between the months of June and October 2011 during which a total of 65 man-days were spent on the project divided between Dick McKenna, Henry Johnson and Dylan McGinty. A brief summary of events and findings of KPII are as follows:

The construction of a 12'x16' pre-fabricated frame structure on Cultus Creek for the accommodation of workers. – a great improvement from the previous years tent camp at Cultus Bay. Further improvements were made to the trail, including the repair of a few creek crossings and a re-routing to the much more level eastern bank (right limit).

²In this report “level” refers to feet in an upstream direction from the mouth.

Tools, equipment (wheelbarrow, (20)5-gallon buckets etc.) and a 16 ft. handmade sluice-box and associated equipment (flume, piping, pumps) was transferred by hand to the site of target location 2 (+/- 2600 level of the gulch and about 400 ft. from the mouth of the gorge). .

A total of three (4x7-8ft.) holes were dug following the creek about 50 to 100 feet between. All holes intercepted about 3-4 feet of moss, root, soil and silt/sand (along with a few rocks to 18") and then about 4 feet of coarse gravels. Much like the holes dug at target location 1 (approximately 1800 ft. downstream). All holes were dry (low water table), no frozen sections were encountered and nowhere was bedrock met. Gravel from these holes was panned with similar gold recovery as target location 1 (average of 1 color or flake every second pan).

A total of three trenches were dug: trench 3 was located at about the 2450 level, left limit floodplain. Under about 12 to 18 inches of moss and soil a mass of frozen silt was encountered throughout the entire trench (8 ft. x 25 ft.). Some places were semi-frozen and could be dug in about an inch but much was frozen hard as a rock. This trench was subsequently (and quickly) abandoned.

Trench 4 was³ located on the opposite bank floodplain at about the 2640 level. Dimensions of this trench were 6 ft. x 9 ft. x 5 ft. deep. Ground encountered in this trench was very similar to the holes with the exception of a few semi-frozen lenses of silt/sand.

Trench 5 was the largest trench dug on the claims thus far with dimensions of 8 ft. x 25 ft. and a maximum depth of 9 feet. This trench was attached to trench 4 heading in a direction towards the right bank (It should be noted that due to large spruce trees present in the valley the location of large trenches is limited). Here the silt/sand overburden sloped towards the creek: ie: it was about 3 feet deep on the east side and about 5 feet deep on the west before gravel was encountered. A few small patches of frozen silt/sand was encountered on the west (creekside) of this trench. About 4 feet was gained on the east side of the trench and 9 feet on the west. Gravels here were the coarsest ever encountered with rocks up to 300 – 400 pounds, especially near the bottom. This trench was discontinued for the sake of safety to workers. Gravels at the bottom of this trench produced the best flakes and colors of gold thus far.

About 3.5 cubic feet of gravels was panned from the holes and trenches with a very similar recovery of colors and flakes as the previous seasons panning. The sluice box was finally installed late in the season and about 50 cubic feet of gravels was run through it however factors such as less than

³Has been reclaimed.

optimum water pressure and riffle angles etc. prevented a reliable sample being gained.

Two more claims were added onto the gulch claims and two (double discovery) claims were staked on Cultus Creek straddling the mouth of the gulch. The total length of the claims now being 2500 feet on Cultus Creek and 4500 feet on the gulch.

Assessment work on the claims including reclamation of the 3 holes and Trench 4 adds up to \$1200 (6 years) and has been filed. Trench 5 was not filed for since it may be enlarged in the future.

Further prospecting was carried out revealing exposures of rimrock on the right bank about 100 + feet west (but higher in elevation) of Trench 5. Also on Cultus Creek in the vicinity of the gulch's mouth several bedrock benches were examined. It was decided that both of these locations would be prime targets for the following seasons holes/trenches.

Kluane Project III

Summary

KPIII was carried out intermittently between the months of June and October of 2012. A total of 65 mandays was spent on the project divided between Dick McKenna, Henry Johnson, George Bill and Dylan McGinty. This was the first season on the project for George Bill who proved himself a good worker and filled in when Dylan was unable.

One of the first tasks undertaken was the re-routing of the trail to the 600 level of the gulch. This was accomplished in less than one day with very satisfying results - now only three creek crossings are needed and much less swampy ground is crossed.

During the season a lot of ground was covered. Trenches were dug at 4 different locations and on 4 different claims. The benefits of this prospecting strategy proved twofold. For one, a wider knowledge of the ground characteristics of the claim group as a whole was gained and secondly, the required assessment work on the individual claims got completed in an efficient and timely manner.

Interestingly, the ground characteristics of each of the four trenches dug were markedly dissimilar. This year the Kluane Project also had its share of firsts: the first time a "blue clay" was encountered, the first time a water table was encountered, the first time a trench was made on a bench and finally, the first time multiple colors and flakes were recovered from a pan of test gravels. Bedrock was not encountered except on two shallow trenches situated near the edge of the Cultus bench.

A small amount of gold flakes and colors was recovered from about 60 pans taken from the gravels tested. The recovery from the gravels from Cultus Creek proper and Cultus bench proved to be about half of the average taken from the gulch thus far. Recovery from the gravels from the trench on the lower right limit of the gulch however were about twice the average thus far.

The sluice box remained idle this year – not for the lack of trying. Water use applications were in place, several sluices were at ready and areas for settling ponds and tailings etc. had been scoped out. The problem was that no gravel suitable for sluicing was encountered until late in the season. Gravels on the Cultus bench proved too lean to sluice - a similar recovery was made on the Cultus Creek trench with the addition of groundwater at 2 – 3 feet, and the trench on the 2600 level right limit of the gulch met frozen "blue clay" at a similar depth.

Fortunately, favorable gravel was finally encountered on the lower limit of the gulch. This gravel is unlike all other gravel encountered thus far: being well worn and sorted with pebbles averaging one inch diameter or less and very little larger rocks - and when there are larger rocks they are never more than 3-4 inches. The gravel starts about 18 inches below the turf and continues down to over 5 feet in depth (where digging stopped) with no change in character⁴. This gravel is termed favorable not only due to the fact that it is twice as rich as the usual, but for additional reasons – it's easier to dig, handle and sluice and there appears to be a lot of it in a fairly accessible location. Thus, it can be said that after a rather mundane and depressing start, the season ended on a positive (or perhaps even dramatic) note. More about this and the other gravels encountered thus far is discussed in detail in the next few chapters of this report.

Analysis

Description of Trenches⁵

Cultus Trench 1 (bench)

Location: Approximately 15 feet above creek level on a right limit bench of Cultus Creek..

Dimensions: 6 x 4 x 1.5 feet deep.

Ground characteristics: About 6 inches of dry soil and turf and then 12 inches of silt/sand to bedrock.

Comments: Bench itself is fairly level and composed of schist with quartz veins. Bedrock struck was hummocky, strong and oriented with the direction of the stream.

Recovery: Several pans of this bedrock was broken up and panned with no visible colors and little to no black sand either.

⁴Normally, the gravels of the gulch contain many rocks of all sizes to hundreds of pounds with lots of fresh quartz and schist.

⁵Pictures of trenches are in the Selected Pictures section of this report

Cultus Trench 2 (bench)

Location: Approximately 15 feet above creek level on a right limit bench about 40 feet downstream from Cultus Trench 1. .

Dimensions: 6 x 4 x 1.5 feet deep.

Ground characteristics: Very much like trench 1 - About 6 inches of dry soil and turf and then 12 inches of silt/sand to bedrock.

Comments: Bedrock struck was hummocky, strong and oriented with the direction of the stream.

Recovery: Several pans of bedrock was broken up and panned with (again) no visible colors and little to no black sand.

Cultus Trench 3 (bench)

Location Approximately 60 ft. in a downstream direction from Trench 2.

Dimensions Irregular: 20 ft. by 10 ft. with a maximum depth of 6 ft. (upper level) and 8 ft. (lower level).

Ground characteristics South facing treeless slope (+/- 35 Degree). About 1 ft. of turf with many big rocks present (road just above). On upper side of the trench a 6 ft. shaft was sunk under turf - all in course gravel. On the lower side of the trench a layer of compact silt/sand was encountered below 1 – 5 feet of gravel (cutting into the slope). A 3.5 ft. shaft was dug into this silt/sand layer and it remained continuous. By the looks of the nearby outcrop bedrock is probably but a few feet deeper.

Comments: The largest trench dug thus far with over 22 cubic yards of material being removed.

Samples were taken from the lower level of the upper shaft and from gravels overlying the silt/sand layer. This layer floors the entire 8 ft. by 10 ft. lower section of the trench. No "pods", or high concentrations of heavies were seen on top of the silt/sand layer.

Recovery Gold recovery from all of the gravel panned was disappointing – considerably less than average thus far on the gulch.

Cultus Trench 1 (creek level)

Location: Right limit of Cultus Creek approximately 200 feet downstream from where the target gulch enters it from the left (+/- 60 ft. from the creek).

Dimensions: Approximately 6 ft. by 8 ft. with a maximum depth of about 4 feet.

Ground characteristics: Approximately 1 foot of turf/soil/root overlying about 2 feet of semi-course

gravel whereupon a wavy "blue clay" was encountered. It appears that this clay dips below the water table which is met at about 4 feet.

Comments: This is the first time a blue clay was encountered in any of the holes or trenches. Several pods of black sand +/- 3 inches in diameter was found in pockets in the clay.

Recovery: Gold recovery from the pods and the gravel above the clay was below average.

Gulch Trench 6

Location: About the 2600 level of the gulch right limit, approximately 100 feet from the creek.

Dimensions 8 ft. by 20 ft. by 2 – 4 ft. deep.

Ground characteristics: About 1 – 2 ft. of turf/silt/sand over 1 – 2 feet of coarse silty gravel. Gravel deepens towards the creek. Several very large boulders (graniodiorite and schist) to hundreds of pounds were broken up with sledge and removed. A frozen – semi-frozen blue clay was encountered in the bottom of all sections of the trench.

Comments: Trenched against a large (8' x 6' on surface) graniodiorite boulder hoping that it was actually an in situ dike. Turns out it probably isn't. The blue clay was dug into in places about 8 inches. This is the first time a blue clay was encountered in the gulch to date.

Recovery: Due to the lack of a suitable gravel deposit and time restraints only a few pans were made here with no colors being seen. Unlike the blue clay on the Cultus trench, no pods of black sand were seen.

Gulch Trench 7

Location: Right limit of the gulch at approximately 500 ft. level between 30 and 55 feet from the creek.

Dimensions 10 ft. by 25 ft. by about 2 – 5 feet deep.

Ground characteristics: Variable: About 1 ft. of turf/soil throughout to gravel. However gravels on the creek side of the trench are coarse and gravel on the bank side of the trench are finer. Rocks in creek side of the trench are all sizes from small to large (+/- 100lbs.). On the bank side of the trench a few rocks to 30 lbs. were resting on top of a fine (+/- 1 inch) well worn gravel with only a few 3 – 4 inch rocks being seen.

Comments: This is the first time a fine well worn gravel was encountered in the gulch diggings thus far. This gravel was met however at the mouth of the gulch when digging claim post one in 2010. It is probable that this is the main gravel that underlies the courser gravels of Cultus Creek and the gulch itself – especially the lower portion. Very good digging – small gravel with very few large rocks.

Recovery: Gold recovery from pans taken from the coarse gravels was about average or slightly less than the average of all holes and trenches dug thus far. Gold recovery however from the finer gravels proved to be about twice the average.

Panning Results

Samples were packed out and panned at the applicants home. Since the two Cultus bench trenches and the upper gulch trench failed to intercept suitable gravel, samples were not taken. Samples were taken from Cultus Trench 3 (bench), Cultus (creek level), and Gulch Trench 7 (lower limit).

Note that the size of the gold particle is a relative term. A large flake can measure to 1.4 millimeters, a small one about half that. A large color will be slightly smaller and a small color can be just barely visible. The average recovery of gold thus far on the claims to date is one color or flake every second pan. The size of the pans (gravel) were fairly large – 7 per cubic foot.

Cultus Trench 3 (bench)

Location: Samples taken from 0 – 1.5 ft. above silt/sand layer. - most from on or a few inches above the silt/sand layer (some of the silt/sand was panned also).

Pan 1	No Visible Color	Pan 7	N.V.C.
Pan 2	N.V.C.	Pan 8	N.V.C.
Pan 3	N.V.C.	Pan 9	N.V.C.
Pan 4	1 medium flake	Pan 10	N.V.C.
Pan 5	N.V.C.	Pan 11	1 small color
Pan 6	1 medium color	Pan 12	N.V.C.

Location: Samples taken from the lower level of the upper shaft.

Pan 1 N.V.C.
 Pan 2 N.V.C.
 Pan 3 N.V.C.
 Pan 4 1 small flake
 Pan 5 N.V.C.
 Pan 6 N.V.C.

TOTAL: 4 gold particles (both samples): 2 flakes, 2 colors.

Comments: Both locations had a lower than average gold recovery and a lower than average black sand.

Cultus Trench 4 (creek level)

Location: Samples taken from various levels from about 12 inches above to right on top of a dipping and wavy blue clay.

Pan 1	1 medium flake	Pan 11	1 medium color
Pan 2	N.V.C.	Pan 12	N.V.C.
Pan 3	1 medium flake	Pan 13	N.V.C.
Pan 4	1 medium flake	Pan 14	N.V.C.
Pan 5	N.V.C.	Pan 15	N.V.C.
Pan 6	N.V.C.	Pan 16	N.V.C.
Pan 7	N.V.C.	Pan 17	N.V.C.
Pan 8	N.V.C.	Pan 18	N.V.C.
Pan 9	N.V.C.	Pan 19	N.V.C.
Pan 10	N.V.C.		

TOTAL:4 gold particles: 3 flakes, 1 color

Comments: Above average amount of black sand in the gravel as a whole with several pods to 3" diameter found on the blue clay. Still, a surprisingly low gold recovery - way below average. Interestingly, 2 of the flakes were recovered from the upper gravels and not on the blue clay.

Gulch Trench 7

Location: Samples taken from the creek side of the trench between 3 and 4 feet down.

Pan 1	1 medium color	Pan 5	1 medium flake
Pan 2	1 small color	Pan 6	N.V.C.
Pan 3	N.V.C.	Pan 7	1 medium color
Pan 4	N.V.C.	Pan 8	N.V.C.

TOTAL: 4 gold particles: 1 flake, 3 colors

Comments: Course gravel with many 50 lb + rocks (very tough digging). Above average soil content in gravel. About an average gold recovery for the gulch diggings.

Gulch Trench 7

Location: Samples taken from the bank side of the trench between 3.5 and 5 feet down.

Pan 1	1 medium flake	Pan 8	1 large color
Pan 2	1 medium color	Pan 9	N.V.C.
Pan 3	N.V.C.	Pan 10	1 small color
Pan 4	1 medium flake	Pan 11	N.V.C.
Pan 5	N.V.C.	Pan 12	1 med. flake, 1 sml. flake, 1 lrg. color
Pan 6	1 medium color	Pan 13	N.V.C.
Pan 7	N.V.C.	Pan 14	1 med. flake, 1 lrg. flake, 3 lrg. Colors

TOTAL: 14 gold particles: 6 flakes and 8 colors.

Comments: This panning session ended off on a good note. Pan 14 had 5 particles. The previous record was 3 particles. Pan 12 and Pan 14 brought the average up considerably to twice the average recovery for the gulch. Still, without those pans considered gold, recovery is still above average for the gulch thus far.

Observations & Findings

Cultus (bench)

The two small trenches (4' x 6') were dug on top and about 10-15 feet from the edge of a schist outcrop. Bedrock was struck in both trenches under about 18 inches of turf and silt/sand. The bedrock was jagged and worn, but strong and showed little sign of decomposition. A few pans of the bedrock was broken up and (along with some silt/sand) panned with no colors being seen.

The third trench (8' x 20') was located about 60 feet further in a downstream direction and cutting into a substantial gravel bank. On the upper side of the trench a shaft intercepted 6 feet of coarse unsorted gravel where it was discontinued. One small flake was recovered from 6 pans of this gravel. The lower 8 foot by 10 foot section of the trench was composed of this gravel (2 – 5 ft. deep) resting on a flat bed of silt/sand. Should there be any gold in the overlying gravels it would probably be concentrated on or near this bed. Samples however taken from several locations on the bed of silt/sand proved of very low grade: 1 flake and 2 colors in 12 pans - way below the average found on the gulch thus far.

Even with such a small sample being taken (18 pans) it seems conclusive that gold is not being concentrated at this location.

Cultus (creek Level)

This is the first and only trench dug on Cultus Creek proper. It measures 6' x 8' by a maximum of 4 feet. Under 1 foot of turf a coarse unsorted gravel was intercepted which rested on a wavy blue clay between 2.5 and 4 feet down where the water table was met and the trench discontinued. The blue clay dipped in terraces towards the creek (50 ft. distant). Several pods of black sand up to 3 inches in diameter were found and collected from depressions in the blue clay. Panning of the pods turned up only 1 flake and 1 color. Pans taken from other samples of the gravel proved equally disappointing – 2 flakes in 10 pans. Total recovery was 3 flakes and one color in 19 pans. This recovery is less than half of the average found on the gulch.

The low gold content of the pods is discouraging - same for the overlying gravel. Nonetheless, sometime in the future, holes and/or trenches should be dug along the creek valley to further investigate (the pods and the blue clay layer).

Gulch Trench 6

Located at the 2600 level of the gulch right limit. This trench is 8 ft. by 20 ft. by 2 – 4 ft. deep. It was dug up against a large graniodiorite boulder at the foot of the gently sloping right bank. Under about 1 foot of turf was a mixture of silt/sand/gravel resting on a frozen layer of blue clay. An interesting revelation in several ways. For one – this is the first time a blue clay was ever seen in the gulch diggings, and secondly – this is the first time any frozen material of of substance was encountered on the right limit. Interestingly, trench 5 located about 100 feet towards the creek went down 9 feet and did not intercept blue clay. A few pans were made of the silt/sand/gravel with no colors being seen.

The fact that the clay is frozen isn't a hindrance – it could in fact be a benefit. In nearby creeks such as Gladstone and 4th of July, the blue clay is the main "bedrock" where gold is concentrated. The hindrance here was that there wasn't enough overlying gravel to substantiate a pay streak.

In the future, it would be a reasonable idea to continue this trench towards the creek following the clay layer. If the clay remains continuous, a larger gravel deposit probably overlies it - and possibly a larger gold deposit.

Gulch Trench 7

The last trench of the season dug in mid-October 2012. Located on the right limit of the gulch at about the 500 ft. level (500 ft. from the mouth). Approximately between 15 and 20 feet higher in elevation than Cultus Creek. Dimensions are 10 ft. by 25 ft. with an irregular bottom to 5 feet deep. The trench starts at the foot of a gravel terrace of about 60 ft. high and works towards the creek, ending 30 ft. from it.

On the creek side of the trench a coarse gravel was encountered under about 1 foot of turf. This gravel contained many large rocks (to 100 lbs.) and continued down to about 4 feet where digging stopped. The samples taken from the bottom gravels averaged one particle of gold every second pan – the average for the gulch. The gravel encountered was average for the gulch also, or perhaps a bit courser (more large rocks).

On the bank side of the trench a fine, well worn gravel was encountered under about 1 foot of turf. This gravel continued down to 5 feet (where digging stopped) with no change in character. The contact where this fine gravel meets the courser gravel has not been struck. Indications are however that the fine gravel underlies the courser fresher gravel. The course gravel being local to the gulch and the finer being older and from a farther distance. This fine gravel was also seen at surface in a small hole at the mouth of the gulch (well within Cultus Creek Valley).

Gold recovery from the fine gravel was 14 particles in 14 pans - twice the average for the gulch. The gold also seems to be somewhat larger (more flakes). For this, and for further reasons listed below, this location should be a top priority for further prospecting.

Conclusions & Recommendations

Conclusions

Certainly a lot of ground was covered during the season. And a lot of ground was removed. In terms of cubic yardage – more than any of the previous seasons to date (about 55 cu/yds.). For the most part gold recovery was not fruitful. Information recovery however, was. First of all, a wider knowledge of the ground characteristics of the claim group as a whole was gained. And secondly, it's as important to know where the gold isn't, almost as much as it is to know where the gold is. Planning and resources can therefore be concentrated towards where the gold is.

The panning results section of this report is quite self explanatory. Simple arithmetic tells us that there was more gold recovered from Trench 7 than all of the other trenches combined. And when matched against the two previous seasons panning results, recovery from Trench 7 was slightly more than twice the average. The fact that the gravel encountered in Trench 7 was of a much different character is also of interest. And of benefit – for one thing, these smaller gravels are easier to dig, to handle and to sluice.

Recommendations

Recommendations for the up coming season are:

- 1) to increase the size and depth of Trench 7 (by at least two to three times or more) and carry out a large scale hand testing and sluicing program (100-200 yds.). and,
- 2) to reclaim trenches 1, 2, 3 and 4 on Cultus Creek and trenches 5 and 6 on the gulch.

After a period of idleness, it will be time to get the sluice box out again. Digging is easy and there seems to be ample gravel and potential for gravel in the vicinity of Trench 7. The valley widens considerably here (near the mouth) and there is lots of room for tailings and pond. Also to benefit is the fact that unlike the upper reaches of the gulch, which is heavy with large spruce, here the tree cover is light with only a few spruce to 5 inches – much easier to trench and strip.

Reclamation of the trenches has benefits that are twofold: not only does it present responsible stewardship of the land, it also pays towards the assessment work required of the claims. Reclamation is much easier then trenching anyways, gravity does a large percentage of the work! As required, the forest mat has been neatly stacked beside the trenches - so is the gravel. Reclamation should take up perhaps 20 – 25% of the seasons time frame.

Finally. It is recommended to group the claims at the end of the season and put them up for sale or option.



Selected Pictures

Trench 7 looking towards the bank as it looked at the end of the season.



Two pails of sample gravel taken from the bank side section of Trench 7.



T

The bank side of Trench 6 against large graniodiorite boulder.



Creek side of Trench 6 (George Bill in foreground, Dylan McGinty in background).



The lower cut of Cultus bench trench 3. The pails are resting on the silt/sand layer.



Cultus Bench 3 upper and lower shafts.



Cultus (creek level) Trench 1: The shovel and dustpan rest on the blue clay layer which dips sharply to the left (towards the creek).



George, Dylan and Henry have a break while digging Trench 7. Notice that there are no large spruce trees which are common to the upper levels of the gulch.



A traverse was finally made to the small lake that feeds the gulch from the left. Notice the weathered schist butte behind.



A view of the right limit feeder streams to the gulch.

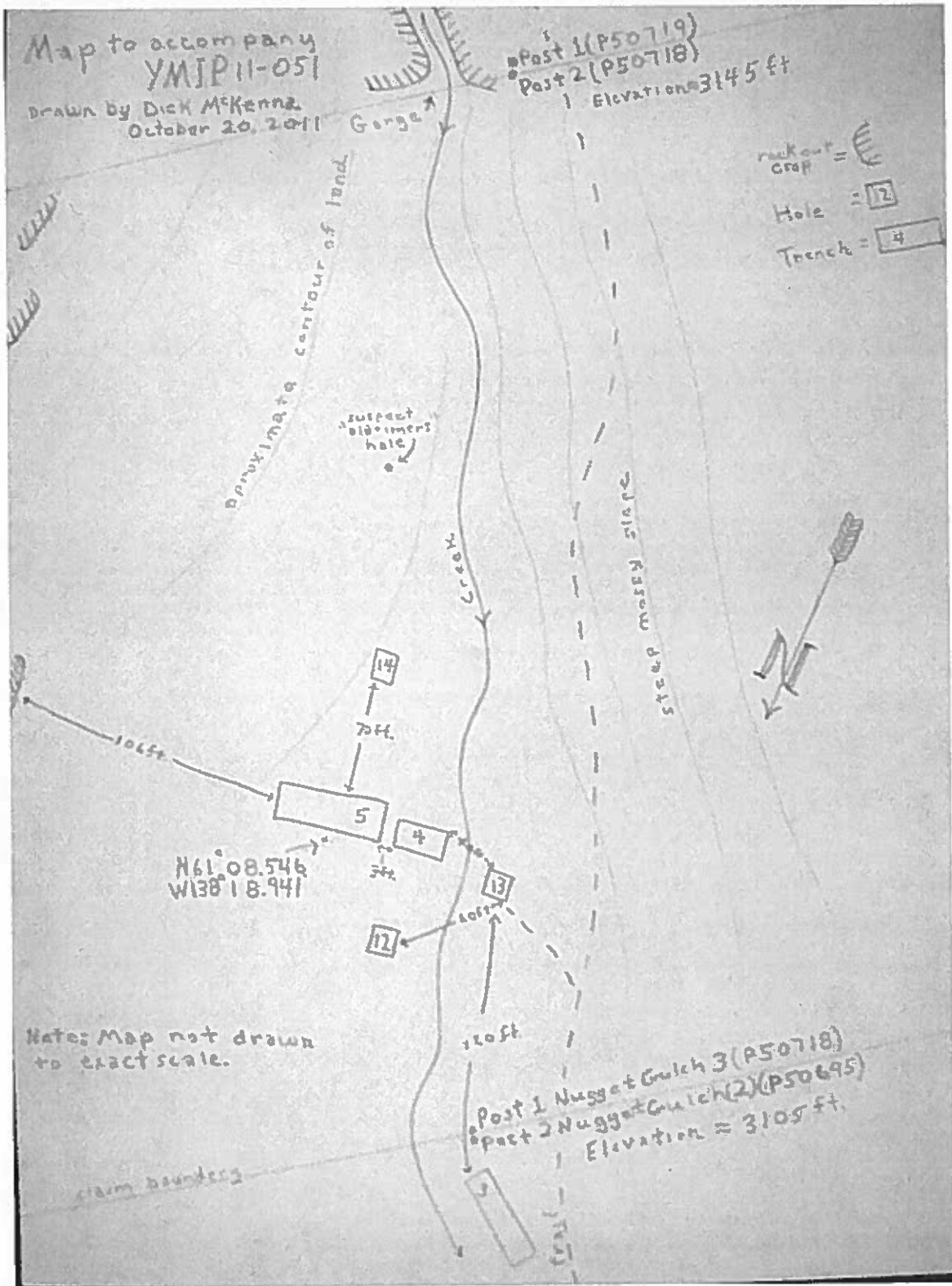


Returning home after an invigorating season on the claims.

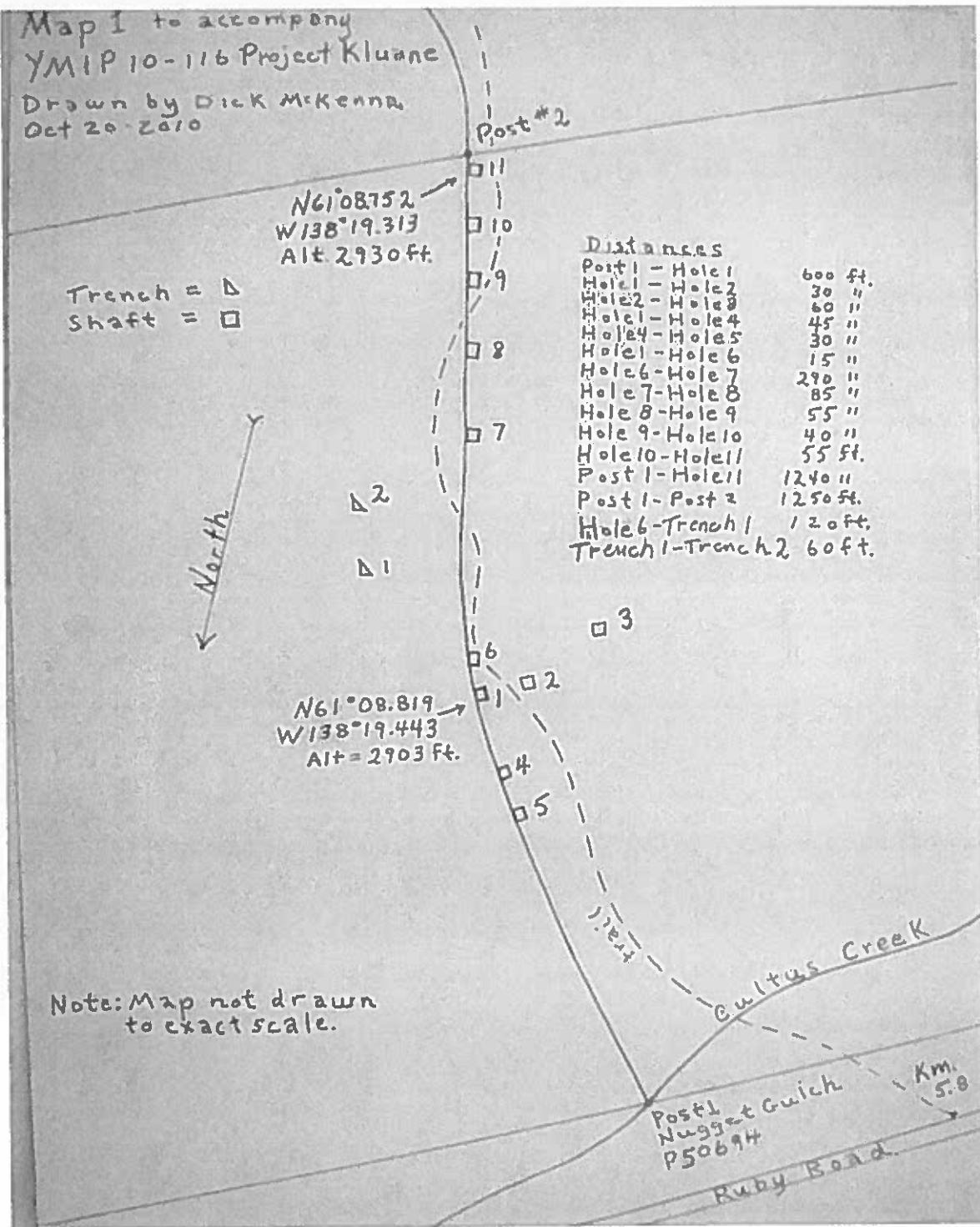


Derek Torgerson and Jeff Bond (Yukon Geology) check out the performance of the sluice box during a test run in 2011.

Appendix



Map showing holes and trenches dug on gulch during 2011 (YMIP 11-051)



Map showing holes and trenches dug on the gulch during 2010 (YMIP 10-116).

Assessment work performed to date

All of the assessment work carried out to date on the gulch and creek claims has been by hand (pick and shovel) shafting and trenching. The rate for shafting (4ft.x4ft.) is \$100 for the first 6 ft. and \$100 for each additional foot thereafter. For trenching the rate is \$40 per cubic yard. For reclamation the rate is \$20 per cubic yard refilled.

During the 2010 season 14 years of assessment work was carried out on the gulch claims (all on target zone 1). All 14 yrs. have been filed with the mining recorder (5 yrs./9yrs banked). During the 2011 season a total of 10 years assessment work was carried out on the gulch claims (most on target zone 2). 6 yrs. have been filed with the recorder (Trench 5 has yet to be filed). During YMIP 12 – 003, 2012 6 years of assessment work had been performed and filed with the recorder, all from the Cultus Creek trenches. The gulch trenches 6 and 7 have yet to be filed for.

Plans are to continue Gulch Trench 7 and reclaim Gulch Trench 6 and 5 and the four Cultus trenches in the new season. When the reclamation is accomplished the total amount of assessment work done on the 9 claim group is estimated to be around 40 years (average of 4 yrs. Per claim). Future plans are to group the claims in order to spread the work out more evenly.

Cost of Goods & Services Purchased

Fuel (truck, saw, pump)	\$1,200
Food/Incidentals (64 man days x \$60 per)	\$ 3840
Tools/Equipment	\$ 300
Claim Staking & Assessment Fees	\$ 120
Wages - Henry Johnson (25) days @ \$300 per)	\$ 7500
Wages - Dylan McGinty (7 days @ \$150 per)	\$ 1050
Wages – George Bill (10 days) @ \$150 per)	\$ 1500
Report Writing Costs	\$ 1500
TOTAL	<u>\$ 17,010</u>

YMIP Contribution \$ 14,300
Applicant Contribution \$2,710

Distances and GPS coordinates

Cultus Creek tributary (NTS 115G01)

Distances:

Whitehorse City limit (north) – Silver City Road = 203 km.
Silver City Road – Cultus Bay road = 2.2 km. (on right)
Cultus Bay road (start) – Ruby Road jnt. = 19.1 km.
Ruby Road jnt, - Target location trailhead (on right) = 5.8 km.
Trailhead to Hole 7 = approximately 1000 ft.

GPS coordinates:

Hole 7, Claim I: N 61 deg. 08.819 min., W 138 deg. 19.443 min. Alt: 2901 ft.

Selected References

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Yukon Mineral Industry 1941 to 1959: Compiled and edited by R.L. Debicki: 1982.

Mineral Industry Report 1969 and 1970 by D.B. Craig and P Laporte.

Yukon Placer Mining Industry, 2003-2006.

Additional Government Publications

Yukon Energy Mines & Resources: A guide to soil sampling in Yukon: Brochure 2007-2.

Yukon Archives: Index to Creeks and Tributaries, Series 10 Mining Recorders Records for Placer Mining Claims 1896 – 1969.

Private Publications

Yukon Places & Names: R. Coutts, Gray's Publishing LTD., Sidney B.C.1980.

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Handbook For the Alaskan Prospector, Ernest Wolff, Mineral Industry Research Laboratory University of Alaska, Fairbanks 1969.