



0869809 BC Ltd (Canyon Creek Mining)  
January 28, 2020

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# Y.M.E.P. Final Report

Canyon Creek Bench Exploration and  
Mining Project  
At the Canyon Creek Placer Property  
Dawson Mining District, Yukon Territory

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I.	SUMMARY .....	3
II.	INTRODUCTION .....	4
III.	LOCATION AND ACCESS .....	5
IV.	PROPERTY DISCRIPTION .....	6
V.	EXPLORATION AND MINING HISTORY .....	8-9
VI.	DISCOVERY OF WHITE CHANNEL IN THE AREA .....	10-11
VII.	SURFICIAL GEOLOGY .....	11-12
VIII.	EVALUATIONS .....	13
IX.	EXPENCES .....	13
X.	DESCRIPTION OF WORK PROGRAM.....	14-18
XI.	RECOMMENDATIONS .....	18
XII.	REFERENCES.....	19
XIII.	APPENDIX.....	19

# I. Summary

0869809 BC Ltd (Canyon Creek Mining) is located 52 km. from Dawson City. Total claims consist of 27 placer and 25 bench claims owned by Don Loewen, staked under the Yukon Placer Mining Act and recorded in the Dawson Mining District. This report describes the exploration work program consisting of snow removal to site, construction of access, drilling and sampling of white channel like deposits on bench claims conducted between April 5<sup>th</sup> and May 3<sup>rd</sup> 2019 with a total of 69 Crew Field days, 27 Camp and Equipment Field Days.

During the 2019 mining season a total of 45 drill holes on Orion Claims 1-4, 15 bench and Bench Claims 3-4 and 15 were drilled and sampled. The drill results and sampling were positive. The first proposed mining schedule for the season began April 4<sup>th</sup> 2019 and the Canyon Creek Mining crew proceeded to mine 400 feet (L) x 250 feet (W) cut on Orion 1 after the positive exploration results (please see table below for the summary of drill hole results, full drill reports are included in the appendix). The continuation of the proposed mining schedule for mining the explored Orion bench claims will continue in the 2020 season and beyond in future seasons. Further exploration of remaining bench claims will be required for the continuation of the proposed mining schedule in the future.

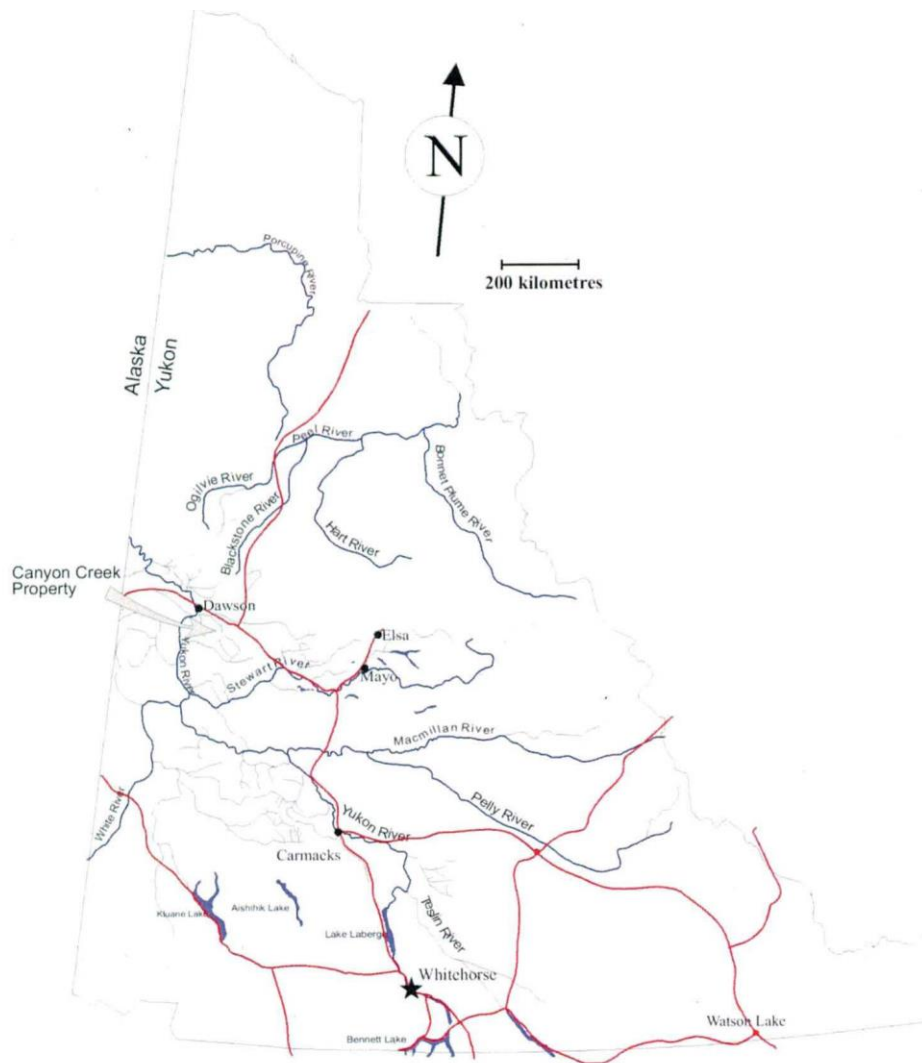
Hole	mg
19-1	Trace
19-2	Trace
19-3	4mg
19-4	44mg
19-7	Trace
19-8	176mg
19-9	12mg
19-10	70mg
19-12	68mg
19-13	2mg
19-15	10mg
19-16	71mg
19-18	15mg
19-19	1mg
19-26	3mg
19-29	14mg
19-33	3mg
19-34	Trace

# Introduction

This report describes the results for drilling and sampling on Canyon Creek was limited to 33 on Orion Claims 1-4 bench, 7 on Orion15 bench and 5 on Bench Claim 3-4,15 for a total of 45, 6" auger drill holes. Property held by Don Loewen in the Dawson Mining District, Yukon Territory, N.T.S. Map Sheet 1150/14. The work was conducted to explore gold deposits located specifically on the bench claims after a previous discovery in 2018 by Lory Cail and Jeff Bond of white channel like gravels.

## II. Location and Access

The Canyon Creek Property is a tributary of Little Blanche Creek, which is a right limit tributary of Quartz Creek. It lies approximately 30 km by air south of Dawson City in the Dawson Mining District (Figure 1). Access is by Government maintained road from Dawson City to Hunker Creek turnoff (14 km), then along Hunker Creek road to Hunker summit (26 km) and from there to the turnoff at Quartz Creek road (7 km) and finally from the Quartz Creek turnoff to the mining road turnoff, a distance of 5 km.

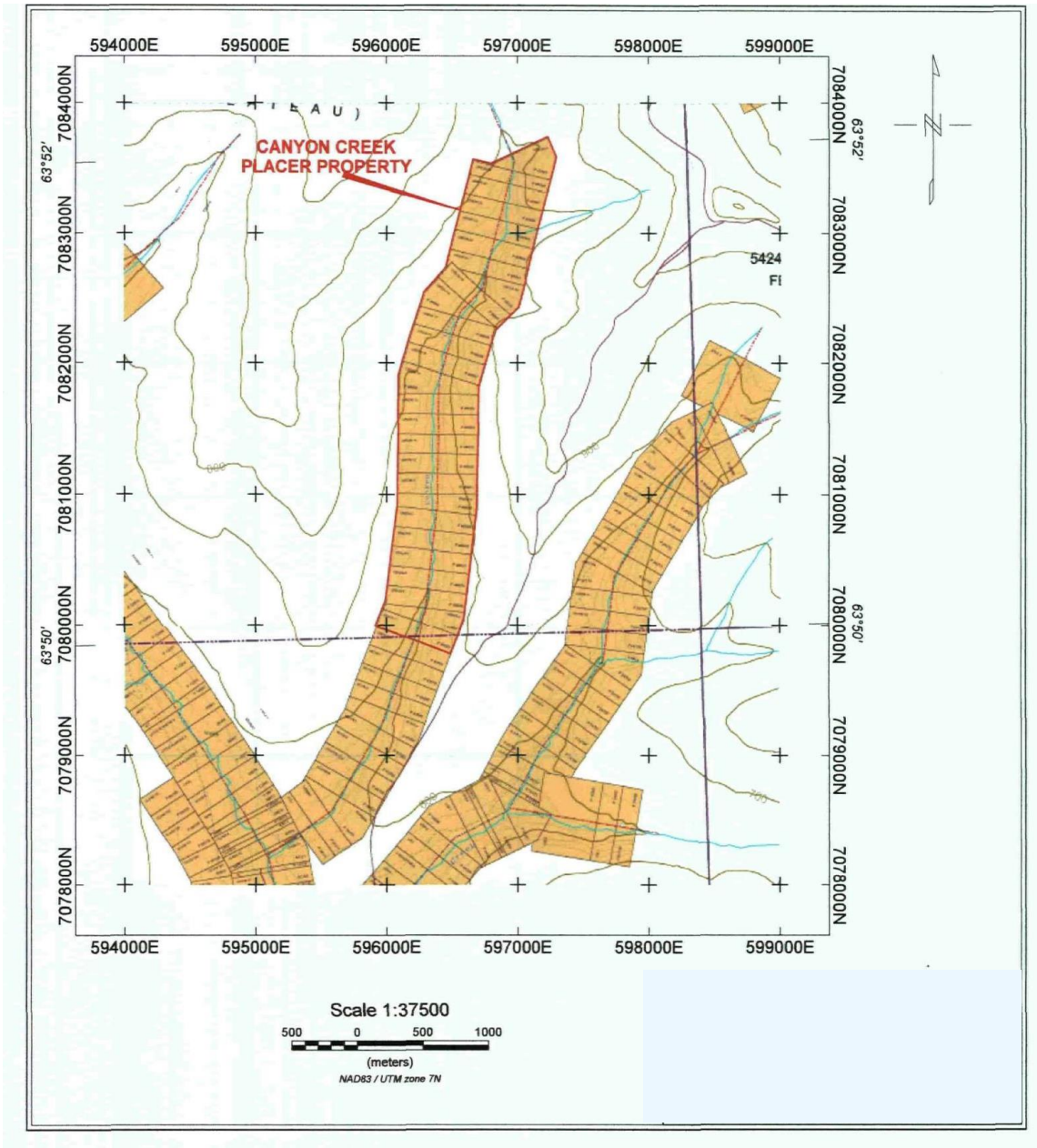


(Figure 1)

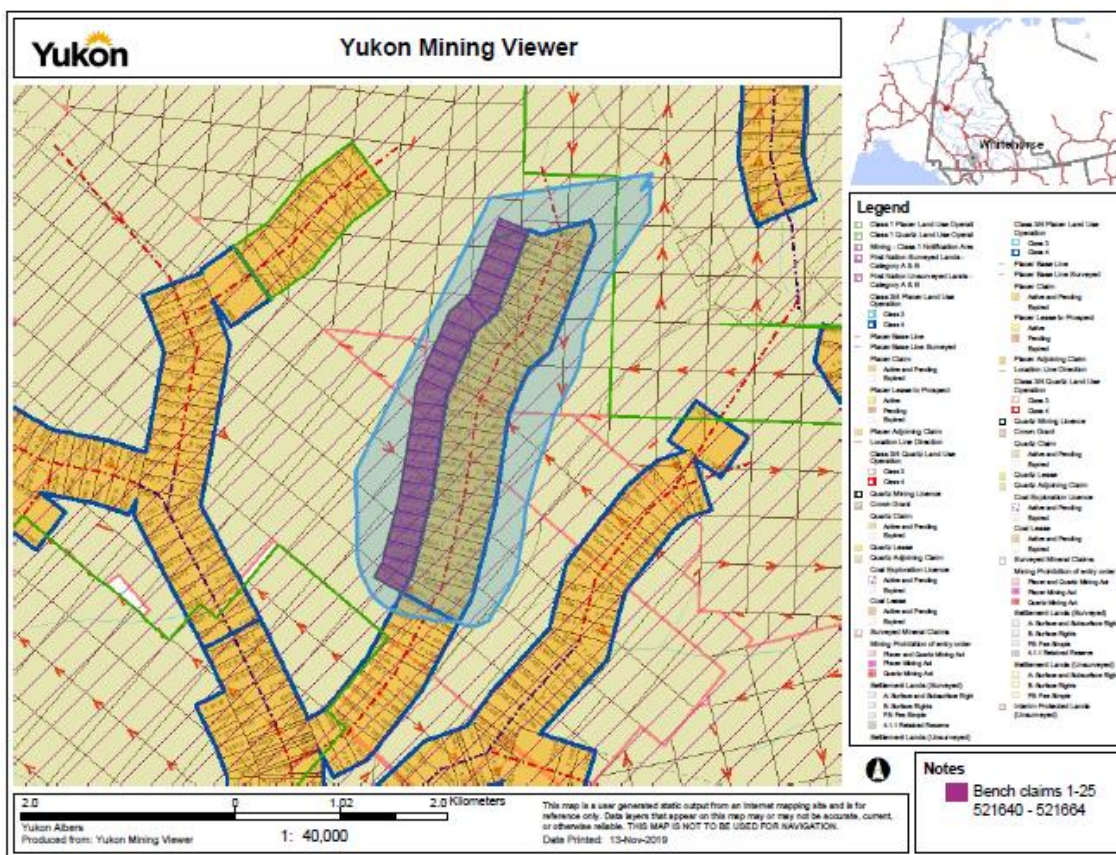
### III. Property Description

The mining operation is located approximately 2 kilometers from the mouth of Canyon Creek. Latitude: 63° 49' 58" N Longitude: 139° 02' 30" W Water license number PMO7-572. Is held on the claims owned by Don Loewen in active status expiry date is June 30, 2028

The Orion 1-27 claims (Grant numbers P 48623—P 48649) and Bench Claims (521640-521664) were grouped and approved on November 22<sup>nd</sup> 2019 are currently in good standing, registered to 0869809 BC Ltd (Don Loewen). Claim locations are shown on (Figure 2.) Bench locations shown on (Figure 3)



(Figure 2)



(Figure 3)  Bench

## IV. Exploration and Mining History

Historic activity took place in the area of the 1898 Klondike Gold Rush, however, Canyon Creek saw little mining or exploration at the time. There is some evidence of “old-timers” workings including a cross-cut exploration tunnel on Claim P 48635 which may have been constructed when the ground was held under the Boyle-Gates hydraulic concession, which included this area as well as most of Quartz Creek down to Calder Creek. Numerous branches have carved out the widest and most conspicuous basin in the district. Quartz Creek heads in the Dome ridge. Quartz creek was the first creek in the area to have gold discovered on it. Modern exploration in the Quartz Creek started in 1950 by J. King and G. Winans and in 1952 by R. Hastie and J.E. Lundin. In 1958 and 1959, Mr. LaCross did work on the creek with two employees. O. Lunde mined in 1960-1961. Work was done between 1978 and 1982 on numerous Quartz Creek properties by/for R and L Mining (1978-82); Ballarat Mines Ltd, Bennford Mining and Arctic Rim Operators Ltd. (1978-81); and Airgold Ltd. and Ventures West Minerals Ltd. (1980-82). Noik was done in 1983 and 1984 by Ballarat /Tatiow joint venture at 6 different properties along Quartz Creek. Newcan placers mined from 1993-1995.

The ground was staked in 2007 by Tim Coles, and in 2009 was the first time mechanized mining activity took place in this valley. In 2009, Mr. Coles along with 4 other miners and

camp personnel worked a daily 12 hour shift, stripping and sluicing mine cut measuring 500 by 100 feet (152 by 31 m). Access road construction to the Quartz Creek road and camp construction were completed early in the season. Auger drilling and testing was ongoing. The 2010 season consisted of further auger drilling and test mining, results of which are documented in Appendix C. Placer gold production for Canyon Creek from Government of Yukon royalties is recorded as 631 crude ounces, for the years 2009 to 2010. Mr. Coles continued to mine until the sale of ground in 2013

Canyon Creek continued to produce under the new operation and management in 2014. The first priority consisted of rebuilding access roads to work sites, reorganizing and clean-up of the laydown yard and fuel site as well as the active mine sites, the construction of proper settling ponds and a complete refresh of the camp area all required to conduct work procedures in an orderly and environmentally respectable manner. Once this was completed placer mining was able to continue on Canyon Creek.

Initially our crew consisted of Lory Cail (Mine Supervisor), one equipment operator and one camp attendant. Canyon Creek moved on to hire another equipment operator as of 2015 to increase production. Canyon Creek mining has worked on past drill reports and hired Sylvain Fleurant for auger drilling. Canyon Creek has produced approximately 1200 ounces during the period of 2014-2018 and if not for the new discovery of the white channel bench in late 2018 was considering shutting down operations as it was nearing completion.

## V. Discovery of White Channel in the Area

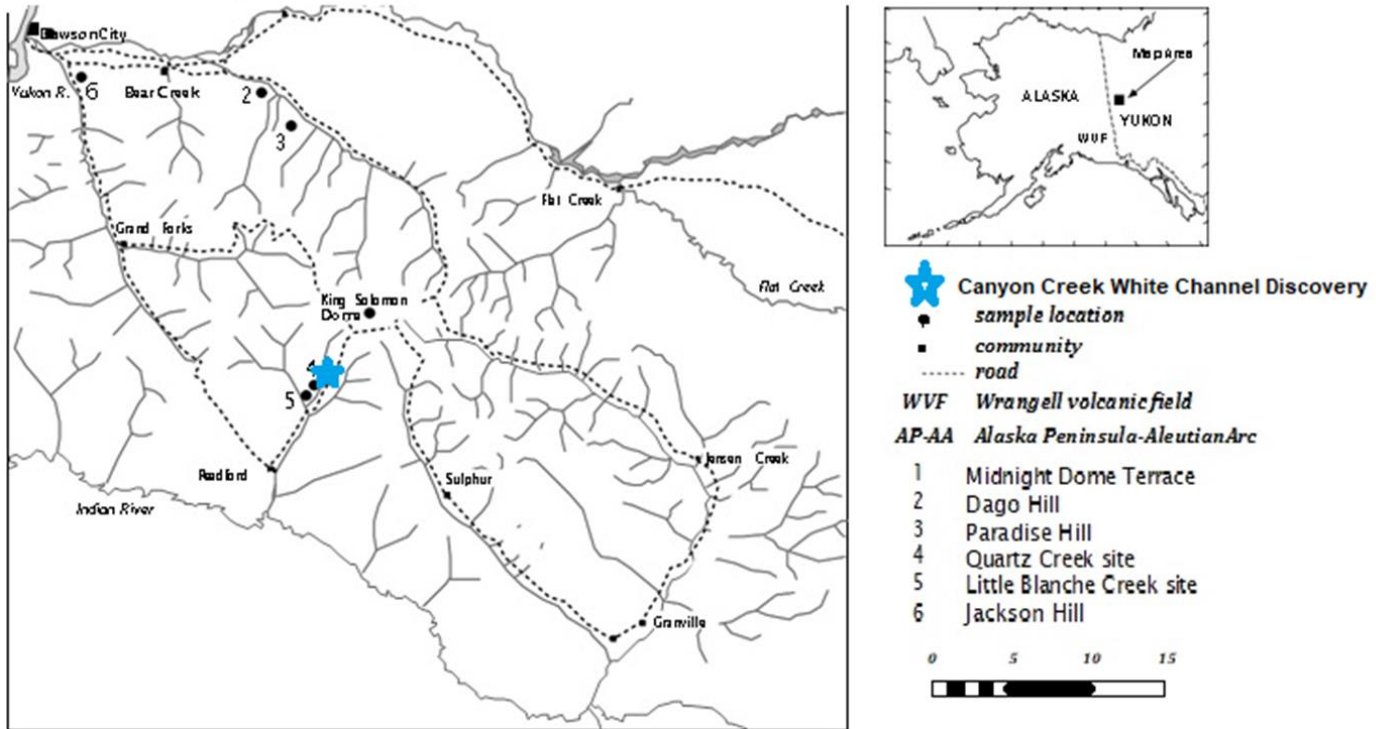
### [Grant W. Lowey](#)

#### Abstract

The world famous Klondike goldfields are located in the unglaciated part of west-central Yukon, Canada. Since their discovery over 100 years ago, they have produced an estimated 311 tonnes of gold, primarily from bench and creek placers that are fluvial in origin and range from Pliocene to Holocene in age. Historically, the placers are classified into three levels of gravel with four main units. These include the high-level White Channel Gravel (Pliocene), presently the most important gold-bearing unit, which sits nonconformably on an erosional bedrock surface (i.e., the 'White Channel strath') and is overlain and interbedded with the glaciofluvial Klondike Gravel (Pliocene); the intermediate-level gravel (Pleistocene), the least important economically; and the low-level gravel (Pleistocene–Holocene), historically the most important gold-bearing unit, but it has been mined three or four times now. The goldfields originated from the weathering and erosion of early Cretaceous, discordant mesothermal quartz veins, and the light grey color of the matrix of the White Channel Gravel is due mainly to weathering and diagenetic alteration by groundwater flow. The concentration of placer gold is related to a hierarchy of physical scales: at the lithofacies scale (metres), bed roughness determined sites of gold deposition; at the element scale (tens of metres), gravel bars were preferentially enriched in gold; at the reach scale (hundreds of metres), stream gradient was an important factor; at the system scale (hundreds of km), braided river



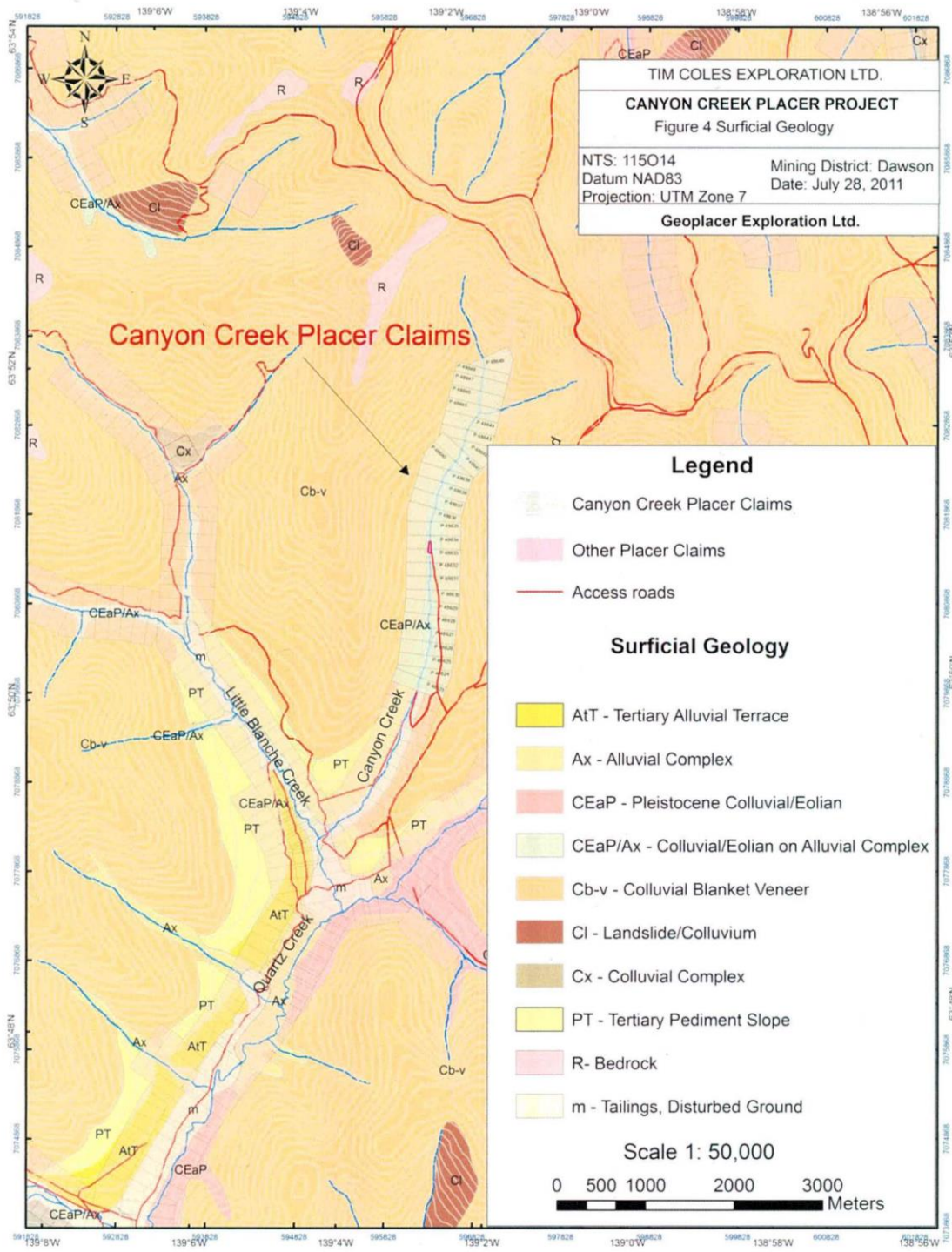
environments transported large amounts of gold; and at the sequence scale (thousands of km), economic placers formed initially in the high-level White Channel Gravel and later in the intermediate-level and low-level gravel. The White Channel strath is interpreted as an erosional 'tectonic' terrace that formed during isostatic uplift and under conditions of dynamic equilibrium. The high-level White Channel Gravel and Klondike Gravel are interpreted as a depositional 'climatic' terrace that formed during a reversal in the tectonically induced down cutting, which is attributed to the initial and most extensive of the pre-Reid glaciations (~3 Ma) in the Yukon. The intermediate-level gravel is interpreted as minor erosional 'complex response' terraces that formed during static equilibrium when there were pauses in valley-floor degradation, which are attributed to the subsequent and less extensive pre-Reid glaciations. The low-level gravel formed also during valley-floor degradation and may represent a return to dynamic equilibrium conditions. Hence, the dominant forcing mechanisms controlling the evolution of the goldfields were isostatically compensated exhumation and climatic change related to the repeated glaciation of the Yukon. In addition, the lowering of base level from high-level, to intermediate-level and finally to low-level gravel was accompanied by a decrease in accommodation space (as indicated by a decrease in gravel thickness), which resulted in an increase in the concentration of the placer gold.



(Figure 4) The Klondike district of the Yukon showing locations of sites where sediments are exposed that provide information on the age of the White Channel Gravel. Inset map shows source regions (WVF and AP-AA) of volcanoes that contributed tephra to the Klondike region during the late Cenozoic.

## VI. Surficial Geology

A map of the surficial geology is shown in Figure 5. The area lies within the unglaciated Klondike Plateau, which has had a complex history of uplift, incision and reworking of unconsolidated sediment since at least the Pliocene. Ice from Cordilleran glaciations did not incur into the area although numerous related base-level changes and climatic influences affected the nature and concentration of gravel and silt deposits in the local valleys. Deposits mapped in the Canyon Creek area include Cb-v (colluvial blanket veneer) which mantles the slopes above the valleys, and PT— Tertiary Pediment slope which consists of sediment formed from eroded bedrock and fluviably remobilized on the slopes towards the valley floors. Lower in the valley, an extensive alluvial terrace lies along the right limit of Quartz Creek, which although not mapped, may also exist on lowermost Canyon Creek. This Pliocene terrace, locally known as the White Channel Gravel, is the most significant placer gold bearing alluvial deposit in the area. Cross-cutting these older deposits and lowermost in the valleys and gulches lie a complex of Pleistocene to recent alluvial valley and gulch deposits which are overlain on valley margins by colluvial/eolian slope and windblown deposits of silt, muck and ice.



(Figure 5)

## VII. Evaluation

\*Please see attached Geological Survey by Jeffery Bond and Lory Cail (Appendix 1.).

## VIII. Expenses

	Description of Work	Costs
Daily Field	69 working man days @ \$100.00 per person	\$6900.00
Camp Gen Set	27 days @ \$50.00 per day	\$1350.00
Truck (Supervisor)	27 days @ \$50.00 per day	\$1350.00
Fuel/ Crew Truck	27 days @ \$150.00 per day	\$4050.00
Service Truck	27 days @ \$200.00 per day	\$5400.00
644 JD Loader	3 days @ \$1,000.00 per day x 75%	\$2250.00
D-9 Dozer	9 days @ \$1,000.00 per day x 75%	\$6750.00
450 Excavator	9 days @ \$1,000.00 per day x 75%	\$6750.00
350 Excavator	9 days @ \$1,000.00 per day x 75%	\$6750.00
Fuel	27 days @ \$400.00 per day	\$10,800.00
Crew x 2	3 days @ \$550 per day	\$1650.00
Supervisor	27 days @ \$350.00 per day	\$9450.00
Drilling	18 days on site	\$25,867.42
*Remote Service Field Supply	3 days @ \$150	\$450
*Office Support Remote x 2	3 days @ \$300	\$900
Staking & Recording	1 day 25 Bench Claims \$2500 x 5% GST	\$2625.00
Staking and Recording	1 day 25 Bench Claims \$2300 x 5% GST	\$2415.00
Final Report	\$1500.00 x 5% G.S.T.	\$1575.00
	<b>Total</b>	\$97282.42

\*Remote Service Field Supply: Rose Prairie location to assist with parts, mechanical issues occurring at the Canyon Creek field location during the exploration process.

\*Office Support Remote: Rose Prairie and Sorrento locations assisting with day to day activity during the exploration process at the Canyon Creek field location.

# X. Description of Work Plan

Exploration program commenced April 1<sup>st</sup> 2019 and was completed by May 3<sup>rd</sup> and consisted of:

- Construction of access trail including snow removal and camp preparation.
- Auger drilling (6") and test samples provided by contractor Sylvain Fleurant
- Trenching
- Testing of all samples

Equipment used in exploration process of bench:

- 6" auger drill (Sylvain Fleurant Contractor)
- D-9 dozer (Access)
- JD 450 excavator (Access and Trenching)
- JD 350 excavator (Access and Trenching)
- 644 JD Loader (Access)
- 550 Chevy service truck (mechanical)
- 1 ton Chevy crew and service truck (fuel)
- 1 ton Dodge 4x4 (supervisor)

Camp amenities:

- 5<sup>th</sup> Wheel (Lory Cail)
- Atco Trailer Kitchen / Laundry / Washroom / Showers
- Atco Crew Bunkhouse / Washroom / Shower
- Storage Trailer (Tim Coles old house trailer)
- Satellite TV (Kitchen)
- Wireless Internet
- Camp Gen Set
- Trailer (Don Loewen)

Execution of Exploration Plan:

Drilling on bench to determine depth to bedrock

- Drilling to determine depth, width and economic values of new bench discovery
- 45 Drill holes were marked with lath, flagging, metal tags and GPS
- All data regarding exploration was documented upon completion to determine viability of new bench discovery

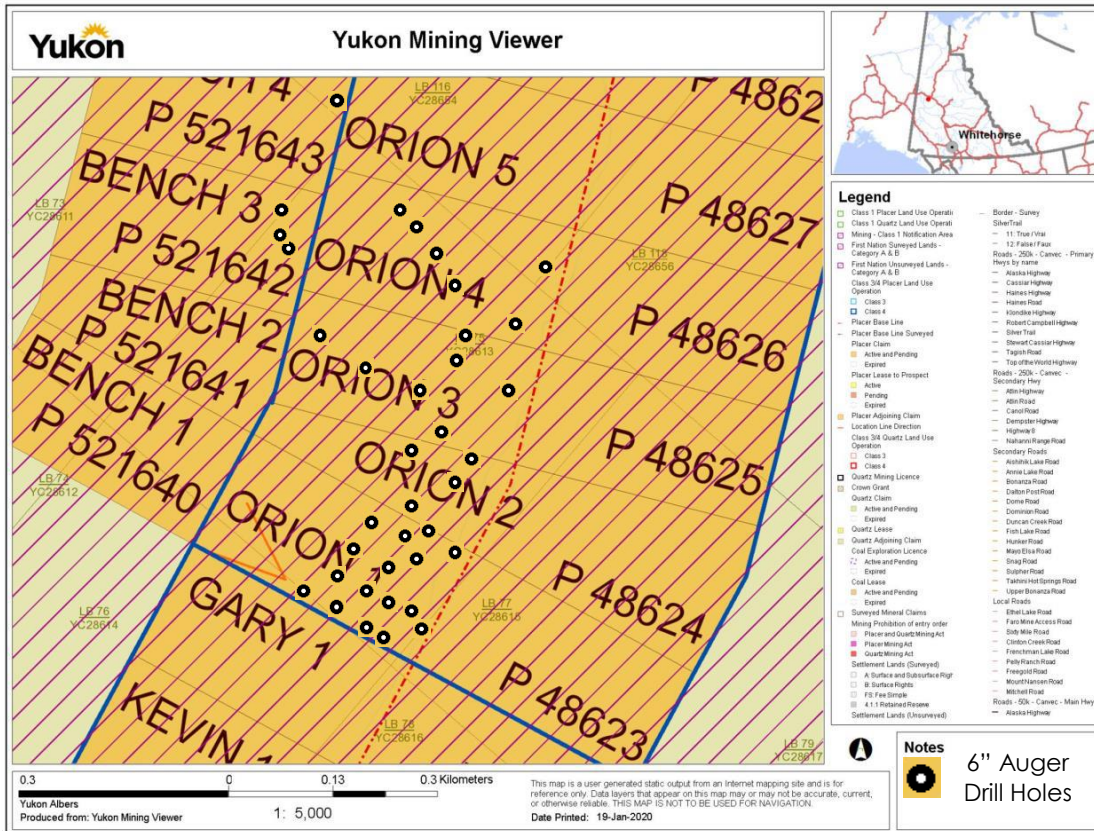
Definition of a viable bench deposit extended the life of mining on Canyon Creek. The operation is well positioned to readily shift its focus to the bench deposit, which could have significant returns to the local economy, local contractors, our company and its employees.

Drilling has helped to define the extent and economics of the bench as well assist with developing a mine plan that avoids sterilizing economic ground with stripping's. Furthermore, a well-designed plan for mine closure and reclamation benefits from thorough exploration. A basic start to our drilling plan is shown (Figure 6, 7 & 8). Once drilling was completed it, has in part, determined where to trench and dig test pits. Moving forward, the economic value has been determined by samples on claims 1-4, 15 and Bench Claims 3-4, 15 regarding the bench deposits; they have been positive. The future of viability for our company will depend on the results of further exploration and actively mining the white channel like bench discovery deposit. We look forward to a renewed longevity of productive mining on Canyon Creek.

As a valued mining company in good standing with all government agents in the industry, local companies and contractors. We will continue to comply with our high standards for mining and reclamation on Canyon Creek.

Hole Diameter	6 inch (15.24 cm)
Hole Depth	Hole depth average 34 feet (10.36 meters)
Hole Marking	Holes were marked with lath, flagging and tags
Locations	Hole locations were surveyed with a non-differential GPS relative to NAD83 zone 7V UTM coordinates
Logging	Average depth 16 feet (5 meters)





(Figure 6)

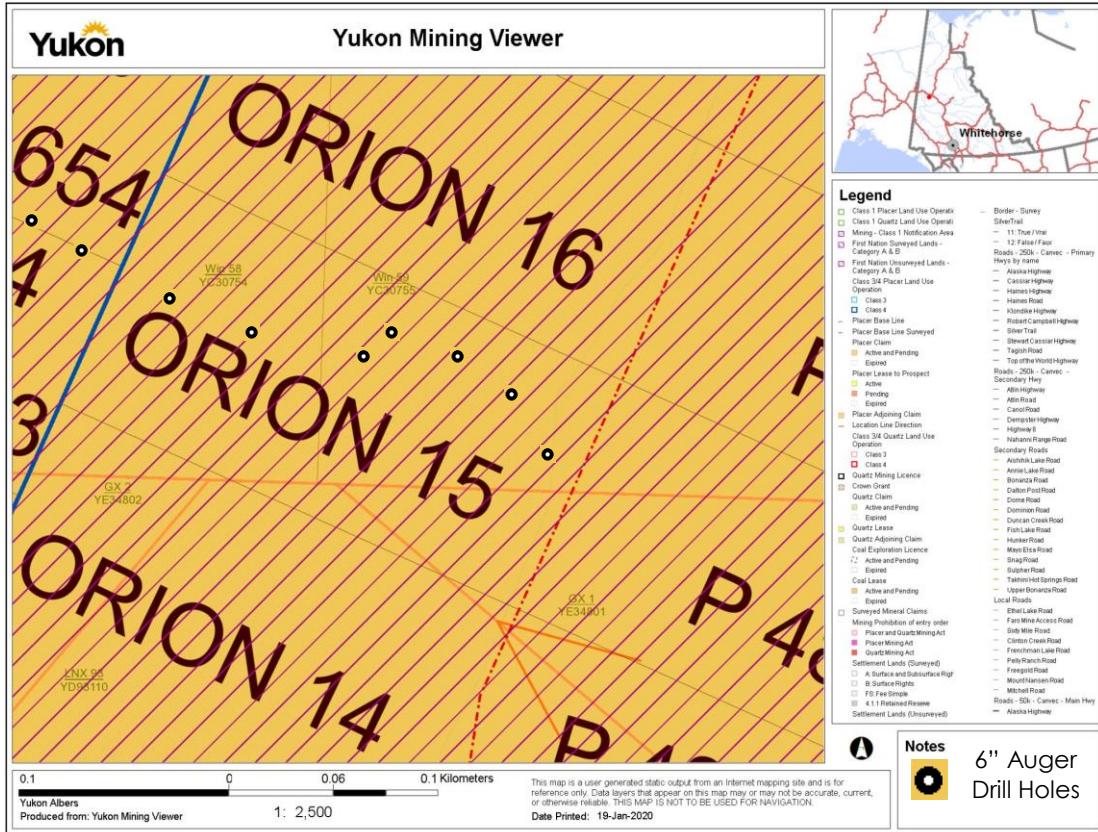
## Canyon Creek Drilling 2019

### For Right Limit Bench

Our goal is to continue to determine economic value and viability of pay streak of white channel like gravel discovery on the right limit bedrock boundary.







(Figure 7)

## Canyon Creek Drilling 2019

### For Right Limit Bench

Our goal is to continue to determine economic value and viability of pay streak of white channel like gravel discovery on the right limit bedrock boundary.





(Figure 8)

Drone Image Credit Jeff Bond

## XI. Recommendations:

Continuation of the present proposed mining schedule of the drilled Orion and Bench claims. Further exploration of the Orion bench and Bench claims for the potential extension of future mining seasons in years to come.

## XII. References

- 2011 YUKON MINING INCENTIVES PROGRAM — FINAL REPORT Tim Coles Canyon Creek~ Report prepared by William LeBarge, Geoplacer Exploration Ltd. with contributions from Anastasia Matlashevskia
- 2018 Report: Discovery of a placer gold-bearing fluvial bench on the middle-reaches of Canyon Creek by Lory Cail and Jeffrey Bond
- Abstract: The origin and evolution of the Klondike goldfields, Yukon, Canada **Article** in [Ore Geology Reviews](#) 28(4):431-450 · May 2006 [Grant W. Lowey](#)
- Yukon Exploration and Geology 2002

## XIII. Appendix

1. 2018 Report: Discovery of a placer gold-bearing fluvial bench on the middle-reaches of Canyon Creek by Lory Cail and Jeffrey Bond
2. Lease Bench Claims Staking Documentation
3. Drill Reports and Logs produced by Sylvain Fleurant
4. Break Down of Canyon Creek crew and equipment days
5. Receipts

