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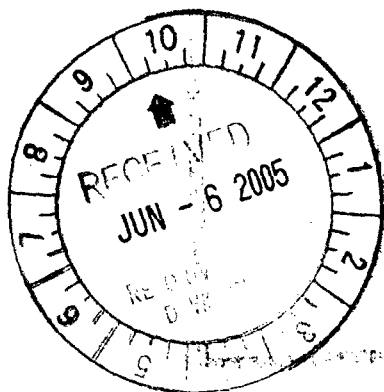
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**Assessment Report for the Renewal of
KLONDIKE, BEAR, GAP, IF, GIT, NUG, ACT and OZ
Claim Groups,
Bonanza Creek – Bear Creek District,
Dawson Mining District, Yukon Territory**

**NTS Reference: 115 O/14
Centred at Geographical Co-ordinates**

139° 07' W, 63° 55' N

Assessment Work: Six diamond cored drill holes



June 2005

Work dates: 10 June -28 Aug 2004

Authors:

**R.G. Adamson and C.M. Thomas
Consulting Geologists and Directors of KSL Exploration (Yukon) Limited**

**Report prepared for:
The Dawson Mining Recorder
Dawson City, Yukon Territory**

This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Act and is allowed as
assessment work in the amount
of \$ 174,000

M. B. L.
Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

Costs associated with this report have been
approved in the amount of \$ 174,000
for assessment credit under Certificate of
Work No. 2,000,572

K. Perry
Mining Recorder
Dawson City Mining District

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FIGURES:-

Figure 1: Location Map of Claims, Klondike Goldfield

Figure 2: Soil Geochemistry – Magnetic Anomaly, Diamond Drill Holes and Access, 2004

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APPENDIX 3: Expenditure Statement

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1. INTRODUCTION

This report is the second of two reports covering gold exploration undertaken in the 2004 field season on the JV Claim Block in the northern half of the Klondike Goldfield. The exploration program is managed by KSL Exploration (Yukon) Limited (KSL Yukon) on behalf of its JV partner PacRim Resources Limited.

The first report covered all the soil geochemical surveys completed in 2004 within the JV Claim Block (Adamson and Thomas, 2005). This Report covers the drilling program conducted on the JV Claim Block, which consisted of six diamond cored holes.

1.1 LOCATION OF CLAIMS

The claims for renewal, the subject of this Assessment Report, are the KLONDIKE, BEAR, GAP, IF, GIT, NUG, ACT and OZ groups and form the core of the JV Claim Block (Figure 1).

These claims are situated in the northern half of the Klondike Goldfield between Bonanza Creek in the south and west, Independence Creek in the east and Bear Creek to the north centred at 139° 15'W, 63° 59' N.

The claims are all located on NTS 115 0/14 (Grand Forks), some 15 to 25 km southeast of Dawson City.

1.2 ACCESS

The area of the claims has excellent access from Dawson City via the Tourist Loop Road from Guggieville and 4-wheel drive tracks along the ridge between Queen Gulch and Gauvin Gulch and up Homestake Gulch. Alternatively, there is an excellent 4-wheel drive track up Bear Creek from the settlement of that name in the Klondike Valley, 10 km east of Dawson City. All the 4-wheel drive tracks join the Heritage (Ridge) Trail which extends northwest to southeast through the JV Claim Block.

1.3 SCHEDULE OF CLAIMS FOR RENEWAL

Appendix 1 contains a list of the claims for renewal which are the subject of this Assessment Report.

2. PREVIOUS EXPLORATION

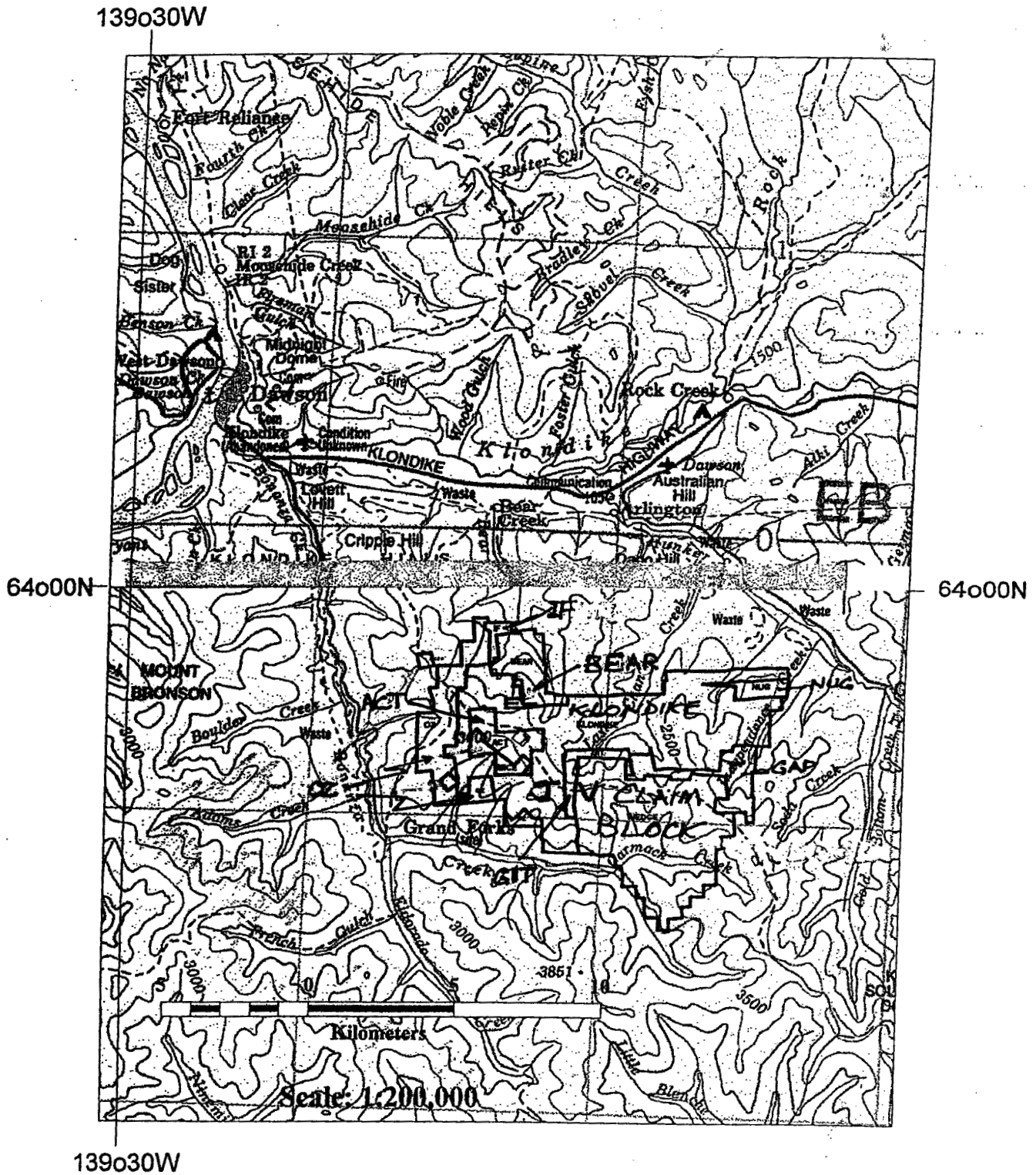
Previous exploration in this area, prior to the KSL Yukon-PacRim Resources JV staking claims, has been summarised in previous JV exploration reports (Adamson and Thomas, 2000, 2001 and 2002). These reports also provide full details of work conducted by KSL Yukon as the JV operator. All previous work has consisted of surface surveys, largely geochemical [#80 mesh, Mobile Metal Ion (MMI) by KSL Yukon] and limited geophysical (IP) surveys.

In 2000/2001, the Geological Survey of Canada covered the area with a low level (120m) aeromagnetic-radiometric survey at a 500m line spacing. This survey provided no features which, to date, can be considered significant, although several major features of the aeromagnetic data are poorly understood.

The 2004 geochemistry field program (op. cit.) was focussed on providing infill data prior to defining drilling targets and some reconnaissance lines over recently acquired claims.

FIGURE 1

LOCATION - KLONDIKE, BEAR, GAP, IF, GIT, NUG, ACT & OZ CLAIM BLOCKS



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3. 2004 DIAMOND DRILLING PROGRAM

3.1 EXPLORATION MODEL SITE SELECTION

A recapitulation of the KSL exploration model with regard to this exploratoion drilling program appears relevant in the light of the poor results.

- (i) **Area selection** commenced in 1999 with PacRim Resources Ltd's precursor company Barramundi Gold Limited focussed on the northwestern sector of the Klondike Goldfield for several reasons:
- the northern part of the goldfield had the largest alluvial gold production, in the order of 60% of the recorded gold mined, indicating that the area had the greatest gold endowment;
 - this area was closest to the significant logistic infrastructure of Dawson City; and,
 - Barramundi Gold had a substantial block of claims in the area.

There were also several other factors of equal importance. Placer gold had been won from two main sources: the remnant paleo placer (Miocene-Pliocene) White Channel gravels and the base of the current drainages below the 'black muck'. The wide range of fineness data (550 to 850) for the placer gold suggested multiple sources. The gold would have had a more consistently high fineness if solely sourced from the White Channel deposits, particularly, bearing in mind, the regolithic origin of these gravels.

It was inferred that rejuvenation of the drainage regime in the Plio-Pleistocene (related to drainage reversal of the Yukon River) had led to significant sourcing from the steep down-cutting of the upper part of the district's drainages. The steep and narrow nature of the upper creeks is a feature which has long been realised, and contrasts with the wide, open valleys of the major drainage lines.

Primary sourcing of the district's huge placer gold production from the few, effectively inconsequential, mesothermal quartz reefs was considered unrealistic. In addition, sourcing the gold from epithermal sources which are invariably silica-rich, resistant to erosion and thus easily found, appeared very unlikely in this metamorphic terrane. A model suggesting sourcing from massive sulphide deposits associated with the acid volcanic precursor Klondike Schist rocks would require massive iron-rich remnant gossans, the evidence for which (positive topographically) is totally lacking.

The discovery in 1996 of the major high-grade Pogo deposit in the Alaskan sector of the Yukon-Tanana terrane indicated the regional potential for high grade mineralisation significantly more economically attractive than the low-grade (1 g/t gold) granite-hosted Fort Knox and Dublin Creek deposits.

It was inferred that the major structuring of the Klondike Schist in the Goldfield district could be sub-horizontal or shallow-dipping. Early photogeological and field structural studies (Marjoribanks, 1999) confirmed this view and also indicated that there were at least two major sets of shallow-dipping, brittle fracture, thrust structures.

A structural model of shallow dipping, saddle-type, reefs was considered a reasonable possibility for the source of high-grade gold deposition which had never been tested in the Klondike. It was realised that the Nassina-like carbonaceous siliceous

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metasediments could have covered the Klondike Schist lithologies over the Bonanza Dome and acted as a cap rock to a major plumbing system.

One other major regional feature appeared attractive for major gold deposition and that was the Klondike district's location close to the obviously deep crustal Tintina fault system – providing a potential source of deep-seated, magmatic, mineralising fluids.

(ii) District Geology and Structure

Published maps of the Goldfield area (Mortensen, 1996; Debicki & Baldwin, 1985) provide a framework of the metamorphic and mylonitised Klondike Schist lithologies and their precursor acid volcanic rocks, bounded to the north and northeast by the ophiolitic, essentially unmetamorphosed, Slide Mountain Terrane rocks. The carbonaceous-siliceous Nassina formation is a prominent lithology, localised often in fault contact with the other major formations.

These maps suggest that the Klondike Schist is thrust over the ophiolitic Slide Mountain rocks. However, the basis for this structural relationship appears dubious in principle, and field data can be interpreted differently.

We consider that the mylonitised Klondike Schist of the northern Goldfield forms a metamorphic core complex located effectively in the centre of a domal structure surrounded to the north and east by the ophiolitic Slide Mountain terrane rocks. Thrust structures forming the boundary of these two tectonically and lithologically different units dip northerly and easterly below the ophiolitic rocks. The contact between these two structural units often consists of carbonaceous siliceous metasediments referred to as the Nassina Formation (e.g. Guggieville-Bear Creek escarpment); similar metasediments are structurally interleaved within the Klondike Schist. Correlation of these carbonaceous metasediments with the Nassina Formation metasediments southwest of the Indian River appears tenuous.

(iii) The Bonanza Creek Dome

This inferred dome is defined by lower Bonanza Creek-Eldorado Creek in the southwest, and Hunker Creek in the northeast.

Superimposed on the dome, two subsidiary possible anticlinal structures can be inferred from topography/geomorphology, and illustrated by air photography and Landsat data:

- The Upper Bear Creek structure, bounded by the arcuate drainages of upper Bear Creek and Lindow Creek; at the southern end there is a prominent magnetic low (GSC data); this inferred structure has a N-S axial trend; and,
- The upper Last Chance Creek structure with a NE axial trend, albeit more dissected, and interesting feature of this structural regime is the presence of carbonaceous metasediments overlying Klondike Schist.

It is worth noting that KSL's regional photogeological and Landsat studies took early cognisance of the Eureka Creek placer gold district, south of the Indian River. This locality is the only known placer gold creek where the source of the gold is almost certainly in the headwaters of the drainage.

In the centre of the Eureka Creek headwaters, there are two N-trending topographic domes which can reasonably be considered to be the source of the gold. The northerly trend of these domes at right angles to the prevailing WNW-trending (compressive) grain of the Yukon-Tanana terrane was considered structurally

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attractive, and a lead for looking for comparable structures in the Klondike Goldfield.

(iv) Geochemical Soil Surveys

Reconnaissance soil surveys were based on mobile metal ion (MMI enzyme-leach assaying) detection within the A-soil horizon. This method was chosen because previous extensive reconnaissance using conventional B-horizon (80-mesh) surveys appeared to have failed to provide any significant anomalies. In addition, the MMI survey technique was thought likely to provide a better geochemical signature in areas of permafrost and scree.

A certain amount of conventional B-horizon (80-mesh) sampling undertaken in follow-up soil surveys generally provided confirmation of MMI soil gold and arsenic anomalism. No detailed in-fill grids were undertaken because the horizontal plan anomaly signature of footprint of an effectively stratabound type Pogo deposit was likely to be large.

Results from these surveys pointed to a wide area of gold and arsenic soil anomalies in the headwaters of Last Chance Creek. An interesting aspect of these anomalies is the focus of anomalism on NE-facing slopes, and effectively on the scarp slope of the WSW-dipping F_1 foliation parallel to lithology. Anomalous soil samples on the F_1 'dip slopes', i.e. westerly-dipping slopes are rare.

Figure 2 provides an overview of the patchwork quilt of soil geochemical anomalism in the Upper Last Chance Creek headwaters, with the major anomalies focussed to the northeast of the Ridge Trail on north-facing slopes.

Figure 3 provides a summary of the gold MMI and 80-mesh anomalies, the location of drill holes and access tracks constructed to drill sites. Also plotted on this figure is the adjacent magnetic low, largely over the Bear Creek structure but extending into the northwest of this area.

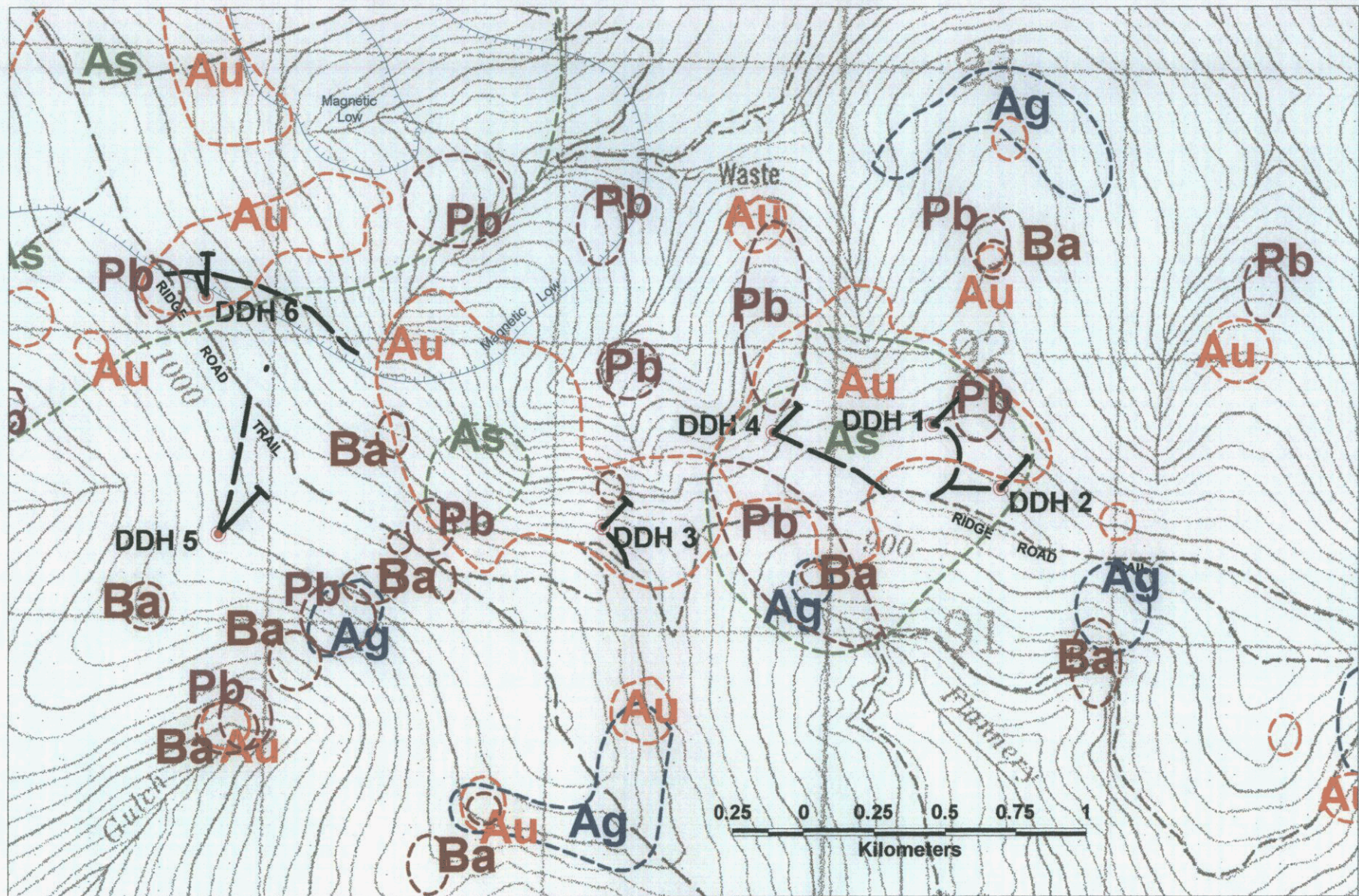
(v) Interpretation of Geophysical Data

In 1999-2000, available geophysical data were acquired, consisting of 1960s-generation high-level aerial magnetic and regional gravity data.

The high-level aerial magnetic data indicated a lack of magnetic features in the Klondike Goldfield district. Magnetic highs in the vicinity of the confluence of Last Chance Creek/Hunker Creek and in the upper reaches of Calder Creek were easily correlated with previously mapped Late Cretaceous-Paleocene volcanic or sub-volcanic rocks. A magnetic low in the watershed between Lindow Creek and Last Chance Creek is a possibly significant feature of the northern part of the Klondike Goldfield. This data does suggest a significantly different magnetic pattern for the southeastern part of the Goldfield, i.e. the Dominion Creek-Sulphur Creek district where WNW-trending features are evident.

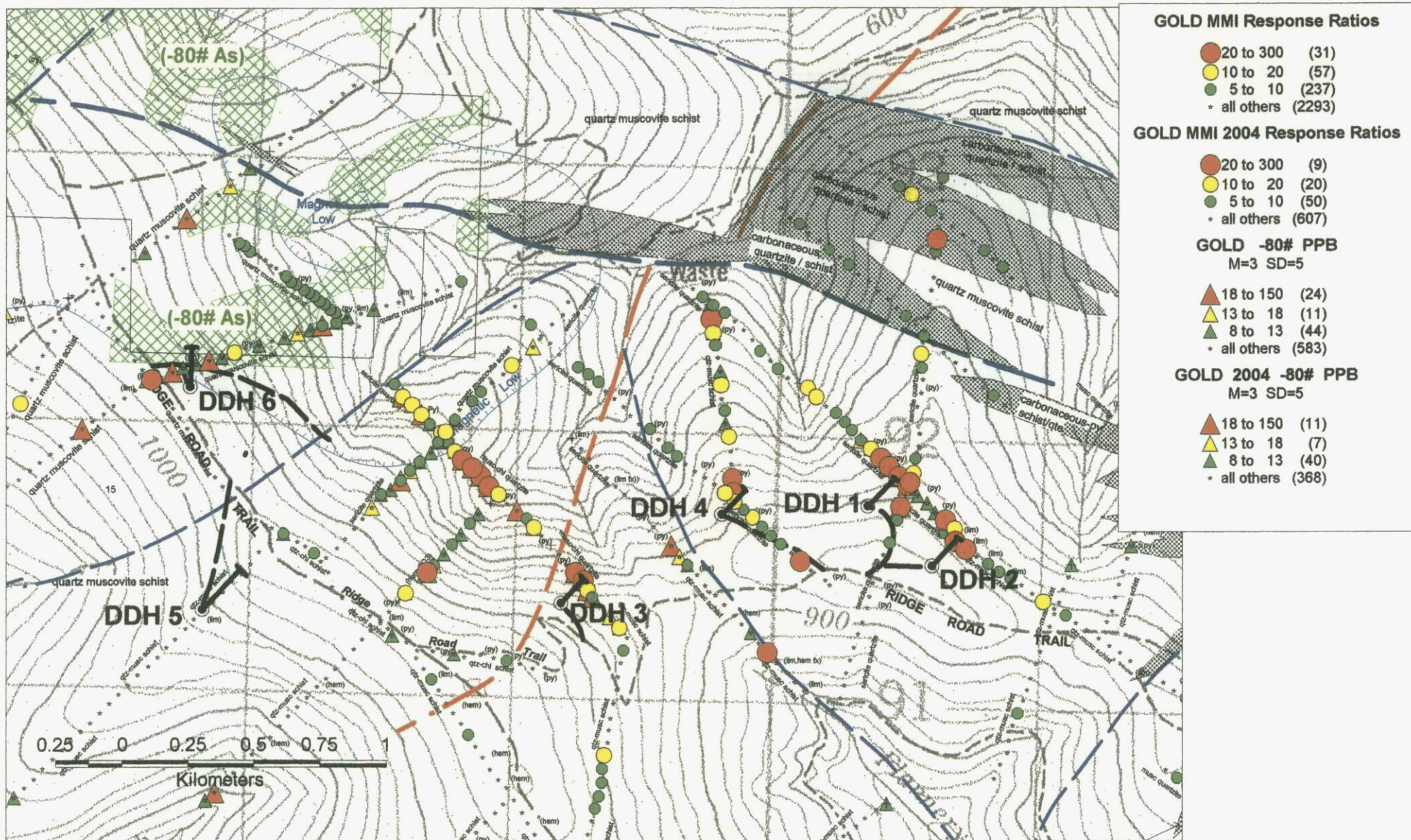
The gravity data are of more interest. Contouring of the data by a very experienced Australian geologist (ex Bureau of Mineral Resources/Geoscience Australia) suggested a gravity low over the northern part of the Klondike Goldfield. The axis of the low was suggested to have a WNW-trend; it requires little imagination to infer an intrusive granite at depth.

The 2000-2001 low level magnetic/radiometric data flown by the GSC provided a much more reliable geophysical database. The major features of interest to KSL were:



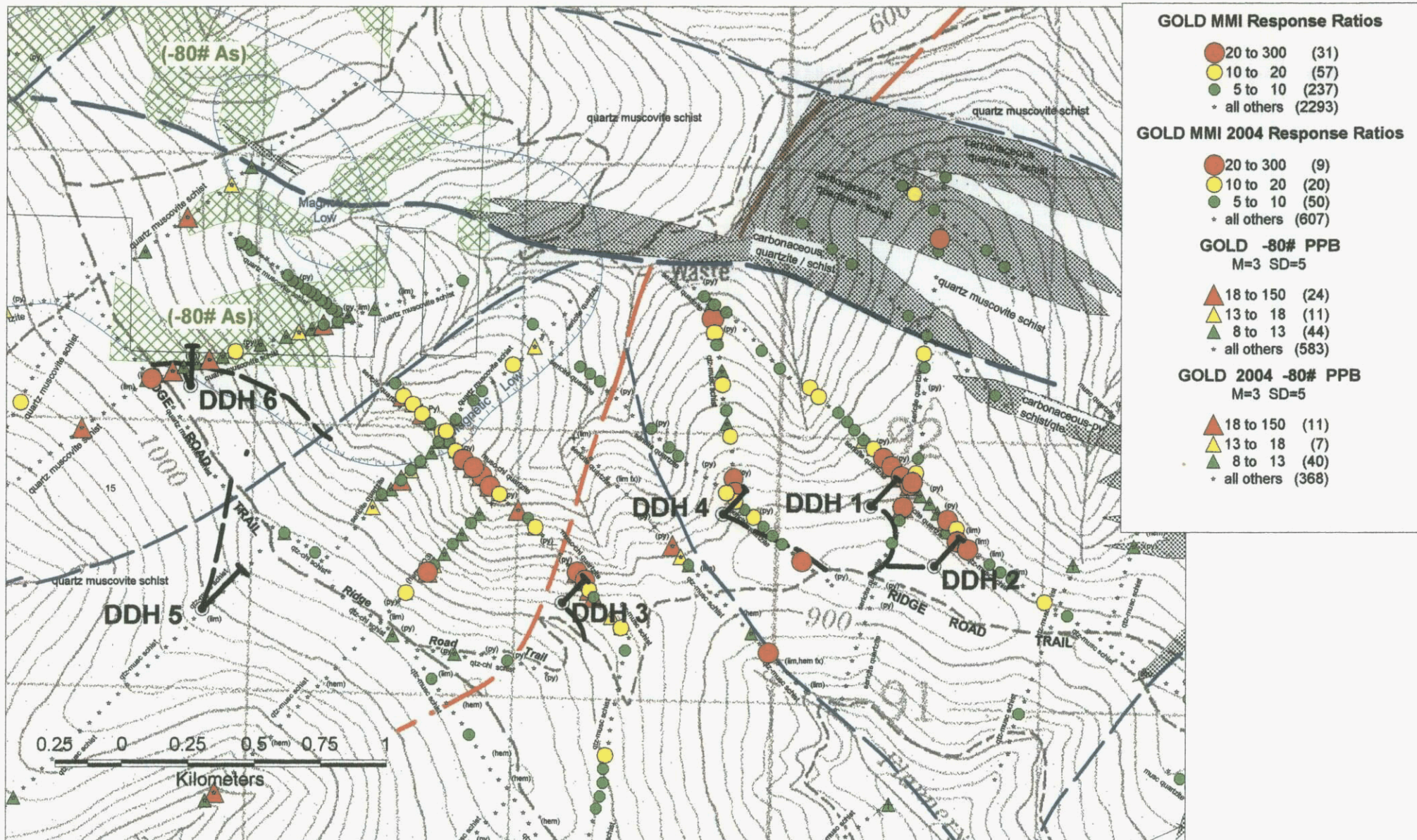
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 KLONDIKE - WEDGE CLAIMS BLOCK
 SOIL GEOCHEMISTRY, MAGNETIC ANOMALY, DIAMOND DRILL HOLES & ACCESS, 2004

FIGURE 2



KSL EXPLORATION (YUKON) LIMITED
KLONDIKE-WEDGE CLAIMS BLOCK
SOIL GEOCHEMISTRY (-80 & MMI), GEOLOGY & DIAMOND DRILL HOLES

FIGURE 3



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 KLONDIKE-WEDGE CLAIMS BLOCK
 SOIL GEOCHEMISTRY (-80 & MMI), GEOLOGY & DIAMOND DRILL HOLES

FIGURE 3

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- evidence for the F_1 foliation striking WNW, which is best illustrated in the SE part of the Goldfield,
- the presence of N-striking, right-lateral shear structures which displace the F_1 foliation:
 - one such N-striking feature along Last Chance Creek forms the boundary between two magnetic domains, and
 - these structures can be correlated with N-striking dyke signatures (particularly prominent in the southern part of the Goldfield underlain by the Sulphur Creek Gneiss),
- the northern part of the Goldfield has a broad E-W orientated magnetic high which may be the signature of contact metamorphic effects of a granite batholith at depth; this is an almost unique feature and may be related to the granitic dyke found in lower Pure Gold Creek,
- prominent magnetic highs in lower Last Chance Creek, upper Hunker Creek (Whisky Hill), upper Calder Creek and lower Bonanza Creek/Sourdough Gulch confluence are correlated with late Cretaceous/Paleocene (Carmacks cycle) volcanics or sub-volcanic, high level granodiorite-tonalite plutons notable for disseminated magnetite and pyrite,
- the magnetic low at the head of Lindow Creek is well-defined and probably related to a geologically young (undeformed) gossanous (pyritic) breccia in a bulldozed trench on the high slopes of upper Lindow Creek,
- magnetic lows with a NE trend along upper Hester Creek in the vicinity of low-order MMI geochemical anomalies have a probably different, enigmatic origin.

The most important features of this new high quality magnetic data were seen to be:

- the juxtaposition of a major magnetic domain boundary along Last Chance Creek in the vicinity of ,
- significant geochemical anomalies, and
- confirmation that it was not possible to source the widespread placer gold deposits solely from the vicinity of inferred Carmacks-cycle plutons.

(vi) Anomalies Tested by Drilling

DDH 1 tested a major coincident MMI and 80-mesh soil anomaly at the southern end of the Last Chance, N-trending, "dome" structure.

DDH 2 tested similar geochemical anomalies 300m to the southeast of DDH 1.

DDH 3 tested an easily accessible soil anomaly approximately one kilometre WSW of DDH 1.

DDH 4 tested a soil anomaly between DDH 3 and DDH 1, and was undertaken to try to provide some linkage of the different schist lithologies encountered in DDH 1 and DDH 3.

DDH 5 was located on the southwestern slopes to test the southerly extension of major soil anomalies to the northeast; direct drill access to those anomalies having been abandoned due to shallow permafrost on the north-facing slope. DDH 5 was

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positioned to drill below a prominent knob on the ridge separating the Bonanza Creek and Hunker Creek watersheds.

DDH 6 was targetted to test an easily accessible soil geochemical anomaly on the southern border of a magnetic low feature; this hole was drilled on a northerly heading.

3.2 ACCESS TRACKS

Drill rig access was undertaken from the upper Bonanza road, via an existing track up Homestake Creek to the junction with the Ridge Road/Trail. Then new access tracks were bulldozed from the Ridge Road to the drill sites.

A minor amount of bulldozer track reconstruction was undertaken along the Homestake Creek track and the Ridge Road/Trail to facilitate location of the sled-mounted rig and to ease movement of the water truck.

KSL is obligated to undertake some repair of the drill access tracks, and to place bunds at their entrances.

3.3 WATER

Water for the diamond drilling program was sourced from an old damsite used in Homestake Creek placer-mining operations. The dam was reformed to ensure a regular water supply.

The extra time and additional cost of carting water to drill sites along narrow and steep tracks was the significant technical problem of the drilling program. None of the drill holes in this upland part of the Klondike Goldfield made water. All drilling water was lost into the fractured ground with nil return to surface.

3.4 CORE LOGGING AND ASSAYING

Core was boxed at the drillsite and transported daily to a core-shack facility rented in the industrial area of Guggieville.

Core was photographed, measured for recovery and then geologically logged. Sections were marked for diamond-sawing into half-core splits: half for assay and half retained for reference purposes.

Assay splits of initially 2-metre lengths were routinely assayed for gold and 35 additional elements by the Vancouver laboratory of ALS-Chemex. Subsequently, more selective intervals were assayed.

Details of core photographs, graphic geological logs, as well as recovery, assay and geological summary data are provided in digital format in the attached CD. In addition, there are photographs of the drill sites, drill hole cross-sections, plans of collar locations and UTM grid co-ordinates, and an E-W longitudinal cross-section.

ALS-Chemex Certificates of Analysis are also to be found on the CD.

3.5 PETROGRAPHY OF SELECTED SAMPLES

Appendix 3 (CD) contains expert thin section descriptions of selected core samples.

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4. COMMENTS

The results of this extensive drilling program were extremely disappointing with only minor gold mineralisation found in two holes:

- DDH 04/06: 1.2m @ 0.95 g/t gold over the interval 19.40m to 20.60m in oxidised core, with 9,930 ppm arsenic,
- DDH 04/05: 0.15m @ 0.48 g/t gold, over the interval 235.76m to 235.91m related to the sulphidic selvage of a 5cm quartz vein, with 5,900 ppm arsenic, and
- DDH 04/05: 0.28m @ 0.44 g/t gold, over the interval 290.02m to 290.30m.

This minor mineralisation is associated with late cross-cutting quartz-sulphide veins, locally deformed (DDH 04/05), at variable depths from close to surface (DDH 04/06, 17m vertical) to over 200m vertical depth in DDH 04/05. The only other element associated with the mineralisation is arsenic, with drill hole analytical data showing 0.73 correlation factor of gold:arsenic. This closely reflects the results of the soil geochemical surveys.

Core logging and limited petrography of core samples indicates that, in this area of the Klondike Goldfield, the major features of significance with regard to mineralisation are:

- cross-cutting vein sets, sporadic and narrow (1 to 5cm) occur locally throughout the core with chlorite, quartz and quartz-carbonate common; most obvious are late-stage, undeformed, carbonate (siderite) veins,
- chlorite and quartz-chlorite veins also occur parallel to foliation,
- there is a general lack of sulphides, mainly very fine-grained, and the coarse euhedral pyrite seen at various places of the surface is uncommon in the core,
- extensive sections of the core, particularly in DDH 04-05 and 06, appear to be extensively silicified,
- metamorphic folial vein quartz is common, and
- mesothermal vein quartz is similarly common but predominantly narrow (20 to 30cm); this district had no major mesothermal sheeted vein sets sub-parallel to foliation (cf. Lone Star district) or cross-cutting the F_1 foliation (cf. Mitchell-Sheba); some minor arsenopyrite mineralisation was noted in the vicinity of mesothermal quartz veins but it is invariably related to younger cross-cutting quartz veins.

Geological and structural data of interest were:

- confirmation from orientated core of the predominantly shallow westerly dip of the F_1 foliation parallel to lithology; however, there are some core sections which have intersected foliation at a high angle,
- several holes, in particular DDH 04/07 and 02, were terminated in strongly carbonate-altered mafic quartz-chlorite schist,
- DDH 04/02 intersected at depth over 25 metres (153 to 179m) of strongly deformed, quartz veined, carbonaceous siliceous metasedimentary schist correlated with the Nassina-type lithology seen in the Goldfield; contacts with adjacent Klondike Schist lithologies are almost certainly tectonic,
- DDH 04/05 and 06 were characterised with major sections (30 to 40m) of semi-massive (?) silica-altered quartz felspar porphyry schist,

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- drill holes (03, 04, 05) had sections of quartz-rich schist with pale pink alteration thought to be possible roscoelite (a vanadiferous mica) but petrography indicated the colour is due to finely disseminated hematite, and
- DDH 04/01 and 02 intersected a number of pug-clay fault zones, inferred to be vertical, which could be related to a WNW-trending fracture system (inferred from air photograph interpretation) along the steep headwater slopes of the Upper Last Chance drainage system and perhaps a south-easterly extension of the sulphidic breccia noted in the headwater slopes of Lindow Creek.

In conclusion, it is inferred that this drilling program intersected the broad footwall zone of a probably low temperature gold-arsenic system. The most notable facets of this plumbing system were the widespread, albeit narrow, chlorite veining \pm fine-grained pyrite, and pervasive carbonate alteration of underlying chlorite schists.

The mineral association of arsenic and gold is reflected in the low order soil geochemistry. The lower temperature (?epithermal) association may also be reflected in patchy barium soil anomalism.

Other gold mineralised areas in the Klondike, such as the Mitchell-Sheba Hunker district lack an arsenic association and have more widespread base metal, particularly lead, mineralisation.

Untested structures which could control mineralisation or have been the plumbing conduits appear to be the topographically low Klondike creeks many of which are clearly fault structures. How to explore these low-lying structures underlying old placer mining operations is a significant problem for future explorers to tackle.

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I, Robert Gerard Adamson declare that I am co-author of the report entitled "*Assessment Report for the Renewal of KLONDIKE, BEAR, GAP, IF, GIT, NUG, ACT and OZ Claim Groups, Bonanza Creek – Bear Creek District, Dawson Mining District, Yukon Territory; NTS Reference: 115 O/14, Centred at Geographical Co-ordinates 139° 07' W, 63° 55' N. Assessment Work: Six diamond cored drill hole*", dated June 2005.

My professional experience comprises some thirtyfive years in the practice of economic geology in a range of precious and base metal deposit types. I have worked primarily in Australia, New Zealand, southern Africa and northern Canada in a variety of senior professional and management positions with major mining houses, private and stock exchange listed companies. Since 1994 I have been practising as an independent consultant in economic geology.

I hold the degrees of BSc and MSc (First Class Honours in Geology).
I am a Member of the Australasian Institute of Mining & Metallurgy (40 years membership) and of the Mining Industry Consultants Association (Australia) (10 years membership).
I was admitted to the status of Chartered Practising Geologist (AusIMM) in February 2000.

I am a director of KSL Exploration (Yukon) Limited and CEO of the parent company Klondike Source Limited.

June 06, 2005

Signed



KSL Exploration (Yukon) Limited

Colin M. Thomas, B.Sc.(Hons)

*trading as Poduta Pty Limited, ABN 97 087 891 325
and Director of RobSearch Australia Pty Limited,
Independent Consultants: Natural Resources;
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I, Colin Maguire Thomas declare that I am co-author of the report entitled "*Assessment Report for the Renewal of KLONDIKE, BEAR, GAP, IF, GIT, NUG, ACT and OZ Claim Groups, Bonanza Creek – Bear Creek District, Dawson Mining District, Yukon Territory; NTS Reference: 115 O/14, Centred at Geographical Co-ordinates 139° 07' W, 63° 55' N. Assessment Work: Six diamond cored drill hole*", dated June 2005.

I graduated with 2nd Class (Div.1) Honours in Geology from the University of St Andrews, Scotland in 1960.

I have 40 years professional experience, initially (1961-1970) with the Tanzania and Botswana Geological Surveys, and since then as staff geologist and chief minerals geologist with Robertson Research Australia and its successor company RobSearch Australia Pty Limited.

I have specialised in regional and district geological studies for precious and base metals, uranium and diamonds. I have undertaken consulting assignments for mining and exploration companies throughout Australia, New Zealand, Indonesia, Iran, India and several African Countries.

I am a founding Director of Klondike Source Limited and a director of KSL Exploration (Yukon) Limited.

Signed



.....
C M Thomas

June 06, 2005

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Appendix 1 Applications for Renewal

| Claim No. | Grant No. | No. of Claims | Expiry date | Application for Renewal to: |
|-----------------------------|---------------------|---------------|-------------|-----------------------------|
| Klondike Claims | | | | |
| Klondike 2 | YC 16217 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 4 | YC 16219 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 6 | YC 16221 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 9 - 14 | YC 16224 - YC 16229 | 6 | 2004/12/07 | 2009/12/07 |
| Klondike 20 - 29 | YC 16235 - YC 16244 | 10 | 2004/12/07 | 2009/12/07 |
| Klondike 62 - 73 | YC 16277 - YC 16288 | 12 | 2004/12/07 | 2009/12/07 |
| Klondike 78 - 79 | YC 16293 - YC 16294 | 2 | 2004/12/07 | 2009/12/07 |
| Klondike 97 - 102 | YC 16312 - YC 16317 | 6 | 2004/12/07 | 2009/12/07 |
| Klondike 103 | YC 20050 | 1 | 2004/12/16 | 2009/12/16 |
| Klondike 106 | YC 20053 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 109 - 114 | YC 16324 - YC 16329 | 6 | 2004/12/07 | 2009/12/07 |
| Klondike 133 - 136 | YC 16348 - YC 16351 | 4 | 2004/12/07 | 2009/12/07 |
| Klondike 147 | YC 20056 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 149 - 151 | YC 16364 - YC 16366 | 3 | 2004/12/07 | 2009/12/07 |
| Klondike 171 - 182 | YC 16386 - YC 16397 | 12 | 2004/12/07 | 2009/12/07 |
| Klondike 187 - 188 | YC 16402 - YC 16403 | 2 | 2004/12/07 | 2009/12/07 |
| Klondike 247 - 258 | YC 16462 - YC 16473 | 12 | 2004/12/07 | 2009/12/07 |
| Klondike 296 - 329 | YC 16511 - YC 16544 | 34 | 2004/12/07 | 2009/12/07 |
| Klondike 342 - 376 | YC 16557 - YC 16591 | 35 | 2004/12/07 | 2009/12/07 |
| Klondike 393 - 405 | YC 16607 - YC 16619 | 13 | 2004/12/07 | 2009/12/07 |
| Klondike 407 | YC 16621 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 409 | YC 16623 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 411 | YC 16625 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 413 | YC 16627 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 415 | YC 16629 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 417 | YC 16631 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 419 | YC 16633 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 424 | YC 16638 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 426 - 433 | YC 16640 - YC 16647 | 8 | 2004/12/07 | 2009/12/07 |
| Klondike 463 | YC 16677 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 465 | YC 16679 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 467 | YC 16681 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 469 | YC 16683 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 471 | YC 16685 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 473 | YC 16687 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 475 | YC 16689 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 477 | YC 16691 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 479 | YC 16693 | 1 | 2004/12/07 | 2009/12/07 |
| Klondike 501 - 506 | YC 16715 - YC 16720 | 6 | 2004/12/07 | 2009/12/07 |
| Bear Claims: | | | | |
| Bear 1- 27 | YC 20011 - YC 20037 | 27 | 2004/12/16 | 2009/12/16 |
| Gap Claims: | | | | |
| Gap 1 - 20 | YC 20727 - YC 20746 | 20 | 2004/12/18 | 2009/12/18 |
| Gap 25 - 29 | YC 20751 - YC 2055 | 6 | 2004/12/18 | 2009/12/18 |
| If Claims: | | | | |
| If 1 - 7 | YC 20711 - YC 20717 | 7 | 2004/12/18 | 2009/12/18 |
| Total PacRim Claims: | | 254 | | |

Claims held by KSL Yukon on behalf of Joint Venture

| Claim No. | Grant No. | No. of Claims | Expiry Date | Application for Renewal to: |
|-------------------------------------------------------------------|---------------------|---------------|-------------|-----------------------------|
| GIT 1 - 13 | YC 20773 - YC 20785 | 13 | 2005/01/03 | 2010/01/03 |
| NUG 1 - 12 | YC 20816 - YC 20827 | 12 | 2005/01/03 | 2010/01/03 |
| ACT 1 - 20 | YC 20786 - YC 20805 | 20 | 2005/01/03 | 2010/01/03 |
| GAP 41 - 44 | YC 20812 - YC 20815 | 4 | 2005/01/03 | 2010/01/03 |
| OZ 1 - 46 | YC 30885 - YC 30930 | 46 | 2005/05/18 | 2010/05/18 |
| Total Claims held by KSL Yukon on behalf of Joint Venture: | | 95 | | |
| Total for Renewal: | | 349 | | |

KSL Exploration (Yukon) Limited

Appendix 2

2004 Drill Hole Data (CD only) (CD in attached envelope)

CONTENTS OF CD

| | | |
|----------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Folder: | DDH 04/01 to 06: | Core Geophysics Logs - Geological Recovery Assay & Geology Summary (pdf) Site Photographs Drill Hole Cross-Section |
| Folder: | Drill Hole Database | Assay & Summary Longs (Excel spreadsheet) |
| Folder: | Plans, Etc | Collar Plans (Drill grid & UTM grid) East-West Longitudinal Cross-Section Plan of Geochemistry, Magnetics and Drill Holes (Fig 2) Plan of Geochemistry, Geology & Drill Hole (Fig 3) |
| Folder: | Petrography | Locations of Samples (pdf) Petrographic Descriptions (pdf) |
| Folder: | Sampling & Assay | Analysis Certificates (pdf) Sample Book Register (pdf) |

Expenditure Statement, Additional Data

Re June 2005 Klondike Claims Assessment

DRILLING COSTS

BASIS:

Personnel:

5 man crew; 2 x 12 hour shifts

Timing:

2004/06/07 - 2004/07/15; 2004/08/10 - 2004/08/18
mob-demob: 5 days

Accom:

Downtown Hotel, Dawson

Drilling Costs:

| | | |
|------------------------------|------------|---------|
| Drilling - Accom & Meals | 18,402.97 | |
| Drilling - Earth moving | 26,390.00 | |
| Drilling - Footage | 121,883.24 | |
| Drilling - Fuel (tax exempt) | 7,747.91 | |
| Drilling - Misc ** | 36,319.63 | |
| Drilling - Muds | 10,897.05 | |
| Drilling - Water supply | 27,185.00 | 248,826 |

** (incl. Mob-demob, stand-down, 3-month downhole survey gear rental, core trays)

Equipment Rental:

| | | |
|------------------------------------------------------------------------|-------|-------|
| Downhole core-orientation equipment rental for 3 months @ \$1500/month | 4,500 | |
| Radio-phone rental, part of | 513 | |
| Diamond core saw rental (4 months) @ \$290/month (June-Sept) | 1,160 | 6,173 |

Supplies:

| | | |
|--------------------------------------------------------|--------|--------|
| Core shack benches, electrical work, water (estimated) | 10,000 | |
| Core saw blades | 1,100 | |
| Security/ablution services | 1,988 | |
| Sampling/packaging | 549 | |
| Grocery supplies | 1,344 | |
| Office costs (incl. Payroll) | 2,125 | 17,106 |

NB: It is impossible to distinguish other costs included in the total of \$29,520 (Supplies, incl Fuel), a significant part of which includes fuel & maintenance for two vehicles; one of which was purchased for the project.

Office/Core Shack Rental

| | | |
|------------------------------|--------|--------|
| Office/accommodation rental: | | |
| May-September, 5 x \$2150 | 10,750 | |
| October-December, 3 x \$500 | 1,500 | |
| Core shack rental: | | |
| April-September, 6 x \$1000 | 6,000 | |
| October-December, 3 x \$500 | 1,500 | |
| Electricity | 645 | 20,395 |

Wages

| | | |
|---------------------------------------------------------------------------|--------|--------|
| P. Ledwidge, Proj. Geologist; \$350/day; April-October, 72.5 days @ \$350 | 25,375 | |
| S. Jordan, Field Assistant: \$225/day; June-September, 40 days @ \$225 | 9,000 | 34,375 |

Supervising Geologists

| | | |
|----------------------------------|--------|--------|
| R.G. Adamson: 48 days @ 760/day | 36,480 | |
| C.M. Thomas: 30 days @ \$760/day | 22,800 | 59,280 |

TOTAL WAGES: 93,655

Vehicle Rental

| | | |
|--------------------------------------------------------------------------------------|-------|--|
| 4-wheel drive, mid-May to end-August rental 3.5 months @ basic rate of \$2,800/month | 9,800 | |
|--------------------------------------------------------------------------------------|-------|--|

KSL Exploration (Yukon) Limited

Appendix 3

Expenditure Statement

| | <u>C\$</u> |
|----------------------------|----------------|
| Drilling costs | 248,826 |
| Assay fees | 28,300 |
| Equipment rental | 6,173 |
| Freight | 5,192 |
| Insurance | 2,946 |
| Supplies, incl fuel | 29,520 |
| Core shack, office rental | 20,395 |
| Communications, phone, etc | 2,807 |
| Wages | 85,450 |
| Vehicle rental | 9,907 |
| TOTAL: | 439,516 |