

PLACER ASSESSMENT REPORT X

DOCUMENT NO: 120151

MAP NO.: PROSPECTUS

MINING DISTRICT: Whitehorse

115 G/6

CONFIDENTIAL X

TYPE OF WORK: Evaluation Survey

OPEN FILE

REPORT FILED UNDER: Duane Pfaff

DATE PERFORMED: Sept. 5 - 11 1991.

DATE FILED: October 23, 1991

LOCATION: LAT.: 61°22'N

AREA: Burwash Creek Area

LONG.: 122°20'W

VALUE \$: 6,000.00

CLAIM NAME & NO.: Joan Claims 1 - 21 P38421 - P38441.

WORK DONE BY: L.J. Seiga P.Geol.

WORK DONE FOR: Duane Pfaff.

DATE TO GOOD STANDING:

REMARKS: 115 - G Burwash Creek Area

An evaluation survey based on magnetometer readings and the author's past experience in the area was prepared for the owner of the claims. The author mapped out the probable relative depths of overburden and recommended areas of shallow overburden for immediate mining. Base station and looped lines were not used in this survey thus results are suspect.

**EVALUATION SURVEY USING GEOMAGNETIC READINGS
ON
JOAN PLACER CLAIMS
1-21 GRANT NO'S 38421-38441 Incl.**

TO: DUANE PFAFF

**BY: L.J. SIEGA P.Geol.
DATES: Sept 5-11, 1991**

PLACER SHEET No. 115-G-6

**LOCATION: 188 miles N.W. of Whitehorse, along
the Alaska Highway to M.P. 1104,
thence 7 miles S.W. along Burwash Creek.**

Latitude: 61 deg,22 min Longitude: 122 deg,20 min

120151

This report has been examined by
the Geological Evaluation Unit under
Section 41 Yukon Placer Mining Act
and is recommended as allowable
representation work in the amount
of \$ 6,000.00 .

Robert Dyllick

for. Chief Geologist, Exploration and
Geological Services Division, Northern
Affairs Program for Commissioner of
Northern Territories

TABLE OF CONTENTS:

SUMMARY.....Page 1

INTRODUCTION.....Page 3

PROPERTY, LOCATION, ACCESS.....Page 4

BURWASH CREEK PHYSIOGRAPHY, GEOLOGY.....Page 5

MAGNETOMETER SURVEY.....Page 6

CERTIFICATION.....Page 8

MAPS.....Back of Report

SUMMARY:

The evaluation survey is intended to provide a guide to future mining of the Joan claims. The writers plan indicates the probable relative position of the deepest channel in the stream bed by not only connecting magnetic highs but also based on the writers observations and knowledge of the area, including: previously mined depths , sampling, reporting and trenches to bedrock.

In spite of the above remarks some inconsistencies (particularly changing direction of the stream) are not apparently explainable. Eg. L21-L22, L34-L35, L46-L47. From L1 to L60 and L80 to L105 the survey is conducted across relatively undisturbed ground and a reasonable degree of correlation is noted, whereas in mined areas, particularly where basic outcrops (L60-L78) are noted, plotting of the deepest channel presents possible alternative routes Eg. L61-L66. In general, the southern edge of the claims area is a distinct smooth glacial remnant, whereas the northern edge is bounded by steep rocky cliffs (to 2000 ft.) of the Elias Range. The streams pronounced tendency to drift to the north has resulted in an intermittent series (low rocky bluffs) of elevated or old stream channel along the south shore.

The evaluation survey's magnetic readings and resulting plan indicates areas of heavy overburden (25-30+ ft.) which should be avoided due to the associated excessive costs (difficult access and productive capacities). The magnetometer survey will serve as a guide to locate the remnant benches with relatively much lower overburden. Trenching sampling and sluicing of the remnant benches (1-1.25 yd.-backhoe) is recommended. The mining of deeper channels (expensive) may be pursued at a later date. From the writers earlier reports these auriferous gravels contain in the order of .017 to .019 oz. Au/cubic yd. or \$6.00-\$7.00/cubic yd at todays prices of \$350.00/oz U.S.

Finally, trenching and planned sampling by C. Graham had started (Sept 10,1991) on line 77. Here a significant change in magnetic intensity (1307 gammas) reflected a remnant bench (4ft. to bedrock) adjacent to 20+ft. of gravel in the same section.

INTRODUCTION:

On behalf of Duane Pfaff of Puyallup, Washington the writer contracted a evaluation survey on the Joan claims (1-21 Incl.- Grant No. 38421 to 38441). In consultation with the local department of geology and the mining recorder plus a preliminary work schedule and cost estimate of the said program , permission to proceed with the survey was granted.

Certain relevant data from the writers earlier reports (1975 & 1986 including references to published papers -Mineral Industry of the Yukon Territories and G.S.C. Memoirs.) are included.

The first noted discovery of gold on Burwash creek dates back to 1903. Total production from 1948 to 1960 was nearly 10,700 ounces or an average of 823 ounces per year. The most apparent success being that of the Burwash Mining Co. Ltd (Henry Besner). At the time of the writers visit 1973 Mr. Besner was profitably mining (22B-3/4yd. shovel & 2 old D'8s.) at the mouth of Tatamagouche creek or some 500 ft. downstream of the Joan #1 claim. The concentrates included coarse and fine gold, magnetite, small amounts of platinum native silver and copper. Since 1973 the writer is aware of sporadic successes and failures. However, no reliable update is available at this time.

PROPERTY, LOCATION, ACCESS:

The property consists of 21 placer claims staked along the central portion of Burwash Creek, seven miles southwest of the Alaska Highway or 188 miles N.W. of Whitehorse. From M.P. 1104 access to the property (approx elev 4500 ft.) is along a rough rocky trail parallel to the creek.

Burwash Creek is a typical swift mountain stream with an extremely variable seasonal flow and in times of highwater becomes a dangerous torrent. Recent flooding has devastated some 80% of the old trail (1985) including portions of the road some 15 ft. above the creek bed.

At the time of the writers visit (Aug 20-23 & Sept 5-11,1991) C. Graham of Whitehorse was preparing (966 loader) an access trail for the 40H (2.5 yd. Bucyrus backhoe) in order to complete certain work commitments. While access to the claims was very difficult (4X4, 3/4 ton, limited towing 966 loader), the field work was completed.

Whereas access to the said claims is a critical aspect of a profitable operation serious consideration should be noted relative to an alternate route. Namely the trail from M.P. 1099, along the west side of the Duke River, west towards the Burwash Uplands and circling back north to the Burwash Creek bed near Joan claim No. 38441, (approx 13 miles).

The present campsite is not a viable option, and the nearest comfortable roadhouse with outside communications is located at Burwash Landing M.P. 1093 see Fig 1.

BURWASH CREEK - GEOLOGY & PHYSIOGRAPHY:

The Kluane Lake map area contains two major physiographic divisions. These include the Yukon Plateau to the northeast, and the St. Elias Mountains in the southwest, separated by the Shawkak Trench. Kluane Lake (elev 2575 ft.) is the lowest feature of the trench separation.

The information on the glacial history of this area has been compiled by assuming three progressively less extensive ice sheets. (J.E. Muller, Memoir 340, 1967) The Nisling (oldest) and the Ruby ice-sheets advanced (N.W.) across the Burwash area whereas the St. Elias was restricted to the headwaters of Burwash Creek. Locally, a distinct physiographic feature of the Nisling advance is the glacial tract (Burwash Uplands see sheet 115-G-6) along the extreme edge of the Joan claims.

Burwash Creek (glacial stream) forms a deep "V" shaped valley within the claims area and is bounded on the north by steep rocky cliffs, whereas the southern edge is a distinct smooth glacial remnant. Here the stream bed is filled with boulders, sand, silt and clay to depths of 30+ ft. The stream has exposed sedimentary and more commonly blocky igneous, basic to semi-basic rocks, (shales, argillite schists, conglomerate, gabbro, peridotite and rhyolite.)

In the process of deepening this ever shifting channel (150-300 ft wide), the stream in most places has shifted to the north side of the valley, where steep cliffs are predominant. On the

south side of the claims area an intermittent series of low rock bluffs (10-30 ft.) are indicative of old channels presently covered with grass, underbrush and stream sediments. Stripping, early in the season is desired in order to thaw relevant patches of permafrost.

To date there is no apparent reason to expect that these auriferous gravels have been concentrated from local source rocks. Rather that they have, over a long period of glacial activity and flooding conditions over an extremely large area, been concentrated by the natural sluicing action of the present channel system. From the writers earlier reports the gravels contain gold values in the range of .017 to .019 oz/cubic yd., at todays prices of \$350.00/oz the auriferous gravels are valued at \$6.00 to \$7.00 per cubic yard.

MAGNETOMETER SURVEY:

An MP-2 proton magnetometer was used to take magnetometer readings across the Joan claims on a flagged grid of 100 ft. spacing between lines and a 50 ft. spacing between recordings see fig 2.

The signal processing electronics of the MP-2 is converted to a gamma value (intensity of magnetization) and presented on a digital display. The range switch was adjusted to the total intensity of the earths magnetic field and no base station adjustments were required.

Whereas MP-2 readings are normally presented as profiles , the writer has elected to plot and connect magnetic highs of each

profile, which in the writers opinion and experience suggest the proximity of the deepest channel to bedrock. This probability is supported by the following observations.

1. Fine gold and magnetite is constantly being transported to the creek bed from the Burwash Uplands. Deeper gravels could contain more magnetite.
 2. Consistent higher readings on the top of tailings piles (10-30 ft.) are numerous as are lower readings adjacent to them, (L-3,L-4,L-9,L-29,L-64,L-75).
 3. Most readings of relatively higher magnetic intensity on the top of tailings piles in spite of no noticeable increase in the amount of ultra basic boulders or associated ultra basic outcrops. The writers estimate of paramagnetic material in the gravel is 20-25%.
 4. Consistent with notes 1,2&3 a reasonable degree of continuity (E to W) is expected. The stream would not normally fluctuate widely (90 deg N or S) across the stream bed for no visible reason. Some unexplainable exceptions do occur Eg. L-21-22,L34-36,L46-47.
 5. Where sudden increases of magnetic intensity are noted and obviously related to visible ultra basic outcrops, these readings have not been interpreted as deep channel projections. Rather, noted gradual increases in magnetic intensity is the writers preferred directive Eg. L-36-40.
- Finally, the magnetometer survey does not cover the full claims width but is restricted to the visible creek bed.

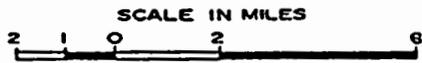
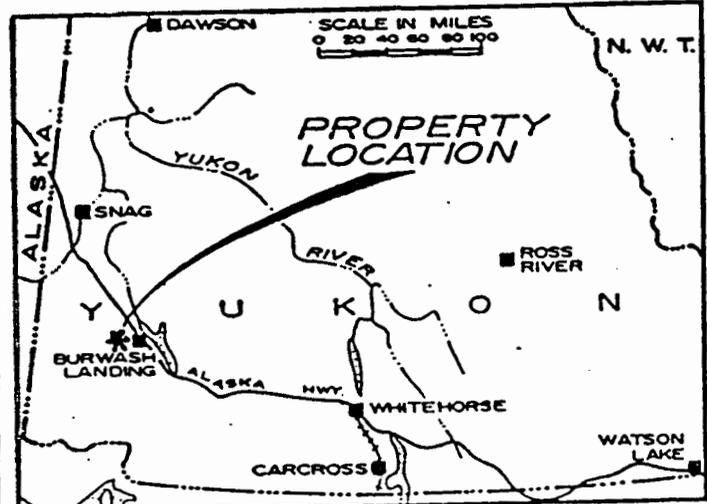
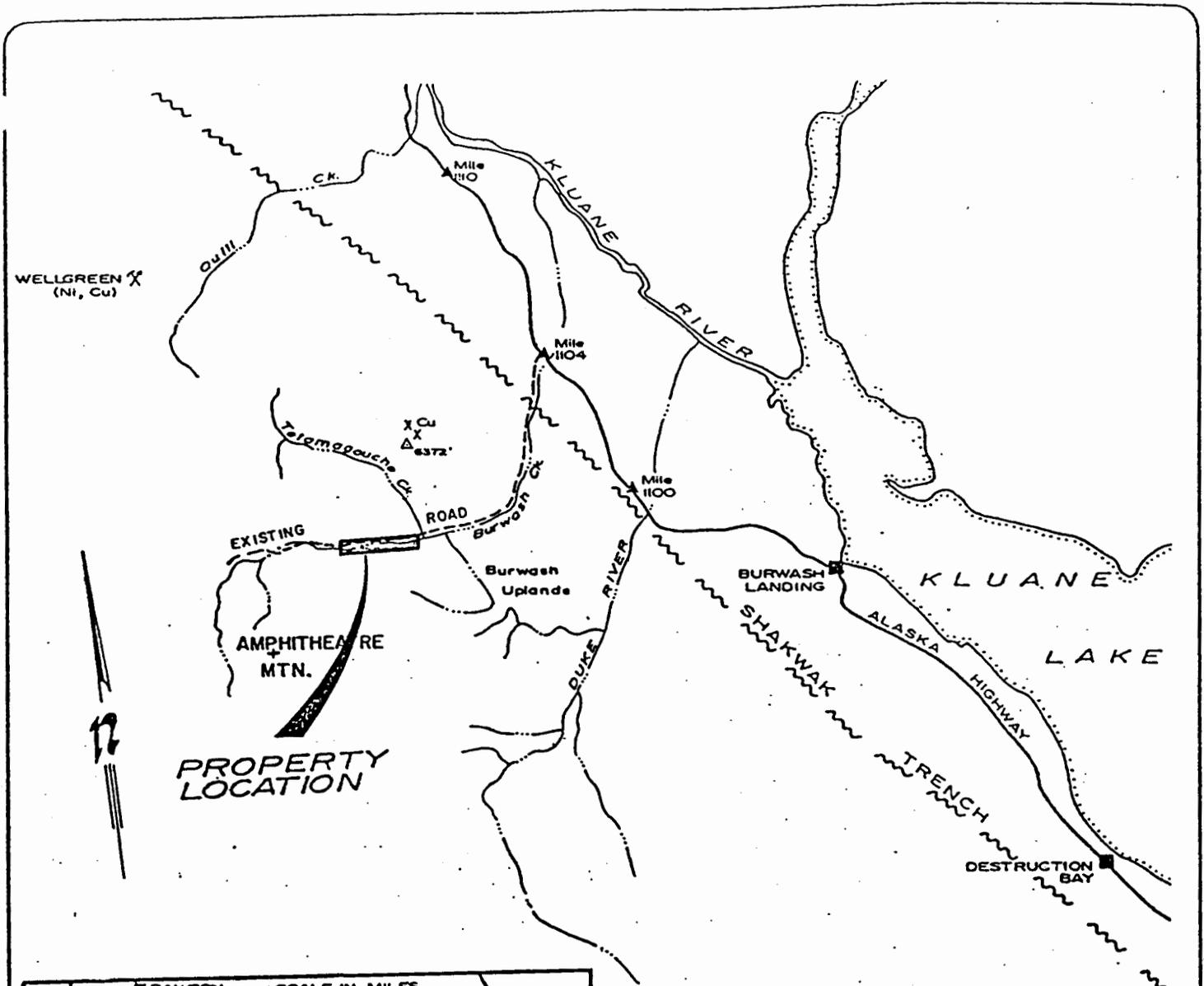
CERTIFICATION:

I Levy J. Siega of 24 Grandville Ave., St. Albert, Alberta make oath and say, that:

- 1.) I am a registered Professional Geologist in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta. No 25927.
2. I have no direct or indirect interest in either the property or securities of Duane Pfaff, nor do I expect to receive any such interest.
3. This report is based on a personal examination of the property and reports, maps and data in my personal file.
4. I have been working in a consulting capacity for the past 28 years.

Levy J. Siega, P. Geol.

-----*Levy J. Siega*-----



— JOAN LEASES —

CLAIM Nos. 1-21
 RECORD Nos. 38421-38441

LOCATION MAP

BURWASH CREEK PROPERTY YUKON TERRITORY

SCALE
 (AS SHOWN)

FIG. 1

L-1 1205 -510 -804 3333 2187 837
 L-2 990 1285 1369 1533 1694 1469
 INCREASING O.B.
 ACID O.C.
 L-3 1282 1382 1413 1540 1597 +
 L-4 1070 1182 1324 1472 1530 +
 INCREASING O.B.
 ACID O.C.
 L-5 1050 1202 1406 1525 1618 1670
 ACID O.C.
 L-6 1189 1199 1483 1720 1561 1554
 ACID O.C. RHYOLITE
 L-7 1018 1024 1187 1280 1381 +
 L-8 921 1091 1225 1171 1090 +
 +20' TAILINGS
 L-9 784 746 1125 1125 1109 +
 L-10 787 776 976 833 0093 +
 ACID O.C.
 L-11 0789 0794 0863 1094 1091 1044
 ACID O.C.
 L-12 0782 0848 0830 0898 0818 0827
 L-13 0590 0710 0781 0787 0787 +
 L-14 0524 0585 0632 0682 0684 0516
 L-15 0466 0532 0585 0611 0585 0558
 L-16 0322 0374 0328 0355 0393 0482
 L-17 084 -024 -064 0179 0181 +
 ACID O.C. RHYOLITE
 L-18 -105 -123 -007 0086 0233 0251
 L-19 0797 0793 0775 0800 0820 0816
 L-20 0328 0539 0729 0754 0747 0822 0842

L-21 0187 0577 0784 0850 0648 1097
 DARK SHALE
 L-22 0016 0286 0283 0209 0042 -207
 L-23 0226 0493 0894 1382 1258 1091
 L-24 0317 0386 0930 0936 0857 0845
 L-25 0543 0829 1000 1052 0739 +
 L-26 0556 0392 1412 1235 1475 +
 L-27 0420 0402 0894 0843 1289 0883
 +30' TAILINGS
 L-28 0428 0392 0528 1157 1037 2700
 BASIC O.C.
 +20' TAILINGS
 L-29 0323 0393 0706 1068 1227 +
 L-30 + 0594 0467 0287 105 +
 L-31 0419 0440 0091 0290 0612 +
 L-32 -183 -057 -013 0886 -082 +
 L-33 0590 0710 0781 0787 0787 +
 L-34 0524 0585 0632 0682 0684 0516
 L-35 1180 0748 0386 0489 0285 +
 L-36 + 0974 1239 2081 1397 +
 U.B.O.C.
 L-37 + + 1288 1174 2317 +
 L-38 + + 0104 0015 1607 +
 L-39 + -1179 -0847 1086 1398 +
 CAMP SITE
 L-40 0128 -184 -316 2829 +

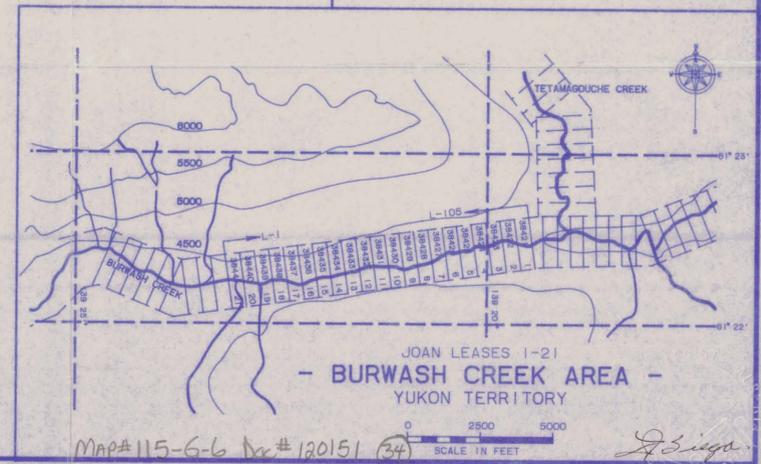
PERIDOTITE O.C.
 L-41 + 0901 0612 0353 -280 +
 L-42 + 0642 0586 0186 -0221 +
 L-43 0651 431 0086 -525 +
 L-44 0839 0681 0151 -603 +
 SLIDE AREA
 L-45 0250 0122 0345 0438 -846 +
 L-46 0485 0350 0286 0353 0790 0488
 L-47 0426 0315 0382 0445 0394 0229 0016
 L-48 0823 0385 0804 0628 0604 0306 0414
 L-49 0688 0805 0848 0781 0615 0884 0347
 L-50 + 0370 0326 0364 0341 0311 0680
 ACID O.C.
 L-51 1010 0976 1036 1018 0873 0884 +
 L-52 1014 1097 0836 1040 1088 0821 +
 L-53 0089 0151 0127 0167 0148 0072 0080
 +10' TAILINGS
 L-54 + 0116 0106 0131 0171 0078 0007
 L-55 0935 0819 1051 1101 1092 1125 1034
 L-56 0687 0885 1041 1056 1075 1078 1036
 PERIDOTITE OUTCROP
 L-57 0728 0804 0964 0997 1007 1029 1024
 L-58 2305 1182 0954 0853 1319 0318 0893
 L-59 4084 2218 1188 0778 0827 0725 +
 L-60 4535 3014 2898 0380 0181 -370 +

L-61 0253 1437 1432 0812 0247 -542 +
 +20' TAILINGS
 L-62 5329 1693 3616 1141 0702 -1275 +
 L-63 1128 1722 1331 1183 1823 0096 -2865
 +25' TAILINGS
 L-64 + 2117 0477 0283 1688 1094 -2051
 +25' TAILINGS
 L-65 -1780 -009 1322 3652 4331 + +
 +30' TAILINGS
 L-66 -1680 -1618 0382 0684 2480 + +
 BASIC O.C.
 L-67 0727 0772 0824 0822 0642 0253 +
 L-68 1013 0893 0386 0712 0586 0193 1346
 L-69 1484 1248 0344 0826 0673 0608 0652
 L-70 1375 1098 1025 0347 0785 0783 0607
 OLD CLAIM POST NO I.D.
 L-71 1378 1346 1088 1184 1187 1229 0855
 L-72 1048 1297 1185 1478 1414 1364 0740
 OLD CLAIM POST NO I.D.
 L-73 0153 0489 0388 0633 0485 0082 -007
 L-74 0487 0463 0618 0404 0654 0458 0147
 +20' TAILINGS
 L-75 0639 0700 0808 0571 0490 0687 0421
 +20' TAILINGS ABOVE CREEK BED
 L-76 0778 0849 0844 0825 0578 0525 0428
 PERIDOTITE OLD SUMP
 L-77 0354 0802 0648 589 -234 0758 +
 CLAY
 L-78 0613 0683 826 0346 0751 1094 +
 L-79 0684 0586 0652 0789 0753 0636 +
 L-80 + 0424 0800 0494 0439 + +

OLD CLAIM POST NO I.D.
 L-81 0681 0470 0584 0800 0551 + +
 L-82 0447 0523 0521 0588 1250 + +
 L-83 + 0443 0641 0828 0889 + +
 L-84 + 0386 0802 0583 0884 + +
 L-85 + 0408 0689 0782 0812 + +
 L-86 + 0629 0670 0250 0676 + +
 L-87 0428 0473 0631 0764 0458 + +
 L-88 0867 0890 0631 0844 0605 0551 +
 L-89 + 1025 2072 1821 0790 0480 +
 L-90 0489 1210 2280 1786 0823 0423 +
 L-91 0428 0854 1482 1350 1090 + +
 L-92 + 0345 0515 5785 0807 + +
 L-93 0038 0498 0621 0587 0383 0094 +

L-94 + 0784 1088 1131 0124 + +
 BASIC O.C.
 L-95 + 1381 0867 0058 0844 + +
 BASIC O.C.
 L-96 + 0678 0725 0055 0616 + +
 L-97 + 3184 2610 1448 -201 + +
 L-98 0786 0593 1350 2034 1499 + +
 BASIC O.C.
 L-99 + 3020 2610 1637 0518 + +
 L-100 0800 2287 2853 1888 + + +
 L-101 + 3221 2530 0823 0888 + +
 BASIC O.C.
 L-102 + 2890 1392 0115 + + +
 L-103 0685 0015 0577 0473 + + +
 PERIDOTITE O.C.
 L-104 0675 0880 1487 2867 2885 + +
 L-105 0875 0900 2214 2850 2885 + +

120151
 READINGS OF
 MAGNETOMETER SURVEY
 GAMMAS γ 000
 U.B.O.C. = ULTRA BASIC OUTCROPS
 PROPOSED PROXIMITY
 OF DEEPEST GRAVELS
 ALTERNATE ROUTES
 OF DEEP GRAVEL
 SCALE: 1" = 100'



MAP# 115-6-6 Doc # 120151 (34) SCALE IN FEET
 DWG 407

COST OF EVALUATION SURVEY USING GEOMAGNETIC READINGS:

JOAN PLACER CLAIMS 1-21 INCL.

1. Professional fees @ \$450.00/day:	
On site Sept. 5 - 11, 1991	
Report and file work three days	
Ten days @ \$450.00/day	\$4,500.00
2. Truck rental Norcan:	
Six days @ \$54.00/day	
Mileage @ \$0.34/Km x 736 Km	\$ 324.00
Fuel and batteries	\$ 63.60
3. Burwash Landing Resort	\$ 774.63
4. Magnetometer rental and freight	\$ 414.26
5. Drafting, phone, typing, binders, fax	\$ 358.15
TOTAL	\$6,322.49

Assessment expenses and work to be applied to Joan placer claims
7-21 Incl.

J Siego -