

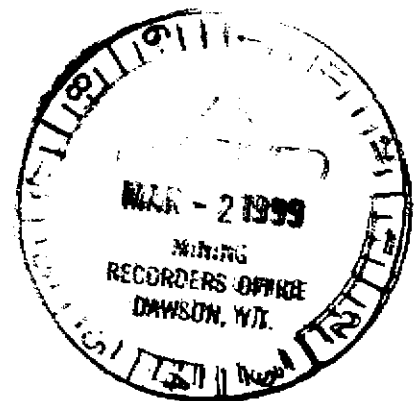
15174 YUKON INC.

TOTAL MAGNETIC FIELD SURVEY
AT THE AUSTRALIA CREEK
PROPERTY
YUKON TERRITORY

Gary Smith B.Sc.
AMEROK GEOSCIENCES LTD.

120180

Operator: 15174 Yukon Inc.
Location: 63°37'N, 138°40' W
NTS: 115 O/10
Mining District: Dawson
Date: November 30, 1998



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 \$ 4782.70.

Chief Geologist, Exploration and
Geological Services Division, Northern
Advisory Program for Commissioner of
Yukon Territory.

SUMMARY

A total magnetic field survey was conducted on the Australia Creek Property in the Yukon Territory between November 4 and 6, 1998. The aim of the survey was to locate any buried stream channels containing placer-type deposits that may be on the property. A total of approximately 20 line-km was surveyed on a square grid centred at 63°37'N, 138°40' W. The magnetic field survey detected one significant geophysical anomaly which appears to be caused by a placer-type body at shallow depth. This positive high amplitude anomaly is about 120 metres in length and 30 metres wide and trends roughly NW-SE. A weak magnetic response continues to north from the anomaly and may be a deeper extension of the target.

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1.0 INTRODUCTION

This report describes a total magnetic field survey conducted on the Australia Creek Property in the Yukon Territory. The survey was conducted to locate placer mineralization occurring on the property.

2.0 PROPERTY, LOCATION AND ACCESS

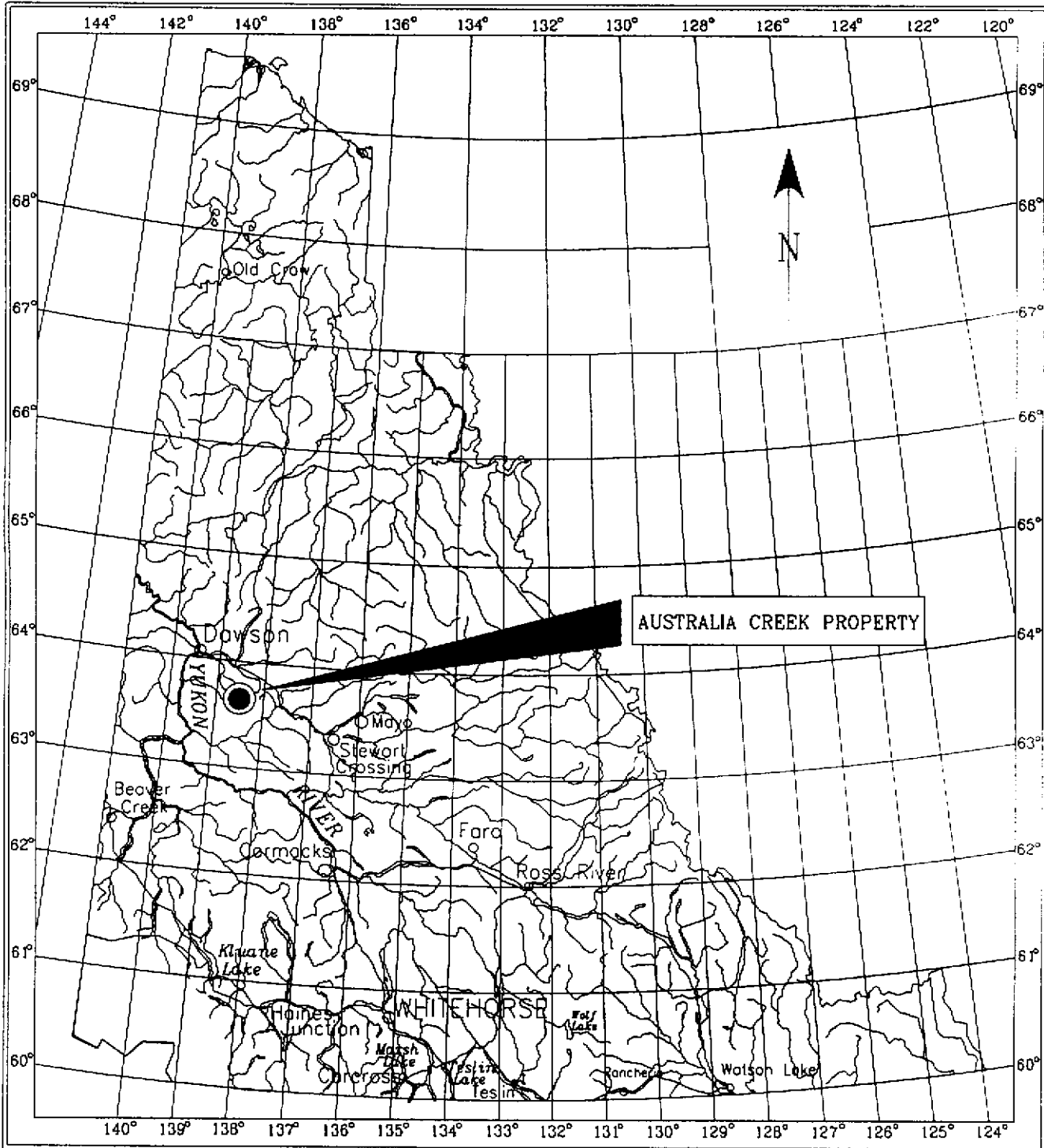
The Australia Creek Property is situated on the following claims and leases:

<u>Claims</u>	<u>Lease</u>	<u>Grant Number</u>	<u>Expiry Date</u>
TMC 6		P38062	Nov 05 1999
TMC 7		P38063	Nov 05 1999
TMC 8		P38064	Nov 05 1999
1 Mile	Creek	ID00148	Aug 10 1999
1 Mile	1st Tier	ID00110	Nov 07 1999
4 Mile	Creek	ID00119	Mar 02 1999
1 Mile	1st Tier	ID00120	Mar 02 1999

The claims are owned by the following partys:

<u>Claim/lease</u>	<u>Ownership</u>
P38062	Gimlex Enterprises (Jim Christie)
P38063	Gimlex Enterprises (Jim Christie)
P38064	Gimlex Enterprises (Jim Christie)
ID00148	Greg Jilson
ID00110	15174 Yukon Inc.
ID00119	Mary Ann Chudy
ID00120	Tony Malcom

The property is located at 63° 37' N 138° 40' W, approximately 60 kilometres southeast of Dawson City (figure 1). Locally the property is situated near the confluence of Wounded Moose Creek and Australia Creek. The grid lies approximately 1.5 kilometres east of where Dominion Creek meets the Indian River (figure 2). The property is accessible by road from Dawson via the Klondike Highway and the Hunker and Sulphur Creek secondary roads.



15174 YUKON INC.

AUSTRALIA CREEK

PROPERTY LOCATION

MINING DISTRICT DAWSON

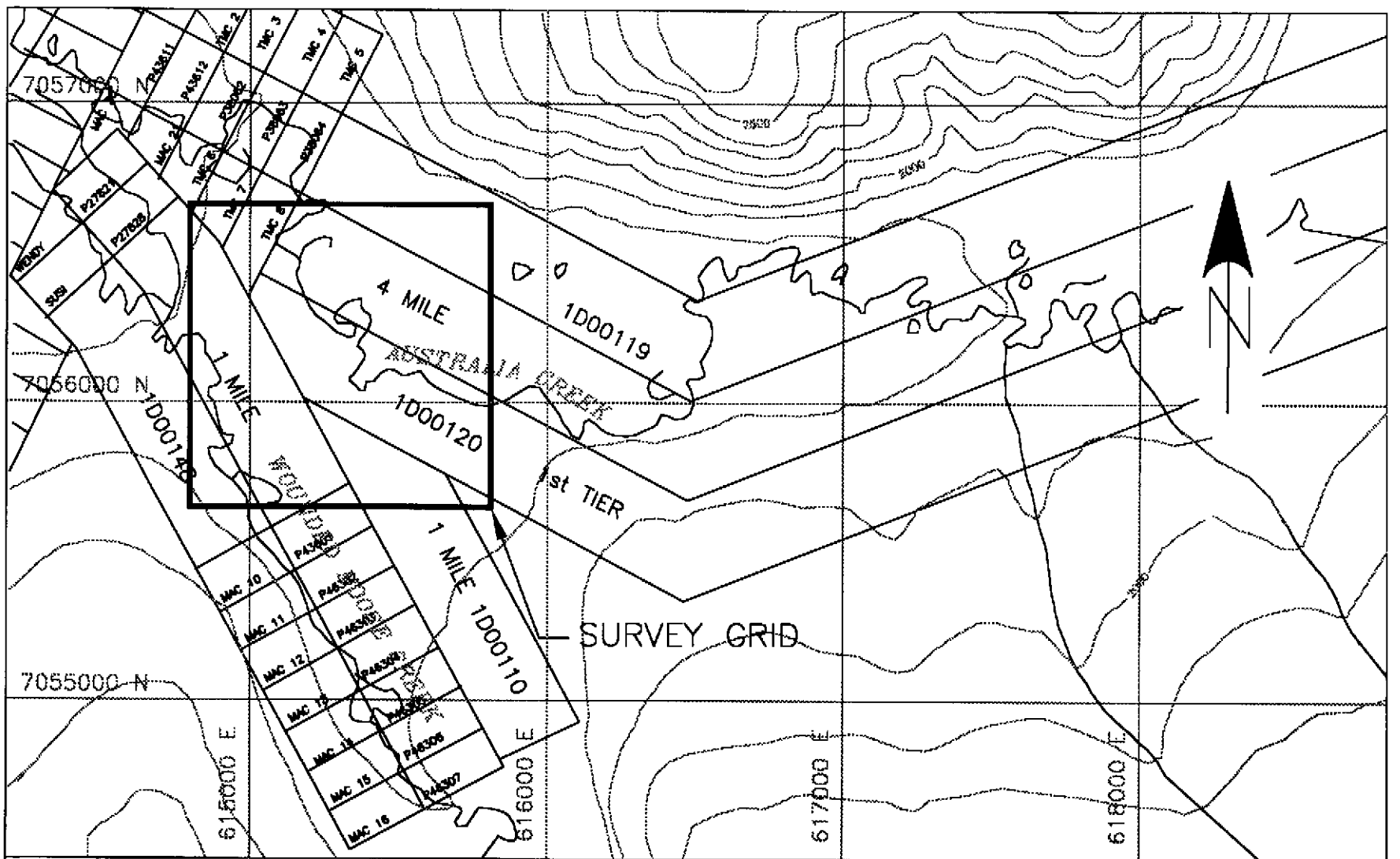
NTS 115 0/10' SCALE 1 6 000 000

DRAWN BY GS

AMEROK GEOSCIENCES LTD.

DATE: 19 NOV 1998

FIGURE 1



NAD 1983 DATUM

15174 YUKON INC.

GRID LOCATION

AMEROK GEOSCIENCES LTD.

AUSTRALIA CREEK

MINING DISTRICT: DAWSON

NTS 115 0/10

SCALE 1: 20 000

DRAWN BY AD

13 NOV 98

FIGURE: 2

3.0 PERSONNEL AND EQUIPMENT

The survey was conducted by Chris Gooliaff, B.Sc. and Gary Lee, P.Eng. together with the following equipment :

Instruments: 1 - GEM proton precession magnetometer
 1 - GEM Overhauser magnetometer
 1 - Omni Plus proton precession magnetometer

Data processing: laptop computer and colour printer

Other: F250 4WD crew cab

4.0 PLACER GEOLOGY

The geological setting of placer gold deposits within the Klondike District is characterized by unglaciated, deeply weathered terrane upon which a moderately incised drainage has been superposed. Stream valleys in the district contain a variety of alluvial deposits some of which are known to include localized sites of heavy mineral concentration such as gold, magnetite, ilmenite, garnets and other locally derived minerals (McLeod 1984). A proposed genetic model for placer gold deposition in the area begins with the weathering of auriferous host rocks resulting in the preconcentration of gold. This concentration is further enhanced by subsequent uplift, stream erosion and gravity resulting in the formation of paystreak zones in the alluvium which are deposited on or near the bedrock surface. Later episodes of uplifting serve to further cut existing stream channels into the bedrock and also result in the deposition of bench placers along newly formed stream terraces.

Placer deposits that have been worked adjacent to the area covered by this report are typically 5 to 10 metres thick. In general they consist of sandy gravels and boulders covered by 2 to 3 metres of organic-rich black muck. Minerals recovered from these deposits include gold, magnetite, garnets and epidote (Debicki 1983).

The Australia Creek Property is located within a broad 1-2 kilometre wide valley near the confluence of Wounded Moose and Australia Creeks. The underlying bedrock is a feldspar-quartz schist covered by an even distribution of stream gravels and organic-rich clays. The area did not suffer Pleistocene glaciation and hence gravels deposited and reworked since the Tertiary remain good potential hosts for gold placers. In addition, recent uplift since the Pleistocene has resulted in the further incision of stream channels into the underlying bedrock. These channels are essentially masked by the flat topography of the area (Power and McIntyre 1990).

It has been shown that placer deposits containing sufficient magnetite can be detected by magnetic field surveys in unconsolidated sediments up to depths of approximately 100 metres (Anderson and Johnson, 1970).

5.0 GRID AND SURVEY PROCEDURE

The survey was conducted over a 1 kilometre square grid consisting of approximately 20 line kilometres. The survey lines were oriented N-S. The grid was cut and flagged at 20 metre intervals along the survey lines and flagged at 25 metre intervals along the baseline.

The base station magnetometer was installed in a magnetically quiet area approximately 2 kilometres northwest of the grid near Dominion Creek. The base station was cycled at 15 seconds on the first day of surveying and at 10 seconds on all subsequent survey days. Total magnetic field readings were taken at 5 metre intervals along the grid lines. Following the survey, the field data was corrected for temporal geomagnetic variation using base station recordings. The magnetic field was quiet throughout the survey with variations in the order of 1.0 to 2.0 nT per minute, with the exception of some noisy periods on the morning of the last survey day (Nov 6, 1998), where temporal variation of the magnetic field was in the order of 10-15 nT per minute.

6.0 DATA PRESENTATION AND FORMAT

Digital data is appended to this report as ASCII Geopak XYZ files in the following format:

Line	Station	X	Y	Corr-Mag
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Also appended to this report are stacked profiles and a colour contoured map of the total magnetic field data showing the survey grid. The magnetic field data was colour contoured using a trend rotation of 20°.

7.0 SURVEY RESULTS AND MODELLING

The magnetic field response over the survey grid shows a total range of about 120 nT. The overall response is flat with the exception of a strong, high amplitude magnetic field anomaly (anomaly A) that extends from Line 2800E, 500S to about 2575E, 175S. A weak continuation of this response appears to extend from the northern tip of the anomaly northwest across the grid to Line 2300E, 500N (figure 5).

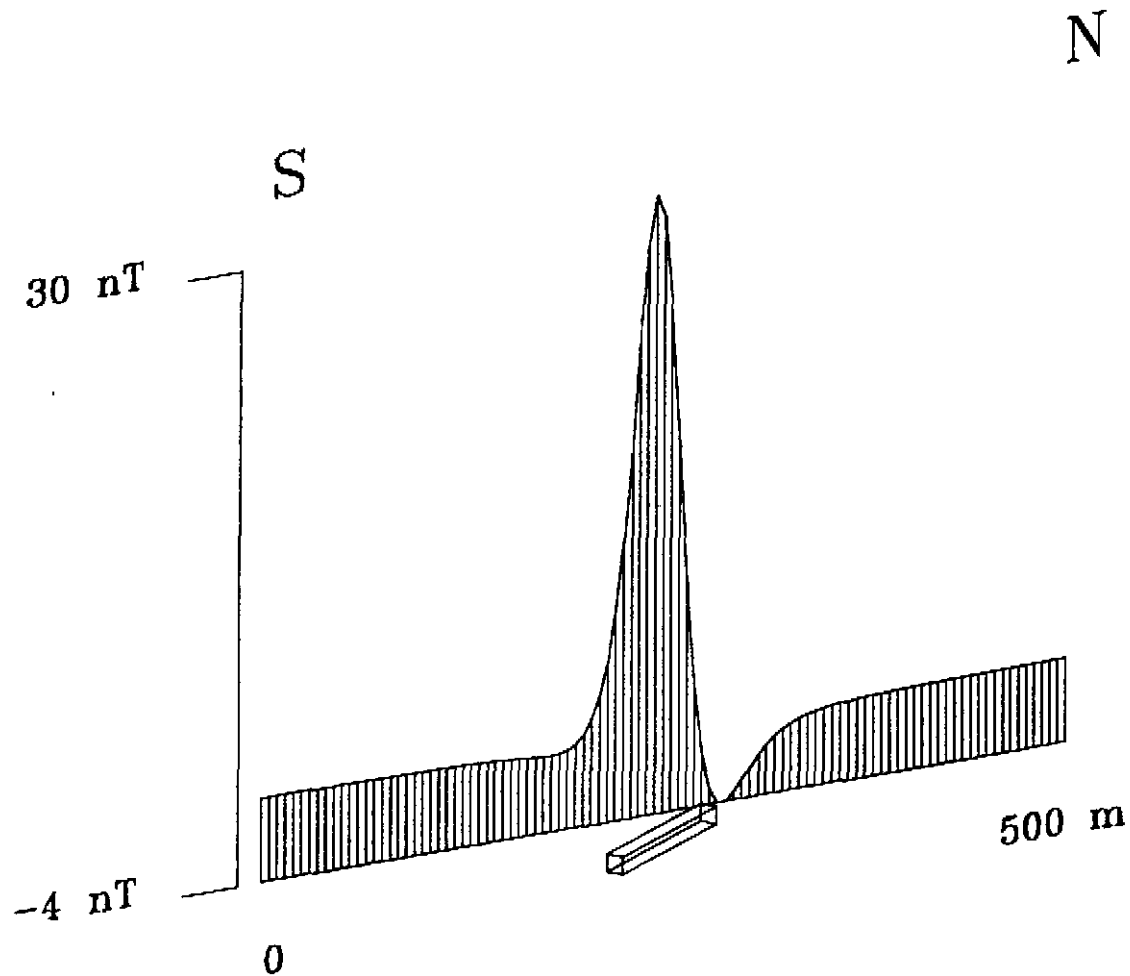


Figure 3. Total magnetic field response of a magnetite rich placer deposit (10m x 100m x 10m thick) at a depth of 10 m. Susceptibility contrast 0.0006 SI

Peak positive amplitude is approximately 120 nT above the background. The positive amplitude peak is centred over the source body assuming the source can be approximated by a rectangular prism.

Source bodies of varying geometries and magnetic susceptibilities were modelled using Geopak REVS software in order to determine a suitable best-fit response to the observed high amplitude magnetic anomaly. Fixed parameters in the modelling included the earth's magnetic field specifications (total field intensity, inclination and declination), as well as the survey line orientation. The response of a horizontal, rectangular prism of varying magnetic susceptibility, thickness and depth was modelled and adjusted to examine the sensitivity of the response to these parameters. The total magnetic field response from a 10 m x 100 m x 10 m thick magnetite-rich placer deposit having a magnetic susceptibility of .0006 SI is shown in figure 3.

The effect of varying the depth, thickness and magnetic susceptibility of the rectangular prism during the modelling can be summarized as follows:

- a. Increasing the depth to the top of the source body suppresses the trough on the north side of the anomaly and decreases the amplitude of the response.
- b. Increasing the thickness of the source body increases the relative depth of the trough on the north side of the anomaly and increases the amplitude of the response.
- c. Increasing the magnetic susceptibility by one order of magnitude significantly increases the amplitude of the response and the relative size of the trough north of the anomaly.

The magnetic field data and the modelling results suggest that the high positive magnetic anomaly A may be caused by relatively flat-lying, elongated source that is 3-5 metres below the surface and has a depth extent of 10-15 metres.

8.0 CONCLUSIONS

The results of the total magnetic field survey suggest the following conclusions:

- a. One positive high amplitude magnetic anomaly (anomaly A) was detected in the survey. This anomaly appears to be caused by a northwest-southeast trending source that is about 5 metres below the surface. This anomaly weakens considerably north of Line 2575E, 175S but can be traced across the grid to the north.

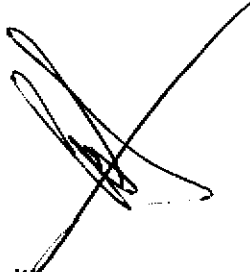
b. The source has a response that can be modelled to fit the expected response of a magnetite-rich placer deposit. The weakening of the response to the north may be the result of an increase in depth of the source body or possibly a depletion in the magnetite content of the target.

9.0 RECOMMENDATIONS

The magnetic field survey has identified a promising target on the Australia Creek Property (magnetic anomaly A). The magnetic anomaly should be tested along the strike length by trenching or drilling.

Respectfully submitted,

AMEROK GEOSCIENCES LTD.

A handwritten signature in black ink, appearing to read 'Gary J. Smith', is written over the company name. The signature is stylized and somewhat illegible due to the cursive nature of the handwriting.

Gary J. Smith
Geophysicist

References cited

Anderson, L.A., and Johnson, G.R. (1970) Application of Magnetic and Electrical Resistivity Methods to Placer Investigations in the Fairbanks District, Alaska. U.S. Geological Survey Prof. Paper 700-C.

Debicki, R.L. (1983) Yukon Placer Mining Industry 1978-1982. Indian and Northern Affairs Canada Publication.

McCleod, C.R. (1984) Placer Gold, from Canadian Mineral Deposit Types: A Geological Synopsis. Geological Survey of Canada, Economic Geology Report 36. Edited by Eckstrand, O.R.

Power, M.A. and McIntyre, R.L. (1990) Mapping Bedrock Topography with Ground-Penetrating Radar, from Twelfth Annual Alaskan Conference on Placer Mining. Report compiled and edited by Farmer C. and Walsh D.E..

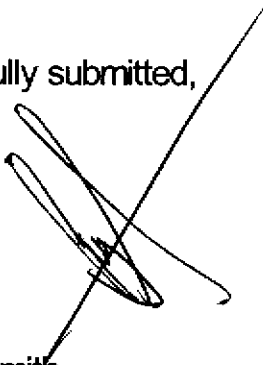
Appendix A Certificate

I, Gary J. Smith, with residence address in Whitehorse, Yukon Territory do hereby certify that:

1. I have obtained my B.Sc. Specialization in Geology / Physics from Concordia University in 1997.
2. I have been actively involved in mineral exploration in the Northern Cordillera since September 1997.
3. I interpreted the results contained in this report with the assistance of Mike Power, P.Geoph.
4. I have no interest, direct or indirect, nor do I hope to receive any interest, direct or indirect, in 15174 Yukon Inc. or any of it's properties.

Dated this 19th day of November, 1998 in Whitehorse, Yukon.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Gary J. Smith', written over a diagonal line that extends from the top right towards the bottom left.

Gary J. Smith

Appendix B. Survey Log

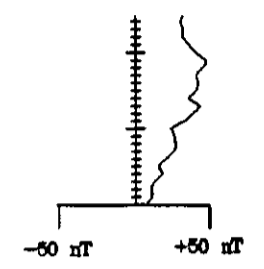
Personnel: Chris Gooliaff - Geologist and crew chief
Box 5808, Whitehorse, YT Y1A 5L6

Gary Lee - Technician
Box 5348, Whitehorse, YT Y1A 5L5

- Tue 03 Nov 98 Mobilization to property.
- Wed 04 Nov 98 CG flagged lines during the morning, afternoon CG surveyed approximately 5 km of mag. GL, along with Kim Ferguson and Bill Harris (of 15174 Yukon Inc.) cut and flagged survey lines and completed approximately one-half of the baseline.
- Thur 05 Nov 98 CG completed approximately 8 km of magnetic field surveying. GL, Bill Harris and Kim Ferguson cut and flagged survey lines. GL flagged and completed the baseline.
- Fri 06 Nov 98 CG completed mag survey of the property, approximately 7 km of production. GL flagged survey lines. Bill Harris cut and flagged approximately 500 metres of line.
- Sat 07 Nov 98 Demobilization to Whitehorse.

Appendix C. Statement of Expenses.

To be inserted.



Base Level - 57,000 nT

120180

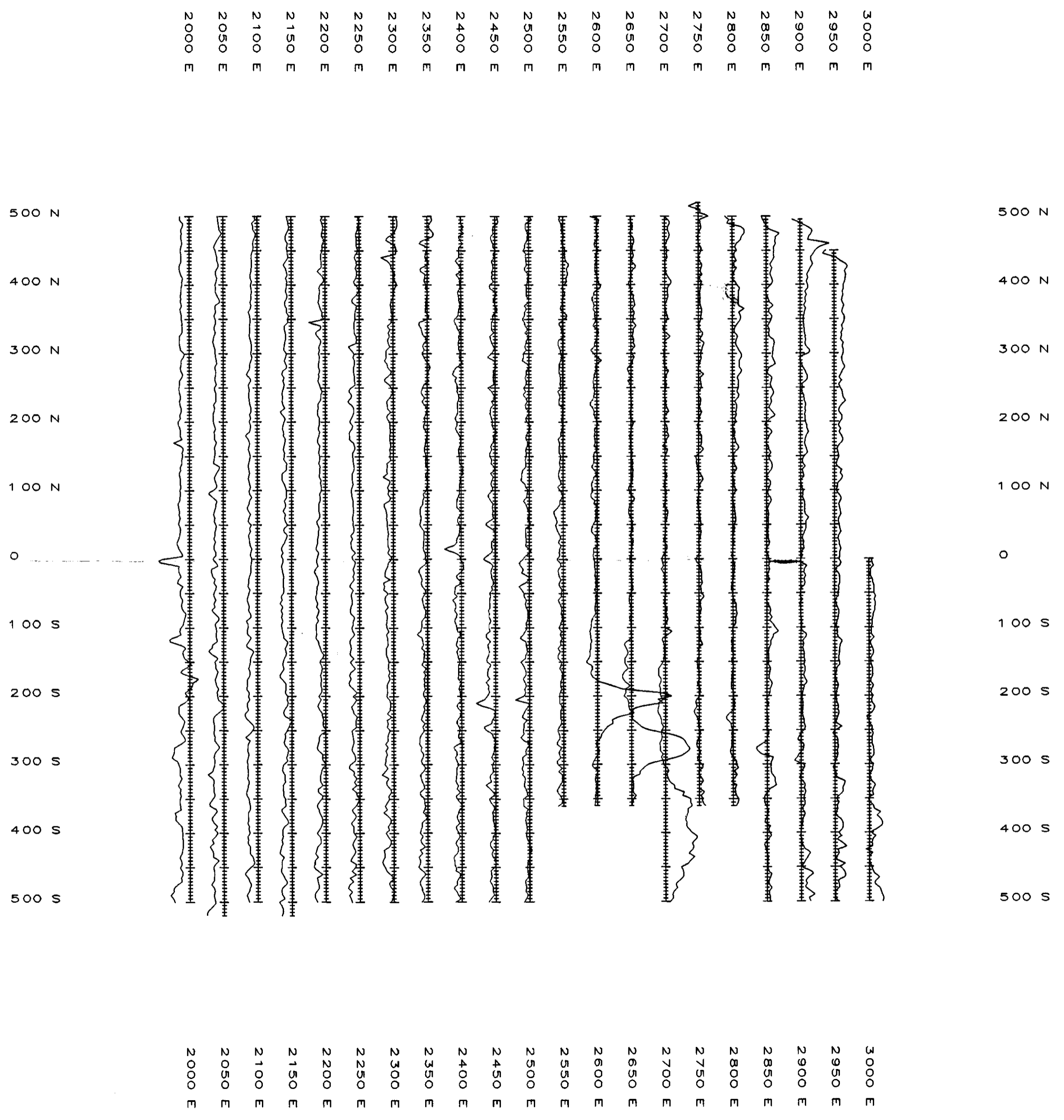
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NAD 1983

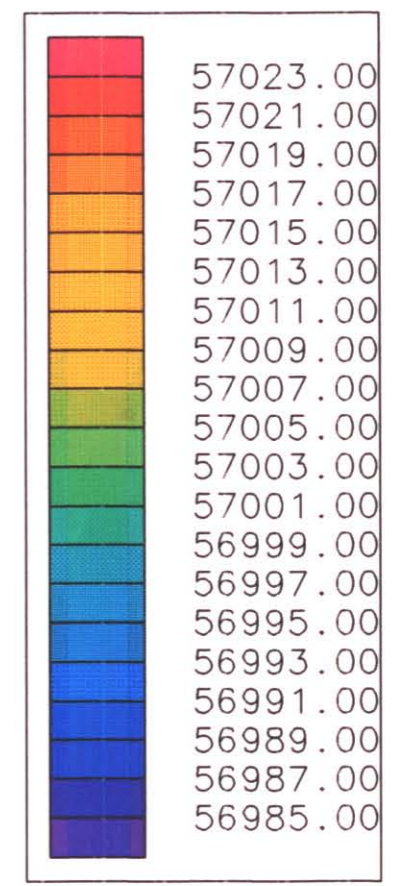
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15174 YUKON INC.
AUSTRALIA CREEK
PROPERTY
(NTS 115 0/10)
TOTAL MAGNETIC FIELD
STACKED PROFILES

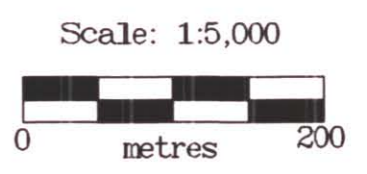
Figure 4.
Amerok Geosciences Ltd.





Total Magnetic Field in nT
Base Level - 57,000 nT

Grid (2025E, 0N)
= UTM 614828E 7056155N
NAD 1983



15174 YUKON INC.
AUSTRALIA CREEK
PROPERTY

(NTS 115 0/10)

TOTAL MAGNETIC FIELD
CONTOUR MAP

Figure 5. 2
Amerok Geosciences Ltd.

