

SUMMARY REPORT

ON

WOLF CREEK PLACER LEASES



NTS 115N-01 - 07 - 539000m E - 6997000m N

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120197

G. MARK LINDSAY

MAY 16, 2002

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 \$ 5000.00.

for *W. G. Baye*
Chief Geologist, Exploration and
Geological Services Division, Northern
Affairs Program for Commissioner of,
Yukon Territory.

7-1-1964

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The Yukon Territory

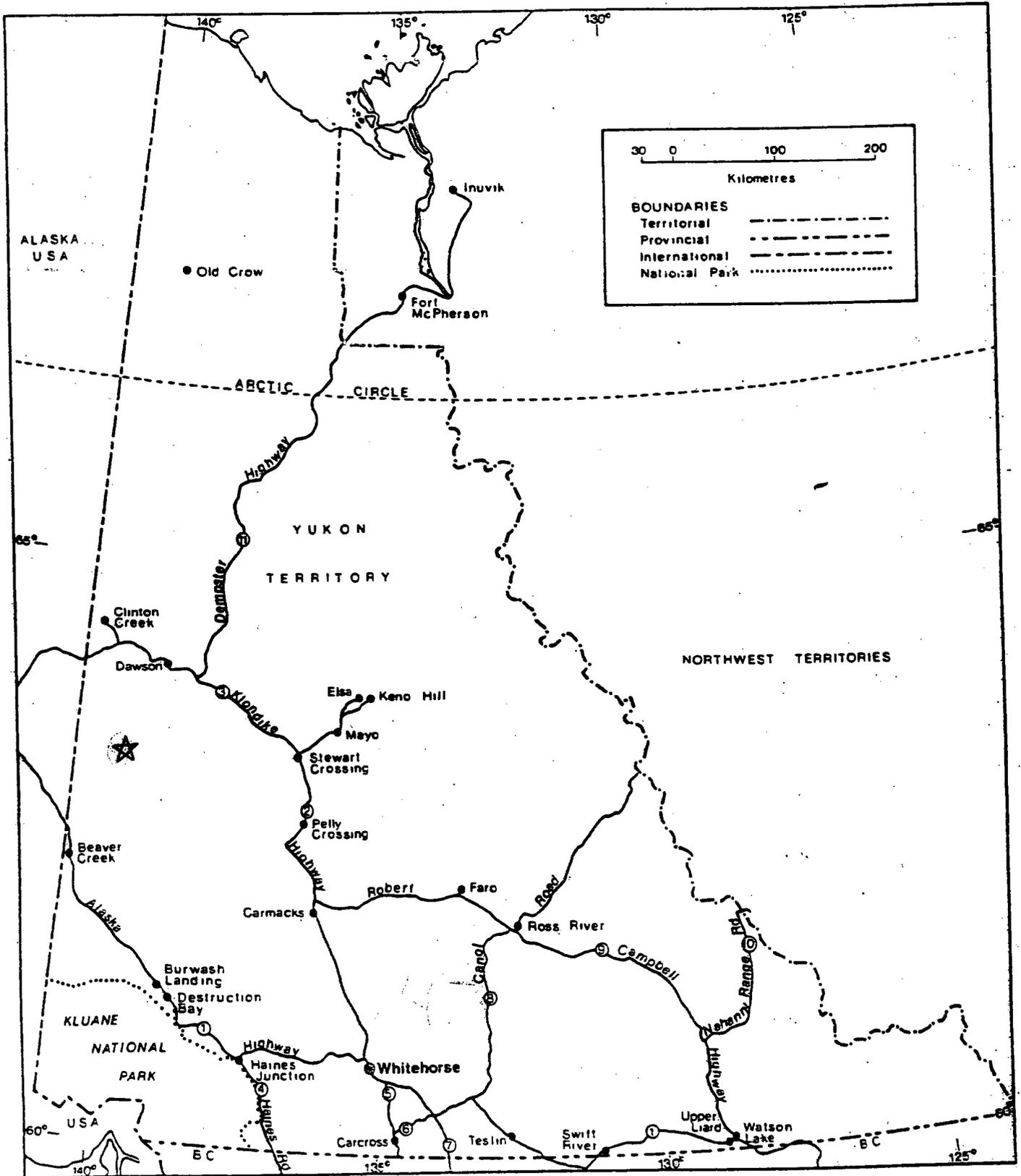


Figure 1

1. INTRODUCTION

This report is an evaluation of the gold potential of the Wolf Creek placer leases, located in west central Yukon (fig. 1). The report compiles a review of public and private information made available by the author. As part of the evaluation, the assessment of a magnetometer survey, which was completed over a portion of the leased area, will be included in this report. The author is familiar with the property, having been directly involved in the magnetometer survey, and with exploration in the area during June and July 2001.

PROPERTY

The GEMS Unlimited placer leases cover a stream that drains an area with geology permissive to host economic concentrations of gold. The bedrock geology suggests that gold may be contained within areas of magnetite skarn, quartz flooded sediments and volcanic rock packages at the headwaters of Wolf creek.

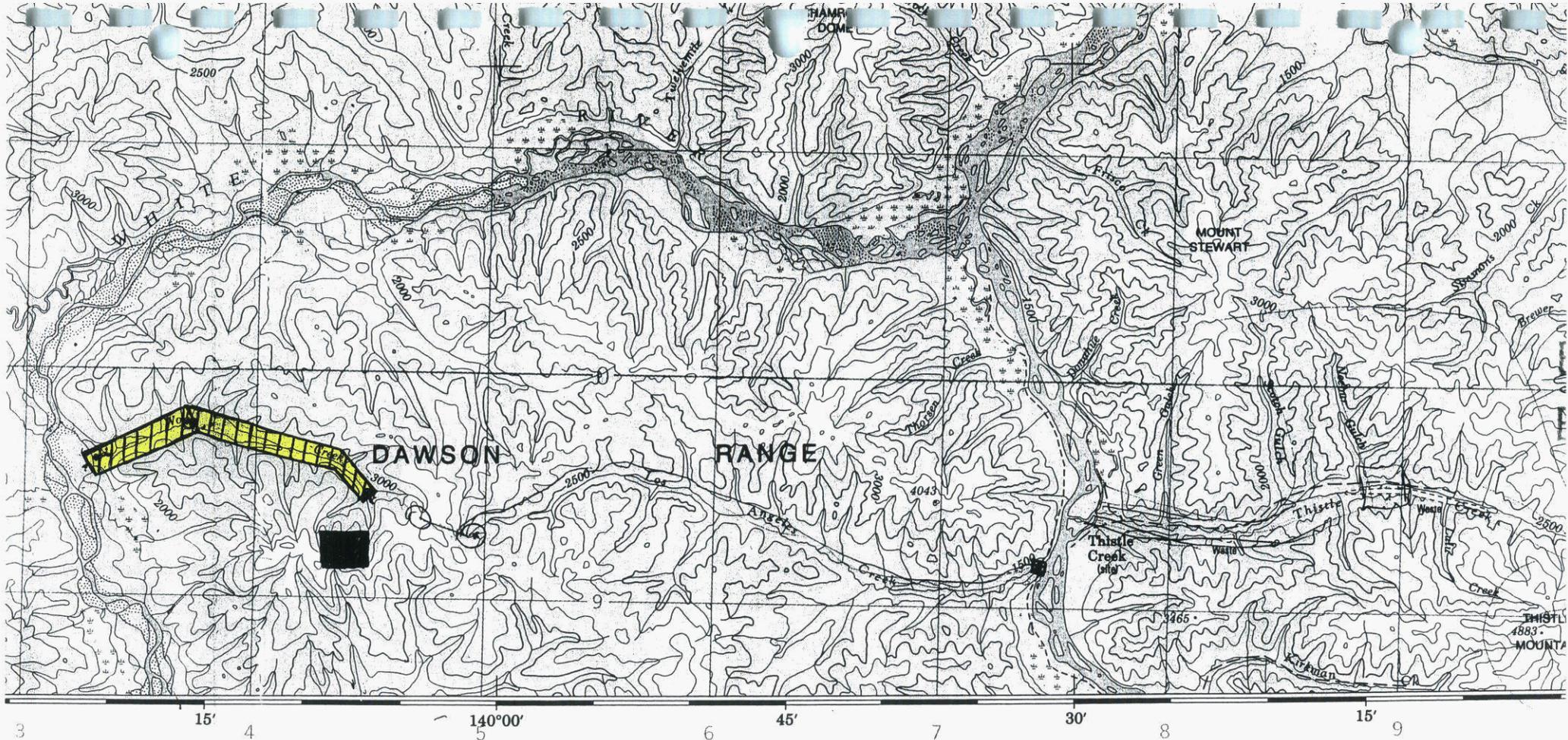
Wolf Creek is one of two main drainages of the area and would have certainly had quantities of gold bearing rock debris entering into its main channel over the lifetime of the stream. Due to its location, any deposits of gold and heavy mineral sands (magnetite) in the creek would have been preserved in place because of the lack of recent glaciation and the actions of permafrost. Anomalous values of gold and gold pathfinder minerals found when surveying the area also enhance the probability of finding economic gold reserves.

Downslope movement during thawing and freezing has formed a wedge of overburden on the south facing slopes and has pushed the entire length of Wolf Creek to the south side of its valley. This is common in areas with permafrost. The wedge of colluvium and rock that has formed may have buried placer gold concentrations, from abandoned channels, in the valley bottom.

LOCATION AND ACCESS

The Wolf Creek placer leases are located on NTS (1:250 000) mapsheet 115N/O STEWART RIVER (fig. 2), and are approximately 75 miles south-southwest of Dawson City, Yukon in Canada. The leases are located in the central area of NTS 1:50 000 mapsheet 115N 1 (fig.3). The UTM geographical coordinate for the central part of the 8 miles of leased ground is 539000m E 6997000m N.

The area is accessible by helicopter from Dawson City to the north or by boat on the White River. Access by the White River takes a minimum of 2 days travel.



PRODUCED BY THE CANADA CENTRE FOR MAPPING (OTTAWA), DEPARTMENT OF ENERGY, MINES AND RESOURCES. DERIVED FROM 1:50 000 MAPS. INFORMATION CURRENT AS OF 1988. INFORMATION IN DIAGRAM. PUBLISHED IN 1988.

Information concerning bench marks and horizontal survey monuments can be obtained from Geodetic Survey, Canada Centre for Surveying, Ottawa.

Pour tout renseignement altimétriques, s'adresser au Centre canadien des levés.

THIS MAP MAY BE OBTAINED FROM THE CANADA MAP OFFICE, DEPARTMENT OF ENERGY, MINES AND RESOURCES, OTTAWA, AT YOUR NEAREST MAP DEALER.

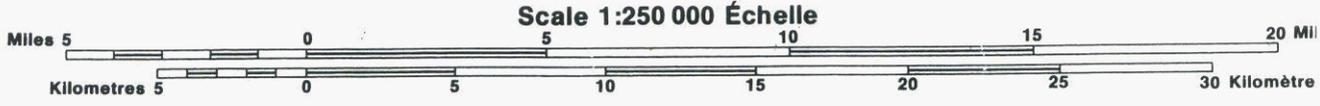
STEWART RIVER

YUKON TERRITORY TERRITOIRE DU YUKON

BY ORDER OF HER MAJESTY THE QUEEN IN RIGHT OF CANADA. DEPARTMENT OF ENERGY, MINES AND RESOURCES.

Routes:

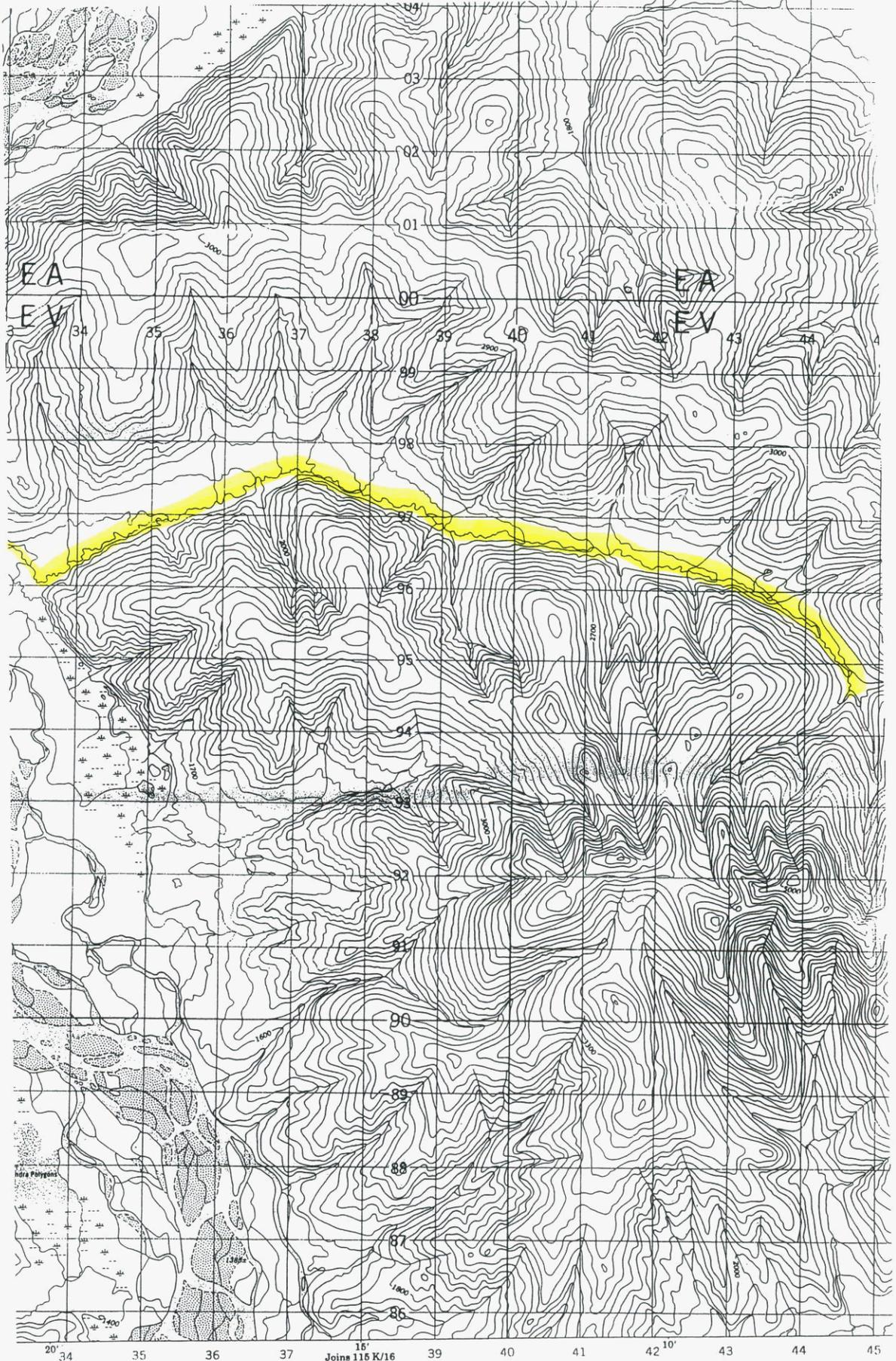
Gravel, agglomeré, toute saison	2 lanes or more	less than 2 lanes
Gravel, temps sec	2 voies ou plus	moins de 2 voies
de terre		
sentier, percée ou portage		



Magnetic declination 1988 varies from 29°45' easterly at centre of west edge to 30°38' easterly at centre of east edge. Mean annual change decreasing 14.7'.

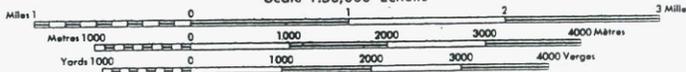
En 1988, la déclinaison magnétique varie de 29°45' vers l'est au centre du bord ouest à 30°38' vers l'est au centre du bord est. La variation annuelle moyenne décroît de 14,7'.

Figure 2



LADUE CREEK
YUKON TERRITORY

Scale 1:50,000 Échelle



This Provisional Map is equivalent to a standard map in accuracy of content.
Some names on this map are not yet official.
Corrections or additions are invited by the
Surveys and Mapping Branch.

Figure 3

CLAIM STATUS

The Wolf Creek placer leases have been claimed in two blocks. The first block is 3 miles in length and the second is 5 miles in length (fig.4).

<u>NAME</u>	<u>LEASE #</u>	<u>EXPIRY DATE</u>
<u>Block 1</u>		
3 mile prospecting lease	1WOO147	June 15, 2002
<u>Block 2</u>		
5 mile prospecting lease	1WOO146	June 15, 2002

Yukon prospecting leases, such as these, are held pursuant to the regulations of the Yukon Placer Mining Act and require annual work expenditures of \$1000.00 per leased mile to be maintained in good standing. The Whitehorse District Mining Recorders Office in Whitehorse, Yukon Canada, administrates the Wolf Creek placer leases.

PHYSIOGRAPHY AND CLIMATE

Wolf Creek is a tributary of the White River. The topography of Wolf Creek valley is generally eroded low rolling hills to the north with deeply incised north and south flowing tributaries throughout its entire length. The mountain slopes in the southern extent of the valley are eroded, but much more abrupt. The valley itself is considerably wide for a short tributary. The entire length of Wolf Creek has been pushed up to the base of the southern mountain escarpment.

The climate of the area is typical of the interior continental region at this latitude. Winters are long with short hours of daylight and average daily temperatures of -32 Celsius. Summers are pleasant and warm with long days (24-hour daylight on June 21), although it can be quite rainy at times. There is a yearly average of 120 days of precipitation. The average summer temperature is 22 Celsius with highs ranging into the mid 30's.

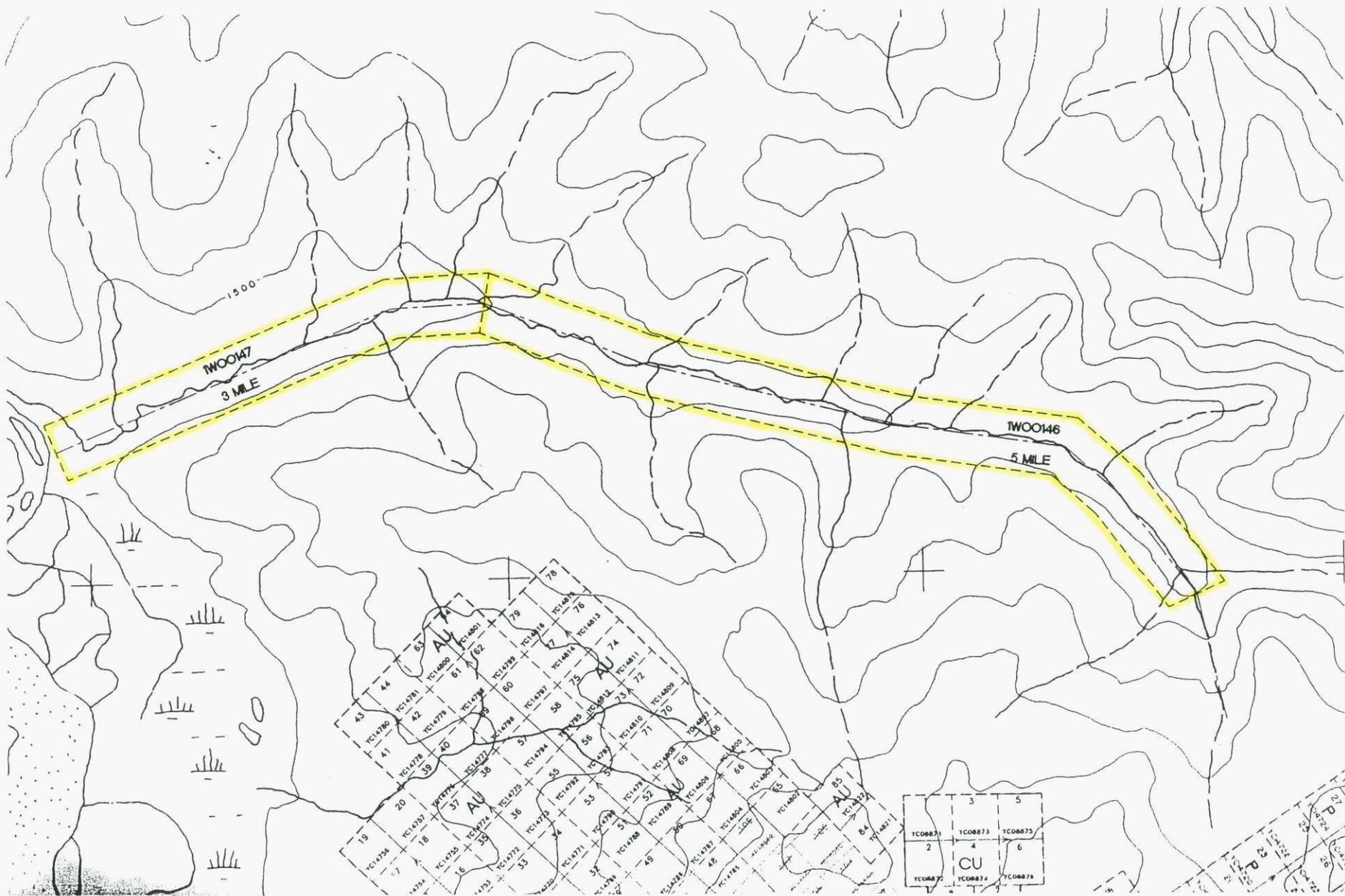


Figure 4

HISTORY AND PREVIOUS WORK

The White River area has been explored intermittently since prospectors first ventured into the area after the Klondike gold rush. In the early 1900's not all prospectors filed claims that they worked, so it is difficult to predict whether there were any ongoing prospecting activities in the area of Wolf Creek.

In more recent times there has been some activity in the area. In the early 1970's the intense magnetic signature at the head of the creek was a focus of mineral exploration for "porphyry copper". The Geological Survey of Canada conducted geology and geochemical surveys on the creek and surrounding mountains in the 70's and mid 80's. Recently exploration companies have staked claims at the headwaters of Wolf Creek in search of the hardrock source for the gold anomalies that exist there.

GENERAL GEOLOGY

The geology in the area of the Wolf Creek placer leases is described as a mid-Cretaceous granite body and Carmacks volcanic extrusive rocks intruding into Nasina assemblage schists and quartzites. The entire melange of rocks that exist at the head of Wolf Creek are hydrothermally altered. Magnetite skarn has been observed at the headwaters of Wolf creek, as well as significant copper mineralization. The area holds promise for the discovery of porphyry style copper and gold mineralization.

GEOCHEMISTRY

The Wolf Creek area is a classic environment of anomalous rock and stream sediment geochemistry. The Geological Survey of Canada conducted geochemical surveys on rock and streams in the area in 1978 (Templeman-kluit) and 1985 (Friske). The surveys found a high concentration of gold and gold pathfinder elements. Several companies have conducted geochemical surveys on the creek with similar results.

In a discussion with the author, Greg Jilson, president of Deltango gold, a company working in the area, was quoted as saying; "the gold and gold pathfinder anomalies coming off the mountain at the head of Wolf Creek are very strong at some locations".

MAGNETOMETER SURVEY

During the month of July 2001 a magnetometer survey was conducted on Wolf Creek. The survey covered the upper portion of the 3-mile lease and the lowest part of the 5-mile lease. The Magnetometer survey was broken into three grids to allow a greater linear interpretation of the area surveyed. The grids were constructed at certain distances from the #1 posts located at the White River. They were:

GRID 1 – 400metres to 1200metres East
GRID 2 – 1300metres to 2800metres East
GRID 3 – 4500metres to 5250metres East

The maps that were constructed from the data show magnet responses from the ground relative to the background magnetic values of the earth at that time. The maps are in full color and are quite easy to understand. Each map has a color bar scale at one end; the bar scale shows a magnetic intensity increase, with the colors, as it moves up the scale.

The survey was conducted along a baseline that was originally cut as the baseline for the 3 and 5-mile leased blocks. The baseline follows the center of the valley over the length of the 3-mile lease and is located more to the north side of the valley for the duration of the 5-mile lease.

The instrument operator worked on cross lines measured off at 50-meter intervals along the main baseline. On each cross-line a measurement of the magnetic intensity was taken at a spacing of 5 metres.

INTERPRETATION

A general interpretation of the map for each grid is as follows:

GRID 1

The interpretation of grid 1 (fig. 5) is relatively simple. The entire length of the traverse has been compromised by the existence of what appears to be a strong magnetic anomaly in the bedrock on line L450. This is most likely an intrusive volcanic rock. The strength of this anomaly would have overshadowed any magnetic variance from potential magnetite deposition within the creek.

GRID 2

The interpretation of grid 2 (fig. 6) at the west end has also been somewhat compromised. A magnetic bedrock source has flooded the survey area with magnetic highs that effect the west side of the grid. There is some information that can be salvaged from the east end of the grid. Near the end of the baseline at lines L2400, L2500, L2650 and L2700 can be seen the remnants of what could be magnetite deposition from a buried channel. The anomaly on line L2200 may also be

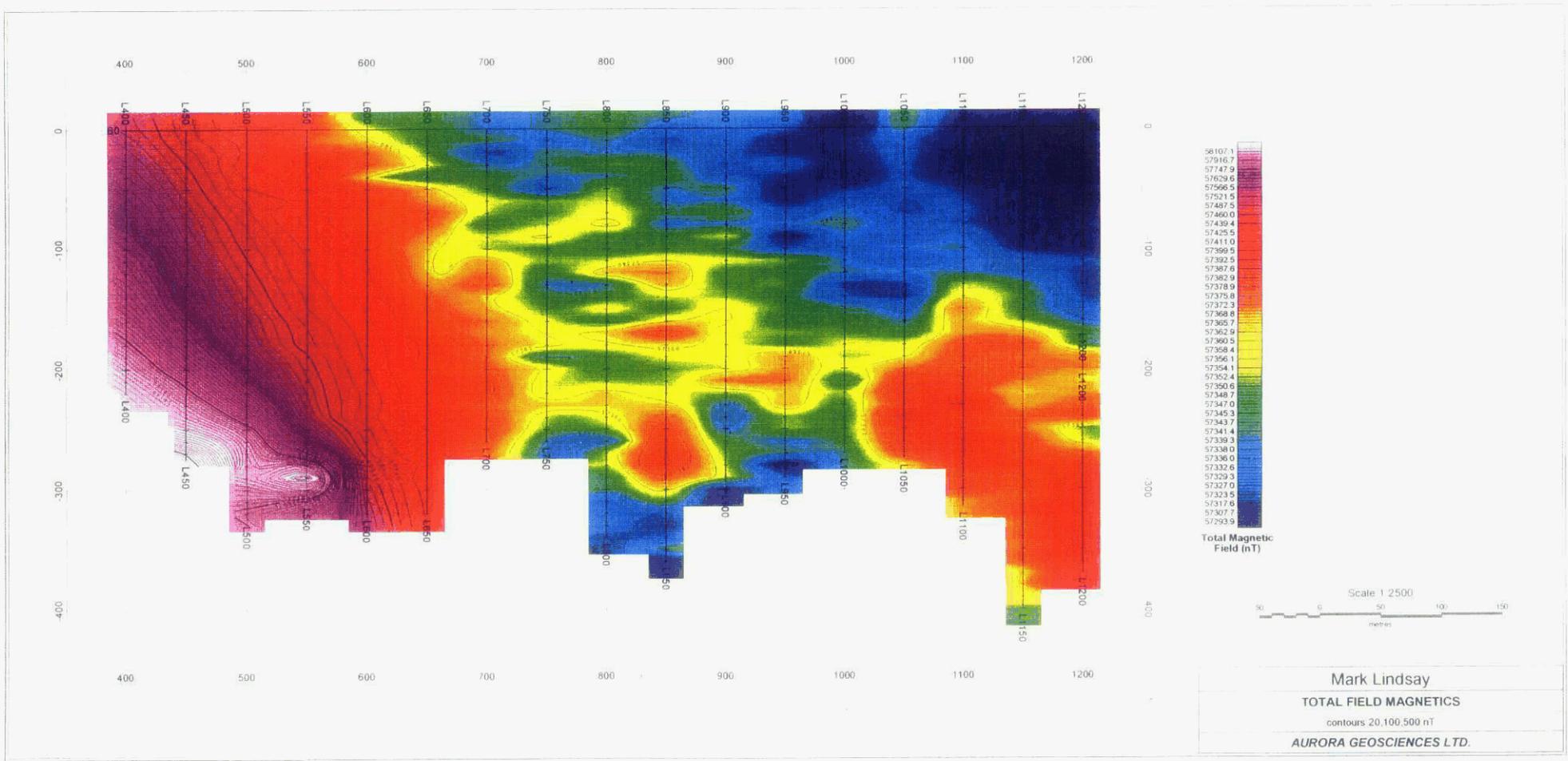


Figure 5

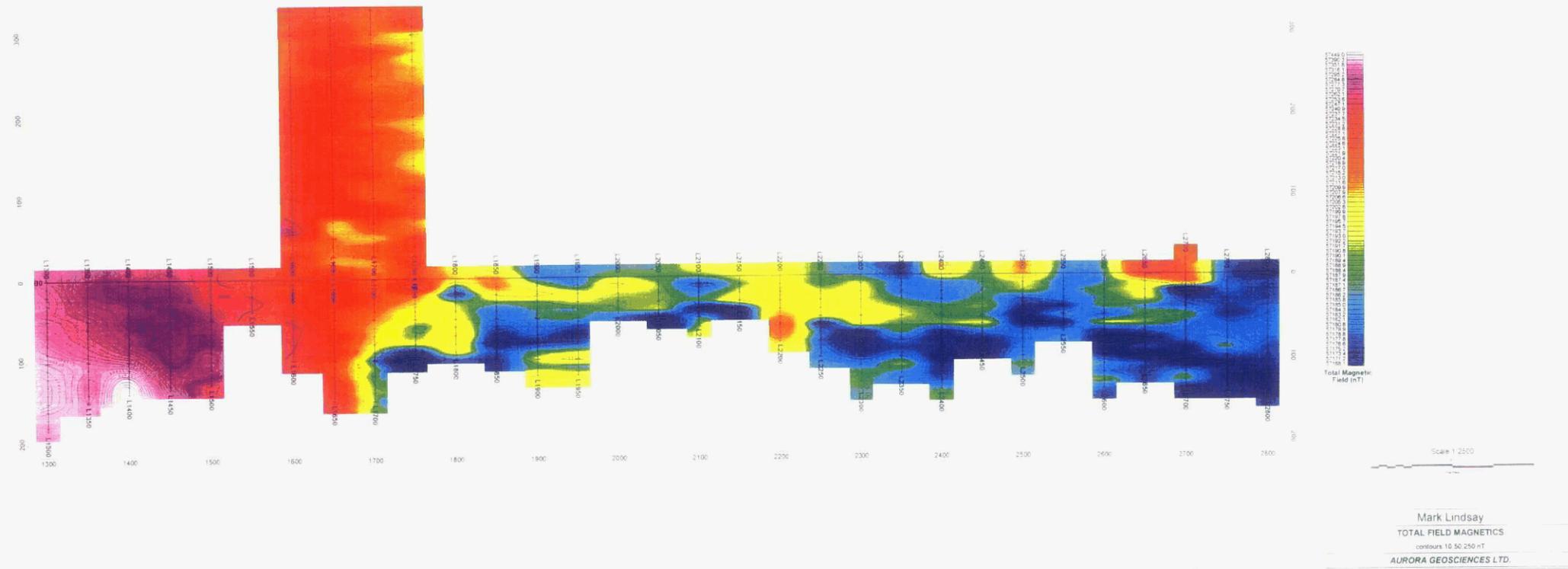


Figure 6

evidence of some magnetite deposition. All other areas on the grid seem to be obscured by the high magnet readings that exist there.

GRID 3

Grid 3 (fig. 7) is a great example of how magnet surveys work in some creek environments. It shows three evenly spaced lines of magnetic anomalies arcing to the north and west. The largest of these (to the right of center) is definitely magnetite deposition within an old abandoned channel. It may even show the arc the creek took as it made its way around the curve in the valley thousands of years ago. That arc would have taken the creek far out into the middle of the lower valley. The most interesting area on grid 3 is the large anomaly located on the baseline at L4850, this is definitely magnetite deposition and would make a great first target. Other interesting anomalies are located on lines L5150, L5050, L5000 and the two on line L4550.

CONCLUSIONS

It is apparent that the Wolf Creek placer leases warrant further work to assess the gold potential that exists there. Geological and geochemical exploration parameters indicate that there is an environment permissive to potentially host a placer gold deposit within the creek; and

- 1) Altered (gold) source rocks potentially exist at the headwaters of Wolf Creek;
- 2) Bedrock geochemistry in the area is anomalous in gold pathfinder minerals;
- 3) Wolf Creek stream sediment geochemistry is anomalous in gold and gold pathfinder minerals;
- 4) Wolf Creek has not been glaciated within the last 2 million years;
- 5) Gold deposition in the creek would have been preserved in the creek valley due to the effects of permafrost and the lack of glaciation;
- 6) A magnetometer survey has outlined definite areas of magnetite deposition within Wolf Creek;
- 7) Exploratory targets have been outlined from the magnetometer survey.

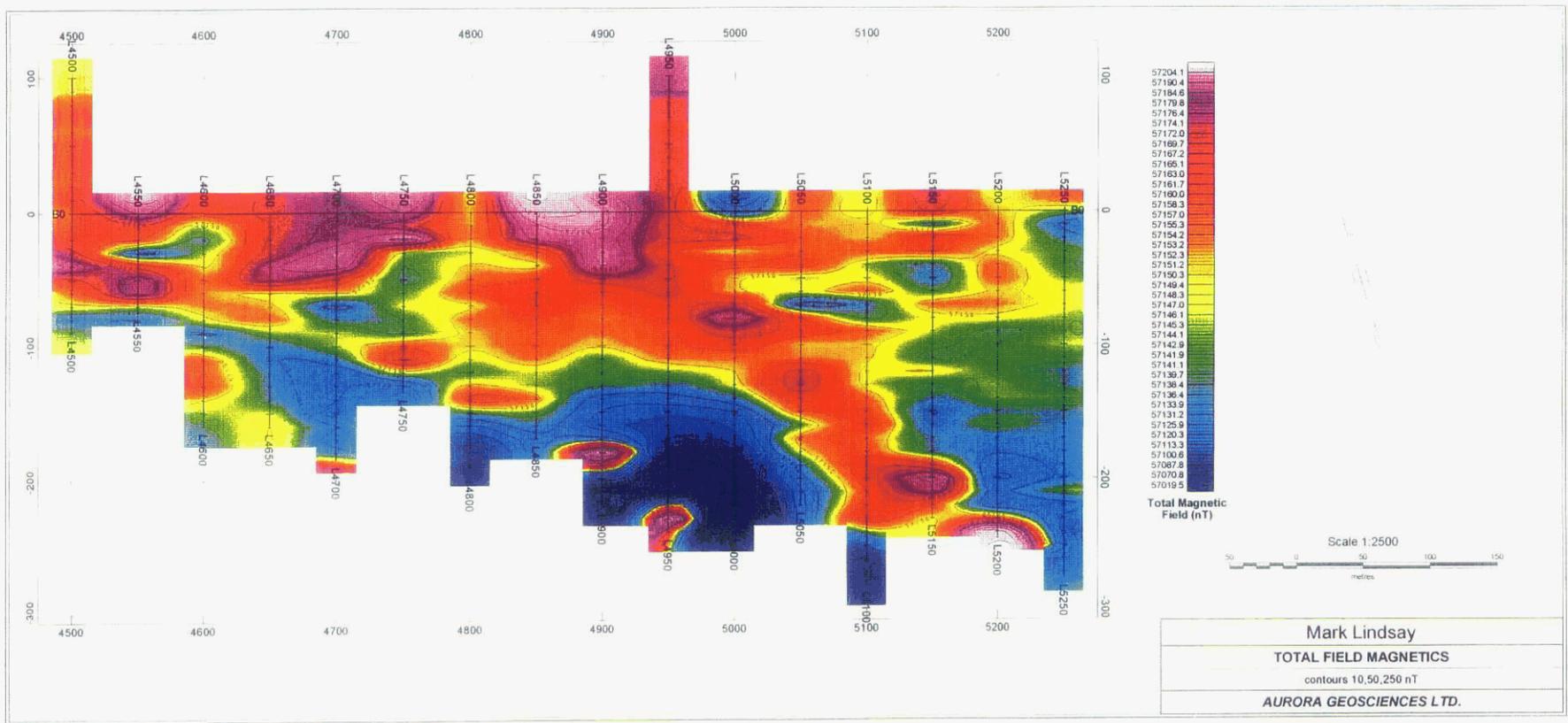


Figure 7

RECOMMENDATIONS

Further exploration work is warranted and highly recommended on the Wolf Creek placer leases.

A program of hand shafting should be carried out on the leases to properly assess the quantity of gold on bedrock. The maps created from the magnetometer survey should be used as a guide to choose the potential targets on which hand dug shafts would be sunk to bedrock. At least two and maybe three bedrock targets, depending on work conditions, should be considered. The work should be carried out in the winter months due to the danger involved in such ventures.

MAP NO.: PLACER ASSESSMENT REPORT X
115N 01 PROSPECTUS X
CONFIDENTIAL
OPEN FILE

DOCUMENT NO: 120197
MINING DISTRICT: Whitehorse
TYPE OF WORK: Magnetometer Survey

REPORT FILED UNDER: G. Mark Lindsay

DATE PERFORMED: July, 2001

DATE FILED: May 17, 2002

LOCATION: LAT.: 63°06'08" N

AREA: Wolf Creek

LONG.: 140°13'39"W

VALUE \$: 5000.00

CLAIM NAME & NO.:

1W00146, 1W00147

WORK DONE BY: G. Mark Lindsay

WORK DONE FOR: G. Mark Lindsay

DATE TO GOOD STANDING :

REMARKS:

A magnetometer survey was completed which outlined some anomalous magnetic highs.