

MAP NO.

ASSESSMENT REPORT X

DOCUMENT NO.: 092512

PROSPECTUS

MINING DISTRICT: WHITEHORSE

CONFIDENTIAL X

TYPE OF WORK: PLACER

105 E 8

OPEN FILE

REPORT FILED UNDER: D. Gonder	
DATE PERFORMED: July 1987	DATE FILED: July 18, 1988
LOCATION: LAT.:	AREA: May Creek
LONG.:	VALUE \$: 1,000.00
CLAIM NAME & NO.: P12900, P12910, P26838	

WORK DONE BY: G.S. Hartley
WORK DONE FOR: D. Gonder

DATE TO GOOD STANDING	REMARKS:



TO / À M. Fish
Whitehorse Mining Recorder

FROM / DE S.R. Morison
A/Chief Geologist

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE August 10, 1988

SUBJECT / OBJET Assessment Report- May Creek Area

I have reviewed this report and require a Statement of Costs before the work can be approved. Please let the contractor know about this and forward the costs when they are available.

Thanks.

Steve

Steve attached is a statement of costs for the attached report.

M. Fish

29 August 1988

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...the Geological Survey of Canada
...Section 41 Yukon Act
...and is recommended as suitable
...for the purposes of the Act
...1983

...Geological Survey of Canada
...Department of Energy, Mines and
...Technical Services
...1983

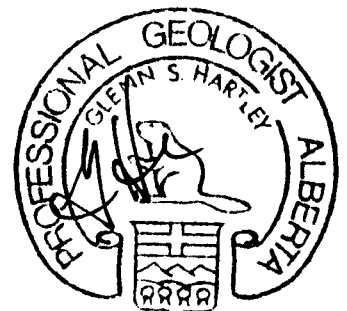
**INITIAL EVALUATION OF THE
MAY CREEK AREA PLACER CLAIMS**

GEOLOGICAL REPORT

**G.S. HARTLEY, P. GEOL.
AUGUST 15, 1987**

REVISED NOVEMBER 9, 1987

092512



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 \$ 1000.00.....

S. R. Mow

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

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- MAP III Property Map Showing Gamsan Claims (Inset) and Sample/Pit Locations
- MAP IV Bedrock Geology Map

INTRODUCTION

The May Creek Property is located approximately 50 km north of Whitehorse and approximately 15 km east of the abandoned placer mining town of Livingstone, within the Salmon River area of the Yukon Territory.

The property consists of fourteen (14) located placer claims Numbers P12900 to and including P12910 and P26838 situated on May Creek, and one located claim on an un-named creek 3 km to the west of May Creek.

The claims are held under option by Gamsan Resources of Edmonton from Mr. D. Gonder of Whitehorse.

The area is designated as 105 E8 of the National Topographic System.

The property was visited in mid July 1987, at the request of Mr. H. Mah, President of Gamsan Resources Ltd., in order to determine if the prospect warrants investigation as a potential placer gold producer. The author has no doubt that further investigation is warranted.

1987-12-13

ACCESS

Access to the property is by fixed-wing aircraft 80 km north of Whitehorse to the Martin Creek airstrip, then by approximately 15 km of gravel road to May Creek.

A 100 km winter tote-trail connects the property to Whitehorse, allowing movement of bulk fuel and heavy equipment during a five week period beginning in early February.

PHYSIOGRAPHY

The area has been glaciated, outcrops are frequent along the higher ground. Intermediate and lower slopes are covered by a veneer of glacially-derived debris.

The geomorphology of May Creek is identical to all the major drainage systems flowing westwards from the Big Salmon Highlands, including the past and present placer gold producers at Livingstone and Martin Creek.

The upper portions of the drainage basins are characterized by wide, pre-glacial valleys, the lower portions being dominated by steep canyons, produced by rapid down-cutting to the current local base level of the South Big Salmon River.

EXPLORATION HISTORY

The first discovery of gold in the Salmon River District was approximately 18 km west of the property, on Cotteneva Creek, in 1898. The district was recognized to contain all the creeks draining south-westerly from the high plateau, located on the north-eastern side of the South Big Salmon River.

Within the region the major historical- and current -producers continue to be Livingstone and Martin Creeks.

Small-scale, hand mining appears to have been conducted on May Creek within the last 60 years, although no published production figures are available.

GEOLOGY

The geology of the region has generally been described as a series of Carboniferous to Permian amphibolitic metasediments and Triassic to Jurassic chloritic schists separated by the structurally complex Teslin Suture Zone. Locally the Teslin Suture is coincident with the South Big Salmon River Channel (Templeman-Kluit 1978).

Detailed bedrock geology of the May Creek and Unnamed Creek area is not available, however, regional geology maps (Templeman-Kluit 1978) indicate that the geology of producing placer creeks, Livingstone Creek and Martin Creek is similar to the geology of May Creek and Unnamed Creek.

MINERALIZATION

Bedrock mineralization in the area occurs in two major settings (Map IV).

The first major setting is in shear-zones possibly related to the development of the Teslin Suture. Pyrite and chalcopyrite mineralization are most common.

The second major setting is galena-chalcopyrite-gold and pyrite mineralization within quartz-carbonate vein systems and joint fillings possibly related to, or coeval with, the metavolcanic units or feldspar porphyry dykes which intrude the sequence (Stecink, 1986).

No sulfide veins are known to outcrop along May Creek or Unnamed Creek. Sulfide veins were discovered in the Livingstone Creek and Martin Creek area only after extensive overburden removal during placer mining activities.

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PLACER EVALUATION

In an effort to evaluate the May Creek prospect, a cursory program of test pits dug by Caterpillar D7 tractor was initiated. Despite a series of mechanical difficulties two pits were completed (Map III).

Pit 87-1 was excavated to a depth of 4 meters on Claim #3 in May Creek. The pit did not reach bedrock or pay gravels however, despite the surficial origin of the material tested, small quantities of placer gold were recovered.

Pit 87-2 was excavated to a depth of 3 meters on the discovery claim of the unnamed creek, approximately 3 km north of May Creek. The pit did not reach bedrock or pay gravels. The pit material appeared to be comprised of an alluvial fan deposit. Small quantities of gold were recovered from the material.

Although only small quantities of placer gold were recovered in these two test pits the presence of any gold in the surface and alluvial fan deposits must be regarded as positive evidence of placer-type deposit potentials.

The potential for pre-glacial channels containing placer gold on the property is somewhat enhanced by the following discovery.

Prospecting near the Unnamed Creek yielded two boulders of extremely well cemented poorly sorted pale brown conglomerate.

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PLATE I

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Four grab samples of well cemented conglomerate were assayed for gold by Bondar Clegg Laboratories of Vancouver. Sample UNC-2 returned 360 ppb gold (Map III).

Examination of pre-glacial "pay" gravel currently mined on Martin Creek showed them to be well cemented, poorly sorted conglomerates.

Some differences in cement exist between the observed conglomerates of Martin Creek and the boulders in unnamed creek. Although differences in character of the cements should be expected, the similarity between the two auriferous conglomerates remains remarkable.

The Unnamed Creek is "up ice" direction from Martin Creek, thus it is unlikely that the conglomerate boulders have been transported from the known deposit.

Preglacial gravels or cemented conglomerates were not observed in situ along May Creek.

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PLATE III

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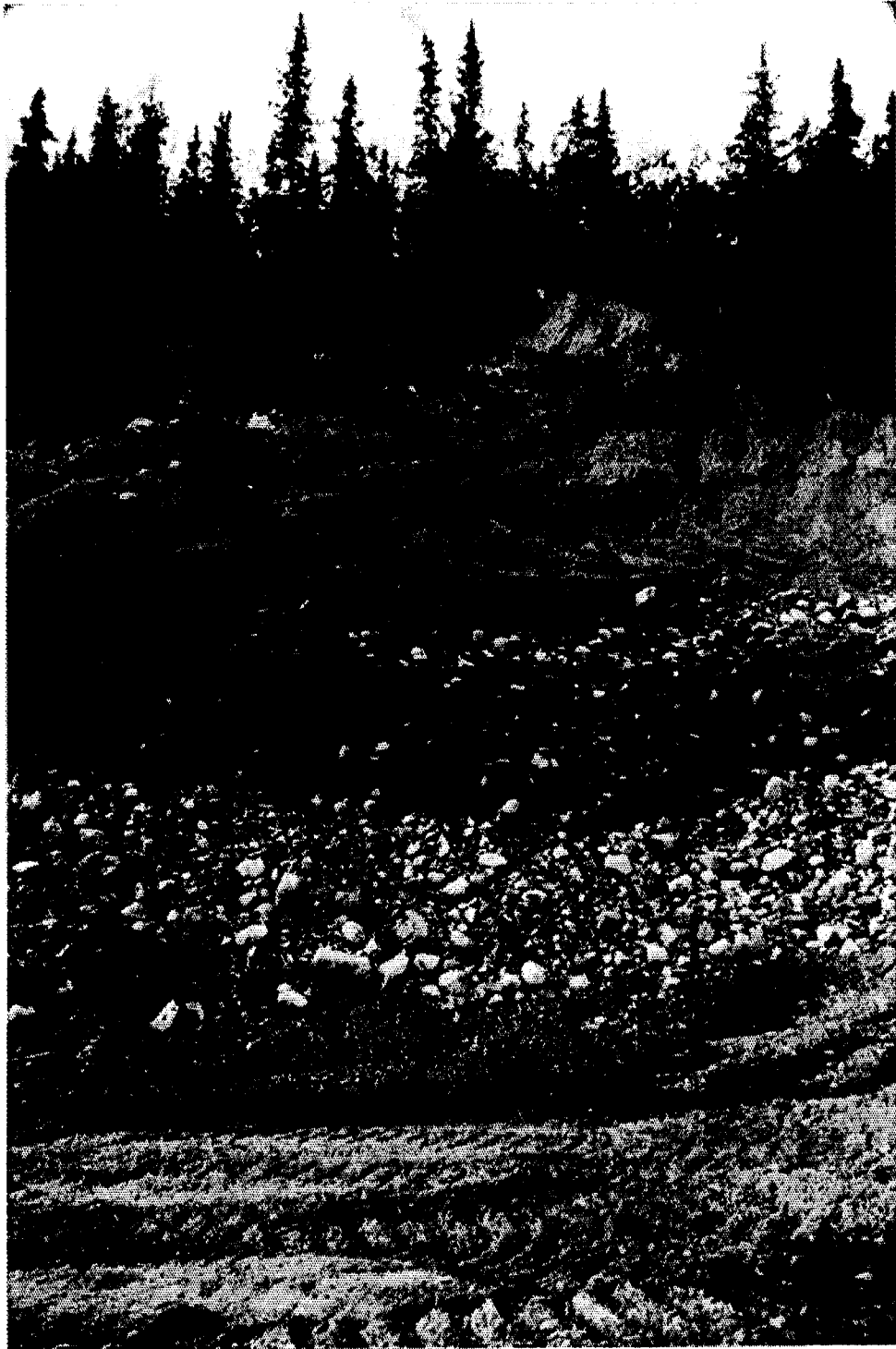


CONCLUSIONS

The following factors may be regarded as positive for this property:

1. The claims are located in a well-known placer mining district.
2. Strong similarities in bedrock geology exist between the area of the claims and other producing creeks in the area.
3. Strong similarities in geomorphological characteristics exist between the area of the claims and other producing creeks in the area.
4. Available water and reasonable topographic gradient may combine to allow low-cost hydraulic mining methods on May Creek similar to those currently in use on Martin Creek.
5. Gold has been shown to exist in the surficial environments.
6. Auriferous conglomerates comprise the "pay" gravels of current mining operations on Martin Creek. Auriferous conglomerate boulders have been discovered on the property.

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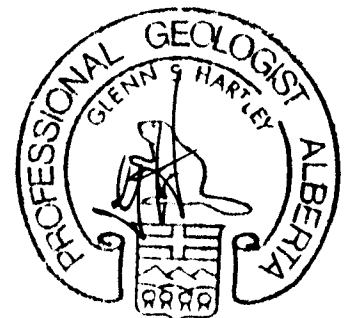
PLATE V

RECOMMENDATIONS

It is recommended that the following program be undertaken in order to evaluate the potentials of the property.

1.	Purchase of Crawler Backhoe	\$70,000.00
2.	Mobilization to Property	\$20,000.00
3.	Fuel and Mobilization	\$10,000.00
4.	Road Construction (10 km)	\$10,000.00
5.	Air Support	\$ 5,000.00
6.	Salaries	\$18,000.00
7.	Camp Costs	\$12,000.00
8.	Contingency	<u>\$20,000.00</u>
	TOTAL	\$165,000.00 =====

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ACKNOWLEDGEMENT

The author would like to thank Doug and Norma Gonder for their hospitality and cooperation with this investigation, as well as Roy Pollock for his assistance in the field and Doug Gonder Sr. for the invitation to visit his operations site on Martin Creek.

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APPENDIX

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Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
Canada V7P 2R5
Phone: (604) 985-0681
Telex: 04-352667



BONDAR-CLEGG

Geochemical
Lab Report

REPORT: 127-5559

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au PPB
R2 MC-1		<5
R2 MC-2		<5
R2 MC-3		<5
R2 MC-4		<5
R2 MT-1		<5
R2 MT-2		<5
R2 UNC-1		<5
R2 UNC-2		360
R2 UNC-3		<5
R2 UNC-4		<5

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REFERENCES

Bostock, H.S.; Yukon Territory Selected Field Report of the Geological Survey of Canada 1893 to 1933, p. 1957

McConnell, R.G.; Salmon River Gold Field Including Livingstone Creek and Neighboring Placer Creeks (1985) Geological Survey of Canada (reprinted in Bostock, 1957)

Steoink, L; Geology and Mineralization of the Livingstone Creek Area, Yukon Territory (unpublished thesis), Institute of Economic Geology, Aachen, F.R.G.

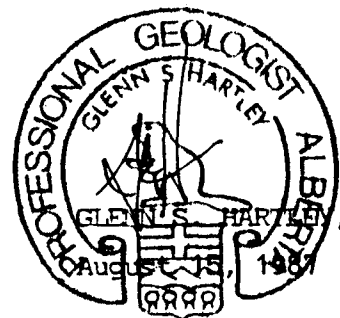
Tempelman-Kluit (1978); GSC Open File #578, Geological Map of the Laberge Map Area.

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CERTIFICATE

I, Glenn S. Hartley of 7302-118 A Street, Edmonton, Alberta, do hereby state that:

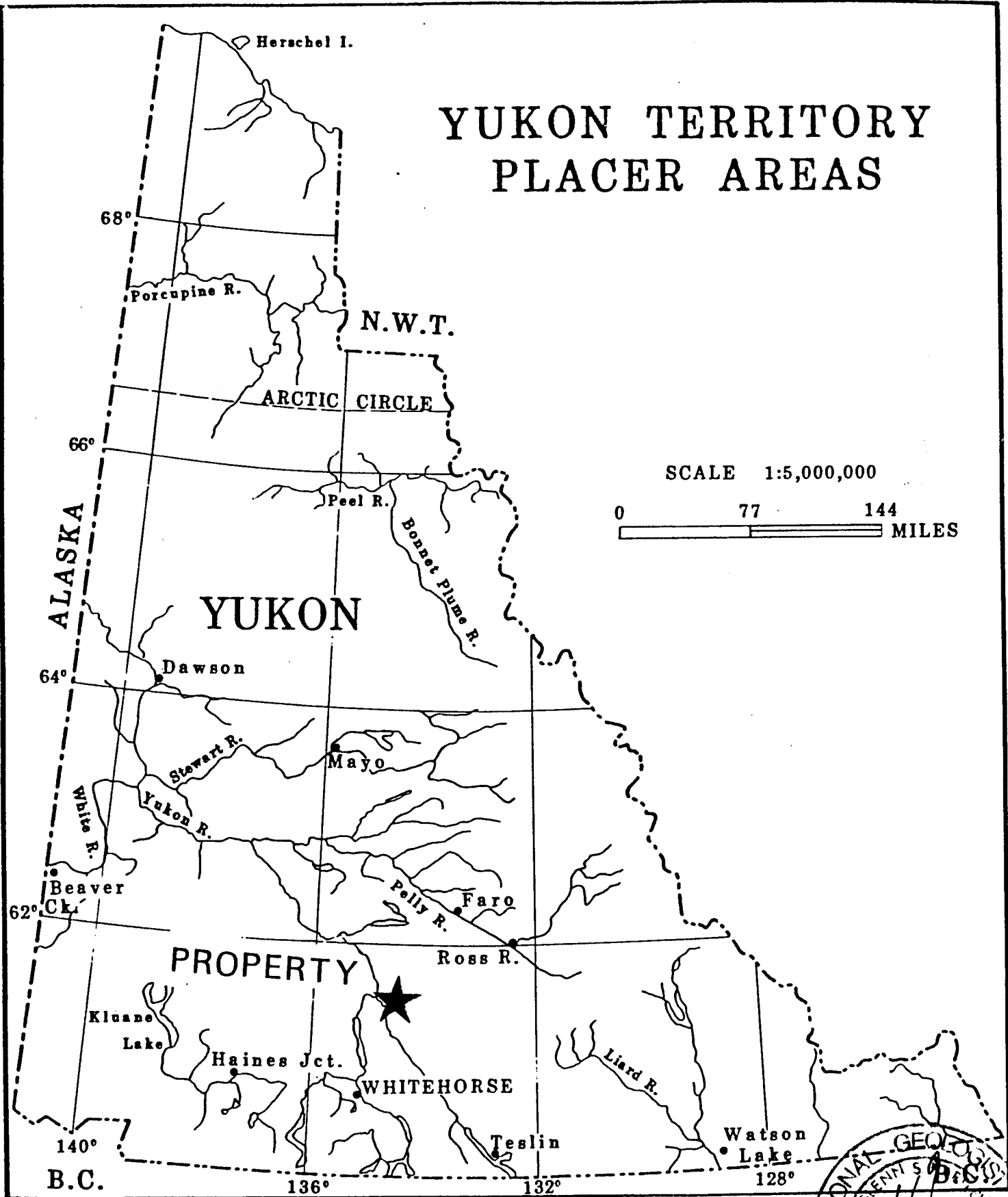
1. I am a professional geologist and a member of The Association of Professional Engineers, Geologists and Geophysicists of Alberta.
2. I am a graduate of The University of Alberta Geology Department (1977) and have practiced my profession continuously since graduation.
3. I am familiar with the evaluation of placer prospects and placer mining activities.
4. I have no beneficial interest in the property and do not expect to receive any return direct or indirect, from any mining activity that might take place there.



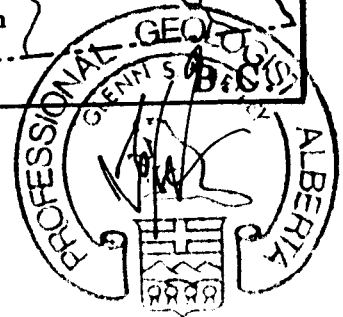
P. GEOL.

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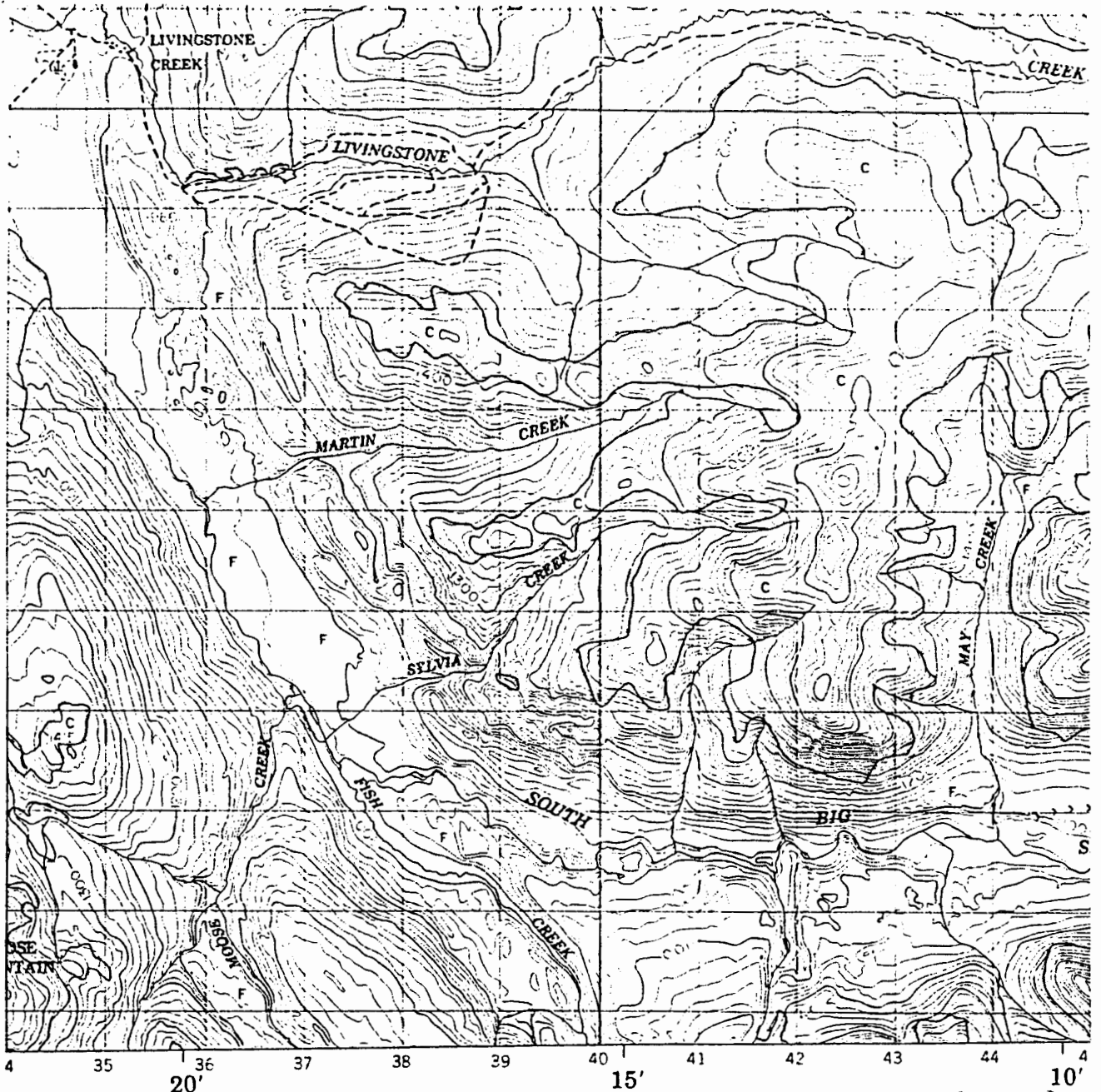
YUKON TERRITORY PLACER AREAS



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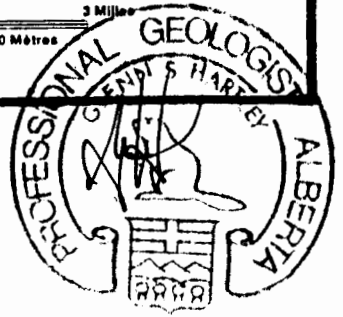
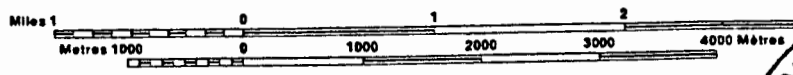


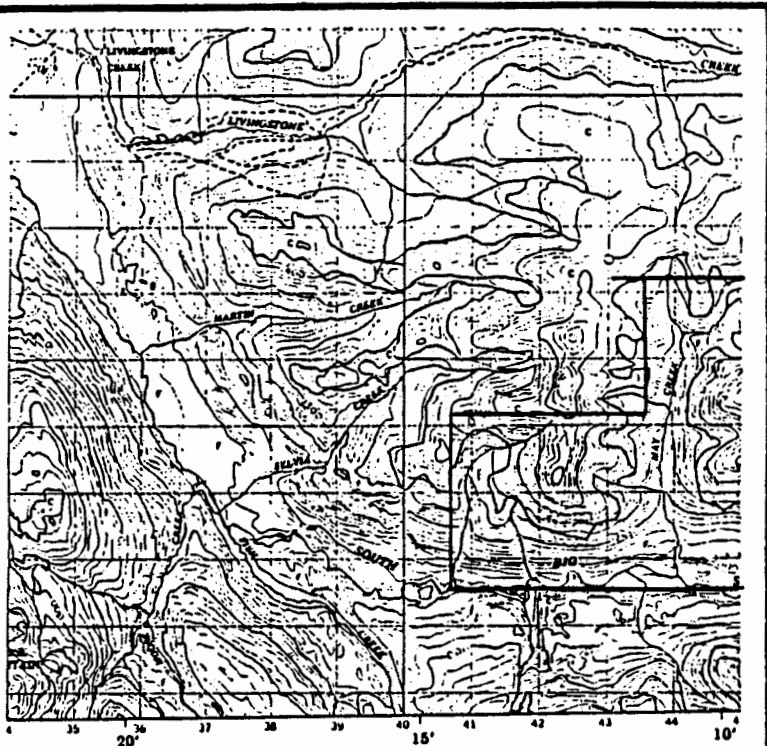
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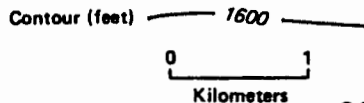
LIVINGSTONE CREEK
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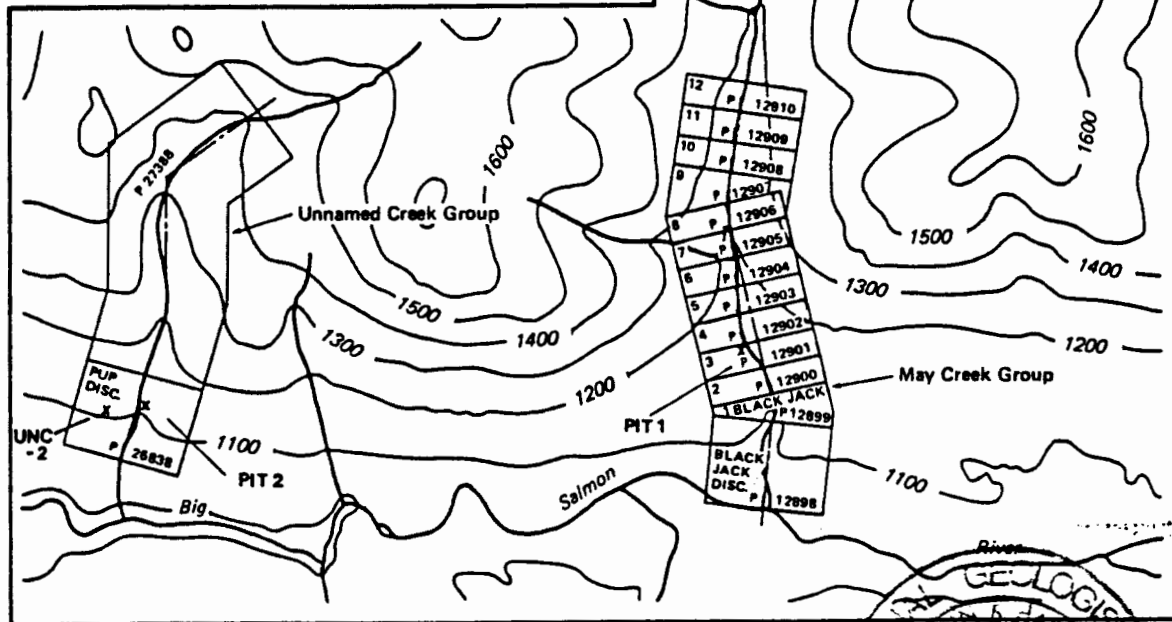
LIVINGSTONE CREEK
YUKON TERRITORY TERRITOIRE DU YUKON

PROPERTY AND SAMPLE/PIT LOCATIONS
MAY CREEK AREA

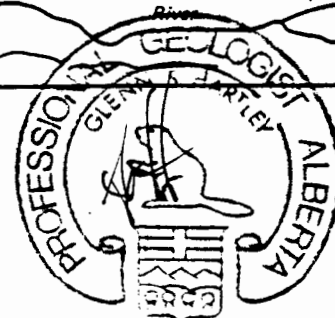


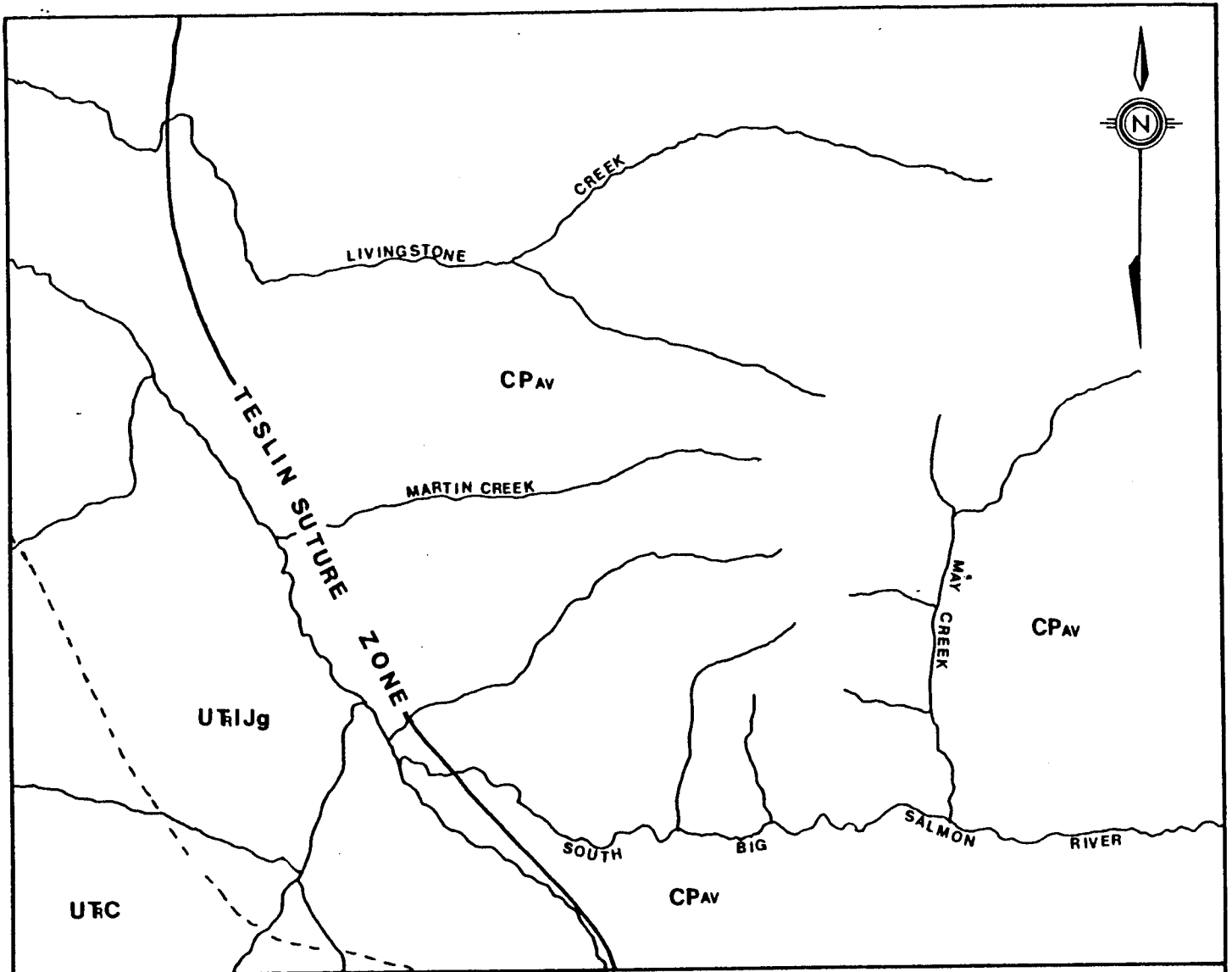
August 1987

G.S. Hartley, P. Geol.



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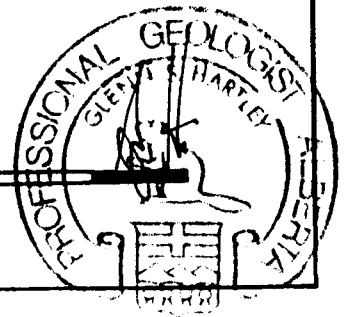
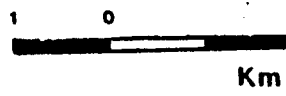


REGIONAL BEDROCK GEOLOGY
OF
MAY CREEK PLACER CLAIMS

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- from Templeman-Kluit
Geological Map of Laberge Map-Area
G.S.C. Open File 578

- CPav Dark Green, fine grained amphibolite
less metamorphosed "greenstone"
- UTIJg Massive to thickbedded conglomerate
and pebbly sandstone
- UTC Limestone clasts



G. HARTLEY, P. GEOL.

7302-118A STREET
EDMONTON, ALBERTA

MR. H. MAH
GAMSAN RESOURCES LTD.
#1720, 10130-103 STREET
EDMONTON, ALBERTA

RE: PLACER EVALUATION OF GONDER PROPERTIES

Dear Sir:

The following is a statement of expenses incurred during the evaluation of placer claims held by yourselves and Mr. D. Gonder of Whitehorse.

<u>ITEM</u>	<u>COSTS</u>
Food (Restaurant)	207.54 ✓
Hardware	135.16 ✓
Hotel	337.22 ✓
Air Charter	650.50 ✓
Gas	214.79 ✓
→ Equipment Rental	350.00 ✓
Assay	116.25 ✓
Food (Camp)	310.10 ✓
Maps	11.00 ✓
Consulting Fees \$500/day x 12 days	6000.00
Field Assistant \$100/day x 9 days	900.00
Printing and Photography	94.75 ✓ 140.00
	<u>9327.31</u>
Less \$5000.00 cash advance	- <u>5000.00</u>
	4327.31

Due and Outstanding	4327.31

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