

MAP No.

116-B-3

ASSESSMENT REPORT  
N. M. E. A. P.  
CONFIDENTIAL  
OPEN FILE

XX

TYPE OF  
WORK:

DMD

Prospectus  
Geology

REPORT FILED UNDER	Berglynn Resources Inc.	DOCUMENT NO. 062159
DATE PERFORMED	Jan., 1983.	DATE FILED: June 21, 1983.
LOCATION - LAT.	64° 04'N	AREA Dawson, Yukon.
LONG.	139° 25'W	
CLAIM NO.	TAMMY #1, LEROY #1, MARIETTE #1, JEAN #1, MARK #1, COLUMBIA #1, AL #1, MARK #2	
VALUE \$		
WORK DONE BY	R.T. Heard (R.T. Heard and Associates Ltd.)	
WORK DONE FOR	Berglynn Resources Inc.	
REMARKS	The property covers part of the former Klondike City where free gold has been panned from the gravels which are expected to be up to 12m thick. Bedrock is Klondike schist which is exposed at two places on the property.	

062159

Prospectus  
June 21, 1983

GEOLOGICAL REPORT

ON THE

KLONDIKE CITY PLACER PROJECT  
DAWSON AREA, YUKON TERRITORY

FOR

BERGLYNN RESOURCES INC.  
900 - 475 HOWE STREET  
VANCOUVER, BRITISH COLUMBIA

BY

R. T. HEARD, P. ENG.  
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818 CLEMENTS AVENUE  
NORTH VANCOUVER, BRITISH COLUMBIA

116-B-3

64° 04' N  
139° 25' W

JANUARY, 1983

## SUMMARY

The Klondike City Placer Project overlies the old townsite of Klondike City immediately across the Klondike River from Dawson, Yukon. Known during the goldrush as Lousetown, it nevertheless had city status and a local ordinance forbidding "basement mining" within the town limits. This means that any auriferous gravels are still in place, and an exploration program to evaluate this property's economic potential is justified. A two phase evaluation program is recommended at a total cost of \$125,000. This is a progressive program with Phase II being contingent upon favourable results from Phase I.

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## TERMS OF REFERENCE

The author was retained by Berglynn Resources Inc. to review all available information describing the area of their Klondike City Placer Project, located in the Dawson mining district of the Yukon Territory.

This review was to take the form of an independent study of the history and current status of the property, and an exploration program was also to be designed to evaluate its economic potential.

## INTRODUCTION

The Klondike City Placer Project covers the area of the old "city" at the confluence of the Klondike and Yukon rivers. It lies immediately across the Klondike River from Dawson, Yukon. During the gold rush of "98" this area, also called Lousetown, was forbidden for placer mining. Between the outskirts of the "town" to the Klondike River bridge, 4 km upstream, 80,000 ounces of gold are reported to have been won from the Klondike River gravels. The bulk of this production comes from Yukon Consolidated Gold Corporation's dredging operations.

### LOCATION AND ACCESSIBILITY

The property is located at the confluence of the Klondike and Yukon rivers, on the site of the abandoned Klondike City or Louse-town as it was more commonly and infamously referred to.

Access is provided by a four wheel drive tote road over 4 km of the roadbed of the abandoned Klondike City Mining Railway from the turnoff at the Klondike River bridge.

Co-ordinates of the property are  $64^{\circ} 04'$  North Latitude and  $139^{\circ} 25'$  West Longitude.

See Figure 1, Location Map, page 3 (immediately following).

### HISTORY AND WORK TO DATE

The Klondike City Placer Project is comprised of staked placer claims, obtained under The Yukon Placer Mining Act. Although some 80,000 ounces of gold have been recovered from the 4 km of the Klondike River valley immediately upstream from Klondike City, this area was never allowed for staking as it was within the town limits where "basement mining" was forbidden. A title search was required to prove that all privately held lots within Klondike City had expired before the Dawson mining recorder would accept applications for grants for placer mining.

BERGLYNN RESOURCES INC.

YUKON PROJECTS

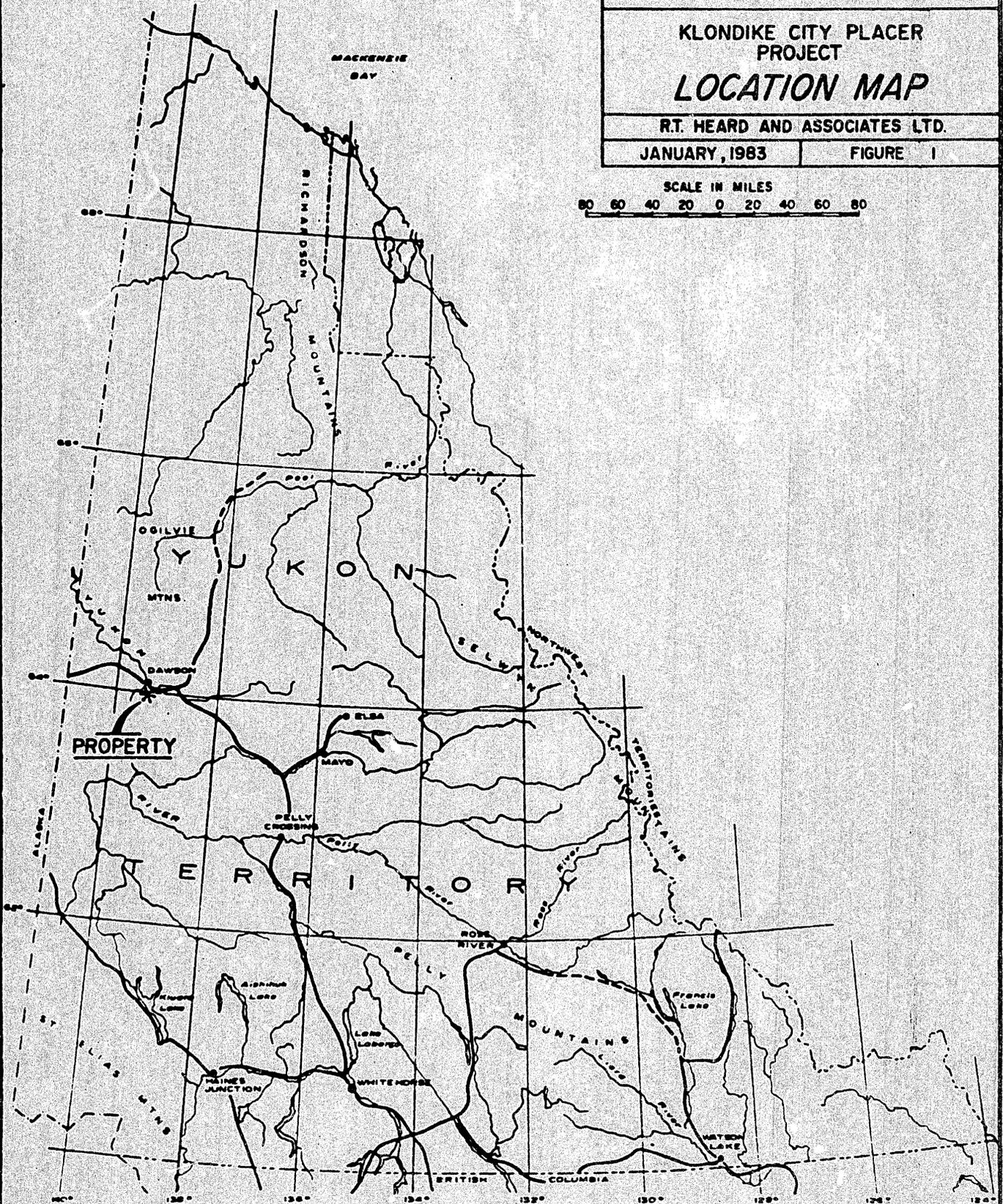
KLONDIKE CITY PLACER PROJECT

# LOCATION MAP

R.T. HEARD AND ASSOCIATES LTD.

JANUARY, 1983

FIGURE 1



The mining history of the Klondike has been well documented from the first discovery of gold in the Yukon in the 1850s through the major discovery in 1881 on the Big Salmon River through the "Klondike Rush of 98" to the decline in 1966 which saw the shutdown of Yukon Consolidated Gold Corporation's last operating dredge.

The past few years has seen the Klondike rejuvenated by the dramatic increase in the value of gold.

In 1980, this writer operated a placer mining operation in the Klondike area, and during this time two trips were made to Klondike City at the request of El Klondike Resources Ltd. president, Mr. G. Irving. The purpose of these trips was to ascertain the most economical method of completing the annual assessment requirements.

#### REVIEW OF CURRENT STATUS

##### Claim Group

The property is comprised of eight placer claims. These are:

<u>Claim Name</u>	<u>Grant Number</u>	<u>Expiry Date</u>
Tammy #1	P 4322	October 18, 1983
Leroy #1	P 4321	"
Mariette #1	P 4317	"
Jean #1	P 4338	"
Mark #1	P 4368	"
Columbia #1	P 4369	"
Al #1	P 4423	"
Mark #2	P 4424	"

All located on National Topographic Series Claim Map 116 B-3, Dawson mining district.

See Figure 2, Claim Map, page 6 (immediately following).

### Status

The claim block is presently held in the name of El Klondike Resources Ltd. but has been sold as to 100% interest to Berglynn Resources Inc. The writer has not assumed any responsibility for the legal status of the property.

## GEOLOGY

### General Geology

Bedrock in the area is mainly Klondike schist. It is sedimentary in origin and locally contains albite, quartz, chlorite and calcite. Numerous quartz veins and stringers are found in the schist and these contain minor amounts of pyrite, chalcopyrite, galena and free gold. Gold in the streams has been for the most part concentrated from eroded pre-Pleistocene "white channel" gravels which are the dominant auriferous gravels in the Klondike. Some of these reworked gravels have formed new placer deposits as much as 100 meters below the white channel paystreak.

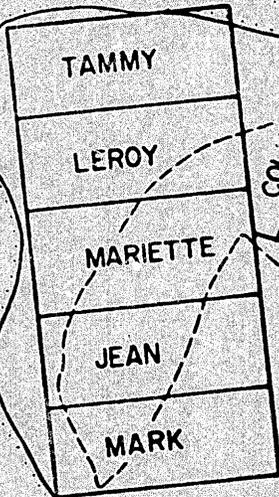
DAWSON  
CITY



HWY 3

WHITEHORSE

YUKON  
RIVER

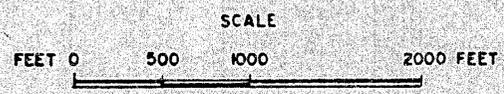


COLUMBIA



KLONDIKE RIVER

BONANZA



BERGLYNN RESOURCES INC.	
KLONDIKE CITY PLACER PROJECT	
<i>CLAIM MAP</i>	
R.T. HEARD AND ASSOCIATES LTD.	
JANUARY, 1983	FIGURE 2

The Klondike City claims are located on a fluvial delta formed at the mouth of the Klondike River. Some 0 to 12 meters of gravel can be expected on the claims. Outcrop is exposed on the east and south sides of the group.

#### Discussion of Gold Values

Free gold has been panned from the gravels of the group by several individuals. White channel gravels exist on the south edge of the group which is exposed in old hand workings. Y.C.G.C. dredged to the south edge of the old townsite and either stopped because of the existing law respecting the townsite or the bedrock was too deep. It is reported that some 80,000 ounces of gold was recovered in this part of the river by the dredges.

A hole drilled by Anglo American in 1976 is reported to have recovered significant gold values from a location adjacent to the northwest boundary of the claims. None of these results have been verified.

#### CONCLUSIONS

The Klondike City Placer Project is located on a very well known placer river and should contain economically recoverable gold values. Colours have been panned from auriferous gravels within the claim area. Dredging, drilling and shaft sinking on three sides of the property have all yielded significant gold values. A major mining operation was started during the 1981 season on the bench

claims above Klondike City but no production records are available.

Based on a review of available literature, personal communications with other operators in the area, and this author's own intimate knowledge of the property, an evaluation program has been designed.

The results of this exploration program should guide an ultimate production decision.

#### RECOMMENDATIONS

It is recommended that the following evaluation program be adopted to thoroughly evaluate the economic potential of the Klondike City Placer Project. A two phase program is recommended with the second phase to be carried out only if results from the first one are positive.

##### Recommendations are:

Phase I: Establish a grid system with good survey control to spot drill holes on section lines. Complete a twenty hole drilling program over entire property. Profile section lines for elevation and drafting control. Very carefully, sample drill cuttings in two foot intervals. Wet screen the individual samples to minus one half inch and hand pan to a concentrate. Recover the particles of visible gold. Weigh the gold from the gold bearing sections of each hole and use this data to calculate a dollar value per yard. Reserves

can be calculated manually from the sections and/or generated by established computer techniques.

Phase II: If results of Phase I are positive then infill drill the remaining property in the established grid system to provide enough confidence in reserves and grade of the deposit to be able to make a production decision. Some bulk samples should be collected and processed through a prototype washing system to verify grade and prove recovery.

### COST ESTIMATE

#### Phase I

1. Surveying and Establishing Grid Network: survey drill hole locations, roads and profile section lines, 6 days x \$1000/day plus accommodation for 3 men x \$55/man day	\$6,990
2. Drill Roads and Drill Site Preparation: D8 bulldozer, 16 hours x \$125/hour + fuel	2,500
3. Drilling: 20 holes x 40 feet/hole x \$30/foot	24,000
4. Sampling: collect and bag samples at 2 foot intervals, 400 samples x \$3/sample	1,200
5. Sample Processing: 800 drill feet x \$20/foot	16,000
6. Accommodation: 14 mandays x \$55/day	770
7. Transportation:	1,500
8. Supervision:	3,000

9. Professional Fees: field supervision, final report, etc.	3,000
10. Computer analyses:	<u>1,000</u>
TOTAL COST	\$59,960
Say,	\$60,000

Phase II

1. Drill Site Preparation:	
D8 bulldozer, 8 hours x \$125/hour + fuel	\$ 1,500
2. Drilling: 22 holes x 40 feet/hole x \$30/foot	26,400
3. Sampling and Sample Processing: 880 drill feet x \$20/foot plus 440 samples x \$3/sample	18,920
4. Surveying: 2 days x \$1000/day plus accommodation, 2 days x 3 men x \$55/day	2,330
5. Bulk Sampling: 4 samples x \$1000/sample	4,000
6. Supervision	3,000
7. Transportation and Accommodation	2,000
8. Professional Fees:	3,000
9. Computer Analyses:	<u>1,000</u>
TOTAL COST	\$62,150
Say,	\$65,000

GRAND TOTALS

	<u>Cost</u>	<u>Cummulative Cost</u>
Phase I	\$60,000	\$60,000
Phase II	\$65,000	<u>\$125,000</u>

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