2005 LINE CUTTING AND GEOCHEMICAL SAMPLING

on the

094567

CANYON GOLD

SLEEPER PROSPECT

Whitehorse Mining District

NTS: 105 F/15

Latitude 61°58.5′, Longitude 132°42′

SLEEPER CLAIMS

(June 17th – Oct. 31st, 2005)

By: A. Carlos (owner of claims)
October 28, 2005

File Number 05-028

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This report has been examined by the Geological Evaluation Unit under Section 53 (4) Yukon Quartz Mining Act and is allowed as representation work in the amount $ 4000.

M. Bak

for Regional Manager, Exploration and Geological Services for Commissioner of Yukon Territory.

Costs associated with this report have been approved in the amount of $ 4000.00 for assessment credit under Certificate of Work No. QW27836

Mining Recorder
Whitehorse Mining District

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3. SUMMARY OF EXPENDITURES

INTRODUCTION

History of the Grew Creek deposit and local geology is presented on pages 4 & 5.

In this instance attention was focused on a new group of 10 claims located within a similar structural and geological regime as that hosting the known Grew Creek deposit, 7 miles to the northwest (claim map).

PROGRAM 2005

From June 17th to Aug. 31st, the following work was performed.

a) Establishing 23.4 km of chainsaw grid.
b) Augering of 506 upper horizon B soil samples for Enzyme Leach analysis.

Sampling was performed in the last few days of August to allow for maximum ground thaw.

GEOLOGY

A brief summary of local geology and deposit description approx. 7 miles distant (along structural strike) is given on page 4.

Though the area of sampling is covered by till, nearby geology is similar to that at the known Grew Creek deposit area. Further to the above, the center of interest occurs at a structural intersection identical to that of the known deposit, together with a very intriguing airborne geophysical signature.

PROJECT LOCATION MAP

GREW CREEK PROJECT

Owner: A. Carlos
Whitehorse, Yukon

Phone (867) 668-6309

PROJECT STATUS

Available for option

Location
35 km west of Ross River

Ownership
A. Carlos

Commodity
Gold, silver

Ore type
Oxide

Geological reserve
773,012 tonnes

Silver: 33 grams/tonne

Gold: 8.9 grams/tonne

Proposed mining method
Open-pit, 365 days per year

Processing method
Conventional mill, dore bar, 365 days per year

Power
3 MW, on-site diesel generation

HISTORY

The original Grew Creek claims were staked by Whitehorse prospector A. Carlos in 1983 and optioned by the Mincan JV (Hudson Bay Mining and Minerals), which carried out an extensive exploration program from 1984 to 1986.

In 1987, the claims were optioned by Noranda, who subsequently signed a joint-venture agreement with Golden Nevada Resources and Brenda Mines. Results of the 1987 program triggered a flurry of claimstaking and exploration activity in the area. A large-scale exploration program continued in 1988. In 1989, Golden Nevada changed its name to Goldnev Resources and renegotiated the joint venture agreement to give it a 100% interest in the property.

In 1992, Wheaton River Minerals took an option to conduct an underground development program, however, the option was dropped shortly after.

YGC Resources Ltd. optioned the property in 1993, and completed a $150,000 drilling program at Grew Creek in 1995 and a 17 diamond-drill hole program in 1996. YGC terminated its option agreement with Carlos in January, 1997.

In 2000, a total of $36,000 was spent by A. Carlos exploring a new area 1.8 km from the main zone.

PROJECT SUMMARY

The Grew Creek deposit can be mined by open-pit methods with a stripping ratio of 9:1, waste to ore. Metallurgical testing by Noranda in 1988 indicated that recoveries of 92% to 94% are possible using simple cyanide processing.

The Grew Creek property is located approximately 35 km west of Ross River and one km from the Robert Campbell Highway and the Whitehorse power grid. The property consists of 168 claims and is owned by A. Carlos of Whitehorse.

GEOLOGY, MINERALOGY AND ORE RESERVES

The Grew Creek epithermal gold deposit is hosted by Eocene volcanic and sedimentary rocks deposited in a pull-apart basin within the Tintina Fault zone. The gold occurs in stockwork quartz veins and hydrothermal breccias cutting hydrothermally altered rhyolite.

In the main zone, rhyolitic tuffs are juxtaposed by an east-west fault against a cyclic sequence of fluvial sediments. The faulted contact is partly intruded by a quartz-feldspar porphyry dyke. The pyroclastic rocks, dyke, fault and sediments all dip steeply to the north. The volcanic rocks are hydrothermally altered to illite-quartz and illite-quartz-adularia assemblages, with an outer propylitic halo.

Mineralization consists of pyrite, marcasite, arsenopyrite, chalcopyrite, argentite, electrum, silver selenides, galena and sphalerite. Fluorite is also present in the Tarn zone. Gangue minerals include quartz, adularia, carbonates, and quartz pseudomorphs after calcite. In the main zone, gold and silver occur as micron-size grains in chalcedony stringer stockworks and adjacent silicified tuffs. There is a good correlation between gold and silver, with a gold:silver ratio of about 1:4 for ore-grade mineralization, which occurs in an elongated zone trending west northwest. The mineralization is strongly anomalous in arsenic and mercury, but mercury shows only a weak correlation with gold and silver. Most high mercury values lie along the fault, above the gold-silver zone.

Initial drilling on the main zone gave a best intersection of 11.7 grams/tonne Au and 150.9 grams/tonne Ag across 31.4 m while the best section exposed in a trench assayed 3.6 grams/tonne Au and 15.3 grams/tonne Ag across 13 m. The 1989 drilling focused on the main zone, with the best hole returning 10.5 grams/tonne Au over 13 m.

The Tarn zone, located 2 km to the east, consists of quartz-fluorite-chalcedony stockworks and localized silicification within a 900 x 100 m zone of sericitized rhyolite dykes and tuff. The best assays were 150 ppb Au across 2.0 m in a trench and 520 ppb Au over 1.5 m in a drill hole.

Prospecting in the area is difficult due to a thick cover of glacial till. Plouffe (1989) showed that gold is concentrated in the silt- and clay-size fraction down ice from the Grew Creek deposit, but the common pathfinder elements Ag, Sb, As and Hg show little correlation with the gold distribution.

In 1991, a trench in the K410 zone, 15 km northwest of the deposit, uncovered intensely iron-stained, highly fractured acid-leached volcanic rocks. Carlos excavated four hand pits to bedrock in 1992 and encountered intensely clay-altered Eocene sediments with hematite-rich bands. Samples from the pits returned anomalous values of mercury and barium, and a heavy mineral concentrate from 45 kg of glacial till in Pit #2 assayed 9,320 ppb Au.

The 1993 diamond drilling intersected strongly altered volcanic rocks beneath a zone of hydrothermal alteration exposed in a surface trench.

The 1994 drilling showed that mineralization in the South Zone consists of an extensive quartz-adularia stringer stockwork of low-grade Au-Ag values. The best intersections were 2.33 grams/tonne Au and 4.1 grams/tonne Ag over 10.4 m. The South Zone mineralization appears to be connected with the Main Zone mineralization, but further drilling between the two zones needs to be carried out to confirm this theory. Drilling in the Main Zone confirmed earlier reported grades. The best intersection was 1.69 grams/tonne Au and 3.0 grams/tonne Ag over 24 m.

In 2000, a total of 558 soil samples were grid-collected over a 2 km area and analyzed by the enzyme leach method. To date, (5) new geochemical targets have been delineated in a favourable structural area north of the Tarn zone, adjacent to the Robert Campbell Highway.

PRODUCTION PLANS

In 1989, Orcan Mineral Associates estimated geological reserves of 773,012 tonnes grading 8.9 grams/tonne Au and 33.6 grams/tonne Ag at a cut-off grade of 0.2 grams/tonne and containing a higher grade reserve of 184,947 tonnes grading 12.1 grams/tonne Au.

CONCLUSIONS

(Gregory T. Hill, Consulting Geologist) will shortly be preparing a report including recommendations regarding our past seasons work. He is at this time in possession of the raw geochemical data and any other relevant information or observations important to his work.

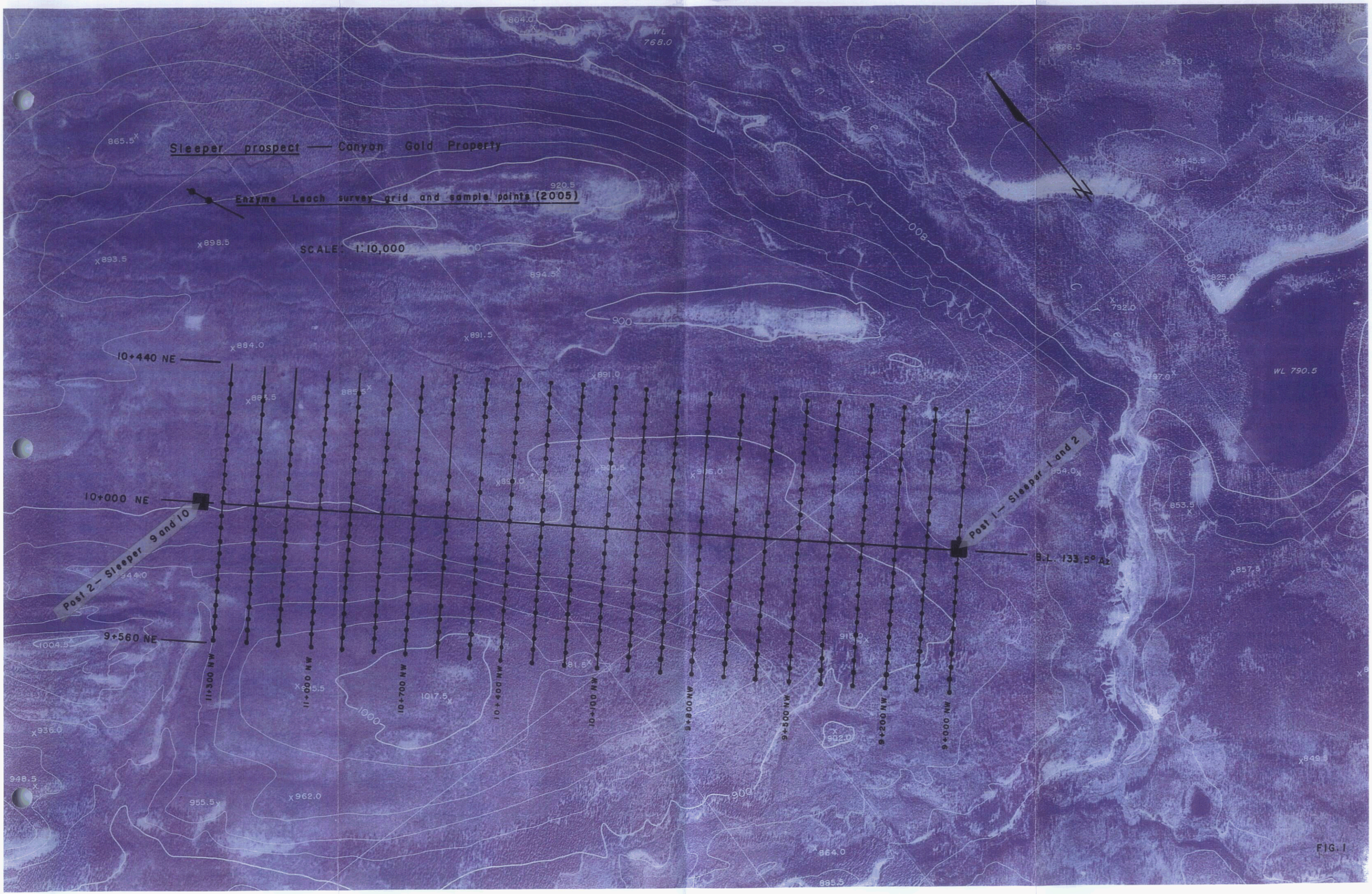

Sleeper prospect — Canyon Gold Property
Enzyme Leach survey grid and sample points (2005)
SCALE: 1:10,000
10+440 NE
10+000 NE
9+560 NE
Post 2 – Sleeper 9 and 10
Post 1 – Sleeper 1 and 2
B.L. 133.5° Az
11+300 NW
11+000 NW
10+700 NW
10+400 NW
10+100 NW
9+800 NW
9+500 NW
9+200 NW
9+000 NW
WL 768.0
WL 790.5
800
900
1000

FIG. 1

APPENDIX 1

STATEMENT OF QUALIFICATIONS

ALLEN M. CARLOS, PROSPECTOR

I, Allen M. Carlos of Whitehorse, Yukon Territory, hereby certify that:

1. I have been actively engaged as a mineral prospector in Western Canada for 35 years, initially for a major company, then as an independent.

2. I studied 3 years at the University of Saskatchewan:
   One year of Engineering followed by 2 years Arts and Science (Geology).

3. I worked one year in northern Saskatchewan as a student assistant for the Department of Mineral Resources.

4. I have for the last 18 years spent much time researching papers regarding Volcanic Hosted Epithermal type deposits.

5. In 1983 I was responsible for discovering the Grew Creek precious metal deposit, the first epithermal deposit of this type along the Tintina Trench in Yukon.

6. I planned and with the aid of my sons, carried out the current program.

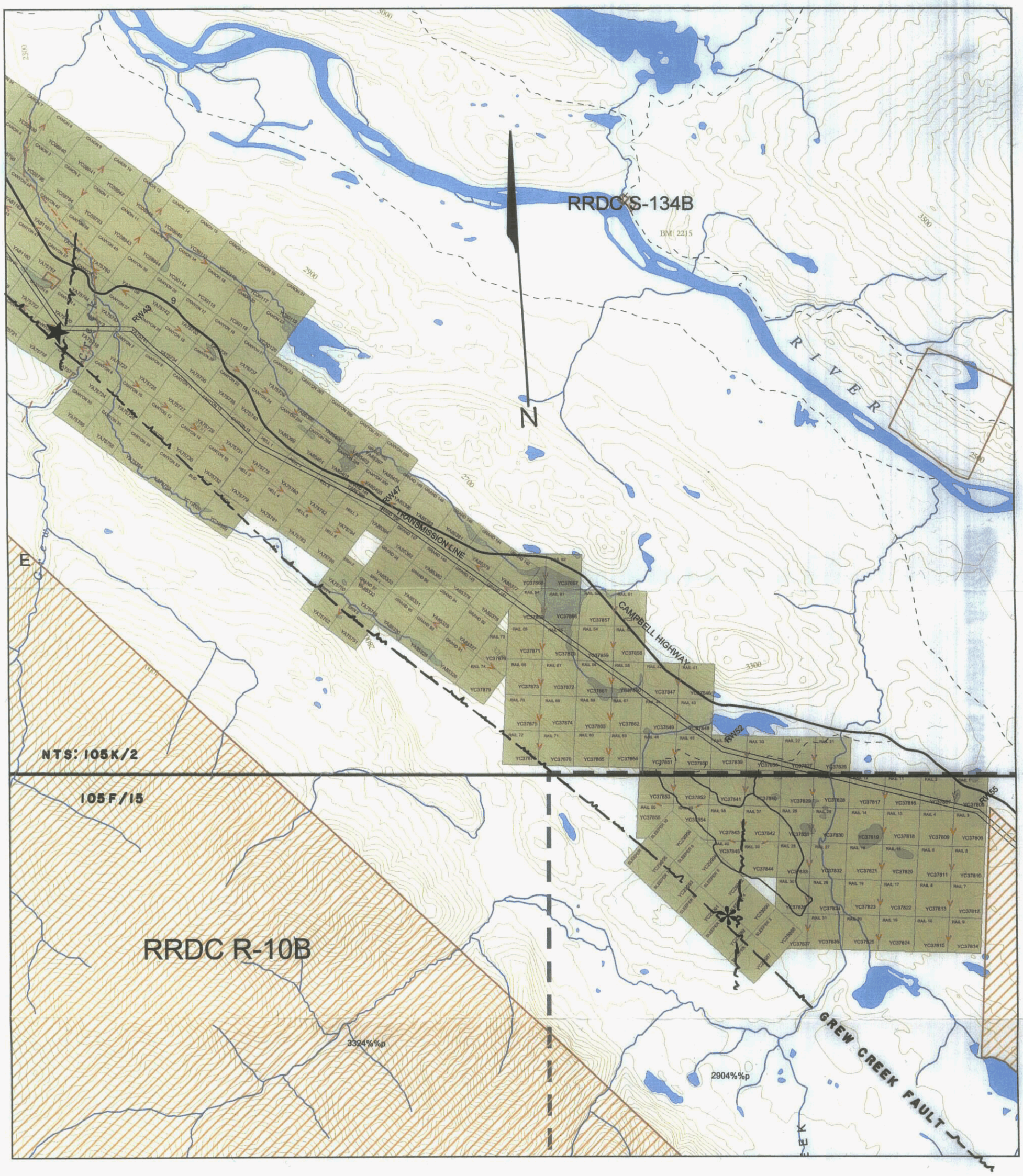
Signed.

Allen M. Carlos, PROSPECTOR

APPENDIX 2

LIST OF CLAIMS

CLAIM MAP



LEGEND:

★ GREW CREEK DEPOSIT

✻ SLEEPER TARGET

Yukon
Energy, Mines and Resources

Claim Status Report

24 October 2005

	Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s
	CANON 1 - 4	YC08793 - YC08796	2016/12/27	A.M. Carlos	100.00	105K02
R	CANON 5 - 6	YC08797 - YC08798	2020/12/27	A.M. Carlos	100.00	105K02
	CANON 7 - 14	YC08939 - YC08946	2016/12/27	A.M. Carlos	100.00	105K02
R	CANON 15 - 24	YC30113 - YC30122	2010/10/01	A.M. Carlos	100.00	105K02
	CANYON 1 - 16	YA75717 - YA75732	2023/12/27	A.M. Carlos	100.00	105K02
	CANYON 17 - 26	YA75733 - YA75742	2021/12/27	A.M. Carlos	100.00	105K02
	CANYON 27 - 32	YA75743 - YA75748	2023/12/27	A.M. Carlos	100.00	105K02
	CANYON 33 - 40	YA75753 - YA75760	2023/12/27	A.M. Carlos	100.00	105K02
R	CANYON 41 - 50	YA81160 - YA81169	2023/12/27	A.M. Carlos	100.00	105K02
R	CANYON 51 - 56	YA81170 - YA81175	2024/12/27	A.M. Carlos	100.00	105K02
R	CANYON 57 - 66	YA81176 - YA81185	2020/12/27	A.M. Carlos	100.00	105K02
R	CANYON 73 - 78	YA81192 - YA81197	2023/12/27	A.M. Carlos	100.00	105K02
R	CANYON 79 - 84	YA81198 - YA81203	2024/12/27	A.M. Carlos	100.00	105K02
R	CANYON 85 - 94	YA81204 - YA81213	2020/12/27	A.M. Carlos	100.00	105K02
	CANYON 293 - 300	YA85398 - YA85405	2018/12/27	A.M. Carlos	100.00	105K02
	DOZER 1 - 14	YC18135 - YC18148	2008/08/12	A.M. Carlos	100.00	105K03
	GRAND 91	YA85326	2012/12/27	A.M. Carlos	100.00	105K02
	GRAND 92	YA85327	2013/12/27	A.M. Carlos	100.00	105K02
	GRAND 93 - 98	YA85328 - YA85333	2016/12/27	A.M. Carlos	100.00	105K02
	GRAND 141	YA85376	2013/12/27	A.M. Carlos	100.00	105K02
	GRAND 142	YA85377	2012/12/27	A.M. Carlos	100.00	105K02
	GRAND 143 - 148	YA85378 - YA85383	2016/12/27	A.M. Carlos	100.00	105K02
	GRAND 159	YA85394	2012/12/27	A.M. Carlos	100.00	105K02
	GRAND 160 - 162	YA85395 - YA85397	2016/12/27	A.M. Carlos	100.00	105K02
	KAOLIN 1 - 3	YC18762 - YC18764	2010/09/17	A.M. Carlos	100.00	105K03
	KAOLIN 4 - 10	YC19300 - YC19306	2007/09/17	A.M. Carlos	100.00	105K03
	KAOLIN 11 - 12	YC19374 - YC19375	2008/09/17	A.M. Carlos	100.00	105K03
R	MAVERICK 1 - 12	YC19362 - YC19373	2016/06/15	A.M. Carlos	100.00	105K02
R	MAVERICK 13 - 36	YC26055 - YC26078	2012/06/15	A.M. Carlos	100.00	105K02
R	MAVERICK 37 - 48	YC30101 - YC30112	2010/10/01	A.M. Carlos	100.00	105K02, 105K03
	SLEEPER 1 - 10	YC29987 - YC29996	2010/08/23	A.M. Carlos	100.00	105F15

Criteria(s) used for search:

CLAIM STATUS: ACTIVE & PENDING OWNER(S): CARLOS A.M. REGULATION TYPE: QUARTZ

Total claims selected : 224

Left column indicator legend:
R - Indicates the claim is on one or more pending renewal(s).
P - Indicates the claim is pending.

Right column indicator legend:
L - Indicates the Quartz Lease.
F - Indicates Full Quartz fraction (25+ acres)
P - Indicates Partial Quartz fraction (<25 acres)
D - Indicates Placer Discovery
C - Indicates Placer Codiscovery
B - Indicates Placer Fraction

APPENDIX 3

SUMMARY OF EXPENDITURES

SUMMARY of EXPENDITURES/WORK PERFORMED

• Cutting chainsaw grid & chaining (23.406 km.)	
42 man days @ 275.00 per	$11,550.00
• Soil sampling & supplies	$ 4,306.38
• Living expenses: $35.00 x 50 man days	$ 1,750.00
• Soil survey analysis	$20,709.32
• Truck costs: Whitehorse – return & work (4200 km. x .42)	$ 1,764.00
• Truck rental: (2 months @ $1,450.00 per x 25%)	$ 725.00
• Enzyme Leach survey interpretation (estimate)	$ 3,500.00
• Report preparation	$ 150.00
Grand Total Project 2005	**$44,454.70**