



**Report on the 2008
Geochemical and Geological Work
on the
Leota Goldfields Property**

Claim Name: Grant No's:
Leota (716 claims per attached list)

DAWSON MINING DISTRICT, YUKON TERRITORY
NTS: 115015
Latitude 63° 57'
Longitude 138° 50'

Work conducted:
May 29 – September 30, 2008

Owner and Operator:
Leota Goldfields Project
c/o Mark Pocklington & Ross Weitzel
12830-148 St. NW., Edmonton, AB, T5L 2H8
Tel: 780.453.9061
Email: leotagoldfields@gmail.com

Prepared by:
Mark W. Pocklington
Exploration Manager

April 30, 2009

TABLE OF CONTENTS

1.0 PROPERTY.....	PAGE 4
1.1 INTRODUCTION.....	4
1.2 LOCATION & ACCESS.....	5
1.3 CLAIMS DATA & MAP	7
2.0 GEOLOGY.....	PAGE 11
2.1 REGIONAL GEOLOGY	11
2.2 PROPERTY GEOLOGY	12
3.0 HISTORY.....	PAGE 13
3.1 REGIONAL HISTORY	14
3.2 PROPERTY HISTORY - GOLD MINING (PLACER)	15
3.3 PROPERTY HISTORY – GOLD PROSPECTING (LODE).....	17
3.4 PROPERTY HISTORY – GOLD PROSPECTING FOR POLYMETALIC MINERALS.....	20
4.0 EXPLORATION REPORT.....	PAGE 21
4.1 SUMMARY OF EXPLORATIONS, MAY – SEPTEMBER 2008	21
4.2 PROPERTY RESEARCH, OCTOBER 2008	25
5.0 CONCLUSIONS & RECOMMENDATIONS	PAGE 27
6.0 BIOGRAPHIES / CREDENTIALS	PAGE 28
6.1 MR. ROSS WEITZEL.....	28
6.2 MR. MARK POCKLINGTON.....	29
6.3 MR. SYLVAN MONTREUIL	30
6.4 EXPLORATION EQUIPMENT	31
7.0 ATTACHMENTS	PAGE 32
7.1 DUNCAN MICHIE: REGISTRATION DOCUMENTS	32
7.2 DUNCAN MICHIE : CLAIMS MAPS	39
7.3 CLAIMS STAKING MAPS, LEOTTA CREEK AREA, 1969.....	41
7.4 ALEXANDER D. MCRAE: PROFILE.....	42
7.5 AL DOHERTY REPORT: POTENTIAL LODE SOURCE FOR KLONDIKE GOLD	44
7.6 JK MORTENSEN REPORT: STRUCTURAL CONTROLS ON OROGENIC GOLD	47
7.7 ACME LABS, ANALYSIS REPORTS	50

8.0 MAPS.....	PAGE 52
8.1 GEOLOGY MAP OF KLONDIKE PLATEAU	52
8.2 MAP OF TINTINA GOLD BELT REGION	53
8.3 MAP OF THE YUKON TECTONIC ELEMENTS	53
8.4 MAG MAP - CENTRE OF PROPERTY	54
8.5 MAG MAP – NORTH AREA OF PROPERTY	54
8.6 MAG MAP OF PROPERTY FROM GEOLOGICAL SURVEY OF CANADA	55
8.7 KLONDIKE GOLD FIELDS	56
8.8 YUKON ADVANCED EXPLORATION PROJECTS, JUNE 2008	58
 9.0 PHOTOGRAPHS	 PAGE 59
9.1 EXPLORATION (QUARTZ VEINS).....	59
 10.0 WORK REPORTS	 PAGE 61
10.1 WORK REPORT 2008 (MAPS 1A-1J FOR YMR).....	61
10.2 WORK REPORT 2008 (STATEMENT OF EXPENDITURES 1A-1J FOR YMR	67-89

1.0 PROPERTY:

1.1 Introduction

The Leota Goldfields Project is an early-stage mining exploration venture based in the historic and world-famous Klondike mining district near Dawson City, Yukon.

Initiated by two entrepreneurial explorationists with a passion for discovery, the primary objective of the project is to locate the source of lode gold responsible for the rich alluvial deposits mined in the region for over one hundred years.

Through ownership of Yukon enterprises providing construction, transportation, public lodging, and fuel delivery services, the team can draw on local resources to support their prospecting program in a cost effective manner. With a track-record of finding gold-bearing quartz veins in the northern Cordilleran region of North America, the partners are focused and determined to succeed.

The property summary begins with details of the mining property currently covered by 716 quartz claims staked under the Yukon Mining Act under the group name 'Leota', and includes sections on regional and local geology followed by sections on the previous mining history of the district and the property uncovered from the Yukon archives in Dawson City and Whitehorse.

The section titled, Exploration Report, describes the first season's prospecting program from May to September, 2008. Highlights are the discoveries of thirty-nine major quartz veins with two classified as massive "blowout" quartz vein systems, and two as fissure-type gold-bearing veins which will be the focus of the exploration program for the 2009 season.

To further inform the reader with facts relevant to the property, attachments are included covering the profiles of the team members; biographies of previous miners supported by scanned copies of their claim filings, staking sketches, and registered documents; copies of historical maps; recent geological reports and geosurvey maps; personal photos of the landscape and major quartz vein trenches; and results from the first samples submitted for fire assay.

The partners recognize the importance of continually advancing the project in a timely manner and the value of partnering with industry professionals. For this reason, the report is written for the benefit of individuals interested in appraising the property and considering participation in this exciting venture which currently is one of the largest lode gold exploration projects in the heart of the Klondike Goldfields.

1.2 Location and Access

The Leota Goldfields Project is a mining exploration venture with property consisting of 821 claims located 40 km east of Dawson City, Yukon; herein referred to as the 'Leota' property. The claims are contiguous and cover an area of over 17,000 hectares (42,000 acres). The claims are unsurveyed two-post quartz claims staked in accordance with the Yukon Quartz Mining Act, located in the Dawson Mining District with current claim status shown on Yukon Quartz Sheet 115O15. The property is southwest of and adjacent to The Klondike River Lodge* located at mile "0" Dempster Highway.



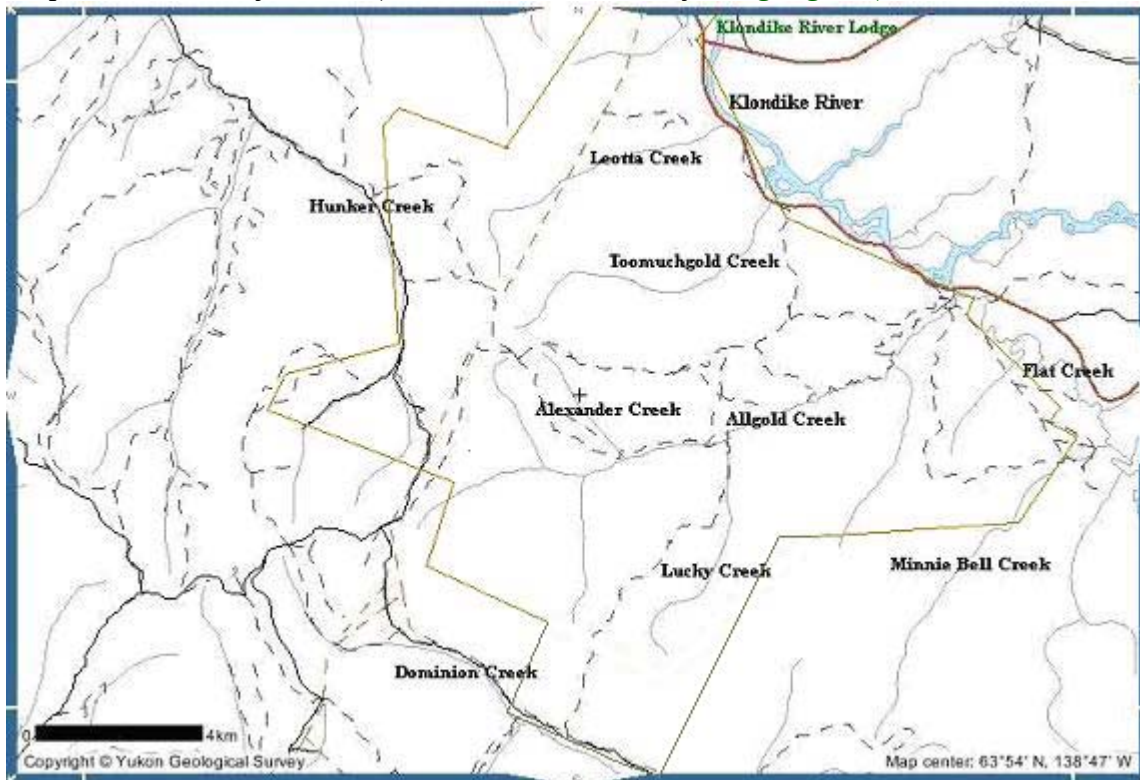


At the northern end of the property is a volcanic structure with a caved-in dome-like top named Mt. Leotta** with an elevation of 3056', named after the sister of John Scott, a pioneer Klondike miner. Location coordinates: +63° 57' 53.18", -138° 50' 35.89"

Google maps link:

<http://maps.google.ca/maps?f=q&hl=en&geocode=&q=N63.964773155%2F+W138.84330213&ie=UTF8&ll=63.96517,-138.843284&spn=0.034056,0.105915&t=h&z=13>

Map of roads & major trails ('Leota' claims boundary in light green):



1.3 Claims Data & Map

Quartz claims staked and registered with the Yukon Mining Recorder under 'Leota' group of claims 1 – 716. Ownership: 50% Ross Weitzel, 50% Mark Pocklington

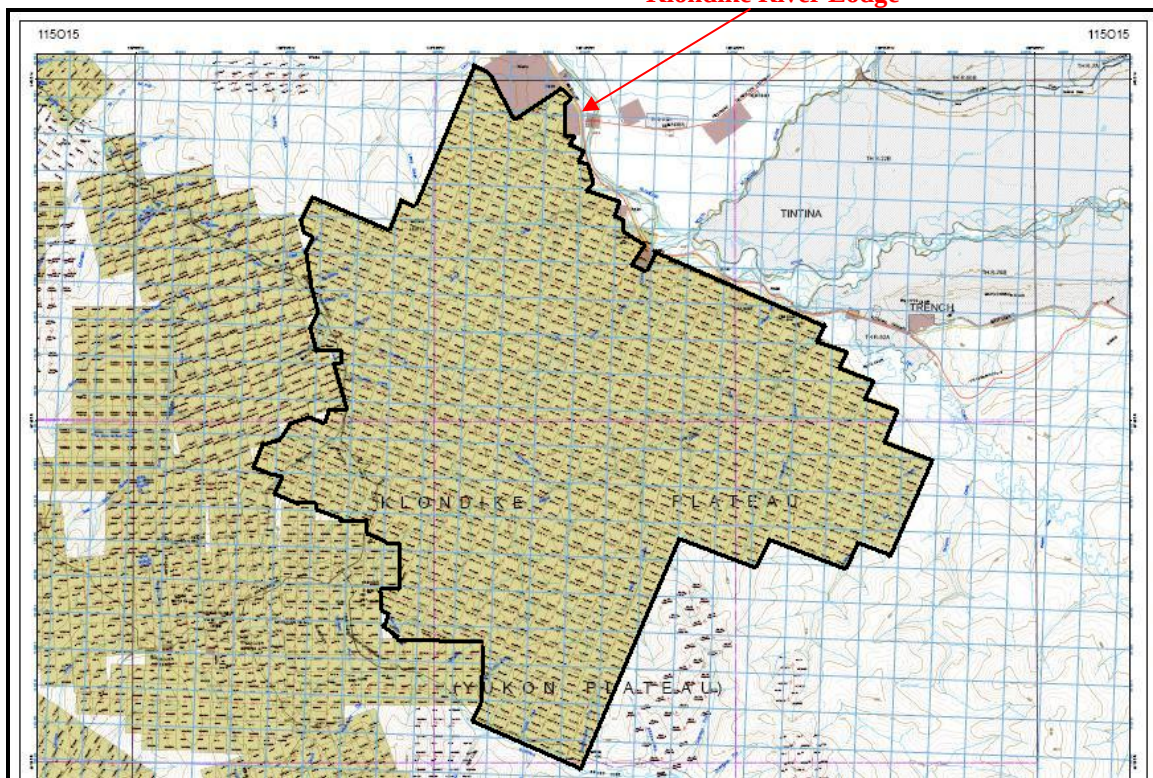
For claims information go to website and enter < leota > in claim name box to search:

<http://gysde.gov.yk.ca:7777/pls/htmldb/f?p=116:1:14607657195575855492>

To view full map go to: <http://www.yukonminingrecorder.ca/PDFs/115/115O15.pdf>

Leota Goldfields, Quartz Claims Map (as of December 8, 2008)

Klondike River Lodge



Claim Name and Nbr.	Grant No.
Leota 1 - 20	YC63192 - YC63211
Leota 21 - 30	YC63442 - YC63451
Leota AC 3 - 26	YC63452 - YC63475
Leota AG 500 - 502	YC63892 - YC63894
Leota AG 503 - 509	YC63991 - YC63997
Leota AGC 1 - 12	YC63476 - YC63487
Leota AI 41	YC75941
Leota AI 53 - 56	YC75971 - YC75974
Leota AL 1 - 8	YC63488 - YC63495
Leota AL 10 - 32	YC63863 - YC63885
Leota BE 7 - 26	YC63236 - YC63255
Leota BM 1 - 44	YC63496 - YC63539
Leota BM 45 - 52	YC63605 - YC63612
Leota CT 1 - 6	YC63416 - YC63421
Leota CT 9 - 14	YC63886 - YC63891
Leota DI 1 - 5	YC63231 - YC63235
Leota EV 1 - 16	YC63384 - YC63399
Leota EV 17 - 32	YC63540 - YC63555
Leota GS 1 - 36	YC63256 - YC63291
Leota GS 37 - 45	YC63556 - YC63564
Leota GS 46 - 49	YC63613 - YC63616

Claim Name and Nbr.	Grant No.
Leota GS 50 - 51	YC84090 - YC84091
Leota Hc 13 - 30	YC84013 - YC84030
Leota HC 1 - 2	YC63565 - YC63566
Leota HC 3 - 5	YC63617 - YC63619
Leota HC 6	YC63620
Leota HC 7 - 13	YC63621 - YC63627
Leota Hs 1 - 34	YC76467 - YC76500
Leota Hs 35 - 46	YC84001 - YC84012
Leota HS 47 - 50	YC84086 - YC84089
Leota HS 51 - 53	YC84104 - YC84106
Leota KS 1 - 86	YC63292 - YC63377
Leota KS 88 - 93	YC63378 - YC63383
Leota LK 1 - 40	YC63823 - YC63862
Leota MB 1 - 38	YC63901 - YC63938
Leota MBH 27 - 28	YC63998 - YC63999
Leota MH 1 - 2	YC63567 - YC63568
Leota Mp 777	YC84055
Leota Mp 785	YC84107
Leota OC 1 - 20	YC63422 - YC63441
Leota OC 21 - 44	YC63569 - YC63592
Leota PT 1 - 19	YC63212 - YC63230

Claim Name and Nbr.	Grant No.
Leota QV 1 - 16	YC63400 - YC63415
Leota RD 1 - 4	YC63601 - YC63604
Leota Sm 888	YC84056
Leota TMG 1 - 8	YC63593 - YC63600
Leota V 1 - 28	YC84058 - YC84085
Leota VC 1 - 30	YC63939 - YC63968
Leota VC 31 - 36	YC63981 - YC63986
Leota VC 37 - 40	YC63969 - YC63972
Leota VC 41 - 44	YC63987 - YC63990
Leota VC 45 - 52	YC63973 - YC63980

Total: 716 claims

Ownership & Operator: 50% Mark Pocklington/ 50% Ross Weitzel

2.0 GEOLOGY:

Geological publications and maps of the Yukon can assist in explaining the complex bedrock structures and can be accessed at the website of the Yukon Geological Service: website: http://www.geology.gov.yk.ca/publications/publication_list/TOC.html

2.1 Regional Geology

A number of reports describing the regional geology of the Klondike Plateau have been published with the most comprehensive papers authored by J.K. Mortensen.

One report, titled: “Compositional studies of placer and lode gold from western Yukon: Implications for lode gold sources.” Pub. 2006 can be viewed or downloaded at Website: http://geology.yk.net/publications/yeg/yeg05/16_mortensen.pdf

Another publication can be purchased from the Yukon Mining Recorder’s office in Whitehorse for a nominal fee (\$10.00), titled: Indian and Northern Affairs Canada, Exploration and Geological Services Division, Yukon Region, Bulletin 3, “Shape and Composition of Lode and Placer Gold from the Klondike District, Yukon, Canada.” Pub.1994.

A section of interest from this report is under the heading, Origin of Placer Gold, and highlighted as follows:

“We therefore conclude that most if not all of the placer gold that was recovered from Klondike placer deposits was derived from mesothermal lodes similar to those that have been recognized throughout the district.

The extreme disparity between rich and abundant placer concentrations must still be explained. There are three possible explanations:

- 1) The known lodes may represent the roots of gold-bearing veins (or vein systems) that were originally of very considerable vertical extent, but have been mostly eroded away...
- 2) The lodes may have had erratically distributed very high grade zones...
- 3) The main lodes that contributed to the placer deposits remain undiscovered.

It is very probable that all three of the above explanations together account for the discrepancy between placer production and available lode sources. The lodes appear to have localized high grade zones which probably contributed significantly to the grade of the placers. Based on this study it appears that although some of the significant gold producers have been identified, many of the sources for the gold in the creeks have not been equivocally identified.”

Considerable resources have been devoted to investigating the geology of the Klondike Plateau with the objective of understanding the structural controls on orogenic (mesothermal) gold mineralization. It should be noted that Mortensen’s research was funded by Klondike Star Mineral Corporation, and as a result, the investigation appears

to be centered on claims found mostly in the western part of the Klondike Plateau near to the Lone Star mine. Another point of interest is that both geologists, Jim Mortensen and Chris Ash attempt to interpret the structural evolution of the Klondike in recent publications, but without common agreement.

The author of this report recommends one review the material to gain a general understanding of the geology of the region while leaving the complex theories of structural controls to professionals in the field.

***Publications:**

JK Mortensen: Structural controls on orogenic gold mineralization in the Klondike goldfield, Canada. Published: 28 July, 2007.

CH Ash: Setting of gold-bearing quartz vein lode sources for placers within the Klondike Goldfields, west-central Yukon, Canada. Published: May 14, 2006.

Note: Mortensen offers a simplified map of the bedrock geology of the Klondike District which is shown in Section 8.1 on page 52, followed by maps of the Tintina Gold Belt Region and the Yukon Tintina Tectonic Elements in Sections 8.2 and 8.3 on page 53.

2.2 Property Geology

The ‘Leota’ claims were originally staked following a thrust fault which winds along the eastern part of the Klondike Plateau, (map in Section 8.1 on page 52). After determining that the geology surrounding Mt. Leotta was ultramafic and the contact zones could be target areas hosting quartz veins with gold mineralization, the claims were broadly extended east/west from Flat Creek to Hunker Creek and north/south from the Klondike River to Dominion Creek.

The property covers over 42,000 acres of unglaciated terrain characterized by rounded hills, ridges and a dendritic incised drainage system. There are no lakes or large swamp areas on the property.

There are no geological reports directly related to the ‘Leota’ property, but there are recent filings on adjacent properties that refer to the area as being worthy of serious prospecting due in part to the Mt. Leotta being the only volcanic dome structure in the region which has collapsed on itself and be linked to epithermal activity and ultramafic anomalies.

Fortunately, public geomaps of the Klondike Plateau include the ‘Leota’ property, which can be found in Sections 8.4 to 8.6 on pages 54 and 55 of this report. In the interim, one must rely on these maps to provide clues to the whereabouts of contact zones between schist and ophiolitic (volcanic) rocks where fissure-type orogenic quartz veins are likely to occur. Late in the season, the accuracy of the geomaps was confirmed through mechanical trenching of the overburden adjacent to ultramafic intrusions.

There are other clues that reveal the watersheds of the property once mined for placer gold may contain a nearby source of lode gold. For example, on Lucky Creek, a tributary of Allgold Creek, one can find over 14 shafts, some over 30' deep, indicating the miners were working a narrow pay streak which may have originated from local quartz veins yet to be discovered. Furthermore, Allgold Creek is a producer of placer gold with one of the highest purities in the Klondike with a fineness of over 860 of 1000, again suggesting the gold has a very local source.

Another clue relevant to the property is the common knowledge that the largest nugget-like specimen of crystalline gold found in the Yukon was sluiced from the gravels of Alexander Creek, aka Alexander Pup, which is located near the centre of the 'Leota' property.

3.0 HISTORY:

Yukon has a rich mining history. Mining has continued to be the cornerstone of the Yukon economy from the famous Klondike gold rush of 1896/98 to the present day, although the territory has experienced several "boom-and-bust" cycles as metal prices have risen and fallen over the years.*

The first reported exploitation of metals in Yukon pre-dates European settlement. The aboriginal people are known to have mined native copper nuggets in the White River area of southwest Yukon to fashion arrowheads and to trade. Prospecting for placer gold by white settlers began soon after the first reported discovery at Fortymile in 1850.

The discovery of gold on Bonanza Creek in the Klondike district by George Carmack, on August 16, 1896 sparked the world's biggest "gold rush". Placer gold mining remained the mainstay of the Yukon economy from the time of the gold rush until the early 1920s. Following rises in the price of gold, placer mining was again important from the 1940s to the 1960s and from the mid 1970s to today.

Currently, many small family-run gold placer mines operate each summer, with annual production of approximately 100,000 troy ounces.

*for historical gold prices from 1800-2008, visit website:
<http://www.finfacts.com/Private/currency/goldmarketprice.htm>

For a pictorial history of the Yukon, visit website:
<http://www.yesnet.yk.ca/schools/carcross/index.htm>

3.1 Regional History

The total recorded fine gold production of the Klondike Goldfields from 1885 to 2007 is estimated at 12.5 million ounces, and at today's prices, that would be worth in excess of US\$ 11 billion. One can only imagine what may have been mined and consigned to barter and/or private caches over the past century without being officially recorded. Some local miners claim the figure for actual production may be more than two times official published statistics.

The Klondike may not have exceeded other gold camps throughout the world in total production but it was remarkable for three main reasons. First, the huge numbers of gold seekers was simply unparalleled in earlier North American stampedes. Second, the climate and geography of the area were extremely cruel and difficult for the prospective miner to contend with. And third, the discoveries of gold made by a few successful miners were spectacular in their richness. One section of Eldorado Creek, for instance, yielded 125,000 ounces in a creek length of 425 ft. – an incredible \$100 million at present day gold values. The Klondike has at least the honour of being the richest worldwide per square foot of placer claims.

The Klondike produced other riches besides gold, namely, colorful human experiences worthy of print. These writings were the source of many published articles and novels that captured a way of life that gave hope to people that were being ravaged by a severe worldwide economic depression. Furthermore, the mining laws of the Yukon in 1897 were designed to efficiently distribute the wealth among as many miners as practical requiring each individual to support the claim with a continuous stream of legal documents and affidavits. In the end, the combination of personal stories and legal documents would necessitate safe-keeping at Dawson City and Whitehorse for public viewing.

Perhaps the best collection of registered documents are the claim applications with maps and assessment reports filed with the Mining Recorder which can be found at the Yukon Archives in Whitehorse and the Dawson City Museum. More recent assessment reports are also available at the Yukon Energy, Mines & Resources Library in Whitehorse or online at the Yukon Minfiles at the website:

http://www.geology.gov.yk.ca/publications/minfile/text_files/nw.pdf

Since the research had to focus on lode gold in the region in general and on the property in particular, the investigation involved an exhaustive process of manually sorting through a thick folio of unorganized papers. All mining records whether placer or quartz had to be scanned by eye without any benefit of electronic assistance. Any relevant documents had to be copied by the librarian per a formal requisition and as a result, only the most important were copied, some of which appear in this report.

One grouping of historical facts of interest particular to lode mining can be found in a publication from Canada Department of Mines, “Lode Mining in Yukon” by T.A. Maclean, Pub.1914. An excerpt is as follows:

“A comparatively detailed history of gold production in Yukon may be found in various reports of the Geological survey...Briefly, placer gold was found in the Yukon as early as 1869. Quartz mineral claims were first staked in 1899, about which time the Lone Star mine, situated at the head of Victoria gulch, Dawson District, came into prominence. Some development work was then undertaken; but this was over-shadowed by the rich placer finds, and little was accomplished in connection with quartz...”

Also of interest is an early map of the Klondike Goldfields published by the NY Times in 1898, which highlights the areas of original placer discoveries (maps in Section 8.7, page 56-57). This confirms the importance of the three eastward flowing drainages of Allgold, Toomuchgold, and Leota Creeks, as the major placer discoveries are located a distance upstream from their mouths, indicating a source of lode gold is likely to be in the hills at the centre of the ‘Leota’ property.

3.2 Property History – Gold Mining (Placer)

From 1898 to 1904 it appears many miners staked placer claims near the mouths and lower sections of Allgold, Toomuchgold, and Leotta creeks. They soon moved upstream which is still evident today by the remnants of many old cabins perched on the banks of the creeks. Lucky Creek and Alexander Creek, both upper tributaries of Allgold Creek were mined by various clans of Irishmen and Scotsmen.

In 1914, one Scottish miner, Duncan Michie registered a discovery claim on a section of Allgold Creek a mile upstream from Lucky Creek, which quickly expanded to eight placer creek claims, four bench claims and a 1-mile prospect lease in the same watershed. Michie continually mined his claims for twenty-three years until 1937, when he optioned the property to one of Canada’s richest industrialist, Alexander D. McRae, for \$50,000-. With gold in 1937 at \$35/ounce, this would equate to an option value today of over \$1 million, (copy of option agreement in Section 7.1 on pages 33-36).

The significance of this event is underscored in the biography of McRae, (found in Section 7.4 on pages 42-43) who together with his General Manager, Ernest N. Patty, were known to approach mining properties by hiring the services of foremost experts in the fields of geology and mining, including internationally renowned hard rock consulting geologist, Ira B. Joralemon, who had decades of experience worldwide.

It is interesting the McRae/Patty team not only decided to venture from their previous successes in Alaska to the Yukon, but their first gold property to option would be the watershed of Allgold Creek. Perhaps the fact that Michie could provide evidence of profitable alluvial gold mining for more than twenty years influenced their decision. Nevertheless, the option agreement financed the exploration of the upper watershed for placer potential using Michie’s one prospect drill.

The archives unfortunately do not contain any further records tied to the nine-year option agreement, but rather, they show the McRae/Patty team progressing into the financing, building and operating of placer dredges on tributaries of the Stewart River such as Clear Creek, Thistle Creek, and Henderson Creek. One can only speculate that the pay zone of Allgold Creek was too narrow and therefore uneconomic for an industrial dredge-type mining operation.

It appears throughout the years of the agreement ending in 1945; Michie continued to mine his placer claims on Allgold Creek with several partners, filing annual work reports as required, and staking new bench claims near Alexander Creek. In 1944, a year before the end of the agreement, Michie would focus his attention to an earlier discovery of lode gold within a quartz vein crossing on either side of Alexander Creek, as detailed in the next section of this report.

From 1945 until 1993, or for almost fifty years, Allgold Creek would lay dormant to mining activity; as was the case with many smaller creeks in the region where only the richest gravels would be considered. When the price of gold rose to profitable levels the placer miners fired up their machinery; when it dropped as in 1997 to under \$300/ounce, they would pack-up like a carnival leaving town often abandoning their worn sluicing equipment to the bone-yards of the bush.

The last operator to mine Allgold Creek was Henry Gulch Placers who filed a report as published in the 1995-1997 edition of Yukon Placer Mining Industry journal stating:

“In 1997 the mining operation moved upstream on Allgold Creek where the average depth was 17 feet but the valley width reduced significantly. The maximum depth was 22 feet and the minimum was 14 feet. The watercourse was around 5 feet below the virgin ground profile. Bedrock was wavy with a few crosscutting quartz dykes. A number of shafts were encountered. The sluice section taken in all areas was 3 to 4 feet of gravel along with 2 to 4 feet of bedrock.”

In the last two years, there has been a resurgence of placer activity with most of Lucky Creek staked by one individual placer miner, who purchased an excavator and is preparing his camp for mining in 2009. The upper sections of Allgold Creek are under prospect leases and placer claims to three local individuals. Alexander Creek is covered by two placer claims and a one mile-long prospect lease owned by those currently involved in the Leota Goldfields Project.

The major known productive zones of Allgold, Toomuchgold, and Leotta creeks are presently under placer and bench claims owned by the partnership of Martin Knutson and John Alton, award winning placer miners in the Dawson District. On their placer claims covering Allgold Creek adjacent to the mouth of Alexander Creek, the overburden has been stripped in preparation for sluicing. According to Knutson, “future development plans are in the works.”

3.3 Property History – Gold Prospecting (Lode)

The earliest known quartz claims filed on the “Leota” property were in 1904 as individual one claim registrations near the mouths of Flat Creek and Leotta Creek. Common practice of the era was staking of quartz claims by placer miners to avoid conflicts should they mine the cracks in the bedrock.

As introduced in the preceding chapter, Duncan Michie was a bona-fide prospector, born in Scotland in 1874. He immigrated to Dawson City and was employed as a clerk at the BNA Bank. Within a few years he joined the ranks of other pioneer miners by staking his first placer claim in 1903 on Last Chance Creek, a tributary of Hunker Creek. Over several years he would stake numerous placer and quartz claims, often with partners, and sell them to mining syndicates associated with his bookkeeper, Charles J. Vifquain of Dawson City.

For several years, Michie would roam the Klondike, Indian, and Stewart River watersheds staking and selling quartz claims. It appears in 1922 he settled on a quartz claim at the mouth of Alexander Creek and intensively prospected for the source of lode gold while working his placer claims nearby. Naturally, the economics of the times favoured individual placer mining over hard rock mining; nevertheless, Michie was one of the few persistent quartz prospectors of the time and deserves recognition as such.

After the mining laws evolved to allow the staking of more than one claim per vein, Michie quietly staked six quartz claims over a period of one year near the confluence of Alexander Creek and Allgold Creek, (copies of Michie’s quartz claim registrations and staking maps are attached in Sections 7.1 and 7.2 on pages 32-40). After registering them as a group of claims in Dawson City on the 17th of August 1931, he announced his discovery to the press. Photo image of the newspaper article and written text can be found on the next page:

THE DAWSON NEWS, THURSDAY, AUGUST 20, 1931.
PUBLISHED WEEKLY BY THE DAWSON NEWS COMPANY, LTD.

AURIFEROUS QUARTZ FOUND ON ALL GOLD

People — 704 112

Duncan Michie, of All Gold creek, spent the week end in town, attending to his mining affairs.

He reports having made a strike of auriferous quartz on Alexander gulch, a tributary of All Gold. Values have been obtained practically from the surface. The outcropping appears in four different places and the lead has been definitely traced for over 1,000 feet on each side of Alexander gulch.

Mr. Michie has also exposed the vein by ground sluicing, showing a width of fourteen feet without the foot wall being encountered. The deposit follows a course parallel to a dyke of greenstone.

Several assays of this vein have given returns which place this property among the promising prospects of this district, particularly as the find has been made in a section where no quartz finds have previously been reported.

The lead has been traced for miles and crosses Dominion creek below Paris.

Mr. Michie has been working quietly on this prospect for three years and he now has a group of six claims recorded.

Brighten Your Home Imported Rayon Brocaded BEDSPREADS

"24" x "103"

MORE BEAUTIFUL
LESS EXPENSIVE

Now, Rayon, Gold, Grey, and Graphite
"R.O.B." Price, each \$8.00

We Defy Catalogue House
Competition

Japanese "MODERN" Bazaar AND GENERAL STORE



OUTSTANDING
ACHIEVEMENTS
OF HUMAN GENIUS

1. Creating
Electric Power
2. Blending the
Perfect Tea
3. NABOB
4. The NABOB Tea
5. Your Life
is Better

Steamer Time, Whitehorse-Dawson

The following table gives time re-

CATERPILLAR

Ask
NORTHERN C
Authorized Ag

CATERPILLAR

Caterpillar Tractor

Hard V

We have a nice make work easy. A PLATE \$15.00; COOK \$8.00; an ELECTRIC and \$4.00; a TRAVEL \$15.00. These are the

Dawson News, August 20, 1931. Text reads:

< Duncan Michie, of All Gold creek, spent the week end in town, attending to his mining affairs. He reports having made a strike of auriferous quartz on Alexander gulch, a tributary of All Gold. Values have been obtained practically from the surface. The outcropping appears in four different places and the lead has been definitely traced for over 1,000 feet on each side of Alexander gulch. Mr. Michie has also exposed the vein by ground sluicing, showing a width of fourteen feet without the foot wall being encountered. The deposit follows a course parallel to a dyke of greenstone. Several assays of this vein have given returns which place this property among the most promising prospects of this district, particularly as the find has been made in a section where no quartz finds have previously been reported. The lead has been traced for miles and crosses Dominion creek below Paris. Mr. Michie has been working quietly on this prospect for three years and now has a group of six claims recorded. >

Michie's discovery was described as large quartz vein running 1000' feet on either side of Alexander Creek, with visible gold. The editor comments: "Several assays of this vein have given returns which places this property among the promising prospects of the district." (Currently this quartz vein system has been exposed through excavator trenching and identified as the QV3 and QV7 veins.)

In the 1930s, the annual assessment work needed to keep a quartz claim in good standing was \$100; the same as it is today. Six claims would have required \$600 per year. At the time of the Great Depression, \$100 was an average monthly wage. Indeed it would have been challenging to hold on to six claims hoping to interest mine developers. As often was the case, quartz claims would be dropped and restaked year after year. Such was the case in 1944 when despite the economic turmoil of the Second World War; Michie had the optimism to re-stake three claims over his original discovery vein that he had previously publicized.

The archives reveal that on October 17th, 1944, Michie went to the Mine Recorder's office at lower Hunker Creek to register the last claim filed as a group of three, and within days he would be admitted to the hospital in Dawson City. On November 19, 1944, he died of an undisclosed illness at the age of 70 and was buried at the Catholic cemetery in Dawson City.

The Yukon Quartz Mining Act states that after a miner's death the claims are given special dispensation and are not subject to annual assessment obligations for three years, allowing time for the estate to be settled. In Michie's case, records show no references to a will or estate sale, and as expected the claims expired. This was not unusual as after WWII, property markets in general were depressed and in some cases choice real estate had to be auctioned by widows unable to pay taxes. It should be no surprise that Michie's group of placer and quartz claims would expire and not be of interest to miners until a decade later when men returned to the bush in search for base metals like copper, lead, and zinc.

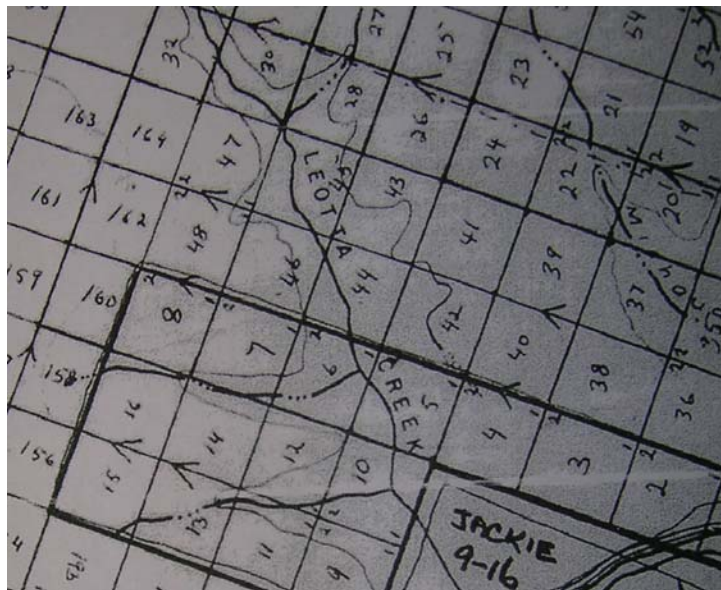
Another area with a rich history of prospecting for lode gold and covered by the 'Leota' group of claims is on both sides of Hunker Creek between Mint Pup and Hunker's uppermost right fork and its tributary, 36 Pup. The report can also be found in the circa 1914 publication, "Lode Mining in Yukon" by T.A. Maclean, on page 108. It describes one of John Fawcett's properties, the "Alphonse" mineral claim, covering a fissure-type quartz vein which assayed @ AU 0.12 oz/t, one of the highest in the region at the time.

Currently this vein is covered by two claims, Hasenfuss and Hasenfuss 3, owned by veteran prospector and local placer miner, Gerry Ahnert, who has trenched the vein and submitted samples for assay with returns up to 16 g/t. The 'Leota' claims border his two claims, and the strike direction of this vein should run under several 'Leota' claims; the closest of which is less than 200m distance from the outcrop.

3.4 Property History – Prospecting for Polymetallic Minerals

During the mid 1950s there was a resurgence of exploration activity for minerals like asbestos as it was in great demand as an electrical insulator. As a result, some prospecting occurred on the property and chrysotile asbestos was found in ultramafic-hosted rocks on the bluffs just west of the Klondike River Lodge and on the west side of Alexander Creek.

In the 1960s, demand grew steady for base metals. The Geological Survey of Canada recognized a potential for polymetallic minerals such as zinc by finding sphalerite in a panning sample on Toomuchgold Creek. In 1969, Jack Olsen, a local hotel owner, together with a group of twelve trappers and outfitters from the Mayo and Pelly districts, staked 238 claims under the name of Mu, Tin, Tina, etc., covering an area north and east of Mt. Leotta.*



* Copy of full claim staking map can be found in Section 7.3 on page 39.

The archives indicate in 1969 there were two mining companies actively acquiring properties in the area with lead, zinc and silver potential. However, since the individual stakers did not consolidate their claims, transfer ownership, or submit work reports, the claims expired on their anniversary date.

Perhaps the crash of the zinc markets in 1970 had a bearing on this abrupt end to their exploration program. It should be noted it was common at the time for promising properties to be abandoned because investors could not be found to support continued exploration programs while base metal prices were depressed.

4.0 EXPLORATION REPORT:

4.1 Summary of Exploration May – September, 2008

Objective:

After researching all the available data from historical records and assessment reports, it is clear there has never been serious attention paid to prospecting for mineralized quartz veins on the 'Leota' property. This was confirmed by visual observations made by the stakers who found only a few old diggings overgrown with mature trees at the top of hillside ridges, and caved-in irrigation ditches from the early 1900's. More recently, however, there is evidence of previous soil sampling but only on the fringes of the property with one sample taken per claim. With so little work done in the past to find quartz veins it was obvious the 2008 season's prospecting program would involve much foot-work to locate targets.

Early Season Prospecting:

The prospecting of the property began in earnest during the first week of May, 2008. In the months of March and April, some quartz outcrops were observed by the stakers, and marked with a GPS point for later investigation by the author of this report.

Initially there was a rush to assay some grab samples to check for microscopic gold. A total of fourteen samples were taken from three target quartz veins, the QV1, QV2, and QV3, and sent to Acme Labs in Vancouver for fire assay resulting in negative yet somewhat predictable results, (copy of assays in Section 7.7 on pages 50-51).

On closer investigation it was apparent that the veins had no visible pyrites or other sulphides although evidence of limonite staining in open pockets suggested prior mineralization. Limonite is common in the district and known to dissolve pyrite and carry microscopic gold particles out of quartz veins. The exploration program shifted to finding sulphides or other mineralized quartz veinlets which spurred the need for deeper trenching and intensive visual observation prior to assaying.

Over a period of two months, the southern region of the property in general and its southern facing slopes were found to have the most outcrops. Surface prospecting revealed six more independent quartz veins and numerous floats within the region of the Allgold watershed, with the greatest concentration of targets on the lower hillsides of Alexander Creek. It should also be noted that each vein identified in this report with a QV number has an exposed width greater than two feet.

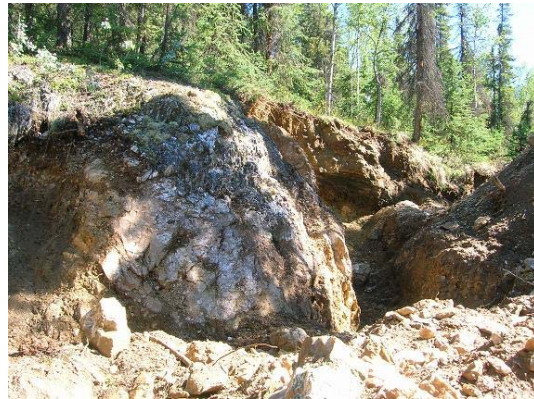
On May, 24th, 2008, the QV7 vein was discovered as a very large quartz outcrop surrounded by deep bush. After checking the Yukon Mining files of the area, we were confident we located the vein referred to in the Dawson City newspaper article of 1931 claiming to carry visible gold. This sparked the urgency to acquire an excavator and trench the overburden surrounding this famous vein.

On June 24, 2008, the vein was uncovered for the first time revealing a massive “blowout” structure with a width of over 50 feet, an undetermined strike length, various calcite and sulphides enriched quartz veinlets and wide sections of bladed quartz. There was no evidence of previous exploration activity such as mechanical trenching, blasting, or drilling.

Below are two pictures of the QV7 quartz vein. To view the pictures of some of the other veins uncovered, go to Section 9.1, pages 59 and 60 of this report.



QV7 Looking West at half of upper vein



QV7 Looking East at centre part vein

On closer observation it appears this vein may be a continuation of the QV3 vein outcrop that was discovered in the winter while staking below Michie’s cabin. However, later trenching and blasting of the QV3 vein revealed this vein was really a second massive “blowout” structure with visual mineralization in localized zones suggesting the true location of the much publicized vein carrying visible gold may have been only a few meters from Michie’s cabin.

Very little is understood of these two "blowout" structures but with the recent discovery of large massive gold-bearing quartz veins at the Pogo Mine in Alaska which is also in the Tintina Gold Belt, the "blowout" is a potential economic target.

While the excavator was in the area of both major veins, some wildcat trenching was performed in an area previously stripped of four feet of overburden by local placer miners. Even though there were no quartz floats in the vicinity, a discovery was made only a few feet below the surface. This interesting target was identified as QV16 vein and would later be one of many clones found on the ‘Leota’ property suggesting this region of the Klondike Plateau may be riddled with epithermal fracture-filling quartz veins.

Author’s Observations:

These unique veins, although on the surface appear barren of mineralization, do confirm the existence of many parallel quartz veins running in a NNW strike direction throughout the eastern region of the Klondike Plateau. After millions of years of erosion, it is interesting that the creeks flowing in a NW or SE direction such as Hunker, Bonanza, and Dominion Creeks have large deposits of “White Channel Gravel” and the creeks flowing east or westward have minimal deposits. This observation can lead one to speculate that

there is a strong likelihood that non-eroded gold-bearing quartz veins remain to be discovered on the 'Leota' property as there are no major creek channels flowing in a NW or SE direction.

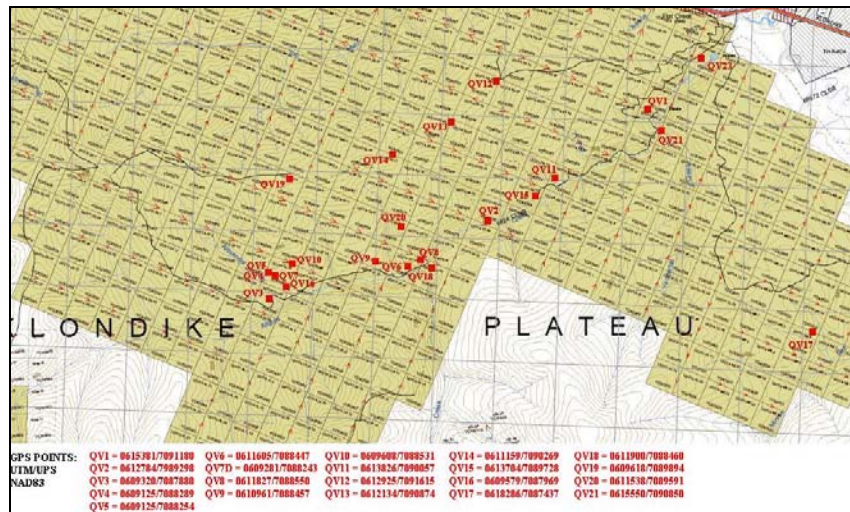
Mid-Season Prospecting:

After uncovering the targets easily accessible by dirt road and tagging them as the QV2, QV3, QV4, QV5, QV7D, QV12, QV13, QV14, QV16, QV20 and QV23 veins, attention was paid to excavating other quartz floats exposed from game trails and tracing their origin to bedrock.

Fortunately, the Klondike Plateau has never experienced glaciation and one does not have to trench far to find the source of the quartz floats. It may be necessary to dig up to six feet of overburden, but generally, the effort is worthwhile especially when using an excavator. The veins QV9, QV10, and QV19 were uncovered in this way and can also be categorized as drill-ready. Two grab samples of the veins QV9 and QV16, and one each of the QV10 and QV19 veins were sent to Acme Labs for fire assay with the QV9 vein assaying @ AU 240 ppb.

The veins QV6, QV18, QV23 and QV31, were easily located as they were within sight of a major trail, however, since they were within 30m of a creek, were left untouched by the excavator until the necessary permits are obtained in compliance with the Yukon Mining Act. On the ridges and impractical to mechanical trenching are the veins, QV1, QV8, QV11, QV15, QV17, QV18, QV22, and QV24.

Quartz veins targets QV1-21 as of July 15, 2008 (Leota claims, southeast zone)



From mid-August to mid-September, exploration efforts focused on using the excavator as a prospect tool to locate veins in the alpine ridges above Allgold Creek and the eastern ridge of Hunker Creek to help define the true extent of the veins previously uncovered in the outcrops of the valleys below. Success was achieved by finding fifteen more quartz vein structures from QV25 to QV39.

The ability of the rubber-tracked excavator to walk between trees and scour the area near to exposed quartz floats proved invaluable as a prospect tool. Furthermore, the excavator's ability to quickly locate a quartz vein at bedrock and uncover a length of its strike enabled the exploration team to grab hundreds of choice samples for visual inspection and future assay.

After patiently splitting thousands of rocks, another chance discovery was made; the finding of quartz veins with a contact zone of altered metamorphic rocks that would form a hard crust effectively sealing the sulphides from oxidation. This finding re-energized prospecting efforts leading to further trenching of veins previously exposed and classified as "bull-quartz". As a result of this discovery, the QV2 and QV3 veins were re-trenched and the hard-crust contact zones sampled and sent for gold assay. In late October, the assay results of twenty eight samples gave no further clues that the many veins sampled had potential for gold other than the two veins, QV10 @ AU 200 ppb, and the QV9 vein @ AU 240ppb, which were similar in appearance and structure to the nearby "Alphonse" vein where one grab sample yielding assay returns of @ AU 700ppb; described in the next paragraph.

End-of-Season Prospecting:

The final exploration initiative of the season was to locate and survey the "Alphonse" vein, which has been classified by geologist, Mr. J. Mortensen, as one of the most significant gold bearing veins in the Klondike, and is a known carrier of gold with economic potential highlighted in Section 3.3, Property History. In this way we could compare the structure of the vein and surrounding bedrock to the thirty-nine veins uncovered to-date. After locating the "Alphonse" vein, we were pleased to observe that the vein runs parallel to a group of 'Leota' claims less than 200m away. This quartz vein and its contact rocks & gabbros were visually identified and found to be similar in colour, structure, and mineralization, to five major target veins in the centre of the 'Leota' property marked as QV9, QV10, QV19, QV25, and QV32.

Future Direction:

Over the 2008 season, a total of fifty-seven rock and chip samples were sent for fire assay to assist the exploration team in identifying whether any quartz or thin contact rocks bordering the quartz carry microscopic particles of gold. In the future, a more extensive assay program will be conducted involving the testing of the adjacent gabbro rocks and mineralized stringers observed in the smaller veinlets that branch out from the main quartz structures.

At this stage in the exploration, one can speculate that since there are at least five fissure-type veins on the property with common strike direction and mineralization, a mesothermal feeder source may be located deep underground. Further trenching and assaying along the length, footwall and hanging wall of these veins are necessary to allow for interpretation of geological structure and appraisal of economic potential. This will be a priority for the 2009 exploration season.



QV9



QV32

4.2 Property Research, October 2008

After completion of the 2008 field exploration program, efforts were directed to prospecting the Internet for geological publications relevant to the 'Leota' property. One PDF (adobe) document of interest which was posted on the International Gold Resources website and can be found by accessing the reports section:

[Report on the 2007 Soil Sampling, Mapping & Prospecting on the Crown Jewel Property](#) (37633 KB) March 10, 2008.

For an unknown reason, the author was unable to open the file until the end of October, 2008. Within this document is a sub-report titled: "Potential Lode Sources for Klondike Placer Gold" by Chris Ash and Al Doherty, submitted on September 23, 2007.

This report summarizes their findings from surface prospecting the Crown Jewel claims which border the western claims of the 'Leota' property. Their recommendation indirectly endorses the Leota Goldfields exploration program by qualifying the southeastern Hunker Creek watershed region as an area of lode gold potential, worthy of intense surface prospecting. Most of the text report can be found in Section 7.5 on pages 44 to 46, with the key points highlighted as follows:

"Mapping of the Crown Jewel property in 2007 has determined that the most perspective rocks for hosting the gold-quartz vein lode deposits that sourced the Klondike placer gold have never, in the 110 year exploration effort since the initial discovery of placer gold in 1896, been previously evaluated for their potential...

On the surface many of the quartz veins appear to be barren, bull quartz, were any preexisting sulphides have been leached as a result surface weathering. These weathered surfaces tend to break away relatively easily, generally the outer 2 to 4cm are affected. Getting below this often demonstrates the presence of low concentrations of sulphides. This feature speaks to the need to physically prospect the region...

Conclusion: In the authors view, this is the only significant area of preserved hanging-wall ophiolitic host rocks identified to date on the Klondike with the potential for hosting productive gold-quartz veins of economic grades (average of 0.5 oz/t Au) with the potential for very gold rich pockets (100+ ounces to the ton). Based on the high degree of overburden in the region, the highly perspective nature of these rocks and the fact that they have never been previously explored indicates that they warrant a detailed examination. The currently defined body of ophiolitic rocks may extend to the *south across Hunker* and if so would increase the area of highly perspective host rocks; however this area has not been mapped. Examination of this area is also warranted.”

The reason for including the above comments in this report is to draw attention to the fact that only after the ‘Leota’ project team prospected the southeast area of Hunker Creek, did the author have access to this information. In a secondary way, it confirms the locating and trenching of the many veins along Hunker ridge as being significant, and places priority on assaying samples from these veins over the 2009 exploration season.

Initially, the team staked all the open ground on either side of the south end of the Hunker Creek watershed based on geological observations of the terrain and signs of volcanic dykes, ophiolitic rocks, and quartz floats. Subsequently, the exploration program from mid-August to mid-September discovered eight quartz vein systems in this area, of which three veins were bordered by gabbro-type ophiolitic rocks with visual mineralization.

Another point of interest is the observation that the southeastern hillside of the upper Hunker Creek watershed contains parallel veins that follow the general direction of the valley as shown on the map below:



Major Quartz Veins - identified targets as of September 30, 2008

5.0 CONCLUSION & RECOMMENDATIONS

Considerable resources have been directed towards staking and grassroots prospecting producing defined results exceeding initial expectations. Thirty-nine quartz veins have been discovered, of which more than twenty have been excavated for future appraisal by field geologists; with two key veins classified as gold-bearing prospects. The targets are accessible to mobile drilling and support equipment via a network of good trails found within 20km distance from the Klondike River Lodge where logistical support services such as lodging, meals, fuel, and mechanical repairs are provided.

Ideally, the 2009 season exploration program should follow two priorities. First, two massive "blowout" discovery veins should be further investigated to better define the geological structures and their potential for lode gold. Second, the two gold-bearing quartz veins bordered by ophiolitic rocks and with similar structure to the "Alphonse" showing should be extensively trenched, broadly sampled and assayed. Following these priorities, the focus should be on prospecting the ultramafic contact zones near Mt. Leotta for gold-bearing orogenic quartz veins, and the regions of the property likely to host epithermal veins carrying gold and/or polymetallic minerals.

Armed with a better understanding of the complex geology of the property thanks in part to extensive trenching efforts, there is a confidence the exploration team will continue to yield results that will impress the stakeholders of this project.

The steadfast objective of the co-owners of the Leota Goldfields Project is to locate the source of the rich alluvial gold deposits once mined on the property. There is little doubt the watershed of Allgold Creek is as attractive today as it was in 1937 when it was optioned to Canadian industrialist A.D. McRae upon the recommendation of a world-class consulting geologist. The story of the lone prospector, Duncan Michie, suggests that although he was credited with making a major discovery, advanced exploration often requires resources beyond one's own capabilities. Following the recent endorsement of the southwestern region of the property by two eminent geologists, the team is motivated and looks forward to next season's exploration program.

In conclusion, the partners understand the need to involve mining industry professionals to advance their prospecting program, and for this reason, encourage parties considering participation in this project to contact the partners for a field tour of the property located next to the Klondike River Lodge, Mile "0" Dempster Highway, Dawson City, Yukon.

6.0 BIOGRAPHIES/CREDENTIALS

6.1 Mr. Ross Weitzel



- Co-owner, (821) 'Leota' quartz mining claims.
- Owner of Weitzel's Construction, Inuvik and Dawson City;
Klondike River Lodge, Dawson City;
Qilamik Transport, Inuvik & Edmonton
- Age: 58.
- Residence: Inuvik, NT.
- Businessman for over 25 years.
- Part-time Prospector.

6.2 Mr. Mark Pocklington



- Co-owner, (821) 'Leota' quartz mining claims.
- Age: 52.
- Residence: Edmonton, Alberta.
- Prospector.

Statement of Qualifications:

In 1987, Mr. Pocklington was trained as a prospector under the mentorship of Mr. Paul Weishaupt, former Exploration Manager for Bralorne Resources of the Pioneer Gold Mine in BC, and is qualified to lead an exploration program using basic field techniques such as surface prospecting, trenching, geo-mapping, IP surveying, rock/soil sampling for assay, and Winkie diamond drilling. He is credited with important discoveries of gold-bearing quartz veins on properties in northwestern Canada.

Signed: _____
Mark Pocklington

6.3 Mr. Sylvan Montreuil



- Mining Services Contractor for Leota Goldfields Project.
- Age: 48.
- Residence: cabin on Lee Creek, Dawson District.
- Local prospector for 20 years.
- Designer and fabricator of ore testing and placer mining equipment.

Exploration Experience:

Over the past twenty years, Mr. Montreuil has staked on behalf of many mining and exploration companies thousands of claims throughout the Yukon with the majority of claims in the Klondike region. His knowledge of the exploration efforts of previous mining companies in the district enables the Leota Goldfields team to focus resources on finding and uncovering quartz vein targets that may have been previously overlooked.

6.4 Exploration Equipment:



7.0 ATTACHMENTS:

7.1 Duncan Michie; Registration Documents

To the Mining Recorder
of the DAWSON District.

I, the undersigned, being the recorded owner of the following Mineral Claims, situated in the Dawson District, and more particularly described under the following Record Numbers:-

CLAIM	RECORD NUMBER
<u>Matt</u>	<u>15508</u>
<u>North Star</u>	<u>15518</u>
<u>Ky. Pal</u>	<u>15528</u>
<u>Alice</u>	<u>15654</u>
<u>Cheerio</u>	<u>15656</u>
<u>Grease</u>	<u>15665</u>

Form E. No.

do hereby give you notice of my intention to group and work said claims in common, and hereby request you to issue Certificate, Form "E," under Section 53 of the Yukon Quartz Mining Act now in force in the Yukon Territory, grouping said claims for said purpose.

And I hereby certify that portions of all of the above claims are adjoining sufficiently to permit of a tunnel being driven from any one claim to any other.

Dated at Dawson, Y.T., this 17th day of August 1931

Duncan Michie

68742

THIS INDENTURE made at Dawson, Yukon, this 27th September, 1937,

BETWEEN:

Duncan Michie, Murdoch Michie, Harold Malstrom
and Charles Joy Vifquain, all of the said
Dawson, hereinafter called the First Parties,

Of the first part,

-and-

Alexander D. McRae, of Vancouver in the
Province of British Columbia, hereinafter
called the Second Party,

Of the second part.

WHEREAS the first parties are the owners of the following
described placer mining property situated in the Dawson Mining District,
Yukon Territory:

- (1) Creek Claims Nos. 1, 2, 3, 4 and 5 above Discovery
on All Gold Creek;
- (2) Creek Claims Nos. 1, 2 and 3 below Discovery on
All Gold Creek;
- (3) Prospecting Grant No. 236 from the Department of
Mines and Resources of Canada, covering 3 miles of
ground on All Gold Creek, commencing at 58 Pp below
Discovery and extending upstream to the lower line
of Creek Claim No. 3 below Discovery;
- (4) Prospecting Grant No. 282 from the Department of
Mines and Resources of Canada, covering one mile of
ground on All Gold Creek, commencing at the upper line
of Creek Claim No. 5 above Discovery and extending
upstream one mile.

AND WHEREAS the First Parties have agreed to grant to the
Second Party the exclusive right and option to purchase the said ground
on the terms and conditions herein contained; THIS IS A TEST DOCUMENT

68742

NOW THEREFORE THIS INDENTURE WITNESSETH:

1.

The First Parties hereby grant unto the Second Party the exclusive right and option to purchase the said property.

2.

The purchase price shall be the sum of Fifty Thousand (\$50,000) Dollars, payable as follows:

October 1st, 1939,	\$1,000.00
October 1st, 1940,	3,000.00
October 1st, 1941,	6,000.00
October 1st, 1942,	10,000.00
October 1st, 1943,	10,000.00
October 1st, 1944,	10,000.00
October 1st, 1945,	10,000.00

3.

All payments of purchase price shall be made by depositing the same to the credit of the First Parties in the Canadian Bank of Commerce, Dawson, in the proportions hereinafter set forth. The First Parties shall upon request deposit in the said bank good and sufficient conveyances of the said property to the Second Party, with covenants for title and against encumbrances, and with instructions to the said Bank to deliver the same to the Second Party upon completion of the payments herein provided for.

4.

The said purchase price shall be payable to the First Parties in the following proportions:

To the said Charles Joy Virquain,	\$21,625.00
To the said Duncan Michie,	19,875.00
To the said Harold Walstrom,	6,750.00
To the said Murdoch Michie,	1,750.00

5.

The Second Party shall have a placer prospecting drill in operation on the said All Gold Creek (but not necessarily within the boundaries of the ground covered by this agreement) by 1st July, 1938, and shall maintain and keep the same in operation for a period of at least sixty (60) days then following.

6.

The Second Party shall at all times while his rights remain in good standing under this agreement, perform the necessary representation work and pay the renewal fees necessary to keep the said ground in good standing, and will in due course have the ground comprised in the said two Prospecting Grants staked out and recorded into claims under the Yukon Placer Mining Act. Provided that the Second Party may in any year on or before the first day of February in such year give the First Parties notice of abandonment of his rights hereunder, and upon the giving of such notice the obligations of the Second Party under this clause shall cease. Provided further that in the year 1938 such notice may be given by the Second Party at any time up to and including the 10th day of August, 1938, and that the obligations of the Second Party to keep the said ground in good standing shall not take effect until after that date.

7.

Such notice shall be given in writing addressed to each of the First Parties and mailed to them by registered mail from Vancouver, British Columbia, Fairbanks, Alaska, or Dawson.

8.

If the Second Party make default in any of the payments of purchase price above provided, or if he make default in his obligations under clause 6 hereof, the First Parties may by written notice to the Second Party cancel and terminate his rights hereunder. Such notice shall be given by telegram addressed to the Second Party at Vancouver, and by registered letter to E. N. Patty at Fairbanks, Alaska. If within ten (10) days after the receipt of such telegram or letter the default be not made good, all rights of the Second Party hereunder shall absolutely cease, and any payments of purchase theretofore made shall be retained by the First Parties.

(Page -4-)

68742

9.

Payment of one or more of the instalments of purchase price by the Second Party shall in no respect obligate him to make any further payments.

10.

The First Parties covenant that they have a good title to the said ground and that the same is free and clear of all encumbrances.

11.

This indenture shall enure to the benefit of and be binding upon the parties hereto their respective personal representatives, successors and assigns wherever the context admits of such construction.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals at Dawson, Yukon, the day and year first above written.

1

Signed, Sealed and Delivered,
in the presence of:

Duncan Michie



[Handwritten signature]

1 *[Handwritten signature]*



1 Harold Makotoono



1 M. Michie



Alexander D. McKee

[Handwritten initials]

FORM A

THE YUKON QUARTZ MINING ACT FOR A FULL CLAIM

I, Damon Michie of all gold creek
in the Dawson Mining District, make oath and say:—

1. At the hour of 3 P.M. on the 17th day of
October 1944, I located the my old
mineral claim, situated on all gold creek valley
adjoins the Flava Mineral claim
No. 4244

(Here describe the position of the claim as nearly as possible, giving the name or names of any claim or claims it may join.)

2. I have placed location posts No. 1 and No. 2 of the legal dimensions on the said claim with the inscription on each post prescribed by The Yukon Quartz Mining Act.

3. I have inscribed on location post No. 1 the following words:— 1 claim
1500 feet to Post No 2 Easterly 1500 feet Right Southerly

4. I have inscribed on location post No. 2 the following words:— my old
Mineral claim
(If a witness post has been used the particulars as to such post should be fully set out.)

5. That I have marked the line between post No. 1 and post No. 2 as required by Section 29 of this Act.

6. That to the best of my knowledge and belief the ground comprised within the boundaries of the said claim is unoccupied and unrecorded by any other person as a mineral claim; that it is not occupied by any building or any land falling within the curtilage of any dwelling house or any land under cultivation, or any land reserved from entry under The Yukon Quartz Mining Act.

7. That the said claim has not heretofore been staked out by any one in my interest.

8. I attach hereto a plan of the location, as required by Section 32 of The Yukon Quartz Mining Act.

Sworn and subscribed to at 6 Below Hamlet
this 24th day of October 1944 } Damon Michie

m. Michie
Mining Recorder



CANADA

ADDRESS REPLY TO
CONTROLLER OF YUKON TERRITORYDEPARTMENT
OF
MINES AND RESOURCES
LANDS, PARKS AND FORESTS BRANCHPLEASE QUOTE
FILE _____

DAWSON, Y.T.

UNDER and by virtue of the authority vested in the Gold Commissioner of the Yukon Territory, by the Yukon Quartz Mining Act, the working of the following properties, in so far as the same are owned by the Estate of DUNCAN MICHIE, is dispensed with for a period of three years from the 19th day of November, 1944,-

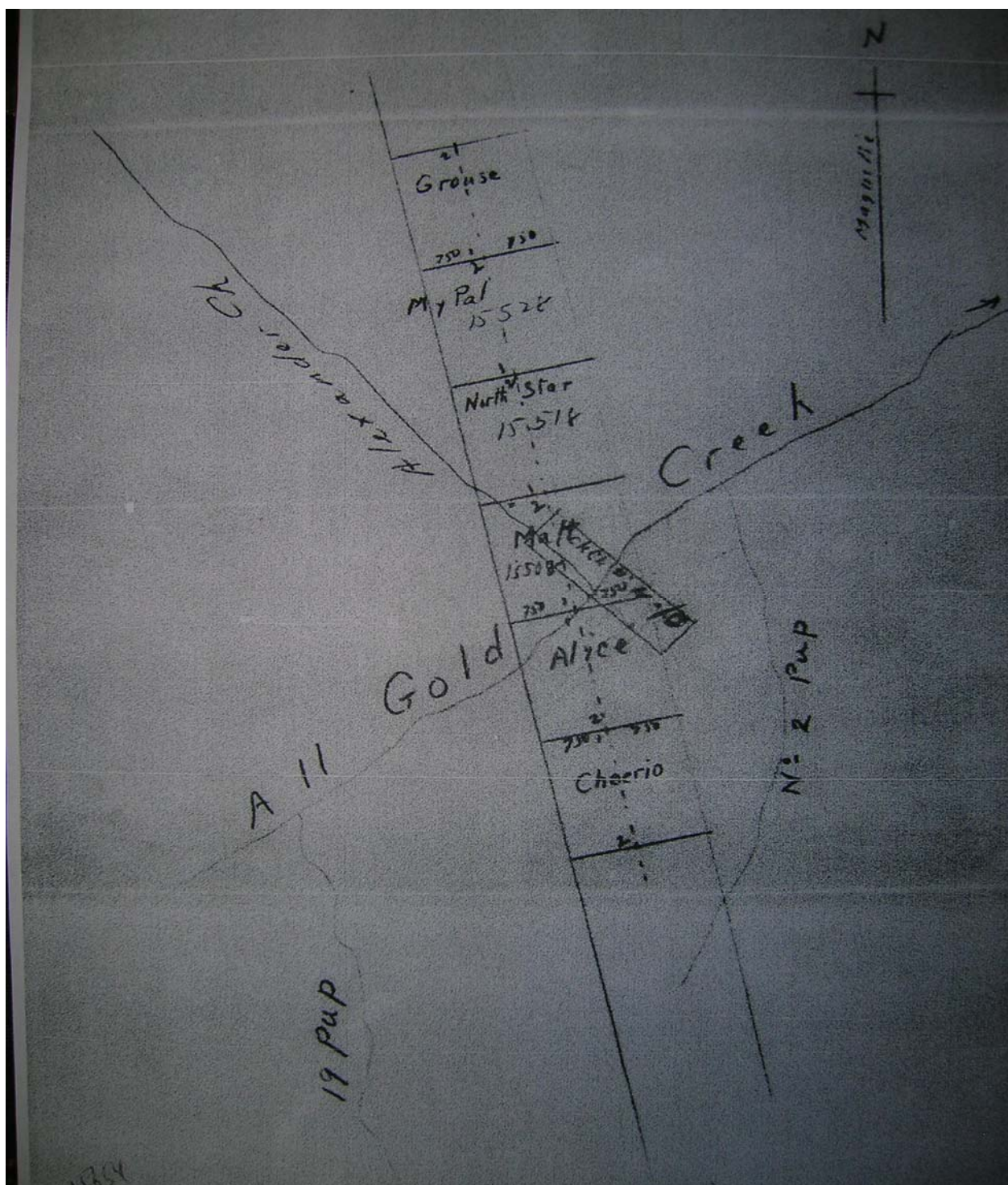
"Flora" Mineral Claim No. 4244;

"Lone Prospector" Mineral Claim
No. 4280; and

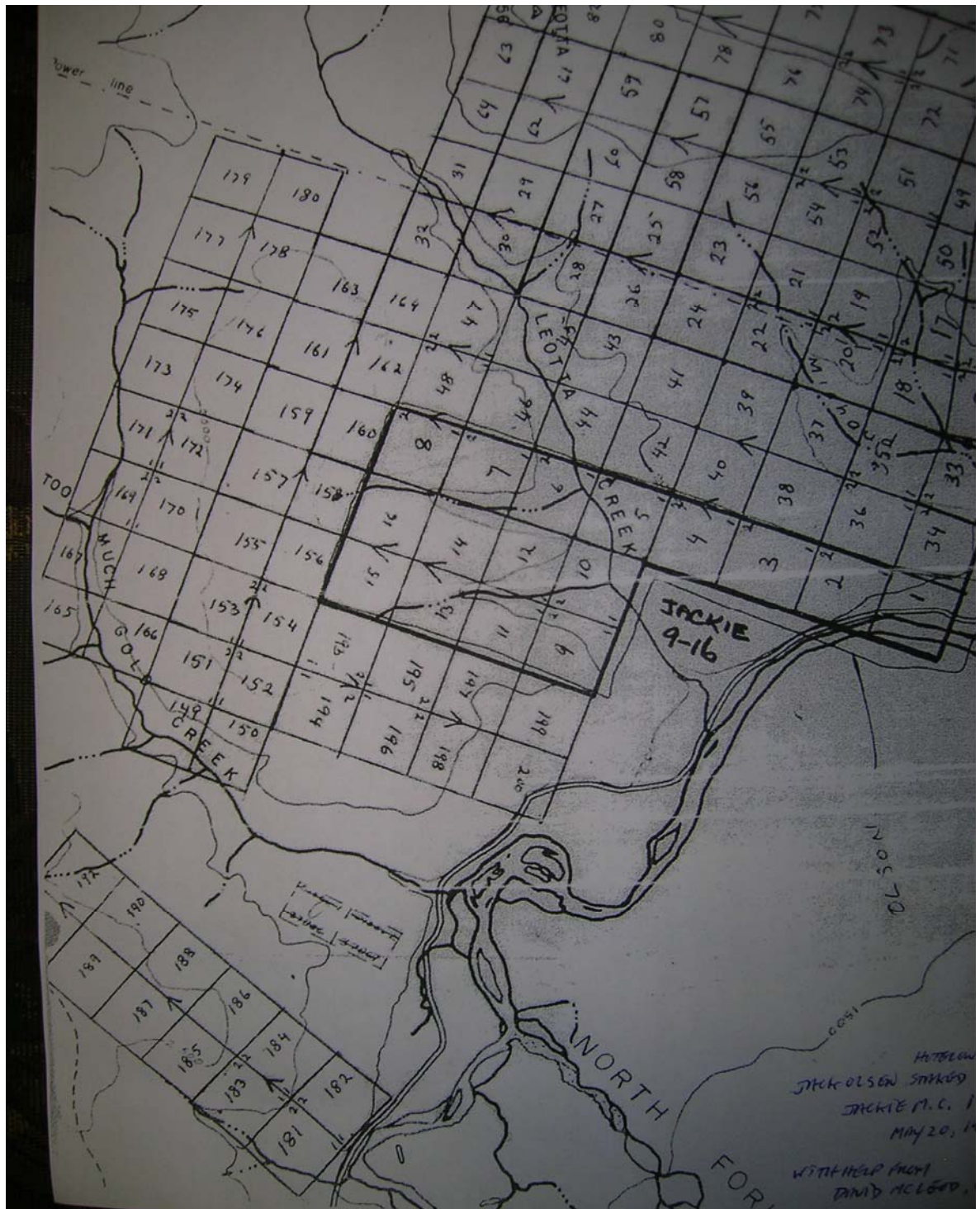
"Myob" Mineral Claim No. 4346.

DATED at Dawson, in the Yukon Territory, this 27th day of February, A.D., 1945.


G.A. Jeckell
Controller.



7.3 Claims Staking Map, Leotta Creek Area, 1969



Claims staked by 15 individuals, May 1969. Total: 238 claims in area

7.4 Alexander D. McRae; Profile

General Alexander Duncan (A.D.) McRae

McRae was born in 1874 on his family's farm in Glencoe, Ontario. His life would take him from his humble beginnings to becoming one of Canada's financial, business and political leaders.

At the age of 24, in 1898, he had managed to save \$1,000. This he invested in a very successful banking venture in Duluth, Minnesota where he turned his small investment into \$50,000. Not only did he bring new capital back to Canada; McRae also brought his new wife, the former Blanche Howe of Minneapolis, with him as well. They would eventually have three daughters, Blanche, Lucile, and Margaret ("Peggy"). All the McRae women became shareholders in his ventures on Coal Creek and Woodchopper Creek in Alaska.

In 1911, McRae moved into Hycroft, a magnificent Edwardian mansion built in Shaughnessy for him by Thomas Hooper.

In 1933, General A.D. McRae from Vancouver, Canada decided to venture into gold mining. He saw gold mining as an industry that showed promise for weathering the world-wide economic depression and through his personal investigations determined that because of international tax structures, the best places to mine for gold were British Columbia and Alaska. McRae brought in some of the foremost experts in the fields of geology and mining to assist in his venture. These included: Ira B. Joralemon, an internationally known consulting geologist with decades of experience; Charles Janin, a renowned dredge engineer and expert who worked throughout the world; and Ernest N. Patty, dean of the School of Mines at the Alaska Agricultural College and School of Mines. Of the four men, McRae was the only one not viewed as an expert in the fields of geology and mining – but then, he was the one financing the operations and he was an expert at managing businesses.

McRae first came into Patty's office in Fairbanks in 1933. Patty described him as a big man who looked "as if he had force and brains." Patty's youngest son Dale describes McRae from the standpoint of a young boy meeting a giant of a man: He was a large man with a large stomach, but carried himself straighter than any man I have ever seen. At first, he scared me silly because he was so imposing, but then we got to be real friends (I guess because he had no sons) and he treated me like royalty and taught me many things.

Using this new capital, he, along with additional Canadian associates, purchased 500,000 acres of Saskatchewan farmland from the Canadian government for \$5 per acre. They increased their holdings by making purchases from railroads and others until they eventually controlled 5,000,000 acres. This in turn they sold for a profit of \$9,000,000. By this time, McRae ranked as one of the wealthiest men in western Canada. Through a brilliant business career, embracing such varied interests as lumber, fishing, whaling and land speculation, he showed extraordinary organizing abilities. These, with his business methods applied to the fields of politics and war, brought him even more success.

As he continued to move his focus further west, he established the Canadian Western Lumber Company, one of the largest in British Columbia. As an indication of his business acumen, he formed the company to buy the timber he was supposed to liquidate thus capitalizing on it all the way around. To support his timber operations, McRae built the Fraser River Mill near Vancouver. Here he milled lumber for building way stations and other facilities along the route of the new Grand Trunk Pacific Railroad through northern British Columbia. At that time, it was the largest lumber mill in the world.

In addition to his lumber interests, he also established and developed Wallace Fisheries, one of the most important fishing and whaling companies, also in British Columbia. Through his innovations, McRae modernized the Canadian fishing industry by financing the first salmon cannery to clean and pack the fish with the "Iron Mike" instead of hand labor. He also financed the first "mother ship" to cut the expenses associated with whaling. In both cases, he saw that others would soon imitate his methods, thus cutting into his large profits, so he sold out after only a few good years.

When World War I broke out, McRae went to Europe as an officer in a Canadian regiment. By the war's end, he had advanced to the rank of Major General assisting Britain's Minister of Information, Lord Beaverbrook. For his services, the British crown offered McRae knighthood, which he declined.

McRae gravitated to politics after the war and was at one time touted as a future Premier. His first large-scale venture in British Columbia was the formation of the Provincial Party, but after winning no seats in the 1924 provincial election, he disbanded the party and ran federally for the Conservatives winning a seat in Parliament the 1926 election. By 1927, General McRae became a Member of Parliament (MP) representing the Vancouver North district. Apparently forgiven by the Conservatives, he organized the National Conservative Convention and through his efforts over the next three years brought the Tories to power in 1930 with the election of Mackenzie King as Premier. Although this move cost him his seat in Parliament, the following year he was rewarded for his efforts with a lifetime appointment to the Canadian Senate.



In the summer of 1933, McRae and Joralemon, both convinced that the price of gold would be rising in the near future, met with Professor Ernest Patty, Dean of the College of Geology and Mining Engineering at the Alaska Agricultural College and School of Mines, to examine properties in Alaska. The pair approached Patty because of his familiarity with most of the mining districts in the Territory through his 11 years of teaching at the College. In addition, he had examined several of the properties that interested them. Patty himself also took an active interest in developing mining operations in Alaska.

During the summer of 1934, McRae, Joralemon, and Patty examined four mining properties in hopes of finding one that with enough potential for developing a profitable lode mining operation. After four failures at finding a suitable lode mining property, the group turned its attention to finding an area showing promise as a placer deposit. Patty brought up a tributary of the Yukon called Coal Creek where "pick and shovel" miners had been able to scratch out a "scanty" living for almost 35 years. Patty thought that from signs he had seen on previous visits to the area, with mechanical mining (i.e., dredging) the gold bearing gravels might be mined profitably.

McRae offered something the "pick and shovel miners" did not have, money, and lots of it. Because of his personal fortune, he was able to bankroll the initial operations at Coal Creek, turning a profit almost immediately. Through his business sense, combined with the caliber of individuals he had working with him, he was able to expand the operations into Woodchopper Creek the following year, again turning a profit right from the start.



The McRae operations on Coal Creek and Woodchopper Creek turned out to be quite profitable. Over the history of the mines, they produced a total of 175,292 troy ounces of gold with a value of \$6,335,170.90 (USD). During the late 1930s and early 1940s, the McRae operations accounted for the third largest producer of gold in the Territory of Alaska.

McRae worked quite literally, right up until the end. On the morning of June 19, 1946 he attended a session of the Canadian Senate in Ottawa where he took care of some committee business. That afternoon he was admitted to the hospital suffering from what was listed as a "serious blood condition" that had plagued him for years. The General passed away on the afternoon of June 26th leaving his estate to his wife Louise (he had been widowed by his first wife, Blanche Howe) and his two daughters, Margaret and Lucille. A third daughter, named Blanche after her mother, had died the previous year.

The McRae mining interests continued under the watchful eye of Ernest Patty until 1960 when the mines shut down for the final time. The assets of the companies were liquidated in 1976 bringing a close to a long and interesting history.

<http://www.clan-macrae.org.uk/scotland/articles.cfm?ID=32>

7.5 Al Doherty Report; Potential Lode Source for Klondike Gold

Potential Lode Source for Klondike Placer Gold
on the Crown Jewel Property: Dawson District, Yukon

By Chris H. Ash & Al Doherty

September 23, 2007

For International Gold Resources Ltd.

Mapping of the Crown Jewel property in 2007 has determined that the most perspective rocks for hosting the gold-quartz vein lode deposits that sourced the Klondike placer gold have never, in the 110 year exploration effort since the initial discovery of placer gold in 1896, been previously evaluated for their potential.

The following summary is based on 3.5 days of mapping on targeted host rocks for gold- quartz vein deposits on the NE Crown Jewel property. These rocks were identified by the lead author during a regional mapping program of the Crown Jewel Property in 2005. Mapping of the property in 2006 identified features of hydrothermal alteration within these rocks that are indicative of gold quartz vein deposits and further heightened interest in their potential.

The geology of the Klondike is relatively simple in terms of the controls on the distribution of gold placers and the gold-bearing, quartz-vein lodes that sourced those placers. Placer gold deposits occur above rocks that form the geologic basement or footwall to the hanging wall or overlying ophiolitic (oceanic crustal) rocks that are the interpreted lode gold-vein source of the placers.

Metamorphic schists (quartz-sericite-chlorite schists) and lesser black shales that form the footwall rocks, on which the placer gold is deposited, comprise most of the Klondike geology. These rocks have been the focus of most of the past exploration efforts. No lode source has been identified, however as a result of those efforts.

Hanging wall or overlying ophiolitic rocks have been extensively eroded and are only locally preserved. In general they either form relatively thin, isolated, small bodies or narrow discontinuous linear belts where the contact between the overlying, hanging wall rocks and underlying, footwall rocks have been tightly folded.

In contrast however, the ophiolitic rocks underlying the NE portion of the Crown Jewel are relatively extensive. They represent the only significant occurrence of such rocks on the Klondike. It is significant in that it forms the largest body of its type, in terms of area and thickness and it also comprises a range of ophiolitic rock types (gabbro, microgabbro\diabase, dunite\ultramafic rocks) and is dominated by crustal rocks.

Additionally these rocks:

1. display styles of hydrothermally alteration (carbonate-sericite-pyrite) that is classic of gold-quartz vein mining camps and they contain quartz veins.
2. Are cut by sericite-pyrite altered granite dikes and small plugs
3. Are cut by low-sulphide quartz veins
4. Are situated just up creek from the historic town of Gold Bottom where gold was identified near surface suggesting a proximal lode source.

All these factors, combined with the fact that almost all other significant producing gold- quartz vein deposits in the North American Cordillera are hosted by ophiolitic crustal rocks of this type makes these the most perspective rocks on the Klondike with the highest potential for hosting the style of coarse nugget gold that sourced the Klondike placers.

All significant producing ($> 1,000,000$ oz) gold-quartz vein deposits in the North American Cordillera are contained mainly within and also marginal too ophiolitic crustal igneous rocks of this type (e.g. Bralorne, Alleghany, Erickson).

The most productive gold-quartz vein deposit in British Columbia, the Bralorne-Pioneer deposit, which is hosted entirely by ophiolitic crustal rocks, produced in excess of 4.1 million ounces of gold. Similarly, the most productive gold-quartz vein deposit in California, the Grass Valley deposit in California, produced close to 10 million ounces.

Most importantly in the present case is the fact that the most perspective rocks on the Klondike (Hunker Creek Ophiolite) show no evidence of having been previously examined and evaluated for their gold-quartz vein potential.

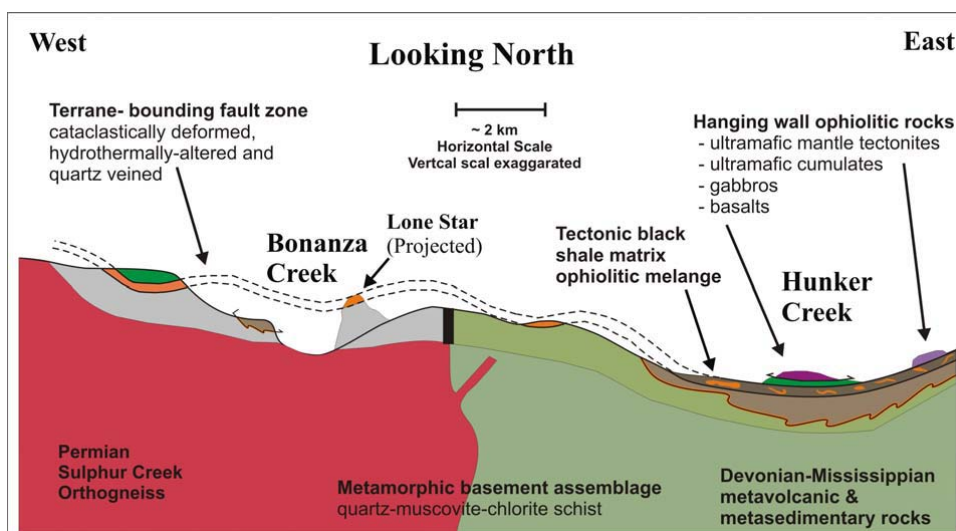


Figure 2. Schematic geological cross section corresponds to section A (West) – B (East) on Map1.

2007 Mapping Program

Mapping in 2007 focused entirely on a detailed examination of this somewhat unique NE corner of the CJ property in the area of previously identified ophiolitic crustal plutonic rocks. The focus was to:

1. Constrain the limits of the ophiolite body.
2. Constrain the extent of the individual units and their styles of alteration.
3. Prospect for low-sulphide gold(?) quartz veins.

Mapping to constrain the margins of the ophiolite body unfortunately confirmed that the limits of the body are not as extensive as previously interpreted. The mapping did, however confirm that the body is dominated by oceanic crustal plutonic rocks and that styles of hydrothermal alteration indicative of gold-quartz vein formation occur intermittently throughout the target area.

A total of 8 quartz vein samples were collected for assay during the course of mapping; 4 of these were from identified quartz veins and the remainder are from angular quartz float that is considered to be relatively close to the source.

RECOMENDATIONS:

Bedrock Mapping & Quartz Vein Prospecting

A primary focus of any further exploration activity on the Crown Jewel property should focus primarily on identifying and sampling all available quartz vein structures. This would require basic prospecting in conjunction with more detailed mapping to further refine contact relationships and identify gold vein related alteration.

Steep south facing slopes are generally best for finding natural outcrops. The trenches, dug for past irrigation are excellent for providing a window into this otherwise very poorly exposed area and are the best bet for finding bedrock or subcrop. Although these trenches are often overgrown bedrock can be found intermittently exposed on the inner upslope wall of the trenches. These outcrops are particularly important as they provide an indication of structural fabrics. In addition the downslope side of the material excavated from the trenches exposes angular subcrop that is taken to be representative of the underlying bedrock.

The upper reaches of 28 Gulch and the two secondary creeks forms a basin of mature Aspen forest with minimal intervening low shrubs or bushes, providing a relatively open area with a wide field of view. Although outcrop is rare to virtually non-existent over a good portion of this area, the more resistant quartz veins tend to stand out sometimes form boulder trains of angular subcrop to indicate the nearby presence vein in outcrop. Veins also form polished surfaces that are flush with the ground surface and virtually unrecognizable until you virtually step on them.

On the surface many of the quartz veins appear to be barren, but quartz were any preexisting sulphides have been leached as a result of surface weathering. These weathered surfaces tend to break away relatively easily, generally the outer 2 to 4 cms are affected. Getting below this often demonstrates the presence of low concentrations of sulphides. This feature speaks to the need to physically prospect the region.

CONCLUSION

In the authors view, this is the only significant area of preserved hanging-wall ophiolitic host rocks identified to date on the Klondike identified to date with the potential for hosting productive gold-quartz veins of economic grades (average of 0.5 oz/t Au) with the potential for very gold rich pockets (100+ ounces to the ton).

Based on the high degree of overburden in the region, the highly perspective nature of these rocks and the fact that they have never been previously explored indicates that they warrant a detailed examination.

The currently defined body of ophiolitic rocks may extend to the south across Hunker and if so would increase the area of highly perspective host rocks, however this area has not been mapped. Examination of this area is also warranted.

7.6 JK Mortensen; Structural controls on orogenic gold mineralization

Structural controls on orogenic gold mineralization in the Klondike goldfield, Canada

D. J. MacKenzie & D. Craw & J. Mortensen

Received: 28 July 2007 / Accepted: 9 November 2007

Springer-Verlag 2007

“HIGHLIGHTS OF REPORT”

Orogenic (mesothermal) gold-bearing veins

Large (m-scale), locally gold-bearing, quartz veins have been recognized in the Klondike goldfield since the beginning of the 1898 placer gold rush (McConnell 1905). Detailed examination of available outcrop led MacLean (1914) to describe 22 quartz vein systems with a general west to northwest strike. The only vein system to have been mined in the Klondike is the Boulder Lode, which produced 40 kg of gold between 1912 and 1914 (Lowey 2005), and some surface workings are still exposed. Many other veins have been subsequently exposed by mineral exploration activity since the 1970s.

In addition, a large number of thin (1 to 30 cm) veins have been uncovered in exploration trenches and placer workings over the past few years. Strikes of these smaller veins are also generally north to northwest, but there are numerous veins at disparate angles as well.

The veins are pure extension veins that infill local extensional sites in a variety of preexisting structures discussed below. The veins typically consist of massive quartz, commonly formed from impingement of large (up to 10 cm) quartz crystals. Most of this quartz is milky in appearance, but some late stage crystals of clear quartz, with prismatic form, protrude into open cavities in the quartz veins. Calcite is rare as a vein mineral, but bladed holes in quartz from Dysle deposit attest to dissolution of calcite with bladed form. Blades of quartz in cavities in the same deposit may be quartz replacement of bladed calcite. Galena, sphalerite and chalcopyrite occur sparsely in late-stage disseminations and seams in the interior of some veins.

Breccia fragments of wall rock schist (1–5 cm across) occur along quartz vein margins up to 10 cm into the veins. These fragments, and the host rock, were the locus for deposition of replacement hydrothermal pyrite, with accompanying gold. Minor sericite alteration has affected micaceous breccia fragments and host rocks up to 1 cm from the vein margins. Chloritic schist host rocks have been mineralised with pyrite and some gold up to 30 cm from veins in the King Solomon Dome area, and highly deformed micaceous schist has been locally mineralised on the m-scale in the historically mined Boulder Lode. These zones of disseminated sulphides and gold substantially increase the mineralized widths of vein systems.

Fluid inclusions in the quartz veins are mainly saline (up to 5 wt% NaCl equivalent), and mixed composition inclusions provide evidence for effervescence of CO₂ during vein formation (Rushton et al. 1993). Stable isotope analyses have been interpreted to suggest that there has been some meteoric fluid component in the mineralizing fluid, although considerable wall-rock interaction has occurred (Rushton et al. 1993). Fluid immiscibility phase relations for some sets of fluid inclusions are consistent with entrapment at 200–300°C with a fluid pressure that may have been as low as 300 bars (Rushton et al. 1993). Some large quartz crystals that span across 2 cm wide veins at the Dysle prospect (Fig. 1) contain coexisting vapour-rich and liquid-rich fluid inclusions which may be indicative of boiling during vein formation.

Discussion

Relative timing of mineralised vein emplacement

F₃ deformation involved considerable mica recrystallisation parallel to S₃ under near-greenschist facies conditions, and this occurred while the rocks were folding under mainly ductile conditions. Thus, F₃ deformation occurred near, or below, the brittle–ductile transition (ca 10 to 12 km depth; Sibson 1977).

Subsequent stages of D₃ thrust slice emplacement involved largely cataclastic deformation with only minor mineral recrystallisation (phacoidal cleavage deformation). Hence, D₃ apparently occurred during the early stages of uplift through the brittle–ductile transition. Fluid inclusion evidence suggests that vein mineralization occurred at shallow crustal levels (possibly as shallow as 1 km; Rushton et al. 1993). It therefore appears that the host schists had been uplifted from metamorphic depths almost to the surface before mineralisation occurred.

The strong control of veins by D₄ structures, at both regional and local scales, demonstrates that vein emplacement occurred either during or after D₄. D₄ was a compressional deformation generation dominated by folds and reverse faults, and extensional sites are relatively rare under such deformational regimes (Cox et al. 1991; Cox 2005). In particular, there is no evidence, such as folded veins and saddle reef formation (Cox et al. 1991) that the veins formed during D₄ folding. The textures of the veins, particularly the open cavities, large infilling and commonly prismatic quartz crystals, and lack of laminations indicative of multiple incremental opening events, all suggest that vein emplacement occurred into open cavities in the rock. These cavities apparently represent localised zones of extension in rocks undergoing major D₄ compressional deformation or alternatively, sites of extension formed after D₄ and located along preexisting structural weaknesses.

Mineralised veins are crosscut by normal faults of inferred Late Cretaceous age (Mortensen 1996). Some of these normal faults have hosted hydrothermal fluid flow, but the style of associated mineralisation (extensive alteration and silicification with little or no gold) is distinctly different from that of the auriferous orogenic veins. The different styles and crosscutting relationships therefore suggest that orogenic mineralisation predated the Cretaceous regional extension, and mineralisation is not directly related to the Cretaceous normal fault generation.

On the basis of the observed structures and crosscutting relationships, we conclude that orogenic mineralization occurred either during or after D₄ and predated the Late Cretaceous normal faults. Mineralisation was either contemporaneous with D₄ compression (focused in sites of localised extension), or alternatively, it accompanied crustal relaxation during the last stages of uplift and erosion after D₄, or during the initiation of Cretaceous regional extension. Isotopic dating is required to further refine the age of mineralisation, and this work is now in progress.

An alternative interpretation of the structural evolution of the Klondike and formation of its gold-bearing quartz veins has recently been proposed by Ash (2006), who suggests that all ultramafic rocks and greenstone bodies in the Klondike represent portions of a single, originally continuous thrust panel that lay structurally above the Klondike and Nasina schist units. He further argues that all gold-bearing orogenic veins in the area were hosted within, or in the immediate footwall of, this thrust structure. Ash's (2006) interpretation, however, is not compatible with the field evidence described above, which shows that the schist package in the Klondike is structurally imbricated on a regional scale with thrust-related bodies of greenstone and ultramafic rocks occurring at several different structural levels and also that there is no consistent spatial association between the location of the gold-bearing vein systems and the thrust faults.

Veins as a source of placer gold

It is clear from the studies by Knight et al. (1999) and Mortensen et al. (2005) that there is a strong relationship between orogenic veins and placer deposits in the Klondike and that Au compositions of local placers correspond to nearby orogenic veins on an individual catchment scale. It has long been believed, however, that the known large orogenic veins in the Klondike area contain insufficient gold to have provided the sources for the rich Klondike placers (McConnell 1905; Tyrell 1907; MacLean 1914). This has provided a rationale for ongoing exploration in the area for orogenic vein systems. In the light of our new structural observations, we reexamine this contention with simple calculations.

The notable feature of the placer gold is that more than 400 tonnes of gold was derived from erosion of an unknown thickness of rock above a relatively small area (ca 400 km²; Knight et al. 1999; Lowey 2005). However, if the erosion thickness is assumed to be as small as 1 km, only background concentrations of gold (1 ppb) are needed to yield 1,000 tonnes of gold during erosion. Background gold in schist is typically

distributed, mainly in solid solution, throughout the silicate, sulphide, and oxide minerals (Pitcairn et al. 2006), so this does not provide a plausible source for the Klondike placer gold. However, this calculation shows that it is not the amount of gold that is critical to placer formation, it is the grain size. If all the background gold in the Klondike Schist were remobilised into coarse particles, there would be more than enough gold available in only 1 km thickness of schist to produce the known placers.

The gold remobilisation alluded to in the previous paragraph is not a useful model for Klondike placer gold source. However, a similar model can be constructed involving widespread gold-bearing orogenic vein formation throughout the Klondike Schist in the Klondike goldfield. We suggest that the placer gold was derived from myriad small (mm to m-scale) veins of the type we describe above. The gold occurs in veins, vein selvages, and disseminated with sulphides in immediate host rocks. The key to this model is not the source of the gold, but the grain size increase required to produce placer deposits. Only 1 g of coarse hydrothermal gold in each 400 m³ of rock represents the background concentration of 1 ppb. This could be in a single well-defined vein, in several small veinlets or disseminated in altered rock along D4 fractures.

Addition of only background levels of coarse gold is all that is necessary to provide the gold for the Klondike placers. The gold was probably introduced to the Klondike Schist via deep-sourced mesothermal fluids (Rushton et al. 1993). The resulting auriferous veins are not randomly distributed throughout the schist of the Klondike goldfield. Rather, the veins are concentrated principally in and near zones of D4 deformation. It is this strong structural control that results in widely varying placer gold concentrations in adjacent creeks in the Klondike goldfield. From the point of view of exploration for orogenic gold deposits in the Klondike district, the D4 deformation zones are the principal first-order target.

Conclusions

The Klondike Schist was emplaced in the Early Jurassic as a series of thrust slices separated by regional scale thrust faults. Discontinuous layers of greenstone and ultramafic rocks were emplaced at the same time and mark some of the major boundaries between different slices. The Permian metamorphic foliation was deformed during thrusting as rocks were uplifted through the brittle–ductile transition. A distinctive set of ductile crenulation folds (F3) affects all thrust slices and is associated with a variably developed axial planar spaced cleavage. This S3 cleavage is more intensely developed next to (within <100 m of) major thrust faults and locally gives way to a shallow-dipping phacoidal cleavage. These late metamorphic fabrics have been further deformed and overprinted by a set of regional scale reverse faults and associated upright folds and kinks (F4). These steeply dipping F4 structures occur as two orthogonal sets oriented NW to N and NE to E and postdate thrust emplacement. Many of the F4 fault-fold zones and earlier F3 deformation zones have been reactivated by Late Cretaceous normal faults that were localised by preexisting weaknesses in the schist.

Gold-bearing quartz veins were emplaced after formation of the F4 fault-fold zones under a broadly extensional deformation regime. These veins generally trend N NW and are strongly controlled by F4 fold axial surface fractures. Other orientations are common and some gold-bearing veins infill other preexisting structures such as metamorphic foliation and the crenulation cleavage. The density of veining is highest in local high strain zones associated with fault fold deformation zones. Mineralised veins predate and are locally crosscut by Late Cretaceous normal faults. Goldbearing veins infill extensional sites that are controlled principally by preexisting compressional structures. Vein emplacement occurred after D4 compression either during the latter stages of schist uplift and exhumation or during the initiation of Cretaceous regional extension.

The mineralised veins formed as swarms with a broad regional structural control but represent relatively diffuse mineralised zones with numerous small scattered gold bearing veins. These zones are widely distributed throughout the Klondike Schist and appear to be sufficient sources of gold for the rich Klondike placers.

Acknowledgements: This research was funded by Klondike Star Mineral Corporation, the University of British Columbia, the University of Otago, and the NZ Foundation for Research, Science and Technology.

References: Ash CH (2006) Setting of gold-bearing quartz vein lode sources for placers within the Klondike Goldfields, west-central Yukon, Canada. In *Wealth Creation in the Minerals Industry: Integrating Science, Business and Education*, Society of Economic Geologists, Extended Abstracts, Keystone, Colorado, USA, May 14–16, 2006:109–114

7.7 Acme Labs, Analysis Results



Client: **Pocklington, Mark**
Bag 69
Dawson City Yukon Y0B 1G0 Canada

Project: QV1-3
Report Date: May 21, 2008

Page: 2 of 2 Part 1

CERTIFICATE OF ANALYSIS

VAN08005717.1

Method Analyte		M160 TotWt	08 -Au	08.ME +Au	08.ME TotAu
Unit		g	g/MT	mg	g/MT
MDL		1	0.01	0.005	0.01
QV1-SM2-C	Rock	410	<0.01	<0.005	<0.01
QV1-S1-T	Rock	710	<0.01	<0.005	<0.01
QV1-ML-2	Rock	412	<0.01	<0.005	<0.01
QV1-S2-BM	Rock	742	<0.01	<0.005	<0.01
QV2-RW1	Rock	552	<0.01	<0.005	<0.01
QV2-MP1	Rock	578	<0.01	<0.005	<0.01
QV2-SM1	Rock	354	<0.01	<0.005	<0.01
QV3-SM1	Rock	428	<0.01	<0.005	<0.01
QV3B-MP2	Rock	202	<0.01	<0.005	<0.01
QV3B-MP1	Rock	552	<0.01	<0.005	<0.01
QV3-SM1	Rock	502	<0.01	<0.005	<0.01
QV3C-MP1	Rock	438	<0.01	<0.005	<0.01
QVLSHC-S1	Rock	412	<0.01	<0.005	<0.01
QV1-ML-1	Rock	552	<0.01	<0.005	<0.01



Client: **Pocklington, Mark**
Bag 69
Dawson City Yukon Y0B 1G0 Canada

Project: Leota Goldfields
Report Date: September 02, 2008

Page: 2 of 2 Part 1

CERTIFICATE OF ANALYSIS

VAN08007988.1

		Method	WGHT	M160	08	08.ME	08.ME	08.ME
		Analyte	Wgt	TotWt	-Au	+160Wt	+Au	TotAu
		Unit	kg	g	g	g	mg	g/mt
		MDL	0.01	1	0.01	0.01	0.006	0.01
309 FLT	Rock		0.26	268	<0.01	29.26	<0.005	<0.01
313 FLT	Rock		0.23	251	<0.01	19.43	<0.005	<0.01
QV9B	Rock		0.52	537	0.25	13.88	<0.005	0.24
QV9-2	Rock		0.99	465	0.12	23.55	<0.005	0.12
QV10-1	Rock		0.62	532	<0.01	35.78	<0.005	<0.01
QV16E	Rock		0.85	644	<0.01	31.18	<0.005	<0.01
QV16-1W	Rock		1.13	566	<0.01	27.11	<0.005	<0.01
QV19	Rock		0.70	540	<0.01	32.10	<0.005	<0.01
QV25HS	Rock		0.41	415	<0.01	27.05	<0.005	<0.01
QV26HS	Rock		0.27	276	<0.01	26.45	<0.005	<0.01
QV31LK	Rock		0.34	348	<0.01	35.93	<0.005	<0.01
QV32LK	Rock		0.20	205	<0.01	25.73	<0.005	<0.01
QV34LK	Rock		0.42	425	<0.01	27.25	<0.005	<0.01
BOW CAB	Rock		0.47	475	<0.01	25.55	<0.005	<0.01
LMG-3	Rock		1.00	547	<0.01	20.35	<0.005	<0.01

Client: Pocklington, Mark
 Bag 69
 Dawson City Yukon Y0B 1G0 C1

Project: Leota Goldfields
 Report Date: November 17, 2008

www.acmelab.com

Page: 2 of 2 Part 1

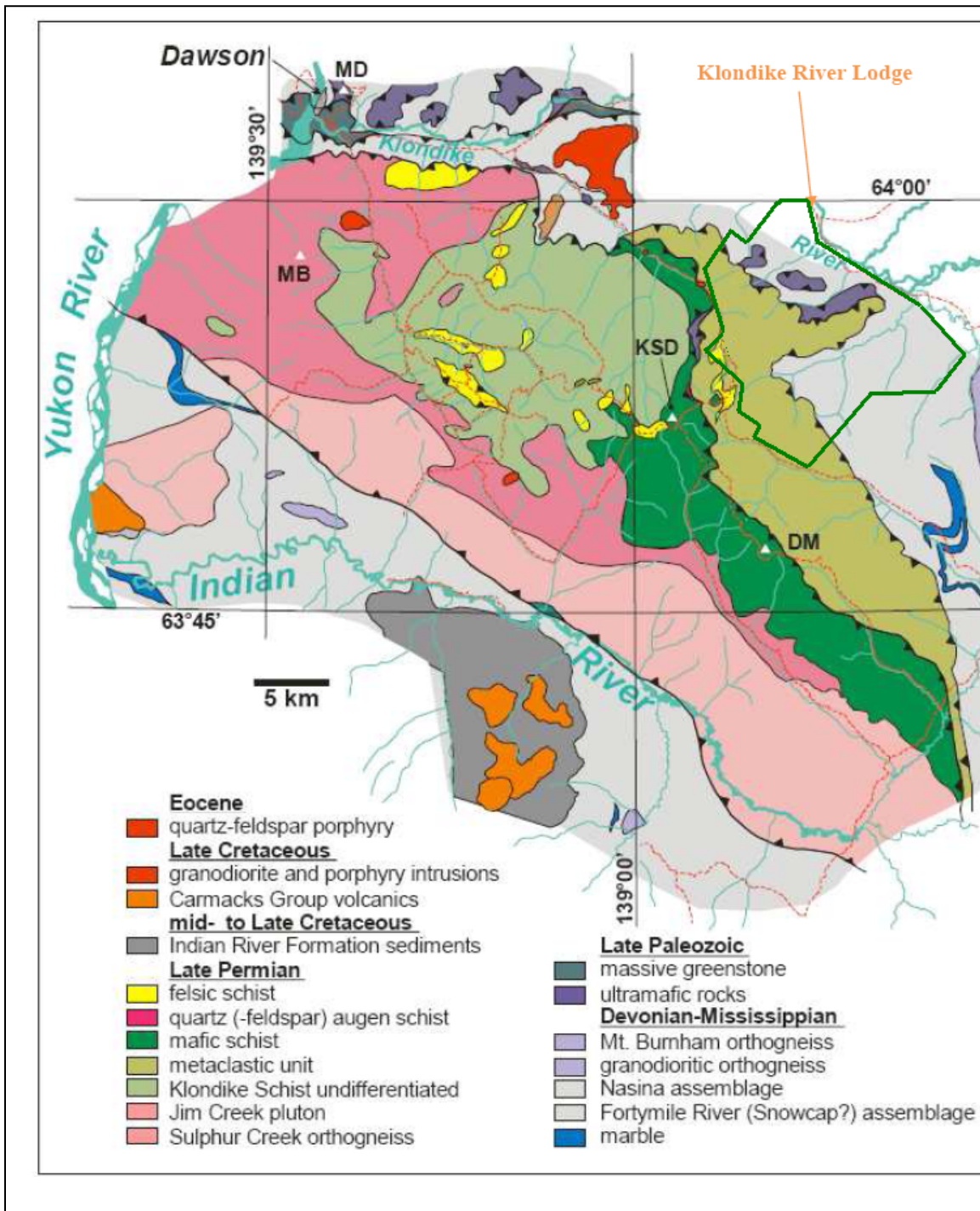
CERTIFICATE OF ANALYSIS

VAN08010163.1

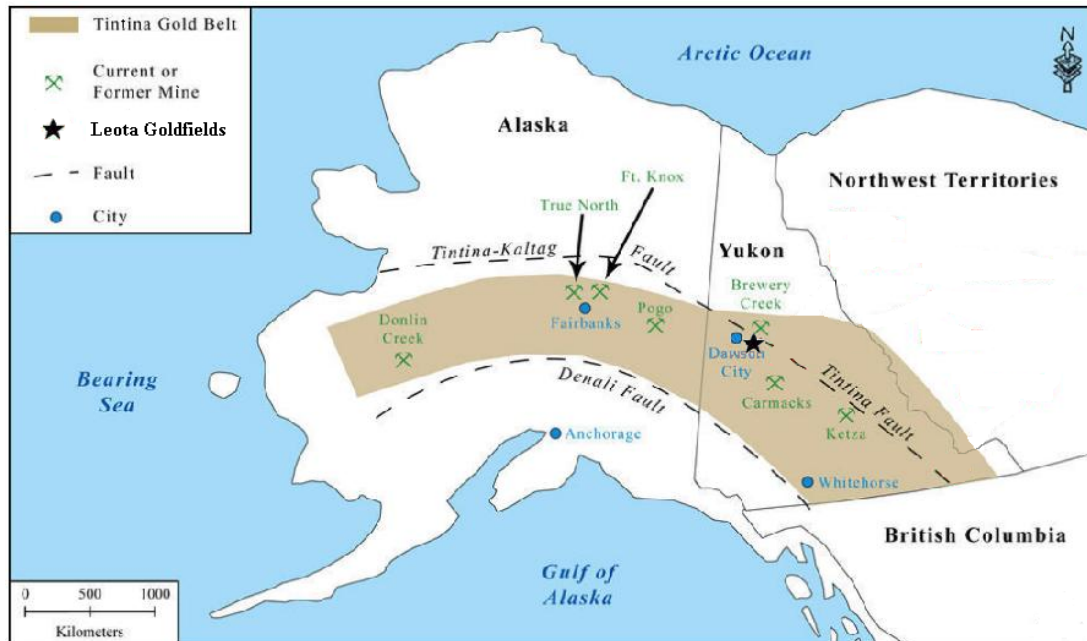
	Method Analyte Unit MDL	WGHT		M150		G8		G8.ME		G8.ME		G8.ME	
		Wgt	TotWt	Wgt	TotWt	-Au	+150Wt	-Au	+150Wt	-Au	+150Wt	-Au	+150Wt
		kg	g	g	g	g	g	g	g	mg	mg	g	g
		0.01	1	0.01	0.01	0.006	0.01						
QV2CR	Rock	0.54	487	<0.01	24.55	<0.005	<0.01						
QV2EP	Rock	0.41	403	<0.01	52.61	<0.005	<0.01						
QV2CC	Rock	0.35	342	<0.01	26.49	<0.005	<0.01						
QV3CC	Rock	0.54	514	<0.01	25.74	<0.005	<0.01						
QV3B	Rock	0.42	408	<0.01	54.99	<0.005	<0.01						
QV7W	Rock	0.47	466	<0.01	42.78	<0.005	<0.01						
QV7EEP	Rock	0.43	414	<0.01	33.72	<0.005	<0.01						
QV7EEP2	Rock	0.48	502	<0.01	58.25	<0.005	<0.01						
QV7EEP3	Rock	0.26	248	<0.01	28.53	<0.005	<0.01						
QV9C	Rock	0.39	385	<0.01	12.29	<0.005	<0.01						
QV10	Rock	0.40	379	0.21	27.44	<0.005	0.20						
QV19	Rock	0.37	359	<0.01	18.86	<0.005	<0.01						
QV25EV	Rock	0.40	398	<0.01	31.29	<0.005	<0.01						
QV27	Rock	0.36	348	<0.01	13.37	<0.005	<0.01						
QV28	Rock	0.44	408	<0.01	16.80	<0.005	<0.01						
QV29	Rock	0.43	400	<0.01	24.94	<0.005	<0.01						
QV31BCC1	Rock	0.42	419	<0.01	34.59	<0.005	<0.01						
QV31BCC2	Rock	0.58	498	<0.01	42.67	<0.005	<0.01						
QV31HK	Rock	0.59	494	<0.01	38.36	<0.005	<0.01						
QV32EP	Rock	0.40	403	<0.01	27.91	<0.005	<0.01						
QV34E	Rock	0.44	434	<0.01	44.47	<0.005	<0.01						
QV35B	Rock	0.35	349	<0.01	46.89	<0.005	<0.01						
QV38CQ	Rock	0.49	483	<0.01	42.50	<0.005	<0.01						
QV39	Rock	0.33	324	<0.01	39.24	<0.005	<0.01						
ALPH	Rock	0.30	294	0.70	37.82	0.028	0.70						
QUDQ	Rock	0.29	281	<0.01	46.49	<0.005	<0.01						
CB1GB	Rock	0.41	403	<0.01	42.87	<0.005	<0.01						
PT074	Rock	0.39	379	<0.01	38.39	<0.005	<0.01						

8.0 MAPS:

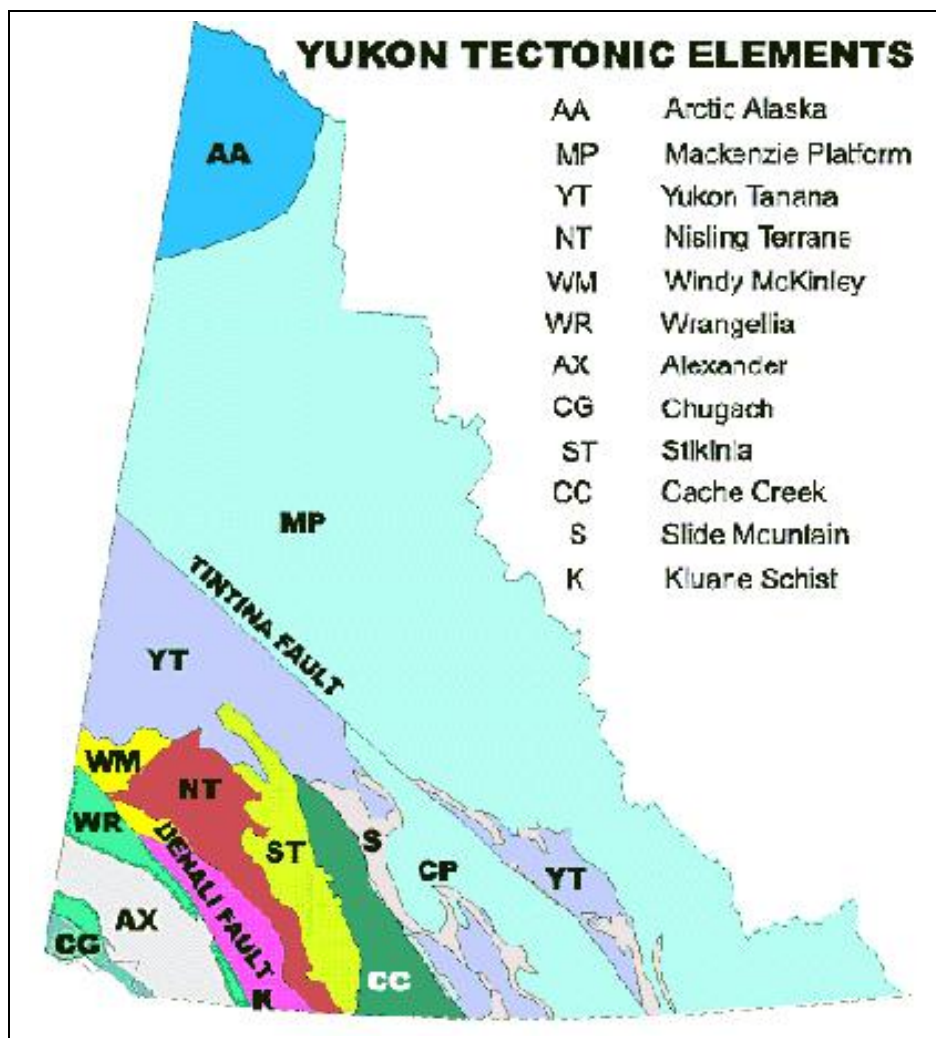
8.1 Geology Map of Klondike Plateau



8.2 Map of the Tintina Gold Belt Region

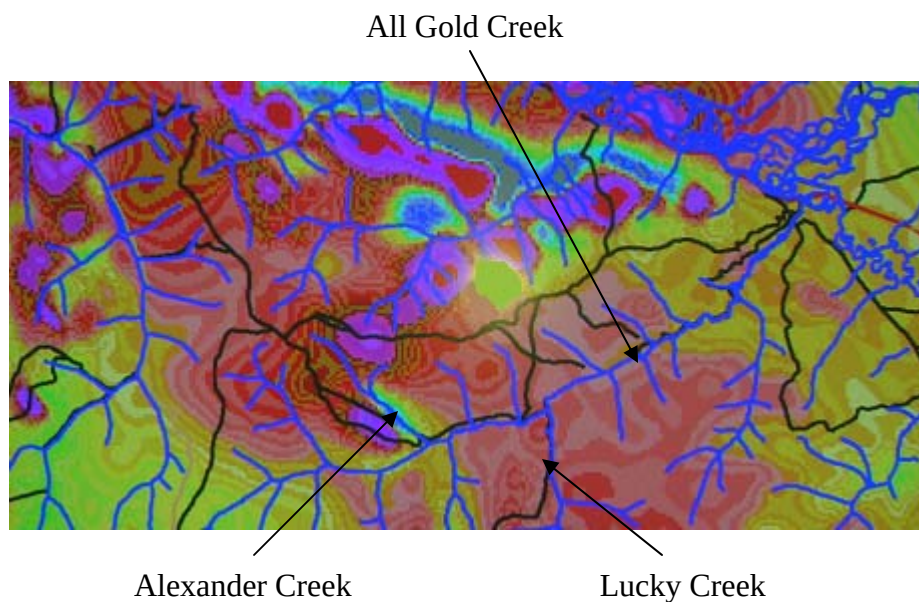


8.3 Map of the Yukon Tectonic Elements

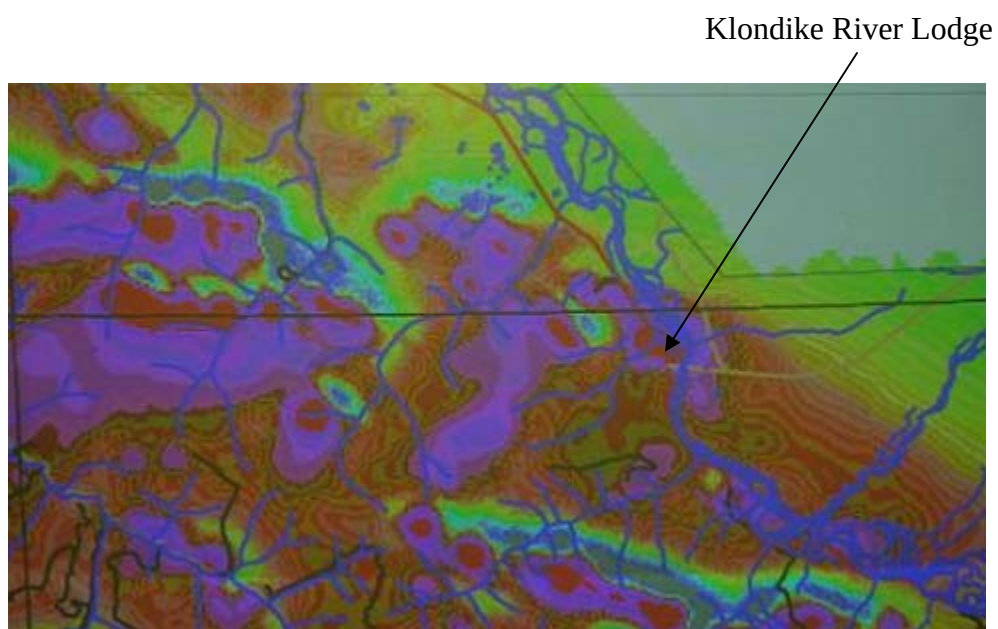


8.4 Mag Map - Centre of Property

Maps below from Geological Survey of Canada, open file 3994, 2001 Airborne survey magnetic anomaly map (residual total field) scale: 1:250,000



8.5 Mag Map - North Area of Property:

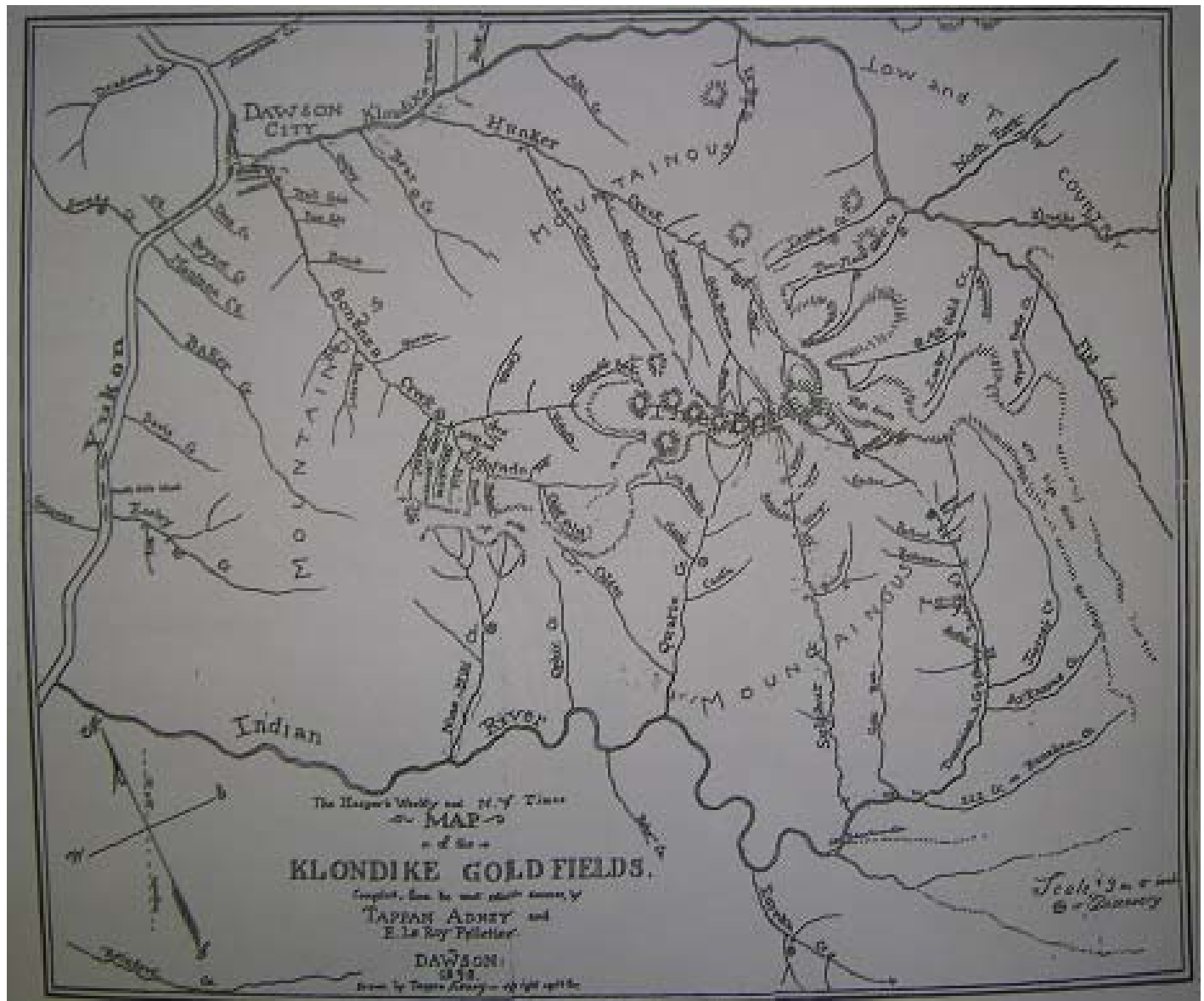


8.6 Mag Map of Property from Geological Survey of Canada, circa 1970

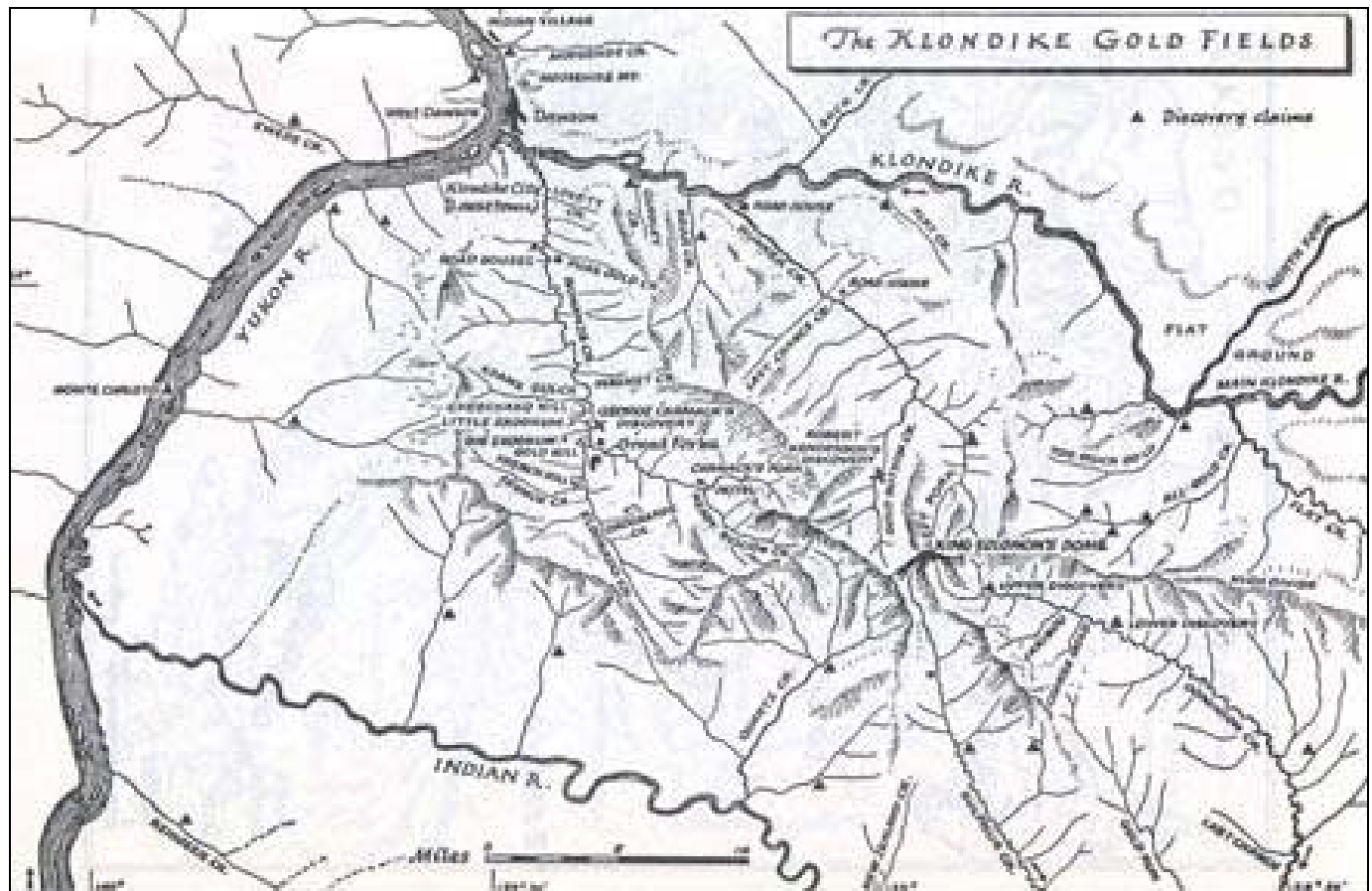
Numerous low mags intersecting All Gold Creek watershed and along thrust faults and high mag dark rings near the volcanic dykes of Mt. Leotta and Grouse Mountain.



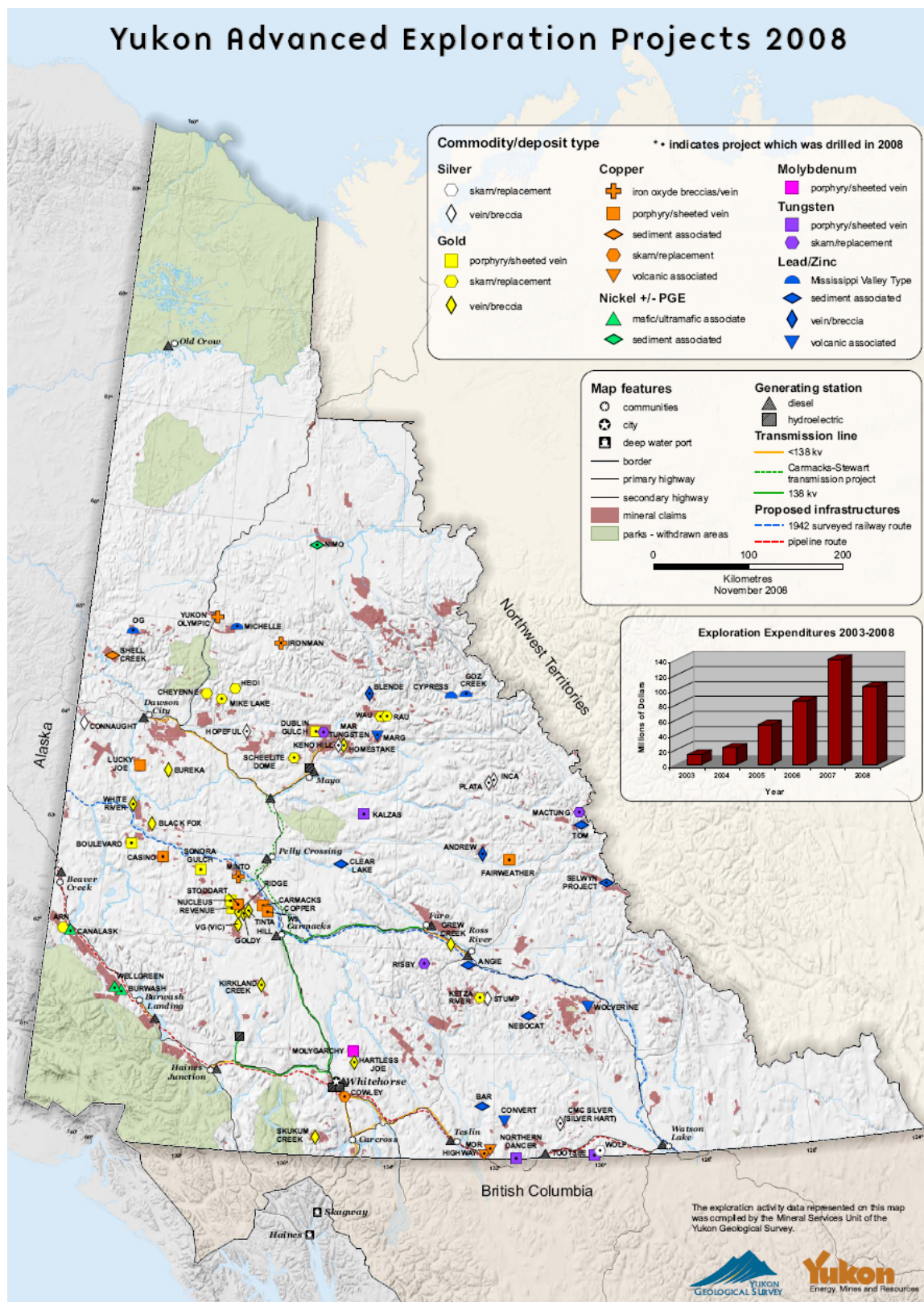
8.7 Klondike Goldfields, circa 1898, NY Times



Klondike Goldfields, circa early 1900's



8.8 Yukon Advanced Exploration Projects June 2008



9.0 PHOTOS

9.1 Exploration (Quartz Veins)



QV1



QV2



QV3



QV5



QV38



QV14 – 50' wide vein



QV16



QV19 – 110' prospect trench



QV7 – looking East



QV7 – looking West



QV7B – lower trench



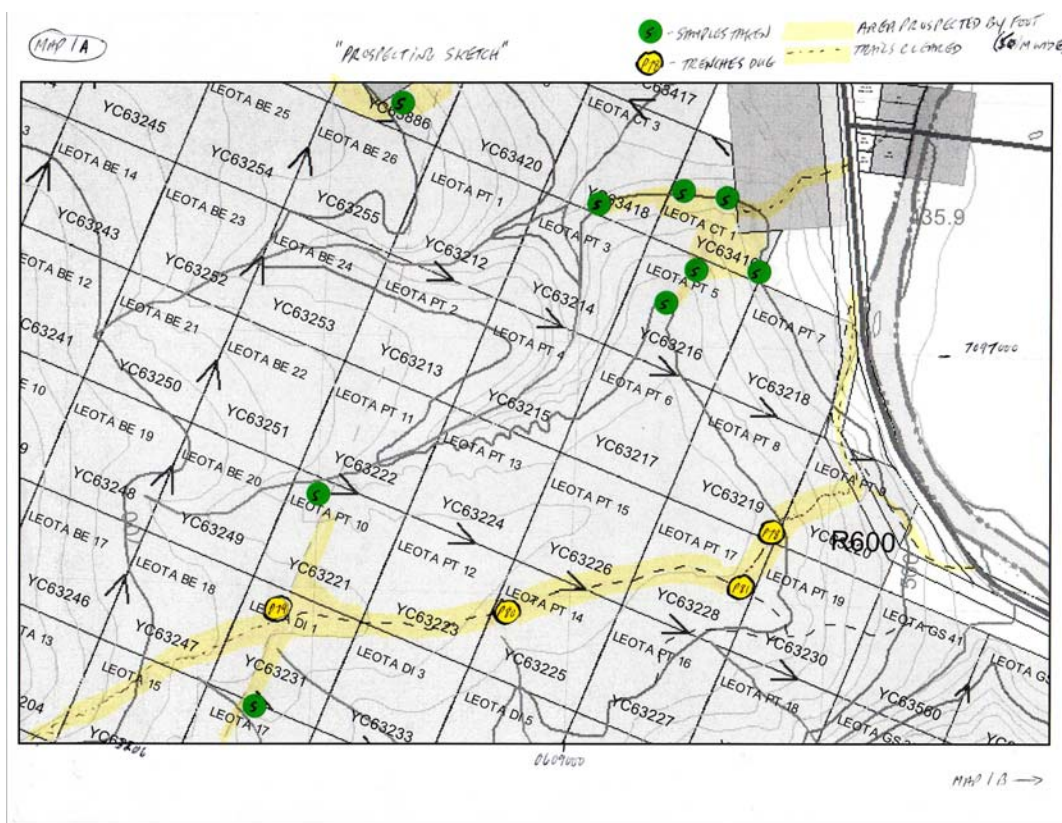
QV7 – quartz slider

10.0 WORK REPORTS

10.1 Work Report 2008 (Maps 1a-1j for YMR)

LEOTA GOLDFIELDS Exploration 2008 (Maps 1a-1k)

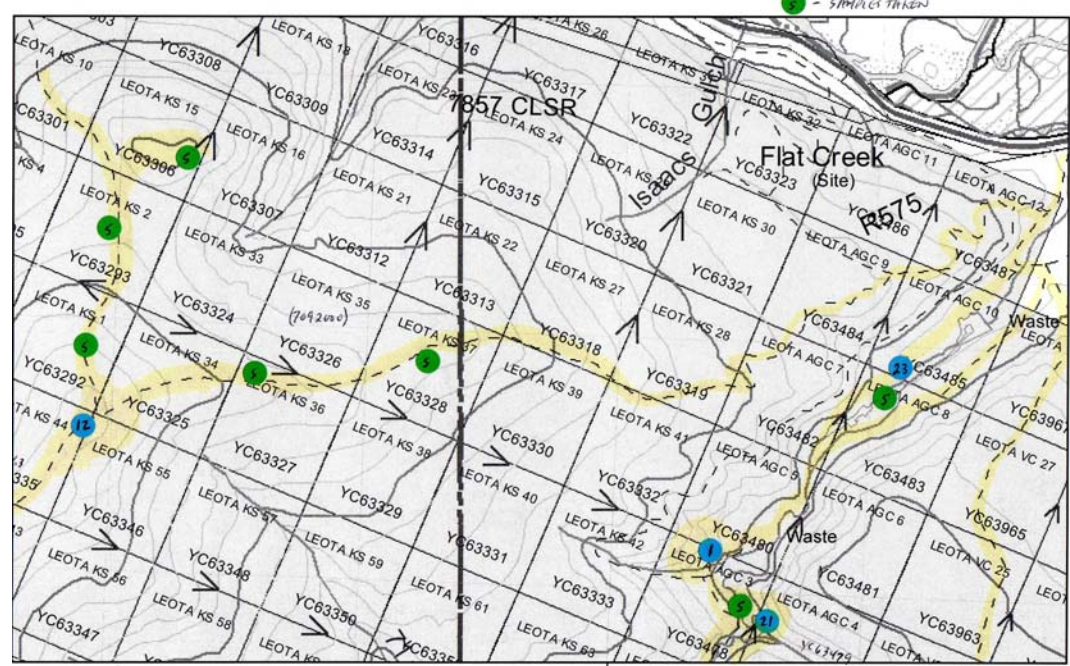
MAP 1a



MAP 13

PROSPECTING SKETCH

- - QUARTZ VEIN TRACINGS
- - AREA PROSPECTED BY FOT
- - SAMPLES TAKEN



MAP 13

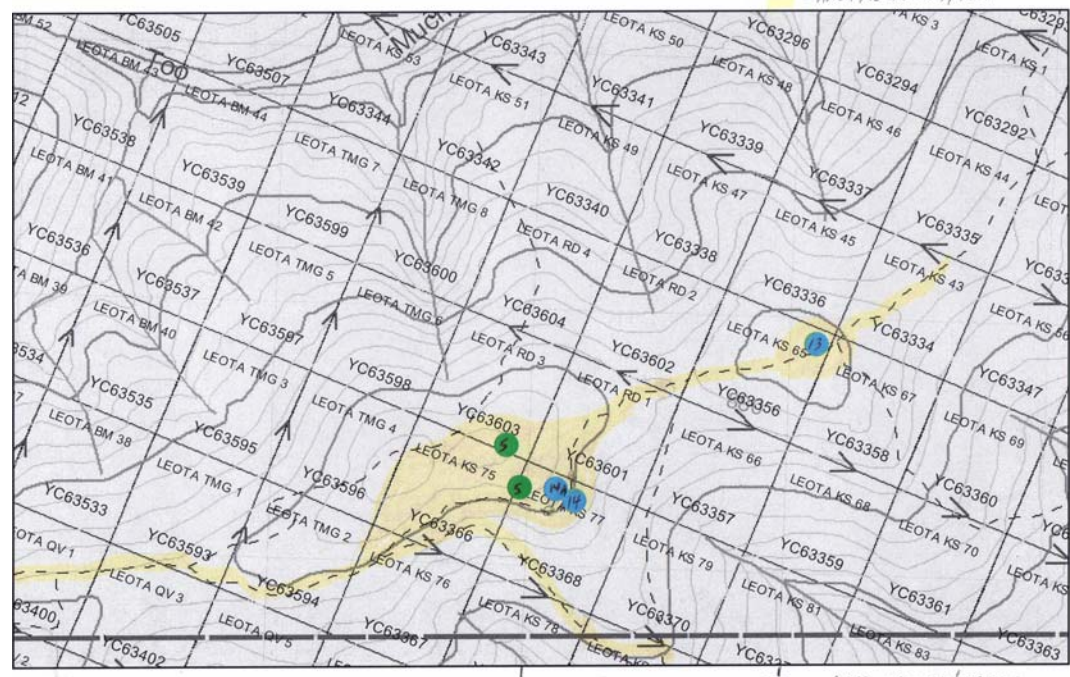
MAP 13

QV1 - 0615381/7091180
QV12 - 0612925/7091615
QV21 - 0615550/7090850
QV23 - 0616166/7092148

MAP 13

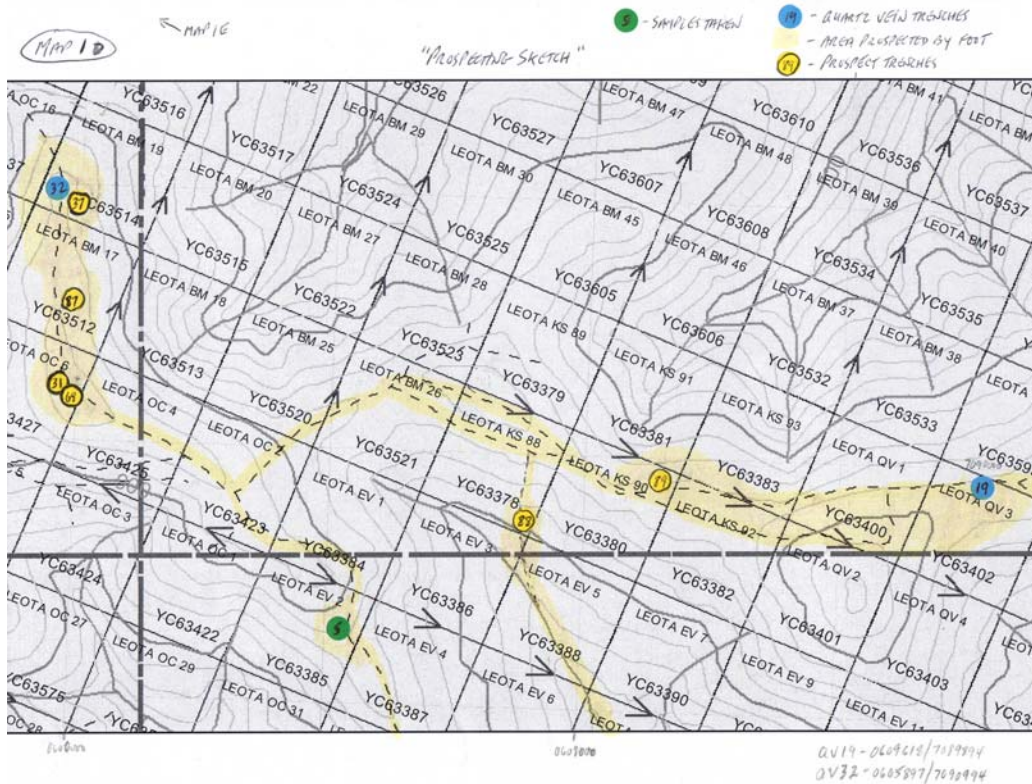
"PROSPECTING SKETCH"

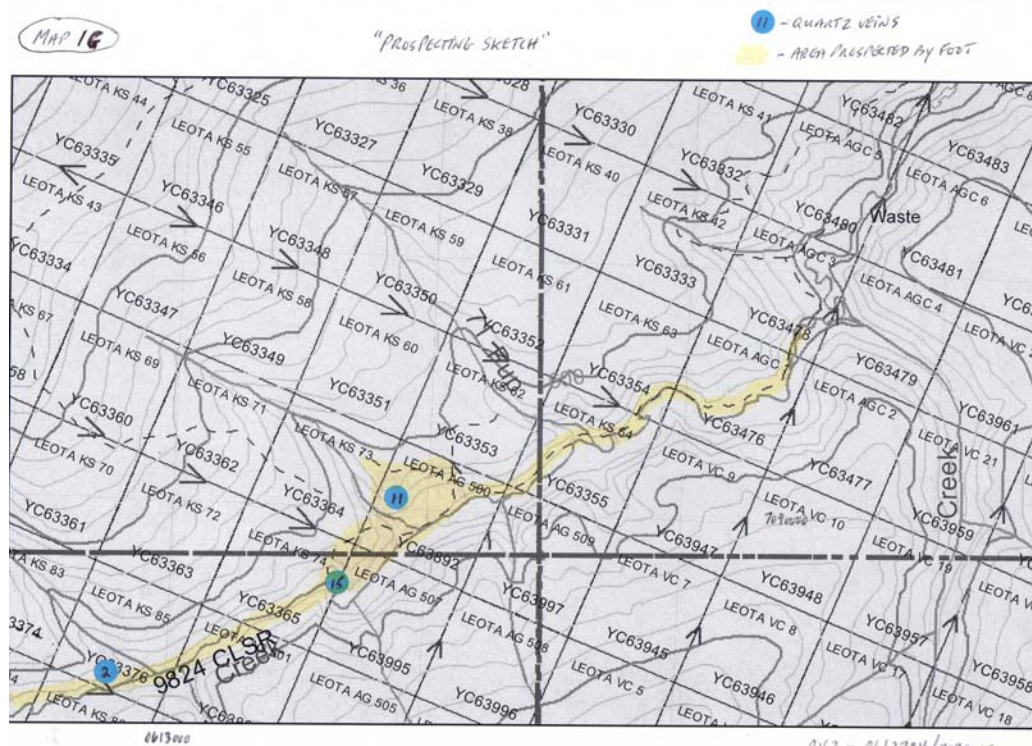
- - QUARTZ VEIN TRACINGS
- - SAMPLES TAKEN
- - AREA PROSPECTED BY FOT



MAP 13

QV13 - 0612134/7090874
QV14 - 0611159/7090269





AV2 - 0612734/7089298
AV11 - 0613826/7090057
AV15 - 0613704/7089728



10.2 Work Report 2008 (Statement of Expenditures 1a-1j for YMR)

LEOTA GOLDFIELDS Statement of Expenditures 2008 Exploration Program (maps 1a-j)

Item	Details/dates	Amount/Rate	Daily Rates	Total costs
Labour	Mark Pocklington Project/Field Manager May 29-30 June 2-3; 21 July 5; 28 Aug 20; 23-24; 28 Sep17	total: 12 days	\$350	\$4200
	Ross Weitzel Excavator Operator June 22-30 July 1-4;9-10;13-14;16-17 Aug 20-23;25-27	total: 26 days	\$350	\$9100
	Sylvan Montreuil Excavator Operator Sep 4;11;14-15;20;22; 25-27;30	total: 10 days	\$350	\$3500
	Field Assistant – MP Jun 22-30 July1-4;9-10;13-14;16-17 Aug 21-22;25-27 Sep 4;11;14-15;20;22; 25-27;30	total: 34 days	\$250	\$8500
Labour	Field Assistant – RW June 2-3;21 July 5 Aug 24;28	total: 6 days	\$250	\$1500
	Field Assistant – KW Aug 21-23	total: 3 days	\$250	\$750
	Field Assistant – SM Sep17	total: 1 day	\$250	\$250
	Field Assistant – JVP May30 Jul28	total: 2 days	\$250	\$500
Camp/R&B	KRL Invoice Room&Board x labour days	total: 94 person days	\$120	\$11280

Item	Details/dates	Amount/Rate	Daily Rates	Total costs
Excavator Rental	WC Invoice Model: 2008CaseCX27B June 22-30 July1-4;9-10;13-14;16-17 Aug 20-23;25-27 Sep 4;11;14-15;20;22; 25-27;30	total: 270 hrs	\$105/hr	\$28350
ATV Rental	WC Invoice Model:2008ACRangerXLT May 30; June 2-3; Jun21-30 July 1-5;9-10;13-14;16-17; 28 Aug 20-28; Sep 4;11;14-15;17;20;22; 25-27;30	total: 45 days	\$150	\$6750
Truck Rental	WC Invoice Ford 2004 4x4 Lariat Aug20-23	total: 4 days	\$150	\$600
Fuel -Exca	KRL Invoice	270 hrs	\$10/hr	\$2700
Fuel & Oil	KRL Invoice Gas for ATV Gas for Truck	45 days 4	\$40/day \$40/day	\$1800 \$160
	Total field expenditures			\$79940
Assay costs	Acme inv# VAN08005717 VAN08007988 VAN08010163	14 samples 15 28 total: 56	\$50/sample	\$2800

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63231,YC63221,YC63223,YC63225,YC63226,YC63228, YC63219,
YC63220; YC63216,YC63416,YC63418, YC63886.Claim Location: **Map 1a**, East of Mt. Leotta, NTS 115015

Work dates: May 29, 30; September 30, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (May 29-30/08)	2 days	\$350	\$700
	WC - Invoice Field Assistant-JVP-Inuvik (May30/08)	1 day	\$250	\$250
	Sylvan Montreuil Excavator Operator Prospect trenching (Sep30/08)	1 day	\$350	\$350
	WC - Invoice Field Assistant-MP (Sep30/08)	1 day	\$250	\$250
Camp/R&B	KRL – Invoice Room & Board x labour days	5 person days	\$120	\$600
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Sep30/08)	8 hrs	\$105/hr	\$840
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (May30;Sep30/08)	2 days	\$150	\$300
Fuel - Exc	KRL – Invoice Diesel for excavator	8 hrs	\$10/hr	\$80
Fuel & Oil	KRL – Invoice Gas for ATV	2 days	\$40/day	\$80
Leota Goldfields			Total expenditures	\$ 3,450.00

Cont'd page 2

Description & Distribution of Work
(Map 1a)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63416,63418,63886,63216	\$1500	7 x 4 = 28	0	0
YC63231,63221,63223,63225 YC63226,63228,63219,63220	\$560 total: \$1060	6 x 4 = 24 total: 52	\$1390 total: \$1390	4 total: 4
May 29/08 - 1 man; May 30 th -2 man team prospecting claim by foot for quartz veins; access to claims by ATV; steep hillsides; grab rock samples taken from outcrops to provide geologists with info on local geology; no findings of quartz veins or quartz floats on claims; no rocks w/gold indicators; overburden very deep >3m on flats; found several calcite veins, and veins with chrysotile asbestos fibres - samples taken from bedrock and marked as CT1 a,b,c; CT3, CT9, PT5 a,b; and held at KRL rock shack.				
Sept 30/08; 2 man team prospecting claims by foot and using excavator to trench prospective areas for quartz veins; access to claims by ATV; grab rock samples taken from trenches to provide geologists with info on local geology; no findings of quartz veins or quartz floats on claims; no rocks w/gold indicators; overburden very deep >3m on flats; samples of volcanic-type rocks taken from surface and marked as LT17, PT10, or from trenches marked as below, and held at KRL rock shack.				
Trenches: P78 – 4’x6’x6’D (see map) P79 – 10’x20’x12’D P80 – 8’x8’x6’D P81 – 8’x8’x6’D				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63318,YC63319,YC63325,YC63327,YC63328,YC63335,YC63292,
YC63293,YC63306,YC63301; YC63478,YC63479,YC63480,YC63483,YC63485.Claim Location: **Map 1b**, East of Mt. Leotta, NTS 115015

Work dates: June 2-3; July 4-5, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (June 2-3; July 5/08)	3 days	\$350	\$1050
	WC - Invoice Field Assistant-RW-Inuvik (June 2-3; July 5/08)	3 days	\$250	\$750
	Ross Weitzel Excavator Operator Trenching quartz vein QV12 (July 4/08)	1 day	\$350	\$350
	WC - Invoice Field Assistant-MP (July 4/08)	1 day	\$250	\$250
Camp/R&B	KRL – Invoice Room & Board x labour days	8 person days	\$120	\$960
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (July 4/08)	4 hrs	\$105/hr	\$420
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (June2-3, July4-5/08)	4 days	\$150	\$600
Fuel - Exc	KRL – Invoice Diesel for excavator	4 hrs	\$10/hr	\$40
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	4 days	\$40/day	\$160
Leota Goldfields			Total expenditures	\$ 4,580.00

Description & Distribution of Work
(Map 1b)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63318,63319,63325, YC63327,63328	\$970	2 x 4 = 8		0
YC63292,63293,63301, YC63306	\$970	3 x 4 = 12		0
YC63335		QV12: 2x4 = 8	\$700	0
YC63478 - YC63480	\$970	1 x 4 = 4 QV1: 10x4 = 40 QV21: 1x4 = 4		1
YC63482 - YC63485	\$970	1 x 4 = 4 QV23: 2x4 = 8		
	total: \$3880	total: 88	total: \$700	total: 1
June2-3 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; QV1, QV23, QV21 vein found on steep hillside and exposed by hand tools; grab rock samples taken from outcrops; found quartz floats on claims; no rocks w/gold indicators; samples taken from bedrock and marked as AGC3,AGC8,QV1a-h,QV21, QV23a-b, and stored at KRL rock shack July 4-5th - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; steep hillsides; hike up Mt. Luba; grab rock samples taken from outcrops to provide geologists with info on local geology; found quartz floats on claims; used excavator for 4hrs to dig trench and found QV12 vein; no rocks w/gold indicators; samples taken from bedrock and marked as KS1,KS2,KS15,KS36,KS37,QV12a/b, and stored at KRL rock shack.				
Trenches: QV12 – 10'x8'x6'D Assays: QV1 – 5 samples tested for Au @ \$50ea (see map)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#’s: YC63334, YC63601, YC63603, YC63366, YC63593, YC63594, YC63356, YC63368

Claim Location: **Map 1c**, East of Mt. Leotta, NTS 115015

Work dates: July 9-10, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Ross Weitzel Excavator Operator Prospect trenching (July9-10/08)	2 days	\$350	\$700
	WC - Invoice Field Assistant-MP (July9-10/08)	2 days	\$250	\$500
Camp/R&B	KRL – Invoice Room & Board x labour days	4 person days	\$120	\$480
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (July9-4hrs; July10-12hrs)	16 hrs	\$105/hr	\$1680
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (July9-10/08)	2 days	\$150	\$300
Fuel - Exc	KRL – Invoice Diesel for excavator	16hrs	\$10/hr	\$160
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	2 days	\$40/day	\$80
Leota Goldfields			Total expenditures	\$ 3,900.00

Cont’d Page 2

Description & Distribution of Work
(Map 1c)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63334,YC63601 YC63603,YC63366 YC63593,YC63594	\$500	2x4 = 8		0
YC63356	\$200	QV13: 2x4 = 8	\$700	1
YC63368	\$400	QV14: 8x4 = 32 QV14A: 2x4= 8	\$1400 \$700	1 1
	Total: \$1100	total: 56	total:\$2800	total: 3
July9-10/08 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; QV13 and QV14 veins found 10m from trail; used excavator for 4hrs for QV13, 8hrs for QV14, and 4hrs for QV14A to trench around quartz veins; no rocks w/gold indicators; all samples taken from bedrock and bags marked with QV# with two samples taken from floats marked as RD3 & KS75, and stored at KRL rock shack.				
Trenches: QV13 – 9’x6’x6’D Assays: 0 QV14 - 80’x12’x4’D QV14A – 12’x8x6’D (see map for location)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63402 ,YC63521,YC63378,YC63388,YC63380,YC63382,YC63383,
YC63400,YC63423,YC63425,YC63384,YC63385,YC63427,YC63512,YC63514.Claim Location: **Map 1d**, South of Mt. Leotta, NTS 115015

Work dates: July 14, 16, 17; September 4, 25, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Ross Weitzel Excavator Operator Prospect trenching (Jul14,16,17/08)	3 days	\$350	\$1050
	WC - Invoice Field Assistant-MP (Jul14,16,17/08)	3 days	\$250	\$750
	Sylvan Montreuil Excavator Operator Prospect trenching (Sep4,25/08)	2 days	\$350	\$700
	WC - Invoice Field Assistant-MP (Sep4,25/08)	2 days	\$250	\$500
Camp/R&B	KRL – Invoice Room & Board x labour days	10 person days	\$120	\$1200
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Jul14,16,17;Sep4,25/08)	46 hrs	\$105/hr	\$4830
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (Jul14,16,17;Sep4,25/08)	5 days	\$150	\$750
Fuel - Exc	KRL – Invoice Diesel for excavator	46 hrs	\$10/hr	\$460
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	5 days	\$40/day	\$200
Leota Goldfields			Total expenditures	\$ 10,440.00

Cont'd page 2

Description & Distribution of Work

(Map 1d)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63402	\$560	QV19: 8x4 = 32	\$1850	1
YC63521,YC63378	\$280	P88: 2x4 = 8	\$500	1
YC63388,YC63380	\$280	P89: 2x4 = 8	\$500	1
YC63382,YC63383	\$280			
YC63400				
YC63423,YC63425	\$280			
YC63384,YC63385				
YC63427	\$280	P31: 2x4 = 8	\$500	1
		P68: 2x4 = 8	\$900	1
YC63512	\$280	P87: 4x4 = 16	\$500	1
YC63514	\$560	QV32: 8x4 = 32	\$1850	1
	\$140	P37: 1x4 = 4	\$900	1
	total: \$2940	total: 80	total: \$7500	total: 8
July14,16,17/08 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; grab rock samples taken from quartz floats; used excavator Jul14 for 12hrs to dig long prospect trench to find QV19; some rocks w/gold indicators; samples of QV19 sent to Acme labs for fire assay. Used excavator Jul16,17 for 16hrs to dig prospect trenches P87,P88,P89,P31,P68; all samples taken from bedrock and bags marked with P# as above with one sample marked P89(LMG3) sent to Acme labs for fire assay; samples stored at KRL rock shack. Sept04&25/08 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator Sep4 for 8hrs to dig long prospect trench P37; used excavator Sep25 for 10hrs to find and uncover quartz vein QV32; some rocks w/gold indicators; samples of QV32 sent to Acme labs for fire assay; samples stored at KRL rock shack.				
Trenches: QV19 – 120’x4’x6’D Assays: QV19 – 1 sample tested for Au @\$50/ea P87 – 12’x8’x4’D LMG3 – 1 sample tested for Au @\$50/ea P88 – 4’x4’x6’D QV32 – 1 sample tested for Au @\$50/ea P89 – 8’x8’x6’D P31 – 8’x8’x6’D P68 – 20’x20’x10’D P37 – 80’x4’x5’D QV32 – 30’x16’x12’D (see map for locations)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63565,YC63617,YC63211,YC63192,YC63453,YC84021,YC84017,
YC63471,YC63473,YC63455,YC63460,YC63461,YC63457,YC63459,YC63516,
YC63518,YC63511,YC63509,YC63450,YC63451,YC63203,YC63202.Claim Location: **Map 1e**, East of Mt. Leotta, NTS 115015

Work dates: August 24; September 11,14,15,17,20,22, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (Aug24,Sep17/08)	2 days	\$350	\$700
	WC - Invoice Field Assist-RW(Aug24/08) Field Assist-SM(Sep17/08)	2 days	\$250	\$500
	Sylvan Montreuil Excavator Operator Prospect trenching & trenching quartz veins (Sep11,14,15,20,22/08)	5 days	\$350	\$1750
	WC - Invoice Field Assistant-MP (Sep11,14,15,20,22/08)	5 days	\$250	\$1250
Camp/R&B	KRL – Invoice Room & Board x labour days	14 persondays	\$120	\$1680
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Sep11,14,15,20,22/08)	40 hrs	\$105/hr	\$4200
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (Aug24,Sep11,14,15,17,20,22)	7 days	\$150	\$1050
Fuel - Exc	KRL – Invoice Diesel for excavator	40 hrs	\$10/hr	\$400
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	7 days	\$40/day	\$280
Leota Goldfields		Total expenditures		\$11,810.00

Description & Distribution of Work

(Map 1e)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63565,YC63617	\$1030	QV31: 8x4= 32		
YC63211,YC63192 YC63453,YC84021 YC84017	\$1030	S: 2x4= 8 S: 3x4= 12 S: 2x4= 8		
YC63471,YC63473		QV33: 3x4= 12 QV34: 4x4= 16 QV35: 8x4= 32	\$975 \$975 \$975	1 1 1
YC63455		QV38: 8x4=32	\$1950	1
YC63460,YC63461		QV36: 4x4= 16	\$975	1
YC63457,YC63459		QV37: 4x4= 16 QV39: 8x4=32	\$975 \$975	1 1
YC63516,YC63518 YC63511,YC63509 YC63450,YC63451 YC63203,YC63202	\$550	P62: 2x4 = 8 P63: 2x4= 8 P64: 2x4= 8 P67: 2x4= 8 S: 1x4= 4	\$350 \$350 \$350 \$350	1 1 1 1
	total: \$2610	total: 252	total:\$9200	total: 11
Aug24 - 2 man team; access to claims by ATV; prospecting claims around mouth of Mint Pup by foot for quartz veins; exposed by hand tools QV31; some rocks w/gold and silver indicators and 3 samples sent to Acme labs for fire assay; samples held at KRL rock shack. Sept17 - 2 man team; access to claims by ATV; prospecting claims around Mt. Leotta and off trail at Six Below Pup by foot for quartz veins; area covered by volcanic-type rocks & gabbros; samples from 3 areas held at KRL rock shack. Sept11 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator for 12hrs to expose quartz veins QV33,QV34,QV35,QV35A; some rocks w/gold indicators; samples of QV34,QV35 sent to Acme labs for fire assay. Sept14 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator for 8hrs to expose quartz vein QV38; some rocks w/gold indicators and sent to Acme labs for fire assay; samples held at KRL rock shack. Sept15 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator for 4hrs to expose quartz vein QV36; no rocks w/gold indicators; samples held at KRL rock shack. Cont'd...page3				

Page3
Description & Distribution of Work
 (Map 1e)

Sept22 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator for 8hrs to expose quartz veins QV37,QV39,QV39A; some rocks w/gold indicators; samples of QV39 sent to Acme labs for fire assay.

Sep20 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; grab rock samples taken from quartz floats; used excavator for 8hrs over to dig prospect trenches P62,P63,P64,P67; no rocks w/gold indicators; prospected by foot along old powerline trail. Took samples from all prospect trenches and from claim YC63203 and held at KRL rock shack.

Trenches:

QV33 – 40'x15'x8'D
 QV34 – 30'x25'x 5'D
 QV35 – 22'x 20'x 8'D
 QV35A – 16'x6'x6'D
 QV36 – 25'x 25'x 8'D
 QV38 – 30'x 20'x 12'D
 QV38A – 15'x3'x12'D
 QV37 – 16'x12'x6'D
 QV39 - 70'x4'x4'D
 QV39A - 14'x12'x12'D
 P62 – 10'x 8'x 6'D
 P63 – 10'x 10'x 8'D
 P64 – 10'x 10'x 8'D
 P67 – 10'x10'x6'D

(see map for locations)

Assays: QV31 – 3 samples tested for Au@\$50/ea

QV33 – 1 sample tested for Au @\$50/ea
 QV34 – 1 sample tested for Au @\$50/ea
 QV38 – 1 sample tested for Au @\$50/ea
 QV39 – 1 sample tested for Au @\$50/ea

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63576,YC63577,YC63579,YC63582,YC63591,YC63592,YC63550,
YC63551,YC63425,YC63426,YC63573,YC63583,YC63584,YC76493,YC76495,
YC76497.Claim Location: **Map 1f**, East of Mt. Leotta, NTS 115015

Work dates: July 28; September 26,27, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (July28/08)	1 day	\$350	\$350
	Sylvan Montreuil Excavator Operator Prospect trenching & trenching quartz veins (Sep26,27/08)	2 days	\$350	\$700
	WC - Invoice Field Assistants- (July28/08) JVP (Sep26,27/08) MP	3 days	\$250	\$750
Camp/R&B	KRL – Invoice Room & Board x labour days	6 persondays	\$120	\$600
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Sep26,27/08)	16 hrs	\$105/hr	\$1680
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (July28;Sep26,27/08)	3 days	\$150	\$450
Fuel - Exc	KRL – Invoice Diesel for excavator	16 hrs	\$10/hr	\$160
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	3 days	\$40/day	\$120
Leota Goldfields			Total expenditures	\$4,930.00

Cont'd Page 2

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63364,YC63365,YC63892,YC63354,YC63355,YC63476,YC63376.

Claim Location: **Map 1g**, East of Mt. Leotta, NTS 115015

Work dates: August 27 & 28, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (Aug 28/08)	1 day	\$350	\$350
	WC - Invoice Field Assistant-RW-Inuvik (Aug 28/08)	1 day	\$250	\$250
	Ross Weitzel Excavator Operator Prospect trenching (Aug 27/08)	1 day	\$350	\$350
	WC - Invoice Field Assistant-MP (Aug 27/08)	1 day	\$250	\$250
Camp/R&B	KRL – Invoice Room & Board x labour days	4 person days	\$120	\$480
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Aug 27/08)	4 hrs	\$105/hr	\$420
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (Aug27-28)	2 days	\$150	\$300
Fuel - Exc	KRL – Invoice Diesel for excavator	4 hrs	\$10/hr	\$40
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	2 days	\$40/day	\$80
Leota Goldfields			Total expenditures	\$ 2,520.00

Description & Distribution of Work
(Map 1g)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63364,63365,63892 YC63354,63355,63476	\$1590	QV11: 2x4 = 8 QV15: 2x4 = 8		0 0
YC63376		QV2: 12x4 = 48 total: 64	\$930	1
Aug 27-28/08 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; QV11 and QV15 veins found on steep hillside and exposed by hand tools; grab rock samples taken from outcrops; used excavator to dig trench around QV2 vein as near trail; some rocks w/gold indicators; samples of QV2 sent to Acme labs for fire assay; other samples taken from quartz veins and marked as QV11, and QV15, and stored at KRL rock shack.				
Trenches: QV2– 12’x10’x4’D Assays: QV2 – 6 samples tested for Au @ \$50ea (see map)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63391,YC63393,YC63395,YC63396,YC63397,YC63548,YC63542,
YC63544,YC63546,YC63398,YC63399.Claim Location: **Map 1h**, South of Mt. Leotta, NTS 115015

Work dates: June 26-30; July 1-3; Aug 25-26, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Ross Weitzel Excavator operator Prospect & quartz vein trenching (June26-30; July1-3; Aug25-26/08)	10 days	\$350	\$3500
	WC - Invoice Field Assistant - MP (June26-30; July1-3; Aug25-26/08)	10 days	\$250	\$2500
Camp/R&B	KRL – Invoice Room & Board x labourdays	20 persondays	\$120	\$2400
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (Jun26-30;Jul1-3;Aug25-26)	72 hrs	\$105/hr	\$7560
ATV	WC – Invoice ATV 2-pass utility w/trailer Model: 2008ACRangerXLT (Jun26-30;Jul1-3;Aug25-26)	10 days	\$150	\$1500
Fuel - Exc	KRL – Invoice Diesel for excavator	72 hrs	\$10/hr	\$720
Fuel & Oil	KRL – Invoice Gas for ATV	10 days	\$40/day	\$400
Leota Goldfields			Total expenditures	\$ 18,580.00

Cont'd page 2

Description & Distribution of Work
(Map 1h)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63391	\$280	PEV8: 2x4= 8	\$700	1
YC63393	\$280	PEV10: 2x4= 8	\$700	1
YC63395	\$140			
YC63396	\$1120	QV10: 8x4= 32	\$1400	1
		QV10A:6x4=24	\$1400	1
		PEV13: 2x4= 8	\$700	1
YC63397	\$2340	QV4: 6x4= 24	\$700	1
		QV5: 6x4= 24	\$700	1
		QV7: 22x4= 88	\$2800	1
		QV7A:6x4=24	\$1400	1
YC63548	\$280	QV3: 16x4 = 64	\$700	1
	\$560	QV16:12x4=48	\$1400	1
	\$140	PEV25: 2x4= 8	\$350	1
	\$140	PEV26: 2x4= 8	\$350	1
YC63542,YC63544				1
YC63546				
YC63398,YC63399	total: \$5280	total: 368	total:\$13300	total: 14
June 26-30 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; grab rock samples taken from quartz floats; used excavator for 4days@8hrs/day to expose quartz veins QV4,QV5,QV7,QV7A; some rocks w/gold indicators; samples of QV7 sent to Acme labs for fire assay. July1-3 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; used excavator for 3days@8hrs/day to expose quartz veins QV10,QV10A,QV16; some rocks w/gold indicators; samples of QV10,QV16 sent to Acme labs for fire assay. Aug 25-26 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; grab rock samples taken from quartz floats; used excavator for 16hrs over 2 days to expose quartz veins QV3 and dig prospect trenches PEV8,10,13,25,26; some rocks w/gold indicators; samples of QV3 sent to Acme labs for fire assay.				
Trenches: QV3 – 20’x4’x3’D Assays: QV3 – 7 samples tested for Au @\$50/ea QV4 – 10’x12’x 6’D QV7 – 4 samples tested for Au @\$50/ea QV5 – 36’x 20’x 6’D QV10 – 2 samples tested for Au @\$50/ea QV7 – 86’x 24’x 8’D QV16 – 2 samples tested for Au @\$50/ea QV7a – 40’x 6’x 6’D QV10 – 20’x 16’x 6’D QV10a – 40’x 16’x 4’D QV16 – 50’x 6’x 6’D PEV8 – 10’x 4’x 8’D PTEV25 – 6’x 4’x 6’D PEV10 – 10’x 6’x 8’D PTEV26 – 16’x12’14’D PEV13 – 6’x 6’x 8’D (see map for locations)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63412,63413,63415,YC63409,YC63411,YC63371,YC63378

Claim Location: **Map 1i**, East of Mt. Leotta, NTS 115015

Work dates: June 21 - 25; July 13, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Mark Pocklington Project/Field Manager Prospecting (June 21/08)	1 day	\$350	\$350
	WC - Invoice Field Assistant-RW-Inuvik (June 21/08)	1 day	\$250	\$250
	Ross Weitzel Excavator Operator Prospect trenching (June22-25; July13/08)	5 days	\$350	\$1750
	WC - Invoice Field Assistant-MP (June22-25; July13/08)	5 days	\$250	\$1250
Camp/R&B	KRL – Invoice Room & Board x labour days	12 persondays	\$120	\$1440
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (June22-25; July13/08)	32 hrs	\$105/hr	\$3360
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (June21-25; July13/08)	6 days	\$150	\$900
Fuel - Exc	KRL – Invoice Diesel for excavator	32 hrs	\$10/hr	\$320
Fuel & Oil	KRL – Invoice Gas for ATV/trucks	6 days	\$40/day	\$240
Leota Goldfields			Total expenditures	\$9,860.00

Description & Distribution of Work

(Map 1i)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63412,63413,63415	\$2130	QV6: 2x4 = 8 QV8: 2x4 = 8 QV18: 2x4 = 8 P14: 1x4 = 4	\$700	0 0 0 1
YC63409, YC63411	\$1420	QV9: 7x4 = 28 QV9a: 6x4 = 24 1 x 4 = 4	\$4200	1 1
YC63371, YC63378	\$710	QV20: 2x4 = 8 P77: 1x4 = 4	\$350 \$350	1 1
	total: \$4260	total: 96	total: \$5600	total: 5
June 21-25/08 - 2 man team; access to claims by ATV; prospecting claims by foot for quartz veins; steep hillsides; QV6, QV8 and QV18 veins found on steep hillside and exposed by hand tools; grab rock samples taken from outcrops; used excavator for 24hrs over 3 days to dig long prospect trench to reach QV9 and QV9a quartz veins as above trail; some rocks w/gold indicators; samples of QV9 & QV9a sent to Acme labs for fire assay; used excavator for 4hrs to dig prospect trench P14. July 13/08 – 2 man team; access to claims by ATV; used excavator for 4hrs to dig prospect trench P77 and find quartz vein QV20; no rocks w/gold indicators; all samples taken from bedrock and bags marked with QV# or P# as above with one sample marked as taken from claim QV10, and stored at KRL rock shack.				
Trenches: QV9 – 24'x10'x8'D Assays: QV9 – 2 samples tested for Au @\$50/ea QV9a - 220'x6'x2'D QV9a – 1 sample tested for Au @\$50/ea QV20 – 12'x10'x8'D P14 – 8'x8'x10'D P77 – 4'x4'x6'D (see map for location)				

LEOTA GOLDFIELDS

Statement of Costs

Program: Prospecting & Exploration

Claims Grouping ref: Leota North (716 claims)

Grant#'s: YC63837,YC63838,YC63823,YC63826,YC63828,YC63830,YC63832,
YC63834,YC63836,YC63839,YC63840,YC63842Claim Location: **Map 1j**, South of Mt. Leotta, NTS 115015

Work dates: August 21-22, 2008

Item	Details (time period)	Amount/Rate	Daily Rates	Total Costs
Labour	Ross Weitzel Excavator Operator Prospect trenching & trenching QV25 quartz vein (August 21-22/08)	2 days	\$350	\$700
	WC - Invoice Field Assistant-MP Field Assistant – KW-Inuvik (August 21-22/08)	2 days 2 days	\$250 \$250	\$1000
Camp/R&B	KRL – Invoice Room & Board x labour days	6 person days	\$120	\$720
Excavator Rental	WC – Invoice Rubber-track excavator Model: 2008CaseCX27B (August 21-22/08)	16 hrs	\$105/hr	\$1680
ATV	WC – Invoice ATV 2-pass utility&trailer Model:2008ACRangerXLT (August 21-22/08)	2 days	\$150	\$300
Truck 4x4 Rental	WC – Invoice Ford 2004 4x4 Lariat Transport excavator & crew (August 21-22/08)	2 days	\$150	\$300
Fuel - Exc	KRL – Invoice Diesel for excavator	16 hrs	\$10/hr	\$160
Fuel & Oil	KRL – Invoice Gas for ATV/truck	2 days	\$80/day	\$160
Leota Goldfields			Total expenditures	\$ 5,020.00

Cont'd page 2

Description & Distribution of Work

(Map 1j)

Grant#	\$Prospecting	#RockSamples	\$Trenching	#Trenches
YC63837,YC63838	\$1220	QV25:16x4= 64	\$3800	4
YC63823,YC63826		S: 2x4= 8		
YC63828,YC63830		S: 1x4= 4		
YC63832,YC63834		S: 1x4= 4		
YC63836,YC63839				
YC63840,YC63842		S: 1x4= 4		
	total: \$1220	total: 84	total: \$3800	total: 4
Aug21-22/08 - 3 man team; transport excavator from KRL to Dominion Road access to trail & claims by ATV; prospecting claims by foot for quartz veins; grab rock samples taken from quartz floats; used excavator for 16hrs over 2 days to dig 3 prospect trenches to find QV25 and excavate around vein; some rocks w/gold indicators; sample of QV25 sent to Acme labs for fire assay; 4 grab samples from floats marked LK2,LK6,LK8, and LK18, stored at KRL rock shack.				
Trenches: QV25 – 60’x10’x10’D Assays: QV25 – 1 sample tested for Au @\$50/ea P25a – 8’x8’x4’D P25b – 10’x8’x4’D P25c – 12’x8’x6’D (see map for locations)				