

095222



2009 TEST PITTING PROGRAM

YUKON QUARTZ CLAIMS

FYDB 2 - 12	YB46594 – YB46604
FYDB 13 - 16	YB46665 - YB46668
SHARON	YC53742
BOB	YC54743

WHITEHORSE MINING DISTRICT

NTS 105D/11

Latitude – 60 38' 00" N
Longitude – 135 03' 30" W

TEST PITTING PERFORMED ON JUNE 2, 2009

REPORT PREPARED BY BRIAN SCOTT
CLAIMHOLDER AND OPERATOR

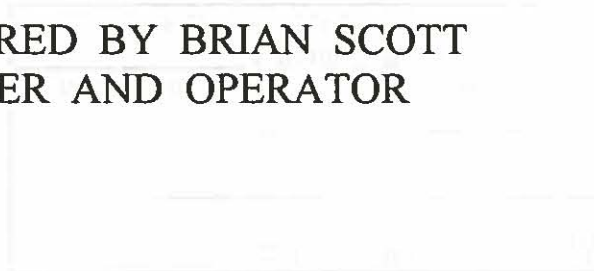


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STATEMENT OF EXPENSES

ASSAY RESULTS

The Whitehorse Copper Tailings property covers the millsite and tailings impoundments of the now defunct Whitehorse Copper Mine. The claimholder (and author of this report) staked the property to assess the potential of re-processing the tailings. The accumulated tailings total 10,000,000 tonnes, and have been identified as a potential source of magnetite as well as residual gold and copper. Magnetite is used as a dense media agent in coal cleaning plants, and for pre-concentrating ore in some milling operations. It is also used in heavy aggregate concrete which is required for certain pipeline applications (i.e. lake crossing, areas of muskeg). Preliminary discussions have been held with Cash Resources Inc. (Division Mt. Coal project) and Yukon Zinc Corp. (Wolverine and Howards Pass lead – zinc projects). Magnetite for the iron ore market is another potential product, since prices have escalated sharply over the last five years. In March 2009, the property was optioned by Gilmarc Industries Ltd., a private BC based company with interests in two former producing magnetite mines located on the Queen Charlotte Islands. As part of their due diligence, Gilmarc mobilized an excavator to the Whitehorse Copper property on June 2, 2009, and excavated and sampled a total of 13 testpits, 11 of which are located on quartz claims covered by this report.

CLAIM INFORMATION**2**

Claim Name	Grant #	Owner	Expiry Date *
FYDB-2	YB46594	Brian Scott	2012-01-25
FYDB-3	YB46595	!!	!!
FYDB-4	YB46596	!!	!!
FYDB-5	YB46597	!!	!!
FYDB-6	YB46598	!!	!!
FYDB-7	YB46599	!!	!!
FYDB-8	YB46600	!!	2014-01-25
FYDB-9	YB46601	!!	2012-01-25
FYDB-10	YB46602	!!	!!
FYDB-11	YB46603	!!	!!
FYDB-12	YB46604	!!	!!
FYDB-13	YB46665	!!	2012-03-08
FYDB-14	YB46666	!!	2014-03-08
FYDB-15	YB46667	!!	2012-03-08
FYDB-16	YB46668	!!	2013-03-08
SHARON	YC53742	!!	2012-02-14
BOB	YC53743	!!	!!

* with acceptance of this work report

HISTORY

The Whitehorse Copper Mine was owned and operated by Hudson Bay Mining and Smelting from 1967 to 1982. Production numbers state that 267,490,930 pounds of copper, 224,565 ounces of gold, and 2,837,631 ounces of silver were recovered from 11,017,738 tonnes of ore milled.

LOCATION & ACCESS

The Whitehorse Copper Mine millsite and tailings impoundment are located within the municipal boundaries of the city of Whitehorse, approximately 8 km. from the downtown core. It is readily accessible by a 2 km. paved road from the Alaska Highway. A powerline runs through the southern end of the FYDB claim block and water is available from the now flooded Little Chief Open Pit.

2009 TEST PITTING PROGRAM

On June 2, 2009, a Cat EL200 excavator was mobilized to the Whitehorse Copper site. A total of 13 test pits were excavated on the “Old Pond” tailings impoundment, located immediately to the north of the former millsite. The dimensions of the pits were 5 metres by 5 metres by 5 metres deep, which was the maximum digging depth of this machine. A one kilogram composite sample of tailings was collected from each pit. All pits were then backfilled.

Gilmarc Industries Ltd. has made extensive use of a Niton XRF analyzer during evaluation of their BC magnetite properties. Comparison testing of iron – rich samples by Niton XRF and conventional ICP analysis gave generally good correlation.

All of the tailings samples collected from Whitehorse Copper during the June 2009 test pitting program were subjected to three individual tests by Niton XRF to obtain an average Fe content for each sample. Samples from three of the test pits were also submitted to ALS Chemex Ltd. Vancouver for analysis using ICP – AES for Fe and Cu, and standard 30 gm. fire assay with AA finish for gold.

TEST RESULTS, CONCLUSIONS AND RECOMMENDATIONS

The following Fe (iron) results were obtained with the Niton XRF analyzer:

Test Pit #1 – 32.79%, 31.47%, 26.04% for average of 30.1% Fe

Test Pit #2 – 32.2%, 28.2%, 34.15% for average of 31.17% Fe

Test Pit #3 – 34.08%, 31.49% for average of 32.63% Fe

Test Pit #4 – 19.73%, 28.88%, 32.01% for average of 26.87% Fe

Test Pit #5 – 17.27%, 24.64%, 35.98% for average of 25.96% Fe

Test Pit #6 – 19.64%, 28.22%, 23.82% for average of 23.89% Fe

Test Pit #7 – 25.01%, 25.58%, 21.99% for average of 24.19% Fe

Test Pit #8 – 20.41%, 22.31%, 16.88% for average of 19.75% Fe

Test Pit #9 – 31.38%, 37.73, 35.69% for average of 34.93% Fe

Test Pit #10 – 24.58%, 20.47%, 23.89% for average of 22.98% Fe

Test Pit #11 - 15.68%, 18.53%, 29.69% for average of 21.30% Fe

Overall Average - 26.70% Fe

Results of the ICP – AES analysis for Fe and Cu, and fire assay for Au performed by ALS Chemex Ltd. were as follows:

Test Pit #3 – 22.9% Fe, 1530 ppm Cu, 0.104 ppm Au

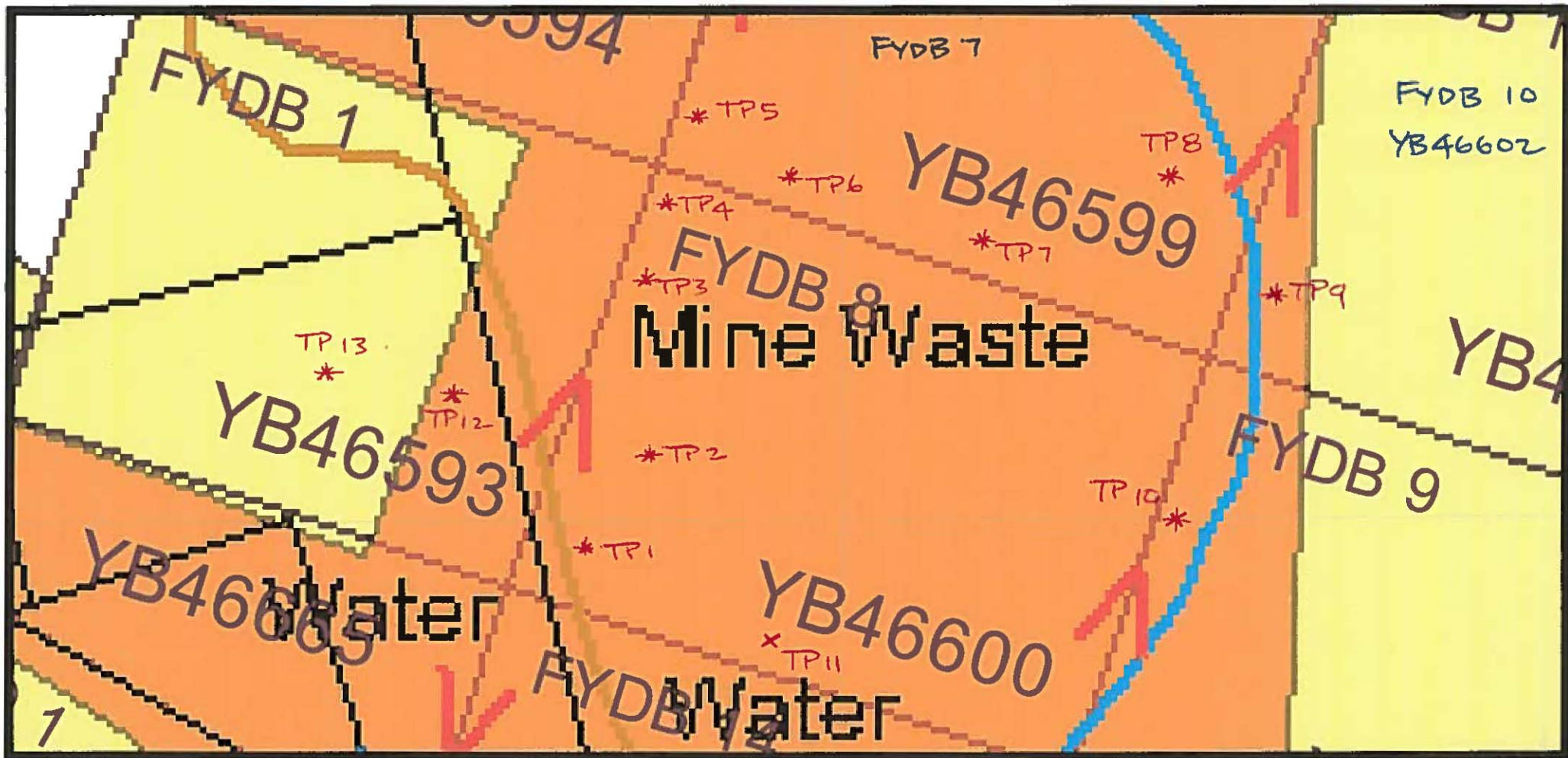
Test Pit #6 - 24.9% Fe, 1550 ppm Cu, 0.163 ppm Au

Test Pit # 10 - 17.0% Fe, 1355 ppm Cu, 0.062 ppm Au

Average by ICP of 21.60% Fe, 1480 ppm Cu and 0.110 Au

The average Fe results of 26.70% by Niton XRF testing and 21.60% by ICP-AES analysis shows a sizable discrepancy. An error factor of this magnitude is unacceptable, so all future testing should use ICP analysis.

The ICP – AES results for copper, and the fire assay for gold (average 1480 ppm Cu and 0.110 ppm Au) are slightly lower than results obtained from previous testing by the author (1994-2007) and Hudson Bay Mining and Smelting (1981-1984). However, the average Fe content of 21.6% is considerably higher than previous testing. Assuming all the Fe in the samples is magnetite, and using an oxide conversion factor of 1.38, this would equate to an average magnetite content of 29.8%. This is substantially higher than the 19% average magnetite content described in the feasibility study "Recovery of Magnetite from Whitehorse Copper Tailings – Kilborn Engineering 1984". A possible explanation for this discrepancy is the fact that the 4 acid digestion used by ALS Chemex Ltd. in the latest testing offers complete digestion of Fe, whereas the standard aqua regia digestion is only partial for Fe. As a result, the magnetite resource contained in the Whitehorse Copper Tailings may be considerably larger than previously reported. Additional sampling and analysis by ICP - AES with four acid digestion is strongly recommended.



WHITEHORSE COPPER PROPERTY ·
 2009 TEST PITTING PROGRAM ·

FIG.2

* TEST PIT LOCATION AND SAMPLE #



FIG. 3

TEST PITTING AT WHITEHORSE COPPER
JUNE 2009.



APPENDICES

STATEMENT OF QUALIFICATIONS

BRIAN SCOTT - BOX 77 - TAGISH YUKON

I am the author of this report, as well as the operator of the 2009 test pit program and owner of the Whitehorse Copper Tailings Project, comprised of Yukon Quartz Mining claims FYDB 2 – 16, Bob, and Sharon. I have prospected in northern B.C. and the Yukon for the last thirty years. I completed the basic prospecting course in Whitehorse in 1977, the advanced course in 1988, and the Petrology for Prospectors program in 1994.

NOVEMBER 12, 2009

A handwritten signature in blue ink, appearing to read "Brian Scott", with a period at the end.

STATEMENT OF EXPENSES

Test pitting with Cat EL200 excavator – June 2, 2009

Total of 11 test pits – each 5 metres by 5 metres by 5 metres deep (125 cu. metres)

Total excavation - 125 cu. metres X 11 = 1375 cu. metres @ \$1/yd	\$1375
Backfilling of 11 test pits – 1375 cu. metres @ \$1/yd.	\$1375
Sampling – Brian Scott – June 2, 2009 - 1 m/day @ \$300	\$300
Assays	\$95.75
4 X 4 Truck - June 2, 2009 – 1 day @ \$75	\$75
Report preparation	\$330

TOTAL **\$3550.75**



ALS Chemex

EXCELLENCE IN ANALYTICAL CHEMISTRY

ALS Canada Ltd.

212 Brooksbank Avenue

North Vancouver BC V7J 2C1

Phone: 604 984 0221 Fax: 604 984 0218 www.alschemex.com

To: GILMARC INDUSTRIES LTD

102 HIGHWAY 16

PO BOX 1230

SKIDEGATE BC V0T 1F1

Page: 1

Finalized Date: 13-JUL-2009

This copy reported on 20-JUL-2009

Account: TIMS

CERTIFICATE VA09065845

Project: Whitehorse

P.O. No.:

This report is for 4 Soil samples submitted to our lab in Vancouver, BC, Canada on 2-JUL-2009.

The following have access to data associated with this certificate:

GEORGE D. L. FERGUSON

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LOG-22	Sample login - Rcd w/o BarCode
SCR-41	Screen to -180um and save both

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au-AA23	Au 30g FA-AA finish	AAS
ME-ICP61	33 element four acid ICP-AES	ICP-AES

To: GILMARC INDUSTRIES LTD
ATTN: GEORGE D. L. FERGUSON
102 HIGHWAY 16
PO BOX 1230
SKIDEGATE BC V0T 1F1

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:


Colin Ramshaw, Vancouver Laboratory Manager

VA09065845 - Final

CLIENT : "TIMS - GilMarc Industries Ltd"

of SAMPLE

DATE RECEIVED : 2009-07-02 DATE FINALIZED : 2009-07-13

PROJECT : "Whitehorse"

CERTIFICATE COMMENTS : ""

PO NUMBER : ""

	WEI-21	Au-AA23	ME-ICP61	ME-ICP61
SAMPLE	Recvd Wt.	Au	Cu	Fe
DESCRIP1 kg		ppm	ppm	%
Hole # 3 -	1	0.104	1530	22.9
Hole # 6 -	0.98	0.163	1550	24.9
Hole # 10 -	1.06	0.062	1355	17
Hole # 13 -	1.3	0.11	1865	20.8



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Page: 2 - A

Total # Pages: 2 (A)

Finalized Date: 13-JUL-2009

Account: TIMS

Project: Whitehorse

CERTIFICATE OF ANALYSIS VA09065845

Sample Description	Method Analyte Units LOR	WEI-21	AU-AA23	ME-ICP61	ME-ICP61
		Recvd WL	Au	Cu	Fe
		kg	ppm	ppm	%
		0.02	0.005	1	0.01
Hole # 3		1.00	0.104	1530	22.9
Hole # 6		0.98	0.163	1550	24.9
Hole # 10		1.06	0.062	1355	17.00
Hole # 12		1.30	0.110	1865	20.8

REFERENCES:

- 1 Recovery of Magnetite from Whitehorse Copper Tailings –
Kilborn Engineering Ltd. – 1984
- 2 Gold in Skarns Of The Whitehorse Copper Belt
L. Meinert – Washington State University – 1985
- 3 Hudson Bay Mining & Smelting Ltd. – Internal Report
A. Hureau – 1985
- 4 Yukon Minfile - Occurrence # 105D053
- 5 Industrial Minerals, Gems And Minor Metals In The Yukon –
G. V. White – 2003
- 6 Application of Biohydrometallurgical Methods for Reprocessing of
Whitehorse Copper Tailings - Dr. M. Sagdieva - Institute of
Microbiology - Academy of Sciences of Uzbekistan - 2006