

MAP NO.: PLACER ASSESSMENT REPORT X
115 J 15 PROSPECTUS X
CONFIDENTIAL X
OPEN FILE

DOCUMENT NO: 120063
MINING DISTRICT: Dawson
TYPE OF WORK: Test Sluicing

REPORT FILED UNDER: Atlantic Energy Corporation et al.

DATE PERFORMED: March 22 - July 11, 1982

DATE FILED: May 10, 1985

LOCATION: LAT.: 62° 55'N

AREA: Pedlar Creek

LONG.: 138° 46'W

VALUE \$:

CLAIM NAME & NO.: Ped 1-49 P20749 - P20797

WORK DONE BY: R.G. Hilker (Aurun Mines Limited)

WORK DONE FOR: Atlantic Energy Corporation

DATE TO GOOD STANDING:

REMARKS: Five companies that are partners in financing these properties are: Atlantic Energy Corporation, Westfort Petroleums Limited, Delta Petroleum Corporation Limited, Corsair Petroleum Limited, and Aurun Mines Limited.



TO
A

Joanne OBerg
Regional Managers Office
200 Range Rd.
WhiteHorse, YT

FROM
DE

Mining Office
Dawson, Yukon



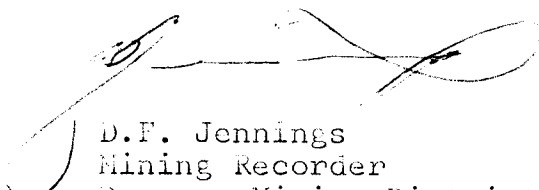
SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE / NOTRE RÉFÉRENCE
YOUR FILE / VOTRE RÉFÉRENCE
DATE 8 May, 1985

SUBJECT
OBJET Placer Confidential Report

Attached is Report by R.G. Hilker for Atlantic Energy.

Since the program was mainly test pits (shafts) this report did not require approval, two copies were kept at this office.

The attached copy is for your files and the report is closed since the claims are in good standing to October, 1985


D.F. Jennings
Mining Recorder
Dawson Mining District

120063

Test Sluicing Exploration Programme
Scroggie Gold District
Yukon Territory

on

Yukon Placer Claims
Ped #1-49, P20749 - P20797 (incl.)
Pedlar Creek
Dawson Mining District

located on

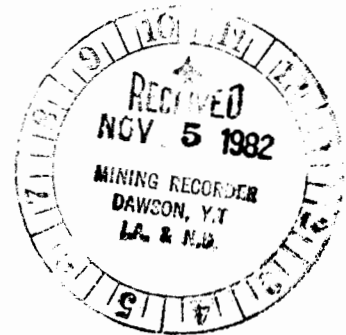
NTS Sheet 115-J-15
Latitude 62°55'N and Longitude 138°46'W

for

Atlantic Energy Corporation et al
Excelsior Project
Calgary, Alberta

by

R. G. Hilker, P. Eng.
Aurun Mines Ltd.
Calgary, Alberta
October 29, 1982



12C063

TABLE OF CONTENTS

	<u>Page</u>
Introduction:	
General -----	1
Property Ownership -----	2
1982 Shaft Sinking Programme -----	3
Location and Access -----	4
Scroggie Gold District - Figure #1	
Yukon Placer Claims -----	6
PED #1-49 Grouping Certificate	
Scroggie Gold District Geology -----	7
Pedlar and Ballarat Creek Geology	
Test Sluicing Exploration Programme -----	8
Test Sample Results - July 20/1982 -----	9
Extraction Assay Certificate	
Extraction Assay Method	
Conclusions/Recommendations -----	11
Estimated Cost of Programme:	
Part A - Trenching/Drill Site/Road Construction Programme --	14
Part B - Helicopter Drill Programme -----	15
Certification -----	16

Appendix:

- Affidavit of Expenditure
- Summary Costs of Test Sluicing Programme

Pocket:

- Pedlar Creek Claims and Leases To Prospect Plan at
Scale 1 in. = $\frac{1}{2}$ mile on Sheet 115-J-15.

Introduction:

General

The Scroggie Gold District is located south of the Stewart River and north of the Yukon River and encloses an area of approximately 600 square miles. The proven gold-bearing creeks in this area are Scroggie, Walhalla, Mariposa, Barker, Brewer, Thistle, Kirkman, and Ballarat, as well as their related drainage tributaries.

In early March of 1982, Aurun Mines Ltd. was requested to evaluate placer gold property acquired by Yukon Placer Prospecting Leases. The 22 miles of placer properties were staked on tributary creeks that drain into the Yukon River and located on NTS Sheets 115-J-14 and 15. The prospecting leases were staked on Excelsior, Coffee, Dan Man, Pedlar and No Name Creeks. On March 11th, 1982, R. G. Hilker, P. Eng. - Aurun Mines Ltd. prepared a proposed schedule to evaluate the placer properties located on the five creeks in the Yukon Territory. During the time period of March 22 to April 8, 1982 the writer travelled to Whitehorse, Y.T. and visited the area of placer leases, evaluated shaft work and converted twenty miles of leases to placer claims. The property management schedule of events and purpose of the Yukon visit was to evaluate the placer prospects with what data there was available and to keep in good standing the property position.

Shaft sinking was conducted on Excelsior and Pedlar Creeks during the winter months of 1982. Gravel samples from the shafts were processed and the heavy concentrates were extraction assayed for gold content. The gravel samples from Shaft #1 and #3 on Pedlar creek indicated interesting gold values. The gravel samples assayed for gold were very small compared to the volume of gravels dug from the shafts. It was recommended that the entire volume of gravels from the shafts be hand-sluiced and to consider the shaft material as a bulk sample of eight to ten cubic yards in volume.

During the time period of June 14 - 22 a hand operated sluice box and related equipment was manufactured and assembled in Whitehorse for the Pedlar Creek gravel test programme. On June 23 a two man crew, the sluicing equipment, and camp was mobilized to Pedlar Creek at the site of Shaft #3 on the PED #19 placer claim. The equipment and crew was transported from Whitehorse to the upper Scroggie Creek airstrip by Cessna 180 and twin Navajo fixed wing aircrafts. A Hughes 500D rotary blade aircraft was mobilized to the Scroggie Creek airstrip from Dawson City. The helicopter transported approximately 3,600 pounds of equipment from the Scroggie airstrip a distance of eight miles to a prepared helicopter landing site on the PED #19 placer claim. The gravel sluice testing on Shafts #1 and #3 was conducted from June 23 to July 11, 1982.

Property Ownership:

Atlantic Energy Corporation et al
Yukon Placer Excelsior Project
Property Partnership

The Yukon placer properties are jointly financed for exploration purposes by a group of five participants. The partner companies and the participating interests in the mining projects are listed as follows:

- 20% - Atlantic Energy Corporation,
900, 640 - 8th Ave. S.W.,
Calgary, Alberta, T2P 1G7
Attention: Norman M. Thachuk
Tel: 237-2374
- 30% - Westfort Petroleum Ltd.,
500, 1177 - 11th Ave. S.W.,
Calgary, Alberta, T2R 0G5
Attention: R. H. Brown
Tel: 245-4329
- 20% - Delta Petroleum Corporation Ltd.,
802, 805 - 8th Ave. S.W.,
Calgary, Alberta, T2P 1H7
Attention: R. Bethall
Tel: 262-6948
- 10% - Corsair Petroleum Ltd.,
500, 1177 - 11th Ave. S.W.,
Calgary, Alberta, T2R 0G5
Attention: Donald V. Basso
Tel: 244-8898
- 20% - Aurun Mines Ltd.,
#910 - 640 - 8th Ave. S.W.,
Calgary, Alberta, T2P 1G7
Attention: Jed E. Dagenais
Tel: 290-0441

The group of participants has retained Aurun Mines Ltd. to project manage exploration and maintain property status on the placer properties.

1982 Shaft Sinking Programme:

Pedlar and Excelsior Creeks:

Several shafts were dug to bedrock in the creek gravels of Excelsior and Pedlar creeks during the winter of 1982. The shaft sinking crew consisted of the following miners:

- Mr. Eric A. Nelson Jr.
- Mr. Dan Fraser
- Mr. Kerry White
- Mr. Sanford Armstrong

The shaft crew was mobilized to a log cabin campsite located at the confluence of Ballarat Creek and the Yukon River in January, 1982. Shaft sinking was conducted on Excelsior Creek in February and March and on Pedlar Creek in late March and April. The shaft sinking project was contracted by Tlingit River Exploration at a price of \$159.00/foot. The shafts were dug in permafrost gravels and thawing done by an open fire method. The gravels could be thawed approximately "one foot" per day and the gravels then mucked out by hand and hoisted to the surface using a windlass and five gallon bucket.

Shaft sinking was conducted on Excelsior Creek during the winter of 1982 and a total of 108.5 feet of shafts were dug. Random gravel samples were collected from four of the shafts and heavy concentrates were recovered from the gravels. Technational Research Corporation - Whitehorse, Y.T. made three Metallic assays and one Extraction assay on part of the concentrates. The gravels dug from the shafts were dumped adjacent to the collars of the individual shafts and are a bulk sample. The shaft gravels could not be sluiced to recover the heavy concentrates because of the winter weather conditions.

Excelsior Creek:

- Shaft #1 - total depth 24.5 feet (4 X 4 ft.²) - 14 yd³ gravels
- Shaft #4 - total depth 19.5 feet (4 X 6 ft.²) - 17 yd³ gravels
- Shaft #5 - total depth 23.0 feet (5 X 6 ft.²) - 25 yd³ gravels
- Shaft #6 - total depth 19.0 feet (6 X 6 ft.²) - 25 yd³ gravels

Pedlar Creek:

Shaft sinking was conducted on Pedlar Creek at Shaft #1, #2 and #3 from March 18th to April 9th, 1982. Two samples from Shaft #1 & #3 were extraction assayed.

- Shaft #1 - total depth 14.5 feet (5 X 5 ft.²) 13.42 yd³
- Shaft #2 - total depth 5.5 feet (4 X 5 ft.²) and abandoned. 4 yd³
- Shaft #3 - total depth 13.5 feet (4 X 5 ft.²) 10 yd³

Location and Access:

The general Scroggie gold district area referred to by the writer in this report encompasses an area of approximately 640 square miles. The area described is roughly 28 miles in length between upper Mariposa Creek west to the Yukon River and 23 miles wide between the Stewart River and south to the Yukon River. The Klondike Gold Field is within an area of approximately 800 square miles and is located about 28 miles north of the Stewart River.

The mouth of Scroggie Creek on the Stewart River is located approximately 25 miles upstream from the confluence of the Stewart River and the Yukon River. The streams and tributaries on the south side of the Stewart River in the Scroggie Creek area comprise the following drainage: Simmons, Brewer, Telford, Barker, Scroggie, Mariposa, Walhalla and Sharpe Creeks. On the west side of the Scroggie district, the main streams and tributaries are Thistle and Kirkman Creeks, with drainage into the Yukon River. The main creeks on the south part of the district are Ballarat and Pedlar Creeks.

Pedlar Creek has a main valley of 10 miles in length and is a tributary of the Yukon River. It follows mainly a southerly course and its confluence with the Yukon River is about 48 miles upstream from Stewart, near the mouth of the Stewart River.

The topography in the area of Pedlar Creek varies from approximately 1,286 feet elevation at the confluence with the Yukon River to 3,250 feet elevation at the headwaters.

Pedlar, Excelsior, Coffee, Dan Man and No Name Creeks are located on NTS Sheets 115-J-14 and 115-J-15 and is within the Dawson Mining District of the Yukon Territory. The topography sheet for the area is Snag, Y.T. Sheet 115-J and 115-K, scale 1:250,000.

The Ballarat airstrip is about 1,800 feet long and is located 3/4 of a mile upstream from the confluence of the creek and the Yukon River. The airstrip is suitable for a Cessna 185 and DeHavilland Beaver fixed wing aircraft. The strip is 85 miles southeast of Dawson City and 72 miles northwest of the Minto landing airstrip. There is no road access to Ballarat Creek however, the Yukon River can be navigated by boat or barge going downstream from Minto Landing or upstream from Dawson City.

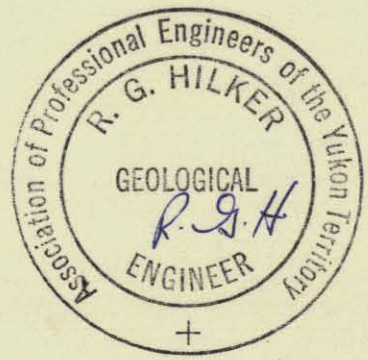
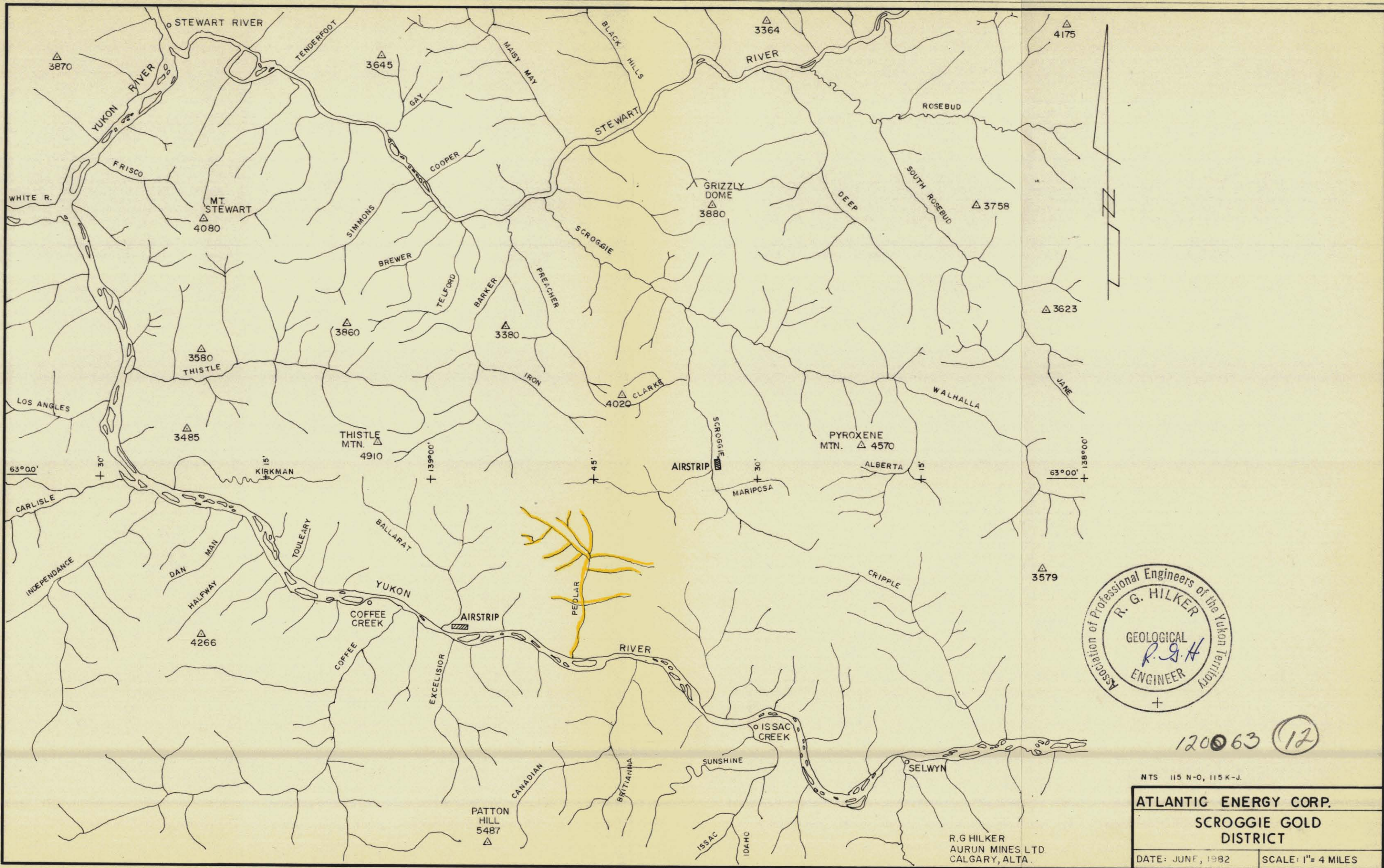
Riverboat Distances - Yukon River:

- Upstream from Dawson City to Ballarat Creek: 104 miles.
- Downstream from Minto Landing to Ballarat Creek: 72 miles.
- Downstream from Minto Landing to Pedlar Creek: 64 miles.

A road has been built from the old Ballarat Creek site on the Yukon River, on the east side of the creek, to the height of land between the creek and Kirkman Creek. The road is passable by a 4 X 4 pick-up type of vehicle. It is possible to walk a crawler tractor upstream on the Ballarat Creek road to the right fork that is approximately 3 1/2 miles from the mouth of the creek. A crawler tractor could be walked 6 1/2 miles upstream on the right fork of Ballarat Creek to the headwaters of Pedlar Creek.

Location of Creek:

- Pedlar Creek claims are centered at approximately latitude 62°55'N and longitude 138°46'W, NTS Sheet 115-J-15, Dawson Mining District.



120063 (12)

NTS 115 N-0, 115 K-J.

ATLANTIC ENERGY CORP.	
SCROGGIE GOLD DISTRICT	
DATE: JUN 1, 1982	SCALE: 1" = 4 MILES

R.G. HILKER
 AURUN MINES LTD
 CALGARY, ALTA.

Yukon Placer Claims:

All of the following listed placer claims are registered and recorded to Atlantic Energy Corporation - Calgary, Alberta, in the Whitehorse and Dawson Mining Districts - Yukon Territory.

Whitehorse Mining District:

<u>Placer Claim</u>	<u>Grant Numbers</u>	<u>NTS Sheet</u>	<u>Anniversary Date</u>
---------------------	----------------------	------------------	-------------------------

Excelsior Creek:

EXCEL #1-49	P17298-P17346 (incl.)	115-J-15	April 6/1983
-------------	-----------------------	----------	--------------

Coffee Creek:

COFFEE #1-22	P17378-P17399 (incl.)	115-J-14	April 8/1983
COFFEE #23-53	P22501-P22531 (incl.)		April 8/1983

Dan Man Creek:

DAN #1-53	P22532-P22584 (incl.)	115-J-14	April 8/1983
-----------	-----------------------	----------	--------------

Dawson Mining District:

Pedlar Creek:

PED #1-49	P20749-P20797 (Incl.)	115-J-15	April 5/1983
-----------	-----------------------	----------	--------------

Note - The PED #1-49 have been grouped for assessment work purpose and a "Grouping Certificate No. D759" issued with "Grouping Effective From June 4/1982".



Department of Indian Affairs and Northern Development

YUKON PLACER MINING ACT
GROUPING CERTIFICATE
SCHEDULE "H" - FORM 7

Certificate No.

D759

FEE PAID \$ 44.00

Mining District

DAWSON

Grouping Effective From:

Office Date Stamp

In accordance with the provisions of Section 52 of the YUKON PLACER MINING ACT the owner(s) of the following claims are permitted to group such claims together for the performance of work:

<u>GRANT NUMBER(S)</u>	<u>CLAIM NAME(S)</u>	<u>LOCATION</u>	<u>CLAIM SHEET NO.</u>
P20749-P20797	PED#1-49	Pedlar Creek	115-J-15

DATED at Whitehorse in the Yukon Territory, this 18th day of June, 19 82

General Receipt No:	A02824
Date Applied:	18th June 1982

B.R. Baxter, Regional Manager Mineral Rights
for/ Commissioner for the Yukon Territory

Issued to:

Atlantic Energy Corporation

Scroggie Gold District Geology:

General Geology

The geological formations that outcrop along the upper part of Scroggie-Mariposa Creeks and throughout the general area west to Simmons Creek are mainly old schistose rocks that are associated with gneissoid rocks and crystalline limestone. Geological Survey of Canada geologist, H. S. Bostock on Map 771A - Ogilvie Sheet dates these rocks in the lower Yukon Group - Precambrian and Later in age.

The Yukon Group of schistose rocks are intruded by small stocks of gneissic granite northwest of Mt. Stewart at the head of Simmons, Brewer and Preacher Creeks and east of Alberta Creek. The gneissic granite is aged at late Precambrian and Later. The Yukon Group of schistose and related rocks are intruded by granitic and associated pegmatic rocks, which are probably of Mesozoic age.

The older Yukon Group of rocks consists of: mica schists, hornblende schists, chloritic schists, actinolite schists, cyanite schists, greenstone schists, schistose quartzites, schistose amphibolites, mica gneisses, hornblende gneisses, gneissoid quartzites, and crystalline limestone that is in parts dolomitic. Several of the schistose rock types have been metamorphosed gradually and pass into corresponding gneissoid varieties. Particularly, there is a transition between a mica and hornblende schist into mica hornblende gneisses. The schistose and gneissoid rocks are reported by D. P. Cairnes to be mainly of sedimentary derivation but that some of the rocks may be of igneous origin. Because of the folding, faulting, contortion and high degree of metamorphism of the origin source rocks, the original sedimentary and igneous rock types are indistinguishable in the field. The schistose rocks and associated gneissoid rocks and crystalline limestone are similar to the schistose rocks of the Klondike and in other of the more important gold producing districts of Yukon and Alaska.

Pedlar and Ballarat Creek Geology

Pedlar and Ballarat Creeks are located within the Pelly Gneiss map unit of the Snag Geology Map 16-1973 - Geology by D. J. Tempelman-Kluit. The rock units in the Scroggie Gold District are within the previously designated Yukon Group of rock types that are PROTEROZOIC AND/OR PALEOZOIC in age.

The Pelly Gneiss unit is in contact with the Schist Gneiss to the west and north of Ballarat Creek:

SCHIST GNEISS: brownish weathering, grey muscovite biotite-quartzite and quartz feldspar mica schist; includes amphibolite and augen gneiss and minor marble undifferentiated; includes rocks of Pelly Gneiss and Klondike Schist undifferentiated.

PELLY GNEISS: strongly foliated to gneissic muscovite chlorite biotite granodiorite; minor augen gneiss; grades locally to garnetiferous amphibolite.

Test Sluicing Exploration Programme

June 23 - July 11/1982

The following listed personnel were on the PED #1-49 placer claim group for the purpose of field work on the dates listed:

Campsite #1 - P D #19 - June 23 to July 11/1982.

1. G. R. Isaac - Prospector (Project Work) 14 Firth Street Whitehorse, Y.T. June 23 - July 11 (June 14 - July 15)
2. N. R. Fraser - Prospector (Project Work) #307B-93 Lewis Blvd. Whitehorse, Y.T. June 23 - July 11 (June 23 - July 15)
3. R. G. Hilker - Geologist (Supervision & Organization) P.O. Box 4008, Whitehorse, Y.T. June 18 & 23 (June 14 - July 15)
4. R. G. Hilker - (Geologist) (Report Preparation) 324 Silver Valley Rise N.W. Calgary, Alberta (Oct. 21 - 29)

During the time period of June 14 - 22 a hand operated sluice box and related equipment was manufactured and assembled in Whitehorse for the Pedlar Creek gravel test programme. On June 23 a two man crew, the sluicing equipment, and camp was mobilized to Pedlar Creek at the site of Shaft #3 on the PED #19 placer claim. The equipment and crew was transported from Whitehorse to the upper Scroggie Creek airstrip by Cessna 180 and twin Navajo fixed wing aircrafts. A Hughes 500D rotary blade aircraft was mobilized to the Scroggie Creek airstrip from Dawson City. The helicopter transported approximately 3,600 pounds of equipment from the Scroggie airstrip a distance of eight miles to a prepared helicopter landing site on the PED #19 placer claim. The gravel sluice testing on Shafts #1 and #3 was conducted from June 23 to July 11, 1982.

Two heavy concentrate samples from Shaft #1 and a single sample from Shaft #3 was, "extraction assayed" - a chemical dissolved and precipitated method, by Technational Research Corporation of Whitehorse, Y.T.

Supervision and organization of the hand sluice testing was under the direction of R. G. Hilker of Aurun Mines Ltd. - Calgary, Alberta.

Aurun Mines Ltd. is an Extra-Territorial registered company and carried Yukon Workmen's Compensation for all contractors when exploration work was conducted in the Yukon Territory.

Pedlar Creek Shaft Testing

Log Shaft #1 - PED #17

0 - 7 feet (7.0') overburden material of sand, silt, clay and humus, brown/black color.

7 - 14.5 feet (7.5') creek gravels, sand/silt and clay.

- Located on PED #17, 250 feet from Post #1 on left limit 35 feet from Pedlar Creek.

- Volume of Material Sluiced:

The gravels and overburden material was adjacent to the collar of the shaft and all of the tailings were hand sluiced. The mats were cleaned twice during the sluicing and two heavy concentrate samples were collected and contained in heavy plastic bags. The shaft was in good condition and flooded with water. The gravel from the 5 X 5 ft.² shaft was hoisted with a hand windlass and the tailings ringed the collar a short distance from the collar.

$$\text{Volume Material} - \frac{14.5 \text{ ft.} \times 5 \text{ ft.} \times 5 \text{ ft.}}{27 \text{ ft.}^3/\text{yd}^3} = 13.42 \text{ yd}^3$$

Miners Measure - 135 pans per cubic yard at 25 pounds of material per pan or 3,375 pounds per cubic yard.

Weight Of Shaft Material - $13.42 \text{ yd}^3 \times 3,375 \text{ lbs./yd}^3 = 45,292 \text{ pounds of gravel hand sluiced from Shaft \#1.}$

Gold Recovered From Concentrate - Sample Ped 17-1 -----	3.15 mg
Sample Ped 17-2 -----	5.12 mg
Total Weight -----	<u>8.27 mg</u>

Log Shaft #3 - PED #19

0 - 5.5 feet (5.5') overburden material of sand, silt, clay and humus, brown/black color.

5.5 - 13.5 feet (8.0') creek gravels, sand/silt and clay.

- Located on Ped #19, 400 feet from Post #1 on the left limit 25 feet from Pedlar Creek.

- Volume of Material Sluiced:

The gravels and overburden material adjacent to the collar was sloughed into the flooded shaft. A very small volume of the shaft tailings remained on surface. The upper 2 - 3 feet of overburden material around the collar thawed and collapsed the tailings into the shaft. The remaining material on the surface area adjacent to the shaft was sluiced. The shaft was pumped of water and the upper sloughed material was dug from the shaft. It was not possible to re-dig the shaft material but what material that could be recovered from the shaft was sluiced. The miner/sluice box crew estimated that only a maximum of two to three cubic yards of shaft material was recovered and sluiced.

$$\text{Volume of Shaft} - \frac{13.5 \text{ ft.} \times 4 \text{ ft.} \times 5 \text{ ft.}}{27 \text{ ft.}^3/\text{yd}^3} = 10 \text{ yd}^3$$

Estimated Volume Material Sluiced - 3.33 yd³ or 1/3 of the original volume dug from the shaft.

Miners Measure - 135 pans per cubic yard at 25 pounds of material per pan or 3,375 pounds per cubic yard.

Estimated Weight Of Shaft Material Sluiced - 3.33 yd³ X 3,375 lbs./yd³ - approximately 11,239 pounds of gravel hand sluiced from Shaft #3.

Gold Recovered From Concentrate - Sample PED 19-1 --- 205.7 mg



TECHNATIONAL RESEARCH CORPORATION

3202 St. Johns Street
Port Moody, B.C. V3H 2C9
(604) 461-3724

29 MacDonald Road, Porter Creek
Whitehorse, Y.T. Y1A 4L1
(403) 633-4384

W1693

AURUN MINES LTD.

<u>Customer I.D.</u>	<u>Original Sample Weight (g)</u>	<u>Table concentrate Weight (g)</u>	<u>Milligrams gold Per sample</u>
PED 17-1	11550	920.19	3.15
PED17-2	9931	1243.28	5.12
PED19-1	12508	874.58	205.7



TECHNATIONAL RESEARCH CORPORATION

3202 St. Johns Street
Port Moody, B.C. V3H 2C9
(604) 461-3724

29 MacDonald Road, Porter Creek
Whitehorse, Y.T. Y1A 4L1
(403) 633-4384

DATE JULY 20/82

INVOICE NO. Nº S 1660

SOLD TO: AURUN MINES LTD.
9TH FLOOR 640-8TH AVE. S.W.
CALGARY, ALBERTA

PARTICULARS	Troy Ounces	Amount
W1693 Charge for concentration (1 hr X \$100.00 per hour) Charge for extraction assays (3 X \$100.00)		\$100.00 \$300.00 <hr/> \$400.00
PAID IN FULL BH CHEQUE #67. THANK YOU <i>W. Hager</i> TECHNATIONAL RESEARCH LIMITED PARTNERSHIP 29 MacDonald Road, Whitehorse, Yukon Territory Y1A 4L1 Telephone(403) 633-4384		



TECHNATIONAL RESEARCH CORPORATION

3202 St. Johns Street
Port Moody, B.C. V3H 2C9
(604) 461-3724

29 MacDonald Road, Porter Creek
Whitehorse, Y.T. Y1A 4L1
(403) 633-4384

W1693

REPORT
ON
BANK RUN SAMPLE
FOR
AURUM MINES

Each sample was weighed, screened and concentrated individually. The table concentrate (containing the black sands and gold) was dried and weighed. Using specific chemicals the gold is dissolved and precipitated as 999.9 fine gold. The powdered gold is weighed and reported as mg per sample.

H.S. 11/23?
S. Churchill

*RECEIVED 11/23/83
GEOLOGICAL SURVEY OF CANADA*

READY
- or 99.9% pure
ELC 100, which is
70-90% Au, 0.50% Ag

Conclusions/Recommendations

The Shaft #1 and Shaft #3 test results have indicated that gold occurs on the Ped #17 and Ped #19 placer claims. The shafts are a restrictive method of exploration as the shafts only check an area of 20 ft² and 25 ft² over five miles of creek gravels.

It is therefore recommended that tractor trenching or drilling be conducted on the Ped #1-49 claim group to further placer test the Pedlar Creek gravels.

Pedlar Creek is located in an isolated area of the Scroggie Gold District and has no road access. The main access to the area is by barge on the Yukon River or by fixed wing aircraft to airstrips on upper Scroggie Creek and lower Ballarat Creek.

Trenching/Drill Site/Road Construction - Pedlar Creek

Equipment Possibly Available From Barker Creek.

Queenstake Resources - Barker Creek

Telephone (604) 684-1218, Vancouver, B.C.

- Queenstake Resources has no drill on Barker Creek. The following equipment is available approximately September 15, 1982: Caterpillar D8K (ripper), Caterpillar D6D with a combined ripper and winch, and a Caterpillar 930 Loader.

Heavy Duty Equipment

- Caterpillar D8H (ripper) available about September 15, 1982.
- Rental price and availability to be finalized with Gordon Gutrath.
- Tractor will be rented for a period of 4 - 5 weeks and to be returned to Barker Creek.
- D8H tractor rental is approximately \$12 - \$15,000 (dry) per month plus an operator and fuel.
- There is also available a D6D Caterpillar Tractor equipped with a ripper/winche from Queenstake.
- The D8H tractor and possibly the D6D tractor could be used at Pedlar Creek to construct the road, drill sites and trenching September 15 - October 21, 1982.

Helicopter Drill Programme

Frye Contracting - Vancouver

Placer Drill

- The Frye placer drill is a 5-inch diameter conventional air recovery rig that was fabricated by Drilcor Industries Ltd. of Vancouver, B.C. The drill is very portable and can be moved to remote areas by a Hughes 500D or Bell 206B Jetranger helicopter in three sling loads. This drill method is a new concept with the design from various other drills and related equipment. Drill rig and crew is contracted at \$40.00/ft. plus fuel and all helicopter drill moves.

Drilcor Industries Ltd.

- Located at 18 - 12871 Bathgate Way, Richmond, B.C. (V6V 1Y5), Telephone (604) 273-1878.

Basic Equipment of Drill

- Lightweight Diesel-Hydraulic equipment.
- Lightweight double walled rods (5 in. O.D.).
- Compressor.
- Hole cuttings (5" O.D.) are recovered by conventional air recovery (air is forced down the inside of the rods and blows cutting upwards in the hollow wall).
- Helicopter drill rig.
- Estimated depth of drilling to 50 - 75 feet.
- Rig could be skid mounted and towed by a small tractor or mounted on a small Nodwell tracked vehicle.
- Drilcor Industries will fabricate this drill at a cost of \$75 - \$80,000.00.

Estimated Cost of Programme

Part A - Trenching/Drill Site/Road Construction (18 days)

Note: It is recommended that road/drill site construction should be completed prior to a drill programme on Pedlar Creek. Test trenches should be dug to bedrock in selected areas when the large tractor is available on the creek. D8H and D6D Caterpillar tractors may be available from Barker Creek - Queenstake Resources Limited. Time period for work is 18 days.

	<u>Cost</u>
1) Rental Equipment - Crew	
a. Barker Creek - D8H tractor (\$15,000 M) -----	\$18,750.00
- D6D tractor (\$10,000 M)	
- Five weeks at \$18,750.00 (dry)	
- Tractor operators (5 weeks) -----	\$6,250
- Tractor helper (5 weeks) -----	<u>3,750</u> -----
	10,000.00
b. 3/4 Ton 4 X 4 truck (winch) -----	1,000.00
\$200/week X 5 weeks	
c. River Boat - rental -----	500.00
2 trips @ \$250/trip	
2) Fuel Supply and Storage	
a. Diesel Tractor -----	20,480.00
4,500 gallons in barrels - truck to Minto - riverboat or barge to Pedlar Creek.	
b. Gasoline truck -----	1,100.00
6 barrels gasoline \$1,100	
3) Sample Handling/Processing -----	6,500.00
4) Camp Costs -----	8,000.00
3 men for 35 days @ \$75/day	
5) Fixed Wing Flying/Communications -----	3,000.00
a. Communications -----	\$ 500.00
b. Fixed Wing Flying -----	<u>2,500.00</u>
4 trips Whitehorse/Ballararat Creek @ \$620/trip	
6) Supervision/Organization of Programme -----	<u>7,500.00</u>
Total Trenching/Road/Drill Site Costs -----	<u>\$76,830.00</u>

Estimated Cost of Programme

Part B - Helicopter Drill Programme

Estimated costs for a 500 foot drill contract to Frye Contracting for a 25 foot hole programme with exploration spacing of drill hole lines and locations.

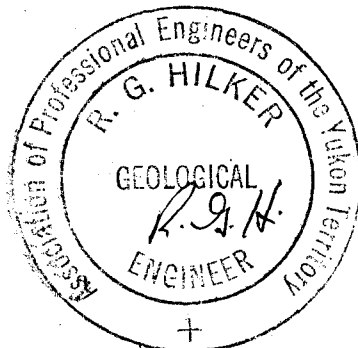
1) Contract Drilling - Exploration Spacing -----	\$20,000.00
- 500 ft. @ \$40/ft. - \$20,000	
2) Drill Helicopter Moves -----	20,000.00
- Hughes 500D @ \$550/hr. for 36 hrs.	
3) Mobilization/Demobilization Drill -----	5,000.00
- Fixed Wing Flying - \$4,000	
- Trucking Transportation - \$1,000	
4) Camp and Related Costs -----	6,000.00
- 60 mandays @ \$100/day	
5) Sample Handling & Processing -----	9,500.00
- Labour - \$6,000	
- Equipment - \$1,000	
- Assaying - \$2,500	
6) Supervision/Organization Programme -----	14,000.00
- Geologist \$6,000/M - \$12,000	
- Travel & Living Expenses - \$2,000	
7) Placer Report of Results -----	<u>3,000.00</u>
Total Programme -----	<u>\$77,500.00</u>


CERTIFICATION

I, ROBERT G. HILKER, of 324 Silver Valley Rise, N.W. in the City of Calgary, in the Province of Alberta, DO HEREBY CERTIFY:

1. THAT I am a Consulting Geologist, with an office at Aurun Mines Ltd., located at #910 - 640 - 8th Avenue S.W., in the City of Calgary, in the Province of Alberta.
2. THAT I am a graduate of the Michigan Technological University located at Houghton, Michigan, U.S.A., where I obtained a Bachelor of Science Degree in Geological Engineering (Exploration Option) in 1962.
3. THAT I am a registered member in good standing of the Association of Professional Engineers of the Yukon Territory, and a Fellow of the Geological Association of Canada, and am registered with the Association of Professional Engineers of British Columbia (non-residence license).
4. THAT I have practised my profession as an engineer and geologist for the past twenty years.
5. THAT I have personally been on the PED #1-49 placer claim group on March 25th, June 18th and 23rd, 1982, and have prepared the geology report on the Placer Claims, NTS Sheet 115-J-15, Dawson Mining District, by researching literature and data in the Scroggie Gold District AND THAT I have visited the Ballarat Creek Area for the purpose of evaluation and orientation during the period 1981 and 1982.
6. THAT I have no direct interest in the Ped #1-49 Placer Claims and THAT I have an indirect carried interest in the Placer Claims.
7. THAT I have no direct or indirect interest in any securities of Atlantic Energy Corporation et al.

DATED this 29th day of October, 1982 at the City of Calgary in the Province of Alberta.





R. G. Hilker, P. Eng.

"APPENDIX"

Test Sluicing Exploration Programme

R. G. Hilker, P. Eng.
October 29/1982

AFFIDAVIT OF EXPENDITURE

I, S. B. GIENI, accountant for Aurun Mines Ltd., do hereby certify that a minimum of \$24,500.00 was spent on the Ped #1-49 Placer Claim Group during June 14th to July 15th, 1982;

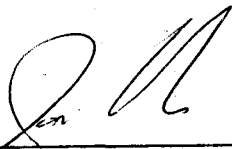
PED #1-49 Grant Numbers P20749 to P20797 (incl.).

Grouping Certificate No. D759. Grouping effective from June 4th, 1982.

THE PED CLAIM GROUP is located on NTS Sheet 115-J-15 and is within the Dawson Mining District.

AURUN MINES LTD. accounting records are located at the company offices; #910 - 640 - 8th Avenue S.W., Calgary, Alberta.

DATED at the City of CALGARY in the Province of ALBERTA this Day of NOVEMBER, 1982.



JAMES W. OWEN
NOTARY PUBLIC

My appointment expires on the 7
31st d. 1983.



S. B. GIENI
ACCOUNTANT

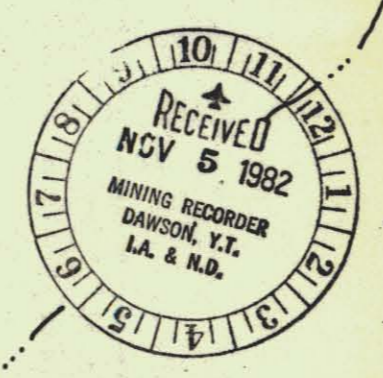
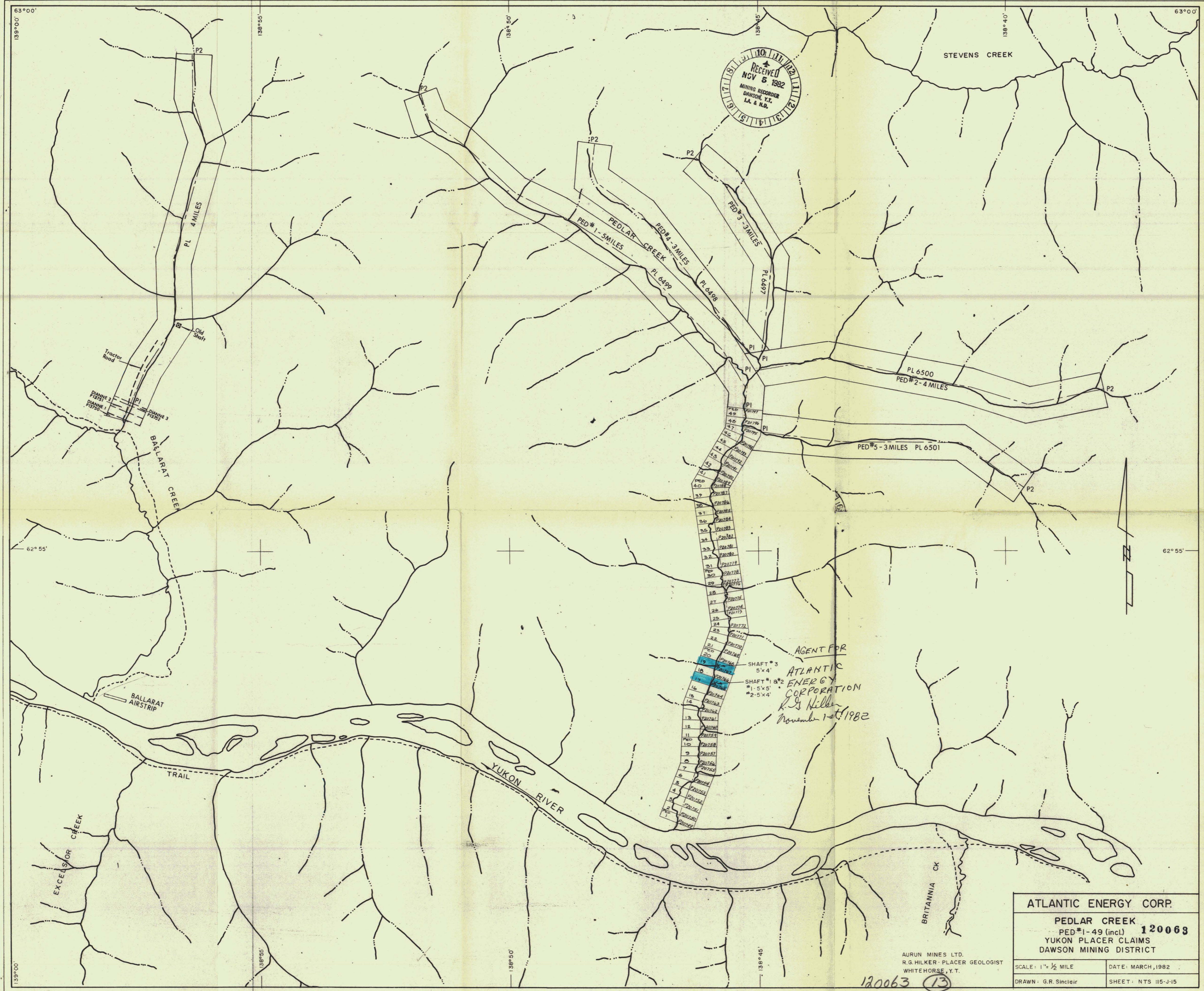
Atlantic Energy Corporation et al
 Excelsior Project/Pedlar Creek
 PED #1-49 Placer Claims
 NTS Sheet 115-J-15
Dawson Mining District, Y.T.

A. Summary Shaft Testing Costs - June 14 to July 15/1982
 Sluicing Gravels Shaft #1 and Shaft #3 - Assessment Work

B. Field Programme: June 23 to July 11/1982

C. Supervision and Organization:
 Mobilization June 14 - 22
 Field Programme - June 23 to July 11
 Demobilization - July 12 - 15

1. Hand Sluicing Labour -----	\$ 6,460.00
- G. R. Isaac June 14 - July 15 -----	\$3,880
- N. R. Fraser June 23 - July 15 -----	2,300
- Workmen's Compensation -----	<u>280</u>
2. Supervision and Programme Organizing -----	6,400.00
- R. G. Hilker - June 14 - July 15	
(32 days @ \$200/day - \$6,400)	
3. Fixed Wing Flying -----	2,435.00
Alkan Air - #1001 - June 23 -----	\$936.00
- #2009 - June 23 -----	559.42
- #1025 - July 11 -----	<u>939.80</u>
4. Rotary Blade Flying -----	3,334.00
TNA #61796 - June 23 -----	\$1,322.40
TNA #61839 - July 11 -----	<u>2,011.95</u>
5. Shaft Testing Equipment Costs -----	3,500.00
(Sluice box, pump, hoses, shovels, tubs, pans, etc.)	
6. Camp and Related Costs -----	3,600.00
36 mandays @ \$100/day - \$3,600	
7. Radio Communications -----	347.00
8. Extraction Assay & Sample Preparation -----	400.00
9. Vehicle Expenses -----	300.00
10. Assessment Work Report -----	<u>600.00</u>
Total Assessment Work Costs -----	<u>\$27,376.00</u>

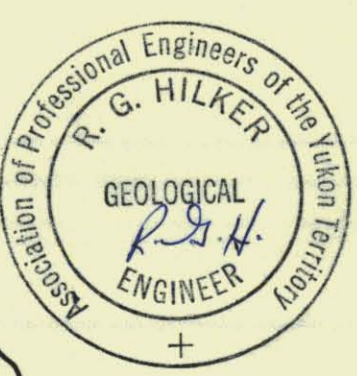


AGENT FOR
ATLANTIC ENERGY CORPORATION
R.S. Hillier
 November 1st, 1982

ATLANTIC ENERGY CORP.	
PEDLAR CREEK	
PED #1-49 (incl) 120063	
YUKON PLACER CLAIMS DAWSON MINING DISTRICT	
SCALE: 1" = 1/2 MILE	DATE: MARCH, 1982
DRAWN: G.R. Sinclair	SHEET: NTS 115-J-15

120063 (13)

AURUM MINES LTD.
 R.G. HILKER - PLACER GEOLOGIST
 WHITEHORSE, Y.T.



ATLANTIC ENERGY CORP.
 PEDLAR CREEK.
 PED #1-49 (incl) **120063**
 YUKON PLACER CLAIMS
 DAWSON MINING DISTRICT

SCALE: 1" = 1/2 MILE
 DATE: MARCH, 1982
 DRAWN: G.R. Sinclair
 SHEET: NTS 115-J-15

AURON MINES LTD.
 R.G. HILKER - PLACER GEOLOGIST
 WHITEHORSE, Y.T.
 120063 (14)