MAP NO.: 115 G 6	PLACER	ASSESSMENT REPORT X PROSPECTUS CONFIDENTIAL X OPEN FILE	DOCUMENT NO: 120068 MINING DISTRICT: WHITEHORSE TYPE OF WORK: DRILLING

REPORT FILED UNDER: L.J. SIEGA & R. NECULA

DATE PERFORMED: JUNE 24 - JULY 3, 1985 **DATE FILED:** AUGUST 21, 1985

LOCATION: **LAT.:** 61° 20'N **AREA:** BURWASH CREEK

LONG.: 139° 29'W **VALUE $:** 16,510.00

CLAIM NAME & NO.: P 11653-11680, P 11748

WORK DONE BY: L.J. SIEGA

WORK DONE FOR: L.J. SIEGA & R. NECULA

DATE TO GOOD STANDING:		REMARKS:

REPORT

ON

29 PLACER LEASES

CERTIFICATE NO. 400P

KLUANE DISTRICT- YUKON TERRITORY

BY: L.J.SIEGA, P. GEOL.

June 15, 1985

DATES: JUNE 24 to JULY 3, 1985

PLACER SHEET NO. 115-G-6

LOCATION: 188 Miles N.W. of Whitehorse, along the Alaska Highway to M.P. 1104, thence 24 Miles S.W. along Burwash Creek.

LATITUDE - 61° 20' LONGITUDE - 139° 29'

120068

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INTRODUCTION

In April of 1985 the writer and Ray Necula purchased (each 50% ownership) twenty-nine placer claims (see map) adjoining and due N. of the Kluane National Park Boundary on Burwash Creek. Previous work on these claims include two test pits in the vicinity of P11653 and 54, and a third one on P11657. Unfortunately, no reliable relevant statistical data was available.

Mr. R. Moore did process some of the said gravels during the summer of 1984. He indicated to the writer that he was encouraged by recoveries from material above the clay (10' - 12') and justifiably abandoned the area upon entering the clay. It appears that the two remaining pits were excavated for assessment work. Again no relevant data is available.

On June 23/85 the present owners contracted Midnight Sun Drilling Co. Ltd., of Whitehorse to drill the property.

SUMMARY

The results of the rotary drilling (218') on Burwash Creek were most inconclusive. Poor recoveries coupled with excessive water in the holes were the main causes. Panned surface samples are more encouraging than the drilled results.

Therefore, a bulk sluiced sample is recommended in the vicinity of Hole #1. Here, drilling information indicates bedrock clay at 6' - 8'. The sluiced sample and drainage channel should commence some 400' south of drill Hole #1 and cut diagonally across the stream. Cost estimates of the proposed sluicing is to be submitted pending availability of the required equipment and a preference for on site equipment should be noted.

PROPERTY, LOCATION, ACCESS

The property consists of 29 leases (see map) located at the upper end of Burwash Creek and adjoining the Kluane National Park boundary. From M.P.1104 access to the property is along a very rough rocky trail parallel to Burwash Creek. The leases are staked along the central portion of Burwash Creek (valley distance 25 miles) at elevations between 4500' and 5000'. Burwash Creek is a typical swift mountain stream with an extremely variable seasonal flow and in time of high water becomes a dangerous torrent.

In general, the forest cover is light (mostly scrub brush) with an upper limit of 4500'. Permafrost does occur close to the surface and stripping of scrub brush and wet moss (2' - 3' thick) doesn't create a problem. Unfortunately, due to an abnormally cool season the spring run-off had just begun (July 1st) and access to the said claims was made very difficult by remaining ice patches (300' - 400') and newly constructed creek crossings.

In our particular case 4 hours a day was wasted travelling a grueling trail. However, it should be noted that the nearest comfortable roadhouse with outside communications is located at Burwash Landing (M.P.1093) at Kluane Lake. In regards

to operational emergencies, an 8000 foot air strip is located two miles north of the Burwash Lodge and pontoon aircraft are able to land on Kluane Lake.

PHYSIOGRAPHY AND GENERAL GEOLOGY

The Kluane Lake map area contains two major physiographic features. These include the Yukon Plateau to the northeast, and the St. Elias Mountains in the southwest separated by the Shakwak Trench. Kluane Lake (El.2575') is the lowest feature of the trench separation.

The information on the glacial history of this area has been compiled by assuming three progressively less extensive ice sheets. (J.E.Muller, Memoir 340, 1967). The Nisling (oldest) and Ruby ice sheets advanced (N.W.) across the Burwash area whereas the St. Elias was restricted to the headwaters of Burwash Creek. Locally, a distinctive physiographic feature of the Nisling advance is the glacial upland tract along the extreme edge of the central (present mining activity) portion or southernedge of the Burwash valley. At the upper end of Burwash Creek and in the canyon some very large erratics -10' -12', coarse grained granitic boulders and pillow lavas, may be evidence of the Elias advance. (Map 1178A, Glaciation, Kluane Lake, Yukon Territory.)

In the immediate area known mineral deposits include placer gold, copper nickel - platinum sulphides (Quill Creek - Hudson Bay Mining) and two coal outcrops. The writer has

noted the low grade scattered copper nickel sulphides associated with ultra basic intrusives near the mouth of Tetamagouche Creek and the narrow bony 4½ ft. irregular coal outcrop immediately below the upper Burwash Canyon. Neither these showings nor the coal reported on Amphitheatre Mountain are of interest at this time.

BURWASH CREEK AND HISTORY

Burwash Creek is a glacial stream with headwaters in the Burwash Glacier. The stream flows through a wide open valley in the upper portions and from below the upper canyon, forms a deep "V" shaped valley. Here, the creek flows across a plain of the front range and is bounded on the north by steep rocky (2000') cliffs of the Elias Range, whereas the southern edge is a distinct smooth glacial remanant of the Nisling advance. El.4500'

Burwash Creek, on the said claims, is filled with boulders, gravel, sand, silt and clay. The stream has exposed sedimentary and commonly blocky igneous, basic to semi basic rocks. Still there is no apparent reason to expect that these auriferous gravels have been concentrated from relatively local source rocks. Rather, that they have over a long period of glacial activity and flooding conditions over an extremely large area, been concentrated by the natural sluicing action of the present channel system.

Quoting from GSC Memoir 340, J.E.Muller. "In 1904 coarse gold was found from the foot of the lower canyon, upstream for a distance of 8 miles or more. The creek was then the best producer in the area and has retained that

position ever since. So far as can be established, little placer mining occurred from then until 1945, when Burwash Mining Co. Ltd., managed by Henry Besner, started operating a sluicing plant fed by R.D.8 bulldozers, a 3/4 cu. yd. 22B, and a 4-man crew. Total production from 1948 to 1960 inclusive taken from the report on Emergency Gold Mining Assistance, was nearly 10,700 ounces of gold or an average of 823 ounces per year. The gold is coarse and the concentrates also contain some platinum, native silver and native copper."

The writer did in fact see Mr. Besner and his operation which was very impressive - (1973). In contrast to the equipment presently on the stream, one can't help but admire his talent and fortitude. Unfortunately, at this time additional more recent production figures aren't available except those that are recorded in the writers references.

DRILLING PROGRAM

On June 26th a tandem trucked mounted rotary rig, and support unit (drill pipe) were moved onto placer claim #P11657. A D7 dozer made the road accessible and proceeded to prepare seventeen drill sites as noted in Fig. 1. Site pads (50' x 80') were completed the following day.

Six holes were drilled for a total of 218'. The locations of the said drilling are as noted. See Fig. 1.

HOLE NO.	BRG. & ELEV.	DIST. TO FROM	CLAIM & POST NO.	T.D. DEPTH	ELEV.
#1	140°	60' + 6%	1-11657	26'	4620'
#17	137°	390' + 2°	2-11668	26'	5020'
#15	35°	180'-3°	2-11663-3°	20'	4870'
#14	220°	60'-2%	2-11662	46'	4860'
#10	170°	145'-3°	1 of 11661	40'	4750'
#9	147°	90' @-5°	1 of 11657	60'	4750'

In general placer claims 11666 to 11680 and 11663 to 11655 are wide (-100' - 300') drift covered areas with gravel, sand, silt, and minor granitic and altered greenstone boulders. Claims 11656 to 11666 run through a fairly narrow gorge (40' - 50') exposing minor amounts of gravel and is littered with greenstones boulders (4'- 8') smaller granitic boulders, sand, silt and clay. The stream gradient in the gorge is on the order of 250'/mile.

All of the drill cuttings were transported to Owen Brown's sniping operation on Canyon Creek. Here, the samples (2' sections) were run through a small efficient drum concentrator.

The results are as noted:

HOLE #1 - 0-8' 60% drift + 40% stream gravel.
8-26' blue-green fine silty clay.
Av. 4 small colors 6-8', + 1 small nugget.

HOLE #17- 0-26' - 10% drift - 80% stream gravel, and 10% granitic boulders.
4-6' - 3 small colors
8-10' - 3 small colors, one small thinly worn nugget.

NOTE: This hole was abandoned after 10 hours of continuous hammering. The casing shoe could not penetrate the boulder.

HOLE #15- 0-6' - 20% drift + 70% stream gravel, 10% granitic boulders.
6-20' - blue green fine felty silty clay.
NO COLORS.

HOLE #14- 0-20' - 30% drift + 50% stream gravel, 20% greenstones and granitic boulders.
20-26' - stream gravel mixed with reddish clay.

26-40' - boulders, basic intrusives, greenstones, typical slide area.

6-8' - 2 small colors.

NOTE: Clay anomaly between holes #15 and #14 some 300' apart.

HOLE #10- 0-28', 15% stream gravel + minor red clay,
75% basic boulders - greenstones
28-60' - greenstone boulders - slide area?
26-28' - 2 small AU colors.

HOLE #9 - 0-26', 20% drift, 25% stream gravel, 55% greenstone boulders mixed with volcanic gravels.

The concentrates don't warrant assaying and a positive identification (U. of A.) for platinum is being sought. In comparing surface panned samples with adjacent drilled cuttings a distinct lack of black sand and colors was very noticeable. This same discrepancy was more notable as the hole depth increased. Obviously, the intended recoveries were not attained and may have been due to excessive water in the holes. Additionally, the configuration of 25' of hose from the head of the ram to the cyclone acts much the same as the trap in our house sinks. Through the hose, sporadic bursts of cuttings, mud and water flowed and overflowed to sample bags.

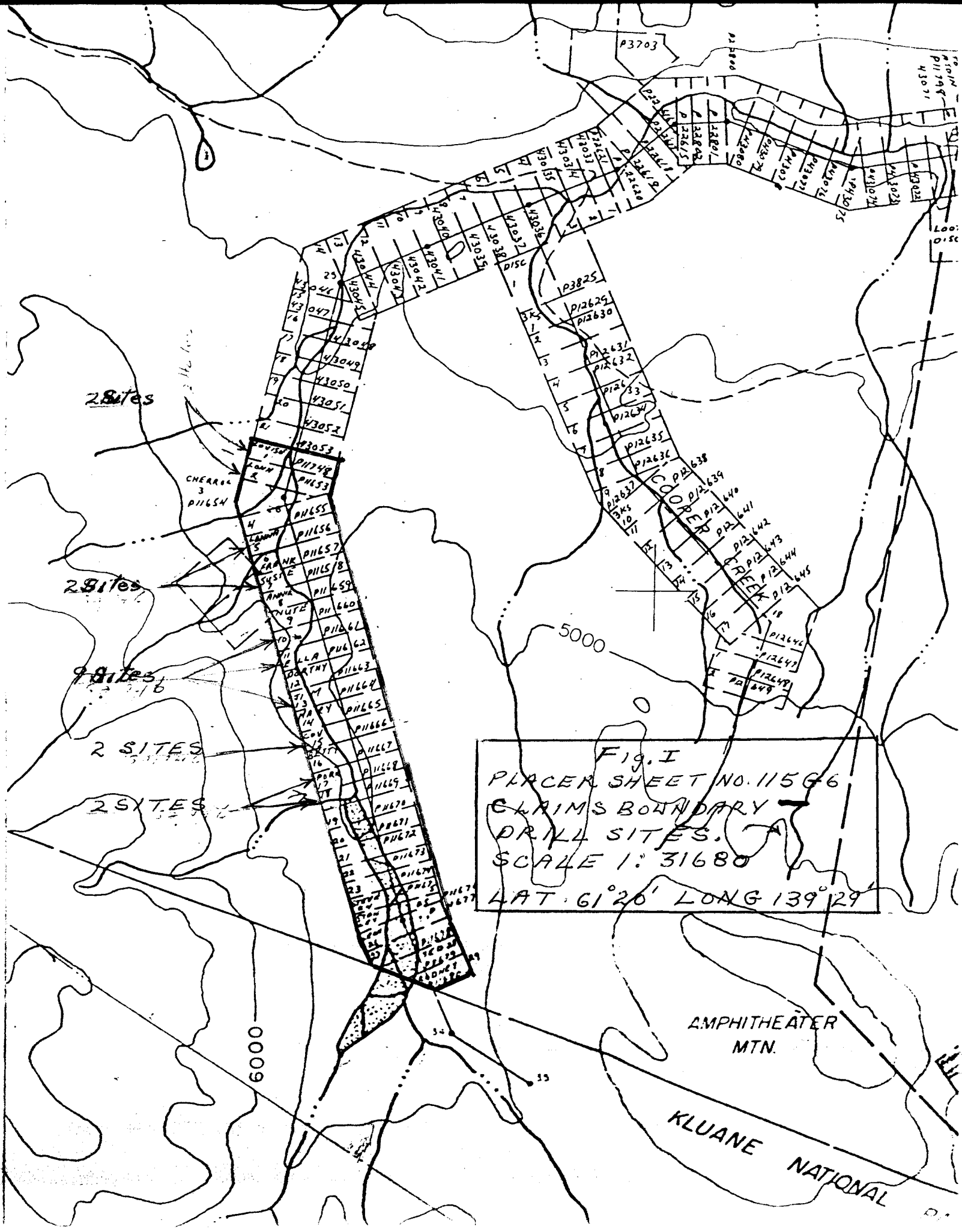

Fig. I
PLACER SHEET NO. 115G6
CLAIMS BOUNDARY
DRILL SITES.
SCALE 1:31680
LAT. 61°20' LONG 139°29'

CERTIFICATION

I, LEVY J. SIEGA of WARBURG, ALBERTA, hereby certify that:

1. I am a Geologist with the office at 5324 - 50th Avenue, WARBURG, ALBERTA.
2. I am a registered Professional Geologist in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta. No. 25927
3. I have a 50% direct interest in the said property.
4. This report is based on my personal supervision of the drilling program, reports, maps and data in my files.
5. I have been working in a consulting capacity for 22 years.
6. I own and operate the WARBURG COAL CO. LTD. (8 years).

LEVY J. SIEGA, P. GEOL.

L. J. Siega

REFERENCES

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