

REPORT
ON
MENDOCINA-DYCKER PLACER CLAIMS
WHITEHORSE MINING DISTRICT
YUKON TERRITORY

on behalf of

YUKON MINING DEVELOPMENT CORPORATION

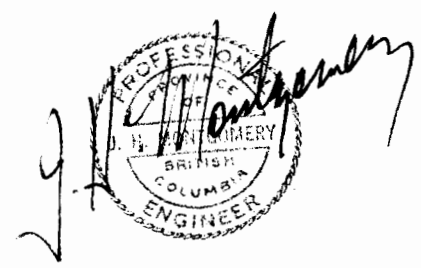
by J.H. Montgomery, Ph.D., P.Eng.

J.H. Montgomery, Ph.D., P.Eng.

and

D.M. O'Neill, B.Sc. (Geol.)

September 20, 1985



This report has been examined by
the Geological Evaluation Unit under
Section 4 Yukon Placer Mining Act
and is recommended as allowable
representation work in the amount
of \$ 7200.00.

S. R. Moberg
for

Chief Geologist, Exploration and
Geological Services Division, Northern
Affairs Program for Commissioner of
Yukon Territory.

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1.0 INTRODUCTION

This report describes the work done on three groups of placer claims located on Mendocina and Dycer Creeks in Whitehorse Mining District in August and September, 1985.

The purpose of this study was to determine whether or not previous reports of very rich gold placer gravels could in fact be confirmed. There has been some doubt cast upon the unusually high values reported from previous work and it was felt that preliminary testing should be done and that, if previous results were confirmed, a thorough, systematic sampling program should be undertaken.

The present work was done by a crew of four geologists and consisted of taking gravel samples over a large area and concentrating them by panning on the spot. The samples collected were further concentrated in the laboratory and the entire concentrate was analyzed for gold and silver by fire assay.

2.0 LOCATION AND ACCESS

The placer claims are located on Mendocina and Dycer Creeks, in the Big Salmon Range, Pelly Mountains, about 110 kilometers north northwest of Whitehorse, Yukon Territory. See Figure 2-1.

N.T.S. Map Reference: 105/E8; Livingstone Creek

Latitude: 61° 28'

Longitude: 134° 16'

The claim group lies on the confluence of Mendocina and Dycer Creeks and extends upstream on both creeks.

The claim group is best accessed by helicopter out of Whitehorse. The Livingstone airstrip lies 11 kilometers from the claims. A winter access road terminates approximately 10 kilometers from the Mendocina, Dycer Creek confluence.

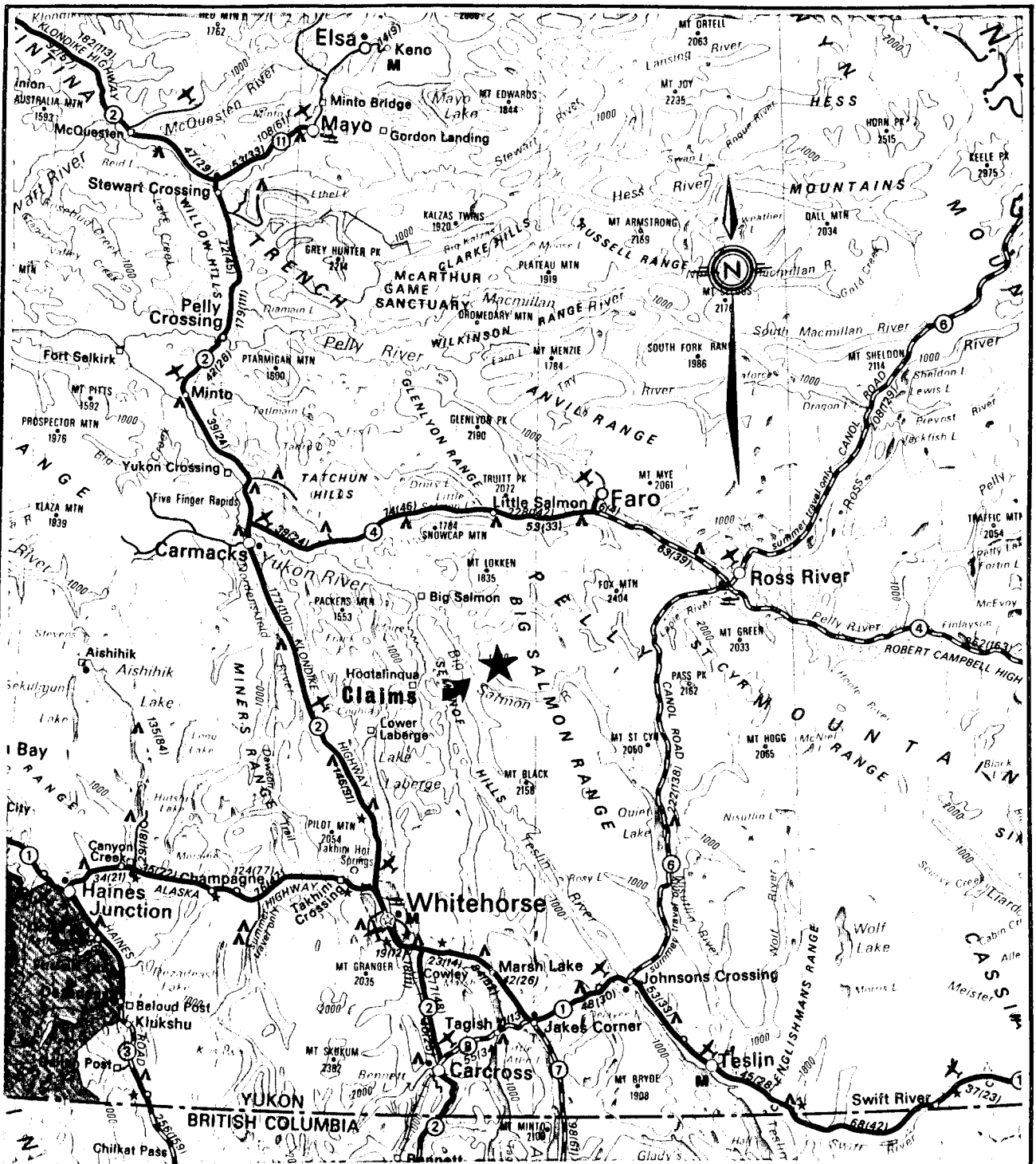


FIGURE 2-1

YUKON MINING DEVELOPMENT CORP.

LOCATION MAP

1 : 2,500,000

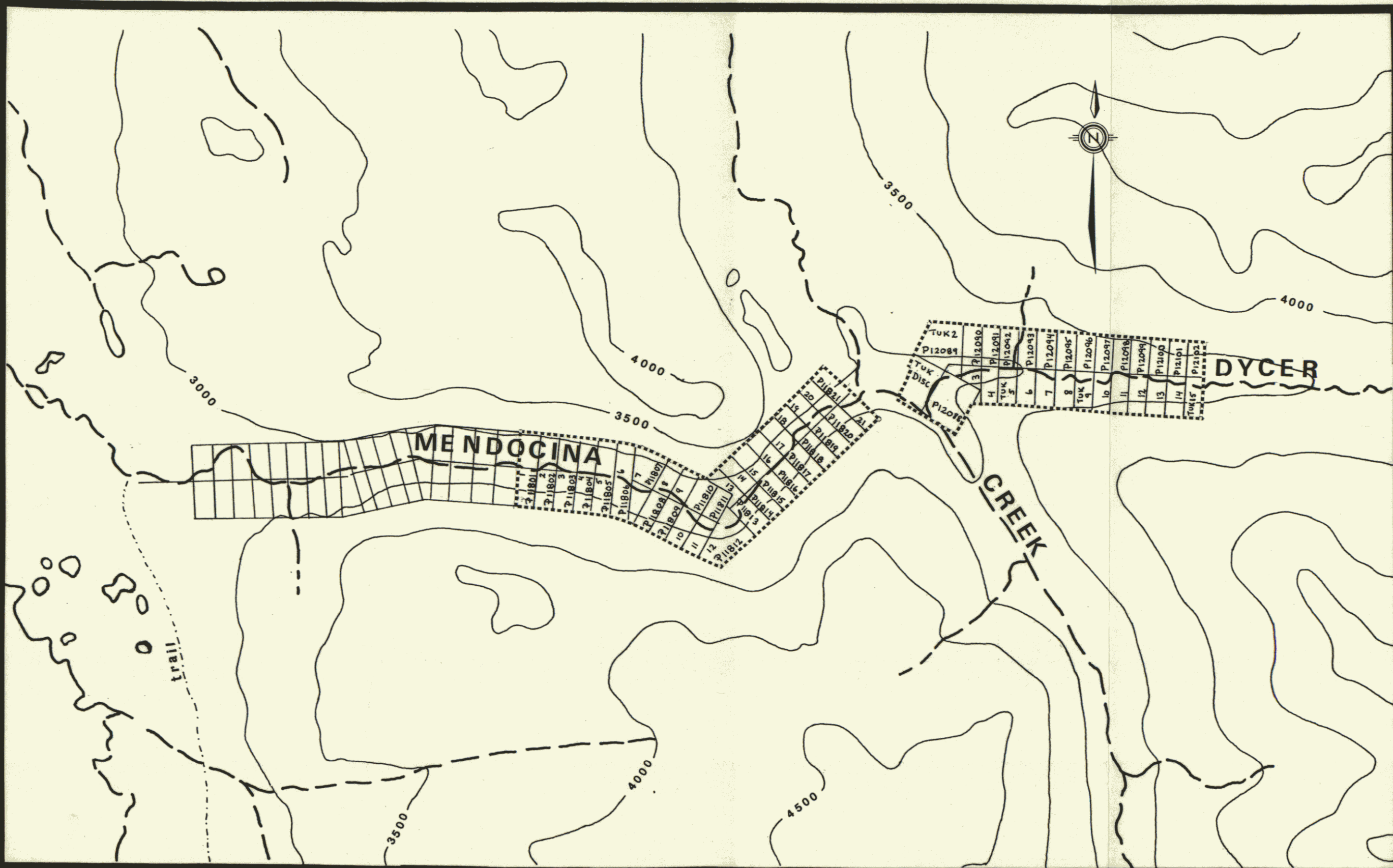
3.0 CLAIM INFORMATION

The placer claims have been grouped into 3 groups and consist of 36 placer claims in total (see Figure 3-1). The placer claims are located on Mendocina and Dycer Creeks in the Whitehorse Mining District, Yukon Territory. The claims are presently owned by Yukon Mining Development Corporation, (70%, net lease agreement) and d'Oro Corporation, (30%).

Claim information is given in the table below:

CLAIM	RECORD NO.	LOCATION	EXPIRY DATE
TUK# Disc.- Tuk 15	P12088 thru P12102	Lower Dycer Cr	Aug.16, 1986
	P11814 thru P11821	Upper Mendocina	Sept.22, 1985
	P11801 thru P11813	Lower Mendocina	Sept.23, 1985

The above claim information was obtained from the principals of the company and from the Mining Recorder's office in Whitehorse.



YUKON MINING DEVELOPMENT CORP.

Figure 3-1

CLAIM MAP

1 INCH = 2000 FEET

MONTGOMERY CONSULTANTS LTD.

SEPTEMBER 20, 1985

4.0 CONCENTRATE ANALYSIS

4.1 Introduction

A series of samples was taken of gravels along the stream course and from previous pits and trenches from which high values in gold were reported. (see Figure 4-1).

Details of sampling procedures and laboratory methods follow along with the results obtained and recommendations for future work. It must be emphasized that most of the samples were taken from near surface and do not necessarily constitute samples representative to bedrock. The purpose of these samples was simply to confirm the presence of gold on the claims in sufficient quantity to warrant a more comprehensive program of sampling.

The work done to date on the claim group appears to be of a very superficial nature. Despite the fact that machinery was present at one time on the property, no visible attempt was made to reach bedrock or to test the gravels at depths of more than 3 or 4 feet.

4.2 Field Method

A total of 18 samples were taken along lower Dycer Creek and at the confluence of Mendocina and Dycer Creeks. Eleven samples were taken at approximately 500 foot spacing along the north side of Dycer Creek. Each sample was taken at a minimum depth of one foot, where one level pan was taken and panned down to a concentrate. (sample 8-21-D2 is the exception, see description below). Three pits at the confluence of Mendocina and Dycer Creek were sampled, sluff material was removed and a level pan was taken at a depth of one foot. Four cat scrapes was also sampled at a depth of three feet, with a level pan sample concentrated. (see below for sample descriptions and Figure 4-1: Sample Locations).

Sample Descriptions

- MENDOCINA #1 -Test pit approx. 7ft. deep medium gravel, some sand, 4 colours.
- MENDOCINA #2 -3'x3'pit, 2ft.deep med.gravel, some sand.
- MENDOCINA #3 -cut bank in trench cut,depth 4ft.sand-coarse gravel, 2 colours.
- MENDOCINA #4 -Pit 10ft deep,sand and gravel, 1 small colour.
- MENDOCINA #5 -mainly sand below 12" boulder layer, 1 good colour.
- MENDOCINA #6 -large boulder or bedrock of greenstone, fine magnetite, 2-3 small colours.
- MENDOCINA #7 -cut bank in trench, depth 4ft. sand-gravel.
- 8-21-D1 -Test pit, 1.5 ft. depth, sand and gravel
- 8-21-D2 -Lower end of gravel bar, inside turn, organic layer
.3 pan, pyrite moderate
- 8-21-D3 -Head of old gravel bar, just before inside curve,
sandy silt
- 8-21-D4 -Head of gravel bar 1.5 ft. depth, clay-gravel,
previous catwork.
- 8-21-D5 -Middle of gravel bar catwork, cut 6ft. above creek
level, rust, coarse sand-gravel > black sand.
- 8-21-D6 -Gravel bar, cat cut 4ft above creek level, sand-
gravel, mod. black sand, min. pyrite.
- 8-21-D7 -Cat work, 8ft above creek level, clay-gravel,
>black sand
- 8-21-D8 -100 ft. downstream same bar, cat work 1 ft above
creek level, gravel-sand
- 8-21-D9 -creek level gravel and sand, slightly rusty
- 8-21-D10 -creek level, cobble, gravel and sand, mod.
black sand.
- 8-21-D11 -cat work, just upstream of bluff, 2ft above
creek level, pebbly sand mod. black sand.

4.3 Laboratory Method

The samples were again panned to produce a more refined concentrate weighing 10 to 40 grams and consisting largely of coarse, crystalline magnetite. These were dried at 120° F and weighed. The entire sample was then pulverized to minus 100 mesh and fire assayed at 1750° C with appropriate fluxes.

The lead button was then cupelled leaving a combined silver-gold bead which is weighed then dissolved in nitric acid. The resultant gold bead is dissolved in aqua regia and analysed by atomic absorption.

The results were reported as total silver and gold in milligrams. See Appendix I. Using a figure of approximately 88 pans per yard, the equivalent values in ounces per yd. gold were calculated and are presented in the following section.

150 is closer

4.4 Results

The assay results reported as mg. of silver, mg. of gold, and total concentrate weight in grams are presented in the following table. The values in oz. per yard have been calculated and are also presented:

SAMPLE NO.	Ag (mg)	Au (mg)	Total Weight (gm)	Au oz/yd
Mendocina #1	.095	.297	15.50	.0008
Mendocina #2	.068	.009	16.60	.000023
Mendocina #3	.099	.001	18.20	.000003
Mendocina #4	.059	.003	31.65	.000008
Mendocina #5	.125	.434	14.47	.0011
Mendocina #6	.050	<.001	24.54	
Mendocina #7	.084	<.001	11.39	
8-21-D1	.038	<.001	16.09	
8-21-D2*	.042	.001	11.76	.000008
8-21-D3	.044	<.001	30.43	
8-21-D4	.061	.039	23.31	.0001
8-21-D5	.078	.098	29.55	.00025
8-21-D6	.054	.018	21.00	.00005
8-21-D7	.163	<.001	16.84	
8-21-D8	.137	.001	14.12	.000003
8-21-D9	.124	.003	25.99	.000008
8-21-D10	.123	.048	18.08	.000124
8-21-D11	.174	.124	38.76	.00032

Ag oz/yard

The values per yard ranged from nil to \$0.35 per yard.

4.5 Recommendations

The samples taken obviously do not confirm the presence of high values in gold in the near surface gravels (1 to 10 ft. depth) of Dycer and Mendocina Creeks.

In order to properly test the gravels, a backhoe should be used and the gravels sampled systematically to bedrock if possible. Two fences of pits across Dycer Creek and two more across Mendocina should be sufficient to test the ground.

The values obtained in this round of sampling are very low and are probably indicative of the upper strata of gravels. Alone, these values do not appear to warrant further work but there are some active placer operations in the near vicinity and possibly these creeks should be tested at depth.

5.0 PERSONNEL

The following people were utilized in the sampling, sample preparation and report preparation:

- J.H. Montgomery -Geological engineer
-Member of the Association of Professional
Engineers of British Columbia & Yukon Territory
-University of British Columbia, B.Sc. (1959)
M.Sc (1960), Ph.D. (1967)
- H.C. Grond -Geologist
-University of British Columbia, B.Sc (1980)
M.Sc. (1982)
- N.R. Barr -Geologist
-Southern Oregon State College, B.Sc (1976)
- D.M. O'Neill -Geologist
-University of British Columbia, B.Sc. (1983)

6.0 COST STATEMENT

WAGES

(a)	H. Grond	3.0 days @ \$270	810.00
(b)	D. O'Neill	5.5 days @ \$270	1485.00
(c)	N. Barr	2.0 days @ \$270	540.00
(d)	J. Montgomery	2.0 days @ \$270	540.00
(e)	J. Montgomery	1.0 day @ \$400	400.00

TRANSPORTATION

(a)	Helicopter	Aug. 21/85	1581.25
(b)	Car-Rental	Aug. 19-22	221.69
(c)	Airfare		501.40
(d)	Taxi		23.00

FOOD/ACCOMMOATION

(a)	Motel (incl. breakfast)	329.30
(b)	Meals (Aug. 19-22)	179.63
(c)	Groceries (Acc. to property)	55.61

MISCELLANEOUS

(a)	Equipment-cotton gloves, rubber gloves (for panning), shovels, emergency space blankets, topographic maps	104.35
(b)	Assays (Au & Ag)	341.55
(c)	Typing, reproduction, compilation	183.28
	TOTAL:	\$7296.06


J. H. Montgomery

7.0 CERTIFICATES

I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D. in 1967.
3. I have practiced my profession since 1959.
4. I am a member of the Association of Professional Engineers of British Columbia and of Yukon Territory.
5. I have no interest, direct or indirect, in Yukon Mining Development Corp. or d'Oro Corp. nor do I expect to receive any.
6. I have based this report on a personal visit to the Placer claims on Mendocina and Dycer Creeks on August 21, 1985 and on a study of all available data pertaining to the property.
7. This report may be used by Yukon Mining Development Corporation and d'Oro Corp. or their agents for a Prospectus, Statement of Material Facts, Shareholders' Newsletter, etc., in whole or in part.

DATED at Vancouver, B.C. this 20th day of September, 1985.




J.H. Montgomery, Ph.D., P.Eng.
4153 West 11th Ave.
Vancouver, B.C.

I, D.M. O'Neill, of Vancouver, British Columbia hereby certify that:

1. I am a geologist and reside at 2657 West 2nd Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc (Major Geology) in 1983.
3. I have practiced my profession since 1983.
4. I have no interest direct or indirect, in Yukon Mining Development Corporation or d'Oro Corp., nor do I expect to receive any.
5. I have based this report on a personal visit to the placer claims on Mendocina and Dycer Creeks on August 21, 1985 and on a study of all available data pertaining to the property.

DATED at Vancouver, B.C., this 20th day of September, 1985.



D.M. O'Neill, B.Sc. (Geology)
2657 West 2nd Avenue
Vancouver, B.C.

APPENDIX

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments

705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: 04-352828

CERTIFICATE OF ASSAY

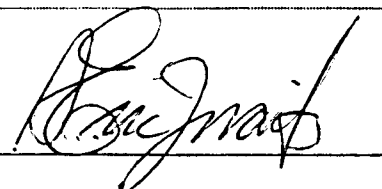
COMPANY: MONTGOMERY CONSULTANTS LTD.
PROJECT: MENDOCINA
ATTENTION: HELEN BROND

FILE: 5-604
DATE: SEPT. 10/85.
TYPE: PAN CONC.

We hereby certify that the following are assay results for samples submitted.

SAMPLE NUMBER	AG MG	AU MG	TOTAL WT. GM.
MENDOCINA-#1	.095	.297	15.50
MENDOCINA-#2	.068	.009	16.60
MENDOCINA-#3	.099	.001	18.20
MENDOCINA-#4	.059	.003	31.65
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Certified by



MIN-EN LABORATORIES LTD.