PLACER ASSESSMENT REPORT X

MAP NO.: 115 G/6

PROSPECTUS

CONFIDENTIAL X

OPEN FILE

DOCUMENT NO: 120151

MINING DISTRICT: Whitehorse

TYPE OF WORK: Evaluation Survey

REPORT FILED UNDER: Duane Pfaff

DATE PERFORMED: Sept. 5 - 11 1991.

DATE FILED: October 23, 1991

LOCATION: LAT.: 61°22'N

LONG.: 122°20'W

AREA: Burwash Creek Area

VALUE $: 6,000.00

CLAIM NAME & NO.: Joan Claims 1 - 21 P38421 - P38441.

WORK DONE BY: L.J. Seiga P.Geol.

WORK DONE FOR: Duane Pfaff.

DATE TO GOOD STANDING:

REMARKS: 115 - G Burwash Creek Area
An evaluation survey based on magnetometer readings and the author's past experience in the area was prepared for the owner of the claims. The author mapped out the probable relative depths of overburden and recommended areas of shallow overburden for immediate mining. Base station and looped lines were not used in this survey thus results are suspect.

EVALUATION SURVEY USING GEOMAGNETIC READINGS
ON
JOAN PLACER CLAIMS
1-21 GRANT NO'S 38421-38441 Incl.

TO: DUANE PFAFF

BY: L.J. SIEGA P.Geol.
DATES: Sept 5-11, 1991

PLACER SHEET No. 115-G-6

LOCATION: 188 miles N.W. of Whitehorse, along the Alaska Highway to M.P. 1104, thence 7 miles S.W. along Burwash Creek.

Latitude: 61 deg,22 min Longitude: 122 deg,20 min

This report has been examined by the Geological Evaluation Unit under Section 41 Yukon Placer Mining Act and is recommended as allowable representation work in the amount of $ 6,000.00 .

Robert Dyblick

for. Chief Geologist, Exploration and Geological Services Division, Northern Affairs Program for Commissioner of [illegible]

TABLE OF CONTENTS:

SUMMARY:

The evaluation survey is intended to provide a guide to future mining of the Joan claims. The writers plan indicates the probable relative position of the deepest channel in the stream bed by not only connecting magnetic highs but also based on the writers observations and knowledge of the area, including: previously mined depths , sampling, reporting and trenches to bedrock.

In spite of the above remarks some inconsistencies (particularly changing direction of the stream) are not apparently explainable. Eg. L21-L22, L34-L35, L46-L47. From L1 to L60 and L80 to L105 the survey is conducted across relatively undisturbed ground and a reasonable degree of correlation is noted, whereas in mined areas, particularly where basic outcrops (L60-L78) are noted, plotting of the deepest channel presents possible alternative routes Eg. L61-L66. In general, the southern edge of the claims area is a distinct smooth glacial remnant, whereas the northern edge is bounded by steep rocky cliffs (to 2000 ft.) of the Elias Range. The streams pronounced tendency to drift to the north has resulted in an intermittent series (low rocky bluffs) of elevated or old stream channel along the south shore.

The evaluation survey's magnetic readings and resulting plan indicates areas of heavy overburden (25-30+ ft.) which should be avoided due to the associated excessive costs (difficult access and productive capacities). The magnetometer survey will serve as a guide to locate the remnant benches with relatively much lower overburden. Trenching sampling and sluicing of the remnant benches (1-1.25 yd.-backhoe) is recommended. The mining of deeper channels (expensive) may be pursued at a later date. From the writers earlier reports these auriferous gravels contain in the order of .017 to .019 oz. Au/cubic yd. or $6.00-$7.00/cubic yd at todays prices of $350.00/oz U.S.

Finally, trenching and planned sampling by C. Graham had started (Sept 10,1991) on line 77. Here a significant change in magnetic intensity (1307 gammas) reflected a remnant bench (4ft. to bedrock) adjacent to 20+ft. of gravel in the same section.

INTRODUCTION:

On behalf of Duane Pfaff of Puyallup, Washington the writer contracted a evaluation survey on the Joan claims (1-21 Incl.- Grant No. 38421 to 38441). In consultation with the local department of geology and the mining recorder plus a preliminary work schedule and cost estimate of the said program , permission to proceed with the survey was granted.

Certain relevant data from the writers earlier reports (1975 & 1986 including references to published papers -Mineral Industry of the Yukon Territories and G.S.C. Memoirs.) are included.

The first noted discovery of gold on Burwash creek dates back to 1903. Total production from 1948 to 1960 was nearly 10,700 ounces or an average of 823 ounces per year. The most apparent success being that of the Burwash Mining Co. Ltd (Henry Besner). At the time of the writers visit 1973 Mr. Besner was profitably mining (22B-3/4yd. shovel & 2 old D'8s.) at the mouth of Tatamagouche creek or some 500 ft. downstream of the Joan #1 claim. The concentrates included coarse and fine gold, magnetite, small amounts of platinum native silver and copper. Since 1973 the writer is aware of sporadic successes and failures. However, no reliable update is available at this time.

PROPERTY, LOCATION, ACCESS:

The property consists of 21 placer claims staked along the central portion of Burwash Creek, seven miles southwest of the Alaska Highway or 188 miles N.W. of Whitehorse. From M.P. 1104 access to the property (approx elev 4500 ft.) is along a rough rocky trail parallel to the creek.

Burwash Creek is a typical swift mountain stream with an extremely variable seasonal flow and in times of highwater becomes a dangerous torrent. Recent flooding has devastated some 80% of the old trail (1985) including portions of the road some 15 ft. above the creek bed.

At the time of the writers visit (Aug 20-23 & Sept 5-11,1991) C. Graham of Whitehorse was preparing (966 loader) an access trail for the 40H (2.5 yd. Bucyrus backhoe) in order to complete certain work commitments. While access to the claims was very difficult (4X4, 3/4 ton, limited towing 966 loader), the field work was completed.

Whereas access to the said claims is a critical aspect of a profitable operation serious consideration should be noted relative to an alternate route. Namely the trail from M.P. 1099, along the west side of the Duke River,west towards the Burwash Uplands and circling back north to the Burwash Creek bed near Joan claim No. 38441, (approx 13 miles).

The present campsite is not a viable option, and the nearest comfortable roadhouse with outside communications is located at Burwash Landing M.P. 1093 see Fig 1.

BURWASH CREEK - GEOLOGY & PHYSIOGRAPHY:

The Kluane Lake map area contains two major physiographic divisions. These include the Yukon Plateau to the northeast, and the St. Elias Mountains in the southwest, separated by the Shakwak Trench. Kluane Lake (elev 2575 ft.) 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 the Ruby ice-sheets advanced (N.W.) across the Burwash area whereas the St. Elias was restricted to the headwaters of Burwash Creek. Locally, a distinct physiographic feature of the Nisling advance is the glacial tract (Burwash Uplands see sheet 115-G-6) along the extreme edge of the Joan claims.

Burwash Creek (glacial stream) forms a deep "V" shaped valley within the claims area and is bounded on the north by steep rocky cliffs, whereas the southern edge is a distinct smooth glacial remnant. Here the stream bed is filled with boulders, sand, silt and clay to depths of 30+ ft. The stream has exposed sedimentary and more commonly blocky igneous, basic to semi-basic rocks, (shales, argillite schists, conglomerate, gabbro, peridotite and rhyolite.)

In the process of deepening this ever shifting channel (150-300 ft wide), the stream in most places has shifted to the north side of the valley, where steep cliffs are predominant. On the

south side of the claims area an intermittent series of low rock bluffs (10-30 ft.) are indicative of old channels presently covered with grass, underbrush and stream sediments. Stripping, early in the season is desired in order to thaw relevant patches of permafrost.

To date there is no apparent reason to expect that these auriferous gravels have been concentrated from 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. From the writers earlier reports the gravels contain gold values in the range of .017 to .019 oz/cubic yd., at todays prices of $350.00/oz the auriferous gravels are valued at $6.00 to $7.00 per cubic yard.

MAGNETOMETER SURVEY:

An MP-2 proton magnetometer was used to take magnetometer readings across the Joan claims on a flagged grid of 100 ft. spacing between lines and a 50 ft. spacing between recordings see fig 2.

The signal processing electronics of the MP-2 is converted to a gamma value (intensity of magnetization) and presented on a digital display. The range switch was adjusted to the total intensity of the earths magnetic field and no base station adjustments were required.

Whereas MP-2 readings are normally presented as profiles , the writer has elected to plot and connect magnetic highs of each

profile, which in the writers opinion and experience suggest the proximity of the deepest channel to bedrock. This probability is supported by the following observations.

1. Fine gold and magnetite is constantly being transported to the creek bed from the Burwash Uplands. Deeper gravels could contain more magnetite.

2. Consistent higher readings on the top of tailings piles (10-30 ft.) are numerous as are lower readings adjacent to them, (L-3,L-4,L-9,L-29,L-64,L-75).

3. Most readings of relatively higher magnetic intensity on the top of tailings piles in spite of no noticeable increase in the amount of ultra basic boulders or associated ultra basic outcrops. The writers estimate of paramagnetic material in the gravel is 20-25%.

4. Consistent with notes 1,2&3 a reasonable degree of continuity (E to W) is expected. The stream would not normally fluctuate widely (90 deg N or S) across the stream bed for no visible reason. Some unexplainable exceptions do occur Eg. L-21-22,L34-36,L46-47.

5. Where sudden increases of magnetic intensity are noted and obviously related to visible ultra basic outcrops, these readings have not been interpreted as deep channel projections. Rather, noted gradual increases in magnetic intensity is the writers preferred directive Eg. L-36-40. Finally, the magnetometer survey does not cover the full claims width but is restricted to the visible creek bed.

CERTIFICATION:

I Levy J. Siega of 24 Grandville Ave., St. Albert, Alberta make oath and say, that:

1.) I am a registered Professional Geologist in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta. No 25927.

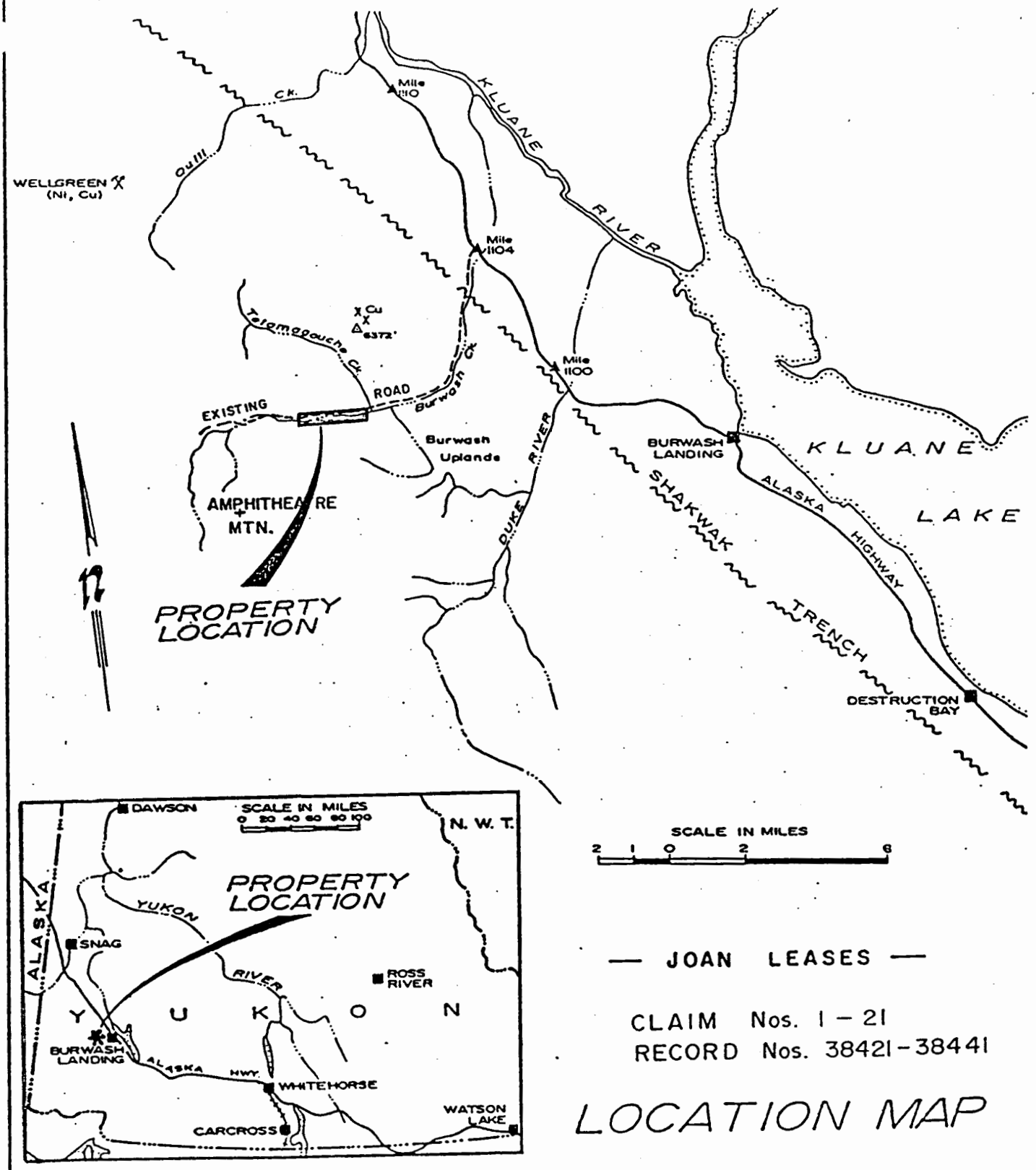
2. I have no direct or indirect interest in either the property or securities of Duane Pfaff, nor do I expect to receive any such interest.

3. This report is based on a personal examination of the property and reports, maps and data in my personal file.

4. I have been working in a consulting capacity for the past 28 years.

Levy J. Siega, P. Geol.

L Siega



— JOAN LEASES —

CLAIM Nos. 1 – 21
RECORD Nos. 38421 – 38441

LOCATION MAP

BURWASH CREEK PROPERTY

YUKON TERRITORY

SCALE (AS SHOWN)

FIG. 1

ACID O.C. RHYOLITE

INCREASING O.B.

ACID O.C.

INCREASING O.B.

ACID O.C.

ACID O.C.

+20' TAILINGS

ACID O.C.

ACID O.C.

ACID O.C.

ACID O.C. RHYOLITE

DARK SHALE

+30' TAILINGS

BASIC O.C.

+20' TAILINGS

?

U.B.O.C.

BASIC O.C.

PERIDOTITE

CAMP SITE

PERIDOTITE O.C.

BLIDE AREA TO 300' ABOVE CREEK BED

SLIDE AREA

ACID O.C.

+10' TAILINGS

PERIDOTITE OUTCROP

SLIDE AREA HEAVY O.B.

+20' TAILINGS

+25' TAILINGS

+25' TAILINGS

+30' TAILINGS

BASIC O.C.

BASIC O.C.

OLD CLAIM POST NO I.D.

+20' TAILINGS

+20' TAILINGS ABOVE CREEK BED

PERIDOTITE

OLD SUMP

CLAY

OLD CLAIM POST NO I.D.

BASIC O.C.

BASIC O.C.

PERIDOTITE O.C.

120151

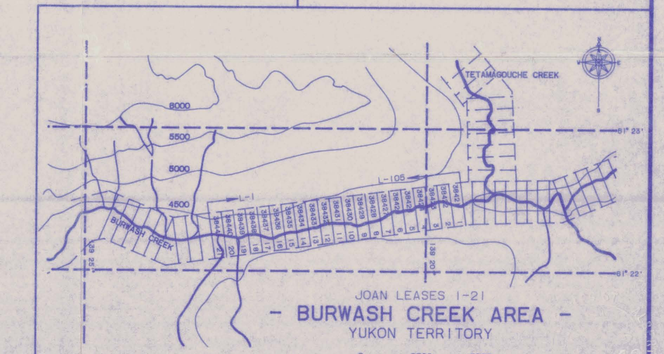
READINGS OF
MAGNETOMETER SURVEY
GAMMAS X 000

U.B.O.C. =ULTRA BASIC OUTCROPS

PROPOSED PROXIMITY OF DEEPEST GRAVELS

ALTERNATE ROUTES OF DEEP GRAVEL

SCALE: 1"=100'



JOAN LEASES 1-21
- BURWASH CREEK AREA -
YUKON TERRITORY

Map#115-G-6 Doc#120151 (34)

DWG 407

COST OF EVALUATION SURVEY USING GEOMAGNETIC READINGS:

JOAN PLACER CLAIMS 1-21 INCL.

1.	Professional fees @ $450.00/day:	
	On site Sept. 5 - 11, 1991	
	Report and file work three days	
	Ten days @ $450.00/day	$4,500.00
2.	Truck rental Norcan:	
	Six days @ $54.00/day	
	Mileage @ $0.34/Km x 736 Km	$ 324.00
	Fuel and batteries	$ 63.60
3.	Burwash Landing Resort	$ 774.63
4.	Magnetometer rental and freight	$ 414.26
5.	Drafting, phone, typing, binders, fax	$ 358.15
TOTAL		**$6,322.49**

Assessment expenses and work to be applied to Joan placer claims 7-21 Incl.

J. Siegel