

1998

120183

PLACER TESTING ON

SHOOTAMOOK CREEK

WATSON LAKE MINING DISTRICT, YUKON
NTS 105 B/14

for

Yukon Yellow Metal Exploration Ltd.
(Mel Holloway)

by

Larry W. Carlyle, F.G.A.C., P. Geol.

YUKON ENERGY, MINES
& RESOURCES LIBRARY
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WHITEHORSE, YUKON Y1A 2C6

Whitehorse, Yukon

October, 1998

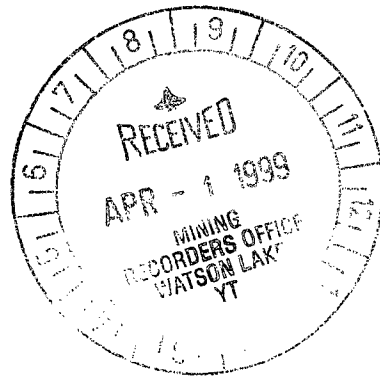


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Appendix A -- Analytical Certificates
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This report has been examined by
the Geological Evaluation Unit under
Section 41 Yukon Public Mining Act
and is recommended as allowable
representation work in the amount
of \$ 800.00.

U. R. Bay

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

INTRODUCTION:

The Mel Lin property has had both a long placer mining history as well as an extensive hard rock exploration history. This report has been prepared to describe work done on the property from information presented by Mel Holloway.

Placer History:

Placer miners first entered the area from the Liard River in 1875. The property was apparently first placer mined by Chief Billy Smith of the Tagish Band in the early 1930's. A significant staking rush occurred in the area at about this time. Hand stacked rocks located on both Red and Matt Creeks, as well as flumes, sluice boxes, and two cabins located on Matt Creek are evidence of his work. Mel Holloway has recently excavated an old shaft near where the cabins had been before their destruction during a forest fire in 1991. The shaft probably represents work done by Wolf MacKinnon in about 1945. Bedrock was located at a depth of 40 feet. A test of the gravels at the bottom of the shaft returned less than \$2.00/yd³. The assumption is that the old-timers had mined all the gold at this location. The 1998 work program excavated an area between the 1997 excavation and Matt Creek.

Hard Rock History:

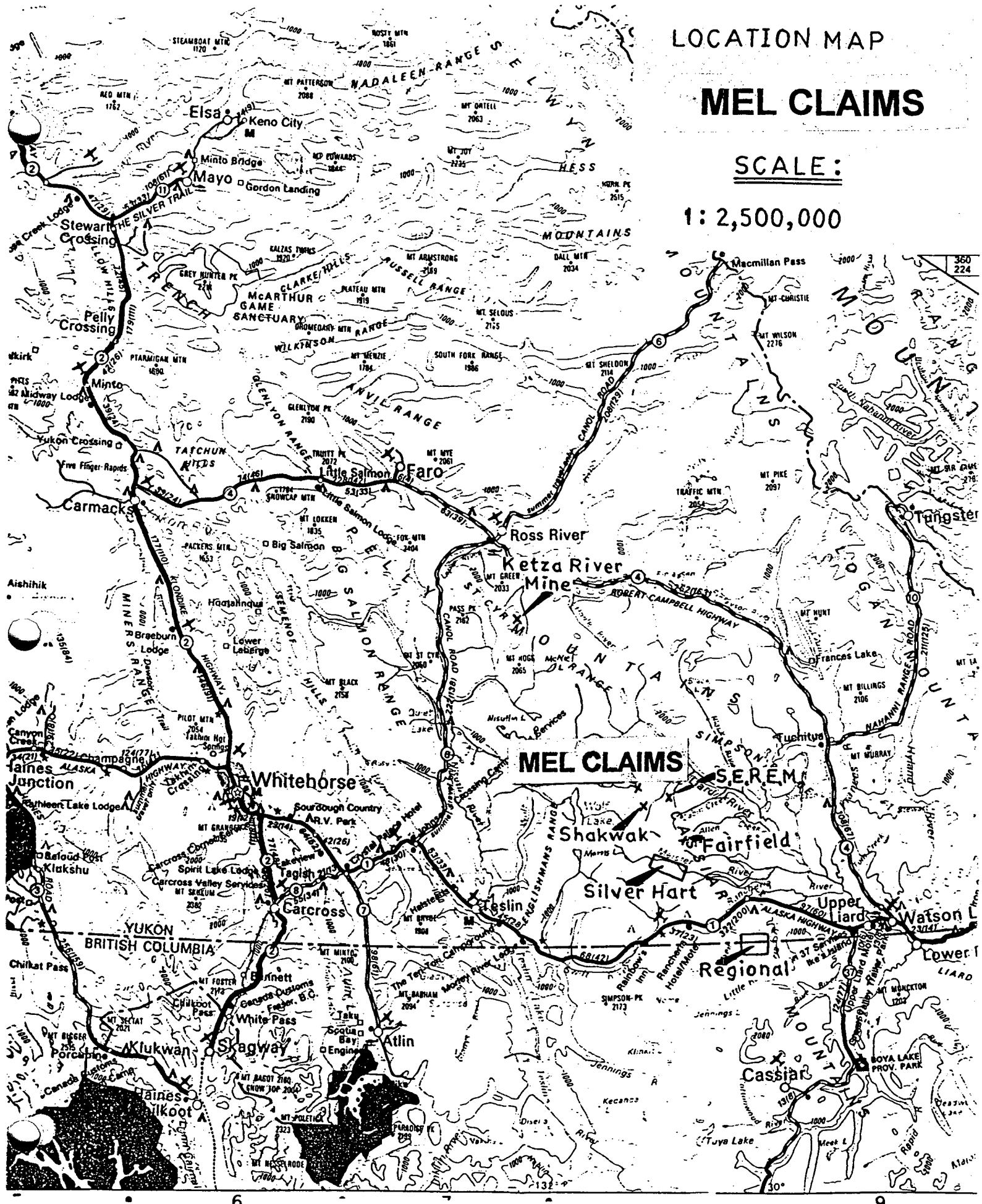
While using a floating dredge at the confluence of Shootamook and Matt Creeks in 1987, Mel Holloway exposed a mineralized, hydrothermal structure which he named the "Winnie" (See Property Geology). The showing was optioned to Total

LOCATION MAP

MEL CLAIMS

SCALE:

1:2,500,000



MEL CLAIMS

S.E.R.E.M.

Shakwak

Fairfield

Silver Hart

Regional

Cassiar

Erickson during 1987 and 1988. This company established a 10 person camp and drilled six diamond drill holes into the showing. The option was terminated when the tax advantages of flow-through share exploration expenditures were eliminated.

The property was then optioned to Oropex Minerals from 1988 to 1990. During this period, some regional geological work such as stream sediment sampling was done. As well, geochemical soil sampling and geophysical VLF-EM surveys were done in the area of the "Winnie". This resulted in its excavation and the excavation of several trenches on geochemical anomalies. A John Deer 350C excavator c/w 1 yd bucket and 0.25 yd hoe attachment was flown to the site to do this work and to build a short airstrip. Exploration of the hardrock showing has continued to the present with promising results from this year.

LOCATION, ACCESS AND CLAIMS:

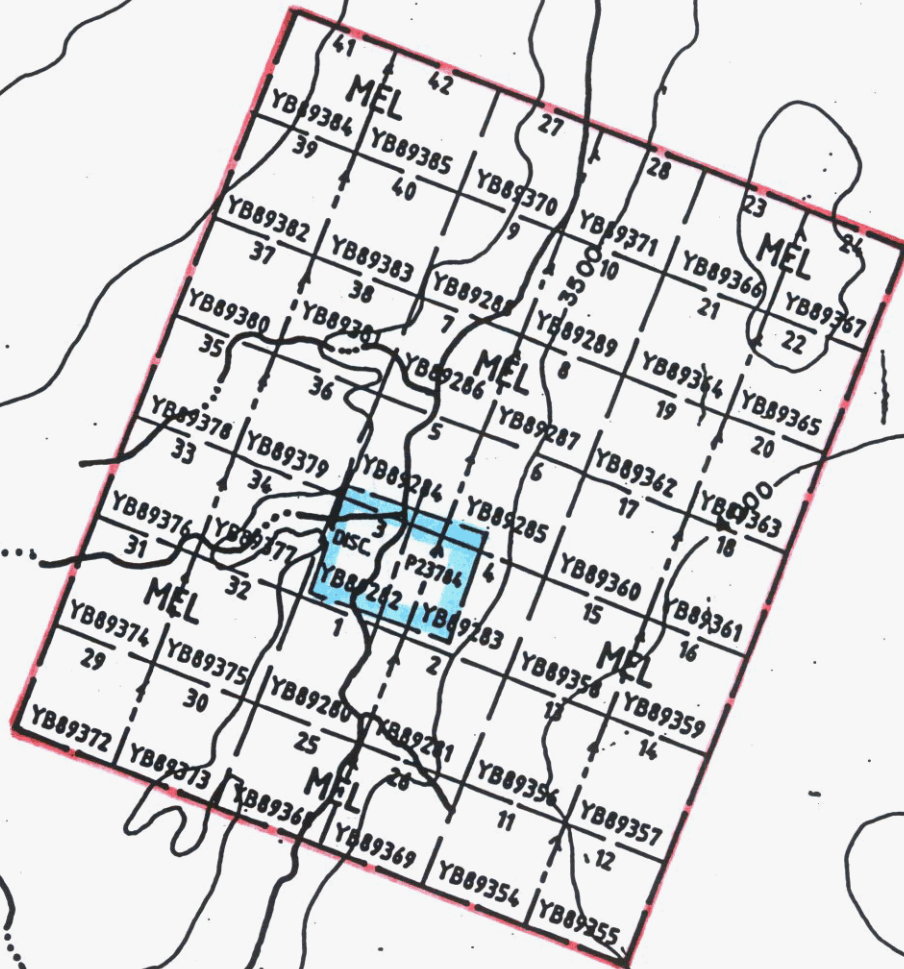
The property is situated on Shootamook Creek within the Watson Lake Mining District of Yukon on the Wolf Lake Map Sheet, NTS 105 B/14. Shootamook Creek is a tributary of Scurvy Creek approximately 55 miles (88 Km) north of Rancheria Lodge situated at Mile 710 (Km 1143) of the Alaska Highway. The property has an air strip so access is by small fixed-wing aircraft.

The placer testing program occurred on Discovery Placer Claim P23784. This placer claim is centrally located within the hardrock Mel Claims (See Claim Map).

The claim is situated on Shootamook Creek within the Watson Lake Mining

MEL CLAIMS
ON PART OF
CLAIM MAP
NTS 105 B/14

SCALE:
1: 30,000



E K
3000

00,1E1
60°45'

District of Yukon on the Wolf Lake Map Sheet, NTS 105 B/14 (See Location Map). The claim covers Shootamook Creek and two of its tributaries, known locally as Red and Matt Creeks. Red Creek runs from the west into Shootamook Creek and Matt Creek runs from the east. Shootamook Creek flows northward in the area of the tributaries. The confluence of Matt and Shootamook Creeks is slightly upstream from that of Red Creek (See Property Geology).

1998 WORK PROGRAM:

Using the John Deere 350 loader and backhoe, an excavation was made between the site of the Wolf MacKinnon shaft (located in 1996), excavated during 1997, and Matt Creek. This site is only a short distance (150 feet [50 metres]) up Matt Creek from the "Winnie" Showing (See 1998 Placer Testing Drawing). The excavation was located at this site to follow the recommendation made by Grant Lowey, a geologist with the Yukon Geology Program, during a visit to the property on August 27, 1997. During his visit, he said that further placer exploration was warranted and that such an excavation should reveal unmined gold in the gravels of the old channel.

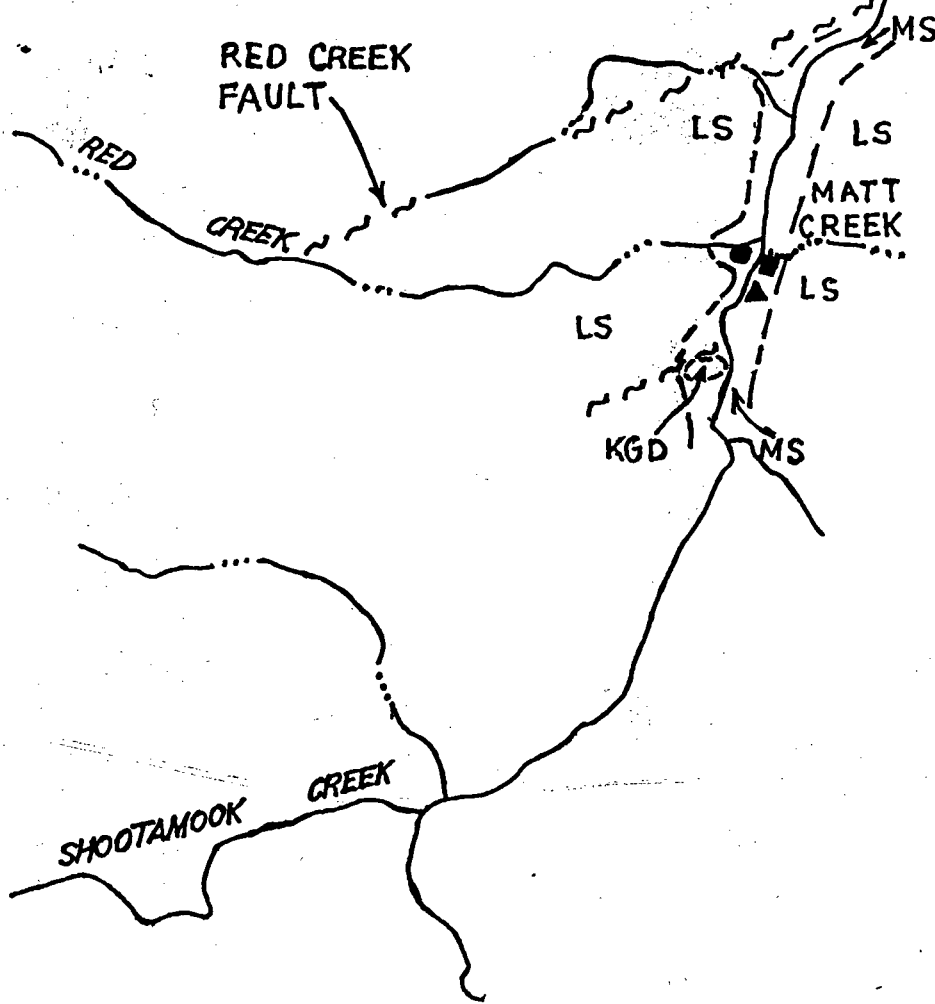
The first excavation made during 1998 was 40 feet (12.2 m) wide in an east-west direction and 60 feet (18.3 m) long in the north-south direction. The excavation was less than a metre deep on the eastern limit but was approximately 1.5 metres deep at the western edge. The excavation would, therefore, have an average depth of 1 metre (3.3 feet). Within this excavation, two trenches were dug.

Trench 1 (Z-shaped) is approximately 6.1 metres (20 feet) long, and 1.5 metres

LEGEND

- DRILL PAD LOCATION
- ▲ CAMP LOCATION
- Winnie Structure
- ~ FAULT
- LS Limestone
- MS Metasediment
- KGD Cretaceous Granodiorite

PROPERTY GEOLOGY
WINNIE SHOWING AREA
SCALE: 1:30,000



SHOOTAMOOK CREEK

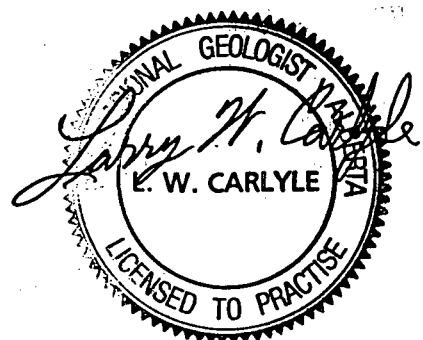
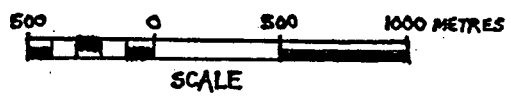
MS
LS
LS
MATT CREEK
LS
KGD
MS

RED CREEK FAULT

RED CREEK

60° 45'

13P 00'



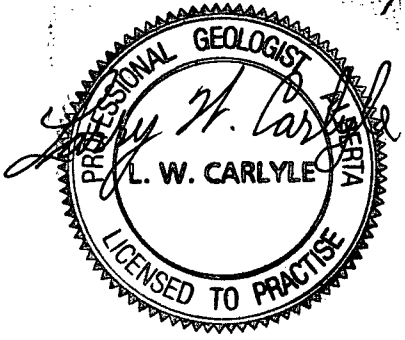
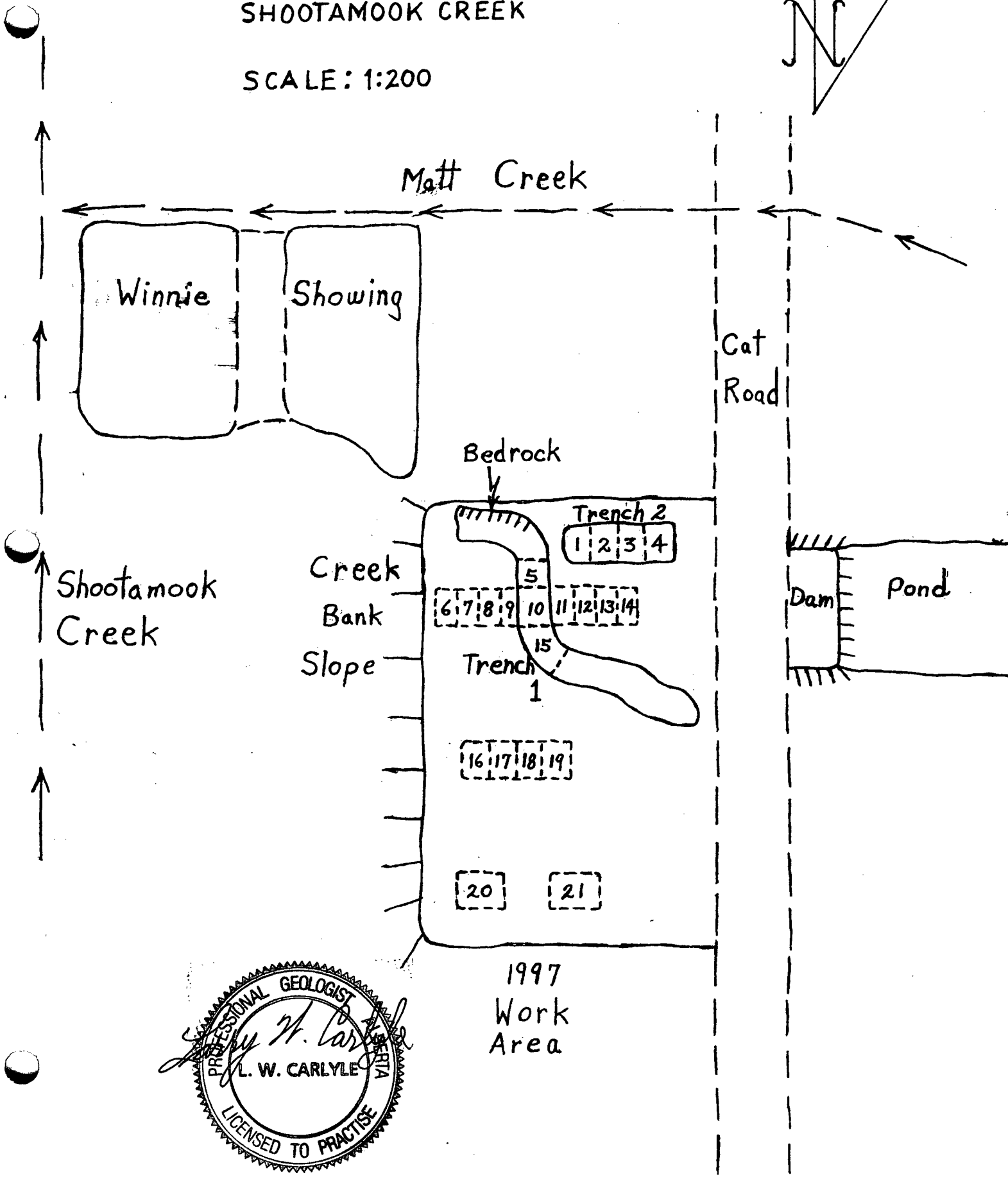
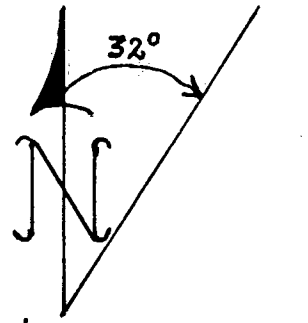
(5 feet) wide as well as deep. Trench 2 is approximately 4.5 metres (15 feet) long, 1.5 metres wide and starts at 1.5 metres deep at its western end and is 3.0 metres deep at its eastern end.

During the excavation of the north end of Trench 1 and all of Trench 2, sub-crop of thin-bedded graphitic quartzite and schist was located. The locating of this bedrock suggests that there is a ridge of bedrock between the excavation and Matt Creek. This ridge appears to be an eastward extension of the ridge in which the "Winnie" Showing lies. Five rock samples of this material were assayed. The samples were given numbers Heather 1 - 5 (See Appendix A). Unfortunately, the gold values from these samples were very low. Several rock samples from an outcrop located at the south end and on the west side of the airstrip were assayed at the same time. These samples were numbered Ed 1 - 8 (See Appendix A). These samples also returned low gold values; however, it should be mentioned that Ed 3 returned an arsenic value of 318 ppm. There is a strong correlation between gold and arsenic values. The area from which this sample was taken should be re-examined.

As excavation proceeded during 1998, panel samples of $\frac{1}{2}$ to 1 yd³ were tested using a gold claimer concentrator, a small closed-circuit wash plant. The samples were taken in panels along a length of 3 - 5 feet. A total of 21 panels were tested during the program (See 1998 Placer Testing Drawing). Panels 1 - 4 were obtained from the bottom of Trench 2. Panels 5, 10, and 15 were obtained from the bottom of Trench 1. Panels 6 - 9 and 11 - 14 were taken from a zone at the

1998 PLACER TESTING ON SHOOTAMOOK CREEK

SCALE: 1:200



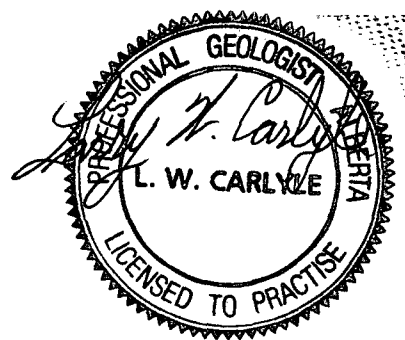
1997
Work
Area

bottom of the first excavation and crossing Trench 1 at about its mid-point.

Another zone of panels (#16 - #19) was taken from the bottom of the first excavation south of Trench 1. Two additional panels were tested at the south end of the excavation (See 1998 Placer Testing Drawing).

Panel Test Results:

<u>Panel #</u>	<u>Estimated Gold Value (per yd³)</u>
Panels 11 - 14	\$1.00
Panels 5 - 9, 16 - 21	\$2.00
Panels 1, 2, 10, 15	\$2.50
Panel 4	\$3.00
Panel 3	\$4.25



GRAVEL VOLUMES EXCAVATED:

First Excavation

<u>Length (ft)</u>	<u>Depth (ft)</u>	<u>Width (ft)</u>	<u>Volume (ft³)</u>	<u>Volume (yd³)</u>
60	3.3	40	7,920	293

Trench #1

<u>Length (ft)</u>	<u>Depth (ft)</u>	<u>Width (ft)</u>	<u>Volume (ft³)</u>	<u>Volume (yd³)</u>
20	5	5	500	18.5

Trench #2

<u>Length (ft)</u>	<u>Depth (ft)</u>	<u>Width (ft)</u>	<u>Volume (ft³)</u>	<u>Volume (yd³)</u>
15	8	5	600	22.2

TOTAL: 333.7

CONCLUSIONS:

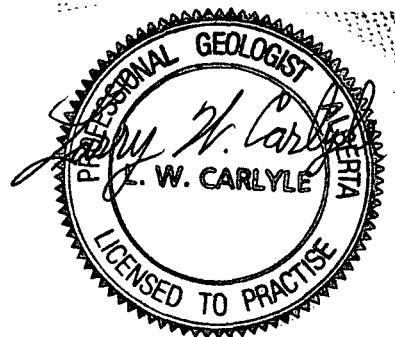
1. Gold in small amounts was found in all gravels processed during the program. This fact, plus the proximity of the excavation to the "Winnie" hardrock gold occurrence, strongly suggests that better gold values are present.
2. The gold recovered is relatively small and flat. Such gold is probably best recovered using a system of expanded metal covering matting in the sluice run.

RECOMMENDATIONS:

The excavations done during the 1997 and 1998 seasons suggest a significant volume of gravels (approx. 14,000 yd³) contain gold within the area. The small size of the gold indicates that larger bulk sampling, utilizing a larger wash plant set up to recover this type of gold, is required at the site.

REFERENCES:

- Carlyle, L.W., (1989) **Report and Addendum on the Matt-Mathew and Hugh Creek Claims, Watson Lake Mining District, Yukon.** Report to Oropex Minerals Inc.
- Carlyle, L.W., (1997) **Placer Testing on Shootamook Creek, Watson Lake Mining District, Yukon.** Report to Yukon Yellow Metal Exploration Ltd., (Mel Holloway)



STATEMENT OF COSTS: (See Appendix B for Invoices)

Living Expenses	June	\$ 805.00
	July	\$ 1,120.00
	August	<u>\$ 1,330.00</u>
		\$ 3,255.00
Travel: Truck	July	\$ 268.80
	August	<u>\$ 268.80</u>
		\$ 537.60
Air	June	\$ 1,270.49
	July	\$ 1,995.75
	July	\$ 1,461.21
	August	<u>\$ 2,143.88</u>
		\$ 6,871.33
Equipment Rentals/Supplies		
10 person camp	June	\$ 2,000.00
	July	\$ 2,400.00
	August	<u>\$ 8,192.50</u>
		\$12,592.50
Welder	June	\$ 250.00
	July	\$ 450.00
	August	<u>\$ 150.00</u>
		\$ 850.00
1500 watt generator	June	\$ 150.00
	July	<u>\$ 180.00</u>
		\$ 330.00
5000 watt generator	July	\$ 405.00
	August	<u>\$ 450.00</u>
		\$ 855.00
2 inch water pump	June	\$ 150.00
	July	\$ 240.00
	August	<u>\$ 300.00</u>
		\$ 690.00
3 inch water pump	July	\$ 425.00
Raid Track	June	\$ 100.00

STATEMENT OF COSTS: (Continued)

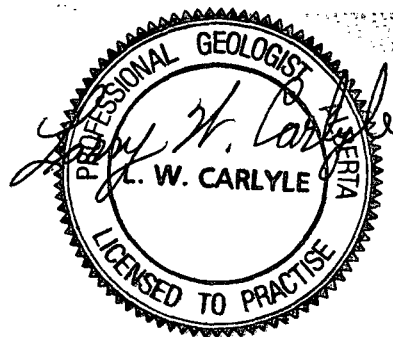
SBX 11 radio	June	\$ 40.00
	July	\$ 72.00
	August	<u>\$ 80.00</u>
		\$ 192.00
Satellite radio telephone	June	\$ 50.00
	August	<u>\$ 100.00</u>
		\$ 150.00
Chainsaw	June	\$ 175.00
	July	\$ 315.00
	August	<u>\$ 87.50</u>
		\$ 577.50
Placer test plant	July	\$ 2,700.00
	August	<u>\$ 2,700.00</u>
		\$ 5,400.00
Contractors	June	\$ 3,500.00
	July	\$ 6,150.00
	August	<u>\$ 4,350.00</u>
		\$14,000.00
John Deere 350	June	\$ 1,600.00
	July	\$ 2,560.00
	August	<u>\$ 4,800.00</u>
		\$ 8,960.00
Report Preparation and Sat. Phone Rental		\$ 1,000.00
	TOTAL	\$56,785.93

STATEMENT OF QUALIFICATIONS

I, LARRY W. CARLYLE, do certify:

1. That I am a professional geologist; resident at 74 Tamarack Drive, Whitehorse, Yukon Y1A 4Y6.
2. That I hold a B. Sc. Degree in geology from the University of British Columbia (1970).
3. That I am a Fellow of the Geological Association of Canada (F - 4355).
4. That I am a Registered Professional Geologist in the Association of Professional Engineers, Geologists, and Geophysicists of the Province of Alberta (41097).
5. That I have practiced my profession as a mine and exploration geologist for twenty years.
6. The conclusions in the attached report are based on information provided by Mr. Holloway and on a review of the references cited.

DATED at Whitehorse, Yukon, this 16th day of October, 1998.



APPENDIX A

ANALYTICAL CERTIFICATES

02/09/98

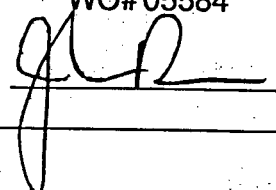
Certificate of Analysis

Page 1

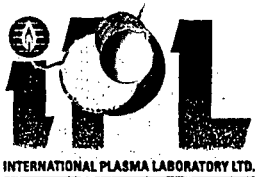
Yukon Yellow Metal

WO# 05584

Certified by



Sample #	Au oz/ton
r ED-1	0.001
r ED-2	<0.001
r ED-3	<0.001
r ED-4	<0.001
r ED-5	0.001
r ED-6	<0.001
r ED-7	<0.001
r ED-8	<0.001
r HEATHER-1	<0.001
r HEATHER-2	<0.001
r HEATHER-3	<0.001
r HEATHER-4	<0.001
r HEATHER-5	<0.001
dc M-X 23	<0.001
dc M-X 24	0.001
dc M-X 25	0.001
dc M-X 26	<0.001
dc M-X 27	<0.001
dc M-X 28	<0.001
dc M-X 29	0.007
dc M-X 30	<0.001
dc M-X 31	<0.001
dc M-X 32	<0.001
dc M-X 33	<0.001
dc M-X 34	<0.001
dc M-X 35	0.001
dc M-X 36	0.001
dc M-X 37	<0.001
dc M-X 38	0.001
dc M-X 39	0.002



CERTIFICATE OF ANALYSIS

IPL 0940

2036 Columbia
 Vancouver, B.C.
 Canada V5Y 3E1
 Phone (604) 879-7878
 Fax (604) 879-7898

Client : Northern Analytical Laboratories
 Project: W.O. # 5584

37 Samples
 37=Pulp

[094009:03:36:89091498]

Out: Sep 14, 1998
 In : Sep 08, 1998

Page 1 of 1
 Section 1 of 1

Sample Name	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm	Sb ppm	Hg ppm	Mo ppm	Tl ppm	Bt ppm	Cd ppm	Co ppm	Ni ppm	Ba ppm	W ppm	Cr ppm	V ppm	Mn ppm	La ppm	Sr ppm	Zr ppm	Sc ppm	Ti %	Al %	Ca %	Fe %	Mg %	K %	Na %	P %
ED - 1	<	5	7	9	<	<	<	5	<	<	1.4	3	8	11	<	34	7	618	5	329	1	2	< 0.05	17x	2.66	6.70	0.02	<	0.01	
ED - 2	<	2	7	5	<	<	<	4	<	<	0.2	2	3	5	<	13	3	98	7	1696	2	1	< 0.03	34x	0.29	0.19	0.02	0.01	0.01	
ED - 3	<	3	13	215	318	<	<	3	<	<	3.9	41	231	11	<	277	86	1058	12	419	3	9	< 3.22	6.37	7.47	3.30	0.01	<	0.15	
ED - 4	<	3	10	6	10	<	<	4	<	<	0.1	1	5	3	<	14	2	106	5	635	1	1	< 0.08	36x	0.32	0.13	0.01	0.01	0.01	
ED - 5	<	1	<	2	6	<	<	3	<	<	<	1	5	2	<	13	2	135	5	333	2	1	< 0.07	34x	0.30	0.09	<	0.01	0.01	
ED - 6	<	31	17	46	35	<	<	3	<	<	1.8	21	94	45	<	141	65	542	42	148	2	5	0.16	2.20	2.57	3.21	2.18	0.05	0.05	0.22
ED - 7	<	2	8	8	<	<	<	4	<	<	0.3	1	3	4	<	11	2	269	10	2192	3	2	< 0.08	32x	0.72	0.36	0.03	0.01	0.02	
ED - 8	<	20	8	51	19	<	<	2	<	<	1.0	7	18	8	<	33	14	378	20	796	5	3	0.05	0.90	18x	1.71	0.92	0.02	0.02	0.02
HEATHER - 1	<	19	11	57	11	<	<	<	<	<	1.5	12	28	19	<	28	6	400	15	978	5	2	< 0.58	12x	2.20	0.31	0.10	<	0.06	
HEATHER - 2	<	14	18	55	12	<	<	2	<	<	1.8	11	24	12	<	28	7	539	10	2330	4	2	< 1.10	13x	2.72	0.60	0.08	<	0.04	
HEATHER - 3	<	16	17	47	<	<	<	1	<	<	1.7	8	22	15	<	23	5	360	13	1545	4	3	< 0.68	15x	2.46	0.39	0.09	<	0.04	
HEATHER - 4	<	18	18	58	<	<	<	2	<	<	1.7	11	29	15	<	26	6	372	16	1283	4	2	< 0.67	13x	2.82	0.37	0.10	<	0.03	
HEATHER - 5	<	23	13	53	11	<	<	1	<	<	2.4	12	27	17	<	28	6	308	16	963	4	2	< 1.00	9.75	2.84	0.53	0.11	<	0.02	
M - X23	0.3	21	30	63	14	9	<	1	<	<	1.0	18	60	12	<	73	10	35	70	41	7	1	< 0.55	0.61	1.88	0.02	0.03	<	0.15	
M - X24	1.8	26	30	53	9	60	<	2	<	<	3.1	21	122	8	<	71	13	20	62	26	23	1	< 0.70	0.46	9.44	0.02	0.05	<	0.14	
M - X25	1.1	50	23	115	119	28	<	5	<	<	3.7	20	81	7	<	58	15	130	57	44	22	2	< 0.54	0.99	9.66	0.13	0.02	<	0.16	
M - X26	0.6	62	20	53	14	36	<	1	<	<	1.4	18	70	14	<	46	10	16	80	18	17	1	< 0.57	0.37	4.29	0.01	0.04	<	0.14	
M - X27	0.5	27	27	92	20	27	<	18	<	<	1.7	17	81	20	<	50	15	399	77	66	8	3	< 0.69	2.02	3.59	0.37	0.04	<	0.22	
M - X28	0.1	20	20	66	41	<	<	2	<	<	2.2	27	106	109	<	128	49	729	103	248	2	8	< 2.39	3.50	2.76	1.94	0.10	<	0.24	
M - X29	0.8	25	22	117	1273	14	<	2	<	<	1.9	16	79	42	<	97	35	608	79	199	4	4	< 1.61	3.65	3.46	1.65	0.05	<	0.18	
M - X30	0.1	40	22	48	39	<	<	1	<	<	2.1	19	82	320	<	98	45	556	53	230	2	5	0.05	1.84	2.54	2.88	2.00	0.06	0.02	0.26
M - X31	0.1	30	26	51	32	<	<	2	<	<	3.2	17	75	380	<	103	49	566	46	217	2	7	0.06	1.83	2.47	2.99	2.13	0.06	0.02	0.25
M - X32	0.4	28	23	55	41	11	<	2	<	<	2.2	25	108	73	<	84	47	631	102	289	2	9	< 2.29	3.61	3.90	1.93	0.07	<	0.26	
M - X33	0.5	29	32	69	23	26	<	1	<	<	1.7	22	90	28	<	48	17	71	113	51	6	3	< 0.68	0.72	2.90	0.08	0.03	<	0.25	
M - X34	0.4	10	131	12	19	<	<	1	<	<	0.5	3	15	58	<	78	5	37	7	40	6	1	< 0.69	0.20	0.96	0.09	0.21	0.01	0.03	
M - X35	0.4	24	25	66	47	72	<	1	<	<	1.4	21	86	26	<	36	14	601	34	362	9	12	< 0.51	2.93	4.07	1.03	0.12	<	0.23	
M - X36	2.5	27	19	61	65	83	<	2	<	<	2.3	20	87	10	<	44	13	371	30	103	18	5	< 0.44	1.40	7.42	0.38	0.09	<	0.18	
M - X37	0.1	40	31	117	5	20	<	2	<	<	1.3	29	123	19	13	38	17	155	118	45	7	3	< 0.74	0.82	3.38	0.06	0.05	<	0.27	
M - X38	0.5	27	20	90	<	62	<	6	<	<	1.7	22	95	10	<	37	10	28	70	31	21	1	< 0.53	0.38	6.04	0.03	0.07	<	0.14	
M - X39	1.7	44	16	50	34	153	<	4	<	<	3.5	20	98	14	<	43	12	19	31	26	18	1	< 0.40	0.15	12x	0.03	0.12	<	0.04	
M - X40	0.6	46	16	73	232	49	<	9	<	<	1.5	19	43	20	<	55	7	46	24	42	11	2	< 0.40	0.36	4.82	0.08	0.22	<	0.06	
M - X41	1.2	32	10	90	266	52	<	3	<	<	1.6	15	37	28	<	45	6	178	21	95	9	3	< 0.29	1.05	3.92	0.29	0.18	<	0.06	
M - X42	0.1	42	26	48	35	19	<	4	<	<	1.4	37	175	33	30	108	45	202	133	113	4	5	< 1.73	1.11	3.45	1.12	0.06	<	0.30	
M - X43	0.2	62	16	47	67	6	<	3	<	<	1.5	31	159	81	49	168	73	348	112	155	2	6	0.01	3.07	1.61	3.24	2.23	0.10	<	0.28
M - X44	0.1	135	8	60	52	<	<	4	<	<	1.4	26	49	61	14	67	38	286	55	206	21	5	< 2.37	1.52	4.34	1.24	0.25	<	0.05	
M - X45	<	40	24	50	31	<	<	3	<	<	2.1	23	84	78	<	131	54	709	77	309	3	9	< 2.52	5.39	3.91	2.48	0.12	<	0.21	
M - X46	<	22	16	31	41	<	<	13	<	<	2.3	15	81	62	<	124	67	780	68	497	2	9	< 2.05	7.61	2.67	2.02	0.08	<	0.20	

YUKON ENERGY MINES
 & RESOURCES LIBRARY

Min Limit	0.1	1	2	5	5	3	1	10	2	0.1	1	1	2	5	1	2	1	2	1	2	1	1	1	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Max Reported*	99.9	20000	20000	20000	9999	999	9999	999	9999	99.9	9999	9999	9999	9999	999	9999	9999	9999	9999	9999	9999	9999	9999	1.00	9.99	9.99	9.99	9.99	9.99	5.00	5.00
Method	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP

—No Test Ins=Insufficient Sample Del=Delay Max=No Estimate Rec=ReCheck m=x1000 %=Estimate% NS=No Sample P=Pulp

APPENDIX B

INVOICES SUPPORTING
STATEMENT OF COSTS