

GEOPHYSICAL SURVEY

by

Gary C Lee, P.Eng.
July, 2002

120198

Placer Claims

Fox 2-4 (P37721 - P37723)

Fox 5-7 (P45101 - P45103)

Fox 8-9 (P45131 , P45132)

Dawson Mining District

NTS Map 115P12

Latitude 63° 32' Longitude 137° 20'



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 \$ 11,475.30.


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

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YUKON ENERGY, MINES
& RESEARCH DEPARTMENT
P.O. BOX 100
Whitehorse, Yukon Y1A 2C8

INTRODUCTION

General

Between Jan. 6 to Jan. 14, 2002 and April 12 to April 24, 2002, the writer completed a magnetometer survey on Steamboat Bar, Stewart River, Yukon. The following are the claim names, numbers and expiry dates.

Fox 2-4	P37721-P37723	March 22, 2002
Fox 5-7	P45101-P45103	January 8, 2003
Fox 8-9	P45131-P45132	April 18, 2003

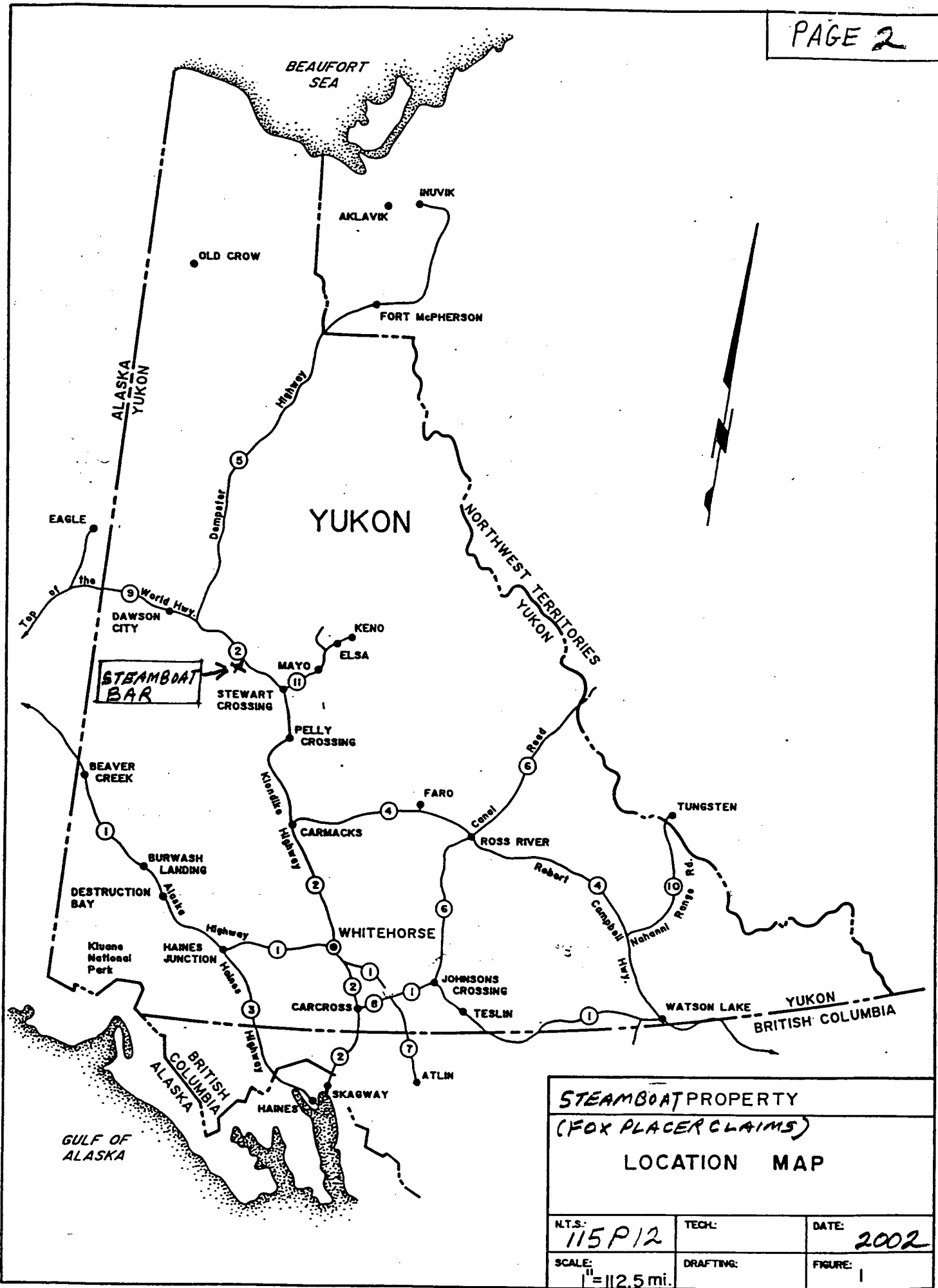
These can be seen on the claim map Figure 2, Page 3.

Location and Access

The property is located 407 kilometres north of Whitehorse on the Klondike Highway to Dawson City and thence 2 km. west on the McQuesten airstrip road to the Stewart River. The property is approx. 1 km. upstream from the airstrip. The claim location can be seen on the maps figures 1,2 and 3 on pages 2, 3 and 4.

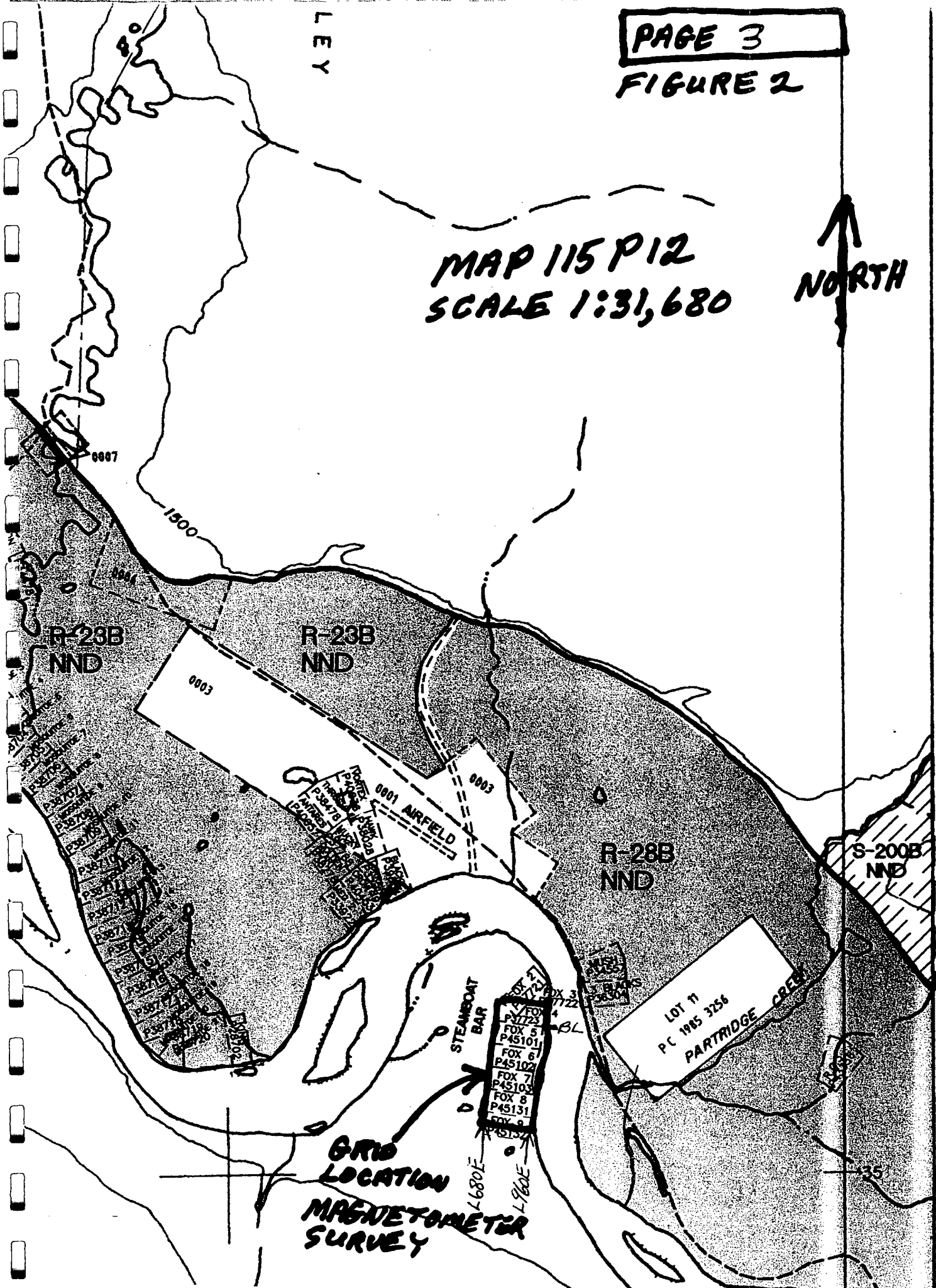
Topography

The property is approx. 1500 feet above sea level and flat lying thus easily traversed by foot. Vegetation consists of evergreens(spruce), poplar, alders and moss. The Spruce sections often have a moss covered floor which no doubt cover permafrost.



<p>STEAMBOAT PROPERTY (FOX PLACER CLAIMS) LOCATION MAP</p>		
<p>N.T.S.: 115P12</p>	<p>TECH:</p>	<p>DATE: 2002</p>
<p>SCALE: 1" = 12.5 mi.</p>	<p>DRAFTING:</p>	<p>FIGURE: 1</p>

MAP 115 P 12
SCALE 1:31,680



SCALE 1:20,000

MAP 15
A28287-125

ALBERT

STRAIGHT BAR
OLD WORKING

GEOPHYSICAL
SURVEY

1985

A28287-125

1:20,000

07/09/96

Printed By: Global Remote Sensing

PAGE 4
FIGURE 3

History

H. S. Bostock's memoir #284, Geological Survey of Canada, 1898 to 1933 gives an overall history of placer mining in the Stewart River area. The following is a summary of R. G. McConnell's 1900 report. The Stewart River was worked for placer gold beginning in 1885. Bars have been worked ever since from the Mayo forks down almost to its mouth. He reports that the bars worked were shallow and the pay channel rarely exceeded a foot in thickness. He reported that Mr. Morley Ogilvie examined the lower part of the river for dredging purposes. On Figure 3, one can just see the old workings on Steamboat Bar. These consist of both hand workings and dredge piles. No doubt, the "old timers" worked this by hand followed, at a later date, by a dredging operation.

Grid and Field Procedure

The colour contour map(Mag.) contained in the pocket shows the grid configuration. Approximately, 16 kilometres of line was surveyed. The grid consists of a picketed baseline at 20 metre intervals. The cross lines(true North-South) were hip chained at 20 metre intervals and flagged with orange and blue flagging. Stations were marked on the ribbons with a felt pen. Two Gem, GSM-19 proton precision magnetometers were employed. One for field readings and the other was used as a base station in order to correct for diurnal variations. Readings were taken at 5 metre intervals along the lines.

PURPOSE

Placer magnetite, which is susceptible to a magnetometer, usually occurs with or near placer gold concentrations on the river bars. The purpose of this survey is to locate shallow buried bars in locations where the river used to flow. The aerial photo (Figure 3) clearly demonstrates the river's old course varying some 700 - 800 metres from its present channel.

RESULTS

The colour magnetic contour map contained in the pocket has been contoured to 1 nTesla or 1 gamma. This map has been used for interpretation purposes. Also, included in the pocket are stacked profiles for reference purposes.

INTERPRETATION AND RECOMMENDATIONS

The following targets have been picked off the colour magnetic contour map contained in the pocket. These sites should be tested with a hand dug pit and any gravels located tested for placer gold by panning. These target locations were refined as a result of consulting with Mr. Mike Milner, Geomorphologist. Anomalies are prioritized from A to F.

(A) L780E 1265N; L800E 1265N; L820E 1255N.

This is the most realistic looking anomaly and the closest that have been surveyed to the end of the point bar system. There might be another further to the north and west on the modern beach. The last of these is at the head of the bar (as far as the data goes as well) and is what the magnetic model should look like. The values would tend to drop off to the west downstream but the ore zone should broaden there.

- (B) L820E 1295N
This is a northern splay off of the main target but might be the edge of the unsurveyed bar(above).
- (C) L920E 1050N; L960E 1045N; L980E 993N.
This is just south of the "ditch" and one wonders if it is natural, a "slough" between separate bars of the point sequence. The proximity to the river bank makes one wonder if this was the site of some old mining activity. However, the river should be shifting west at this location and eroding the material that may have been mined on the banks within view of the passing geologist - Dawson? The second location in this sequence is "off scale" at two adjacent stations and one wonders how much magnetic relief and the cause - boulder of iron formation or possibly mining equipment.
- (D) L980E 883N; L980E 860N; L940E 890N.
- (E) L720E 750N
Trending NW-SE with maximum relief of 30 to 40 nT. This is the strongest anomaly of worthy aerial extent.
- (F) L860E 590N
East - west in orientation, this is reasonable for both the apparent alluvial scars as well as the theoretical trend of alluvial features and their magnetic expression.

There appear to be a couple of ponds(see aerial photo) that may have permafrost and thermokarst that could have some control on the mag such as distance from sensor where the silt has swollen because of interstitial ice. In fact, if the slicks at the bottom of the dredge tailings were swollen with ice that might (rather than the natural permafrost hypothesis) explain the negative anomaly near the mining zone(dark blue on the contour map between 1050N and 1200N).

There are several magnetic breaks or lineaments that could represent Tintina and basement. They trend parallel to the Trench and the location of the grid appears to straddle the southern boundary of the Trench from north to south identified by azimuth bearings of 130, 145, 135, 137 and are rendered in green anomalies. E and F appear to be south of the southern margin and could be basement features.

E and F are rated low because they are in a position to have been formed when the river was straight. It is more likely that these are basement features rather than bar gold targets. Another possibility, is that they represent channel concentrations (the scour pool) of the river when the meander was in an entirely different position. However, these anomalies(E&F) including the mag highs to the south should be tested with test pits in order to check this hypothesis.


VALUE OF ASSESSMENT WORK

<u>Field Work - Jan. 6/02 to Jan. 14/02</u>	<u>\$</u>	<u>\$</u>
Mob/Demob- 2 days @ \$175/day	350.00	
- Truck 750 km. @ 0.40/km.	300.00	
- Truck 2 days @ 50./day	100.00	
Engineer 5 days @ 325.00/day	1625.00	
Snowmobile 5 days @ 55.00/day	275.00	
Gem GSM-19 Proton Precision Mag Rental	321.00	
Living Expenses 5 days @ 65.00/day	325.00	
Supplies (flagging, pickets etc.)	<u>95.00</u>	
Sub Total		3,391.00
<u>Field Work - Apr. 12/02 to Apr. 24/02</u>		
Mob/Demob - 2 days @ 175.00/day	350.00	
- Truck 750 km. @ 0.40/km.	300.00	
- Truck 2 days @ 50.00/day	100.00	
Engineer 10 days @ 325.00/day	3250.00	
Snowmobile 10 days @ 55.00/day	550.00	
Gem GSM-19 Proton Precision Mag. Rental	1998.00	
Living Expenses 10 days @ 65.00/day	650.00	
Supplies (flagging, generator fuel, etc.)	125.00	
Data processing & map plotting (Aurora)	311.30	
Report writing, typing and reproduction	<u>450.00</u>	
Sub Total		<u>8,084.30</u>
TOTAL		11,475.30

STATEMENT OF QUALIFICATION

I, **GARY C. LEE**, of the City of Whitehorse in the Yukon Territory
HEREBY CERTIFY that:

1. I am a self-employed Geological Engineer.
2. I am a graduate of the University of Toronto, Toronto, Ontario, with a degree in Applied Science - Geological Engineering (Mineral Exploration option).
3. I am a member of the Professional Engineering Associations of the Yukon, B.C. and Ontario.
4. I supervised and carried out the work described in this report.
5. I have an interest(ownership) in this property(Fox2-9 Placer claims).



Gary C. Lee, P.Eng.

Date:

July 2002

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& RESOURCES LIBRARY
P.O. Box 2703
Whitehorse, Yukon Y1A 2C8

MAP NO.: PLACER ASSESSMENT REPORT X
115P 12 PROSPECTUS X
CONFIDENTIAL
OPEN FILE

DOCUMENT NO: 120198
MINING DISTRICT: Dawson
TYPE OF WORK: Magnetometer Survey

REPORT FILED UNDER: Gary Lee

DATE PERFORMED: Jan 6-14, 2002

DATE FILED: July 15, 2002

LOCATION: LAT.: 63°32'00" N

AREA: Stewart River

LONG.: 137°20'00" W

VALUE \$: 11,475.30

CLAIM NAME & NO.:

Fox 2-4 (P 37721-P 37723) ; Fox 5-7 (P 45101-P 45103) ; Fox 8-9 (P 45131 - P 45132)

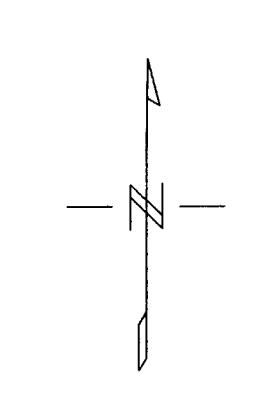
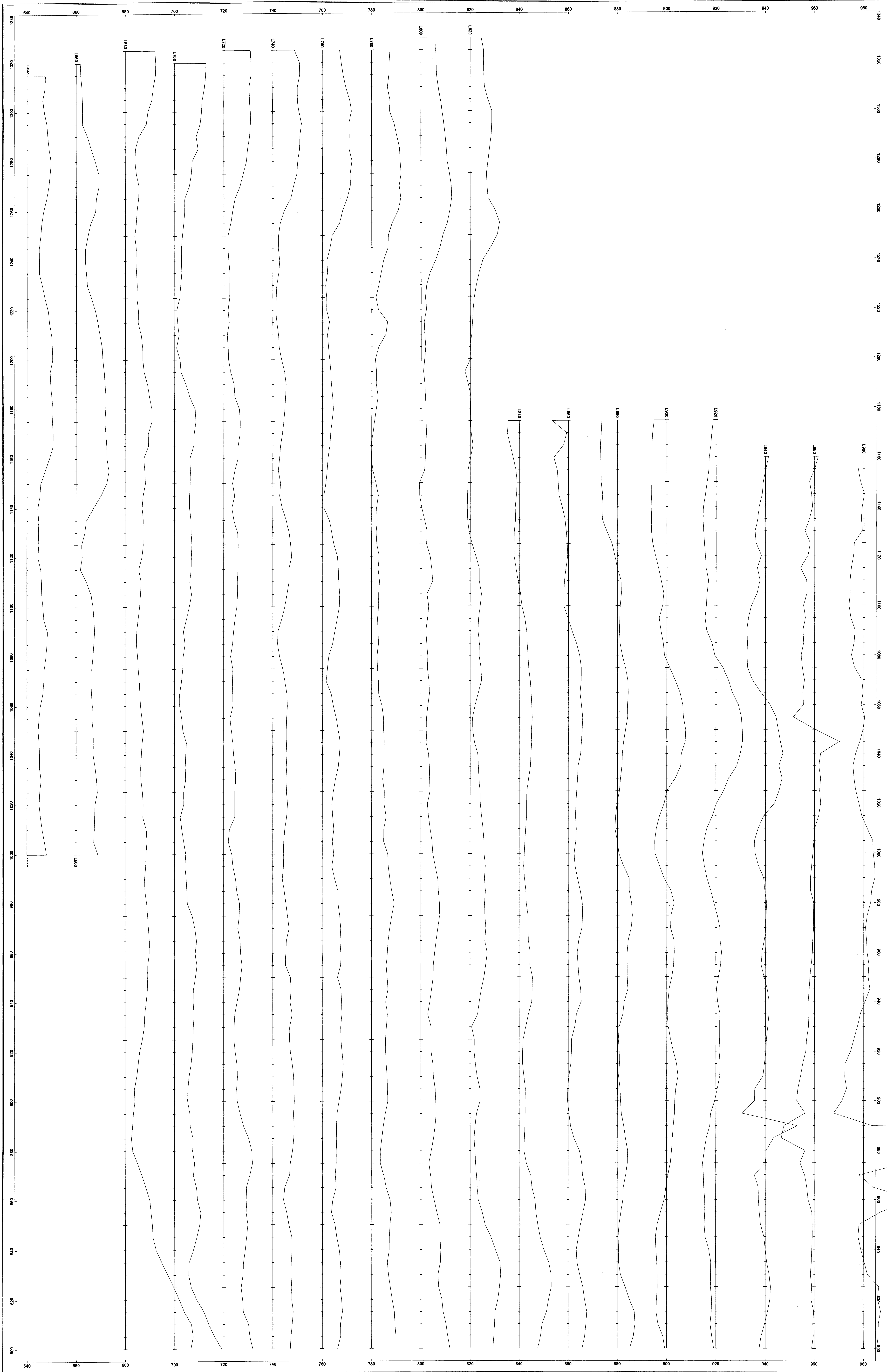
WORK DONE BY: Gary Lee

WORK DONE FOR: Gary Lee

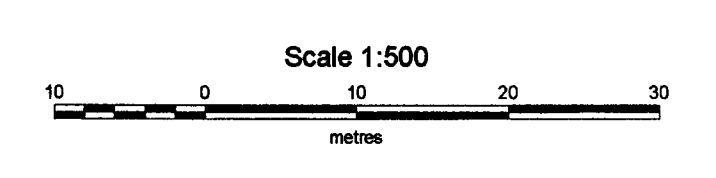
DATE TO GOOD STANDING :

REMARKS:

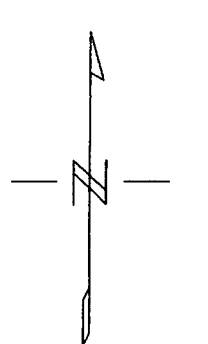
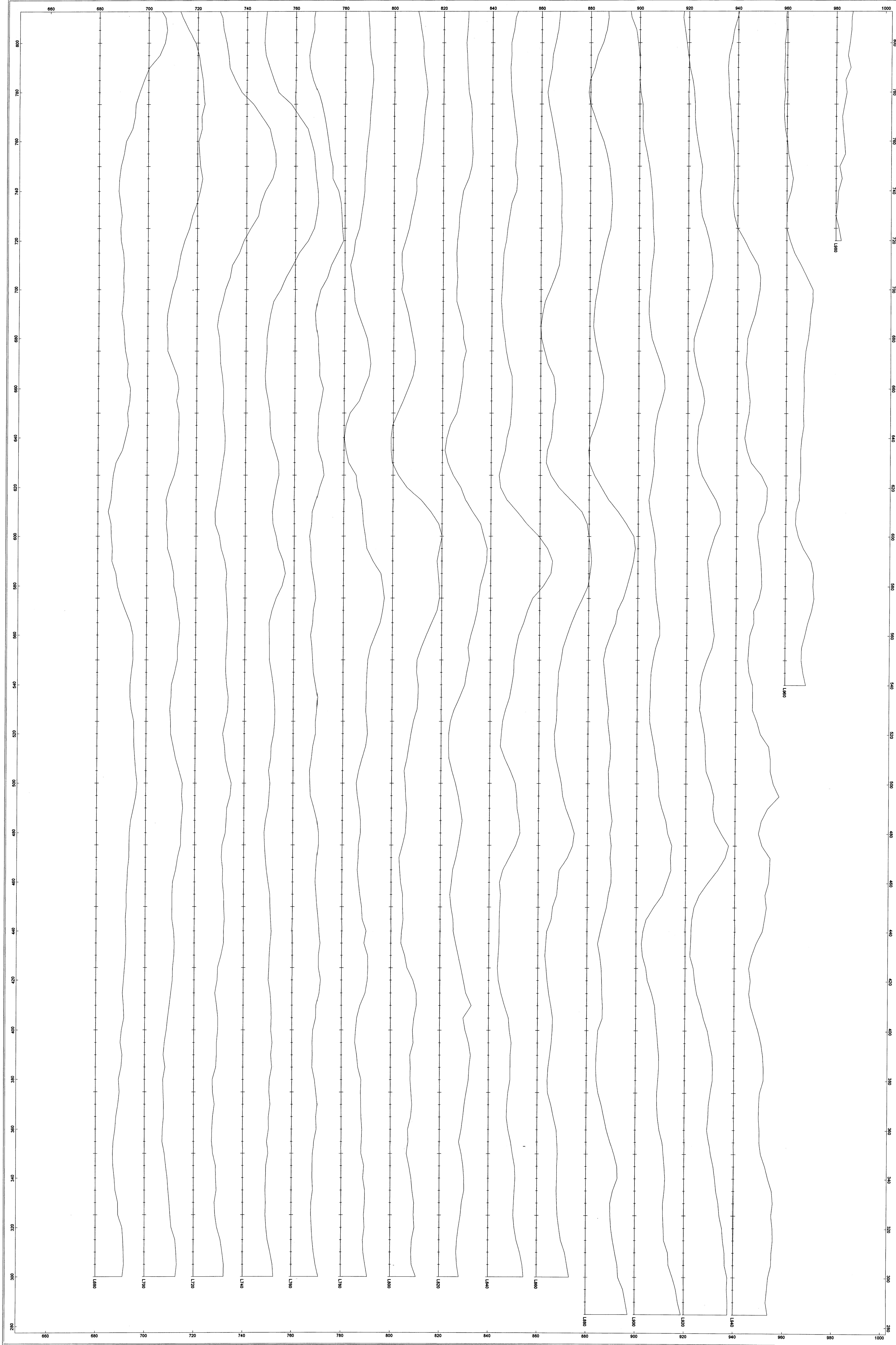
A magnetometer survey was completed which outlined some anomalous magnetic highs.



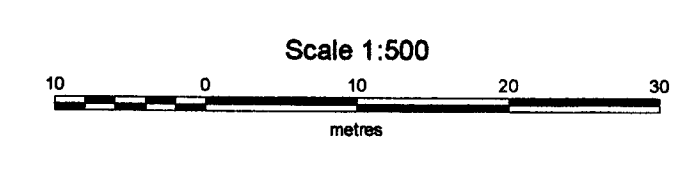
MAGNETIC PROFILE SCALE
 1 mm = 1 nTesla
 base level = 57,000 nTesla
 positive to right



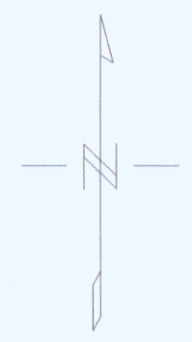
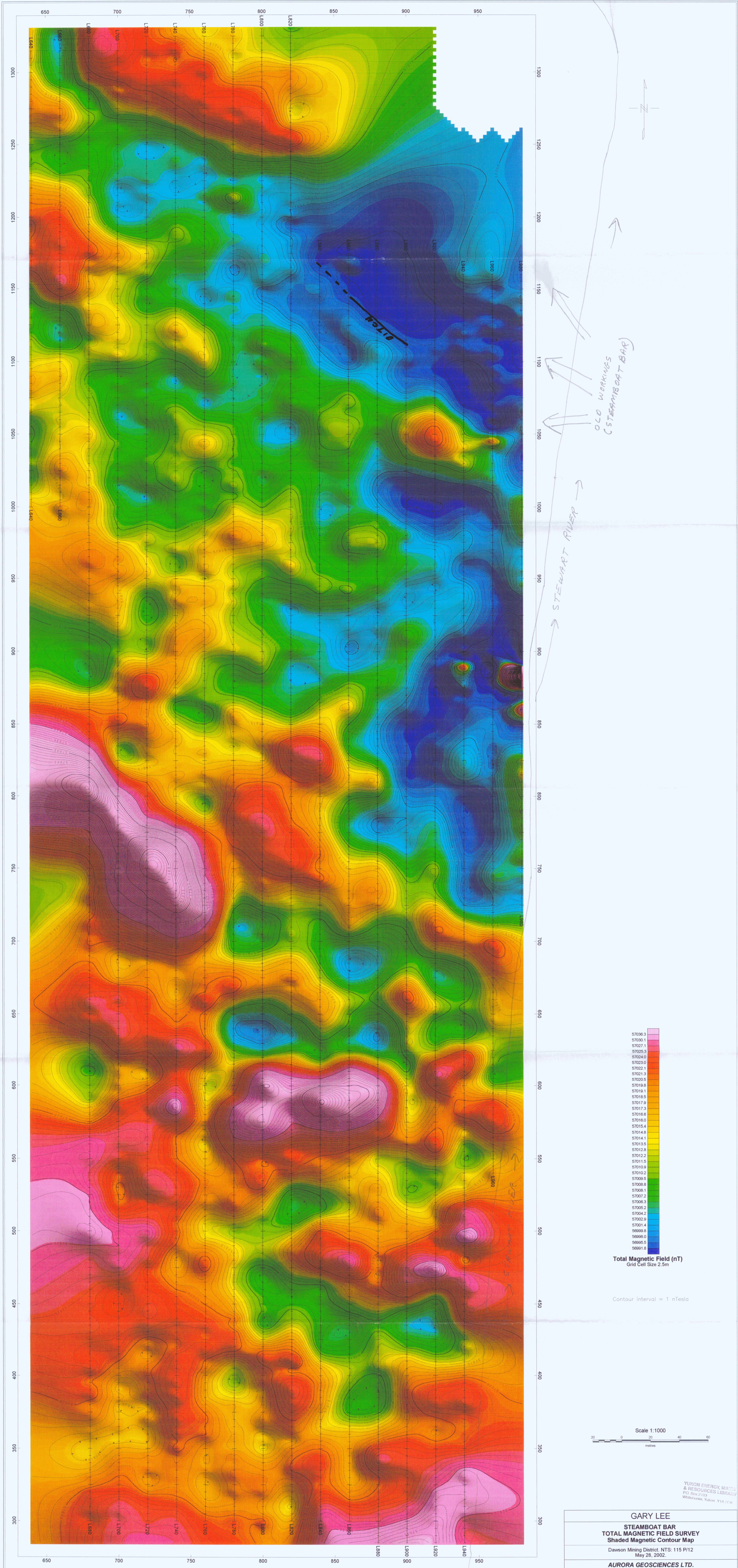
GARY LEE
 STEAMBOAT BAR
 TOTAL MAGNETIC FIELD SURVEY
 Magnetic Field Profiles (north sheet)
 Dawson Mining District, NTS: 115 P112
 May 23, 2002
 AURORA GEOSCIENCES LTD.



MAGNETIC PROFILE SCALE
 1 mm = 1 nTeso
 base level = 57,000 nTeso
 positive to right



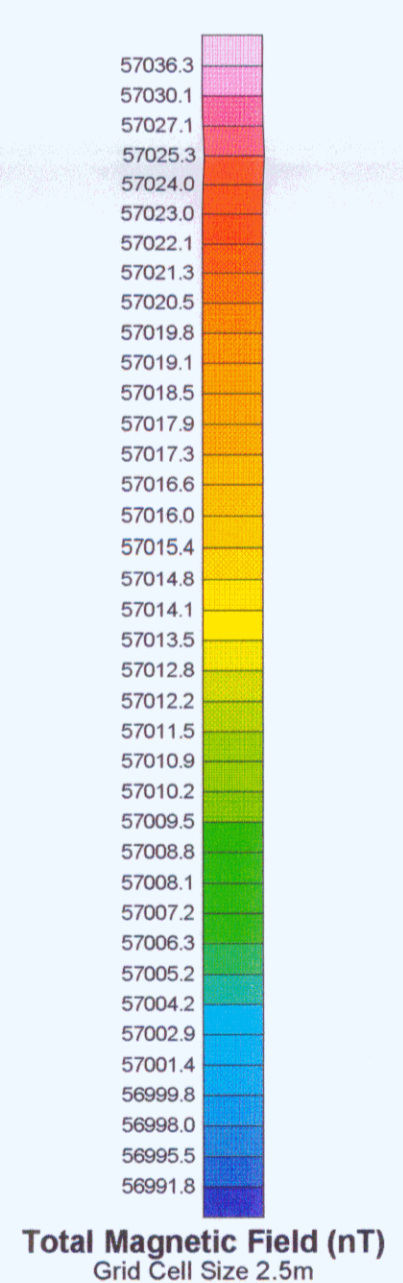
GARY LEE
 STEAMBOAT BAR
 TOTAL MAGNETIC FIELD SURVEY
 Magnetic Field Profiles (south sheet)
 Dawson Mining District, NTS: 115 P/12
 May 23, 2002.
 AURORA GEOSCIENCES LTD.



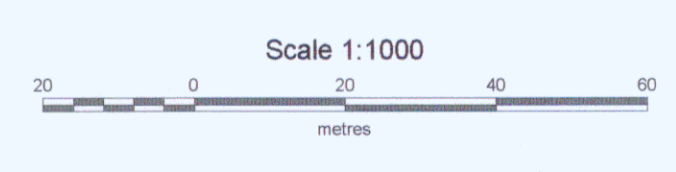
STEWART RIVER →

OLD WORKINGS
(STEAMBOAT BAR)

0.7 Tesla



Contour interval = 1 nTesla



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GARY LEE
STEAMBOAT BAR
TOTAL MAGNETIC FIELD SURVEY
Shaded Magnetic Contour Map
Dawson Mining District, NTS: 115 PI/2
May 28, 2002.
AURORA GEOSCIENCES LTD.