

MAP NO.: PLACER ASSESSMENT REPORT X
115G 05 PROSPECTUS X
CONFIDENTIAL
OPEN FILE

DOCUMENT NO: 120199
MINING DISTRICT: Whitehorse
TYPE OF WORK: Trenching

REPORT FILED UNDER: Midnight Mines Ltd.

DATE PERFORMED: June – July 2002

DATE FILED: December 8, 2002

LOCATION: LAT.: 61°30'00" N

AREA: Arch Creek

LONG.: 139°41'00"W

VALUE \$: 2600.00

CLAIM NAME & NO.:

P47086, P47181, P47088, P47146, IW00167 (Arch 1-4)

WORK DONE BY: Tintina Consultants

WORK DONE FOR: Midnight Mines Ltd.

DATE TO GOOD STANDING :

REMARKS:

Trenching and grid construction in preparation for magnetometer surveys.

MAP NO.: PLACER ASSESSMENT REPORT X
115G 05 PROSPECTUS X
CONFIDENTIAL
OPEN FILE

DOCUMENT NO: 120199
MINING DISTRICT: Whitehorse
TYPE OF WORK: Trenching

REPORT FILED UNDER: Midnight Mines Ltd.

DATE PERFORMED: June – July 2002

DATE FILED: December 8, 2002

LOCATION: LAT.: 61°30'00" N

AREA: Arch Creek

LONG.: 139°41'00" W

VALUE \$: 2600.00

CLAIM NAME & NO.:

P47086, P47181, P47088, P47146, IW00167 (Arch 1-4)

WORK DONE BY: Tintina Consultants

WORK DONE FOR: Midnight Mines Ltd.

DATE TO GOOD STANDING :

REMARKS:

Trenching and grid construction in preparation for magnetometer surveys.

2002 Assessment Report

on the

Arch Creek Placer Property

Placer Claims: Arch 1 (P47086); Arch 2 (P47181)

Placer Claims: Arch 3 (P47088), Arch 4 (P47146)

Placer Lease: IW00167

NTS 115 G-5

Lat. 61°30'N, Long. 139°41'W

Whitehorse Mining District

120199

For: **Midnight Mines Ltd.**
Box 31293
Whitehorse, YT
Y1A 5P7

By: **Tintina Consultants**
December 8, 2002

Period of Work:
June, July and September 2002



Costs associated with this report have been approved in the amount of \$ 2600.00 for assessment credit under Certificate of Work No. AW 45423

H. Sautwick

Mining Recorder
Whitehorse Mining District

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 \$ 2600.00

W. LeBoeuf

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

4507031

Table of Contents

Summary	1
Introduction	2
A. Introduction.....	2
B. Location and Access	2
C. Property and Claim Status	2
D. History.....	6
Geology	
A. Bedrock Geology	7
B. Surficial Geology.....	7
2002 Work Program	10
Conclusions and Recommendations	12
Certificate	
Statement of Costs	
References	

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

List of Figures

Figure 1	Location Map	3
Figure 2	Property Access Map.....	4
Figure 3	Claim Map.....	5
Figure 4	Bedrock Geology.....	8
Figure 5	Location of 2002 work	11

Summary

The Arch Creek Property consists of four placer claims and a two mile placer lease. The property is located on Arch Creek, a right limit (southern bank) tributary of the Donjek River approximately 15 miles west of the Alaska Highway. A road leaving the Alaska Highway near the Northwestel communications tower at Mile 1126 to the west accesses the property along the Donjek River flats. Gold in Arch Creek was first discovered in 1904 and the property has been mined and explored intermittently since that time. At least 850 ounces of gold has been recovered from Arch Creek. Potential for placer platinum should also be considered due to the proximity of the Wellgreen Deposit at the headwaters of Arch Creek, as well as other Ni-Cu-PGE showings in the vicinity of Arch Creek.

The 2002 work program on the property consisted of baseline and flagline grid construction in preparation for a magnetometer and gradiometer survey. Due to time constraints the surveys were not completed in 2002 and will be carried out as soon as possible in the new year. During the 2002 work program on the Arch Creek property, many of the old workings on the property were located. The property was also prospected in a preliminary fashion.

Follow up work on the property should focus on a magnetometer survey and gradiometer survey over the existing grid. The survey should also be expanded down on to the 2 mile lease to cover areas which were explored with a seismic survey in previous years. These surveys would help define areas of high magnetic relief which would be indicative of placer channels containing magnetite, other heavy magnetic minerals, gold and platinum group elements.

Introduction

A. Introduction

Work was carried out on the Arch 1 and Arch 4 placer claims between June 6-7, 2002 by Ryan Gould and Bill Harris of Midnight Mines Ltd.; on Arch 2, and Arch 3 by Don Tomlin and Scott McNally on July 7, 2002; and on Arch 1 and Arch 4 on September 21, 2002 by Bill Harris.

This report describes the work completed on the property in 2002. The writer has been to the property area and has prepared this report based upon information supplied by Bill Harris.

B. Location and Access

The Arch Creek Property is located on Arch Creek, a right limit tributary of the Donjek River, which flows in approximately 15 miles west of the Donjek River Bridge (Mile 1128), on the Alaska Highway. The property is located on NTS map sheet 115 G/5 Placer, centred at latitude 61°30'N and 139°41'W. Figure 1 shows the property location.

Access to the property can be gained in two ways as shown in Figure 2. A well maintained summer road departs the Alaska Highway at Quill Creek (Mile 1111) and proceeds within 0.5 kilometres of the upstream end of the property. At this point, the road needs to be upgraded as it has sloughed in one spot. Alternatively, access can be gained to the downstream (or Donjek River) end of the property via a road which leaves the Alaska Highway to the west near the Northwestel communications tower at Mile 1126 (approximately 2 km southeast of the Donjek River bridge). This road proceeds approximately 3 miles down to the Donjek River flats then upstream along the flats to the mouth of Arch Creek. With a small amount of upgrading at the approach to the flats (where the road bed is swampy for some 200 metres), this road would provide 2 wheel drive access to the property.

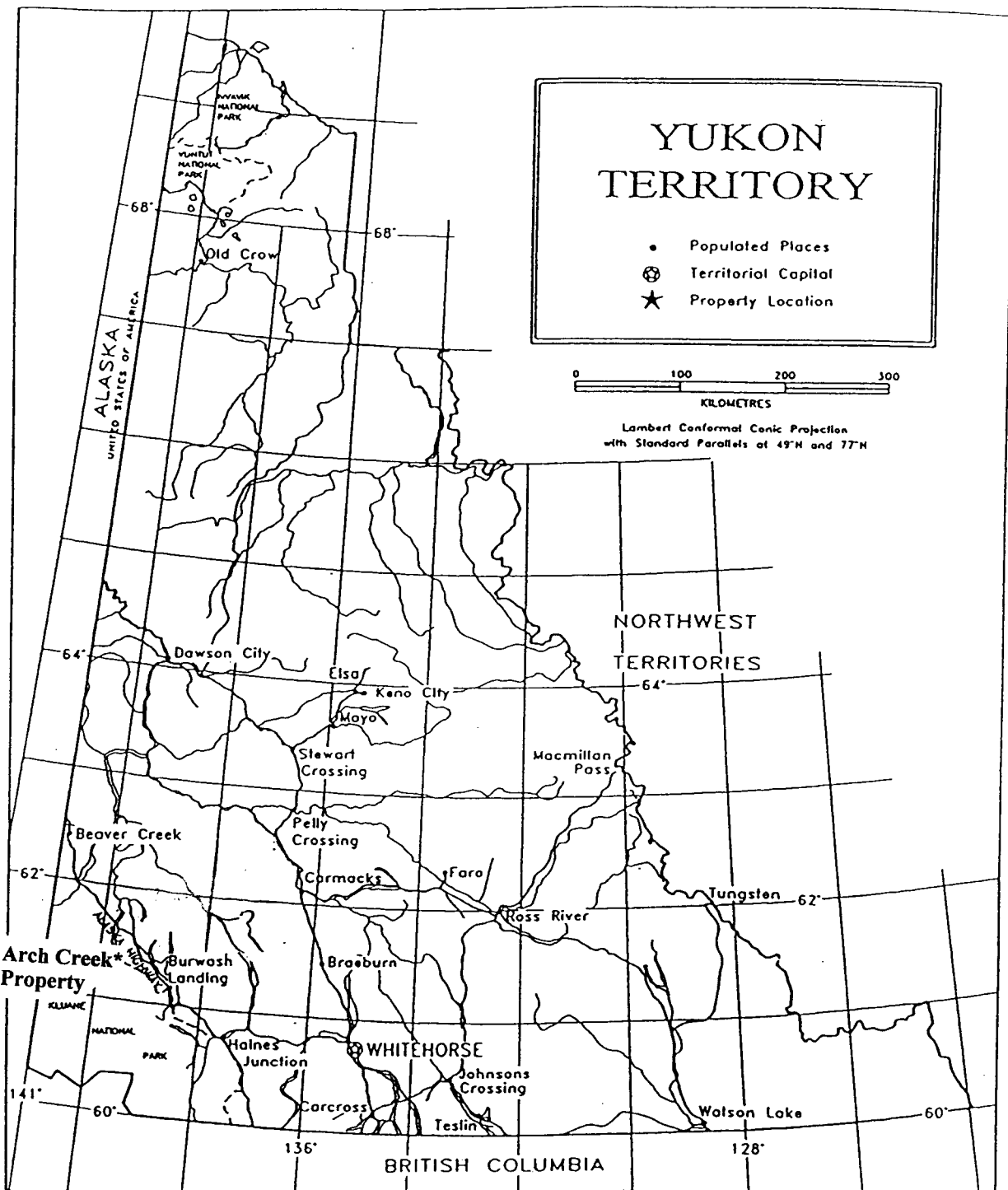
C. Property/Claim Summary

The Arch Creek Property includes the following claims:

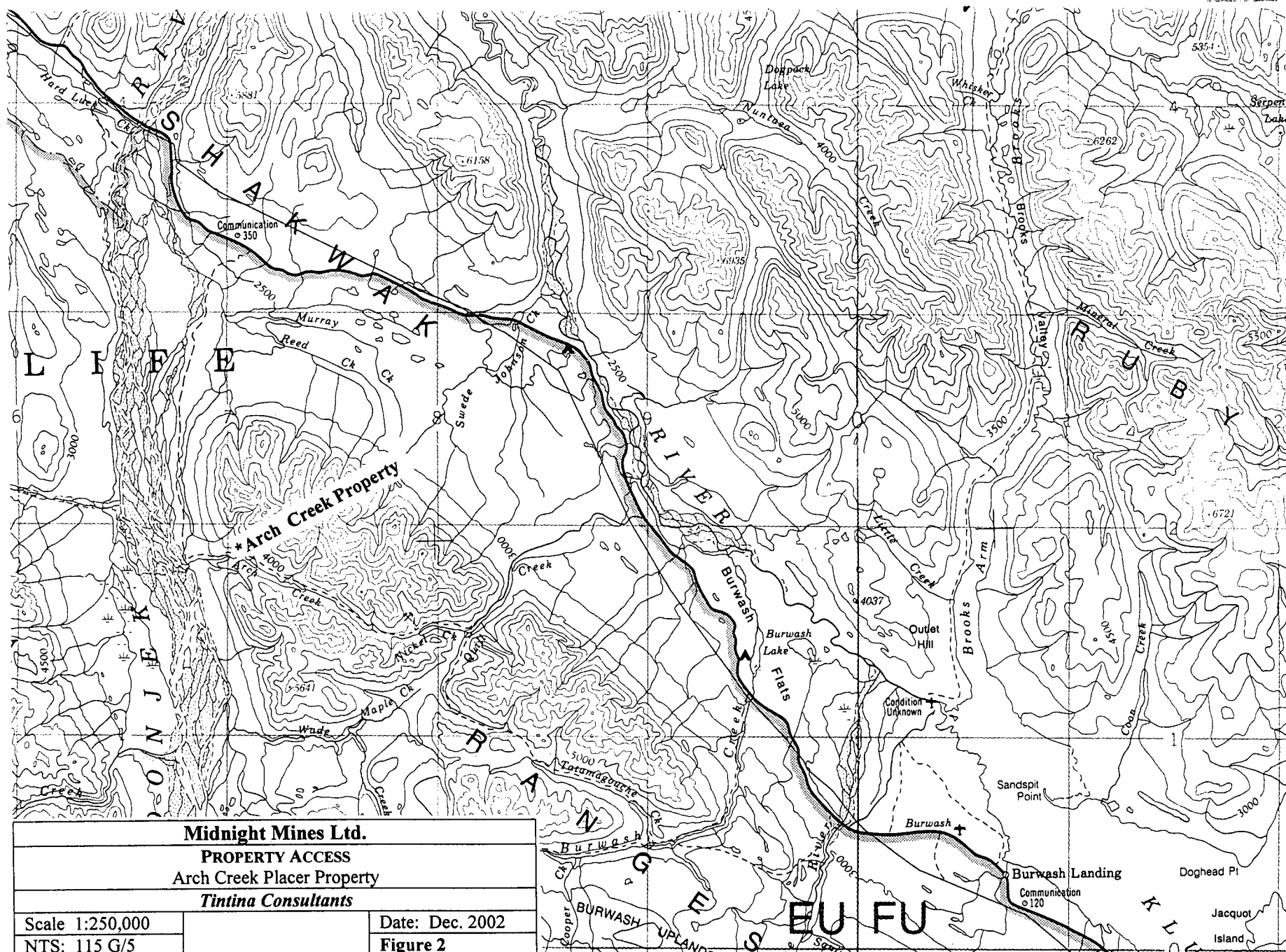
Claim Name	Grant Number	Expiry Date*	Claim Owner
Arch 1	P47086	2006/06/20	Bill Harris
Arch 2	P47181	2005/07/03	Bill Harris
Arch 3	P47088	2006/06/20	Midnight Mines Ltd.
Arch 4	P47146	2005/12/11	Bill Harris
2 mile lease	IW00167	2003/10/08	Bill Harris

*pending approval of filing

Figure 3 shows the location of these claims and lease.



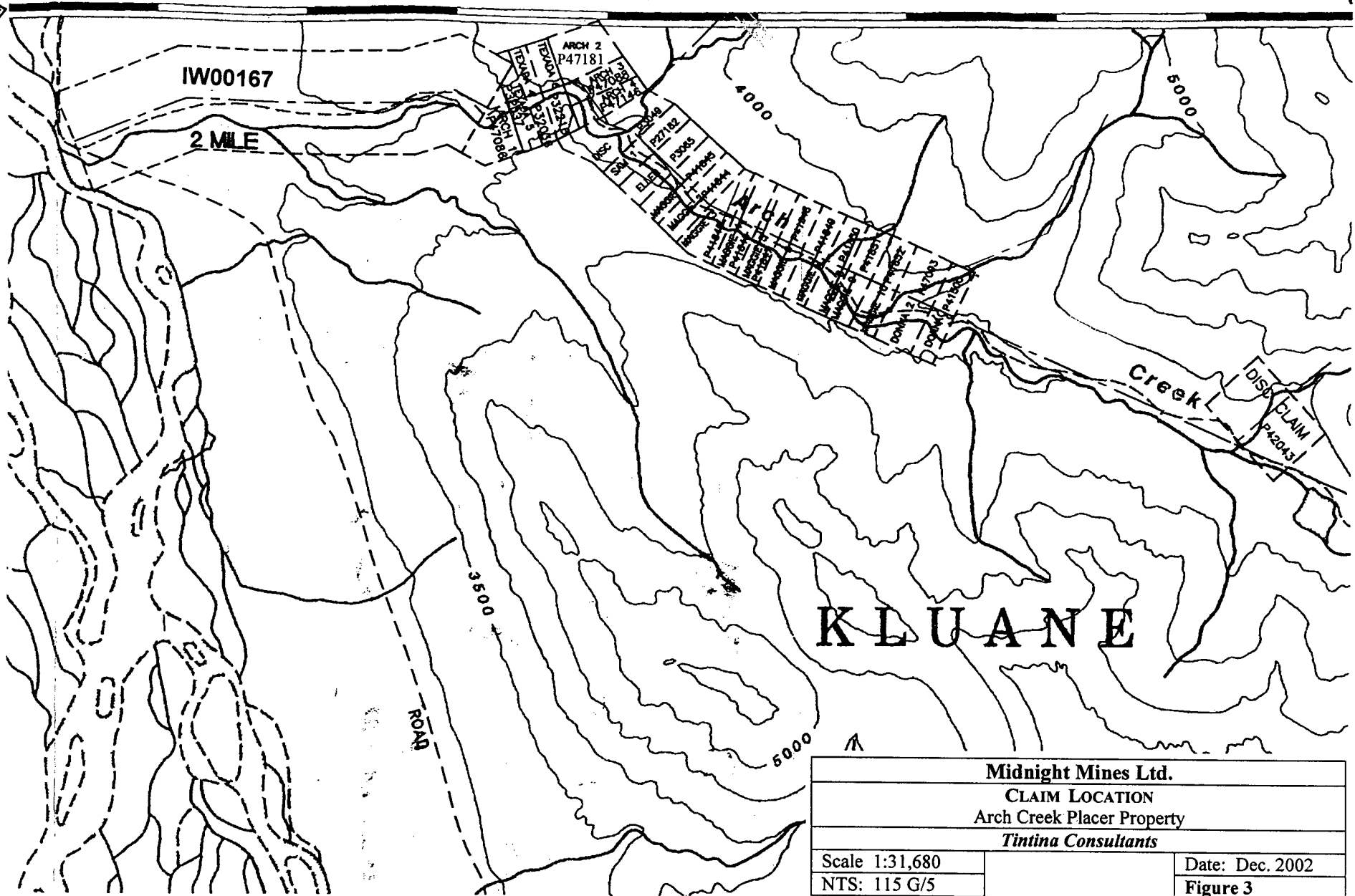
Midnight Mines Ltd.		
LOCATION MAP		
Arch Creek Placer Property		
<i>Tintina Consultants</i>		
Scale 1:6,000,000		Date: Dec. 2002
NTS: 115 G/5		Figure 1



Midnight Mines Ltd.	
PROPERTY ACCESS	
Arch Creek Placer Property	
<i>Tintina Consultants</i>	
Scale 1:250,000	Date: Dec. 2002
NTS: 115 G/5	Figure 2

61°30'N

139°40'W



Midnight Mines Ltd.	
CLAIM LOCATION	
Arch Creek Placer Property	
<i>Tintina Consultants</i>	
Scale 1:31,680	Date: Dec. 2002
NTS: 115 G/5	Figure 3

D. History

The following placer history on Arch Creek comes from LeBarge (2002):

Arch Creek has been worked more or less since 1904. It was discovered in May 1904 by H. Flaherty, M. Bones and F. Ater who named the creek after a peculiar arch-like opening in the limestone rocks of the lower canyon. They mined intermittently until 1913. Messrs. Altamaose, After, Smith and Bones staked discoveries on Arch Creek in May 1904. During 1914 about 6 claims were held on this creek, all of them were located along the lower portion of the stream. During 1914 R.W. and W. B. Lamb worked at the mouth of the lower canyon, but the many large boulders in the deposit hindered operations and the ground was abandoned. From 1939 to 1942 C. Bade et. al. mined in the same area. In 1957, the creek was staked and prospected by R. O. Davis, A.H. Clark and W.L. Drury (P. and G. Placers Ltd.) who then conducted a bulldozer operation from 1959 to 1961; recovering 540 ounces of gold. Mr. Davis returned to mine in 1973.

From 1980 to 1982, R. Braun mined using a small backhoe 2.6 kilometres from the Donjek, while M. Melanson hand-mined 2.0 kilometres farther upstream. In 1984 H. and A. Fromme sluiced at the mouth of the lower canyon, while E. Green and R. Moore worked at the head of the upper canyon. During 1985 and 1986, F. Green did stripping and minor sluicing where E. Green and R. Moore worked. From 1988 to 1992, O. Leckie conducted a small-scale operation near the lower canyon. In 1992 M. Balcar leased his property and started mining.

At least 850 ounces of gold have been recovered from Arch Creek. The gold is found at or near bedrock, with 70% consisting of small grains or nuggets. A 3 ounce nugget with considerable quartz and a rough surface was found in the lower canyon in 1905. The purity of the gold is reported to be 870. Occasional grains and small rough nuggets of native silver and copper have been found also (LeBarge, 2002).

Geology

A. Bedrock Geology (see Figure 4)

The rocks in the Arch Creek area consist of a series of Pennsylvanian to Permian aged sedimentary and volcanic rocks (tuff, breccia, argillite, basalt, andesite flows) shown as uTrN on Figure 4. These rocks were intruded by Upper Triassic basalts and andesite flows (CPS1 and CPS2); gabbros, sills and dykes (PTrK1); and by late Cretaceous intrusives (EKK) including granodiorite, quartz diorite and quartz monzonite. Extensive sedimentary and volcanic rocks of Tertiary age (OA, NW1 and NW2) occur in the area. A substantial portion of the map area is covered in Quaternary sediments (Q), which are discussed in more detail below.

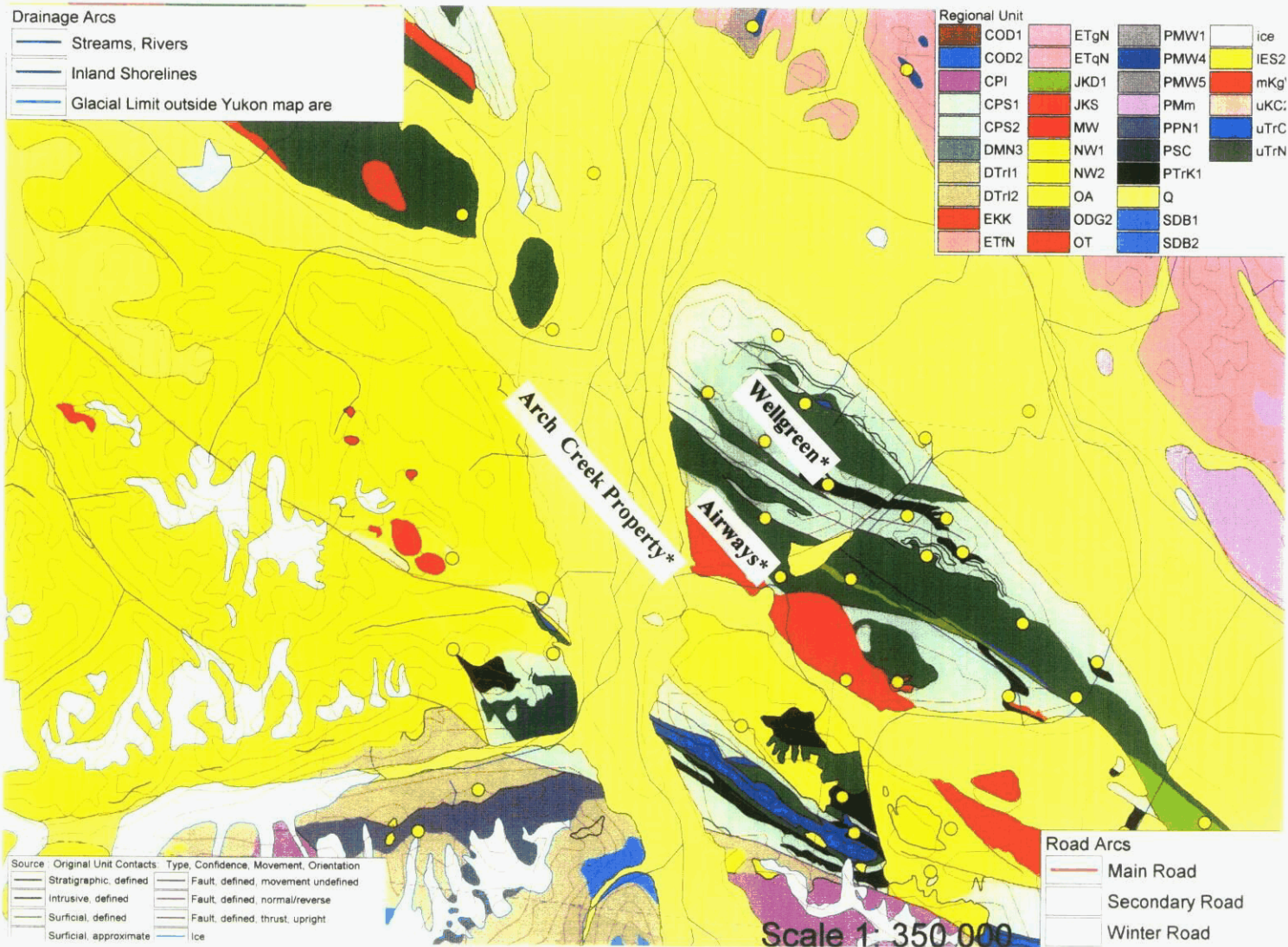
According to Gordey and Makepeace (1999), both the Airways showing on Arch Creek, and the Wellgreen deposit at the headwaters of Arch Creek consist of dykes or sills intruding the Pennsylvanian-Permian aged sedimentary and volcanic rocks mentioned above. The Airways showing consists of a peridotite dyke, with a showing 60 m long and 15 m wide which contains narrow widths of massive chalcopyrite and nickeliferous pyrrhotite at the contact of a 1 m wide basal olivine gabbro zone with cherty argillite. A chip sample taken in 1987 assayed 2.5% Ni, 0.51% Cu, 11.8 g/t Pt, 3.2 g/t Pd and 0.07 g/t Au. The Wellgreen deposit (a past producer) contains nickel, copper and platinum group elements near the base of a Triassic layered mafic – ultramafic sill. Reserves consist of 49.9 million tonnes grading 0.36%Ni, 0.35% Cu, 0.51 g/t Pt and 0.34 g/t Pd.

LeBarge (2002) reports that quartz veins traversing the slates and tuffs in the vicinity of the creek were probably the source of the gold in the creek.

B. Surficial Geology

LeBarge (2002) describes the surficial geology of the creek as follows:

Arch Creek valley is a steep-sided trough-like depression, in which thick glacial deposits of the Ruby Ice-Sheet have accumulated. Since the glacial period Arch has been re-excavating its channel and in places (the canyons) it has cut into bedrock. The first canyon is located approximately 2.1 km from the mouth and is about 1200 metres long, while the second canyon is located about 900 metres farther upstream and it is approximately 200 metres long. The rest of the valley between the Donjek floodplain and the mouth of the upper canyon is between 30 and 65 metres wide and has moderate to steep walls covered with glacial and other detritus. The gradient of this portion of the creek is approximately 57 metres per km. Above the upper canyon the valley widens and is bottomed with narrow flats bordered in places with terraced slopes. Deposits between the Donjek floodplain and the head of the upper canyon are generally 2 to 8 metres deep and consist of very little overburden overlying coarse gravel, with boulders up to 2.5 m or more in diameter, sand and clay. In some places in the lower canyon the creek flows on bedrock. Deposits close to the creek are thawed, but bench gravels are frozen.



Midnight Mines Ltd.		
GEOLOGY		
Arch Creek Placer Property		
<i>Tintina Consultants</i>		
Scale: 1:350,000	Taken from	Date: Dec. 2002
NTS: 115 G/5	Gordey and Makepeace (1999)	Figure 4

Above the upper canyon the gravels deepen and the few holes sunk by oldtimers all failed to reach bedrock. There is a year-round water supply which is subject to occasional flood events.

2002 Work Program

In the 2002 field season 2 existing camps were used; one at the upper end of the lower canyon on Arch Creek; and another in the lower part of the creek below the lower canyon, adjacent to the alluvial fan. The program consisted of the construction of a baseline and flagline grid. The baseline was cut with machetes and axes where necessary and stations were established every 25 metres along it. The flagline grid was established with hipchain and compass on 25 metre stations along the baseline, with line stations at 10 metre spacings along the lines.

Prospecting and pan sampling was also done in the claims as well as the lease. Approximately 5 cubic yards of in place material was moved by hand in the 2002 season. The table below summarizes the dimensions of the test pits.

Test Pit	In Place Material Moved (cubic yards)	Length (yards)	Width (yards)	Depth (yards)
A	0.5	1	1	0.5
B	1	1	1	1
C	0.5	1	0.5	1
D	0.5	1	1	0.5
E	0.5	1	1	0.5
F	0.5	1	0.5	1
G	1	1	1	1
H	0.5	1	0.5	1
Total	5.0			

Locations of the test pits can be found plotted on figure 5. The location of the baseline and flagline grid can also be found on figure 5.

Conclusions and Recommendations

The 2002 program of baseline and flagline grid construction was completed as preparation for a magnetometer and gradiometer survey which will be completed in the near future. Prospecting and pan sampling has resulted in the discovery of new areas for further exploration and the rediscovery of old workings from previous operations in the area.

Follow up work on the property should consist of an extension of the baseline and flagline grid downstream onto the 2 mile lease and magnetometer and gradiometer surveys covering the existing and future grids. This will enable the property owner to tie in previous seismic surveys, old mining cuts, surficial mapping and any subsequent magnetometer and gradiometer anomalies to further the understanding of the property geology for exploration and mine planning purposes.

While the main economic mineral in this property is placer gold, attention must be given to the potential for platinum and other platinum group elements in this area as the Wellgreen Deposit, a 50 million ton orebody containing appreciable amounts platinum group element minerals exists in the headwaters of Arch Creek. As well, other Ni-Cu-PGE showings are located in the vicinity of Arch Creek.

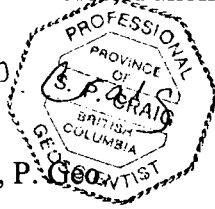
Certificate

I, SUSAN PATRICIA CRAIG, of the City of Whitehorse, in the Yukon Territory,
HEREBY CERTIFY:

1. That I am consulting geologist and that I am familiar with the property area.
2. That I am a graduate of Lakehead University (M.Sc. Geology, 1991) and the University of Calgary (B.Sc., Geology, 1986).
3. That I am a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia.
4. That I have been engaged in mineral exploration and development on a full time basis for 11 years in the Yukon and British Columbia.
5. That I have no interest, direct or indirect in the properties or securities of Midnight Mines Ltd. nor do I expect to receive such interest.

SIGNED at Whitehorse, Yukon this 7th day of December, 2002.

Susan P.



Susan P. Craig, P. Geo.

Statement of Costs

2002 Work

Hand Trenching

5 cubic yards @ \$40/cubic yard \$200

Grid Preparation

Bill Harris, 2 days @ \$300/day \$600

Ryan Gould, 2 days @ \$200/day \$400

Transportation

Truck Rental, 2 days @ \$100/day \$200

4 x 4 ATV, 2 days @ \$75/day \$150

Fuel \$150

Camp and Food

4 man days @ \$35/day \$140

Subtotal \$1,840

Report Preparation

\$800

Total: \$2,640

References

Gordey, S.P. and Makepeace, A.J. 1999. Yukon digital geology, S.P. Gordey and A.J. Makepeace (comp.); Geological Survey of Canada, Open File D3826 and Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, Open File 1999-1(D).

LeBarge, W.P. (compiler), 2002. Yukon Placer Database 2002 – Geology and mining activity of placer occurrences. Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada.

YUKON ENERGY, MINES
& GEOSCIENCES LIBRARY
PO Box 2703
Whitehorse, Yukon Y1A 2C8

YUKON ENERGY, MINES
& GEOSCIENCES LIBRARY
PO Box 2703
Whitehorse, Yukon Y1A 2C8