

STEWART RIVER GEOPHYSICAL SURVEY

by

Gary C. Lee, P.Eng.
June and August, 2003

Placer Claims

Fox 1 (P45232)

Fox 2 - 4 (P37721 - P37723)

Fox 5 - 7 (P45101 - P45103)

Fox 8 - 9 (P45131, P45132)

Fox 10 (P45233)

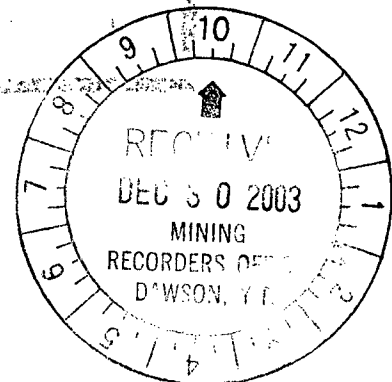
Fox 11 (P45345)

Fox 12 (P45364)

Dawson Mining District
NTS 115 P/12

Latitude: 63° 32' N
Longitude: 137° 20' W

120204



Costs associated with this report have been
approved in the amount of \$ 7,400
for assessment credit under Certificate of
Work No. A.D. 2550

K. Perry

Mining Recorder
Dawson City Mining District

MAP NO.: PLACER ASSESSMENT REPORT X
115P12 PROSPECTUS X
CONFIDENTIAL
OPEN FILE

DOCUMENT NO: 120204
MINING DISTRICT: Dawson
TYPE OF WORK: Magnetometer survey

REPORT FILED UNDER: Gary Lee

DATE PERFORMED: June and August 2003

DATE FILED: December 2003

LOCATION: LAT.: 63°32'00" N

AREA: Stewart River

LONG.: 137°20'00"W

VALUE \$: 7400.00

CLAIM NAME & NO.:

Fox 1 (P45232), Fox 2-4 (P37721-P37723), Fox 5-7 (P45101-P45103), Fox 8-9 (P45131-P45132), Fox 10 (P45233), Fox 11 (P45345), Fox 12 (P45364)

WORK DONE BY: Gary Lee

WORK DONE FOR: Gary Lee

DATE TO GOOD STANDING :

REMARKS:

Several magnetic anomalies were distinguished by the survey.

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INTRODUCTION

General

Between January 6 to January 14, 2002 and April 12 to April 24, 2002, the writer completed a magnetometer survey on Steamboat Bar, Stewart River, Yukon. In addition, he returned between June 1 - 6 and August 7 - 15, 2003 in order to enlarge the area surveyed and further detail existing anomalies. The following are the claim names, numbers and expiry dates.

Fox 1	P45232	Sept. 16, 2008
Fox 2 - 4	P37721 - P37723	March 22, 2009
Fox 5 - 7	P45101 - P45103	January 8, 2008
Fox 8, 9	P45131, P45132	April 18, 2008
Fox 10	P45233	Sept. 16, 2008
Fox 11	P45345	April 14, 2009
Fox 12	P45364	May 27, 2004

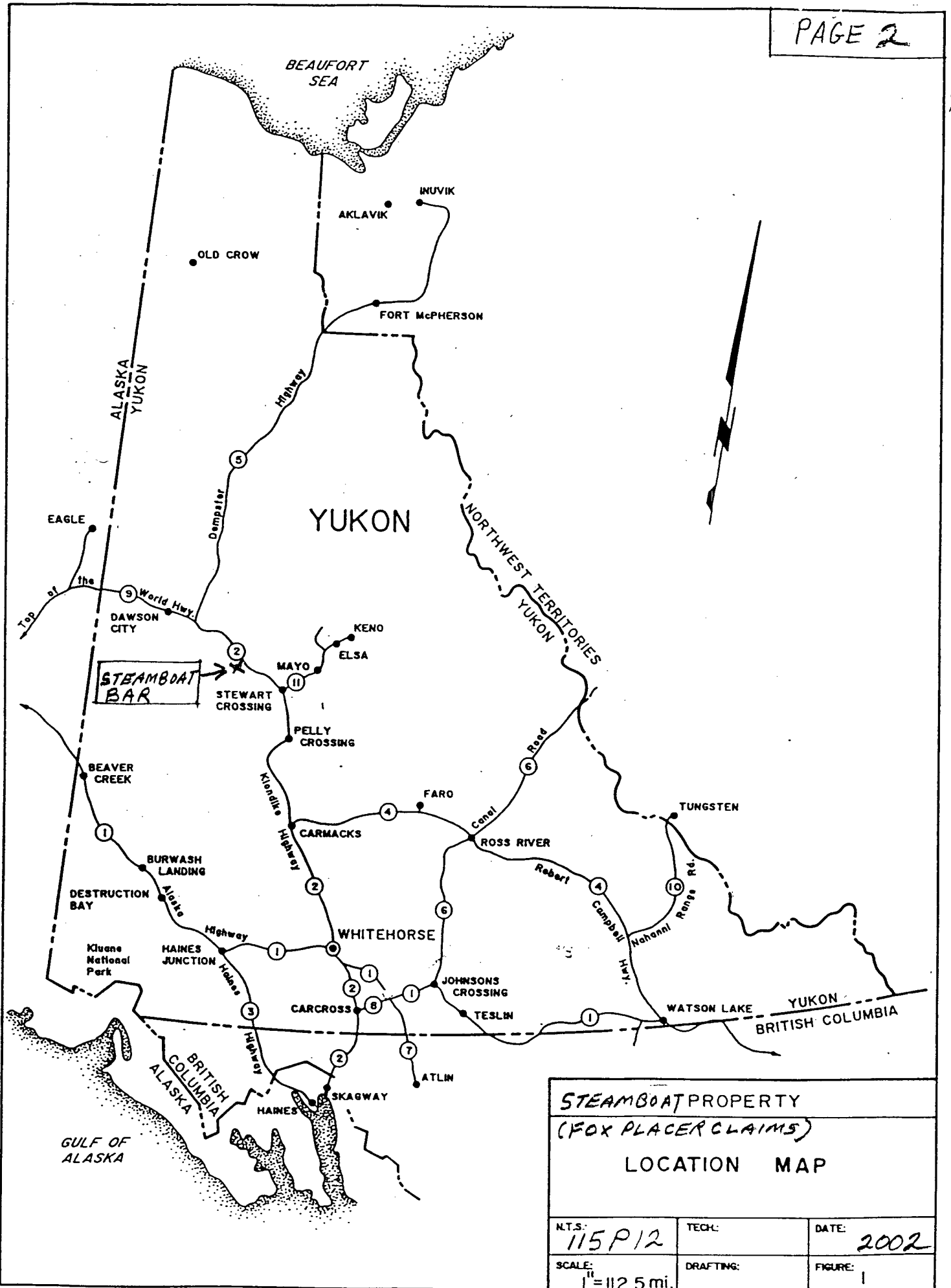
These can be seen on the claim map Figure 2, page 3.

Location and Access

The property is located 407 kilometres north of Whitehorse on the Klondike Highway and thence 2 km. west on the McQuesten airstrip road to the Stewart River. The property is approximately 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.

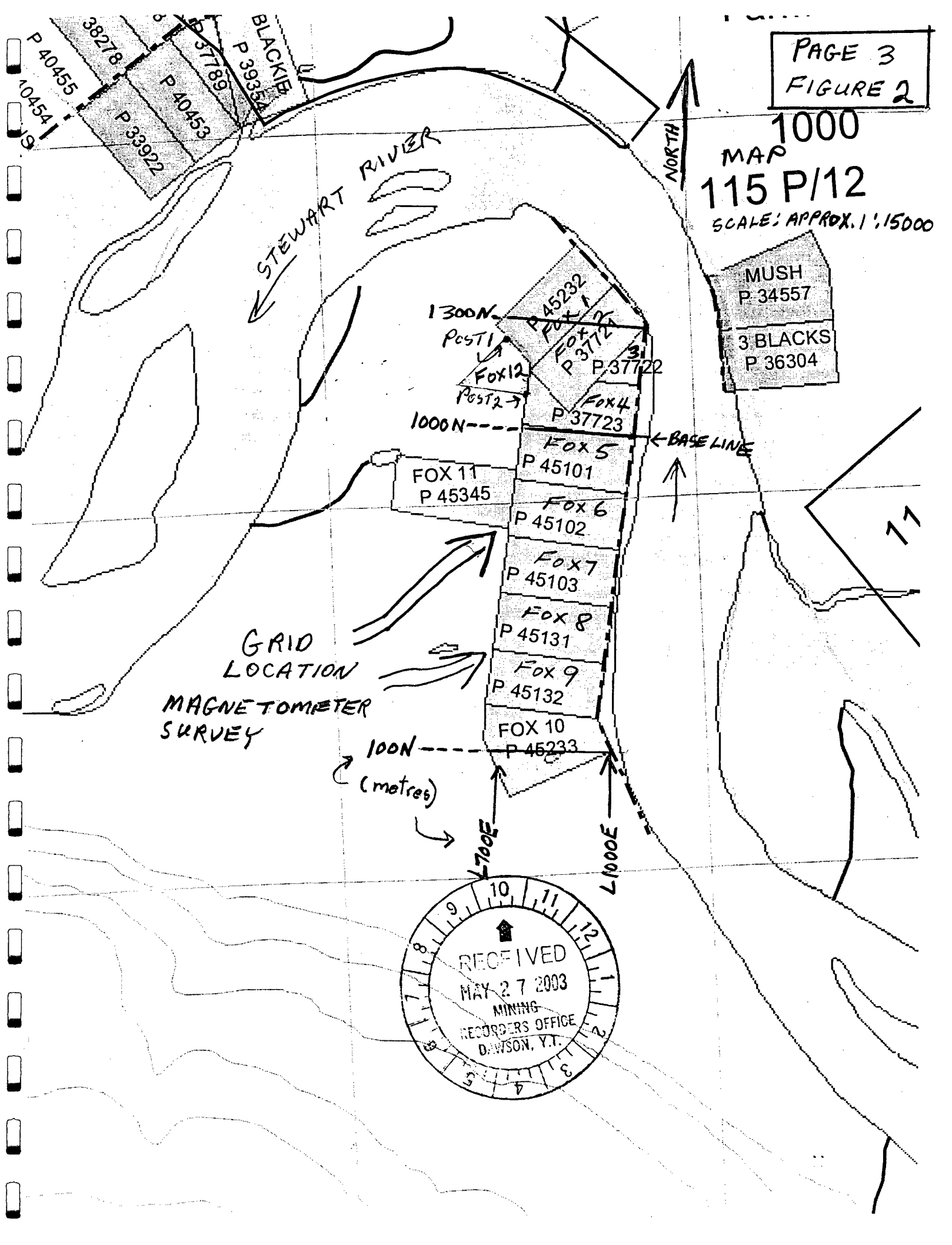
Topography

The property is approximately 1,500 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. 115 P 12</p>	<p>TECH:</p>	<p>DATE: 2002</p>
<p>SCALE: 1" = 12.5 mi.</p>	<p>DRAFTING:</p>	<p>FIGURE: 1</p>

MAP 1000
115 P/12
SCALE: APPROX. 1:15000



P 40455
38278
P 33922
P 40453
P 37789
P 39355
BLACKIE

MUSH
P 34557
3 BLACKS
P 36304

1300N
Post 1
FOX 12
Post 2
1000N
FOX 11
P 45345
FOX 5
P 45101
FOX 6
P 45102
FOX 7
P 45103
FOX 8
P 45131
FOX 9
P 45132
FOX 10
P 45233
P 45232
FOX 1
P 37722
FOX 2
P 37723
FOX 4
P 37723

GRID
LOCATION
MAGNETOMETER
SURVEY

100N
(metres)

700E
1000E

RECEIVED
MAY 27 2003
MINING
RECORDERS OFFICE
DAWSON, Y.T.

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. McConnells'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. 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 in 2002 and an additional 14 kilometres completed in 2003. The grid consists of a picketed baseline at 20 metre intervals. The cross lines (true North-South) were hip-chained at 10 and 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 precession 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 2 nTesla or 2 gammas. This map has been used for interpretation purposes.

INTERPRETATION AND RECOMMENDATIONS

The following targets have been picked from the colour mag. contour map contained in the pocket. These sites should be tested with hand-dug pits and any gravels located tested for placer gold by panning. The following anomaly locations have been changed from the 2002 survey. The greater detail obtained in the 2003 survey has allowed for increased accuracy in choosing exploration targets.

Anomalies are prioritized from A to I.

- A) L860E 1250N; L850E 1250N; L830E 1258N. This is the most realistic looking anomaly and the closest that has 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.

INTERPRETATION AND RECOMMENDATIONS (con't)

- B) L900E 1325N; L920E 1300N. This is the northern splay off of the main target but might be part of the above anomaly.
- C) L920E 1050N. This is a "bull's eye" anomaly and should be tested.
- D) L980E 883N; L980E 860N; L940E 890N. This anomaly was tested in 2003 and found to be cultural (old camp and buried pipeline).
- E) L720E 750N; L730E 750N. Trending NW-SE with maximum relief of 30 nT to 40 nT. This is the strongest anomaly of worthy aerial extent.
- F) L860E 590N; L850E 588N; L840E 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.
- G) L960E 250N to 350N. This mag. high follows the west shore of the Stewart River. It might be possible to test this anomaly along the bottom of the riverbank during low water.
- H) L650E 500N. This is a slightly raised area and may represent an old buried bar.
- I) L660E 1150N to 1200N; L620E 1270N. This area is over 200 metres west of the old workings. It is possible it could be an old buried point bar and should be tested.

Many of the above anomalies are in poorly drained moss covered permafrost areas. Consequently, they are best suited for testing by burning down shafts during the winter months.

SCALE 1:20,000

MAP 15712
A28287-125

1/2 MI

STEAMBOAT BAR
OLD WORKINGS

PHYSICAL
GRID

A28287-125

1:20,000

07/09/96

Printed By
Global Remote Sensing

PAGE 4
FIGURE 3

VALUE OF ASSESSMENT WORK

Fox 1 – 12 Placer Claims

<u>Item</u>	<u>Details</u>	<u>Amount and Unit Cost</u>	<u>Total Cost</u>	
Field Work: June 1 – 6, 2003				
Mob/Demob	Labour	2 days @ \$175/day	\$350.00	
	Truck	750 km. @ \$0.40/km.	300.00	
	Truck	2 days @ \$50/day	100.00	
Engineer	Gary Lee	4 days @ \$325/day	1,300.00	
	Boat and motor	4 days @ \$55/day	220.00	
Living Expenses		4 days @ \$65/day	260.00	
Supplies	Flagging, pickets etc.		95.00	
			Sub Total	\$2,625.00
Field Work: Aug. 7 – 15, 2003				
Mob/Demob	Labour	2 days @ \$175/day	\$350.00	
	Truck	750 km. @ \$0.40/km.	300.00	
	Truck	2 days @ \$50/day	100.00	
Engineer	Gary Lee	7 days @ \$325/day	2,275.00	
	Boat and motor	7 days @ \$55/day	385.00	
	GEM GSM-19 Proton Precession Mag. Rental		350.00	
Living Expenses		7 days @ \$65/day	455.00	
Data processing and map plotting	Aurora Geosciences Ltd.		190.00	
Report writing, typing and reproduction			375.00	
			Sub Total	\$4,780.00
			TOTAL	\$7,405.00

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(Fox2-¹²~~8~~ Placer claims),

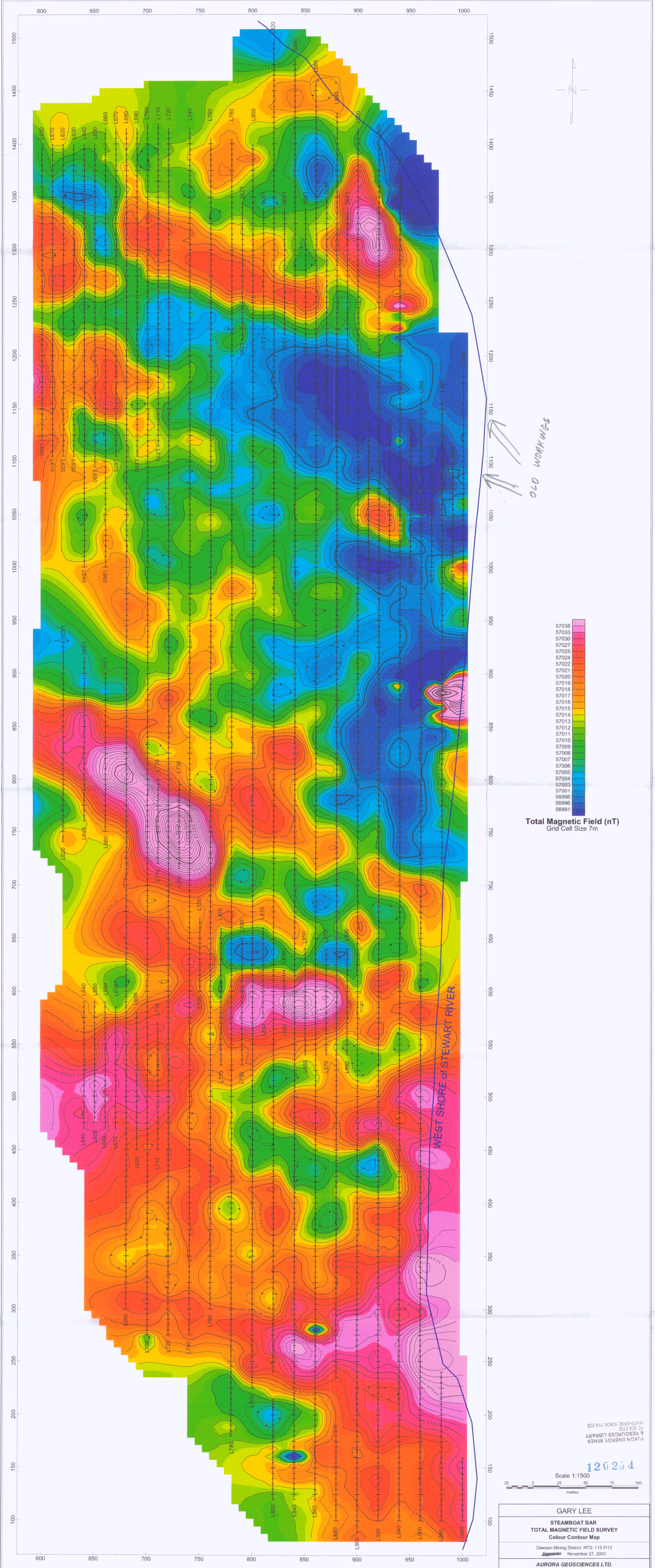


Gary C. Lee, P.Eng.

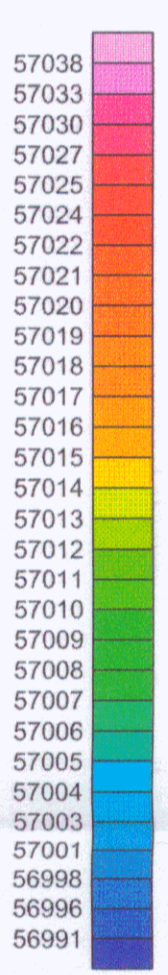
Date: _____

Dec. 22/03

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OLD WORKINGS



Total Magnetic Field (nT)
Grid Cell Size 7m

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120254



GARY LEE
STEAMBOAT BAR TOTAL MAGNETIC FIELD SURVEY Colour Contour Map
Dawson Mining District. NTS: 115 P/12 November 27, 2003
AURORA GEOSCIENCES LTD.