

ASSESSMENT REPORT

on

DIAMOND DRILLING

**SAWMILL PROPERTY**

**Price's Pit**

MINERAL TILES BRANCH
Rec'd.
APR - 6 2004
L.H.#
File
VANCOUVER B.C.

Sawmill Creek area, SE B.C.

UTM 584000E 5501000N

TRIM 82F.060

For

**KLONDIKE GOLD CORP.**  
711 - 675 West Hastings Street  
Vancouver, B.C.  
V6B 1N2

GEOLOGICAL SURVEY BRANCH  
ASSESSMENT REPORT

27302

By  
Peter Klewchuk, P. Geo.  
March, 2004

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## **1.00 INTRODUCTION**

### **1.10 Location and Access**

The Price's Pit claims are located in the Fort Steele Mining Division, about 20 km WNW of Cranbrook, B.C. in the lower part of Sawmill Creek, a south-flowing tributary of Perry Creek. The property is centered near UTM coords. 569600E, 5488800N (Figs. 1 & 2).

Access to the claim group is via good logging roads up Perry Creek and Sawmill Creek.

### **1.20 Property**

The Price's Pit property covers six square kilometers in one 12 unit 4-post claim (Bon 1) and 19 2-post claims. Seven of the 2-post claims sit within the boundaries of the 4-post claim (Fig. 2). The claims are the Bon 1-13, Rome, Price, Alder 2, Willow 2, Anderson, DCJ 1 and DCJ 2.

### **1.30 Physiography**

The property is situated west of the Rocky Mountain Trench within the Moyie Range of the Purcell Mountains. Topography is moderate mountainous terrain with glacially rounded hillsides ranging from 1210 to 1780 meters elevation. Forest cover is mainly of pine, larch and fir with parts of the property logged in the past 30 years.

### **1.40 History**

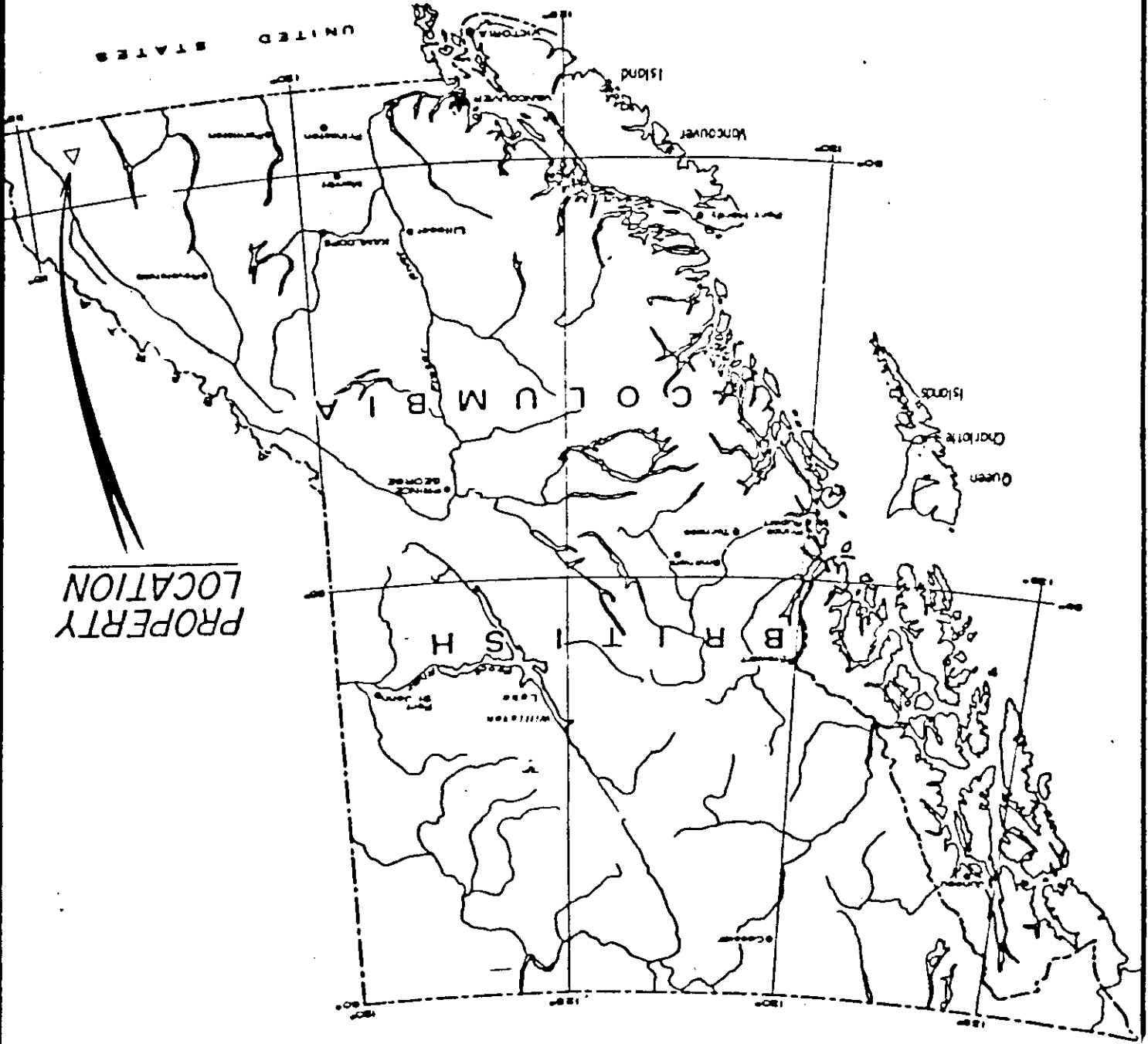
Perry creek is one of three prominent placer gold drainages in the Cranbrook area and Sawmill Creek is one of the most productive placer gold tributaries of Perry Creek. Price's Pit (also known as the Golden Egg) is one of three known lode gold prospects within Sawmill Creek, each of which has seen minor historic production. Gold occurs within quartz veins which typically also carry minor base metal and iron sulfides. The original discovery was made by trenching in the area of gold-bearing quartz boulders on surface. Holcapek (1982) provides a brief description of some Perry Creek lode gold properties including the Golden Egg or Price property.

### **1.50 Scope of Present Program**

In 2003, five NQ diamond drill holes were completed on the property for a total of 273.27 meters of drilling.

SCALE  
KM 100 200 300 400 KM

Figure 1.  
SAWMILL CREEK  
Price's Pit Prospect  
Property Location Map



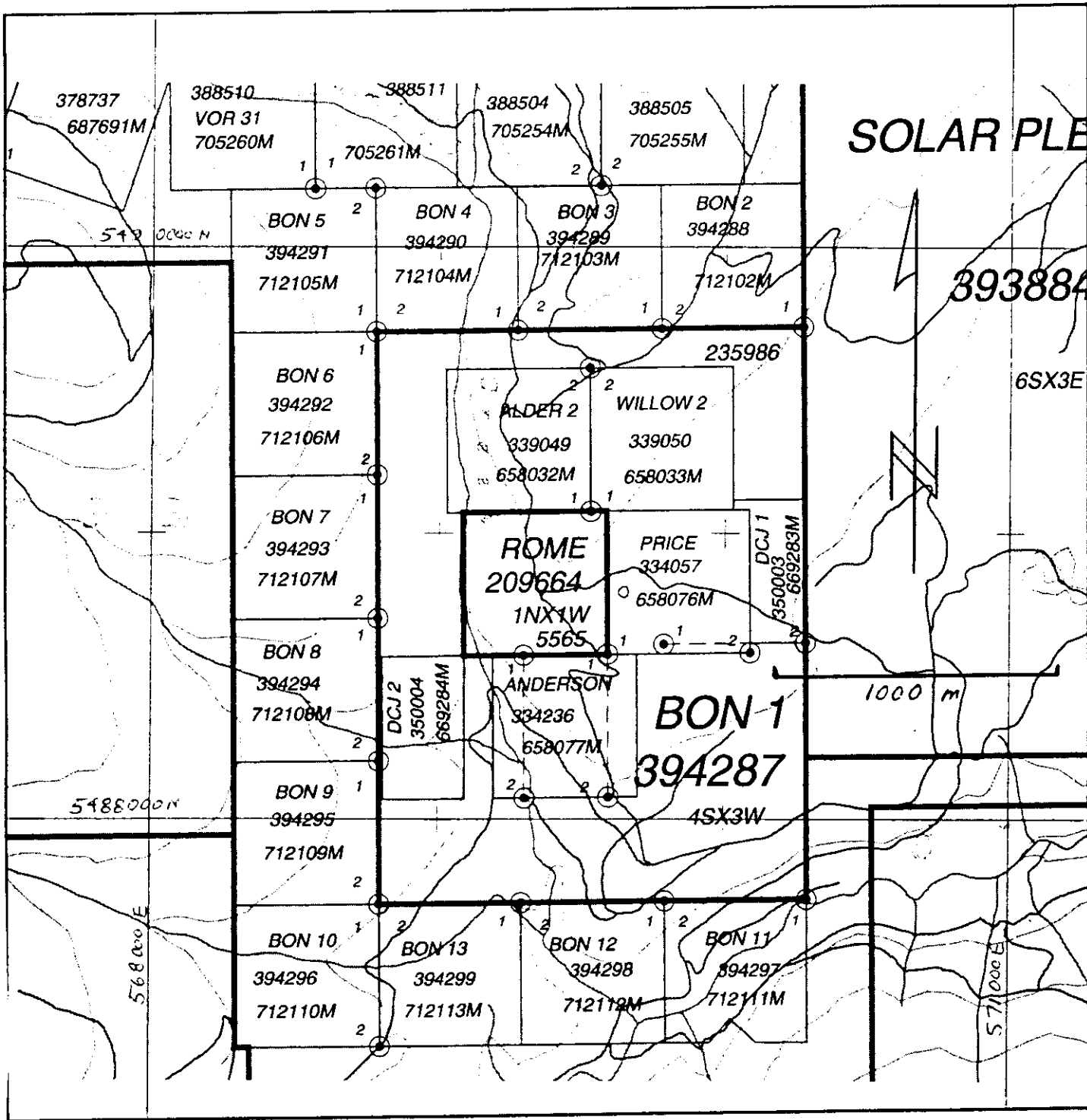


Figure 2.  
SAWMILL CREEK  
Price's Pit Prospect  
Property Claim Map  
Scale 1:20,000  
TRIM 82 F.060

## 2.00 GEOLOGY

### 2.10 Regional Geology

The area of the Price's Pit claim group is underlain by mesoproterozoic rocks of the Purcell Supergroup. The oldest rocks in the region are of the Aldridge Formation and consist predominantly of thick successions of basinal turbidites. These are progressively overlain by shallower water quartzites and siltstones of the Creston Formation and siltstones and silty carbonates of the Kitchener Formation. Voluminous 'Moyie Intrusions' of basic sills and lesser dikes are associated primarily with the Aldridge Formation but are known to extend into the Kitchener Formation.

Cretaceous granodiorite and quartz monzonite intrusives cut through all these rocks and are probably related to most of the gold mineralization in the area.

Rock units of the region are broken into a series of fault blocks by NNE to NE-striking predominantly west-dipping normal and reverse faults and easterly-striking transcurrent faults.

Detailed interpretation of structure is hindered by the character and thickness of some of the litho-stratigraphic units. For example the middle Aldridge Formation is lithologically quite uniform over a thickness of almost 2500 meters. Furthermore, glacial drift cover is locally quite extensive and recessive-weathering structural breaks (that might host gold mineralization) are mostly not exposed.

### 2.10 Property Geology

Price's Pit is within an area of subdued topography which appears due largely to a thick northerly-striking massive felsite dike. The dike and adjacent sediments are sericitically and argillically altered and thus tend to weather recessively. The only bedrock exposed near the principal showings is seen in old trenches. The host sedimentary rocks are part of the Creston Formation and consist of siltstones, argillites and argillaceous quartzites. Bedding in the area typically strikes northerly and dips steeply west. A broad northerly trending fault-controlled complex of felsite dike(s) with associated lensed greenstone dikes is the major structural feature. Quartz veins and lenses occur within the felsite and in host rock stratigraphy. Quartz veins within the felsite are concentrated near hangingwall and footwall contacts but also occur within the central part of the dike complex. Anomalous gold mineralization, ranging from weak to spectacular values, occurs with some of the quartz veins within the felsite dike complex.

### 3.00 DIAMOND DRILLING

Five NQ diamond drill holes were completed from four sites for a total of 273.27 m. Drilling took place from June 9 to June 18, 2003 and was done by Target Drilling Ltd. of Calgary, Alberta.

Details of the drilling are:

Drill Hole	Co-ords (Kokanee Grid)		Azimuth	Dip	Length	Start	End
	N	E					
Saw-03-1	3010.3	2974	157°	-49°	91.75m	03-06-09	03-06-12
Saw-03-2	3010.6	2973.6	157°	-72°	27.43m	03-06-12	03-06-13
Saw-03-3	3021.8	3005.9	235°	-45°	18.3m	03-06-13	03-06-14
Saw-03-4	2929.2	2939.8	131°	-47°	65.53m	03-06-14	03-06-16
Saw-03-6	2881.2	2961.5	120°	-45°	70.26m	03-06-17	03-06-18

Drill logs are provided as Appendix 1 and geochemical analyses of selected core are provided in Appendix 2.

DDH Saw-03-1 targeted the high grade gold-bearing quartz vein which is exposed by trenching at surface. The hole was collared northwest of the surface quartz vein and drilled SSE (Az. 157°) toward the vein. Host rocks are mainly Creston Formation siltstones. An underground working was encountered at 19.8 m and, at the base, about ½ meter of quartz vein was drilled. One course grain of visible gold was present in the core (16.53 g/T Au over .49 m). Below the quartz vein almost 10 m of massive white felsite was encountered. The intrusive is sericitic, variably limonitic (usually very weak), and contains fine disseminated pyrite and small lensey light gray quartz veins. Further down the hole, near 40 m depth, a second, narrower felsite dike was encountered, in association with an apparently parallel-trending mafic greenstone dike.

In an attempt to intersect the gold-bearing quartz vein again, DDH Saw-03-2 was collared from the same site at the same azimuth but steeper dip of -72° (Fig. 4). The felsite dike was encountered from 19.2 to 24.6 m with an included 40 cm quartz vein that ran 0.90 gram gold / tonne. A 2 m wide greenstone dike occurs in the immediate footwall of the felsite.

DDH Saw-03-3 was drilled to test a smaller quartz vein exposed at surface. The hole collared in rubbly quartz (0.16 g/T Au) and felsite. If the quartz vein intersected in the drill hole is the same as the one on surface then the vein must dip very shallowly to the north (Figs. 3 and 5).

DDH Saw-03-4 was collared about 75 m southwest of the exposed gold-bearing quartz vein (Fig. 3) and drilled at an azimuth of 131° and -47° dip to cross the main structural trend. The hole entered a thick felsite unit at the base of overburden (Fig. 6). The basal contact zone is weakly anomalous in gold (0.15 g/T Au over 40 cm) and a 'footwall' fault zone with pyrite-bearing quartz veins also carries minor gold (0.51 g/T Au over 1.1 m).

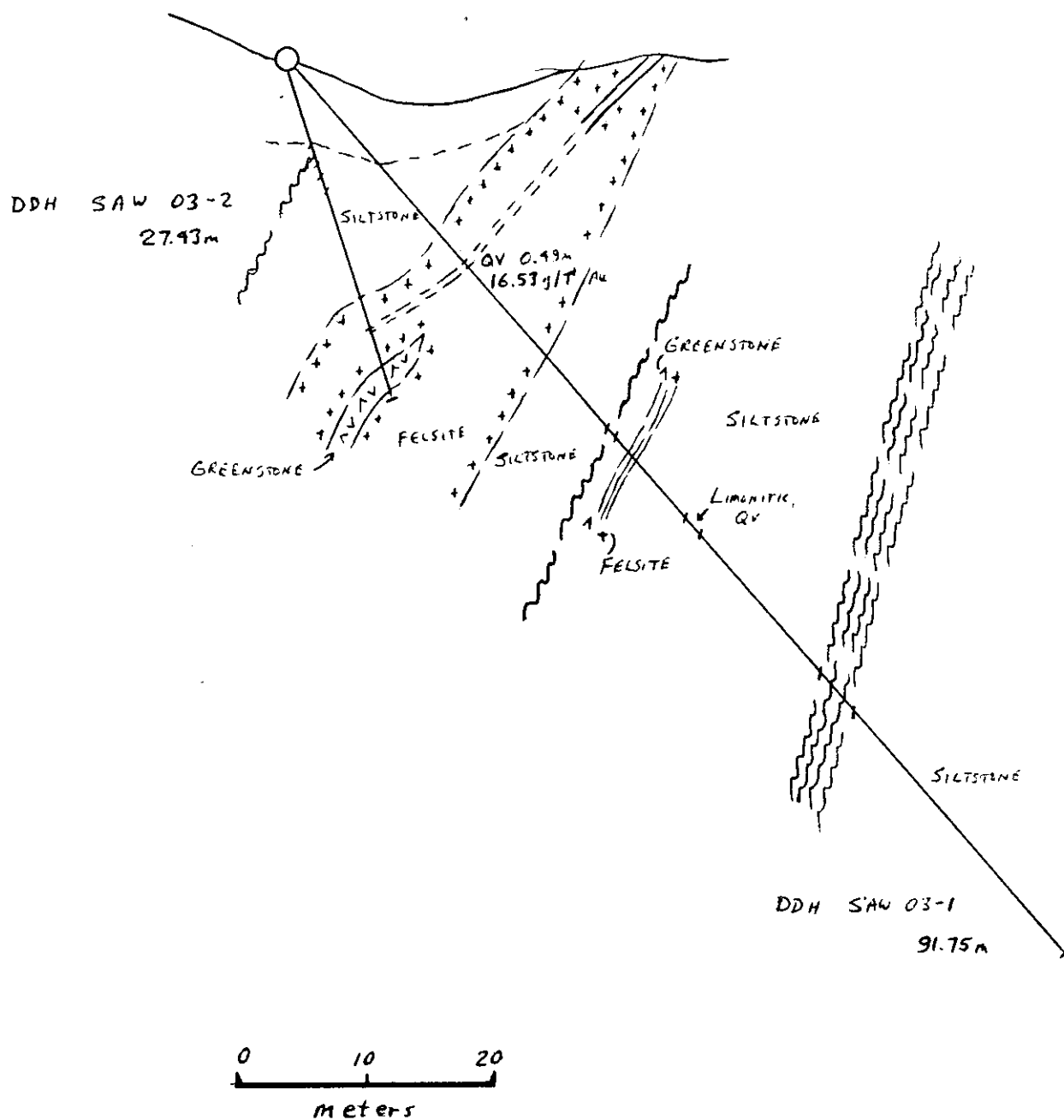


Figure 4.  
SAWMILL CREEK  
Price's Pit Prospect  
Cross Section of  
DDH SAW-03-1 & 2  
Scale 1:500  
For location see Fig. 3.



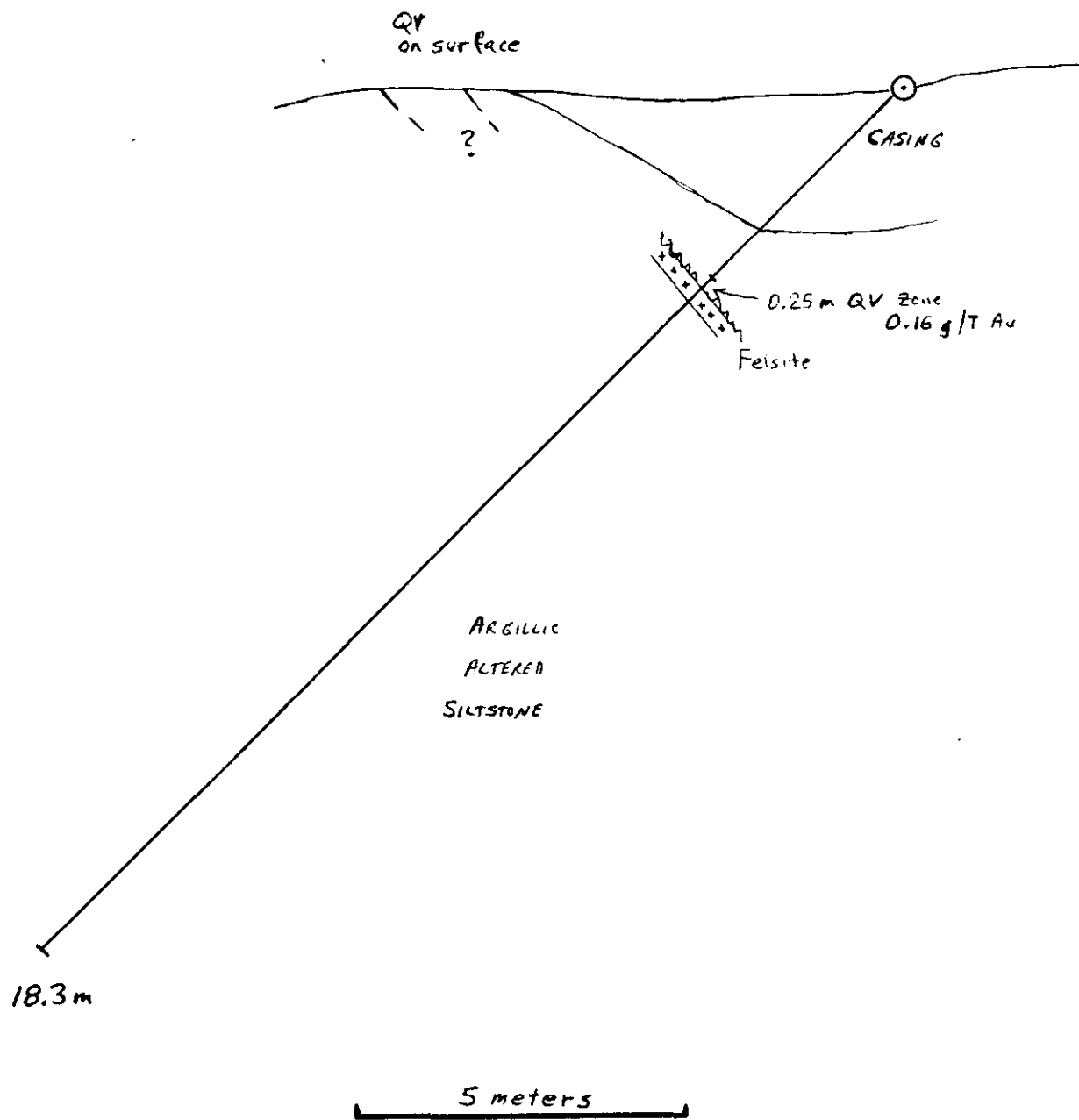


Figure 5.  
SAWMILL CREEK  
Price's Pit Prospect  
Cross Section of  
DDH SAW-03-3  
Scale 1:500  
For location see Fig. 3.

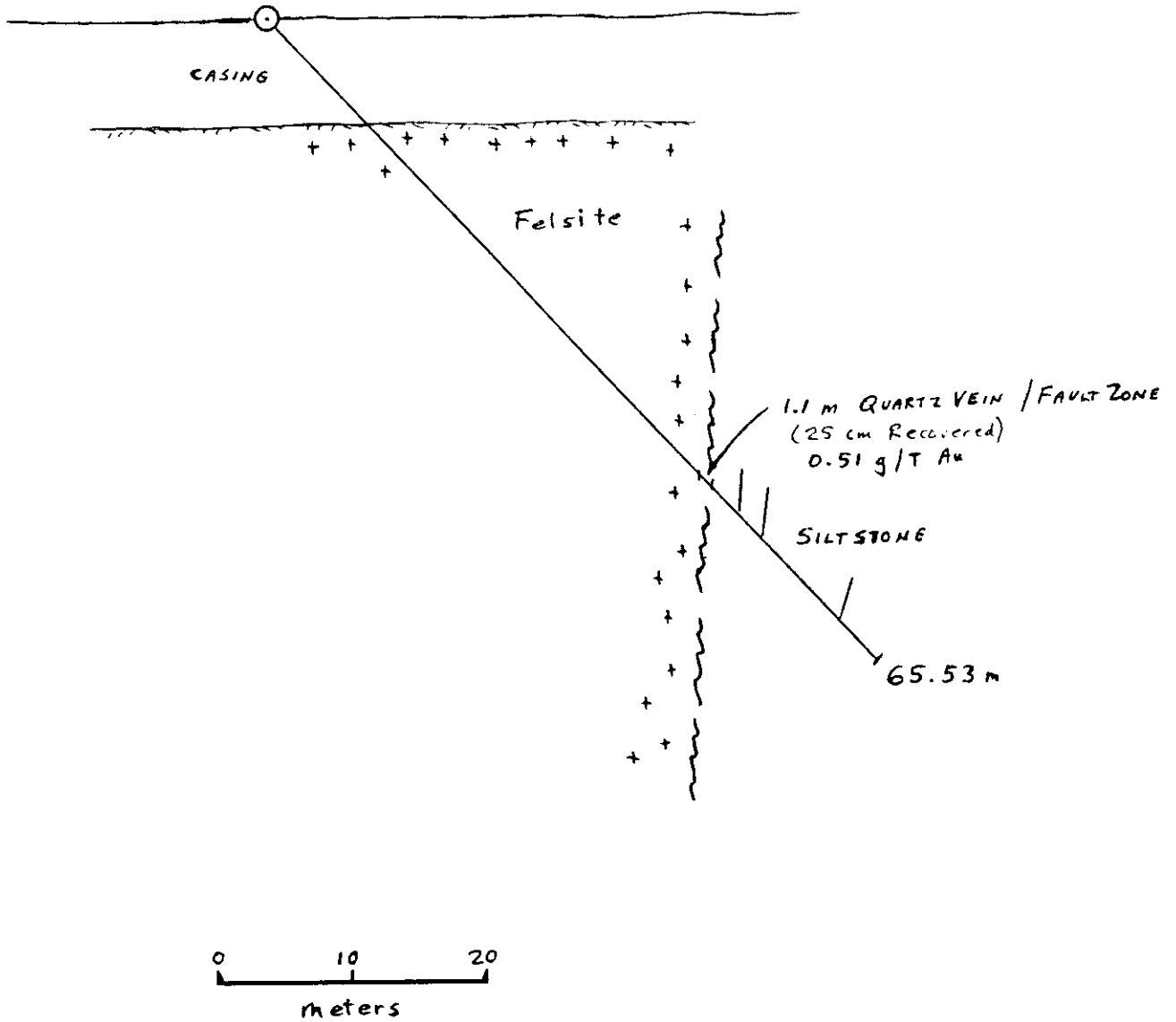


Figure 6.  
SAWMILL CREEK  
Price's Pit Prospect  
Cross Section of  
DDH SAW-03-4  
Scale 1:500  
For location see Fig. 3.

DDH Saw-03-5 was collared about 50 m south of hole 3 and drilled at  $-45^{\circ}$  toward an azimuth of  $120^{\circ}$  (figs. 3 & 7). This hole also crossed the wide felsite dike, here with included bands of altered sedimentary rocks and a 7 m wide (drilled width) greenstone dike. Quartz veins within the felsite dike carry weak gold mineralization.

#### 4.00 CONCLUSIONS

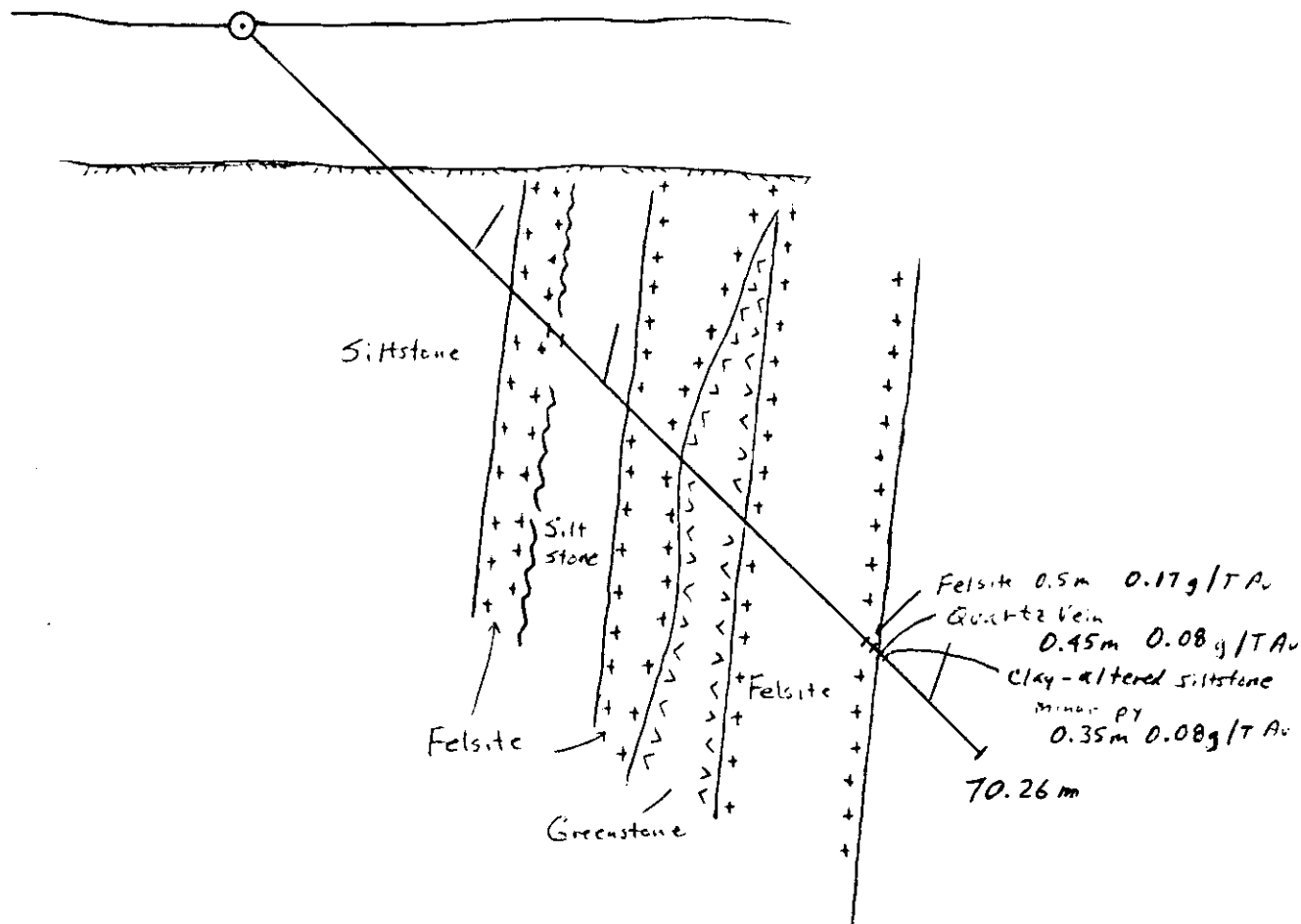
The high grade gold-bearing quartz vein at Price's Pit occurs within a north to NNE trending complex of faulting and felsite and greenstone diking. Potassic, argillic, silicic and pyritic alteration are well developed within the zone. Weak to locally very strong gold mineralization occurs within this fault + intrusive complex. Gold-mineralized quartz veins occur on the margins of, and within, the felsite dike(s). The zone should be traced with geophysics and soil geochemistry and trenched and drilled where anomalous gold is detected.

#### 5.00 REFERENCES

Holcapek, F., 1982. Preliminary geology and evaluation report. Perry Creek gold property, Fort Steele mining Division, BC MEMPR AR 9850.

#### 6.00 STATEMENT OF COSTS

Target drilling 273.27 meters NQ drilling, all inclusive	\$15,743.45
Acme Analytical Labs 35 core sample analyses, including freight	590.93
Trygve Hoy, geological consultant. Program preparation, fieldwork, supervision	2,995.78
P. Klewchuk Drill supervision, build drill sites, log and sample core, 11.5 days @ \$300.00/day	3,450.00
4x4 truck 11 days @ \$75.00/day	825.00
Chain saw 2 days @ \$25.00/day	50.00
Report 3 days @ \$300.00/day	900.00
Sub Total	\$24,555.16
15% Administration	3,683.27
<b>Total Cost</b>	<b>\$28,238.43</b>



0 10 20  
meters

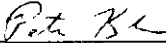
Figure 7.  
SAWMILL CREEK  
Price's Pit Prospect  
Cross Section of  
DDH SAW-03-5  
Scale 1:500  
For location see Fig. 3.


## 7.00 AUTHOR'S QUALIFICATIONS

As author of this report I, Peter Klewchuk, certify that:

1. I am an independent consulting geologist with offices at 246 Moyie Street, Kimberley, B.C.
2. I am a graduate geologist with a B.Sc. degree (1969) from the University of British Columbia and an M.Sc. degree (1972) from the University of Calgary.
3. I am a Fellow of the Geological Association of Canada and a member of the Association of Professional Engineers and Geoscientists of British Columbia.
4. I have been actively involved in mining and exploration geology, primarily in the province of British Columbia, for the past 25 years.
5. I have been employed by major mining companies and provincial government geological departments.

Dated at Kimberley, British Columbia, this 25<sup>th</sup> day of March, 2004.

  
Peter Klewchuk, P. Geo.



## Drill Hole Record

**Drill Hole:** 03-SAW-1  
**Property:** Prices Pit (Sawmill Creek)  
**Owner:** Klondike Gold Corp.  
**Commenced:** June 9, 2003  
**Completed:** June 12, 2003  
**Contractor:** Target Drilling, Calgary, Alberta  
**Location:** On north side of pit  
**Core size:** NQ  
**Coordinates:**  
**Azimuth:** 157°  
**Collar dip:** -49°  
**Total length:** 91.75 m  
**Logged by:** Peter Klewchuk  
**Objective:** To test gold mineralization; quartz vein at depth

Meters	Description	Sample	Length	Au
				g / t
0-10.67	Casing, no core			
10.67-14.94	Only 1.3-1.4 m recovered; Phyllitic siltstone; light grey with pale green and pink red limonitic staining. cl/b angle - 45°; abundant 1-2 mm red-brown limonitic specks parallel cleavage (FeCO <sub>3</sub> ?); 14 cm wide band of cleaved dark green limonitic spotted siltstone near 13 cm; rare cleavage-parallel, wavy irregular limonitic quartz; some talcose (argillic) fracture surfaces.	1012	1.4 m	0.02
14.94-16.76	Approx. 60 cm core recovered Phyllitic siltstone, quartz veining; light grey-green argillaceous siltstone; abundant limonitic spotting; estimated 30% of recovered core is lensey, light grey quartz veins; minor disseminated, oxidized fine to medium-grained pyrite; small black specks of pyrolusite, possibly minor hematite; cleavage quartz veining at 45°;	1013	1.82 m	0.01
16.76-19.8	Approx. 35 cm of core recovered; Phyllitic siltstone / quartz vein breccia; broken, rubbly core similar to above;	1014	3.04 m	0.04
19.8-20.85	Rubble (underground workings);			

	Gravel of different lithologies; lowermost 10-15cm is rubbly quartz, possibly floor of adit			
20.85-21.34	Quartz vein; fairly massive, milky white, mottled, granular; coarse irregular flecks/patches of steel-grey specularite aligned at 60° to core; few micaceous, argillaceous (clay) and limonitic fractures at 60°; one coarse speck of visible gold 1.5 mm dia. near center of zone; small blebs of galena and possibly tetrahedrite; local patches of malachite near gold.	1015	0.49 m	16.53
21.34-22.86	Felsite; only 40 cm of core recovered first 10 cm is minor rubbly quartz fragments and limonitic-stained felsite; pale grey-green with limonitic cleavage laminae at 70°; faint white feldspar phenocrysts 3-4 mm diameter are barely recognizable; fine disseminated pyrite, few very thin light grey limonitic quartz; Sample: 1.52 m, 40 cm recovered	1016	1.52 m	0.01
22.86-30.45	Felsite; white, pale grey and pale green; typically wavy foliated/cleaved at 40-70° to core; thin wavy laminae or bands of very pale green mica are common; more massive white feldspar rich segments host small vugs of minor fine disseminated, oxidized pyrite and possibly hematite; near 24.7 m, 3-4 cm fragment of limonitic quartz in rubbly syenite; isolated quartz vein broken up by drilling; felsite is variably limonitic, mostly on fractures. Samples: 22.86-24.23 m (1.0 m recovered) 24.23-25.0 m (60 cm recovered) 25.0-26.5 m 26.5-29.0 m (1.9 m recovered) 29.0-30.45 m	1017 1018 1019 1020 1021	1.37 m 0.77 m 1.5 m 2.5 m 1.45 m	0.01 <.01 <.01 0.03 0.01
30.45-37.7	Siltstone; pale blue-grey and grey-green; poorly defined bedding, sub-parallel cleavage; bedding at 30° to core, cleavage at 50°; local conglomeratic texture at 33 m with small (few mm to cm) rounded clasts of different lithologies; disseminated fine-grained hematite is common; greenish colour due to chlorite alteration; at 36.9 m a 1 cm rusty, vuggy quartz vein cuts core at 80°, with silicification and limonitic alteration over 40 cm of core.			

37.7-38.7	Fault zone: approx. 25 % core loss angular fragments of thin bedded chloritic silty argillite in a clay/small fragment matrix; core fragments to 8 cm long; clay zones up to 15 cm long; clay zone cuts core at 45-80° but no obvious slickensides; no sulphides.			
38.7-40.2	Argillaceous siltstone; light grey-green-brown; thin bedded and laminated at 35° to core; disseminated hematite common; local patchy concretions are magnetic (contains magnetite); few irregular quartz veins at footwall.			
40.2-40.7	"Greenstone" dike or sill: possibly altered gabbro or diorite; med to dark green, fine to medium-grained; amphibole rich, minor feldspar; foliated at 60-70° to core; partially decomposed, possibly from surface weathering(?); weakly limonitic; non-magnetic, non-calcareous; hw contact associated with irregular quartz veins at high angle (70°) to core; fw contact is sharp.			
40.7-40.95	Felsite; pale to light grey-green; massive, fine-grained; cut by 12-15 thin white, pale orange to dark brown (limonitic) fractures and quartz veins at 70° to core; recognizable quartz (unstained) is pale blue-grey; oxidized pyrite; fw contact at 70° to core, parallel to contact with overlying greenstone;	1022	0.25 m	0.01
40.95-47.3	Siltstone; medium grey-green; thin bedded; wavy, lensey bedding at 40° to core; local sedimentary folding; conglomeratic lenses; fine disseminated hematite common; narrow clay seam, minor fault at 44.7 m at 70-80° to core.			
47.3-48.6	Limonitic siltstone; thin quartz vein; brown limonitic; two zones of narrow quartz veining at 47.8 and 48.3 m at 60° to core; both look like narrow fault zones; sediments are foliated, crushed; minor brown oxidized material with quartz veining may be pyrite;	1023	0.9 m	<.01
48.6-62.9	Siltstone; grey and grey green; thin and med bedded; bedding commonly irregular, minor disseminated hematite; locally limonitic with a few thin rusty quartz veins at 49.0, 49.5 and 53.5 m; bedding at 30-35° to core.			



62.9-66.9	Fault zone; scattered zones of clay matrix breccia with a few longer segments of unbroken siltstone; sheared siltstone from 66.8-66.9 at 55° to core, with a few 1 cm wide, light grey, shearing parallel quartz veins.			
66.9-91.75	Siltstone; light, medium grey, locally bluish; mainly thin, lensey, bedded at 35-40° to core; disseminated hematite is common; more abundant and fresher than above; scattered weak to moderately narrow limonitic zones, associated with rusty fractures; at 70.6 is a 20 cm fault breccia zone at 15° to core: brownish, weakly limonitic siltstone fragments in a clay matrix; scattered cross-cutting thin white, limonitic quartz veins occur from 77.6 to 81.6 m; some are parallel to bedding, others cross cut at 90°; samples are more concentrated quartz veins but still < 5% of rock. Samples: 79.0-80.3 m 80.3-81.2 m	1024 1025	1.3 m 0.9 m	0.03 0.01
91.75 m	End of hole			

## Drill Hole Record

**Drill Hole:** 03-SAW-2  
**Property:** Prices Pit (Sawmill Creek)  
**Owner:** Klondike Gold Corp.  
**Commenced:** June 12, 2003  
**Completed:** June 13, 2003  
**Contractor:** Target Drilling, Calgary, Alberta  
**Location:**  
**Core size:** NQ  
**Coordinates:**  
**Azimuth:** 157°  
**Collar dip:** -72  
**Total length:** 27.43m  
**Logged by:** Peter Klewchuk  
**Objective:** To test gold-bearing quartz veins at depth

Meters	Description	Sample	Length	Au (ppb)
0-6.7	Casing, no core			
6.7-8.23	Fault zone; 60 cm of core recovered; Medium brown to grey-green, limonitic fault breccia; fragments of thin bedded argillite (and/or clay altered siltstone) in a light-medium brown clay matrix; bedding in sediment fragments mostly at 50° to core.			
8.23-9.1	Siltstone; Light grey to pale greenish grey, increasingly chloritic and darker green towards base; thin-bedded at 40° to core; brownish limonitic streaks from surface weathering; fracture surfaces coated with dendritic pyrolusite.			
9.1-10.5	Chloritic fault breccia; (40 cm loss is probably at 9.1 m contact): Clay matrix breccia at 9.1-9.65 m is similar in texture to 6.6-8.23 interval, but dark green and chloritic; fragments and clay matrix are green; 9.6-10.3 is more competent with a cataclastic texture; fabric at 45° to core; mostly small elongate fragments of lighter green siltstone (up to 1x3 cm) in a darker green fine-grained matrix; basal 10 cm is mainly a rusty band of fracturing at 45° to core.			

10.5-19.2	Siltstone; (estimated 50 % core loss): Light grey-green to maroon; limonitic spotted; thin-bedded and laminated, commonly wavy, irregular bedding; may be a few medium beds; bedding at 40° to core; a few quartz veins are present, ranging from parallel to bedding/cleavage to 90° to core; most are rusty with minor oxidized pyrite; Lowermost ~1.8 m is more brecciated, clay-altered and soft; locally strongly limonitic with local concretions of rusty blebs of quartz; Samples: 10.1-11.3 (50 cm recovered) 16.4-17.4 (60 cm recovered) 17.4-19.2 (1.1 m recovered)	1026 1027 1028	1.2 m 1.0 m 1.8 m	0.01 <.01 0.05
19.2-24.6	Felsite, quartz vein; Pale grey-white to very pale green; massive to foliated at 30-50° to core; some included blocks of siltstone which are bleached and commonly quite similar to felsite; a few thin quartz veins cut the felsite at 25-70°; some are variably rusty with probable oxidized pyrite; some are light grey; 21.6-22.0: single quartz vein with broken upper and lower contacts at ~ 50° to core; estimated 1.5 m of core loss in interval; Samples: 19.2-21.6 (0.85 m recovered) 21.6-22.0 (quartz vein) 22.0-23.5 23.5-24.6	1029 1030 1031 1032	2.4 m 0.4 m 1.5 m 1.1 m	0.61 0.90 0.02 0.03
24.6-26.5	"Greenstone dike" Medium-dark green, massive to brecciated; appears to be mainly amphibole and feldspar; some swirly (flow?) textures; local annealed breccia textures with angular elongate dike fragments in a pale grey (feldspar-rich) matrix; breccia fabric at 30° to core.			
26.5-27.43	Siltstone Medium to light grey-green thin to medium bedded; bedding at 30-40° to core; mostly broken core, weak limonite on fractures.			
27.43	End of hole			

## Drill Hole Record

**Drill Hole:** 03-SAW-3  
**Property:** Prices Pit (Sawmill Creek)  
**Owner:** Klondike Gold Corp.  
**Commenced:** June 13, 2003  
**Completed:** June 14, 2003  
**Contractor:** Target Drilling, Calgary, Alberta  
**Location:** On north side of pit  
**Core size:** NQ  
**Coordinates:**  
**Azimuth:** 235°  
**Collar dip:** -45°  
**Total length:** 18.3 m  
**Logged by:** Peter Klewchuk  
**Objective:** To test small quartz vein

Meters	Description	Sample	Length	Au
				g/t
0-3.5	Casing, no core			
3.5-4.57	1.52 m; 50 cm recovered; top approx. 25 cm is rubbly quartz with massive hematite pebble; bottom 25 cm is rubbly felsite; quartz is mostly light grey, massive and weakly limonitic; at base of quartz rubble zone is a 2 cm wide quartz vein at 40° to core with coarse oxidized pyrite; quartz vein is between siltstone and underlying rusty quartz zone Sample of upper rubbly quartz zone (~ 25 cm core: 4.0 to 4.25 m?); felsite is broken core, massive, with numerous limonitic spots and a few thin light grey quartz veins.	1033	0.25 m	0.16
4.57-18.3	Altered siltstone; light grey to green grey; scattered limonitic zones with strongly fractured and solution formed liesgang limonite patterns; thin-bedded to possibly medium bedded; bedding varies from 15-65° to core with low angle predominating; entire interval is argillic altered; possible fault near 9.0-9.2 m: rusty gouge and broken core.			
18.3	End of hole			

## Drill Hole Record

**Drill Hole:** 03-SAW-4  
**Property:** Prices Pit (Sawmill Creek)  
**Owner:** Klondike Gold Corp.  
**Commenced:** June 14, 2003  
**Completed:** June 16, 2003  
**Contractor:** Target Drilling, Calgary, Alberta  
**Location:**  
**Core size:** NQ  
**Coordinates:**  
**Azimuth:** 131°  
**Collar dip:** -47  
**Total length:** 65.53 meters  
**Logged by:** Peter Klewchuk  
**Objective:** To test felsite / alteration zone for quartz veins

Meters	Description	Sample	Length	Au
				g/t
0-10.67	Casing; no core			
10.67-46.6	Felsite: Light grey, massive to foliated/banded near base; locally bluish from fine-grained disseminated hematite; notably harder than in drill holes to north; feldspars may be fresher or rock more siliceous; parts of the zone are rubbly core with poor recovery; few fractures are present; thin light grey quartz veins are locally common; Samples: 28.3-28.6 (rusty fractures) 43.3-44.65 44.65-46.2 (banded with thin quartz veins) 46.2-46.6 (basal contact, argillic, banded, minor disseminated pyrite near 46.6 m)	1034 1035 1036 1037	0.3 m 1.35 m 1.55 m 0.4 m	<.01 <.01 .01 .15
46.6-47.7	(Only 25 cm of core recovered) Top 4 cm: grey quartz, fairly massive but with a few grains of subhedral pyrite; Next 20 cm: dark grey mixture of quartz fragments and abundant pyrite in clay matrix; Basal few cm: pale grey-green clay: most of core loss could be in this lower section Sample: 46.6-47.7 (75% core loss)	1038	1.1 m	.51
47.7-55.5	Siltstone, minor quartzite and argillite Light grey to pale grey-green with bluish bands from disseminated hematite lower in the interval;			

	<p>clay-altered (K-kaolinite?), more abundant near upper contacts; narrow zones are crushed and decomposed to clay. At 49.25 m: 6 cm zone of (recovered) core is fault breccia with small rounded to angular quartz blebs in crushed argillic siltstone and clay; fine pyrite present; 8 cm clay-rich band underlies this zone; bedding is typically 50° to core; cleavage near 49.2 is at 75° to core, Below 52.3 m, fine specular hematite is common in quartzite bands, giving a blue-grey colour; about 80% core loss in this interval. Sample: 47.7-49.23 (80 cm recovered)</p>	1039	1.53 m	<.01
55.5-65.53	<p>Siltstone: Pale to medium grey-green and light yellowish-grey to dark brown limonitic; Mainly thin-bedded with few medium beds; bedding at 60° to core; fresher looking core is variably chloritic and greenish; 58.3-63.4 is mostly argillic altered and variably limonitic; narrow bands of crushed siltstone with clay matrix, minor fault zone occurs at 58.3m, 58.6 m, 59.1m, 62.2m and 62.6m; fine specular hematite is disseminated through numerous bands of chloritic siltstone.</p>			
65.53	End of hole			

## Drill Hole Record

**Drill Hole:** 03-SAW-5  
**Property:** Prices Pit (Sawmill Creek)  
**Owner:** Klondike Gold Corp.  
**Commenced:** June 17, 2003  
**Completed:** June 18, 2003  
**Contractor:** Target Drilling, Calgary, Alberta  
**Location:**  
**Core size:** NQ  
**Coordinates:**  
**Azimuth:** 120°  
**Collar dip:** -45  
**Total length:** 70.26 meters  
**Logged by:** Peter Klewchuk  
**Objective:** To test structural zone for gold-quartz mineralization

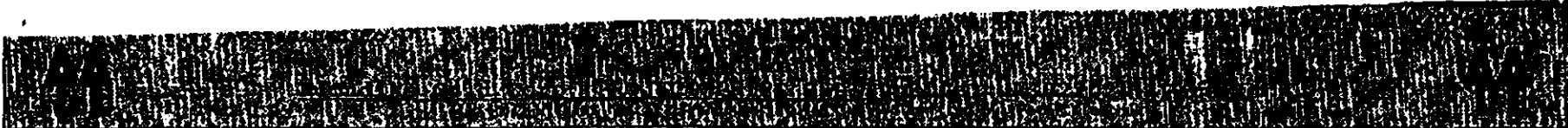
Meters	Description	Sample	Length	Au
				g/t
0-13.72	Casing; no core			
13.72-20.6	Rubble of different lithologies; possible overburden			
20.6-22.7	Altered siltstone: Light blue-grey to yellow-grey, limonitic fractures, weak liesegang weathering; indistinct bedding at 80° to core; some rusty zones; approx. 35% core loss.			
22.7-25.5	Quartzite and altered siltstone; mostly rubble: only 80 cm recovered (70-75% loss); similar lithologies to above, mainly blue-grey (hematitic) quartzite.			
25.5-29.2	Felsite? 25.5-26.7 is approx. 35cm of massive white clay with liesegang weathering limonite beds and disseminated specks of light brown limonitic weathered mineral; 26.7-29.2: ~80 cm of massive argillic altered light grey material that may be mainly feldspar; weak limonite banding at 50° to core; local clay zones with quartzite fragments.			
29.2-30.1	Clay – fault zone? (only 30 cm recovered) Light yellow-brown (weakly to moderately limonitic) clay with siltstone or felsite fragments.			

30.1-36.7	<p>Altered quartzite and siltstone;  Light blue-grey quartzite alternating with pale grey-green siltstone; bedding at 30.2 m at 0-5° to core; at 34.5, 60° to core; quartzite has distinct banding/ bedding; siltstones are more uniform in texture but are foliated at 20° to core; variably limonitic with limonite tending to follow bedding and foliation;  Sample: 35.2-35.7: brecciated limonitic quartzite; from 34.75-36.7, approx. 60% core loss.</p>	1040	0.50 <sup>h</sup>	<.01
36.7-41.8	<p>Felsite, possibly including sediments; approx. 2.6m recovered: 50% core loss.  Light grey-green, quite massive; looks like feldspar, quartz and sericite; shear/foliation at 50-60° to core; few thin rusty, vuggy quartz veins; limonite on fractures; rubbly and strongly oxidized near 38.5 m – possible fault;  39.9-41.45: only 5 cm core recovered.</p>			
41.8-47.7	<p>“Greenstone dike”; approx. 30% core loss.  Dark green mainly amphibole with 25% white feldspar; argillic altered, feldspars to clay; much of core is thinner than normal due to water erosion in barrel.</p>			
47.7-59.8	<p>Felsite; quartz veins  47.7-55.3: Light grey to dark blue grey, massive and siliceous; medium dark blue-grey patches include finely disseminated hematite; broken more rusty core for 25-30 cm at 48.4, at 52m and 54 m; significant core loss in places:  47.7-48.6: 10% loss,      48.6-50.6: 0 loss  50.6-52.1: 5-10% loss,    52.1-53.6: 90% loss  53.6-55.2: 30% loss,      55.2-56.7: 65% loss  56.7-58.2: &lt;10% loss,    58.2-58.5: 25% loss  58.5-59.7: 10% loss  55.3-59.8: more variable, light grey to grey-green; may include bands of argillic altered siltstone; more siliceous with narrow quartz veins (to 20 cm) and common thin, light grey-green cross cutting veins; some feldspar is coarse grained, white and commonly aligned at 60° to core; cleavage in sediments? at 80-90° to core;  59.3-59.7: more clay altered and brecciated: footwall fault zone? variably limonitic with stringer limonite commonly associated with narrow quartz vein bands.</p>			



	Samples: 55.3-56.7 (45 cm recovered) 56.7-58.2 58.2-59.3 59.3-59.7	1041 1042 1043 1044	1.4 m 1.5 m 1.1 m 0.4 m	0.01 0.02 0.01 0.17
59.8-60.25	Quartz vein. White to dark brown limonite stained; mottled, massive texture; local swirly reticulate bands of fine limonite fractures; local minor disseminated oxidized pyrite?; both contacts preserved, at 70° to core; 1 grain of pyrite noted. Sample: 59.8-60.25	1045	0.45 m	0.08
60.25-70.26	Altered siltstone. Light grey to medium grey-green, variably chloritic; local patches of dark green-black massive chlorite; mainly thin-bedded, some tectonically deformed; bedding typically at 60-70° to core; 60.25-60.6: clay-altered, brecciated with minor disseminated pyrite; breccia diminishes down-hole as does pyrite. Minor fine disseminated hematite locally concentrated in a few beds; massive chlorite bands at 61.7 m (30cm wide), 63 m (10cm broken core), 64.8 m (20cm) and 65.4m (20cm); Sample: 60.25-60.6	1046	0.35 m	0.08
70.26	End of hole			

P.09/12  
 604 685 3764 TO 12504890430  
 JUL 15 '03 14:17 FR HASTINGS MANAGEMENT



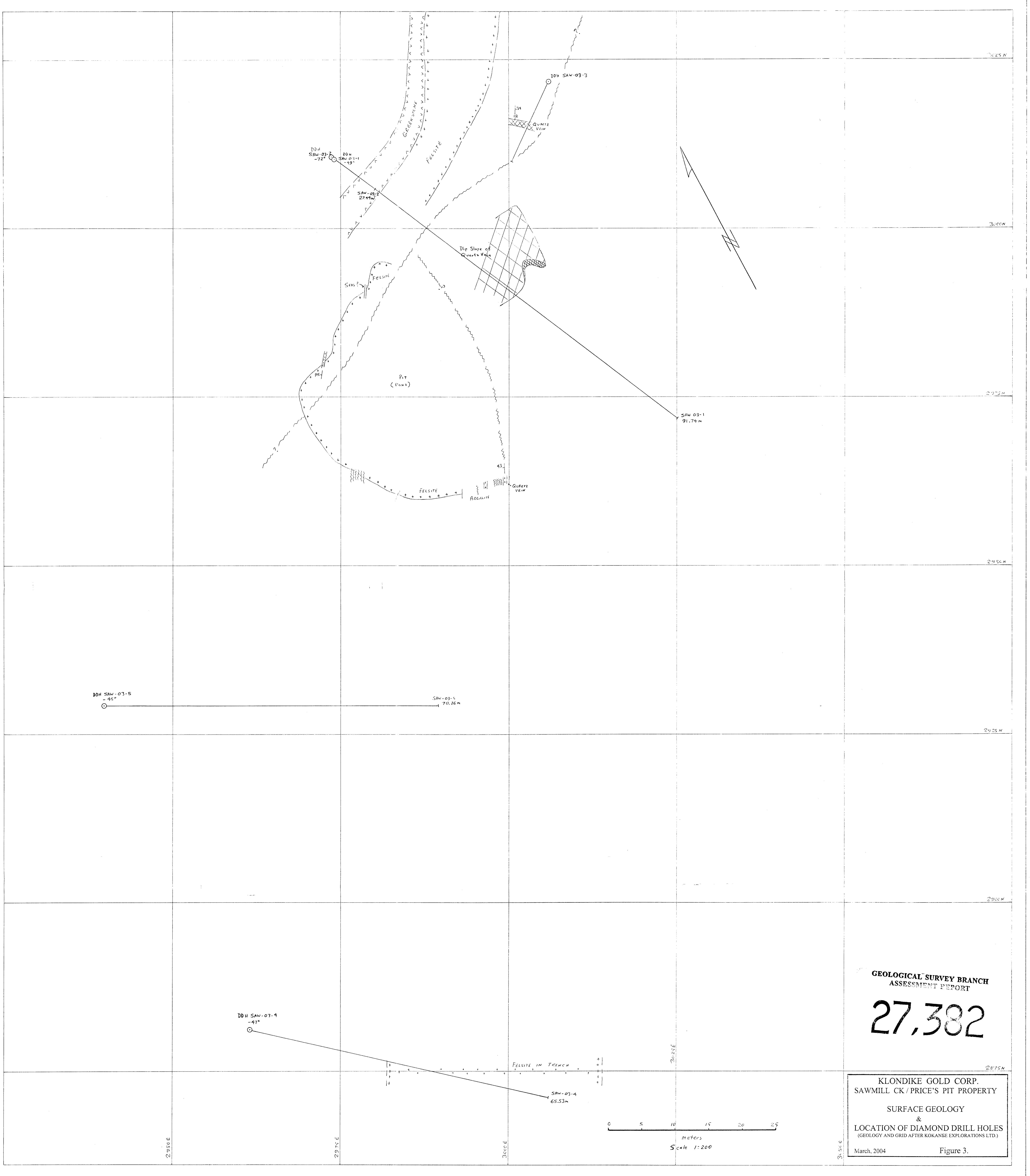
SAMPLE#	Au** gm/mt
SI	.01
1012	.02
1013	.01
1014	.04
1016	.01
1017	.01
1018	<.01
1019	<.01
1020	.03
1021	.01
1022	.01
1023	<.01
1024	.03
1025	.01
1026	.01
1027	<.01
1028	.05
1029	.61
1031	.02
1032	.03
RE 1032	.04
RRE 1032	.04
1034	<.01
1035	<.01
1036	.01
1037	.15
1038	.51
1039	<.01
1040	<.01
1041	.01
1042	.02
1043	.01
1044	.17
1046	.09
STANDARD AU-1	3.37

GROUP 6 - PRECIOUS METALS BY FIRE ASSAY FROM 1 A.T. SAMPLE, ANALYSIS BY ICP-ES.  
 - SAMPLE TYPE: CORE R150 60C  
 Samples beginning 'RE' are Rejects and 'RRE' are Reject Returns.

DATE RECEIVED: JUN 26 2003 DATE REPORT MAILED: *July 8/03* SIGNED BY: *C.L.* TONG, C. LEONG, J. WANG; CERTIFIED N.C. ASSAYERS

All results are considered the confidential property of the client. Acco assumes the liabilities for actual cost of the analysis only. Date *7/8/03*





GEOLOGICAL SURVEY BRANCH  
 ASSESSMENT REPORT  
**27,382**  
 KLONDIKE GOLD CORP.  
 SAWMILL CK / PRICE'S PIT PROPERTY  
 SURFACE GEOLOGY  
 &  
 LOCATION OF DIAMOND DRILL HOLES  
(GEOLOGY AND GRID AFTER KOKANSE EXPLORATIONS LTD.)  
 March, 2004      Figure 3.