

BC Geological Survey
Assessment Report
30134

DIAMOND DRILLING ON THE SPID CLAIMS

NELSON MINING DIVISION

Tenure Numbers 506199,506200,506201,506202,506203,506204,506209,506210

UTM'S 556740E 5450950N

Claim Owners:

Klondike Gold Corp.

Operator: Klondike Gold Corp.
Suite 711 – 675 W. Hastings Street
Vancouver, B.C.
V6B 1N2

Report by:

D. Anderson, P.Eng.
Geological Consultant
Anderson Minsearch Consultants Ltd.
3205 6th. St. South
Cranbrook, B.C.
V1C 6K1

Date: August, 2008

30,134
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

DIAMOND DRILLING ON THE SPID CLAIMS

Table of Contents

	Page
1.0 Introduction	1
2.0 Property Definition, History, and Background Information	1
2.10 Property Definition	1
2.20 History of Exploration	1
3.0 Regional Geology	2
4.0 Property Geology and Summary of Work Done	3
5.0 Diamond Drilling Results	3
6.0 Summary and Conclusions	3
7.0 Itemized Cost Statement	4
8.0 Author's Qualifications	4

List of Figures:

Figure 1	Spid Property Location Map	Scale 1:11,451,501
Figure 2	Claim Map – Hole Location	Scale 1:47,701
Figure 3	Section of Drill Hole SC-03-1E	Scale 1:5000

Appendices:

Appendix A	Diamond Drill Hole Log (Extension)
-------------------	------------------------------------

DIAMOND DRILLING ON THE SPID CLAIMS

1.0 Introduction

The Spider Creek property (Spid) of Klondike Gold Corp. is located about 25 air-kilometres northeast of Creston, B.C. Spider Creek on which the claims are centered is a south-flowing tributary to Kid Creek, a major southwest-flowing drainage. Access is gained from Highway 3 on a main logging road up Kid Creek. At 9 kilometres, the East Spider Creek road heads north uphill and the drill hole is located on a spur road about 1.5 kilometres up the main road. Relief in the area is modest with wooded mountains ranging from 1000 to 2000 metres. The area has been heavily logged over the last 35 years and so access is usually not a problem.

2.00 Property Definition, History of Exploration, and Background Information

2.10 Property Definition

The claim block in the Spider Creek area is controlled by Klondike Gold Corp. to allow it to pursue mineral exploration in the area. The Spid property core claims 506199 and 506200 are the core units involved with respect to the drill hole and its extension in 2007. Total area for this core area around the drill hole is 464.303Ha.


2.20 History of Exploration

The immediate Spider Creek area has not attracted any property-scale mineral exploration. It has been evaluated by reconnaissance mapping and contour soil geochem (Cominco). However, the Kid/Spider Creek region is extensively overburden covered. The intersection of air-photo linears and the likely presence of the Lower/Middle Contact attracted the interest of Klondike Gold Corp.



Most exploration activity has taken place on the Kid/Star property centered about 2 kilometres west of the Spid claims. Here galena and sphalerite mineralization, anomalous soil geochem, and the identification of fragmentals and tourmalinized fragmentals all in the Middle Aldridge lead to drilling in 1990/91. Fourteen holes tested Middle Aldridge targets defining interesting amounts of bedded and disseminated lead-zinc mineralization. The LMC is not present at reasonable depths in this tectonic block. This Kid/Star target area is separated from the Spid area by the Spider Creek Fault considered a north-south striking normal fault. Modest exploration effort has also been conducted about 5 kilometres south around Hazel Creek with a few short drill holes.

In 2003, KGC drilled an angle hole positioned to test the Middle Aldridge section and attempt to intersect Sullivan Time in this area where it had not been identified in outcrop or established with any certainty by stratigraphic means. Assessment Report # 27512


ARIS Map

 Spid Property Location

Topographic Layers

-  Lakes 1:6M
-  Rivers 1:6M

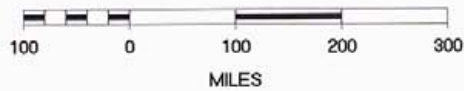
BC Border Layers

-  BC Border 1:6M



Map Center: 54.4781N 124.7082W

SCALE 1 : 11,451,501



Spid Prop

ARIS Map

Mineral Titles Layers



Spid Property Tenure



All Mineral Tenures

Topographic Layers



Railways 1:20K



Roads 1:20K

Gravel Road

Paved Road

Rough Road



Lakes 1:20K



Rivers 1:20K

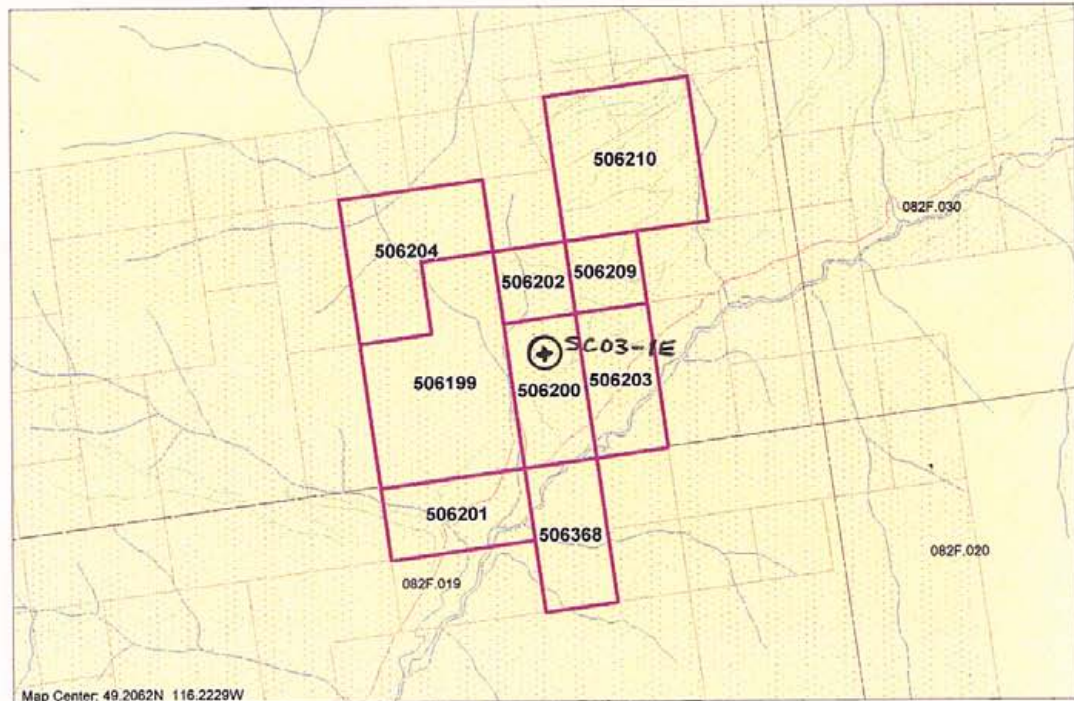
Grid Layers

Grid 1:20K - labels

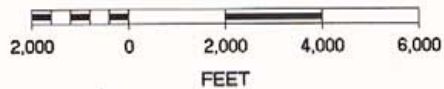


Grid 1:20K - outline

BC Border Layers



SCALE 1 : 47,707



N



describes the results of this drilling which in summary did not intersect a recognizable Sullivan Time to a depth of 902.5 metres.

3.00 Regional Geology

The Kid/Spider Creek area occurs around the area of maximum curvature of the Moyie Fault. It is in this area the major, regional-scale reverse fault changes from SW-trending to N striking. This structural re-orientation may be the main reason for the intensity of north-south and northwest-striking faults in the hangingwall to the Moyie Fault in the Hazel-Kid Creek region.

The Spid Property area is in the core of the Purcell Anticlinorium, a broad generally north-plunging structure in southeastern B.C. that is cored by Middle Proterozoic Purcell Supergroup rocks and flanked by Late Proterozoic Windermere Group or Paleozoic sedimentary rock. The area lies in the hangingwall to the Moyie Fault, a major, regional right-lateral reverse fault which is part of the Rocky Mountain fold and thrust belt event. The Moyie Fault follows earlier faults that have documented movements extending back to the Middle Proterozoic. These earlier structures controlled in part the distribution of the Middle Proterozoic through lower Paleozoic paleogeography.

The Purcell Supergroup comprises an early synrift succession, the Aldridge Formation, and an overlying generally shallow water post-rift or rift fill sequence which includes the Creston and Kitchener Formations and younger Purcell rocks.

The Aldridge is the oldest formation of the Proterozoic Belt-Purcell Supergroup. The Supergroup is a thick sequence of terrigenous clastic, carbonate, and minor volcanic rocks of Middle Proterozoic age. The basal Aldridge Formation, as exposed in Canada, is siliciclastic turbidites about 4000 meters thick. It is informally divided into the Lower, Middle, and Upper members. To the north and east in the basin, the Lower Aldridge, the base of which is not exposed, is about 1500 meters of rusty weathering (due to pyrrhotite), thin to medium bedded argillite, wacke and quartzitic wacke generally interpreted as distal turbidites. The Sullivan orebody occurs at the top of this division. To the south and west in the basin in Canada, the upper part of the Lower Aldridge is dominated by grey weathering, medium to thick bedded quartz wackes considered to be proximal turbidites. This Ramparts Facies is present in the Spid area but the nature of the transitions from the Middle Aldridge to Ramparts to Lower Aldridge is not well known. The Lower Aldridge is commonly host to a proliferation of Moyie intrusions, principally as sills. The Middle Aldridge is about 2500 meters of grey to rusty weathering, dominantly medium bedded quartzitic wacke turbidites with periodic inter-turbidite intervals of thin bedded, rusty weathering argillites some of which form finely laminated marker beds (time stratigraphic units correlated over great distances within the Aldridge/Prichard basin). There are several Moyie intrusions as sills within the Middle Aldridge including two of the most consistent, laterally extensive sills. The Upper Aldridge is about 300 meters of thin bedded to laminated, rusty weathering, dark argillite and grey siltite often in couplet-style beds.

4.00 Property Geology

The Spider Creek area lies between the regional Moyie Fault and the poorly understood but significant north-striking Spider Creek Fault. Due to poor exposure, understanding of the geological setting is tenuous. The dominant easterly dips of the sediments means a progression down-stratigraphy within the Middle Aldridge from mid-stratigraphic levels to lower Middle Aldridge from east to west towards the Spider Creek Fault. There are a few dip reversals but they are local, until in proximity to the Spider Creek Fault where intense folding can be noted to the north of the drill hole. So, faulting and folding of the Aldridge Formation is present but not well defined, primarily due to a lack of exposure.

An outcropping gabbro/granofels sill is likely as abundant float is located east of Spider Creek. However, the interpreted surface geology does not fit with the geology intersected in the drill hole so additional work is needed here.

West of the Spider Creek Fault (SCF) definitive mapping has been done on the Kid/Star property. Here upper to lower Middle Aldridge stratigraphy is exposed with the customary gabbro sills. This means north of Kid Creek the Spider Creek Fault is a normal fault. The Kid/Star property is mapped as a highly faulted area where more mapping and outcrop have permitted a better database. The Spid area may be similarly impacted by structures but the information base is lacking.

Based on limited outcrop and a few marker locations, it is possible the LMC is present in subcrop east of the SCF. A drill hole test of the LMC was initiated in 2003 and completed to 902.5 metres.

5.00 Diamond Drilling Results

Drill hole SC-03-1E was collared on June 20, 2007 and stopped on July 4, 2007. The additional drilling did not result in any clarification of the stratigraphy nor a test of what could be considered Sullivan Time.

6.00 Summary and Conclusions

The original drill hole SC-03-1 was designed to test an area with intersecting linears (structures) and possible Lower/Middle Contact. A low percentage of outcrop in the area and limited stratigraphic control meant the hole was truly a "wildcat" hole.

The geology intersected is at variance with that anticipated from the scarce outcrops. However, Middle Aldridge rocks were cored for most of the length of the hole with interjection of a gabbro/granofels complex sill into the package. The 2003 hole ended in unknown stratigraphy so the hole was extended in 2007 to 1148.48 metres. Unfortunately the sediments within the hole extension are similar to those higher in the hole and no resolution of stratigraphy was achieved.

7.00 Itemized Cost Statement

Diamond Drilling by Black Hawk Drilling – move in and out; reoccupy hole and drill a total of 245.98 metres	\$89,092.74
Geology – supervision of program; logging of core; report prep.- at \$500/d	7225.00
AMC Truck rental and use - \$75/d and 0.75/km	1394.12
EK Expediting – moving; core handling; and storage \$250/d	2450.00
EK Expediting – truck rental and use – costs as above	390.00
Catwork – prep site;move drill in and out;standby	6918.50
Truck hauling of heavy equipment – Mallard Logging	756.50
Vine field office rental for logging etc.	250.00
Supervision from Vancouver – T.H.	1100.00
Cranbrook office rental and support expenses for TH	1478.10
Klondike Gold Overhead	<u>3095.50</u>
Total Costs	\$114150.46

8.00 Author's Qualifications

I, Douglas Anderson, Consulting Geological Engineer, have my office at 3205 6th. St. South in Cranbrook, B.C., V1C 6K1.

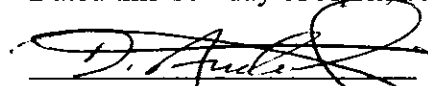
I graduated from the University of British Columbia in 1969 with a Bachelor of Applied Science in Geological Engineering.

I have practiced my profession since 1969, predominantly with one large mining company, in a number of capacities all over Western Canada and currently within southeastern B.C. as a mineral exploration consultant.

I am a Registered Professional Engineer and member of the Association of Professional Engineers and Geoscientists of B.C., and I am authorized to use their seal which has been affixed to this report.

I am also a Fellow of the Geological Association of Canada.

Dated this 10th day of April, 2008



Douglas Anderson, P.Eng., B.A.Sc., FGAC
Consulting Geological Engineer

DESCRIPTIVE LOG

SPIDER CREEK DRILL HOLE – SC-03-1E

Commenced: June 20/07 Completed: July 4/07
UTMs 556710E 5450950N Spider Creek – tributary to Kid Creek
Hole drilled from 900.61 to 1148.48 metres Contractor – Black Hawk Drilling
Collar 1085 metres elevation; Dip -60 degrees to azimuth 260
Objective: To extend the hole drilled in 2003, to see if Sullivan Time was not reached
and to further test the lower section of stratigraphy.

- 900.61 – 906.9m Dominated by light grey, fine grained, thick bedded quartz wackes. Beds to 1.5m thick. Minor fine laminate within zone. Bedding at 60 to 68°. Some disseminated pyrrhotite. A few narrow seams of chlorite with pyrite, pyrrhotite, chalcopyrite.
- 906.90 – 909.8m Dominated by thin bedded wackes, almost banded over short intervals. Quite dark and grainy, especially darker beds. Occasional floating clast in QcW. Few narrow chlorite seams.
- 909.8 – 915.54m Medium to thick bedded quartz wackes. Very hard, fine grained with very low argillite content. Bedding less common at 70° to ca. Disseminated pyrrhotite in quartzites.
- 915.54 – 919.28m Dominantly thin bedded wackes with short intervals (10cm) of QcW. Dark brownish to black overall. Bedding at 60° -most planar contacts but some lenticular appearing. Biotite alteration with white silica spotting.
- 919.28 – 992.68m A mixed section of dominantly medium to thick bedded, fine grained quartz wackes with short breaks to thin bedded wackes which are more disrupted/irregular. There are some highly altered (silicified) quartzite sections (bleached, hard, v.f.g., siliceous) in very broken core. Unaltered are darker brownish-grey, spotted QcW to wacke. Bedding 930.4m at 60 then over to 30°. Disrupted argillaceous units which are wavy and eroded by sands. Bedding down to 10 around 958m. By ~ 975m up to 45°. Broken core around 930m with bedding variable so a minor fault. Abundant micro faults offset beds. Alteration is fine biotite in argillaceous units. 943.8-949.2m broken core, very hard, siliceous. 966.5-975.3m broken core, highly altered, siliceous. From ~ 980m more of the core is silicified/chlorite. Only minor, scattered pyrrhotite then occasional fracture with po/chlorite/chalcopyrite at 0 to 20°.
- 992.68 – 1001.83m Dominated by thin bedded, darker brownish-grey wackes. Occasional medium bedded of QcW. (some similarity to LA but

- not convincing) Gets weakly laminated over short intervals. Bedding mostly planar at 50° to ca. Biotite seems extensive. Weak pyrrhotite scattered in some beds. Minor po in Q-calcite fractures or Q-chorite irregular cross-cutting zones. 1004.5 – 1004.8m quartz-calcite brecciated vein at 15° to ca.
- 1001.83 – 1015.45 Dominated by QcW to QW – medium to thick beds. Quite altered (f.g., siliceous) Some thin beds of wackes but <15% of section. Bleached, lighter grey/greenish. Bedding not common at 47°. Broken core but due to drilling. 1001.83 to 1007.3m altered (re-constituted) QW – vfg and hard. 1004.5 -1004.8m Q-calcite brecciated vein at 15 to 25° to ca. Po and Cp in small, high silica patches but rare.
- 1015.45 – 1018.30 Dominantly thin bedded, brown and grey wackes. There are short (<10cm) beds of QcW within. Brown and grey t.b. equally scratchable. Some bed planar, some wavy to lenticular. Bedding at 46° to ca. Biotite in more argillaceous beds. Chlorite on a few seams. Minor diss. Pyrrhotite.
- 1018.30 – 1052.75 Mixed interval of mostly medium (to thick) bedded QW with short breaks to t.b. wackes over 10 to 20cm. Some f.g. quartz wackes 1.5 to 2.0m. Some actually not vfg (granular). Quite dark brownish-grey overall. Bedding at 46°, by 1029.7 at 30°. Weak laminate locally. Some disrupted argillaceous bedding. 1036m beds at 50° to ca. Healed fault at 1039.5 – 1040.7m at 40° to ca. Altered and sheared. Pyrite on some fractures. 1021m 5cm of siliceous material with patches of po. Po patches in intense alteration zones.
- 1052.75 – 1062.50m Dominated by thin bedded, more argillaceous units. Some banded grey and brown (like LA style). Last half of interval is more argillaceous. A few floating clasts. Bedding planar with disruptions. At 1070m at 50°. By 1092m at 60°. A few very weak laminations of po in wackes.
- 1093.8 – 1100m Bleached, altered more quartzitic intervals. Reconstituted QW to vfg, very hard sequence. Bedding questionable. Siliceous, hard, light colored Quartzites.
- 1100 – 1142.88m Better coring – dominated by thin to medium to thick bedded quartz wackes. Thin bedded, dark grey wackes are usually <15cm in length. Argillites get white deeper in interval. Some QW to 1.5 metres thick. Bedding at 1106m at 40°; 1123m at 55; 1141m at 56°; some argillaceous beds disrupted. Low grade chlorite

alteration – along fractures with quartz and po at 30° to ca. 1120.3 to 1122m more sphalerite, some galena as disseminations within this alteration. Straw colored alteration around fractures. Sulphides appear later. 1140 to 1142.88m QW get quite dark grey altered (siliceous).

1142.88 – 1148.48 Not so much a change in lithology – remarkable change in color to very light buff colored QW. QW to 1m thick. Bedding still at 45 to 60° to ca. Silica enrichment? or metamorphism. Tiny garnets.

End of Hole

SC

SCF

Spider Creek

SC07-1E

Hia (ref)

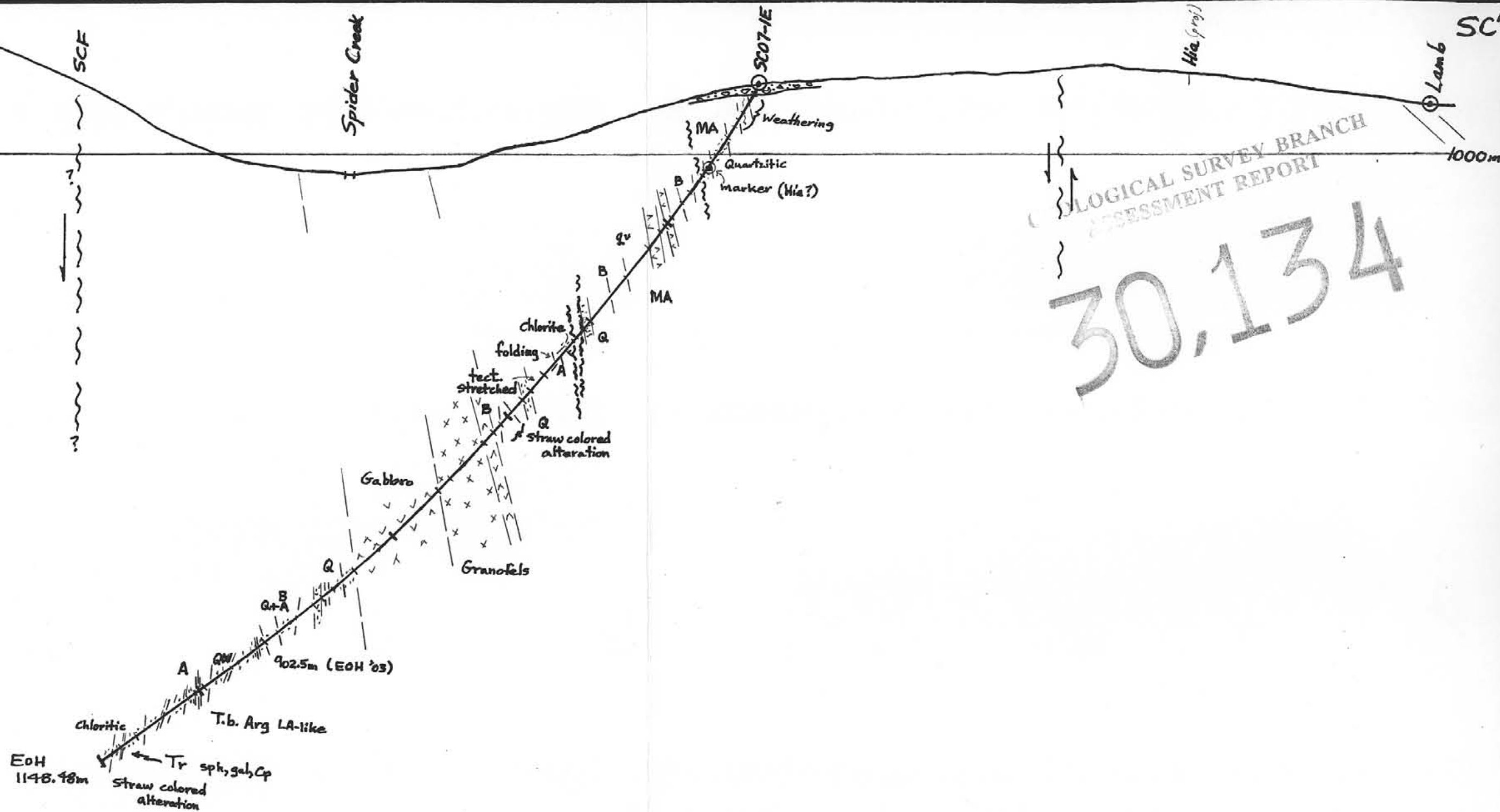
Lamb

SC'

1000m

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

30,134



Section SC - SC' on Azimuth 260° at collar.

- Q = dominantly quartzite
- A = dominantly argillite
- MA = middle Aldridge
- B = bedding
- qv = quartz vein

SPID PROPERTY	
Drill Hole Section - Extension of Drill Hole SC03-1	
BCGS: 082F029	FIGURE: 3
SCALE: 1:5000	