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MOUNTAIN HIGHGRADE MINES LTD.

GEOPHYSICAL SURVEYS AND TRENCHING PROGRAM ON THE DALE PROPERTY, RANCHERIA AREA SOUTHERN YUKON TERRITORY

95-007

M.A. Power M.Sc. P.Geo.

QUARTZ CLAIMS

DALE 1-4	YB46377 - YB46380
DALE 5-6	YB47316 - YB47317
DALE 7-8	YB56537 - YB56538
DALE 9-40	YB57055 - YB57086

YMIP No.: 95-007
Work performed: May 15 - Sept 13, 1995
Mining District: Watson Lake
NTS: 105 B 1
Location: 60° 14' N 134° 39' W
February 15, 1996

SUMMARY

A program of total magnetic field and VLF-EM surveys and excavator trenching was conducted on the Dale Property in the Rancheria District between July 1 and September 13, 1995. The geophysical surveys mapped the Dale Fault for a distance of 2 km from the main showing and, together with ground prospecting, identified another showing to the east of the main showing. The trenching program exposed thin discontinuous high grade silver veins within the fault zone. Best assays returned were 295 OPT Ag and 0.113 IPT Au from grab samples. A channel sample returned 148 OPT Ag and 0.054 Au over narrow widths. An association between mafic dykes and high grade mineralization within the fault zone was confirmed by the geophysical surveys.

TABLE OF CONTENTS

1.0 INTRODUCTION

This report describes a program of geophysical and topographic surveys, trenching, and underground rehabilitation on the Dale Property, Rancheria area, southern Yukon Territory between May 15 and September 13, 1995.

2.0 LOCATION AND ACCESS

The Dale Property is located at 60° 01' N 130° 28'W southeast of Rancheria,Y.T. in the Watson Lake Mining District, Yukon Territory (Figure 1). The property is approximately 350 km from Whitehorse by road. The route to the property is as follows:

Section	Distance (km)
Alaska Highway to Rancheria	330
Rancheria to Freer Creek microwave tower road	10
Alaska Highway to Freer Creek tower	5
Freer Creek tower to Dale Property	5

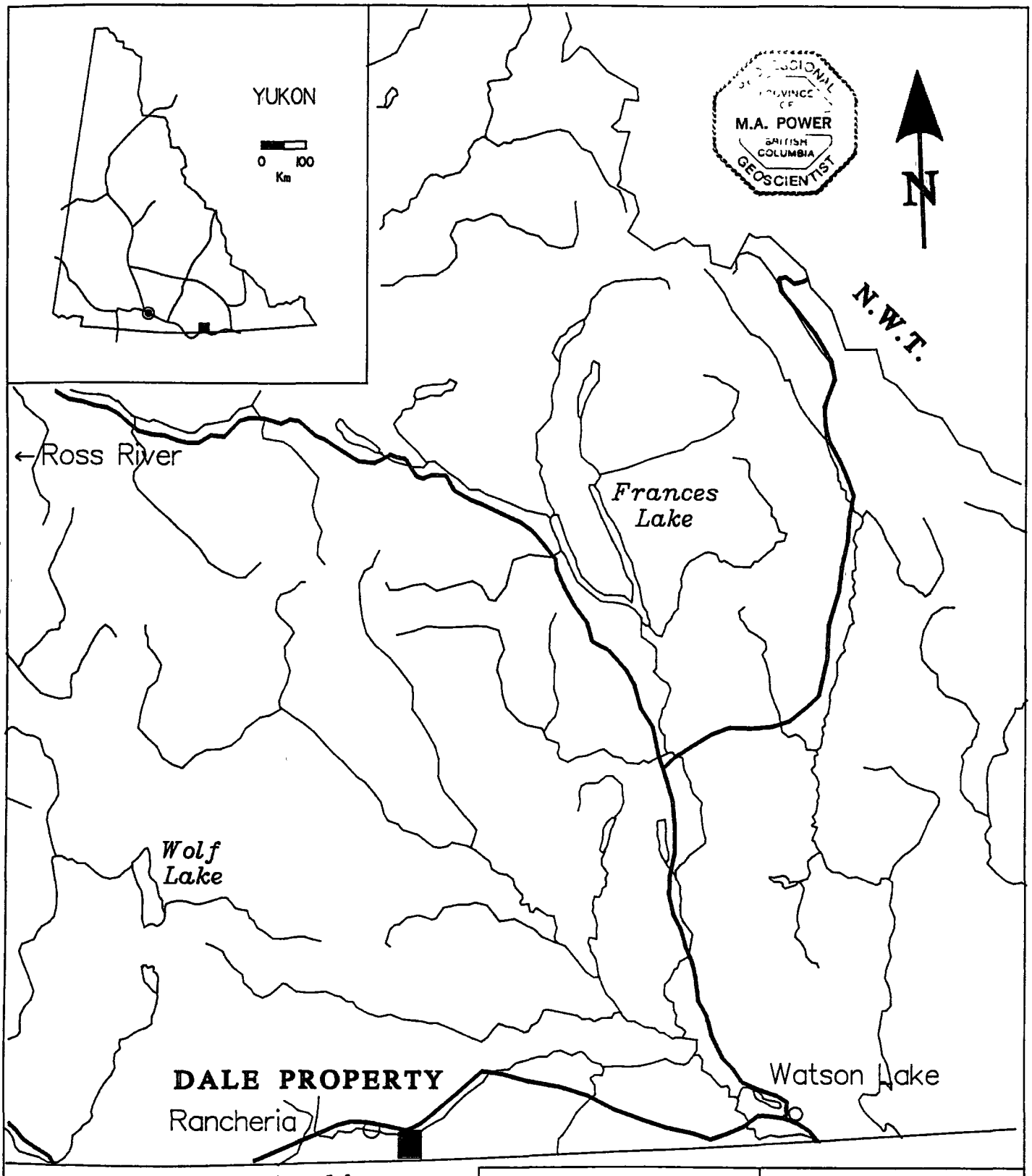
The Freer Creek tower road is a two wheel drive road, intermittently ploughed during the winter. A 4x4 access road in good condition runs from the Freer Creek tower road to the property. The turnoff for the road is approximately 300 m west of the Freer Creek microwave tower.

3.0 PROPERTY

The Dale Property consists of the following Quartz Claims staked under the Yukon Quartz Mining Act and recorded in the Watson Lake Mining District:

Claims	Grant Number	Expiry Date[1]
DALE 1-4	YB46377 - YB46380	January 13, 1999
DALE 5-6	YB47316 - YB47317	March 2, 1999
DALE 7-8	YB56537 - YB56538	October 31, 2000

[1]Expiry dates based on acceptance of the work described herein for assessment credit.

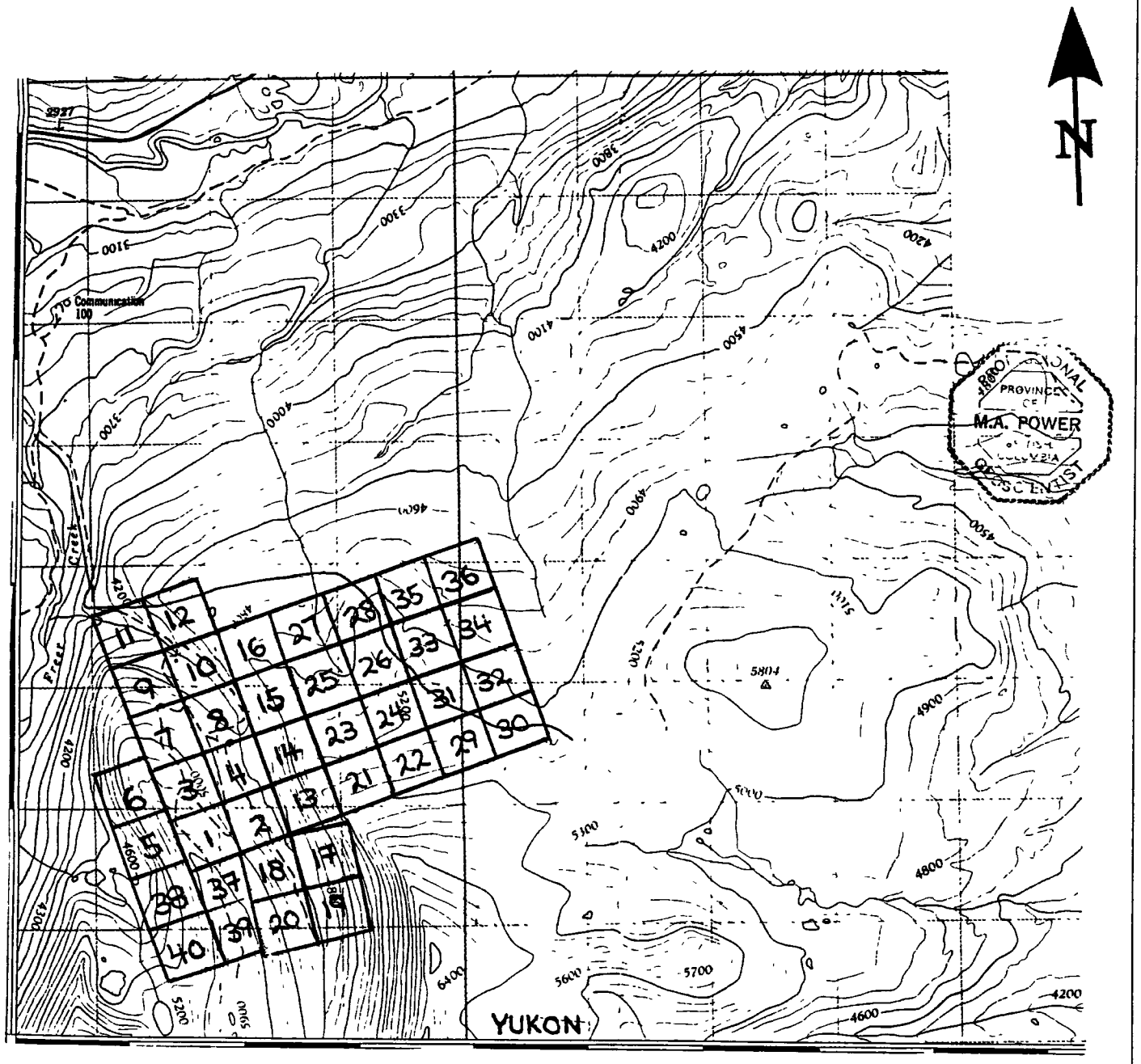


British Columbia

0 50

Kilometres

DALE PROPERTY	Claims: Frostbite 1-40
Location and access	Mining District: Watson Lake, Y.T.
	NTS: 105 B 1 / Scale: 2,170,000(A)
	Drawn by: M.A.P.
Mountain Highgrade Mines Ltd.	DATE: 05MAR95 / Figure: 1



40 **Quartz Claim**

0

Kilometres

DALE PROPERTY	Claims: Frostbite 1-40
CLAIM LOCATIONS	Mining District: Watson Lake. Y.T.
	NTS: 105 B 1 | Scale: 1:50.000
	Drawn by: M.A.P.
Mountain Highgrade Mines Ltd.	DATE: 05MAR95 | Figure: 2.

DALE 9-40 YB57055 - YB57086 February 10, 1996

Claim locations are shown in Figure 2. The Quartz Claims are owned by the following parties:

Name / address	Percentage ownership
Mike Power Site 6 Comp 11 Whitehorse, Y.T. Y1A 5V8	50%
Gary Lee Box 5348 Whitehorse, Y.T. Y1A 5L5	50%

4.0 TOPOGRAPHY AND CLIMATE

The Dale Property is in the Cassiar Mountains of the southern Yukon Territory. It lies at elevations of between 4,000 and 5,800 feet above sea level. The terrain can be described as a dissected plateau with peaks to 7,000 feet rising from a plateau lying at at an average elevation of 5,000 feet. Creeks and glaciation have incised steep walled valleys at lower elevations. West and south facing slopes are noticeably steeper than north and east facing slopes on the property. The local climate is northern continental with cool short summers and long cold winters. High winds are frequently encountered at high elevations. Water in quantities suitable for drilling is available in the creek valleys during the summer months. Timber suitable for underground support is difficult to find in the area although some timber of this size and quality can be found near the Freer Creek road.

5.0 REGIONAL GEOLOGY

The geology of the Rancheria area district is well documented by Lowey and Lowey (1987). The property is located in the mid-Cretaceous Cassiar Batholith, a 20 km wide belt extending 400 km from northern British Columbia into the southeast Yukon Territory. Rocks mapped in the batholith include granite (**Kgt**) and orthogneiss (**Kog**). These are intruded by Eocene diabase dykes generally less than 1 m wide, notably present in a major fault (Dale Fault) cutting the Cassiar Batholith.

The overall regional structure is dominated by the Kechika and Cassiar Faults lying southwest and northeast respectively of the Dale Property. These are large, northwest trending, steeply dipping dextral strike slip faults. Up to 170 km of Late Cretaceous to Oligocene displacement is inferred along the Kechika Fault (Gabrielse 1985) while no estimates of displacement have been made for the Cassiar Fault. Steeply dipping, apparent normal faults, some extending for several tens of kilometres have been identified between the Cassiar and Kechika Faults.

6.0 PREVIOUS EXPLORATION

Mining exploration in the Rancheria area commenced in earnest with the opening of the Alaska Highway and regional mapping by the Geological Survey of Canada in 1942. Exploration of the Dale Property is documented in the Yukon Minfile (Occurrence # 7 - 105B1). It was originally staked as the Tiger and Lion Claims in 1952 and hand trenched during 1953-55. The property lapsed and was restaked as the Dale Claims by Dale Mountain Mines Ltd. in 1956 which performed trenching and EM surveys followed by driving a 180 m adit in 1958 from which 69 m of underground diamond drilling was conducted. In 1967, the property was restaked by Paul Poggenburg as the L Claims. He trenched the property in 1968 and R. Kirkman shipped 8.7 tons of hand-cobbed ore in the same year to the American Smelting and Refining Co. in East Helena (Fowers 1971). The property was optioned to Ida Ore Mines Ltd. in 1970 which shipped 21.3 tons of hand-cobbed ore to the East Helena smelter the same year. It was then transferred to Mineral Hill Mines Ltd. and Mark IV Mines Ltd. which performed trenching, geological mapping and soil sampling in 1971and 1973 and trenched in 1976 and 1980. The property was acquired by Grant Stewart (Loann Silver Mines Ltd.) in 1981 who conducted a VLF and mag survey and drilled 6 holes. The property was then rolled into Butler Mountain Mines Ltd. together with the nearby Lord Property (Minfile Occurrence # 1 - 105B1) who performed EM and geochemical surveys and geological mapping. The property lapsed and was restaked in January 1994 by G. Lee and M. Power. In 1994 and early 1995, Lee and Power performed magnetometer, VLF and topographic surveys, excavator trenching and underground rehabilitation.

7.0 PROPERTY GEOLOGY

The Dale Property is underlain by intrusive rocks of the Cassiar Batholith and is cut by Eocene dykes and a regional fault. Property geology is shown in Figure 3 (in pocket). The property is underlain by granite (**Kgt**) which is white to light grey, equigranular and locally porphyritic with phenocrysts of pink feldspar up to 2 cm long. It is locally sheared and chloritized. The granite is in turn cut by Eocene(?) mafic dykes and quartz veins, mostly within the aforementioned regional fault. The dykes are black to

4840 E 4880 E 4920 E 4960 E 5000 E 5040 E 5080 E 5120 E 5160 E 5200 E 5240 E 5280 E 5340 E 5420 E 5460 E 5500 E 5540 E 5580 E 5620 E 5660 E 5700 E 5740 E 5780 E 5820 E 5860 E 5900 E 5940 E 5980 E 6020 E 6060 E 6100 E 6140 E 6180 E 6220 E 6260 E 6300 E 6340 E 6380 E 6420 E 6470 E

5200 N
5150 N
5100 N
5050 N
5000 N
4950 N
4900 N
4850 N
4800 N
4750 N
4700 N
4650 N
4600 N

Bl
70°

N

NAA
Cutler, Ma.

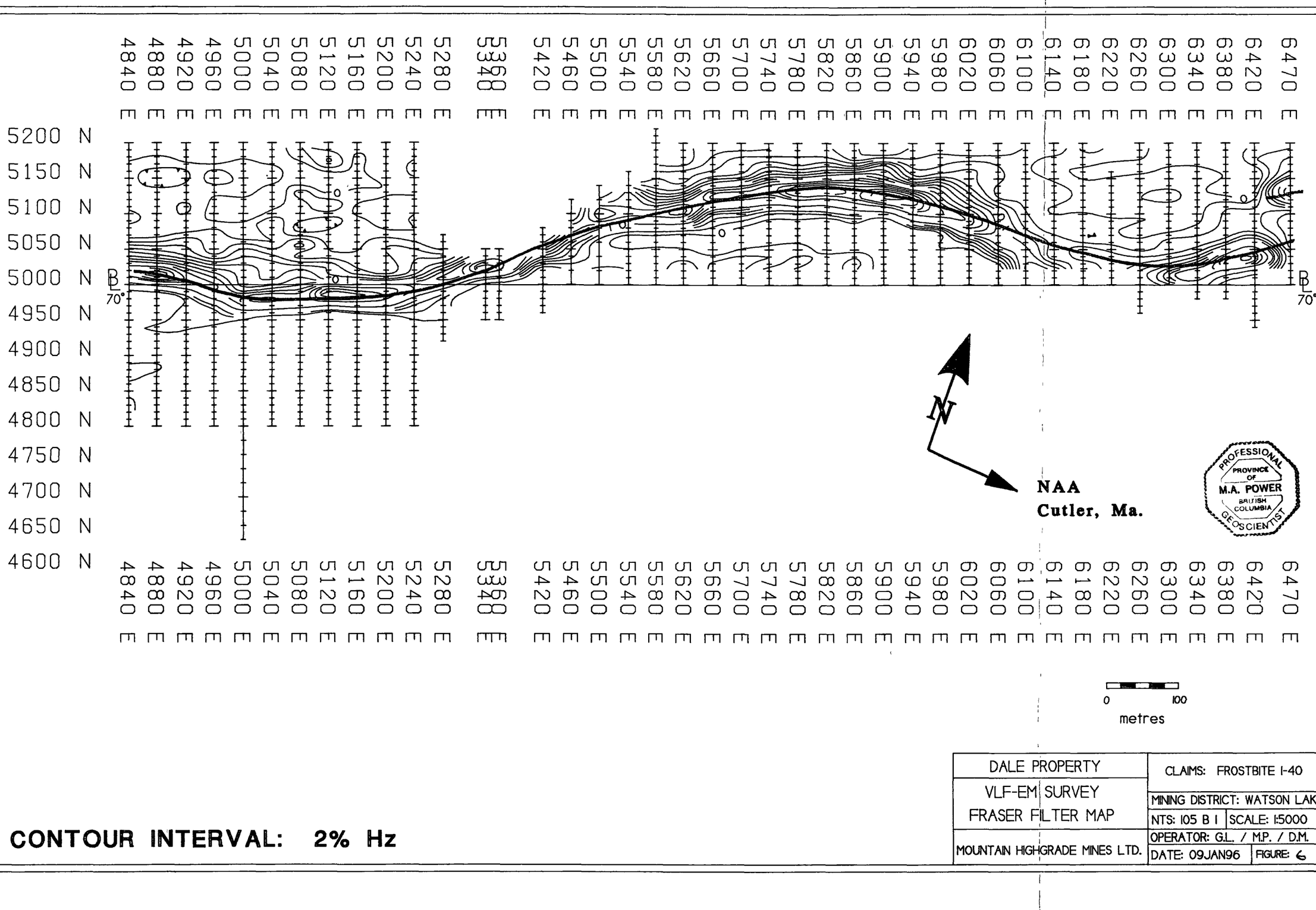
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
M.A. POWER
GEOSCIENTIST

0 100
metres

Quadrature **In-phase**

10 0 -10
%Hz

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
VLF-EM SURVEY STACKED PROFILES	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 / SCALE: 1:5000
	OPERATOR: G.L. / M.P. / D.M.
MOUNTAIN HIGHGRADE MINES LTD.	DATE: 09JAN96 / FIGURE: 5



CONTOUR INTERVAL: 2% Hz

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
VLF-EM SURVEY FRASER FILTER MAP	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 | SCALE: 1:5000
	OPERATOR: G.L. / M.P. / D.M.
MOUNTAIN HIGHGRADE MINES LTD.	DATE: 09JAN96 | FIGURE: 6

dark grey with an aphanitic ground mass and biotite phenocrysts and are up to 1 m wide. An east-northeast trending, steeply-dipping fault (Dale Fault - informal) cuts the granitic rocks and controls the known mineralization on the property. In the vicinity of the main showing, the fault is oriented 70° 70° N and up to 20 m wide with strong footwall alteration. The fault zone is composed of clay gouge and silicified fault breccia within which quartz veins have developed in dilitant zones. Steeply dipping north trending small scale faults with restricted (<50 cm) alteration were observed underground.

The main showing is in the Dale Fault at the crest of the ridge between Dale and Freer Creeks. The earliest reliable description described it as a 10 to 12 m long and 50 cm wide vein of galena and sphalerite with quartz and hematite gouge (Laanela 1973). The 1968 shipment of 8.2 tons averaged 103 OPT Ag and 56% Pb and the 1970 shipment of 21.3 tons averaged 62.4 OPT Ag, 0.07 OPT Au and 49% Pb (Minfile). Figure 4 is a detailed map of the area of the main showing.

8.0 GEOPHYSICAL SURVEYS

Total magnetic field and VLF-EM surveys were conducted over a grid centred on Dale Creek. The grid baseline is oriented at 70° and the origin is at 5000N, 5000E, just north of the old highgrading pit (Figure3). Lines were picketed at 20 m intervals with half length wooden pickets and scribed metal tags.

The VLF-EM and magnetometer survey was conducted with an EDA Omni Plus and synchronized base station magnetometer at a station interval of 10 m. The VLF survey was conducted using the Cutler, Maine transmitter (Station NAA). The local station azimuth to NAA is 90° and thus it is well coupled with the Dale Fault (azimuth 70°). A normal cross-over is a positive to negative in-phase response with or without following quadrature response when moving south to north along the survey lines. The survey results are plotted in stacked profile format in Figure 5 and as a Fraser filtered contour map in Figure 6. The Dale Fault is clearly evident in the VLF responses as a strong in-phase cross-over. The conductor axis, underlying the point of maximum inflection, is indicated by a thick dashed line in Figures 5 and 6.

The total magnetic field survey was conducted at a station interval of 5 m using a base station cycling interval of 20 s. Figure 7 is a contour map of the total magnetic field readings with data contoured at a 20 nT interval. Mafic dykes in the footwall and hanging wall of the Dale Fault produce strong positive magnetic responses. The fault zone itself is a broad relative magnetic low, perhaps caused by magnetite destruction during wall rock alteration.

9.0 TRENCHING & PROSPECTING

Twenty trenches with a total length of 868 m were excavated with a John Deere 450C equipped with a quick detachable backhoe. Trenches were excavated to depths ranging from 1 to 3 m. Trench locations are shown in Figures 3 and 4 (detail) together with the property geology. Table I describes the location and length of the trenches.

TABLE I. TRENCH LOCATION & LENGTHS

TRENCH	START	END	LENGTH (m)
TR95-1	4880E 5000N	4854E 5010N	26
TR95-2	4854E 5004N	4854E 5030N	26
TR95-3	4820E 5007N	4820E 5030N	23
TR95-4	4760E 5000N	5040E 5000N	340
TR95-5	5050E 4960N	5050E 4980N	12
TR95-6	5000E 4915N	5000E 5010N	95
TR95-7	4960E 4962N	4960E 4976N	14
TR95-8	4950E 4985N	4950E 4995N	10
TR95-9	4940E 4970N	4940E 4985N	15
TR95-10	4960E 5027N	4960E 5033N	6
TR95-11	5000E 5010N	5000E 5033N	23
TR95-12	4980E 4971N	4980E 5000N	29
TR95-13	5120E 4940N	5120E 5000N	60
TR95-14	5200E 4965N	5200E 4978N	13
TR95-15	5240E 4960N	5240E 5030N	70
TR95-16	5580E 4790N	5580E 4815N	25
TR95-17	5700E 5095N	5700E 5135N	40
TR95-18	5940E 5072N	5940E 5130N	58
TR95-19	7060E 5255N	7060E 5280N	26

TR95-20	7100E 5260N	7100E 5265N	5

Thirteen samples were sent out for assay; with exception of 95FB48745002CH (channel sample), all are grab samples. Sample locations are shown in Figures 3 and 4 and tabulated below.

TABLE II. SAMPLE DESCRIPTIONS AND ASSAY RESULTS

Sample Number	Line	Station	Description	Silver (OPT)	Gold (OPT)
95FB4930-5000HGFL	4930E	5000N	**VEIN:** Dark grey wx black, 30% euhedral 2mm xl of unsheared galena, quartz, limonite.	30.50	0.014
95FB4930-5000HFL2	4930E	5000N	**VEIN:** As above with 1 cm thick bands of sheared galena.	66.13	0.024
95FB5040-4982HGFL	5040E	4982N	**VEIN:** Steel grey & white wx tan-buff. galena (60%) in xl up to euhedral xl up to 4mm with highly curved faces, anhedral pyrite (10%) in local masses to 1 cm, cerrusite (2%), quartz in white single ended euhedral xl to 4 mm.	40.93	0.105

95FB4997-4986V	4997E	4986N	**VEIN:** Red brown, grey and dusty white, Mostly limonite-hematite, chlorite in books & seams, some kaolinite and disseminated quartz. galena (20%) highly altered, some sheared, malachite stain, some pyrite.	141.37	0.113
95FB4874-5002CH	4874E	5002N	**VEIN:** Mottled buff-rust-grey. Quartz (60%), rusty & vuggy, limonite (20%), some malachite stain, galena (10%) sheared, pyrite (<5%) scorodite(?).	148.12	0.054
95FB6180-5000FL	6180E	5000N	**VEIN:** Dark grey - black weathering same, chorite, quartz (20%) 2 cm thick bands of fine xl, sheared galena. Rock is very dense and dark.	81.51	0.037
95FB4940-4976VHG	4940E	4976N	**VEIN:** Steel grey wx black-brown, galena (40%) fine xl, quartz (40%) in rounded xl to 1 mm.	5.40	0.022
95FB6185-4995FL	6185E	4995N	**VEIN:** Grey-white wx red-brown and dusty green-white. Galena (fine xl), cerrusite and quartz	141.54	0.013

95FB4883-5000BS	4883E	5000N	**VEIN:** White & steel grey wx bright rusty yellow & brown. Banded white qurtz and fine xl galena & chlorite. abundant malachite stain.	23.12	0.020
95FB6225-4995V	6225E	4995N	**VEIN:** White-grey wx dark grey & rust. Galena, very fine xl in 1 cm bands. Quartz (70%) white masses. Some chlorite. Sample from an old hand-pit.	78.64	0.022
95FB6175-5000FLMY	6175E	5000N	**GRANODIORITE:** Fresh with a thin alteration selvage (<4cm) and piece of white quartz vein w/vugs & pyrite cubes.	0.99	<0.001
95FB4874-5002CH	4874E	5002N	**VEIN:** Rust-brown-black. Mostly limonite with 10% pyrite and galena in bands. Sulphides heavily weathered.	97.13	0.041
95FB4874-5002HG	4874E	5002N	**VEIN:** Steel grey & white wx red rust brown . Galena (60%) fine xl galena (to 1 mm) with curved faces. Quartz-white anhedral to 2 mm.	295.53	0.049

Sampling continued to confirm the high grade nature of the veins encountered in the Dale Fault. Unfortunately, all of the veins encountered in the trenching program were less than 1 m wide and discontinuous. They rarely extend for more than 10 m along strike although they tend to be locally clustered in the area of the main showing. The trenching program confirmed the association between the veins and neaby mafic dykes. It is unclear whether these dykes provide physical (eg. heat source or dilatant zones) or chemical controls on mineralization.

Mr. Ron Stack, an experienced local prospector familiar with showings in the area was contracted to prospect along the trend of the Dale Fault, east of the main showing. He located weathered sulphides in several locations along the fault trace and relocated an old trench at 6225E 4995N. His work demonstrated that the glacial deposits overlying the fault trace are thin and locally derived. Consequently, drift prospecting might be a useful tool in evaluating geophysical targets along the fault.

10.0 CONCLUSIONS

The 1994-95 exploration program accomplished the following:

a. An additional 868 m of trenching was conducted on targets identified in the previous geophysical surveys.

b. The geophysical grid was extended to the east where an additional showing was located at 6225E 4995N. The geophysical program continued to correlate the association between mafic dykes in the Dale Fault Zone and the occurrence of Pb-Ag mineralization.

The results of this work lead to the following conclusions:

a. Silver mineralization in the Dale Fault is controlled by the fault and by the presence of cross-cutting mafic dykes in the fault zone. A program of VLF to define the fault zone and of magnetic field surveys to locate mafic dykes in the fault zone is the most cost-effective means of locating additional mineralization. There are several kilometres of untested ground east of the present grid limits and west of the Kechika Fault. This area is particularly favourable for new occurrences because it is on an extensive rolling plateau where outcrop is scarce.

b. Careful drift prospecting in the favourable areas defined by the geophysical surveys is a useful technique for locating additional mineralization. Weathered sulphides were observed in float in the area immediately surrounding the showing at 6225E 4995N. This might be a cost-effective way to prospect additional ground by minimizing the amount of mechanized trenching required to identify new showings.

c. Work to date has identified erratic high grade silver mineralization within the Dale Fault but has failed to locate a significant quantity of highgrade ore.

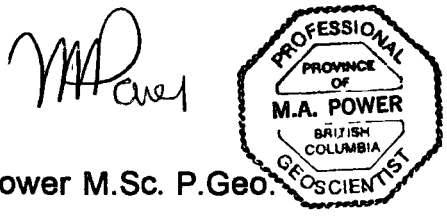
11.0 RECOMMENDATIONS

The following recommendations are made for further work on the Dale Property:

a. The geophysical grid, magnetometer and VLF surveys should be extended to the east. If additional magnetic field anomalies are located on the Dale Fault Zone, they should be carefully examined by an experienced prospector and trenched where results warrant.

b. The property boundary should be extended to the Kechika Fault and possibly north to include the Lord showing, should the current claims located there lapse in the near future.

Respectfully submitted,
MOUNTAIN HIGHGRADE MINES LTD.



M.A. Power M.Sc. P.Geo.

February 15, 1996

REFERENCES CITED

Fowers, W.A. (1971) Report on Mineral CLaims L1&L2, L11-16, Mineral Claims Lola 1 and 2 and Dem 17-38, Mile 706, Alaska Highway. Watson Lake Mining Recorder: AR060785.

Gabrielse, H. (1985) Major dextral taranscurrent displacements along the Northern Rocky MountainTrench and related lineaments in north-central British Columbia. Geological Survey of Americal Bulletin Volume 96, p1-14.

Lowey, G.W. and J. F. Lowey (1987). Geology of Spencer Creek (105 B 1) and Daughney Lake (105 B 2) Map Areas, Rancheria District, Southeast Yukon. Indian and Northern Affairs Canada: INAC Open File 1986-1.

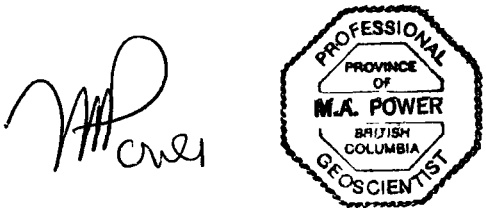
APPENDIX A. STATEMENT OF QUALIFICATIONS

I, Michael Allan Power of Whitehorse, Yukon Territory, certify that:

1. I obtained a Bachelor of Science Degree with First Class Honors in Geology from the University of Alberta in 1986 and a Masters Degree in Geophysics from the University of Alberta in 1988. I am a Professional Geoscientist registered in the Province of British Columbia (Reg. No. 21131).

2. I have been employed in mineral exploration and geophysical research since 1984.

3. I supervised the geophysical surveys described in this report. The remainder of the data described in this report was collected by Gary Lee, P.Eng.



Michael A. Power M.Sc. P. Geo.

Whitehorse, Yukon Territory
February 15, 1996

APPENDIX B. PROJECT LOG

Date	Activity
01 JUL 95	D. Moraal (Amerok Geosciences Ltd.) drives to Rancheria, set up camp.
02 JUL 95 to 05 JUL 95	VLF / mag survey
06 JUL 95	Return to Whitehorse
27 JUL 95	G. Lee mobilizes to Rancheria.
28 JUL 95	Move into camp, service excavator, locate trench targets.
29 JUL 95	Repaired road, walked JD to main showing. (JD - 6hrs)
30 JUL 95	Trenching west of 4840E (JD - 6 hrs)
31 JUL 95	Cut three test trenches north of base line (JD - 9hrs)
01 AUG 95	Started main trench; broke bucked (JD - 6hrs)
02 AUG 95	Into Whitehorse - repair bucket
03 AUG 95	Back to Rancheria, met Karen Pelletier (YTG-ED), conducted surface and underground tour.
04 AUG 95	Trenching on main showing. (JD - 9 hrs)
05 AUG 95	Trenching on baseline near main showing (JD - 10 hrs)
06 AUG 95	Built road to upper trench (4975E, 5000N). Started trenching above main pit.
07 AUG 95	Trenching above main pit (JD - 9 hrs)
08 AUG 95	Prepared pad on L5120E and commened trenching (JD - 8 hrs)

10 AUG 95	Trenching near L5120E and L5200E. (JD - 9 hrs)
11 AUG 95	Trenching along L5240E. (JD - 8 hrs)
12 AUG 95	Finished trench at L5240E (JD - 9 hrs)
13 AUG 95	Trenching at 4940E (JD - 9 hrs)
14 AUG 95	Trenching on BL to 4910E (JD - 8 hrs)
15 AUG 95	Trenching along BLto L4950E (JD - 8 hrs)
16 AUG 95	Trenching on BL to 4990E, 4990N in old cut (JD-8hrs)
17 AUG 95	Trenching to 5015E, 4985N. (JD - 5 hrs)
18 AUG 95	Into Watson Lake for groceries.
19 AUG 95	Continued trenching out of CAT cut to muck pile (JD - 5 hrs).
20 AUG 95	Excavated trench behind existing middle muck pile then cut cross trench at 5048E (JD - 6 hrs)
21 AUG 95	Completed trench at 5048E, trenched L5000E (JD - 5hrs)
22 AUG 95	Logging and sampling trenches.
23 AUG 95	Logging, sampling and backfilling trenches. (JD - 4 hrs)
24 AUG 95	Backfilling trenches. D. Moraal (Amerok) arrives in Pm. G. Lee off for a few days.
25 AUG 95	Mag/VLF survey
26 AUG 95	Geophysics
27 AUG 95	Geophysics
28 AUG 95	D. Moraal back to Whitehorse.
31 AUG 95	G. Lee picks up supplies in Watson Lake
01 SEP 95	Move, service excavator. Start trench at L5700E.

02 SEP 95	Trenching at 5700E (JD - 2 hrs)
03 SEP 95	Trenching at 5580E. (JD - 7 hrs)
04 SEP 95	Trenching at 5700E, log and backfill. (JD - 7 hrs)
05 SEP 95	Built access road to L5740E, trenching (JD - 4 hrs)
06 SEP 95	Logged trenches. Trenching at L5940E. (JD - 5 hrs)
07 SEP 95	Finished trench at L5940E, logged, sampled, backfilled. Repair washout. (JD - 9 hrs)
08 SEP 95	Finished repairing washout, walked JD to eastern part of claim block.
09 SEP 95	Opened road to LORD, picked up R. Stack in Rancheria.
10 SEP 95	Underground and surface tour for R. Stack. R. Stack - prospect and VLF on east part of claims. Trench L:7060E. (JD - 3 hrs)
11 SEP 95	Finished trenching at L7060E. R. Stack relocated old showing.
12 SEP 95	Demobe to Rancheria.
13 SEP 95	Demobe to Whitehorse.

Personnel

Gary Lee
Box 5348
Whitehorse, Y.T.
Y1A 5L5

Ron Stack
General Delivery
Whitehorse Yukon

Dirk Moraal
General Delivery
Whitehorse Yukon

Total Man Days:

G. Lee	42 days
R. Stack	5 days
D. Moraal	12 days

APPENDIX C. STATEMENT OF EXPENSES

GEOPHYSICAL SURVEYS	
Living expenses (D. Moraal)	$590.11
Gas & mileage	612.86
Survey charges	5,435.60
Miscellaneous	160.50
	$6,799.07
TRENCHING & PROSPECTING	
Camp costs, propane, groceries, and hardware	$2384.54
John Deere 450 w/backhoe & operator: 222hrs & logging / sampling	22,820.00
Prospecting: Ron Stack	1,525.75
4x4 Truck expenses	565.80
Heavy equipment demobilization	350.00
	$27,646.09
REPORT	
Assays	$332.81
Computer processing, CADD, interpretation, report preparation	$3000.00
Reproduction	55.00
	$3,720.61
TOTAL EXPENDITURES	**$44,355.04**

APPENDIX D. ASSAY CERTIFICATES

[redacted] AC[redacted]NAI[redacted]CAL[redacted]ORA[redacted]ES [redacted] [redacted]52 [redacted]AST[redacted] ST[redacted]NCO[redacted]R BC[redacted]6A [redacted] [redacted]NE([redacted]253[redacted]58 [redacted](60[redacted]3-1[redacted]

ASSAY CERTIFICATE

Amerok Geosciences Ltd. File # 96-0283 Page 1

Site 6 Comp 11, Whitehorse YT Y1A 5V8 Submitted by: M.A. Power

SAMPLE#	Ag** oz/t	Au** oz/t
95 FB 4930 5000 HGFL	30.50	.014
95 FB 4930 5000 HGFL 2	66.13	.024
95 FB 5040 4982 HGFL	40.93	.105
95 FB 4997 4986 V	141.37	.113
95 FB 4874 5002 CH	148.12	.054
95 FB 6180 5000 FL	81.51	.037
95 FB 4940 4976 VHG	5.40	.022
95 FB 6185 4995 FL	141.54	.013
95 FB 4883 5000 BS	23.12	.020
95 FB 6225 4995 V	78.64	.022
RE 95 FB 6225 4995 V	78.68	.021
95 FB 6175 5000 FLMY	.99	<.001
95 FB 4874 5002 CH	97.13	.041
95 FB 4874 5002 HG	295.53	.049
95 DH 1020 1006 QZ	1.30	<.001
95 DH 1280 2024 QZ	.58	<.001
95 DH 1640 2090 QZ	.39	.004
95 DH 1360 2008 QZ	.18	.006
95 DH 1000 1977 QZ 2	.16	<.001
95 DH 1360 1997	.40	.009
95 DH 1040 2030 VOL QZ	.05	<.001
95 DH 1320 2015	.06	<.001
RE 95 DH 1320 2015	.05	<.001
RRE 95 DH 1320 2015	.11	<.001
95 DH 1965 0940 A	.13	<.001
95 DH 1280 2031 V	.01	<.001
95 DH 1000 1970	.04	<.001
95 DH 1080 2128 G	<.01	<.001
95 DH 1000 1974 VOLR	.07	<.001
95 DH 0981 1997 QZ V1	.12	<.001
95 DH 0980 1997 QZ V2	.10	<.001
95 DH 0975 2007 R	1.42	.194
95 DH 0987 1992 QZ	.08	<.001
95 DH 0980 1997 QZ R	.01	<.001
95 DH 10000 1986 QZ	.04	.001

AG** & AU** BY FIRE ASSAY FROM 1 A.T. SAMPLE.
- SAMPLE TYPE: ROCK
Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: JAN 24 1996 **DATE REPORT MAILED:** Feb 5/96 **SIGNED BY.** D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

Suggest Assay for Cu, Pb, Zn for samples high in Ag

SAMPLE#	Ag** oz/t	Au** oz/t
95 DH 1000 1977 QZ	.08	.006
95 DH 0980 2000 QZ GR	1.37	.010

Sample type: ROCK.

0 500

METRES

LEGEND

Qt — QUATERNARY TILL

Kgt — CRETACEOUS GRANITE (CASSIAR BATHOLITH)

— GEOLOGICAL CONTACT

— FAULT

— TRENCH

— CAT TRAIL

— GEOPHYSICAL SURVEY GRID LINE

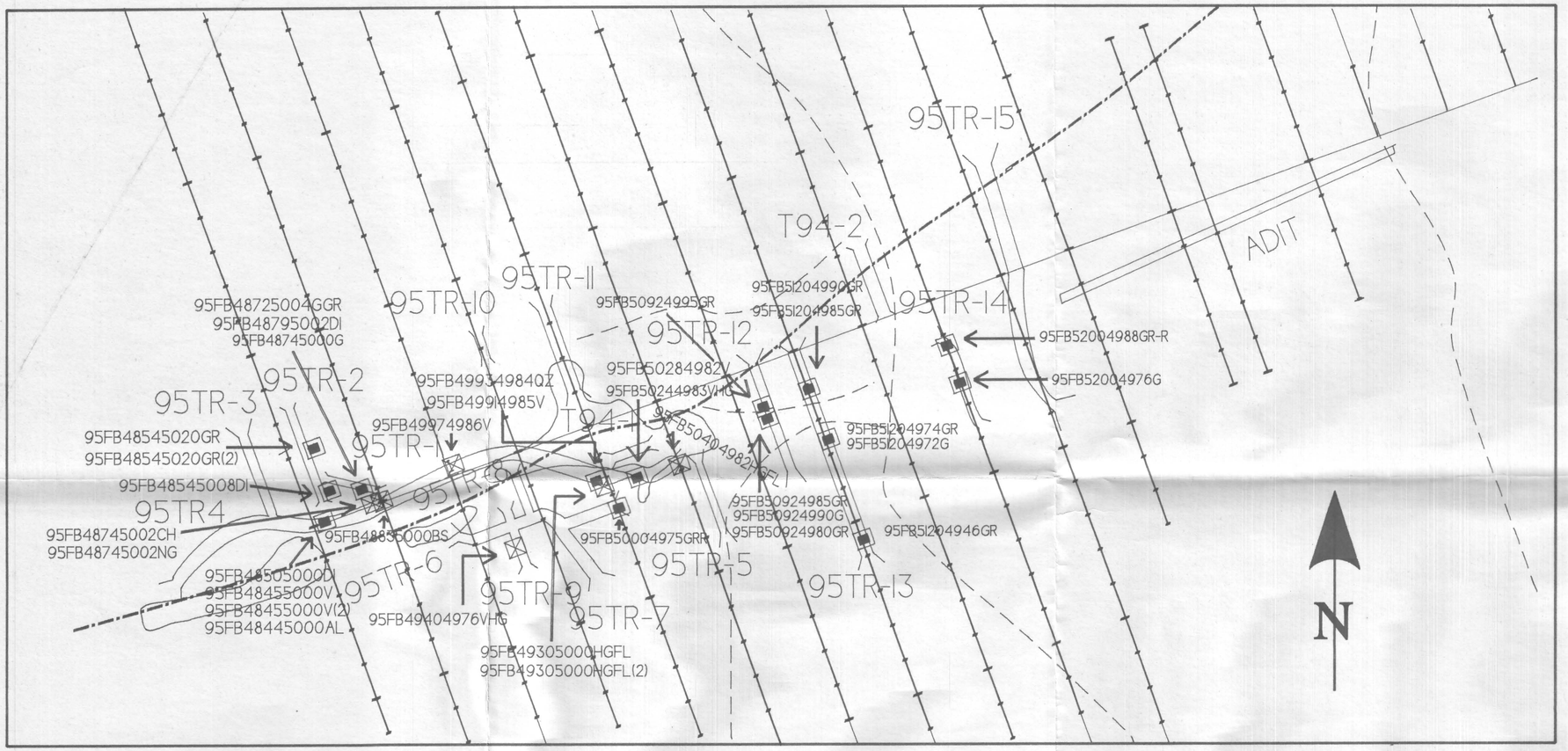
2 — CLAIM BOUNDARY

— ROCK SAMPLE

— ASSAYED ROCK SAMPLE

PROFESSIONAL ENGINEER PROVINCE OF B.C. M.A. POWER BRITISH COLUMBIA GEOSCIENTIST

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
1995 TRENCHING & GEOLOGY MAP	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 / SCALE: 1:4.000
	OPERATOR: G. L. / R. S.
MOUNTAIN HIGHGRADE MINES LTD.	DATE: 25 JAN 96 / FIGURE: 3



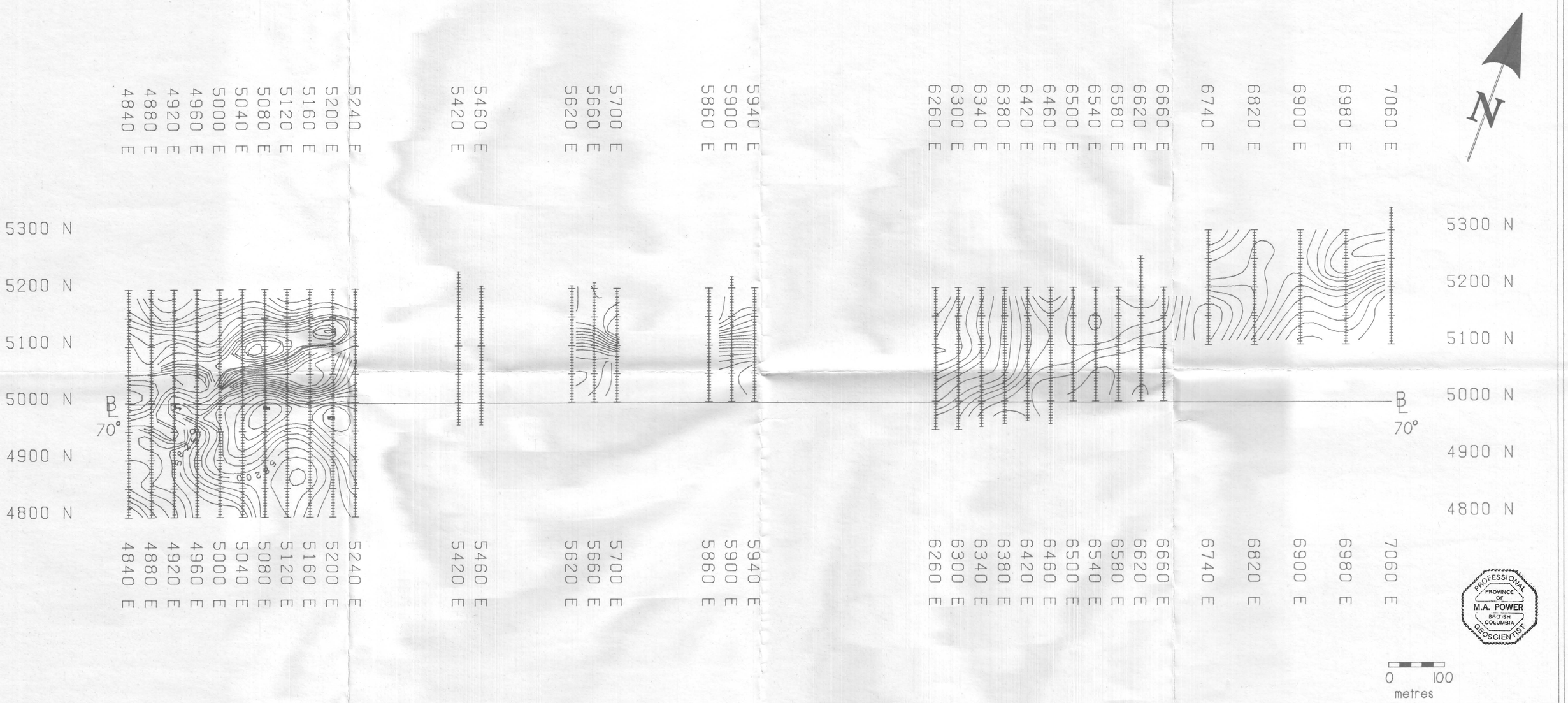
LEGEND

- FAULT
- TRENCH
- CAT TRAIL
- GEOPHYSICAL SURVEY GRID LINE
- 2 — CLAIM BOUNDARY
- ROCK SAMPLE
- ASSAYED ROCK SAMPLE

0 100
METRES

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
M.A. POWER
GEOSCIENTIST

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
1995 TRENCHING & GEOLOGY MAP	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 / SCALE: 1:2.000
	OPERATOR: G. L. / R. S.
MOUNTAIN HIGHGRADE MINES LTD.	DATE: 25 JAN 96 / FIGURE: 4



CONTOUR INTERVAL: 10 nT

DALE PROPERTY	CLAIMS: FROSTBITE 1-40
TOTAL MAGNETIC FIELD CONTOUR MAP	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 SCALE: 1:5000
	OPERATOR: G.L. / M.P. / D.M.
MOUNTAIN HIGHGRADE MINES LTD.	DATE: 93 11 22