115 I/3

SUMMARY REPORT

AND

PROGRAM PROPOSAL

DOWS PROPERTY

AND

JAM PROPERTY

Mount Nansen Area
Dawson Range
Yukon Territory

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July 20, 1993

INTRODUCTION

The DOWS and JAM claim groups, located in the Dawson Range, central Yukon Territory, are relatively new prospects in the highly mineralized Mt. Nansen gold camp. Gold was first discovered on the DOWS property by prospector Eugene Curley in 1987. The property was optioned to Noranda, who completed surface surveys, trenching and 6 diamond drill holes prior to dropping the option. The JAM claims, also staked in 1987, cover an alteration zone with an associated strong gold geochemical signature.

The Noranda drilling on the DOWS property confirmed the significance and the epithermal nature of the gold mineralization discovered. Subsequent trenching by Mr. Curley expanded the tonnage potential of the zone.

In December, 1992, G. Carlson optioned the DOWS and JAM properties from the prospector. A program of reverse circulation (RVC) drilling is recommended for the DOWS while a surface exploration and RVC drilling program is required for the JAM.

Both the DOWS and JAM properties have the potential to host epithermal gold-silver mineralization in high grade veins or in lower grade, bulk tonnage deposits.

LOCATION

The Mount Nansen area is located in the Dawson Range, central Yukon Territory, approximately 50 km. west of Carmacks and is accessed by a government maintained 2WD gravel road. The DOWS property is access by a 2.5 KM bulldozer trail east from the end of the road, while the JAM property is approximately 10 km north.

EXPLORATION HISTORY

Placer miners first discovered gold in the area at the turn of the century, on their way to the Klondike. The first lode gold in the area was not discovered until the 1940's. In 1968, Mt. Nansen Mines opened a 400 tpd mill to process ore from the Brown-McDade vein, but it closed in 1969 due to poor gold recoveries. More recently, a number of companies have evaluated the area for potential bulk-mineable, heap leach Au-Ag deposits. Because the area is unglaciated, oxidation may extend to over 30 m depth.

The following lists the important lode precious metal deposits discovered to date in the area:

Name	Tonnes	Au opt	Ag opt
Laforma	198,000	0.32	?
Brown-McDade	800,000	0.23	1.0
Huestis	85,728	0.45	9.11
Webber	58,524	0.34	19.29
Tinta Hill	516,000	0.12	6.4

DOWS Property

There is no evidence of previous exploration on the DOWS property prior to 1987, when Eugene Curley made the initial discovery through trenching. Noranda optioned the property later that year and, in 1988, completed soil sampling (673 samples), 43 km of ground magnetometer survey, 4.6 km of VLF-EM and 4 km of IP. Seven trenches were dug and sampled and five diamond drill holes, totaling 388 m, were completed. A sixth drill hole, 199 m, was completed in 1989 and the property was dropped. Additional trenching By Mr. Curley in 1992 extended the zone.

JAM Property

The property was staked in 1987 in response to the highest gold value in stream sediments detected by the government's reconnaissance program for NTS sheet 115I. A small amount of prospecting has noted a clay alteration zone with associated anomalous gold values in soils and panned stream sediments.

CLAIMS

DOWS Property

The property consists of 117 quartz mineral claims located on NTS Sheet 115I/3, Mt. Nansen area, Whitehorse Mining District, as follows:

Claim Name	Record No.
DOWS 1 to 16 (incl.)	YB07687 to YB70702(incl.)
DOWS 17 to 30 (incl.)	YB12755 to YB12768(incl.)
DOWS 32	YB12769
DOWS 33	YB12770
DOWS 35	YB12771
DOWS 37	YB12772
DOWS 39	YB12773
DOWS 41	YB12774
DOWS 43	YB12775
DOWS 45	YB12776
DOWS 47	YB12777
DOWS 49 to 72 (incl.)	YB12778 to YB12801(incl.)
DOWS 65 to 118 (incl.)	YB13055 to YB13100(incl.)

Gerald G. Carlson can earn a 100% interest by making payments of $105,000 and completing $1,000,000 in exploration by December 31, 1997. Of the payments, $5,000 has already been made. The prospector retains a 3% NSR royalty which has a buy-out clause.

JAM Property

The property consists of 6 quartz mineral claims located on NTS Sheet 115I/3, Mt. Nansen area, Whitehorse Mining District, as follows:

Claim Name	Record No.
JAM 1 to 6 (incl.)	YB05975 to YB05980(incl.)

Gerald G. Carlson can earn a 100% interest by making payments of $100,000 and completing $1,000,000 in exploration by September 30, 1998. The prospector retains a 3% NSR royalty which has a buy-out clause. An initial payment of $10,000 is due September 30, 1993.

GEOLOGY

The area is underlain by schist, gneiss and marble of the Yukon Crystalline Terrane. These are believed to be of predominantly sedimentary origin, with minor mafic volcanics, of Paleozoic age. These metamorphic rocks have been intruded by two igneous events; an early Jurassic plutonic suite consisting of syenite to monzonite, locally foliated, and a Cretaceous suite of granitic intrusives and related, predominantly subaerial volcanics.

The Cretaceous Dawson Range Plutonic Suite and related sub volcanic felsic intrusions likely associated with the coeval Mount Nansen Volcanics host all the major porphyry deposits of the district. Most gold deposits in the district are closely associated with felsic porphyry dikes which are a late stage expression of this major Cretaceous intrusive event.

At Mount Nansen, the volcanics form a relatively deeply eroded caldera complex, approximately 20 km in diameter, such that sub volcanic intrusive phases predominate over extrusive phases. The volcanics include andesitic breccias, massive andesitic flows or intrusives and, locally, pyroclastics. Rhyolite is a minor component of the pile, as flow domes and tuffs.

In the south-central part of the caldera, the low grade Mount Nansen Cu-Mo porphyry deposit appears to be the core of the mineralizing event, with precious metal deposits surrounding it.

MINERALIZATION

Precious metal mineralization is typically associated with the late stage felsic porphyry dikes. The veins are typically brecciated and clay (advanced argillic) to sericite altered, indicating explosive, late stage hydrothermal activity, perhaps structurally controlled by the dikes. Gold, silver and base metal values in these veins are highly variable: No systematic zonation pattern has yet been recognized.

DOWS Property

Mineralization on the DOWS claims is hosted by the Paleozoic metamorphic rocks, including a local occurrence of marble, along the southwestern edge of the caldera. Minor felsite dike material is noted along the trend of the zone, but it has been largely obliterated by clay alteration.

The mineralized zone consists of quartz veining, silicification, brecciation and related clay alteration. Gold mineralization occurs in quartz veins, silicified zones, breccias and altered

dike material. Pyrite is generally less than 1% and base metal values are very low, suggesting a more epithermal character than the nearby Mt. Nansen veins and, thus, likely better gold recoveries. Also, because the Mount Nansen area has not been glaciated, oxidation extends for depths of 30 m or more, thus enhancing the heap leach potential for the mineralization.

The highest gold values to date are 6.9 gmt Au over 1.5 m (0.203 opt Au over 4.9 ft.) in hole 88-2, 10.2 gmt Au over 1.5 m (0.299 opt Au over 4.9 ft.) in hole 89-6 and 6.7 gmt Au (0.197 opt Au) in a piece of locally derived quartz float. Trenching and four of the drill holes cut a strongly clay altered zone up to 50 m wide and over 150 m in length, open in both directions. The original trenching encountered 2.51 gmt Au over 30 m (0.074 opt Au over 98 ft.), including 5 m grading 3.89 gmt Au(0.117 opt Au over 16.4 ft.) within the central vein zone.

This central vein represents an apparently continuous mineralized zone encountered in each of the four drill holes which penetrated the altered zone. Respective assay intervals in each of the four holes ran 3.1 gmt over 6 m (0.091 opt Au over 19.7 ft.), 3.9 gmt over 4.5 m (0.115 opt Au over 14.8 ft.), 3.9 gmt over 7.5 m (0.115 opt Au over 24.6 ft.) and 4.2 gmt over 3 m (0.124 opt Au over 9.8 ft.). Noranda suggested that these grades are understated due to poor core recovery. This is within a larger zone, 30 to 100 m wide and at least 600 m in strike length, as defined by multi-element soil geochemistry, a magnetic low and high IP.

Sampling of trenches in 1992 demonstrated the bulk tonnage potential of the property, returning 1.1 gmt across 48 m (0.032 opt Au over 157.4 ft.) in one trench, 1.0 gmt over 30.5 m (0.029 opt Au over 100.0 ft.) in a second and 2.3 gmt over 21.5 m (0.067 opt Au over 70.5 ft.) in a third.

In addition to the main zone, geochemical and geophysical surveys show the potential for two parallel zones, one to the north and one to the south of the main zone.

JAM Property

The JAM property is underlain by early Cretaceous granodiorite of the Dawson Range Batholith in the north and a small outlier of Mount Nansen Volcanics in the south.

The claims were staked to cover the source of one of the highest stream sediment gold values on the regional geochem program - 767 ppb Au. Prospecting identified a clay altered zone and epithermal style quartz veining with minor pyrite in both the granodiorite and volcanics. Although the vein material was not anomalous in gold, pan and soil samples from within the altered zone were anomalous, with one pan sample running 0.79 opt Au.

POTENTIAL

Both the DOWS and JAM properties have the potential to host epithermal gold-silver mineralization in high grade veins or in lower grade, bulk tonnage deposits.

DOWS Property

Trenching, drilling and geophysical surveys have shown the altered and mineralized zone to be 30 to 50 m in width, possibly up to 100 m locally, and up to 600 m in length. This could produce a mineralized tonnage, conservatively stated, of approximately 5 million tonnes, to a depth of 100 m. The high grade potential is significant, but a tonnage projection would be premature at this time, depending on the width of the structure and the ultimate proportion of it which might be mineable.

JAM Property

Because of the very early exploration stage of this property and the minimal surface exposure, it is difficult to project a tonnage potential at this time. However, given the highly anomalous geochemical indications for gold and the intensity of clay alteration observed locally, there is a significant potential for an undiscovered gold-bearing structure on this property.

CONCLUSIONS

Both the DOWS and JAM properties, located within the Mount Nansen gold-silver camp, have excellent potential to produce either lower grade, bulk mineable and heap leachable precious metal deposits or high grade vein deposits. They both differ from the Mount Nansen veins and others in the district in their low pyrite and base metals contents. This suggests the potential for better metal recoveries. Also, because of a lack of glaciation, the deposits are typically oxidized to depths of 30 m or more, enhancing their heap leach characteristics.

In order to fully test this potential, a two stage exploration is required. The first stage would involve surface geological, geochemical and geophysical programs on the JAM property, followed by a six hole reverse circulation drilling program. On the DOWS, the surface program has been completed, along with preliminary drilling: A 12 hole reverse circulation program is recommended to define the extent of the mineralized zone. Six additional holes are required to test the anomalies to the north and south of the main zone.

RECOMMENDED PROGRAM

A two stage exploration program is recommended to test the potential for economically exploitable gold-silver mineralization of the DOWS and JAM properties. Stage two, a combination of reverse circulation and diamond drilling, would be contingent on successful results from the stage one program.

Stage One

Personnel:			
Supervision	30 dys @ $550	$ 16,500	
Geologist	45 dys @ $325	14,625	
Field Assistants	2 - 45 dys @ $200	18,000	
Cook	45 dys @ $250	11,250	
			$ 64,875
Transportation:			
Mobilization of camp		$ 5,000	
Air fares, town expenses		3,000	
Truck - 4x4	50 dys @ $75	3,750	
Helicopter (JAM Property)		8,000	
			19,750
Field Costs:			
Camp, equipment rentals		$ 10,000	
Groceries, camp fuel15,000			
Communications, expediting		6,000	
Freight, sample shipping		4,000	
			35,000
Geophysical Surveys (Jam Property):			
Magnetometer/VLF	30 km @ $250	$ 7,500	
IP	5 km @ $800	4,000	
Interpretation		2,500	
			14,000
Reverse Circulation (RVC) Drilling:			
Mobilization/Demob		$ 15,000	
DOWS - Main	1,000 m @ $45	45,000	
DOWS - North/South	500 m @ $45	22,500	
JAM	500 m @ $45	22,500	
			105,000
Assaying:			
Soil samples	1,500 @ $10	$15,000	
RVC samples	1,500 @ $15	22,500	
			37,500
Report Preparation:			8,000
			$ 284,125
	Contingency		$ 25,000
	TOTAL		$ 309,125

Stage Two

RVC Drilling	5,000 m @ $60 (all incl.)	$300,000
Diamond Drilling	3,000 m @ $125 (all incl.)	375,000
	TOTAL	$ 675,000