MT. NANSEN MINES LTD.

PRELIMINARY ESTIMATES OF RESERVES

OCTOBER 31, 1969

CONTENTS

TABLES

MT. NANSEN MINES LTD.

PRELIMINARY ESTIMATE OF RESERVES

OCTOBER 31, 1969

I

INTRODUCTION

At the request of Mr. Hans Willi of Mt. Nansen Mines, Ltd. the firm of Chapman, Wood & Griswold Ltd. has made a preliminary office estimate of reserves at the Mt. Nansen gold and silver property near Carmacks, Yukon Territory. The present study is limited to a review of certain economic factors relative to volume and tenor of mineralization and calculation of reserves.

Source of data provided by Mt. Nansen Mines Ltd. were:

1) Level plans showing geology, channel sample and percussion hole assays of the Webber, Huestis and Brown-McDade Zones.

2) A surface plan of the Webber Zone showing geology, sample assays and percussion drill hole collar locations.

3) Stope plans and sections of the Webber and Huestis Zones showing channel sample assays.

4) Reports by Dolmage-Campbell and Associates Ltd. dated January 19, 1968 and December 10, 1968.

5) A progress report by L. G. White, P. Eng., dated November 10, 1964 which contains percussion drill hole sections and assay data for the Webber Zone.

A brief discussion of metallurgical test recoveries was held with Mr. John Britton, P. Eng. of Britton Research Ltd.

The scope of our present report did not permit an examination of the property, check sampling, check assaying or verification of original sampling procedure. Our computations and conclusions are based solely upon data, as reported in the above mentioned plans and reports. We have not confirmed the accuracy of channel and drill hole sampling and assaying which was completed prior to preparation of this report.

II

SUMMARY AND CONCLUSIONS

A. The Webber, Huestis and Brown McDade Zones of the Mt. Nansen gold and silver property are estimated to contain 52,122 tons of PROVEN and PROBABLE GEOLOGIC reserves grading 0.59 oz Au per ton and 18.50 oz Ag per ton. We estimate the total MINEABLE PROVEN and PROBABLE reserves to be 59,419 tons grading 0.51 oz Au per ton and 15.82 oz Ag per ton after application of mining dilution and extraction factors to GEOLOGIC PROVEN and PROBABLE reserves. GEOLOGIC and MINEABLE PROVEN AND PROBABLE reserves are summarized in Table I and GEOLOGIC reserves appear in detail in Table II. The reserve estimates are based solely on assays and geologic data reported by others and the scope of the present report did not permit their verification by check sampling and assaying. We do not make any representation as to accuracy of sampling and assaying procedures.

B. The minimum grade of combined gold and silver mineralization that can be profitably extracted is estimated to be in excess of $31.95 CAN at metal market prices of $40.00 US per ounce of gold and $1.80 US per ounce of silver. This estimate is based upon reported costs which we have not substantiated. They are summarized in Canadian dollars per ton milled:

Mine Operating	$ 18.72
Freight - Mt. Nansen to Ronnskar, Sweden	8.58
Smelting, refining, penalties and marketing	4.65
	$ 31.95

C. Metallurgical recovery estimates are derived from reported test results and show a relatively wide range between zones:

	Au %	Ag %
Webber Zone	72	84
Huestis Zone	82	91
Brown McDade Zone	84	71

D. Reserve categories are based on the spacial relation of reserve blocks to reported assay data points. Extensions beyond assay data points do not exceed 25 feet on dip in the plane of the vein for PROVEN reserves and not exceeding 50 feet on dip in the plane of the vein for PROBABLE reserves. MINEABLE reserves are differentiated from GEOLOGIC reserves by application of estimated dilution and extraction factors.

E. Metallurgical sampling and research has not been sufficient to indicate probable ultimate milling recovery and optimum mill design. In the event that substantial additonal PROVEN and PROBABLE reserves were to be outlined, operation of a pilot mill and metallurgical research to investigate improved recoveries by cyanidation and concentrate roasting might be justified.

F. A comparison between drift channel sample assays and channel sample assays in stopes presently being mined in the Webber and Huestis Zones indicates values obtained from drifts are generally higher than those from overlying stopes. These results are as yet inconclusive due to possible sampling and assay errors. However, the discrepancy between Block No. H4300-E and Stope 43-12-590 and Block No. H4100-B and Stope 41-12-588 was sufficient to remove these blocks from the reserves (Refer to Table IV).

G. Application of calculated grades of gold and silver mineralization in the three zones to estimated concentration ratios, recoveries, costs and revenue gave the following results.

COMPARISON OF RESERVE GRADES, CONCENTRATE GRADES VARIABLE COSTS AND REVENUE*

Item	Zone		
	Webber	Huestis	Brown McDade
Grade of Mineable			
PROVEN and PROBABLE			
Au (oz/ton)	0.42	0.56	0.62
Ag (oz/ton)	24.29	10.30	7.37
Concentrate Grade			
Au (oz/ton)	1.93	1.93	1.93
Ag (oz/ton)	130.18	39.37	19.41
Concentration Ratio	6.38:1	4.20:1	3.71:1
Variable Costs			
Freight (per ton milled)	$ 7.52	$ 11.42	$ 12.93
Refining (per ton milled)			
Au	$ 0.21	$ 0.31	$ 0.35
Ag	$ 0.76	$ 0.23	$ 0.11
Total Au and Ag	$ 0.97	$ 0.54	$ 0.46
Revenue (per ton milled)			
Au	$12.69	$ 19.28	$ 21.82
Ag	$38.32	$ 17.60	$ 9.82
Total Au + Ag	$51.01	$ 36.88	$ 31.64
Total Cost (per ton milled)	$30.68	$ 35.65	$ 38.08
Profit (per ton milled)	$20.33	$ 1.23	$ - 6.44 (loss)

* Based on assay data and cost estimates supplied to us by Mt. Nansen Mines Ltd. and our calculations made from such assays and costs.

From the above table comparison the wide difference in estimated revenue between the Huestis and Brown McDade Zones and that of the Webber Zone is a result of higher reserve grade of silver, higher concentrate grade of silver, higher concentrate ratio and subsequent lower freight costs for the Webber Zone

H. Our estimate of approximately 59,500 tons of MINEABLE PROVEN and PROBABLE reserves does not justify a decision to commence production at the Mt. Nansen property. MINEABLE PROVEN and PROBABLE reserves in excess of 1,750,000 tons grading 0.50 oz Au/ton and 15.00 oz Ag/ton are estimated as a minimum target sufficient to pay back capital expenditures and provide an adequate return for risk capital. No visit has been made to the property nor have we studied the geological data sufficiently to estimate the scope and cost of an exploration program. The capital expenditure of $5,000,000. under (J) in Section V is an assumption only.

Respectufully submitted:

CHAPMAN, WOOD & GRISWOLD LTD.

Herbert J. Toohey
Geologist

Approved by:

E. P. Chapman, Jr.

October 31, 1969

CERTIFICATE

I, E. P. Chapman, Jr. of North Vancouver, British Columbia, do hereby certify:

1. That I am a Mining and Geological Engineer residing at 2135 Argyle Avenue, West Vancouver, British Columbia.

2. That I am President of Chapman, Wood & Griswold Ltd., Consulting Mining Engineers and Geologists, with Offices at 133 East 14th Street, North Vancouver, British Columbia.

3. That I am a registered Professional Engineer in the Province of British Columbia and in the States of Colorado, New Mexico and Texas, and that I am a member of the Consulting Engineers' Division of the Association of Professional Engineers of British Columbia.

4. That I have practised my profession for more than 30 years.

5. That I have no director or indirect interest in Mt. Nansen Mines, Ltd.

6. That none of the principals or employees of my Company have any direct or indirect interest in Mt. Nansen Mines, Ltd.

7. That this reserve calculation and report were prepared under my general supervision and that I have not visited the property of Mt. Nansen Mines, Ltd.

E. P. Chapman, Jr., P. Eng.

October 31, 1969

CHAPMAN WOOD & GRISWOLD LTD.

CERTIFICATE

I, Herbert J. Toohey, of North Vancouver, British Columbia, do hereby certify:

1. That I am a geologist residing at 5189 Sarita Place, North Vancouver, British Columbia.

2. That I am employed by Chapman, Wood & Griswold Ltd., Consulting Mining Engineers and Geologists, 133 East 14th Street, North Vancouver, British Columbia.

3. That I have practised my profession for nine years.

4. That I have no direct or indirect interest in Mt. Nansen Mines, Ltd. or any of the properties controlled by this Company.

5. That I have calculated the reserves of Mt. Nansen Mines Ltd. from assay and sampling data supplied by Mt. Nansen Mines, Ltd. and further that I have not verified the accuracy of sampling procedure, assaying or the assay plans provided by Mt. Nansen Mines, Ltd.

6. That no check sampling has been done by any member of the staff of Chapman, Wood & Griswold Ltd. and I have not examined the property of Mt. Nansen Mines, Ltd.

Herbert J. Toohey, Geologist

October 31, 1969

III

ECONOMIC ASSUMPTIONS AND CONTROLS

To arrive at a close approximation of economic factors that would determine tenor and volume of the Mt. Nansen reserves, estimates of mine operating cost, freight, smelting, refining and marketing costs and smelter penalty which appear in a report by Dolmage-Campbell and Associates Ltd. are used in this report:

1. Mine Operating Cost

	$ Can/Ton Milled
Mining	9.57
Mine Services and Overhead	4.80
Milling	3.25
Head Office	1.10
Total	18.72

	$ Can/Ton Concentrate
2. Freight - Mt. Nansen to Ronnskar, Sweden	42.95
3. Smelting	16.10
4. Antimony Penalty	3.60
5. Marketing (110.00 per 44.75 tons conc.)	2.46

6. Refining

   Au at $21.50 per payable kg.

   Ag at $ 1.07 per payable kg.

Note:

The above antimony penalty and marketing fee are applied to concentrates produced from all three zones.

The Webber, Huestis and Brown McDade Zones vary appreciably in metallurgical characteristics, recoveries and grade of gold and silver, therefore, we have treated them separately in estimating costs and revenue. A gold grade of 1.93 oz per ton of concentrate is assumed for all zones and a concentration ratio and silver grade has been calculated for each zone.

WEBBER ZONE

Concentration ratio = $\frac{1.93}{(0.42)\ (0.72)}$ = 6.38:1 or 39.18 tons conc. from 250 tons of mill feed.

(24.29) (0.84) (6.38) = 130.18 oz Ag/ton of conc.

A. Costs

		$ Can. / Ton Concentrate	$ Can. / Ton Milled
1)	Mine Operating		18.72
2)	Freight	47.95	7.52
3)	Smelting	16.10	2.52
4)	Refining - Au ($51.50)	1.31	0.21
	- Ag ($189.03)	4.82	0.76
5)	Antimony Penalty	3.60	0.56
6)	Marketing	2.46	0.39
	Total		30.68

B. Revenue

1) 39.18 tons concentrate at 1.93 oz Au/ton and 130.18 oz Ag/ton would make available for refining 75.62 oz Au and 5,100.45 oz Ag. Assuming metal prices of $40.00 US/oz Au and $1.80 US/oz Ag and payment for 98% of contained gold and 97.5% of contained silver:

Au - (75.62 (0.98) (40.00)	= $2,964.30 US	$ 3,171.81 Can
Ag - (5100.45) (0.975)(1.80)	= $8,951.29 US	$ 9,577.88 Can
		$12,749.69 Can

2) Estimated revenue per ton milled:

$$\frac{12,749.69}{\frac{39.18}{6.38}} = \$51.01$$

3) Estimated profit per ton milled:

Revenue	$51.01
Cost	30.68
	$20.33 per ton milled

HUESTIS ZONE

Concentration ratio = $\frac{1.93}{(0.56)\ (0.82)}$ = 4.20:1 or 59.52 tons conc. from 250 tons mill feed.

(10.30) (.91) (4.20) = 39.37 oz Ag/ton of conc.

A. Costs

		$ Can. / Ton Concentrate	$ Can. / Ton Milled
1)	Mine Operating		18.72
2)	Freight	47.95	11.42
3)	Smelting	16.10	3.83
4)	Refining - Au ($51.50)	1.31	0.31
	- Ag ($57.17)	0.96	0.23
5)	Antimony Penalty	3.60	.0.86
6)	Marketing	2.46	0.59
	Total		35.65

B. Revenue

1) 59.52 tons concentrate at 1.93 oz Au/ton and 39.37 oz Ag/ton would make available for refining 114.87 oz Au and 2343.30 oz Ag. Assuming metal prices of $40.00 US/oz Au and $1.80 US/oz Ag and payment for 98% of contained gold and 97.5% of contained silver:

Au - (114.87) (0.98) (40.00)	=	$4,502.90 US	$ 4,818.11 Can
Ag - (2343.30)(0.975)(1.80)	=	$4,112.49 US	$ 4,400.37 Can
			$ 9,218.48 Can

2) Estimated revenue per ton milled:

$$\frac{\frac{9218.48}{59.52}}{4.20} = \$36.88$$

3) Estimated profit per ton milled:

Revenue	$ 36.88
Cost	35.65
	$ 1.23 per ton milled

BROWN McDADE ZONE

Concentration ratio = $\frac{1.93}{(0.62)(.84)}$ = 3.71:1 or 67.39 tons conc. from 250 tons milled

(7.37)(0.71)(3.71) = 19.41 oz Ag/ton of conc.

A. Costs

		$ Can. / Ton Concentrate	$ Can. / Ton Milled
1)	Mine Operating		18.72
2)	Freight	47.95	12.93
3)	Smelting	16.10	4.34
4)	Refining - Au ($51.50)	1.31	0.35
	- Ag ($28.19)	0.42	0.11
5)	Antimony Penalty	3.60	0.97
6)	Marketing	2.46	0.66
	Total		$ 38.08

B. Revenue

1) 67.39 tons concentrate at 1.93 oz Au/ton and 19.41 oz Ag/ton would make available for refining 130.06 oz Au and 1308.04 oz Ag. Assuming metal prices of $40.00 US/oz Au and $1.80 US/oz Ag and payment for 98% of contained gold and 97.5% of contained silver:

Au - (130.06)(0.98) (40.00)	= $ 5,098.35 US	$5,455.24 Can
Ag - (1308.04)(0.975)(1.80)	= $ 2,295.61 US	$2,456.30 Can
		$7,911.54 Can

2) Estimated revenue per ton milled:

$$\frac{\frac{7911.54}{67.39}}{3.71} = \$ 31.64$$

3) Estimated profit per ton milled:

Revenue	$ 31.64	
Cost	$ 38.08	
	- $ 6.44	Net loss per ton milled

Estimated recoveries of gold and silver are derived from metallurgical test results as reported by Britton Research Ltd., Dolmage-Campbell and Associates, Ltd. and Watts, Griffis and McOuat Ltd. A discussion was held with Mr. Britton regarding anticipated recoveries in the present mill circuit and the effect of various degrees of oxidation and grade of mill feed on recovery.

Recoveries used in the present report are not considered to be ultimate recoveries that might be expected but are based on reported test results and anticipate use of the present milling circuit.

Webber Zone	Au - 72%
	Ag - 84%
Huestis Zone	Au - 82%
	Ag - 91%
Brown McDade Zone	Au - 84%
	Ag - 71%

Because of the relatively wide range in recoveries and reported high variation of oxide content between zones, the recoveries are applied separately to each zone.

A tonnage conversion factor (as reported by Dolmage-Campbell and Associates, Ltd. December, 1968) of 11 cubic feet per ton was applied to volume calculations.

Minimum mining width of 4.0 feet was applied to GEOLOGIC reserves.

Gold and silver assays were reduced to 1.00 oz Au and 100.0 oz Ag where substantially higher than surrounding values but where they appeared as part of a well defined grade trend they were not reduced unless well above the average of the trend.

Correction factors of dilution and extraction were applied to MINEABLE reserves.

1) Dilution - 20% at an average grade of surrounding assays as reported on assay plans.
2) Extraction - 5% at undiluted grade.

DEFINITION OF RESERVE CATEGORIES

Reserve categories are based on their spacial relation to assay data points and geologic information. The categories are:

PROVEN

1) Mineralization defined by channel sampling of drift faces and/or backs in underground workings and by close spaced channel sampling of the vein outcrop.

2) Mineralization defined by percussion drill results in drift walls where the hole spacing is similar to that of channel sampling and where results indicate a local flexure or a directional change for a short distance.

3) Extensions not exceeding twenty-five feet from any sample point where geologic evidence indicates the mineralizing structure is known and the chance of failure of the mineralization to reach these limits is considered to be remote.

PROBABLE

1) Mineralization defined by projection beyond the limits of PROVEN blocks a distance not greater than fifty feet from any sample point and where geologic evidence indicates the probable extension to these limits and not exceeding the strike length of adjacent proven blocks.

2) Mineralization defined by short underground percussion drill results where holes are wider spaced than channel face and back samples and where geologic knowledge indicates the limiting conditions cannot be as precisely defined as for PROVEN mineralization.

POSSIBLE

1) Mineralization defined by surface drill holes that cut the vein structure but not exceeding a distance of twenty-five feet beyond

the assay data point and within the plane of the vein.

2) Extensions not exceeding one hundred feet beyond a known assay data point but between known PROVEN blocks on the dip of the vein and not exceeding the strike length of adjacent PROVEN blocks.

The PROVEN and PROBABLE reserve categories have been further designated as:

GEOLOGIC RESERVES - reserves in place after application of a mine cut off grade of $31.95 Can equivalent combined gold and silver and miniumum mining width of 4.0 feet.

MINEABLE RESERVES - reserves for milling after applying to geologic reserves correction factors of mining dilution and extraction loss.

V

RESERVE TARGET

Mineable PROVEN and PROBABLE reserves in excess of 1,750,000 tons grading 0.50 oz Au/ton and 15.00 oz Ag/ton are considered to be a minimum reserve target sufficient to pay back capital expenditures and provide for an adequate return on investment.

A number of assumptions must of necessity be made which are at best only approximations:

A. Milling rate - 300 tons/day 105,000 tons/year

B. Mine life - 16.7 years mining PROVEN and PROBABLE reserves

C. Mill feed grade Au - 0.50 oz/ton
Ag - 15.00 oz/ton

D. Mill recovery Au - 80%
Ag - 85%

E.	Combined gold and silver metal sales	$ 43.00 per ton milled
F.	Production cost	$ 33.00
G.	Operating profit	$ 10.00 per ton milled
H.	Annual operating profit (105,000) (10)	$1,050,000.00 per year

I. Mine, mill and surface plant expenditures, exploration and property acquisition costs to date are unknown and not estimated.

J. Equity financing is assumed.

K. Exploration, preproduction development, metallurgical testing, additions to milling plant:

Total capital requirement $ 5,000,000.00

L. Required return on investment (15% per annum)

Annual return	$ 750,000.00
$ 1,050,000.	Annual income
$ 750,000.	Interest
$ 300,000.	Toward capital

M. 16.7 years operating earning $1,050,000.00 required to return capital and interest.

N. 16.7 years producing 105,000 tons at 300 tons per day would require 1,750,000 tons grading 0.50 oz Au/ton and 15.00 oz Ag/ton.

TABLE I

MT NANSEN MINES LTD

SUMMARY OF ESTIMATED MINEABLE RESERVES *

OCTOBER 31, 1969

Zone	Tons Proven	Tons Probable	Tons Proven and Probable	Grade Au Oz/Ton	Grade Ag Oz/Ton
WEBBER	11,995			0.49	30.12
		10,257		0.48	26.28
Sub Total (Geologic Reserves)			22,252	0.49	28.35
Less extraction loss (5%)			1,113	0.49	28.35
Sub Total			21,139	0.49	28.35
Add dilution (20%)			4,228	0.05	3.98
Total mineable(PROVEN-PROBABLE)			25,367	0.42	24.29
HUESTIS	10,883			0.65	12.05
		11,017		0.65	12.08
Sub Total (Geologic Reserves)			21,900	0.65	12.07
Less extraction loss (5%)			1,095	0.65	12.07
Sub Total			20,805	0.65	12.07
Add dilution (20%)			4,161	0.10	12.07
Total mineable(PROVEN-PROBABLE)			24,966	0.56	10.30
BROWN McDADE	3,439			0.74	8.86
		4,531		0.73	8.54
Sub Total (Geologic Reserves)			7,970	0.73	8.68
Less extraction loss (5%)			398	0.73	8.68
Sub Total			7,572	0.73	8.68
Add dilution (20%)			1,514	0.09	0.82
Total mineable(PROVEN-PROBABLE)			9,086	0.62	7.37
Total Geologic PROVEN and PROBABLE			52,122	0.59	18.50
Total Mineable PROVEN and PROBABLE			59,419	0.51	15.82

* Calculated from assay data reported on plans provided by Mt. Nansen Mines, Ltd.

TABLE II

MT NANSEN MINES LTD

PROVEN AND PROBABLE GEOLOGIC RESERVES *

OCTOBER 31, 1969

WEBBER ZONE - SURFACE TO 4260 LEVEL

Block No.	Area ($ft.^2$)	Width (ft.)	Tons	Au Oz/Ton	Ag Oz/Ton
PROVEN					
W4260-A	6,250	4.0	2,273	0.44	17.44
W4260-B	1,000	4.0	364	0.33	29.61
W4260-C	1,190	4.0	433	0.28	18.46
W4260-D	5,800	4.0	2,109	0.64	47.03
W4260-E	1,250	4.0	455	0.25	21.37
W500-R	5,280	4.3	2,064	0.42	27.52
WS-A	824	4.0	300	0.38	15.26
WS-B	776	4.0	282	0.57	7.78
WS-C	1,976	4.0	719	0.62	35.03
WS-D	2,112	4.6	883	0.53	28.98
WS-E	1,376	4.7	588	0.62	58.05
WS-F	500	4.0	182	0.42	22.72
		Total	10,652	0.49	30.04
PROBABLE					
W4260-A-1	3,096	4.0	1,126	0.44	17.44
W4260-A-2	3,176	4.0	1,155	0.44	17.44
W4260-B-1	552	4.0	201	0.33	29.61
W4260-B-2	550	4.0	200	0.33	29.61
W4260-C-1	848	4.0	308	0.28	18.46
W4260-D-1	4,064	4.6	1,699	0.53	28.98
W4260-D-2	3,948	4.6	1,651	0.53	28.98
W4260-E-1	624	4.0	227	0.25	21.37
W4260-E-2	600	4.0	218	0.25	21.37
W500-R-1	1,056	4.3	413	0.42	27.52
W500-R-2	1,224	4.3	479	0.42	27.52

* Calculated from assay data reported on level plans provided by Mt. Nansen Mines, Ltd.

TABLE II (Continued)

MT NANSEN MINES LTD

PROVEN AND PROBABLE GEOLOGIC RESERVES *

OCTOBER 31, 1969

WEBBER ZONE - SURFACE TO 4260 LEVEL

Block No.	Area (ft.^{2})	Width (ft.)	Tons	Au Oz/Ton	Ag Oz/Ton
PROBABLE (Continued)					
WS-A-1	760	4.0	276	0.38	15.26
WS-B-1	720	4.0	262	0.57	7.78
WS-C-1	1,832	4.0	666	0.62	35.03
WS-D-1	1,808	4.6	756	0.53	28.98
WS-E-1	1,024	4.7	438	0.62	58.05
WS-F-1	500	4.0	182	0.42	22.72
		Total	10,257	0.48	26.28

TABLE II (Continued)

MT NANSEN MINES LTD

PROVEN AND PROBABLE GEOLOGIC RESERVES

HUESTIS ZONE - 4100 AND 4300 LEVELS

Block No.	Area ($ft.^2$)	Width (ft.)	Tons	Au Oz/Ton	Ag Oz /Ton
PROVEN					
H4300-A	1,250	4.0	455	0.53	7.93
H4300-B	2,600	4.0	946	0.59	15.80
H4300-C	4,750	4.0	1,727	0.52	14.01
H4300-D	1,800	4.0	655	0.42	11.19
H4300-F	3,875	4.0	1,409	0.45	12.16
H4100-A	1,400	4.0	509	0.51	15.88
H4100-C	14,250	4.0	5,182	0.81	10.77
		Total	10,883	0.65	12.05
PROBABLE					
H4300-A-1	625	4.0	227	0.53	7.93
H4300-B-1	1,300	4.0	473	0.59	15.80
H4300-B-2	1,300	4.0	473	0.59	15.80
H4300-C-2	4,624	4.0	1,682	0.52	14.01
H4300-D-1	900	4.0	327	0.42	11.19
H4300-D-2	900	4.0	327	0.42	11.19
H4300-F-2	900	4.0	1,455	0.45	12.16
H4100-A-2	1,400	4.0	509	0.51	15.88
H4100-C-1	6,672	4.0	2,426	0.81	10.77
H4100-C-2	7,125	4.0	2,591	0.81	10.77
H4300-G-1	1,450	4.0	527	0.59	10.69
		Total	11,017	0.65	12.08

TABLE II (Continued)

MT NANSEN MINES LTD

PROVEN AND PROBABLE GEOLOGIC RESERVES

BROWN McDADE ZONE - 4050 LEVEL

Block No.	Area ($ft.^2$)	Width (ft.)	Tons	Au Oz/Ton	Ag Oz/Ton
PROVEN					
BM4050-A	1,000	5.8	527	0.88	6.59
BM4050-B	2,750	4.3	1,075	0.45	13.90
BM4050-C	3,000	4.6	1,255	0.99	5.99
BM4050-D	1,000	6.4	582	0.63	7.81
		Total	3,439	0.74	8.86
PROBABLE					
BM4050-A-1	500	5.8	264	0.88	6.59
BM4050-A-2	500	5.8	264	0.88	6.59
BM4050-B-1	1,375	4.3	538	0.45	13.90
BM4050-B-2	1,375	4.3	538	0.45	13.90
BM4050-C-1	1,500	4.6	627	0.99	5.99
BM4050-C-2	1,500	4.6	627	0.99	5.99
BM4050-D-1	500	6.4	291	0.63	7.81
BM4050-D-2	500	6.4	291	0.63	7.81
BM4050-E-1	3,000	4.0	1,091	0.70	7.50
		Total	4,531	0.73	8.54

TABLE III

MT NANSEN MINES LTD

COMPARISON OF DRIFT AND STOPE SAMPLE ASSAYS*
HUESTIS 4300 AND 4100 LEVELS AND WEBBER 4260 LEVEL

Block No.	Stope No.	Oz. / Ton	Lift Samples No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	Drift Sample	Aver. all Lifts	Aver. Combined Lift & Drift
H4300-C	43-12-594	Au	0.63	0.42	0.44	--	--	--	0.60	0.50	0.52
		Ag	13.57	9.48	11.56	--	--	--	21.41	11.54	14.01
H4300-E	43-12-590	Au	0.50	0.26	0.28	0.48	--	--	0.55	0.38	0.41
		Ag	4.48	10.10	4.46	6.91	--	--	2.83	6.49	5.76
H4300-F	43-12-585	Au	0.39	0.46	0.42	0.55	0.40	0.46	0.46	0.45	0.45
		Ag	12.69	13.98	13.76	11.26	9.13	7.47	16.85	9.27	12.16
H4100-B	41-12-588	Au	0.25	0.29	0.22	--	--	--	0.59	0.25	0.34
		Ag	3.99	8.79	1.25	--	--	--	9.70	4.68	5.93
H4100-A	41-12-598	Au	--	0.59	--	0.58	0.40	--	0.45	0.52	0.51
		Ag	--	16.82	--	18.67	12.57	--	15.46	16.02	15.88
W4260-D	43-2-558	Au	0.29	--	--	--	--	--	0.64	0.29	0.47
		Ag	33.84	--	--	--	--	--	47.03	33.84	40.44

* Calculated from assay data reported on level plans provided by Mt. Nansen Mines, Ltd.

TABLE IV

MT NANSEN MINES LTD

TABULATION OF POSSIBLE RESERVES

ZONE	BLOCK NO.	AREA	WIDTH	TONS
WEBBER				
	W-1	1,670	4.0	971
	W-2	4,368	4.0	1,588
	W-3	3,968	4.0	1,443
	W-4	1,224	4.0	445
	W-5	1,944	4.0	707
				5,154
HUESTIS				
	H-1	11,424	4.0	4,154
	H-2	20,000	4.0	7,273
				11,427
BROWN McDADE				
	BM-1	1,638	7.5	1,117
			Total POSSIBLE	17,698 Tons at no Fixed Grade

* Based on assay data as reported in plans and reports provided by Mt. Nansen Mines, Ltd.