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SUMMARY REPORT
YELLOWJACKET PROPERTY

ATLIN, B.C.

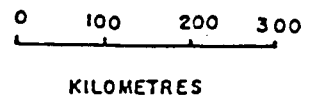
Att'n: Lenard Diduck

By: S.B. Ballantyne

PROPERTY



LOCATION MAP



Dear Sirs:

RE: ATLIN GOLD DISTRICT MINING PROPERTY

During the last ten years I have acquired approximately 10,000 acres of mineral claims and 1200 acres of placer gold leases covering about 3 km of historic placer gold production on Pine Creek located 7 km east of the present town of Atlin, B.C.

The placer holdings cover all of the historic hydraulic placer mining tailings of approximately 3.5 to 5 million cubic yards of material processed prior to 1915. My placer mining experience on Pine Creek along with modern recovery testing has demonstrated that future reprocessing and placer mining on this portion of Pine Creek is cost effective and profitable.

To date over \$3 million has been spent on these mineral and placer properties. In the late 1980's, Homestake Mineral Development conducted a grass-roots lode gold exploration program on Pine Creek as they believed in its million ounce plus gold potential. On their Yellow jacket property they spent over \$ 1.4 million where by drilling in a small target area they discovered a resource of about 150,000 ounces of gold in 454,000 t of near surface mineralization grading 10.26 g/t. Corporate priorities changed and eventually this 63rd ranked gold resource in B.C. was allowed to lapse and I have acquired it and surrounding untested mineralized resources.

At the turn of the century gold -bearing quartz veins exposed in the original Pine Creek drainage were tested but during the development of hydraulic placer mining they were covered and lost. Homestake's exploration did not discover the location of these lode gold quartz veins which are reported in Ministry of Mines Reports to range between 6 and 14 feet in width. Based upon historical records and my placer mining activity on Pine Creek near the town of Discovery, I have located the Yellow jacket shaft near a recently exposed quartz vein. This area was never explored by Homestake as their work is located some 1200 meters upstream from this shaft and quartz vein tailings from the stamp mill which were discovered during my mid 1990's placer mining of the original Pine Creek drainage channel.

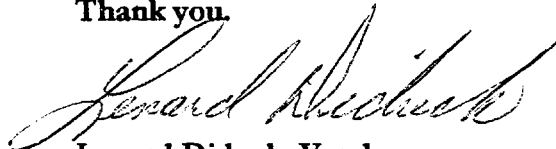
The potential to explore true Motherlode gold-bearing bonanza quartz veins has been greatly enhanced since Homestake's last exploration. Chris Ash of the B.C. Mines Department has compiled and mapped structural interpretations not available in the past and new government airborne magnetic mapping has lead me to believe that the potential for million ounce gold deposits in this area remains unexplored. The fact that Atlin's creeks have produced over one million ounces of relatively coarse placer gold with virtually no lode gold production in the area is a contradiction which begs to be answered by new systematic exploration.

The property is ideally located for cost effective exploration as it is served by a year round main road running through the Pine Creek valley, numerous placer development roads and is one half hour from the town of Atlin or two hours from Whitehorse by car.

This is the first time in over one hundred years that both the placer and underlying bedrock mineral claims are controlled by the same person therefore, exploration and permitting for work on the property are easily achieved with systematic affordable planning.

For further information please contact me at : CELL 250 878 8222
ATLIN 250 651 7788

Thank you.



Lenard Diduck, Vendor

INFO MEMO to LENARD DIDUCK

RE: YELLOWJACKET GOLD DEPOSIT, ATLIN, BRITISH COLUMBIA

According to the recent publication of British Columbia's Ministry of Energy and Mines, Energy and Minerals Division, Geological Survey Branch OPEN FILE 2000-2 by T.G. Schroeter and R. H. Pinsent entitled " Gold Production and Resources in British Columbia (1858-1998)" your Yellowjacket Property ranks 63rd in order of estimated resources of lode gold as of January, 1999 (includes past producers and current resources Table 7, page 17). Identified Yellowjacket resources of 453,500 tonnes grade 10.26 grams per tonne gold comprising a gold resource totaling 4,664,474 grams (Table 7, page 17). At present day gold spot prices this translates into a hard rock lode gold resource of about 150,000 ounces (31.1 grams per troy ounce, 0.329 ounces per metric tonne) or about a US \$ 44 million gold resource.

Mining costs of the worlds' largest producer of hard rock gold, Newmont Mining, are spread across 30 mines which produce more than 8 million ounces of gold annually at about US \$175 cash costs per ounce(Northern Miner Vol. 87, No.49; page 3, January 28- Feb.3, 2002).

Homestake Mineral Development Company now owned by gold mining giant Barrick Gold spent over \$1.5 million on your Yellowjacket Property to identify during their exploration 1986-1988 the above quoted resource.

As their exploration was confined to shallow depths the gold asset at Yellowjacket is probably amenable to low cost open pit mining exploitation.

As the gold price continues to rise this may be a reality as previous metallurgical work by Homestake demonstrated that the gold ore is free-milling.

High gold recoveries using gravity extraction methods were achieved as the gold particles at Yellowjacket are of sufficient size for this lowest cost recovery method.

The exploration potential at Yellowjacket is considered excellent and I encourage you to pursue the identification of more resources.

S.B.BALLANTYNE

Consulting Geologist and Geochemist

INFO MEMO to LENARD DIDUCK

RE: PINE CREEK PLACER, ATLIN B.C. INNOVATIONS FOR GOLD RECOVERY

The search for new technologies to recover gold from placers and various types of ores has been prompted by the ever increasing need to lower costs of production due to sustained low gold pricing and the increasing global concern over environmental protection.

From a gold extraction viewpoint, most advances have focused on improving hard rock cyanide-based processing (i.e. lessen the impact of toxic cyanide in the effluents). Several non-cyanide leaching options were developed but the economics of operations prevented viable industrial application.

Important to our future Pine Creek Placer development is the mid 1980's patenting of new Non-Leaching Process Technology which in the early 1900's was introduced to placer applications as an environmental and technically viable alternative to conventional gold recovery. This promising technology is known as the COAL-GOLD AGGLOMERATION (CGA) recovery process.

It utilizes coal-oil agglomeration for primary gold recovery for placer and hard rock ores and is especially suited for fine particle gold recovery.

The patents involve the simultaneous agglomeration of coal, oil and gold particles and /or agitated mixing of pre-formed coal-oil agglomerates with the gold -bearing material. The recovery of gold is based upon the natural hydrophobicity / oleophilicity of gold (i.e. gold surface "wetting" and adherence to this agent).

The agglomerates are formed in an aqueous medium whereby a hydrophobic liquid like an oil (i.e. diesel oil) contacts a hydrophobic solid material, like coal particles, to create spherical agglomerates. These become the wetting agent to the gold particles and then carry them or agglomerate together with them because of gold's natural hydrophobic properties. The recovery of the gold particles adhered to or penetrating into the coal-oil agglomerates is achieved by conventional separation methods such as floatation or screening and pyrometallurgy (i.e. burning off the organic carbon and recover melted gold).

BP Australia Ltd. and others first developed the CGA patents in 1986, mainly, with placer gold recovery in mind for their dry climate. Since then the viability of the CGA process has been studied and demonstrated to be a valid technical alternative to mercury amalgamation and even to the cyanide process. Gold recoveries of very fine gold particles by CGA has caused concentrate increases of 20 fold from the gold grades of the ore material.

Due to the simplicity and efficiency and for environmental reasons, the CGA process is being studied, tested and approved by the World Bank, EU Community and the UN as a viable gold recovery process. Their intent is to introduce this technology world-wide to small-scale gold miners, both placer and hard rock, in third world countries. Therefore, CGA has obvious application to scaled-up placer gold operations in Canada. In particular, it should be used as a final phase of gold recovery after gold separation by more conventional gravity separation equipment placer processing. For example recent tests using a Knelson Model KC-MD3 concentrator using gold jewellery production wastes showed that this method of gravity separation was most suitable as a pretreatment method to recover coarser gold particles. It was only capable of a maximum of 68 % recovery of the total gold particles by weight and size residing in the waste.

Another "GREEN" gold extraction technology has been considered by the UN's Industrial Development Organization, namely, the HABER GOLD PROCESS (HGP). This process is a mix of proprietary non-toxic chemicals which claims to dissolve gold into water faster and cheaper than cyanide leaching. The mining and engineering firm of Pincock, Allen and Hdt and the University of Nevada's famed MacKey School of Mines have both positively evaluated the process in comparison to cyanide leaching. Haber Inc. claims that HGP is applicable to fine gold recovery from placer material and concentrates. Verification of this process and its availability should be further investigated. It too could be an alternative or last phase of the scaled-up operations to recover fine gold hosted in your Pine Creek Placer leases.

Past history of production of placer gold in the Atlin Gold Camp has accounted for at least one million ounces of gold. Most observers understand that this is a minimum figure as only a portion of the gold mined on Atlin's creeks was ever documented in public records. Pine Creek was the site of the initial discovery of placer gold and in the early years after 1898 it was Atlin's foremost producer at about 5000 plus ounces annually. In 1899 a 31 ounce nugget was recovered and in 1925 a 48 ounce gold nugget was reported at Pine Creek. These coarse to large nuggets made Atlin the coarse gold capital of British Columbia and Pine Creek was the second largest placer gold producing creek in the camp. Hydraulic mining followed by dragline and bulldozer excavation accounted for most of the production after the discovery years. Most of the Pine Creek past production has come from the area of placer claims now leased to Lenard Diduck. The efficiency of past processing was concentrated upon coarse gold capture and recovery and thousands of yards of historical placer tailings material are readily available for systematic and cost-effective modern processing technology to remove the finer grained placer gold particles.

In 1997 testing of this material by International Separations Systems Inc. (I.S.S.I) showed head ore values of gold of 1.6 grams per tonne and 65 grams per tonne in concentrate recovered from a testing of the minus 80 to plus 150 mesh particle size range. Therefore, gold residing in the minus 180 to about 75 micron range of particle size is significant and probably amenable to modern Knelson concentrator separation. In any event, CGA processing is suitable for recovery of the less than 75 micron fine gold particles and recovery of any larger rejected concentrator gold particles. It could be assumed that gold values for the minus 150 mesh material would equal or surpass those tested by I.S.S.I for their specific size fraction.

Therefore, I am in agreement with you that in your expanded modern placer operations and processing plans we must address the high percentage recovery of fine placer gold particles as they may well be the greatest placer gold asset remaining on the Pine Creek leases. Implementation of some of the processing technology outlined above has merit in devising a suitable circuit to finally process your material in cost-effective and highly efficient manner.

I look forward to further discussions with you in the near future as your experience and past production performance of mining the Pine Creek Placers is well known. I believe that future production could surpass the 129,181 ounces of placer gold reported to 1945 for Pine Creek.

S. Bruce Ballantyne
Geochemical and Geological Consultant

YELLOWJACKET PROPERTY : ATLIN GOLD CAMP, BRITISH COLUMBIA

EXECUTIVE SUMMARY

The Yellowjacket Property (YJP) in the Atlin Gold Camp (AGC) is the best example of proven placer gold resources and production in alluvial material overlying in situ proven Motherlode-Bonanza, lode- gold, quartz vein and "hard rock" resources. Mr. Lenard Diduck has assembled placer gold leases and solely owns the hard rock Mineral Tenure Claims underlying the placer gold deposits (YJP). This situation is the first time since the discovery of placer gold in Pine Creek in 1898 on the YJP that a single individual has the mineral rights to both the placer gold asset and hard rock gold associated resources which both cover an extensive land position.

The YJP is located in the northern Cache Creek (Atlin) Terrane where gold mineralization is hosted in a tectonically dismembered ophiolitic assemblage of rocks dominated by listwanite- altered ultramafic and meta-igneous units. Both structure and contact relationships are important factors in confining the alteration and gold-bearing mineralized zones.

The Pine Creek placers produced a reported 129,181 ounces of placer gold to 1945 , largely from the present locations of Mr. Diduck's leases. At present prices this translates to a value of over US 38 million dollars in known past production of placer gold from the YJP. In the mid 1980.s Homestake Mineral Development explored the lode- gold potential of a portion of the YJP. Their work identified a 453,500 tonne resource of lode gold grading 10.26 grams per tonne equivalent to 4,664 ,474 contained grams of gold. This resource of about 150,000 ounces of gold makes the YJP the 63rd ranked B.C. lode gold resource which includes present and past producers (BC Min. Energy and Mines Open File 2000-2, Gold Production and Resources in British Columbia 1858-1998). At present day prices this translates to a value of over US 44million dollars of hard rock gold resources in a single zone within a depth of about 60 meters from surface, i.e. the maximum depths drilled in past exploration.

On the YJP the historically placer mined material contains significant content of fine-grain size gold which was not recovered during past operations and conventional gold recovery processing and the underlying bedrock has not been systematically explored for new mineralized zones or to depth. It is the intent of Mr. Diduck to exploit the identified placer

gold resources and to further identify and expand the lode-gold hard rock potential of his YJP. It is important to note that the AGC has reportedly produced over one million ounces of placer gold but only very limited turn of the century lode gold production occurred. This is in sharp contrast to the similar geological setting and mineralization found in gold lodes and placers of the Motherlode District of California where both gold-quartz vein deposits and associated gold placers were successfully mined as Bonanzas for considerable periods of time. The gold mining potential of the Atlin Gold Camp has not been adequately explored nor exploited. The unique opportunity to successfully do both at the YJP is presented by Mr. Lenard Diduck.

The Mineral Claims and Placer Gold Leases comprise a east-west- trending block of claims covering an area surrounding B.C. Minfile mineral occurrence 104N 043 known as the Yellowjacket. YJP is located in the Pine Creek valley near the town of Discovery where gold was discovered on the property both as placer and hard rock in 1898 and 1899. The Mineral Tenure claims are solely owned by Mr. Lenard Diduck (Mineral Titles Map M104N052 and M104N053).

The YJP claims are located in topographic map NTS 104N 012, in the ATLIN MINING DISTRICT near the historic town of Atlin located in Northwestern British Columbia approximately 182 kilometres by road south from Whitehorse, Yukon. The property can easily be reached by car by traveling east of Atlin on the graveled Pine Creek.-Surprise Lake Road. The claims straddle the road and placer operation access roads and the present-day course of the Pine Creek drainage.

The Yellowjacket original discovery showing and other 1898 lode-gold, quartz vein discoveries are now covered by and have been obscured for some time by placer gold tailings from hydraulic and dragline - bulldozer operations.

Outcrop is sparse on the wide, lower portions of the Pine Creek valley while outcrop, talus and a thin colluvial veneer dominate at elevations above 1500 metres on surrounding valley slopes to the north and south. The Pine Creek drainage heads from Surprise Lake with a gradient of about 30 feet per mile for three miles and then flows generally westward at an average gradient of about 80 feet per mile for over 9 miles to empty into Atlin Lake south of the town of Atlin. Spruce Creek notably British Columbia's greatest producer of placer gold

which also produced B.C.'s largest nugget weighing 2.6 kilograms or 85 ounces enters into Pine Creek from the southeast and downstream from the YJP boundary.

The YJP probably was covered with glacial gravels and till and non-eroded pre-glacial gravels with both units of variable thickness across the property. Surface gravels on the YJP were auriferous and in 1899 resulted in record total production of 13,828 ounces of placer gold. Since then the area has been for the most part totally disturbed by placer operations seeking unglaciated channels of yellow to reddish-brown coloured sandy with some clay, rounded boulder, compacted auriferous gravel marking the old preserved Pine Creek channel. It has been suggested that the new course of Pine Creek coincided with the old at Discovery on the YJP. Several terraces and thick beds of stratified sands and gravels extend in the lower reaches of Pine Creek valley and were formed by ice damming of lakes during glaciation.

Mr. Lenard Diduck has accumulated placer titles to the area, YJP, and tested and produced placer gold in the form of coarse nuggets, pristine, quartz-laden gold specimens slightly abraded believed to be not far traveled, and fine particle sized grains from tailings. It is his intention to scale-up placer extraction operations and process the YJP material using modern gold recovery systems capable of effectively recovering the significant fine placer gold left during the earlier historic operations. During the new placer mining exposure of bedrock and the recovery of fine gold from fractures in the oxidized bedrock (bulldozer ripping), systematic evaluation of the lode-gold potential of his underlying hard rock mineral claims will be completed and assessed.

**HARD ROCK MINERAL EXPLORATION EXPENCES DOCUMENTED
in ASSESSMENT REPORTS TO THE B.C. MINISTRY of ENERGY
and MINES.**

**COSTS INCURRED by PREVIOUS OPERATORS FOR MINERAL CLAIMS NOW OWNED by
LENARD DIDUCK , ATLIN GOLD CAMP, ATLIN B. C.**

YELLOWJACKET	ASSESSMENT	EXPLORATION	
	REPORT	YEAR	\$ COSTS
PROPERTY	18608	1989	525,736
	17295	1988	425,990 HOMESTAKE MINERAL
	15636	1986	454,891 DEVELOPMENT,
			CANOVA RESOURCES

TOTAL \$1,406,617.



**BRITISH
COLUMBIA**

**Ministry of Energy and Mines
Energy and Minerals Division
Geological Survey Branch**

GOLD PRODUCTION AND RESOURCES IN BRITISH COLUMBIA (1858-1998)

**By T.G. Schroeter, P.Eng.
and R.H. Pinsent, P.Geo.**

OPEN FILE 2000-2

TABLE 7 CONTINUED
1999 B.C. LORE GOLD RESOURCES: BY RANK

FILE NO.	DEPOSIT NAME	RANK	RESOURCES (tonnes)	GOLD GRADE (g/t)	RESOURCES GOLD (grams)	TOTAL GOLD (Prod. & Res.) (grams)
191	PREMIER CAMP (9)	53	2,224,140		6,812,800	71,701,046
44	CHAPLEAU CAMP (2)	54	653,040	10.3	6,726,312	6,785,407
3	AFTON CAMP (10)	55	12,151,000		6,640,239	23,761,319
64	EAGLEHEAD	56	30,000,000	0.2	6,000,000	6,000,000
145	LORRAINE	57	31,840,000	0.17	5,429,800	5,429,800
243	SPECTRUM CAMP (2)	58	516,320		4,984,320	4,984,302
299	ZEBALLOS CAMP (18)	59	386,530		4,964,152	14,118,401
105	GREENWOOD CAMP (8)	60	1,924,842		4,886,031	44,862,675
149	LUSTDUST	61	1,133,750	4.29	4,863,768	4,863,768
115	MUCKLEBERRY	62	80,754,000	0.06	4,845,240	4,847,201
295	YELLOW JACKET	63	453,500	10.26	4,864,474	4,652,910
265	TEXADA ISLAND CAMP (10)	64	355,230		4,369,129	6,768,464
6	ANYOX CAMP (3)	65	24,413,900		4,337,140	8,196,492
294	YELLOW GIANT CAMP (4)	66	252,956		4,303,819	4,303,619
231	SILVER QUEEN	67			4,209,500	4,307,592
271	TSACHA	68	478,600	8.72	4,173,392	4,173,392
59	DOC (GRACY)	69	428,337	9.2	3,922,300	3,922,300
108	HARPER CREEK	70	96,000,000	0.04	3,840,000	3,840,000
172	MT. WASHINGTON	71	550,298	6.75	3,714,512	3,845,300
76	FAIRVIEW CAMP (5)	72	868,450		3,561,862	4,419,963
134	KENNEDY RIVER CAMP (5)	73	197,920		3,512,064	3,521,769
61	DOMM MOUNTAIN CAMP (3)	74	220,768		3,463,443	3,836,921
174	NANIKA	75	16,458,422	0.2	3,291,854	3,291,684
67	ECSTALL	76	6,349,700	0.5	3,174,850	3,174,850
20	BLACKDOME	77	238,000	13.03	3,101,100	10,366,086
70	ELK	78	121,350	25.4	3,082,290	4,601,067
136	KLIYUL	79	2,300,000	1.3	2,990,800	2,990,000
128	JOHNNY MTN. CAMP (2)	80	51,216		2,883,936	5,698,329
283	VINE (BAR)	81	1,300,000	2.2	2,860,000	2,860,000
257	TAKLA RAINBOW	82	199,580	13.7	2,734,246	2,734,246
141	LINDQUIST	83	249,425	10.7	2,668,548	2,868,848
110	HEARNE HILL	84	14,230,000	0.186	2,646,780	2,648,780
4	ALPINE GOLD	85	180,600	13.7	2,608,850	2,966,210
270	TRUE FISSURE	86	692,041	3.77	2,608,995	2,615,153
150	MACKTUSH	87	137,861	18.52	2,553,741	2,553,741
138	LARA	88	528,839	4.73	2,501,408	2,501,408
289	WILLA (ALWYN)	89	414,297	6.03	2,498,211	2,501,084
77	FANDORA CAMP (2)	90	181,434	12.74	2,311,489	2,357,129
265	WATSON BAR	91	282,187	8.13	2,294,180	2,294,180
201	REA GOLD	92	378,000	6.10	2,293,600	2,293,600
44	CHAPUT	93	507,920	4.5	2,285,640	2,286,854
89	GIVEOUT CREEK CAMP (6)	94	240,544		2,162,030	2,989,552
276	VAULT	95	152,000	14	2,128,000	2,128,000
35	CAMBORNE CAMP (4)	96	208,837		1,978,456	2,943,718
97	GOLDEN LION	97	2,054,355	0.96	1,972,181	1,972,181
155	MEGABUCKS	98	2,056,000	0.93	1,912,080	1,912,080
255	SURF INLET	99	486,750		1,853,460	13,748,818
241	SPANISH MOUNTAIN	100	836,160	1.95	1,834,412	1,839,358
232	WISCONSIN	101	136,065	11.99	1,631,419	1,631,419
197	OR	102	320,000	5.08	1,625,800	5,253,859
234	SILVERTIP (Midway)	103	2,570,000	0.63	1,818,100	1,619,100