

LRJ (GOLD DROP) PROPERTY- SUMMARY REPORT

SUMMARY

The LRJ (Gold Drop) property was examined by the author on August 9th, 1993 at the request of R. Nichols, on behalf of Ascot Resources Ltd. Access to the property was gained by helicopter from Stewart, BC. The author was accompanied by Randy Kasum of Stewart, who presently holds an interest in the property with three other parties. Though a number of areas of interest have been described on the property, only the Lehto (Midas) Vein area and Mystery Vein area were visited, and were considered by Mr. Kasum to hold the greatest potential at this time.

Ten samples were taken in the Midas Vein area, and confirmed the presence of high grade mineralization, with values to 1.87 o/t Au over 50cm and 2.15 o/t Au over 30cm returned from the vein system. Samples taken in the Mystery Vein area failed to yield encouraging results.

LOCATION, ACCESS, CLIMATE AND PHYSIOGRAPHY

The claims are located 7km south of Stewart, BC, at latitude 55° 51'N, longitude 129° 58'W, and are accessible by boat or helicopter. The property straddles the Marmot River, extending to tidewater on the western boundary. Access within the lower reaches of the property includes a haul grade road built to facilitate logging. A helicopter pad has been built by the vendors at elevation 2100 feet, roughly 75m east of the Lehto (Midas) adit.

Terrain within the property area is rugged and steep. Slopes grade roughly 37°, and though they are moderately forested, foot traffic is limited, as deep ravines transect the hillsides roughly every 100-200m. The central part of the property is covered by alluvium over 500m in width. Property elevations range from sea level to 5500 feet.

Typical north-coastal precipitation is experienced in the property area, with extreme winter snowfalls and frequent summer rain to be expected.

TITLE

Property tenure was not investigated by the author, however the claims were staked some four years previously, and as such, cannot be subject to any subsequent dispute action.

HISTORY

A brief document study was made by the author, revealing that the property has seen sporadic exploration activity since the turn of the century. Numerous mineral occurrences have been identified within property boundaries, and development includes numerous adits and prospect pits, with the most significant being a 500-foot long drift completed along a narrow shear system at 900' elevation. Limited production from the property in 1936 totalled 1 tonne of ore with an average grade of 187 g/t Au and 218 g/t Ag with minor

copper and lead values reported. The source of this ore is unclear. Names of occurrences on the property include Gold Knife, Gold Wedge, Wire-Gold, Gold Drop, Boulder, Heat, Bi-metallic, Stimulator, Gold Boulder, Mystery, Pan Handle, Midas and Gold Pan (some names may refer to the same exposure). Evidently no diamond drilling has been carried out to date on the property.

According to the vendors, some companies have looked into the property over the last two years, including Tennajon Silver, a Prime-Group company, and Corona.

GEOLOGY

The entire property area is underlain by rocks of the Cenozoic aged Coast Crystalline Complex, and consists of granodiorite gradational to diorite compositions. Mineralization is apparently restricted to structurally controlled veins oriented roughly N-S and E-W. Apparently E-W veins occur to the north of Marmot River, while N-S veins are more common to the south. Vein mineralogy consists of gold, silver, pyrite, galena, arsenopyrite, and trace chalcopyrite.

Midas Vein

This structure at present is considered by the vendors to be of greatest exploration potential. It is exposed in a creek draw at elevation 2000' on a steep north-facing slope above the Marmot River. A 3.0m adit has been driven into the structure by John Lehto, a prominent Stewart area prospector in 1946. The adit follows a high-grade shear vein oriented 180/30°W, with dip increasing to the north to 60°W. The vendors have exposed the structure for some 25 m to the north, with high-grade values persisting. The structure is apparently open along strike to the north and south with down-dip continuity unknown. The shear zone varies from 25-75cm in width, and locally splays into two or three separate apophyses. Pods of massive galena, pyrite and pyrrhotite with silver mineralization are located within the adit though were not recognized elsewhere in the shear system. Gold values are restricted to the shear zone itself, though pyrite mineralization persists into footwall material. A 4.414 tonne sample of hand-sorted ore shipped in 1946 assayed 80.2 g/t Au and 147g/t Ag (EMPR AR, 1946).

Past reports have indicated that galena-rich intervals are associated with high-grade gold mineralization, but sampling carried out by the author disputes this. In fact, the highest values recovered were of leached and altered, though visibly non-mineralized material from within the Lehto Adit (2.15 o/t Au over 30cm). Sampling carried out by Corona in 1992 recovered 2.66 o/t Au over 25cm some 20m north of the adit mouth, and was supported by 1993 sampling.

Mystery Vein

This structure is located some 100m east of the Midas Vein, and is

exposed in a deep ravine at elevation 1850'. Mineralization consists primarily of pyrite within a structure similar-looking to the Midas, but is void of precious metals. Sampling collected by the author failed to yield any gold values, but past workers reportedly recovered values to 8.26 g/t Au and 276 g/t Ag over .15m (EMPR AR, 1929). The vendors report that the system is from 5 to 15 ft wide with erratic values. It is possible that this width is exaggerated owing to the presence of a deep red stain which has seeped over the rock face, but the possibility of gold mineralization is significant, based on other occurrences on the property.

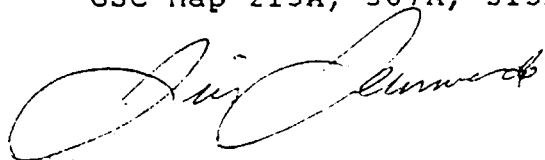
CONCLUSION AND RECOMMENDATIONS

It is evident that high-grade gold mineralization is present within the LRJ property boundaries, hosted within shear vein systems oriented N-S and E-W. It is suspected that vein width will remain narrow at depth, but the grade of gold values may make small-scale production a possibility. Apparently no diamond drilling has been completed on the property, therefore the potential to develop tonnage exists.

It is recommended that property-wide prospecting be completed in conjunction with a 1000-1500 foot drill program carried out on the Midas Vein structure. Considering the geological environment of the property, it is quite likely that similar structures are yet to be discovered.

BIBLIOGRAPHY

- EMPR AR 1928-96; 1929-93,94; 1930-104; 1933-53; 1938-B25;
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- EMPR Ass Rpt. #28, 9311, 13402
- EMPR Minfile #103P13 Au1, 103P13 Au2
- GSC Mem 175 p108
- EMPR Fieldwork 1983, pp149-163; 1984, pp316-341; 1985, pp217,218;
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- EMPR Map #8
- EMPR Bulletin # 58; 63
- GSC Map 215A; 307A; 315A; 1385A



August 26, 1993



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AUGUST 24, 1993

CERTIFICATE OF ASSAY ETK 93-274
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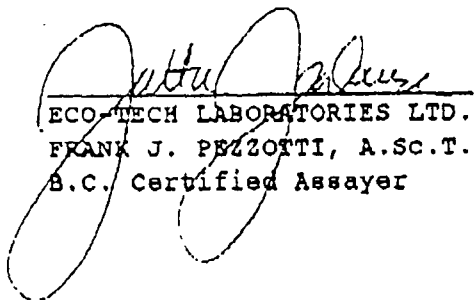
TOKLAT RESOURCES INC.
2720-17th STREET SOUTH
CRANBROOK, B.C.
VIC 4H4

ATTENTION: T.TERMUENDE

SAMPLE IDENTIFICATION: 14 ROCK samples received AUGUST 11, 1993
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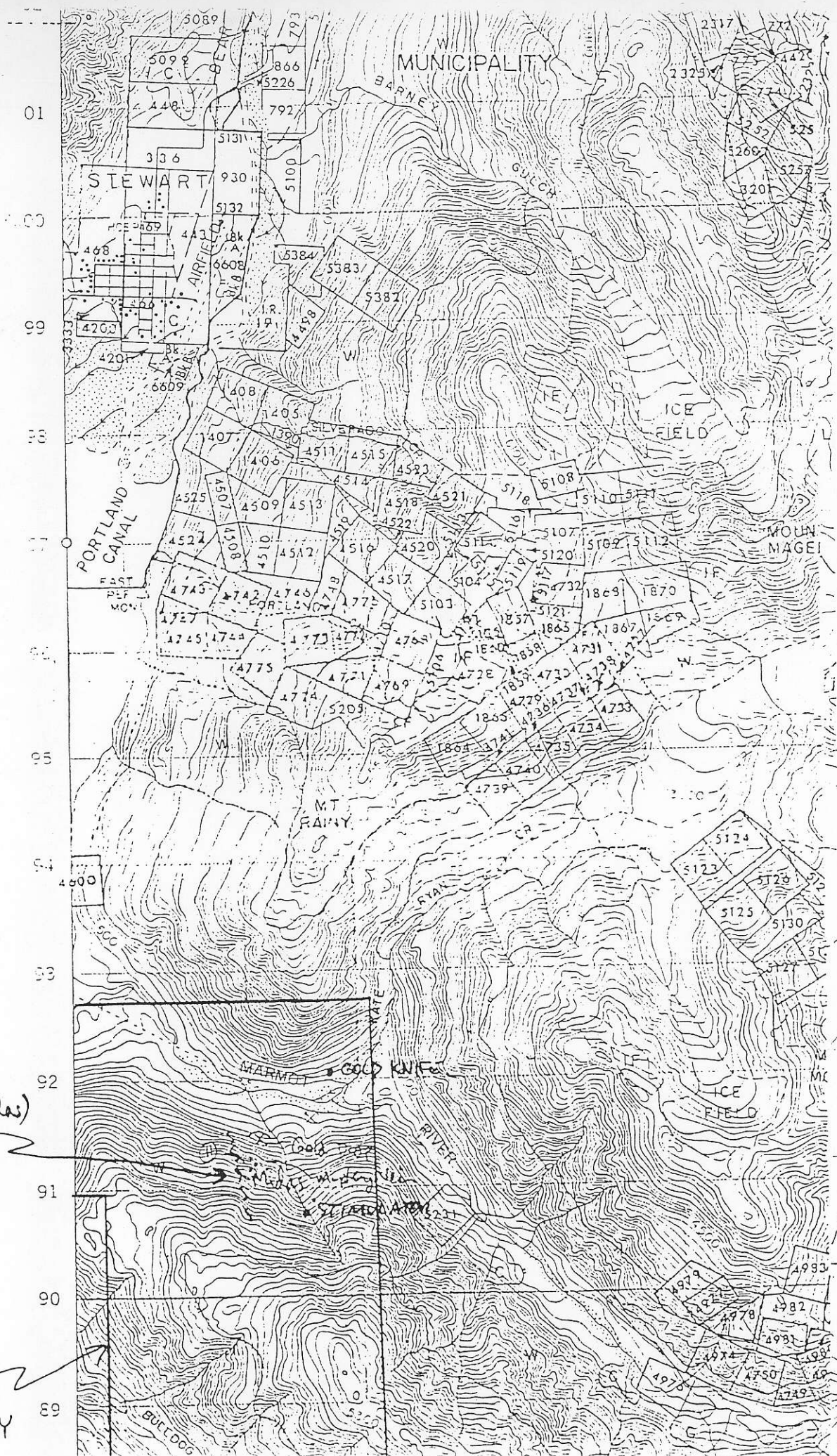
ET#	Description	Au (g/t)	Au (oz/t)
2-	G 93 T -0 2 / 0.5m	64.09*	1.869
4-	G 93 T -0 4 / 0.3m	73.80	2.152
6-	G 93 T -0 6 / 1.75m	3.08*	.090
8-	G 93 T -0 8 / 0.5m	12.62*	.368

NOTE: * = SAMPLES SCREENED AND METALLIC ASSAYED


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STEWART

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MOUNT MAGEL

ICE FIELD

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ICE FIELD

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