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Henry Meyer, President
AGC Americas Gold Corp.
1730 - 999 West Hastings Street
Vancouver, B.C. V6C 2W2

Dear Mr. Meyer:

Re: Progress Report - JD Gold Property

The following comments are based on a visit to the property September 9 and 10 and on recent telephone conversations with Bob Krause.

Status of Program

Drilling - 95 holes had been completed through September 14 on the Finn zone. Four widely spaced holes on the Woof-Schmitt zone, drilled in late July - early August, yielded negative results. Total footage is estimated to be in the order of 28,000 feet; several additional holes should be completed prior to September 21 when demobilization is scheduled, bringing total footage drilled in 1995 to approximately 30,000 feet.

Surface Surveys - Induced Polarization surveys were completed earlier in the season on both the Finn and other zones and detailed grid soil sampling and prospecting were conducted in selected areas of the property. The final IP report is expected in the next several days; analytical results from soil sampling remain to be fully evaluated.

Outside Property Work - Geochemical sampling, prospecting and mapping were completed for assessment purposes on the ARC claims 55 km northwest of the JD property. A similar program was conducted on the Mill and Spur claims adjoining the JD on the east and an additional six claims (120 units) were staked in this area.

Program Costs - Total costs for the 1995 field program are expected to be less than \$1.6 million or well within the \$1.9 million originally estimated for the completion of a Phase I program involving 28,000 feet of drilling.

Results to Date

Sample results for 1995 holes drilled on the Finn zone prior to the mid-August break (JD95-33 through -89), coupled with results from 1994 drilling, indicate a reserve (probable and possible resource) of 323,200 tons grading 0.159 oz/ton gold. This includes 92,000 tons of higher grade, near surface material averaging 0.244 oz/ton. Widths average 31 feet and the zone is open both along strike and to depth.

Drilling since the August break has included a number of holes along section lines 30 metres (JD95-90 to -96), 60 metres (JD95-97 to -99) and 90 metres (JD95-100 to -102) west of previous drilling. Results from holes JD95-90 through -99 demonstrate strike continuity of the Finn zone to the west and southwest.

Six holes (JD95-103 to -108) were drilled in the area of JD95-67 which intersected a 42.7 ft. section grading 0.108 oz/ton gold (including 6.6 ft. grading 0.238 oz/ton) within the footwall ash tuff unit. No assay results are available but visual inspection suggests little of consequence in these holes.

Holes JD95-109 through -126 were drilled to further delineate the eastern part of the Finn zone encountered in 1994 holes 18,19,22 and 23 through 28. Near surface, oxidized intersections in the recently completed holes should contain some good gold grades but poor core recoveries (<30%) were the norm and will need to be taken into account when analyzing these data.

In the far northeastern part of the zone, one hole (JD95-127) was completed to test the IP anomaly in the vicinity of JD95-83 which returned 0.403 oz/ton gold over a 9.8 ft. interval.

Final 1995 drilling is being directed to the area of holes JD95-90 through -102 to further test the along strike potential of the zone in a southwesterly direction.

Recommendations for Further Work

1. Upon receipt of all analytical results from the remaining drill holes, another resource estimate will be undertaken. The balance of the drilling should increase the reasonably well-defined resource of the Finn zone to more than 500,000 tons with the along strike and down-dip limits still to be

determined.

2. All data from the 1995 program needs to be incorporated into a final report. This will be no small undertaking and will likely require at least 2 months of Bob Krause's time. Drill logs have to be types - I believe that a start has been on this at the AGC office.

3. All data from the 1995 program should be digitized to enable preparation of computer-generated plans and sections. A good portion of earlier 1995 drilling has been digitized by Geodrafting and this process should continue. This firm, which can produce most of the required maps for the final report, also has the capability to prepare good looking diagrams (plus slides and overheads) for future presentations

4. Computer modelling of the Finn zone is in order to assist in the assessment of indicated reserves and potential mineability. Marc Rebagliati of the Hunter-Dickinson group has recommended Shaun Dykes (telephone 520-6511) as someone who could undertake the computer modelling. Dykes is a former Westmin Resources geologist who has a good knowledge of these deposit types.

5. Additional work re metallic fractions by Eco-Tech Labs is required to get a better handle on "nugget effect" within higher grade sections of the zone. This firm could also undertake to do some preliminary specific gravity determinations.

6. An in-depth study of Finn zone mineralogy is required - this could be carried out through Bob Krause's contacts at UBC.

7. Initial metallurgical tests should be undertaken on some of the core rejects currently being stored at Eco-Tech in Kamloops - hopefully a local firm can be contracted to undertake this.

Costs of the foregoing work, including preparation of the final report should be in the order of \$100,000.

Respectfully submitted,



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