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July 4, 1990

Mr. John Toporowski
President
Moondust Ventures Inc.
720 - 475 Howe Street
Vancouver, B.C.

Dear Mr. Toporowski:

Re: WEBB Property Progress Report

The writer accompanied George Nicholson to the WEBB property June 30 to review project status and to examine those parts of the grid where anomalous values in soil samples had been obtained.

Geochemical soil sampling and prospecting was nearing completion at the time of the visit and analytical results for the majority of soil samples collected were available. These were reviewed on site and recommendations were made regarding additional work. Comments are as follows.

Soil Geochemistry

Partial results for approximately 500 soil samples were available at the time of the property visit. These had been collected from the western property area at 50 metre intervals along 100 metre spaced east-west lines. This work involved filling in and expanding the winter geophysical grid and the area covered extends from 25+00 to 49+00 North and between 26+00 and 45+00 East or in a general sense, the southwestern portion of the WEBB property from the south claim boundary to Wittsichica Creek.

Soil samples were collected from 15-25 cm depths and sample descriptions indicate a variety of overburden types which will be discussed in the context of the analytical results.

A preliminary review of sample results suggests that threshold values for gold and copper are in the order of 20 ppb and 100 ppm respectively. Anomalous results for gold and copper are plotted on the attached sketch maps.

Gold values range from less than 10 ppb to a high of 1520 ppb. Values in excess of the threshold of 20 ppb are in most cases spot highs (ie - 1090 ppb at 45N, 40+50E) but there are instances where anomalous values occur at consecutive sample sites, for example, 42N, 33+00 to 34+00E. Sample descriptions for sites with anomalous values suggest reddish-brown, sandy overburden ("B" horizon) and the generally "spotty" distribution of higher values is probably a reflection of variable overburden thickness.

Copper values in soils range from 40-50 ppm to a high of 734 ppm. Values in excess of the apparent 100 ppm threshold, plotted on the attached diagram, show a clustering of anomalous values on lines 33 and 34N in the southwest part of the grid. It should be noted that samples along line 34N consist mainly of swampy or organic material but those samples from line 33N appear to be from the "B" horizon.

A crude contour sketch map indicates that the majority of anomalous gold and copper values are concentrated west of the magnetic high and within or adjacent to the IP chargeability high. Note that gold and copper are not generally coincident - better copper values are within or marginal to an area in the southwest part of the grid featuring angular float boulders of intrusive rocks.

General Comments and Recommendations

One of the major considerations in interpreting the geochemical data is the potential depth of overburden. Various features noted on the property confirm a glacial transport direction of east-northeast - west-southwest. The regional trend in this area is a transport direction from southwest to northeast which would suggest a source for much of the overburden on the property being the higher areas to the southwest. However, reversals in the direction of glacial transport are not uncommon in this part of British Columbia - the area around Equity Silver mine is a good example.

It would also be extremely fortuitous, considering the distribution of anomalous gold and copper values relative to the magnetic and IP signatures, that the source of the overburden was from off the property. It is more likely that the source is the low area covering the magnetic high.

Evidence for this is the nature of the sometimes large (up to 2.5 metres) and numerous angular float boulders in the southwest grid area. Most of these consist of variably altered diorite which locally contains K-feldspar stringers with disseminated pyrite.

More commonly the float boulders are intensely silicified with disseminated pyrite and pyrrhotite. Intense, secondary biotite alteration has also been noted. All varieties are weakly to moderately magnetic. Other rock types noted in the float in this area include feldspar porphyry (a second intrusive phase?) and typical Takla augite porphyry flows.

Samples were collected from the float boulders and submitted for analyses.

More detailed soil sampling, at 25 metre stations along 50 metre spaced lines, was recommended for areas with anomalous gold and copper values. Check sampling was also recommended for single sample sites with high values. This work, expected to take only a few days, should have been completed July 3.

Additional soil sample results for the northwest part of the grid should be available shortly and these along with results of detailed sampling will assist in interpreting the geochemical data.

Proposed Drilling Program

Permitting and calls for tenders regarding the proposed diamond drilling program are underway. The probability of significant overburden depths predicates the use of a large drill (Longyear 38) which will involve more helicopter time for mobilization and drill moves but will ensure that the job gets done. (A note of caution - Pacific Sentinel 1989 drilling on the property immediately east of the WEBB claims was unsuccessful in penetrating 150-200 metres of overburden.)

Hole locations will should be planned on the basis of geophysics and to a lesser degree on geochemical results. I would envision ten 600 ft. inclined holes drilled to the west from the west margin of the magnetic high.

WEBB PROPERTY

30700'

45400'

49N
48N
47N
46N
45N
44N
43N
42N
41N
40N
39N
38N
37N
36N
35N
34N
33N
32N
31N
30N
29N
28N
27N
26N
25N



