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Mr. Arthur Dalfen
c/o Wedgewood Hotel
845 Hornby Street
Vancouver, B.C. V6Z 1V1

Dear Mr. Dalfen:

Re: Webb Property - Moondust/Grand America
Omineca Mining Division, British Columbia

Summary and Conclusions

The principal geophysical feature defined to date on the Webb property is a circular magnetic high 2,000 ft. in diameter in the western claims area. High apparent chargeabilities, defined by an IP survey, are mainly within and adjacent to the western margin of the magnetic feature.

Assuming that the apparent chargeability readings are a reflection of sulphide mineralization, the geophysical signatures are typical of porphyry style mineralization. The magnetic high possibly represents a granitic intrusion with sulphide mineralization best developed marginal to its contact.

Introduction

At the request of Mr. Arthur Dalfen, the writer undertook a review of geophysical data obtained from surveys conducted on the Webb claims in late 1989 and the spring of 1990. An assessment of the geological setting of the property was also undertaken.

Geological Setting

The Webb property, 45 miles north of Fort St. James in central British Columbia, is within a geological terrane known as the Quesnel Trough which is well known for copper-gold deposits and prospects. The Continental Gold Mt. Milligan deposit is 12 miles east of the Webb property.

There is no record of previous work on the subject claims. Pechiney drilled a copper prospect 3 miles to the west in the early 1970's and Pacific Sentinel Resources completed a drilling program on claims adjoining the Webb property on the east.

A tungsten occurrence with molybdenum, silver and minor gold values is situated 3 miles south of the Webb claims.

Geophysical Surveys

Airborne Magnetics

An airborne VLF-EM and magnetometer survey was completed over the Webb property by Aerodat Limited in late 1989.

This survey, conducted along 100 metre spaced east-west flight lines, gave a better resolution of magnetic features on existing Government maps which incorporate 1961 data. The recent survey confirmed regional magnetic trends and further defined a 2,000 ft. diameter circular area of higher magnetic response in the western claims area. Similar magnetic features elsewhere in this district are commonly indicators of dioritic intrusive bodies.

Induced Polarization Survey

Pseudosections or profiles of data from a pole-dipole IP survey conducted in the western claims area along east-west lines at 100-200 metre spacings show apparent chargeability and resistivity values.

Higher chargeability (and coincident low resistivity) values are within and marginal to the western part of the circular magnetic high which was apparently redefined by surface surveys. Two styles of higher apparent chargeability values are evident including those over line distances of several hundred feet and at depths of 200-300 feet and those of more restricted lateral extent and more shallow depths. Chargeabilities decrease both north and south of the circular magnetic feature.

General Comments

Surveys to date have provided more extensive data than that seen by the writer. Aerodat's survey apparently included VLF-EM and there is reference to northeast trending conductive zones in the Aerodat report.

Similarly, results of a ground magnetic survey are indicated on one of the rough plan maps showing IP results. These data will no doubt be incorporated into a report expected shortly and which will hopefully give some detail regarding the significance of the "filtered chargeability values".