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TO: DR. LEN BROWNLIE

RE: RESOURCE ESTIMATE – OK PROPERTY – NORTH LAKE ZONE

Len:

An estimate of Inferred Mineral Resources within the North Lake Zone is as follows:

0.20% Copper Cutoff Grade

<u>Section</u>	<u>Tonnes (millions)</u>	<u>Copper(%)</u>	<u>Molybdenum(%)</u>
122+50N	8.95	0.31	0.018
124+00N	8.37	0.28	0.015
126+00N	12.21	0.45	0.012
128+00N	13.68	0.37	0.016
132+00N	19.06	0.30	0.018
136+00N	<u>1.75</u>	<u>0.34</u>	<u>0.024</u>
	64.02	0.34	0.016

0.30% Copper Cutoff Grade

<u>Section</u>	<u>Tonnes (millions)</u>	<u>Copper(%)</u>	<u>Molybdenum(%)</u>
122+50N	0.60	0.37	0.023
124+00N	1.64	0.36	0.015
126+00N	7.60	0.49	0.008
128+00N	3.66	0.39	0.017
132+00N	2.90	0.36	0.017
136+00N	<u>0.76</u>	<u>0.39</u>	<u>0.032</u>
	17.16	0.43	0.014

Comments

Parameters used in calculating these estimates included an assumed specific gravity of 2.90 which is about midway between an average granodiorite and quartz diorite host rock with a bit added to include sulphide minerals. Calculations of tonnages and weighted average grades were prepared for individual drill sections with the area of influence for each section projected to the mid-point between sections.

Post-mineral dykes are ubiquitous as noted by previous workers. While precise orientations of these dykes remains largely unknown, they have been assumed for purposes of this exercise to be sub-vertical. Dykes of less than 3 metres hole length were incorporated (at zero grade) in various drill hole intervals containing copper values above a 0.20% copper cutoff grade. This had the effect of substantially lowering the average Cu and Mo grades within a number of drill hole intervals. Similarly, the exclusion of post-mineral dykes of greater than 3 metres hole lengths diminished overall tonnages on several sections. This is particularly evident on section 126+00N (with enhanced

copper grades) where a number of larger dykes have the effect of significantly diminishing overall tonnage.

The recent estimate is in reasonably good agreement with the historic resource estimate prepared by Western Mines Ltd. which included a "drill indicated" and "inferred" resource totaling 68 million tonnes grading 0.29% Cu and 0.017% Mo at a cutoff grade of 0.20% Cu. Overall tonnage of the current estimate is 6% less but Cu grade is 17% higher.

Gross in situ values, using current metal prices of \$1.50/lb for copper and \$30/lb for molybdenum, are US\$19.80 per ton for material at a 0.20% Cu cutoff grade and US\$21.30 per ton at a cutoff grade of 0.30% Cu.

A few comments regarding the reported Mo values – there is some confusion as to whether the reported grades refer to Mo (molybdenum) or MoS_2 (molybdenum disulphide). This is important inasmuch as the conversion factor is $\text{Mo} \times 1.6681 = \text{MoS}_2$. Some 30 to 40 years ago when the saleable product was the sulphide, convention dictated that molybdenum grades would be reported as molybdenum disulphide. The saleable product in today's world is molybdenum trioxide which involves roasting off the sulphur; consequently, grades are reported as Mo or molybdenum. The only available original drill records pertain to 1974 drilling by Western Mines who reported grades for Mo. My feeling is that the Mo grades are as stated, in other words as molybdenum but some additional checking should be done in this regard.

The North Lake Zone is open to depth, along strike to the south and, on most sections, to the east. Additional drilling would assist in confirming original Cu and Mo grades, identifying potential precious metals contents and significantly expanding the current resource base.

Additional resources, above a 0.20% Cu cutoff grade, appear to be present within the Central Zone as well although overall grades will probably be lower than those apparent in the North Lake Zone.

Finally, in the event that Goldrush may wish to release these data, what is required is a more formal letter report from me which then gives the company a 30 day period after a news release to submit a 43-101 report.

Nick Carter