

830809

PROGRESS REPORT
on the
TURNAGAIN NICKEL PROPERTY

**Turnagain River Area
Liard Mining Division
British Columbia**

**Latitude: 58⁰27' - 58⁰30' North
Longitude: 128⁰48' - 128⁰56' West
NTS Map-Area 104I/07W**

Prepared for
CANADIAN METALS EXPLORATION LIMITED

By
N.C. CARTER, Ph.D. P.Eng.
September 26, 2003

TABLE OF CONTENTS

	Page
SUMMARY	1
INTRODUCTION AND TERMS OF REFERENCE	2
PROPERTY DESCRIPTION and LOCATION	2
ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY	4
HISTORY	4
GEOLOGICAL SETTING	
Regional Setting	5
Property Geology	6
MINERALIZATION	7
EXPLORATION	8
DRILLING	9
SAMPLING METHODS AND ANALYSES	12
DATA VERIFICATION	13
MINERAL PROCESSING AND METALLURGICAL TESTING	13
MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES	14
INTERPRETATION AND CONCLUSIONS	15
RECOMMENDATIONS	16
COST ESTIMATE	16
REFERENCES	17
CERTIFICATE	18
Appendix I – 1966 – 1998 Diamond Drilling	20

List of Figures

	Following Page
Figure 1 - Location Map Turnagain Project	1
Figure 2 – Mineral Claims – Turnagain Property	2
Figure 3 – Location – Turnagain Property	3
Figure 4 – Figure 4 – Turnagain Property - Regional Geological Setting	5
Figure 5 – Turnagain Project - Geology	6
Figure 6 – Turnagain Project – Geochem Survey	8
Figure 7 – Drill Locations – Horsetrail Area	9
Figure 8 - Vertical Section Line Locations	14

SUMMARY

Canadian Metals Exploration Limited holds a 100% interest in the Turnagain nickel property which is situated 70 kilometres east of Dease Lake in northern British Columbia. The property consists of twenty-three contiguous mineral claims covering an area of 2975 hectares immediately north of the Turnagain River. Access to the property is by helicopter from Dease Lake. A short airstrip of the property has been used in the past for limited access as has a secondary road extending easterly from highway 37 near Dease Lake.

This report, prepared at the request of Canadian Metals Exploration Limited, is based in part on a personal examination of the subject property undertaken between June 16 and 18, 2003, on records of recent exploratory work provided by the company, on information readily available in the public domain and on a technical report prepared by the writer for Canadian Metals Exploration Ltd. dated June 24, 2003.

Initial mineral claims in the area of the current Turnagain property were located in 1956. Exploratory work since 1966, carried out by a number of operators including Canadian Metals Exploration Limited and a predecessor company, has included geological mapping, geophysical and geochemical surveys and more than 13000 metres of diamond drilling.

Nickel mineralization on the Turnagain property is associated with a zoned, Alaskan-type ultramafic complex within Paleozoic metasedimentary and metavolcanic rocks along the faulted terrane boundary between the North America cratonic margin and accreted Quesnel terrane. The ultramafic body hosting mineralization is elongate in a northwesterly direction and measures 8 by 3 kilometres. The complex consists of a central dunite core and outer, marginal zones of peridotite, clinopyroxene-rich peridotite and clinopyroxenite, all of which represent crystal cumulate sequences. Contacts between the various phases are gradational. Later intrusive events include narrow granitic dykes which are probably related to a small granitic stock in the central part of the ultramafic complex.

Iron and nickel sulphides, of magmatic origin, are preferentially hosted by clinopyroxene-rich peridotites; the central dunite is devoid of sulphide minerals. Massive, semi-massive and sulphide matrix breccias have been noted in several surface showings and over restricted intervals in drill core. Most of the sulphide mineralization encountered in drill holes consists of between 1% and 5% disseminated blebs which locally coalesce to form net-textured sulphides. Most of the holes drilled contain nickel values of +0.20% over entire hole lengths within which are intervals of 10 to several hundred metres of enhanced nickel values above 0.25%. Nickel is the principal commodity of interest, low cobalt and copper values average 0.015% and 0.05% respectively. Combined platinum and palladium values are generally less than 100 parts per billion.

More than 7800 metres of diamond drilling, completed in 2002 and 2003 has permitted estimates of Inferred Mineral Resources for two of the known mineral zones. The Horsetrail zone contains 38.8 million tonnes with an average grade of 0.32% nickel; the underlying Cub zone has an inferred 8.8 million tonnes grading 0.42% nickel.

The Turnagain nickel property warrants additional exploratory work. The writer recommends a further 3000 metres of diamond drilling to confirm and expand upon the current Inferred Mineral Resources at an estimated cost of \$548,500.00.

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

INTRODUCTION and TERMS OF REFERENCE

Canadian Metals Exploration Limited owns the Turnagain nickel property which is situated east of Dease Lake in northern British Columbia. Previous work on this property has disclosed the presence of widespread nickel and associated copper, cobalt and platinum group elements mineralization within an ultramafic complex.

The author of this report has been retained by Canadian Metals Exploration Limited to review and comment on the results of recently completed exploratory work on the subject property, to discuss a preliminary estimate of an inferred mineral resource and to provide recommendations regarding the nature and scope of further exploratory work programs. This report is based in part on a previous report on the Turnagain Nickel Property prepared by the writer and dated June 24, 2003.

This technical report has been prepared in compliance with the requirements of National Instrument 43-101 and Form 43-101F1 and is intended to be used as supporting documentation to be filed with the British Columbia Securities Commission and the TSX Venture Exchange.

Information used in the preparation of this and the previous report includes a number of technical reports detailing work on the subject property between 1966 and 1998. These reports, filed in support of assessment work requirements, are readily available in the BC Ministry of Energy and Mines public files. Details of exploratory and related work undertaken from 1998 to present were derived from a May 31, 2003 report prepared by Bruce Downing, M.Sc., P.Geo. Published and unpublished reports and maps also provided useful information and citations for these and the various assessment reports are contained in the Reference section of this report. Results of preliminary metallurgical test work undertaken prior to 2000 are summarized in this report. Complete results of obtained from diamond drilling programs completed in late 2002 and between March and August of 2003 are also incorporated. Some of the diagrams accompanying this report have been prepared by the author; other diagrams provided by the Company have been modified as required.

A personal examination of parts of the Turnagain nickel property was carried out between June 16 and 18, 2003 during which time available drill cores from the 2003 program were examined. The writer, the "qualified person" for purposes of this report, has a good working knowledge of nickel deposits and prospects based on two years of employment in the Sudbury district of Ontario and a more recent involvement with a nickel-copper-cobalt-PGE deposit in Nunavut. Further, the writer is well familiar with the geological settings and styles of mineralization in northern British Columbia derived by way of numerous mineral property examinations, geological mapping programs and supervision of exploration programs over the past 35 years.

Units of measure in this report are metric; monetary amounts referred to are in Canadian dollars.

PROPERTY DESCRIPTION and LOCATION

The Turnagain nickel property consists of twenty-three contiguous mineral claims situated in the Liard Mining Division of northern British Columbia 70 kilometres east of Dease Lake and 1350 kilometres north-northwest of Vancouver (Figure 1). The mineral claims consist of six four-post claims (102 mineral claim units) and seventeen 2-post claims which collectively cover an area of 2975 hectares between latitudes 58°27' and 58°30' North and longitudes 128°48'

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

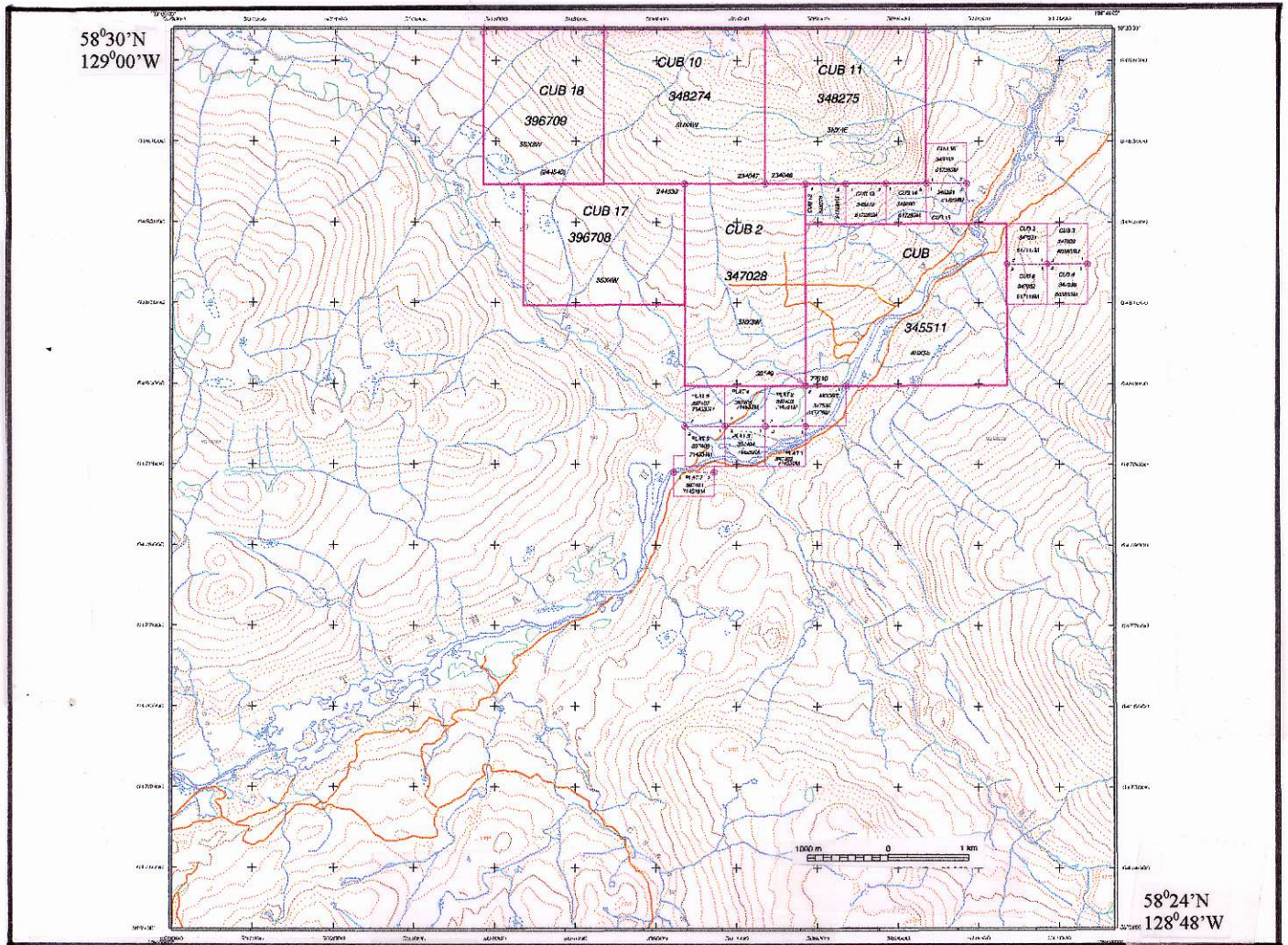


Figure 2 - MINERAL CLAIMS - TURNAGAIN PROPERTY

and 128° 56' West in NTS map-area 104I/07W.

The configuration of the various mineral claims is illustrated on Figure 2 (Mineral Titles Reference Map M104I046) and details are as follows:

Table 1: Turnagain Mineral Claims

<u>Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Record Date</u>	<u>Expiry Date</u>
CUB	345511	20	May 5, 1996	Dec. 1, 2004
CUB 2	347028	15	June 20, 1996	Dec. 1, 2003
CUB 3	347029	1	June 19, 1996	Dec. 1, 2003
CUB 4	347030	1	June 19, 1996	Dec. 1, 2003
CUB 5	347031	1	June 19, 1996	Dec. 1, 2003
CUB 6	347032	1	June 19, 1996	Dec. 1, 2003
MOOSE	347530	1	July 3, 1996	Dec. 1, 2003
CUB 10	347274	20	July 16, 1996	Dec. 1, 2003
CUB 11	348275	20	July 17, 1996	Dec. 1, 2003
CUB 12	348278	1	July 17, 1996	Dec. 1, 2003
CUB 13	348279	1	July 17, 1996	Dec. 1, 2003
CUB 14	348280	1	July 17, 1996	Dec. 1, 2003
CUB 15	348281	1	July 17, 1996	Dec. 1, 2003
CUB 16	348282	1	July 17, 1996	Dec. 1, 2003
CUB 17	396708	12	Sept. 17, 2002	Dec. 1, 2003
CUB 18	396709	15	Sept. 17, 2002	Sept. 17, 2003
PLAT 7	397401	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 1	397402	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 2	397403	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 3	397404	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 4	397405	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 5	397406	1	Oct. 22, 2002	Dec. 1, 2003
PLAT 6	397407	1	Oct. 22, 2002	Dec. 1, 2003

Initial mineral claims were located in 1996 by J. Schussler and E. Hatzl and subsequently optioned to Bren-Mar Resources Limited, the predecessor company of Canadian Metals Exploration Limited. The original option agreement gave Bren-Mar Resources the right to earn a 100% interest in the mineral claims in exchange for the issuance of 200,000 shares and incurring property expenditures of \$1 million within five years of acquisition. The 100% interest has been earned subject to a 4% net smelter royalty on possible future production. Canadian Metals retains the right to purchase all or part of this royalty for \$1 million per 1%.

Mineral claims in British Columbia may be kept in good standing by incurring assessment work or by paying cash-in-lieu of assessment work in the amount of \$100 per mineral claim unit per year during the first three years following the location of the mineral claim. This amount increases to \$200 per mineral claim unit in the fourth and succeeding years.

The writer is not aware of any specific environmental liabilities to which the various mineral claims are subject. The Turnagain property is situated in an area where mining-related activities have been underway for more than 75 years.

Exploration work on mineral properties in British Columbia requires the filing of A Notice of Work and Reclamation with the Ministry of Energy and Mines. The issuance of a permit facilitating such work may involve the posting of a reclamation bond. Locations of all completed and planned 2003 drill holes have been permitted by the Ministry of Energy and Mines.

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

The Turnagain nickel property is situated immediately north of Turnagain River near its confluence with Hard Creek (Figure 3). The community of Dease Lake, on highway 37 some 400 kilometres north of the port of Stewart (Figure 1), is 70 kilometres west of the property. Helicopter access from Dease Lake involves a 20 minute flight. A secondary road extending easterly from Dease Lake has been used by large, articulated 4-wheel drive vehicles to convey large jade boulders from the Kutcho Creek area and to supply placer gold operations at Wheaton Creek over the past number of years. A branch of this road network extends into the Turnagain property; road distance to Dease Lake is about 100 kilometres.

A 700 metres long dirt airstrip, constructed in the 1960s and situated within the claims area on the north side of Turnagain River, can accommodate small aircraft. This airstrip is immediately adjacent to Canadian Metals' current camp facility. Previous exploration programs have made use of camp facilities at Wheaton Creek (Boulder) which is about 15 kilometres by road west of the property.

Dease Lake has three times a week scheduled airline service and offers some supplies and services. The communities of Terrace and Smithers, both several hundred kilometres south, offer the best range of supplies and services which can be trucked to Dease Lake via highway 37.

The Turnagain property is situated in the Stikine Ranges of the Cassiar Mountains. The area between Dease Lake and the property features maturely dissected mountains rising to elevations of between 2000 and 2150 metres above sea level (note that elevations shown on Figure 3 are in Imperial units) and separated by wide, drift-filled valleys in which elevations average 1000 metres. Relief can be described as moderate for this part of British Columbia. Forest cover is present in valley areas up to elevations of about 1500 metres above sea level above which is typical alpine terrain. Bedrock is reasonably well exposed in the areas above tree line and along drainages.

The Turnagain property covers a north-facing slope between the Turnagain River valley and alpine terrain above tree line (Figure 2). Elevations range from about 1000 metres along Turnagain River in the eastern claims area to 1759 metres at the summit near the northern property boundary.

The climate is typical of the northern interior of British Columbia with cold temperatures and moderate snow cover during the winter months and limited precipitation during the remainder of the year. Field work is best carried out between mid-June and late September when daytime temperatures average 10 to 15 degrees Celsius.

HISTORY

As noted, the Turnagain property is situated in the Dease Lake area where placer gold was discovered at the north end of Dease Lake in the late 1800s. Subsequent prospecting resulted in the discovery of additional placer gold in other creeks including Goldpan Creek in the 1920s. The Letain asbestos deposit, 20 kilometres southeast of the Turnagain property (Figure 3) was discovered in 1955 and exploration for porphyry copper deposits in the 1960s resulted in the discovery of the Eaglehead prospect 10 kilometres west of the Turnagain property. The Kutcho Creek massive sulphide deposit, 40 kilometres southeast, was investigated in the 1970s and 1980s. Numerous jade deposits in the area between Wheaton Creek (Figure 3) and Kutcho

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

Creek have been mined over the past 20 years.

Nickel and copper sulphides were discovered within the current property area in a bedrock exposure along Turnagain River in 1956. Mineral claims covering this showing and other occurrences were acquired by Falconbridge Nickel Mines Limited in 1966 and work completed over the ensuing seven years included surface and airborne geophysical surveys, geological mapping, geochemical surveys and 2895 metres of conventional and packsack diamond drilling in 40 widely spaced drill holes (Crosby and Steele, 1969, McDougall and Clark, 1972, 1973).

During this same time interval, geochemical surveys were carried out on adjacent ground by Union Miniere Exploration and Mining Corporation Ltd. (Burgoyne, 1971). One short diamond drill hole (17 metres) was completed by independent claim owners in 1979 (Cukor, 1980) and Falconbridge drill core was re-sampled for platinum group elements in 1986 (Cukor, 1987). Additional investigation of platinum group elements was also undertaken by way of geochemical surveys conducted on behalf of Equinox Resources Ltd. in 1986 (Page, 1986).

The Turnagain River property was acquired by Bren-Mar Resources Limited (predecessor company of Canadian Metals Exploration Limited) in 1996 and work that year included 400 line kilometres of airborne magnetic surveys and 792.5 metres of diamond drilling in 5 holes (Livgard, 1997). Additional diamond drilling in 1997 and 1998 amounted to 3096 metres in 14 holes (Downing, 1998). Related work included 18 line kilometres of surface magnetic surveys covering two areas of the property, bore hole pulse electromagnetic surveys of four of the 1997-1998 drill holes and preliminary metallurgical test work on drill core composites.

Canadian Metals Exploration Limited undertook work in 2002 consisting of an Induced Polarization survey of part of the claims area and 1687 metres of diamond drilling in 7 holes (Downing, 2003). Some 5000 metres of additional diamond drilling has been completed to date as part of the 2003 program.

GEOLOGICAL SETTING

Regional Setting

The Turnagain nickel property is associated with a late Triassic ultramafic complex situated within Paleozoic metasedimentary and metavolcanic rocks along the faulted terrane boundary between the cratonic margin (ancestral North America) and accreted, Mesozoic Quesnel terrane (Quesnellia - Figure 4).

The age and origin of the layered Paleozoic assemblages marginal to the Turnagain ultramafic complex are not well known and two interpretations have been proposed by Nixon (1998). The first of these suggests that the Paleozoic rocks are autochthonous and range in age from Cambrian to Upper Paleozoic – Triassic ("A" – Figure 4). The second interpretation ("B" – Figure 4), and the one favoured by Nixon, places the ultramafic complex within an imbricated sequence of Late Paleozoic to Triassic sedimentary and volcanic rocks which were thrust eastward onto the margin of the North American craton. This latter interpretation is based in part on the fact that the Turnagain ultramafic body is thought to be a zoned, Alaskan-type complex; other known examples in the northwestern Cordillera occur in accretionary terranes.

Regardless of which interpretation is correct, it is worthy of note that the Turnagain ultramafic body is situated along a major terrane boundary, or in a geological setting not dissimilar to many of the major nickel-bearing mafic intrusions of the Canadian Shield.

Numerous other ultramafic bodies in this area are non-zoned Alpine-type bodies which

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

cut sedimentary rocks of Cache Creek terrane. Most of these are serpentized and an example is the Letain asbestos deposit southeast of the Turnagain property (Figure 3) which hosts some 15 million tonnes grading 4.7% asbestos fibre,

The area east of Dease Lake features diverse geology and a number of mineral deposits and occurrences. The best known of these include the Kutcho Creek massive sulphide deposit (Figure 3) which has a resource of 17 million tonnes grading 1.62% copper, 2.32% zinc, 29.2 grams/tonne silver and 0.39 gram/tonne gold developed in late Triassic felsic volcanic rocks. The Eaglehead porphyry deposit, west of the Turnagain property (Figure 3) and hosted by Cretaceous granitic rocks, includes some 30 million tonnes grading 0.41% copper, 0.01% molybdenum, 2.71 grams/tonne silver and 0.20 gram/tonne gold. (Note that all of the foregoing resources are from BC Minfile and are not in accordance with Section 1.3 of National Instrument 43-101).

Property Geology

The generalized geological setting of the Turnagain property is illustrated on Figure 5. The property covers the known limits of the zoned, Alaskan-type ultramafic intrusion which measures 8 kilometres by 3 kilometres and is elongate in a northwest direction or conformable to the regional structural grain. The ultramafic body is separated from graphitic Paleozoic sedimentary rocks along its northern and eastern margins by thrust or reverse faults (Figure 5); the poorly exposed southwestern margin is in intrusive contact with metasedimentary rocks as indicated by previous drilling.

The complex consists of a central dunite and an outer zone of peridotite (wehrlite), clinopyroxenite-rich peridotite, clinopyroxenite and rare hornblendite, all of which represent crystal cumulate sequences (Clark, 1980, Nixon, 1998). Gabbros and diorites, common to many Alaskan-type complexes, have not been recognized (Nixon, 1998). As indicated on Figure 5, variably serpentized dunite is the most widespread unit and is flanked by peridotite and clinopyroxenite along the northern and eastern margins of the complex. Contacts between the ultramafic phases are gradational although dunite was seen to intrude pyroxene-bearing phases in the northern margins of the complex (Clark, 1980).

In detail, the central dunite is massive and consists solely of olivine with minor chromite, peridotite is composed of nearly equal proportions of olivine and clinopyroxene (but locally contains abundant clinopyroxene) while the pyroxenites consist mainly of clinopyroxene with lesser olivine and alteration minerals. Dunite weathers to a light brown colour which is particularly evident in the higher (northern) parts of the property. On fresh surfaces, this unit is dark green to black as are the other units except where serpentized. Layering on a small scale has been noted in a few localities.

Metasedimentary rocks marginal to the ultramafic rocks are locally graphitic and those bordering the southwestern margin of the complex show evidence of thermal or contact metamorphism.

A small granodiorite plug intrudes dunite in at least two localities in the central claims area (Figure 5). Narrow porphyritic granitic dykes, usually in the order of 1 to 2 metres in width, were noted cutting peridotites and clinopyroxenites in drill core; these may have lateral extents of several hundred metres. These dykes, which are clearly post-mineral, are probably related to the exposed granitic plug which is thought to be of Jurassic or Cretaceous age.

MINERALIZATION

It has been noted that the Turnagain ultramafic intrusion is unusual in that it hosts relatively abundant sulphide minerals for an Alaskan-type complex (Clark, 1980; Nixon, 1998). A number of showings of semi-massive and massive sulphides have been identified by work to date and the locations of these mineralized zones are shown on Figure 5. These semi-massive and massive zones, plus broad zones of disseminated sulphides, are invariably hosted by clinopyroxene-rich peridotites near the southern and northern margins of the ultramafic complex (Figure 5). The central dunite is essentially devoid of sulphide minerals although it is worthy of note that the highly magnesian olivine is more enriched in nickel than the olivines in the peridotites and clinopyroxenites which in fact are depleted in nickel in areas of sulphide mineralization. Nixon (1998) suggests that these features are further evidence of fractional crystallization of the ultramafic magma.

The association of sulphide minerals with clinopyroxene-rich peridotites, and to a lesser degree with clinopyroxenites, was recognized during earliest exploratory work on the property. McDougall and Clark (1972) state that contacts between pyroxenites and peridotites appear to be the most prospective zones in which to prospect for nickel.

Primary sulphide minerals consist mainly of pyrrhotite with lesser pentlandite (iron-nickel sulphide) and minor chalcopyrite. Some bornite has been reported. The writer concurs with other investigators that these are magmatic sulphides. Intercumulos and blebby sulphides, with grain sizes ranging from 1 to 4 millimetres, are evident in widespread disseminated zones seen in drill cores. With increasing concentrations, these intercumulus sulphide grains coalesce to form net-textured sulphides. Semi-massive and massive sulphides, and rare sulphide matrix breccias, were also noted in drill cores over intervals not exceeding a few tens of centimeters.

Narrow fracture-filling sulphide lenses, commonly featuring chalcopyrite along with the more prevalent pyrrhotite and pentlandite, appear to be products of remobilization of primary sulphides adjacent to granitic dykes and serpentinized areas.

Secondary nickel and copper sulphides, including violarite and vallerite, have been noted in serpentinized zones and both primary and secondary sulphides are associated with graphite (Nixon, 1998).

Documented mineral showings are shown on Figure 5 and these have been described by Livgard (1997) as follows. The original Discovery Zone, exposed along Turnagain River contains nickel-copper values plus anomalous platinum. The Fishing Rock Zone, also adjacent to Turnagain River southwest of the Discovery Zone, consists of disseminated sulphides in peridotite. The Cliff Zone, 1.5 kilometres east of Turnagain River, features pyrrhotite, pentlandite and chalcopyrite within a 100 x 75 metres area.

The Horsetrail Zone, which has been the focus of most of the previous and current drilling, includes broadly dispersed disseminated sulphide mineralization and may be continuous with the Northwest Zone which includes nickel-copper values in what has been described as layered dunite-peridotite-clinopyroxenite.

The Davis showing, situated near the northern margin of the ultramafic complex (Figure 5), consists of interstitial pyrrhotite and minor chalcopyrite in clinopyroxenite.

EXPLORATION

This section includes a brief discussion of the results of geophysical and geochemical surveys conducted within the boundaries of the current Turnagain property over the past 35 years.

Airborne geophysical surveys include a 1969 helicopter-borne magnetic and electromagnetic survey (Crosby and Steele, 1969) and a fixed-wing high resolution magnetic survey undertaken in 1996 (Livgard, 1997). Both magnetic surveys delineated the extent of the ultramafic complex and identified several areas of increased magnetic susceptibility within the complex. The 1969 airborne electromagnetic survey identified numerous conductive zones, some of which correlated with areas of higher magnetic response. The best concentrations of conductive zones were noted east of Turnagain River in the area of the Cliff Zone and near the northwestern margins of the ultramafic complex.

A surface magnetometer survey, while successful in defining the boundaries of the intrusion, did not identify any diagnostic magnetic signatures associated with the various mineralized zones. Similarly, an Induced Polarization survey undertaken in 2002 produced highly variable chargeability and resistivity results, none of which appeared to correlate with the known mineralized zones (Downing, 2003).

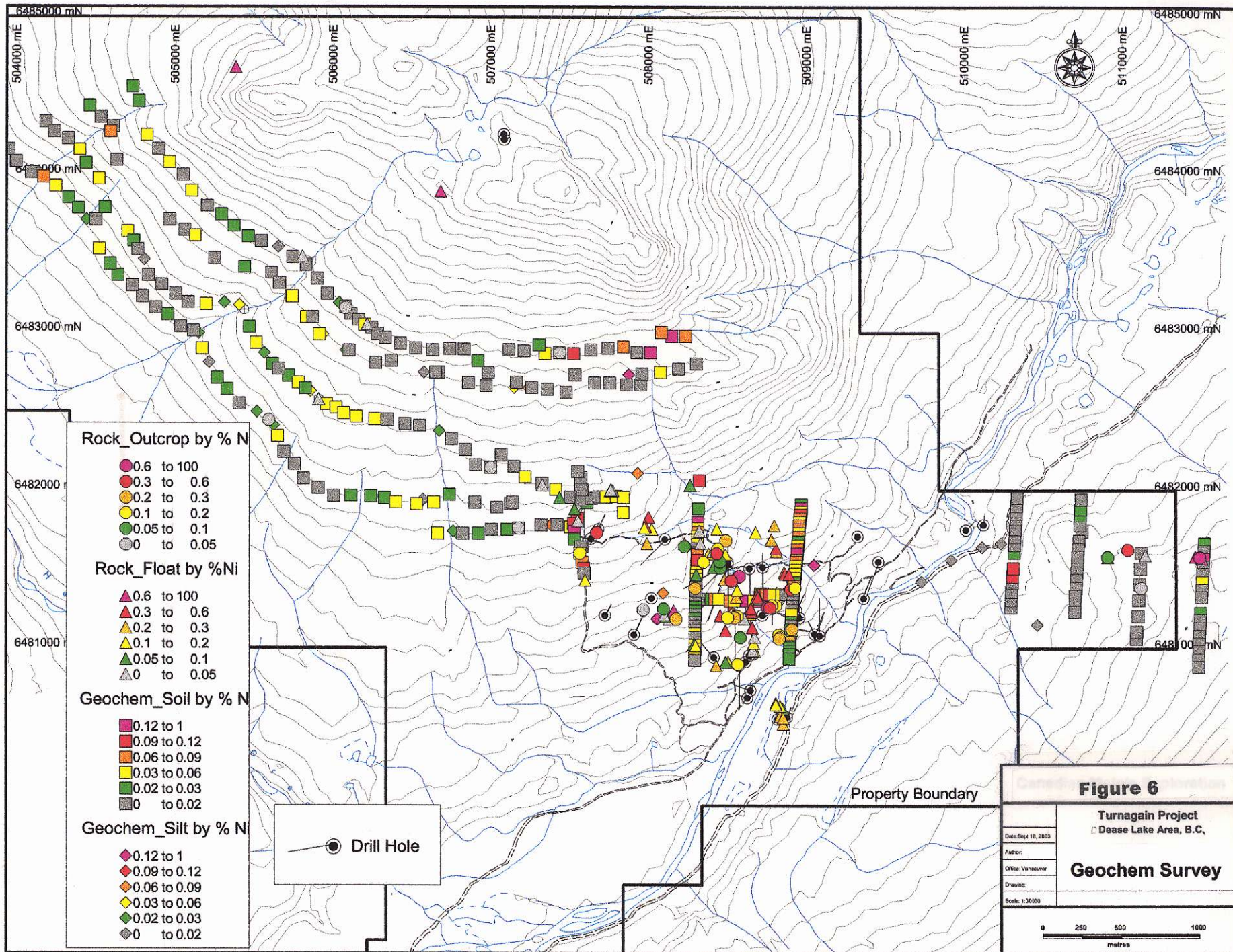
Borehole pulse electromagnetic surveys were undertaken of four drill holes (97-9, 98-1, -4 and -5) in 1998. All of these holes were drilled to test the southern part of the Horsetrail Zone (Figure 6) and major in-hole anomalies were interpreted as being caused by two sheet-like, shallowly south-dipping conductive horizons which are in part correlative with zones of sulphide mineralization containing enhanced (+0.30%) nickel values and with talc/serpentine zones (Downing, 2003).

Of particular interest are the results of a 1971 soil geochemical survey conducted by Union Miniere over mineral claims contiguous with Falconbridge claims and covering the northeastern margin of the ultramafic complex and the Cliff Zone east of Turnagain River (Burgoyne, 1971). More than 800 samples were collected from B and C soil horizons at 200 ft. intervals along grid lines spaced 400 ft. apart and samples were analyzed for nickel, copper and cobalt. Values of greater than 650 ppm nickel and 300 ppm copper were considered to be distinctly anomalous; cobalt values were erratic. Best results were obtained from a 900 x 450 metres area west of the Discovery Zone where anomalous nickel values ranged from 800 to 2000 ppm.

Four representative rock samples of dunite, peridotite and pyroxenite were analyzed for total nickel and copper and sulphide nickel and copper. The highest ratio of total nickel to sulphide nickel was obtained from the dunite sample providing further evidence that nickel values in this rock type are associated with silicate (olivine) minerals. By contrast total nickel values for the peridotite and two pyroxenite samples were only 10 to 15% higher than the sulphide nickel values. Analyses of total nickel versus sulphide nickel for the soil samples provided similar results.

The platinum group element potential of the Turnagain ultramafic complex was investigated by Equinox Resources in 1986 and by the BC Geological Survey Branch in 1988. Best results (461 ppb platinum, 266 ppb palladium) obtained by Equinox were from rock and soil samples collected from the area of the Cliff Zone east of Turnagain River (Page, 1986). Geological Survey Branch work consisted of bedrock sampling of the various ultramafic phases and the several sulphide showings. The latter areas yielded the best results with values ranging from 1 to 423 ppb platinum and 4 to 427 ppb palladium (Nixon et al, 1989).

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist



A geochemical sampling program, carried out in 2003 partly in response to the writer's earlier recommendations, consisted of the collection and analyses of 250 soil samples at 100 metres spacings along four topographic contour lines between 1300 and 1460 metres elevation northwest, and upslope of the known mineralized zones (Figure 6). Seven stream sediment samples and 68 rock chip samples were also collected as part of a prospecting and geological mapping program.

Results illustrated on Figure 6 show several areas of anomalous nickel concentrations in soils which warrant further investigation.

DRILLING

The Turnagain ultramafic complex has been tested by 14000 metres of diamond drilling in 82 holes since 1966. The locations of the 61 holes drilled between 1966 and 1998 are listed in Appendix I which also contains details of some of the more significant results obtained from these holes. Twenty-one vertical and inclined holes, for a total of 7807.2 metres, were completed as part of a first phase program initiated by Canadian Metals Exploration Ltd. in late 2002 and continued between late March and early August of 2003. Table 2 lists the 2002 and 2003 drill hole locations, hole lengths, etc. while significant results are contained in Table 3. Locations of these drill holes are shown on Figure 7 which also shows locations for some of the earlier drill holes.

Most of the holes drilled to date have been inclined. Initial drilling by Falconbridge between 1966 and 1970 recovered QXT and AQ core; BQ size (36.4 mm diameter) core has been recovered since 1996 by drill contractor DJ Drilling. Core recoveries are excellent, averaging 95%, and individual hole deviations are minimal. Most drill holes have been sampled over their entire lengths; sample intervals do not exceed 2 metres in length.

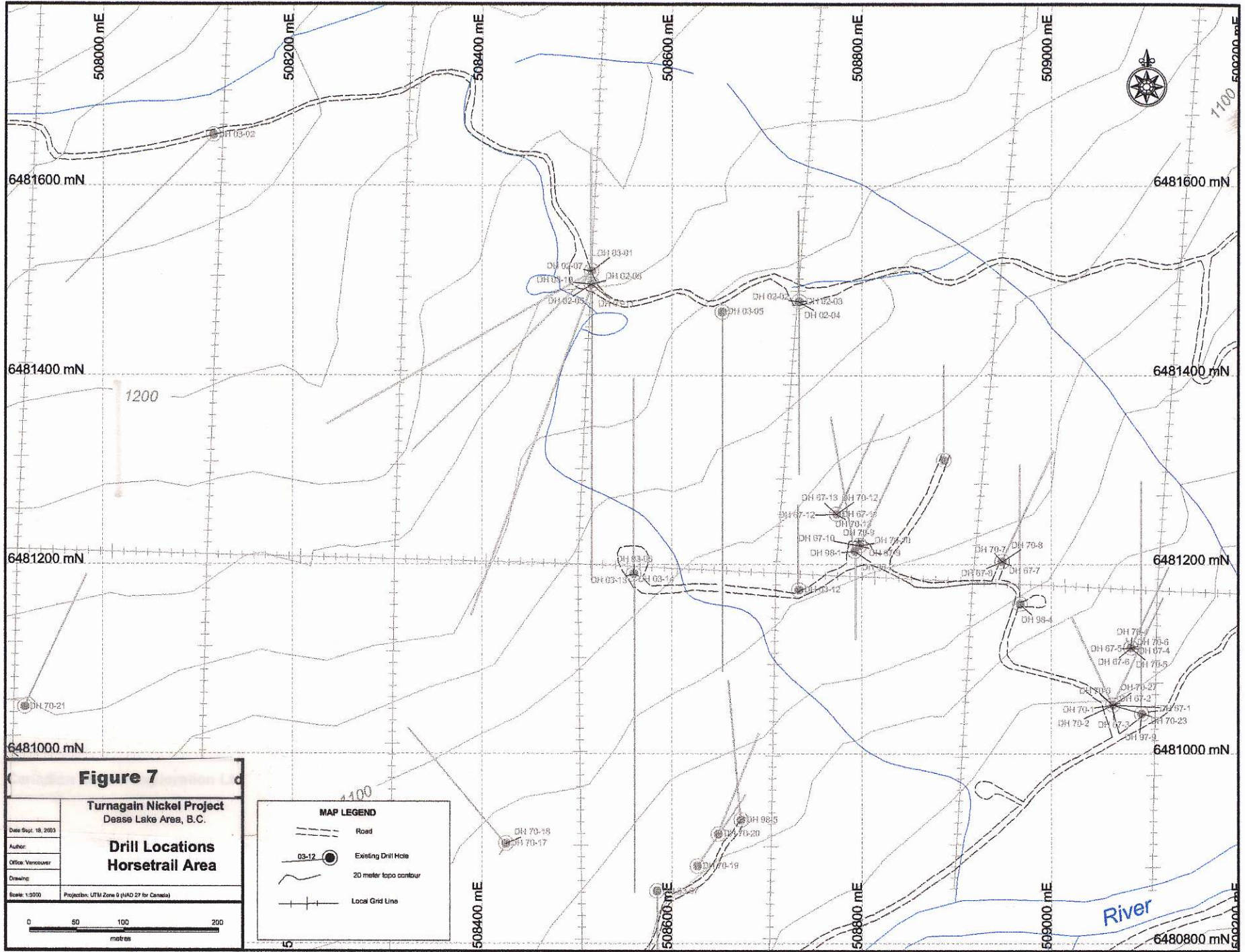
Drill core from holes drilled between 1996 and 2002 is stored in racks at the Boulder camp on Wheaton Creek 15 kilometres west of the property. Core recovered from the current program is stored at the new camp on the property.

As indicated on Table 2 and illustrated on Figure 7, most of the past and current drilling has been directed to the Horsetrail Zone and the lesser explored Cub Zone in the south-central property area.

Table 2: Drill Hole Locations

<u>Hole No.</u>	<u>Year</u>	<u>Location</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Total Depth (m)</u>
03-01	2003	508465E 6481496N	240	-50	501.7
03-02	2003	508130E 6481700N	225	-50	532.2
03-03	2003	507626E 6481985N	180	-50	462.1
03-04	2003	507626E 6481985N	180	-70	334.4
03-05	2003	508618E 6481391N	180	-50	590.1
03-06	2003	508560E 6481190N	180	-50	523.0
03-07	2003	508564E 6480821N	180	-50	434.3
03-08	2003	509466E 6481513N	202	-50	477.3
03-09	2003	509466E 6481513N	202	-85	252.1
03-10	2003	509515E 6481496N	200	-50	577.9
03-11	2003	508515E 6481496N	000	-50	249.9
03-12	2003	508734E 6481173N	000	-75	349.6
03-13	2003	508560E 6481190N	000	-50	322.0

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist



<u>Hole No.</u>	<u>Year</u>	<u>Location</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Total Depth (m)</u>
03-14	2003	508560E 6481190N	000	-85	261.6
02-01	2002	509332E 6481670N	000	-90	203.3
02-02	2002	508734E 6481478N	000	-85	213.1
02-03	2002	508734E 6481478N	180	-50	318.2
02-04	2002	508734E 6481478N	000	-50	148.8
02-05	2002	508515E 6481496N	000	-90	152.4
02-06	2002	508515E 6481496N	180	-50	485.2
02-07	2002	508515E 6481496N	225	-50	418.0

Core samples from holes drilled in 2002 and 2003 have been analyzed for nickel, copper, cobalt, platinum and palladium; core from the 1996 - 1998 programs was analyzed for nickel and cobalt as indicated in Appendix I. Samples from the earlier Falconbridge drilling were analyzed for nickel and copper.

Weighted average grades for the 2002 and 2003 drill holes were calculated by technical staff of Canadian Metals Exploration Limited and averages for a number of these holes have been verified by the writer who examined drill core from holes 03-03, -04, -06, -07, -10 and -11 during a June, 2003 property examination. Most of the core seen contained at least 1-2% sulphides and significant intervals containing up to 5% sulphides were noted. Much of the sulphide is pyrrhotite but pentlandite is also visible. Of note is the fact that higher sulphide content does not always reflect enhanced nickel grades, making visual estimates of grade difficult. For this reason, re-sampling of most of the 2002 drill holes was undertaken during the recently completed drilling program.

Results to date confirm that nickel is the principal element of interest; consequently only nickel values are listed in Table 3. As indicated, sixteen of the twenty-one 2002-2003 drill holes completed on the Turnagain property contain weighted average nickel grades of more than 0.20% over entire hole lengths. Hole intervals containing enhanced nickel grades have been identified using a cutoff grade of 0.25% nickel over a minimum hole length of 10 metres. As indicated in Table 3, all but one hole (02-04) contains one or more such intervals, including entire hole lengths of between 250 metres and 418 metres in holes 02-07, 03-11, 03-13 and 03-14. Highest grades encountered to date were contained in hole 02-03 which returned 0.70% nickel over a hole interval of 20.2 metres. The assessment of the continuity of these elevated nickel values between drill holes, both on section and between sections, will be the focus of a proposed program of additional drilling.

Intervals of +0.25% nickel are accompanied by cobalt values which generally do not exceed 0.015%. Copper values, with a few exceptions, are also low, averaging less than 0.05%. Platinum and palladium values, available only for holes drilled in 2002 and 2003, are generally less than 100 ppb combined Pt+Pd. The Pt:Pd ratio is very close to 1:1.

Table 3: Results of 2002 – 2003 Diamond Drilling

<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>
03-01	2.0-501.7	409.7	0.24)
	(including 2.0-15.0	13.0	0.25)
	34.0-71.0	37.0	0.43)
	92.0-102.0	10.0	0.29)
	135.0-169.0	34.0	0.26)
	221.0-257.0	36.0	0.25)
03-02	4.0-312.0	308.0	0.24
	(including 6.0-16.0	10.0	0.28)
	130.0-312.0	182.0	0.27)

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>
03-03	9.0-462.1	453.1	0.19
	(including 70.0-107.0	37.0	0.31)
	119.0-169.0	50.0	0.27)
	275.9-285.0	9.1	0.32)
	300.8-317.0	16.2	0.31)
	453.0-462.1	9.1	0.32)
03-04	9.0-209.0	200.0	0.15
	(including 98.0-116.0	18.0	0.30)
	124.0-146.0	22.0	0.27)
03-05	6.7-591.0	584.3	0.21
	(including 15.0-25.0	10.0	0.30)
	177.0-227.0	50.0	0.27)
	326.0-333.8	7.8	0.44)
	444.0-462.0	18.0	0.27)
	484.0-520.0	36.0	0.26)
	576.0-590.7	14.7	0.29)
03-06	6.7-523.0	516.3	0.19
	(including 6.7-66.0	58.3	0.32)
	454.0-522.0	68.0	0.26)
03-07	6.4-422.5	416.1	0.15
	(including 192.1-198.0	5.9	0.29)
	273.0-313.0	40.0	0.29)
03-08	7.3-477.3	470.0	0.21
	(including 357.0-375.0	18.0	0.41)
	392.0-417.0	25.0	0.32)
	447.0-461.0	14.0	0.37)
03-09	6.1-252.1	246.0	0.18
	(including 8.0-18.0	10.0	0.25)
03-10	2.0-577.9	575.9	0.24
	(including 26.0-36.0	10.0	0.27)
	124.0-279.0	55.0	0.27)
	307.0-328.0	21.0	0.27)
	335.0-351.0	16.0	0.29)
	480.0-506.0	26.0	0.28)
	516.0-527.0	11.0	0.26)
	545.0-573.0	28.0	0.29)
03-11	6.1-249.9	243.8	0.25
	(including 6.1-90.0	83.9	0.33)
03-12	3.0-349.6	346.6	0.23
	(including 15.0-45.9	30.9	0.29)
	54.0-70.0	16.0	0.29)
	116.0-126.0	10.0	0.33)
	166.0-214.0	48.0	0.30)
	246.0-311.5	65.5	0.40)
03-13	6.0-322.0	316.0	0.27
	(including 17.0-31.7	14.7	0.33)
	50.0-71.0	21.0	0.25)
	83.0-236.0	153.0	0.28)
	250.0-275.0	25.0	0.32)
	307.0-318.2	11.2	0.33)

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>
03-14	6.6-261.6	255.6	0.31
	(including 6.6-82.0	75.4	0.36)
	91.0-116.0	25.0	0.26)
	124.0-240.0	116.0	0.31)
	180.8-240.0	59.2	0.31)
02-01	3.0-203.3	200.3	0.22
	(including 34.0-42.0	8.0	0.28)
	178.0-203.3	25.3	0.26)
02-02	3.1- 213.1	210.0	0.22
	(including 136.0-146.0	10.0	0.25)
02-03	5.0-318.1	313.1	0.23
	(including 39.0-60.0	21.0	0.23)
	178.0-210.0	32.0	0.27)
	298.0-318.2	20.2	0.70)
02-04	6.5-149.0	142.5	0.20
02-05	3.2-152.4	149.2	0.26
	(including 3.2-30.0	26.8	0.29)
	62.0-120.0	58.0	0.26)
02-06	4.0-485.2	481.2	0.24
	(including 48.0-58.0	10.0	0.32)
	72.0-111.0	39.0	0.29)
	142.2-166.0	23.8	0.25)
	248.0-338.0	90.0	0.31)
	376.0-446.0	70.0	0.42)
	472.0-484.0	12.0	0.48)
02-07	4.0-418.0	414.0	0.26
	(including 34.0-80.0	46.0	0.36)
	124.0-190.0	66.0	0.26)
	204.0-296.0	92.0	0.25)
	320.0-380.0	60.0	0.34)
	398.0-418.0	20.0	0.44)

SAMPLING METHODS AND ANALYSES

Drill cores recovered in 2002 and 2003 were sampled at 2 metres intervals or less and samples were halved by use of a core splitter. Most of the half core from the 1996-1998 and 2002 and 2003 programs is stored on or near the property.

Logging of core from recently completed program was undertaken by A. Hitchins and C. Baldys, P.Eng. Samples for analyses were transported from the site by helicopter to Dease Lake and shipped by commercial transport to Acme Analytical Laboratories, a certified ISO 9002 facility, in Vancouver.

Drill core samples received by Acme Analytical Laboratories are crushed, split and pulverized prior to aqua regia digestion and subsequent analyses for 36 major and trace elements (including copper, nickel and cobalt) by ICP-MS techniques. Precise nickel, copper and cobalt values are determined by atomic absorption spectrometry and reported as percent. Platinum and palladium values are determined by fire assay and reported as parts per billion.

Laboratory quality control is maintained by routinely analyzing a number of sample

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

blanks, standards and duplicate samples. Additional quality control in the field involves the insertion of control samples obtained from CANMET as part of all sample batches sent to the laboratory.

More recent analytical work (C. Baldys, personal communication) has also made use of an ICP-ES which is considered to be a more accurate method at a percentage level inasmuch as allows for better digestion by way of a larger sample charge (1 gram as opposed to 0.5 gram) and a greater acid volume. Nickel (and cobalt) contents have been found to be 15 to 20% higher using the ICP-ES method rather than ICP-MS.

DATA VERIFICATION

Interlaboratory checks, undertaken using other laboratory facilities including ALS Chemex, have provided analyses that are in good agreement with initial results (Downing, 2003).

Eleven sample pulps, recently submitted to International Plasma Laboratories Ltd. of Vancouver B.C for check analyses of nickel contents determined by Acme Laboratories, returned values which were within +/-5% of the original results.

Much of the information used in the preparation of this report is on public record in the form of assessment reports filed with the BC Ministry of Energy and Mines. The writer has no reason to doubt the quality or veracity of these data. All of the exploration work conducted since 1996 and subsequent reporting was performed by competent, qualified persons.

The writer did not collect any samples for analyses during the course of the recent field examination. Enough drilling has been done over the past 35 years to provide a reasonable assessment of average grades and, in the view of the writer, the collection of a few surface samples for analyses would not provide any meaningful results.

MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical test work on drill cores and drill core sample rejects from the Turnagain property was undertaken by several laboratories in 1997 and 1998 (Wright,2000).

Composites of coarse drill core sample rejects from holes 96-2, 97-4 (2 intervals), 97-8 and 97-9 were prepared with the first three composite samples submitted to Process Research Associates Ltd. in Vancouver and the remaining two to Lakefield Research Inc. Head grades of the five composite samples ranged from 0.26% to 0.58% nickel and 130 to 170 ppm cobalt.

Note that holes 96-2, 97-8 and -9 were drilled in the southern part of the Horsetrail Zone; hole 96-4 was drilled to test the Northwest Zone. All sample intervals selected for composites contained enhanced nickel grades of +0.30% and as such these may not be representative of typical style and nature of Turnagain mineralization.

Scoping flotation work at Process research Laboratories and at Lakefield Research resulted in nickel recoveries of between 53% and 83%. Best results were obtained from Lakefield work which incorporated more stages of bulk flotation and longer retention times.

Flotation work was also undertaken by Billiton Process Research on split (half) core samples from the same drill hole intervals used to prepare the initial composite samples. This

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

program was intended to determine if a suitable concentrate could be produced for use with a proprietary bioleaching process. Recovery rates were similar to those obtained by Process Research and Lakefield but the concentrate grade was considered to be insufficient for the bioleach process.

Additional chemical test work in 1998 was performed on composites of drill core sample rejects from various intervals in holes 98-1, 98-2 and 98-4. Head grades of the six composite samples ranged from 0.27% to 0.70% nickel and 143 to 264 ppm cobalt (Wright,2000). Results from three laboratories confirmed that nickel, and to a lesser degree, cobalt are the principal elements of interest. Platinum and palladium represent potential by-products.

Process Research Laboratories undertook further flotation testing of several of the 1998 composite samples. Recoveries ranged from 65% to 71% for nickel and 62% to 65% for cobalt. These recovery rates were improved somewhat in a large batch flotation test.

A mineralogical study of head samples used in this flotation test indicated that sulphide contents ranged from 6% to 10% and consisted mainly of pyrrhotite and lesser pentlandite. The sulphides were described as being relatively coarse-grained with liberated grains of 500 microns or more being not uncommon. It was reported (Wright,2000) that liberation of sulphides from silicates should be attainable without excessively fine grinding.

Concentrates produced from this 1998 flotation test work were subjected to pressure leach technology by Cominco Engineering Services Ltd. in 1999. This work demonstrated the applicability of this technology to Turnagain concentrates (Wright,2000).

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Diamond drilling results from the 2002 and 2003 programs form the basis for a preliminary estimate of Inferred Mineral Resources for the Turnagain nickel property. This estimate was carried out by C. Baldys, P.Eng. and was reviewed and modified by the writer. The Inferred Mineral Resources are contained in two mineralized zones, the Horsetrail and Cub zones, both of which are within the southern part of the Turnagain ultramafic complex. Both zones are exposed at surface; the Horsetrail zone has an Inferred Mineral Resource of 38.8 million tonnes with an average grade of 0.32% nickel while the underlying Cub zone is estimated to have an Inferred Mineral Resource of 8.8 million tonnes grading 0.42% nickel.

The mineral resource estimates were prepared pursuant to CIM Standards on Mineral Resources and Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council August 20, 2000 and published in the CIM Bulletin of October, 2000. In view of the widely-spaced drilling completed to date, these preliminary estimates are categorized as Inferred Mineral Resources, defined by the CIM Standing Committee as being "that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling, gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes".

Three vertical sections were used in calculating the Inferred Mineral Resource for each of the two zones. The locations of these sections and the limits of the current estimates are shown on Figure 8. The resource estimates incorporate the results of 12 holes completed in 2002 and 2003 and two holes drilled in 1998. Note that the majority of these holes are oblique to the now apparent northwest trend of the zones, necessitating projection of pertinent holes onto the

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

respective sections.

The estimates of resources were completed using the sectional method incorporating a cut-off grade of 0.25% nickel over a minimum hole length of 10 metres. The calculations incorporate assumptions with respect to the limits of mineralization. Each drill hole was given an area of influence halfway to the nearest neighbouring drill hole. Where the nearest neighbouring hole was more than 50 meters distant, the area of influence was limited to 50 meters. The area of influence for individual cross-sections was approximately the mid-point between the sections. An assumed Specific Gravity of 3.0 was used for calculation purposes although a number of specific gravity determinations completed to date are in the range of 3.10 to 3.20 (C. Baldys, personal communication).

In detail, the resource calculations for both zones by section is as follows:

Table 4 – Inferred Mineral Resources

<u>Section</u>	<u>Zone</u>	<u>Tonnes</u>	<u>Average Nickel Grade (%)</u>
#1	Horsetrail	11.8	0.34
(Drill holes 02-03, 02-07, 03-01, 03-11)	Cub	0.9	0.48
#3	Horsetrail	21.3	0.30
(Drill Holes 02-02, 02-03, 02-04, 03-05, 03-06, 03-13, 03-14)	Cub	3.0	0.34
#4/5	Horsetrail	5.7	0.31
(Drill holes 98-1,98-2, 02-03, 03-12)	Cub	4.9	0.46
Totals	Horsetrail	38.8	0.32
	Cub	8.8	0.42

At present, the Inferred Mineral Resources have not yet demonstrated economic viability.

Both the Horsetrail and Cub zones consist of a number of sub-parallel, gently to moderately southwest-dipping, mineralized lenses which vary in thickness from 10 metres to more than 100 metres and are separated by intervals grading less than 0.25% nickel. These lenses are contained within a broader zones striking northwesterly, essentially parallel to the long axis of the Turnagain ultramafic intrusion. The mineralized lenses appear to conform to the compositional layering within the ultramafic complex and are open both up- and down-sip and along strike to the northwest.

INTERPRETATION AND CONCLUSIONS

The Turnagain property represents a unique style of mineralization associated with a zoned, Alaskan-type ultramafic complex. Iron and nickel sulphides of magmatic origin are widespread in clinopyroxenites and peridotites bordering a non-mineralized dunite core.

Diamond drilling to date, undertaken mainly near the southern limits of the 8 x 3 kilometre ultramafic body, has disclosed the presence of broad zones of +0.20% nickel and associated cobalt and lesser copper and platinum group element values. Enhanced nickel values (+0.25%)

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

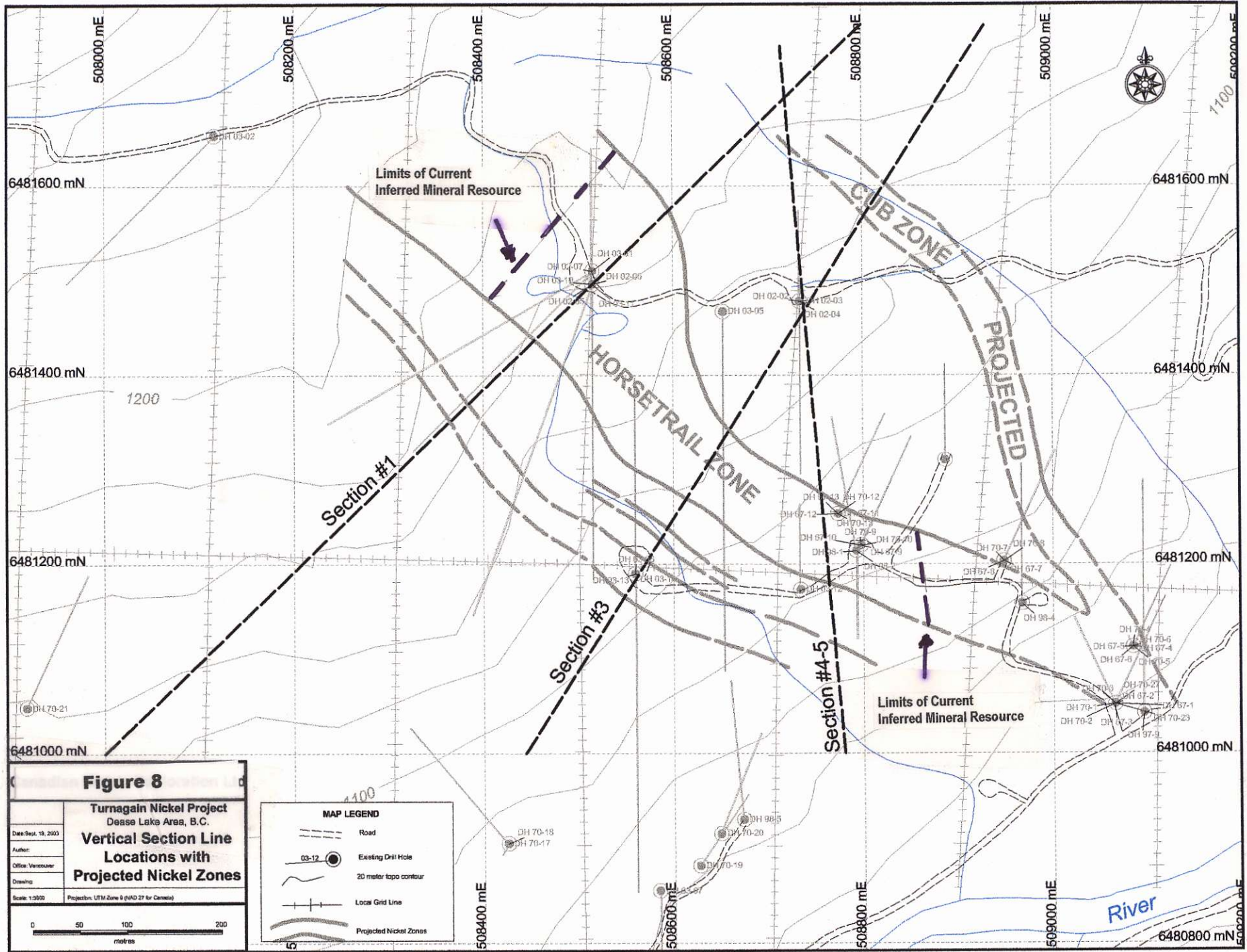


Figure 8

Turnagain Nickel Project
Dease Lake Area, B.C.
**Vertical Section Line
Locations with
Projected Nickel Zones**

Date: Sept. 18, 2003

Author:

Office: Vancouver

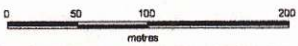
Drawn:

Scale: 1:5000

Projection: UTM Zone 8 (NAD 27 for Canada)

MAP LEGEND

- Road
- Existing Drill Hole
- 20 meter topo contour
- Local Grid Line
- Projected Nickel Zones



are present over hole lengths of up to hundreds of metres within the more widely dispersed lower grade zones.

Most of the nickel values are associated with the nickel sulphide mineral pentlandite and preliminary metallurgical test work suggests the potential for reasonably good recoveries of both nickel and cobalt.

Iron and nickel sulphides are preferentially hosted by border phases of the ultramafic intrusion and in particular, with clinopyroxene-rich peridotites which host enhanced (+0.25%) nickel grades. A variety of geophysical surveys have been of limited use in delineating sulphide mineralization but results obtained from soil geochemical surveys further demonstrates the prospective nature of the Turnagain ultramafic intrusion.

The results obtained from 2002 and 2003 drilling have permitted an initial estimate of Inferred Mineral Resources for the Horsetrail and Cub mineralized zones in the southern part of the intrusion. These resources are associated with a number of parallel, southerly-dipping lenses which may be in part conformable with compositional layering within the ultramafic complex. The identified resources are open both up- and down-dip and along strike to the northwest.

RECOMMENDATIONS

The writer is of the opinion that the Turnagain property is of sufficient merit to warrant further investigation.

It is recommended that further work consist of additional diamond drilling involving a number of relatively short (150 – 350 metres) inclined holes oriented on northeast azimuths or normal to the apparent northwest trend of the mineralized zones. The principal objective of this program would be to confirm and expand upon the mineral resource identified to date in the Horsetrail and Cub zones.

A 3000 metres, 10 to 12 hole drilling program is recommended at an estimated cost of \$548,550.00.

COST ESTIMATE

Diamond drilling – 3000 metres @ \$150/metre (all-inclusive including camp costs)	\$450,000.00
Helicopter transport – 30 hours @ \$900/hour	\$27,000.00
Contingencies @ 15%	\$71,550.00
Total	\$548,550.00

N.C. Carter, Ph.D. P.Eng.

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

REFERENCES

- Burgoyne, Alfred A. (1971): Geochemical Soil Survey, Agnes Mineral Claims, Liard Mining Division, BC Ministry of Energy and Mines Assessment Report 3206
- Carter, N.C. (2003): Geological Report on the Turnagain Nickel Property, Turnagain River Area, British Columbia, private report for Canadian Metals Exploration Ltd., June 24, 2003
- Clark, Thomas (1980): Petrology of the Turnagain Ultramafic Complex, Northwestern British Columbia, Canadian Journal Earth Sciences, vol.17, no. 6, pp.744-757.
- Crosby, Richard O. and Steele, John (1969): Report on Airborne geophysical Surveys, Cry Lake Area, B.C. on behalf of Falconbridge Nickel Mines Limited, BC Ministry of Energy and Mines Assessment Report 2056
- Cukor, V. (1980): CUB Mineral Claim, Turnagain River Area, Liard Mining Division, BC Ministry of Energy and Mines Assessment Report 8055
- Cukor, V. (1987): Geochemical Report on the CUB Claims, Liard Mining Division, BC Ministry of Energy and Mines Assessment Report 16458
- Downing, Bruce(1998): Turnagain Nickel-Cobalt Project, BC Ministry of Energy and Mines Assessment Report 25475
- Downing, Bruce (2003): Turnagain Nickel-Cobalt-Copper-PGM Project Report – private report for Canadian Metals Exploration Limited
- Livgard, E. (1996): Exploration 1996, CUB Claims, Liard Mining Division, BC Ministry of Energy and Mines Assessment Report 24911
- McDougall, J.J. and Clark, T. (1972): Geological report on the South Group Mineral Claims, Turnagain River, B.C., BC Ministry of Energy and Mines Assessment Report 3735
- McDougall, J.J. and Clark, T. (1973): Geological Report on the North Group Mineral Claims, Turnagain River, B.C., BC Ministry of Energy and Mines Assessment Report 4097
- Nixon, G.T. (1998): Ni-Cu Mineralization in the Turnagain Alaskan-Type Complex: A Unique Magmatic Environment in Geological Fieldwork 1997, p. 18-1-18-10
- Nixon, G.T., Ash, C.H., Connelly, J.N. and Case, G.(1989): Geology and Noble Metal Geochemistry of the Turnagain Ultramafic Complex, Northern British Columbia, BC Ministry of Energy and Mines Open File 1989-18
- Page, Jay W. (1986): Report on a geochemical Survey on the Turnagain Property, Liard Mining Division, BC Ministry of Energy and Mines Assessment Report 15994
- Wright, F., 2000, Process Development Concept and Economic Potential for the Turnagain Project, Dease Lake, British Columbia – private report for Canadian Metals Exploration Limited

N.C. CARTER, Ph.D., P.Eng.
Consulting Geologist

1410 Wende Road
 Victoria, B.C V8P 3T5
 Canada

Phone 250-477-0419
 Fax 250-477-0429
 Email nccarter@shaw.ca

CERTIFICATE of AUTHOR

I, NICHOLAS C. CARTER, Ph.D., P.Eng., do hereby certify that:

1. I am a Consulting Geologist, with residence and business address at 1410 Wende Road, Victoria, British Columbia.
2. I graduated with a B.Sc. degree in geology from the University of New Brunswick in 1960. In addition, I obtained a M.S. degree in geology from Michigan Technological University in 1962 and a Ph.D. degree in geology from the University of British Columbia in 1974.
3. I have been registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1966. I am a Fellow of both the Canadian Institute of Mining, Metallurgy and Petroleum and the Geological Association of Canada and am a past director of The Prospectors and Developers Association of Canada and a past president of the British Columbia and Yukon Chamber of Mines.
4. I have practiced my profession as a geologist, both within government and the private sector, in eastern and western Canada and in parts of the United States, Mexico and Latin America for more than 35 years. Work has included detailed geological investigations of mineral districts, examination and reporting on a broad spectrum of mineral prospects and producing mines, supervision of mineral exploration projects and comprehensive mineral property evaluations.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirement to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the preparation of all sections of the technical report titled Geological Report on the Turnagain Nickel Property, Turnagain River Area, Liard Mining Division, British Columbia, dated June 24, 2003. I personally examined the Turnagain property between June 16 and 18, 2003 and prepared a technical report entitled Geological Report on the Turnagain Nickel Property, dated June 24, 2003.
7. I have not had prior involvement with the property that is the subject of the Technical Report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

N.C. Carter, Ph.D. P.Eng.
 Consulting Geologist

9. I am independent of the issuer applying all of the tests in Section 1.5 of National Instrument 43-101.
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 26th day of September, 2003

N.C. Carter, Ph.D. P.Eng.

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

APPENDIX I
1966 – 1998 Diamond Drilling

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

1966 – 1998 Drill Hole Locations

<u>Hole No.</u>	<u>Year</u>	<u>Operator</u>	<u>Location</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Total Depth (m)</u>
98-1	1998	Bren-Mar	Horsetrail Zone	350	-60	288.0
98-2	1998	" "	" "	180	-60	184.7
98-3	1998	" "	" "	000	-60	203.0
98-4	1998	" "	" "	000	-60	296.2
98-5	1998	Bren-Mar	Horsetrail Zone	355	-60	295.7
97-1	1997	Bren-Mar	Cliff Zone	045	-60	160.0
97-2	1997	" "	Davis 1	000	-60	190.5
97-3	1997	" "	Davis 1	000	-50	133.2
97-4	1997	" "	Northwest	210	-50	163.7
97-5	1997	" "	Northwest	210	-60	130.1
97-6	1997	" "	Discovery (north side)	045	-65	197.2
97-7	1997	" "	Discovery (south side)	005	-60	166.7
97-8	1997	" "	50 m east of 96-2	290	-60	220.7
97-9	1997	" "	500 m east of 96-2	290	-60	493.0
96-1	1996	" "	Fishing Rock Zone	022	-45	184.4
96-2	1996	" "	Horsetrail Zone	290	-60	178.1
96-3	1996	" "	Hatzl Zone	020	-60	137.5
96-4	1996	" "	" "	200	-60	137.5
96-5	1996	" "	" "	290	-60	157.5
70-19	1970	Falconbridge	Horsetrail Zone	034	-40	118.9
70-20	1970	"	" "	022	-41	106.1
70-23	1970	"	" "	025	-40	201.5
70-24	1970	"	" "	025	-34	60.6
70-26	1970	"	" "	025	-38	77.1
70-27	1970	"	" "	025	-38	61.9
70-28	1970	"	" "	025	-38	93.3
67-1	1967	Falconbridge	Horsetrail Zone	025	-35	152.4
67-2	1967	"	" "	025	-60	121.9
67-3	1967	"	" "	335	-35	123.4
67-7	1967	"	" "	025	-35	157.0
67-8	1967	"	" "	025	-60	136.7
67-9	1967	"	" "	025	-35	154.5
67-10	1967	"	" "	025	-60	152.4
67-12	1967	"	" "	025	-35	38.1
66-TG-1	1966	"	Discovery Zone	025	-52	9.1

Results of 1966 – 1998 Diamond Drilling

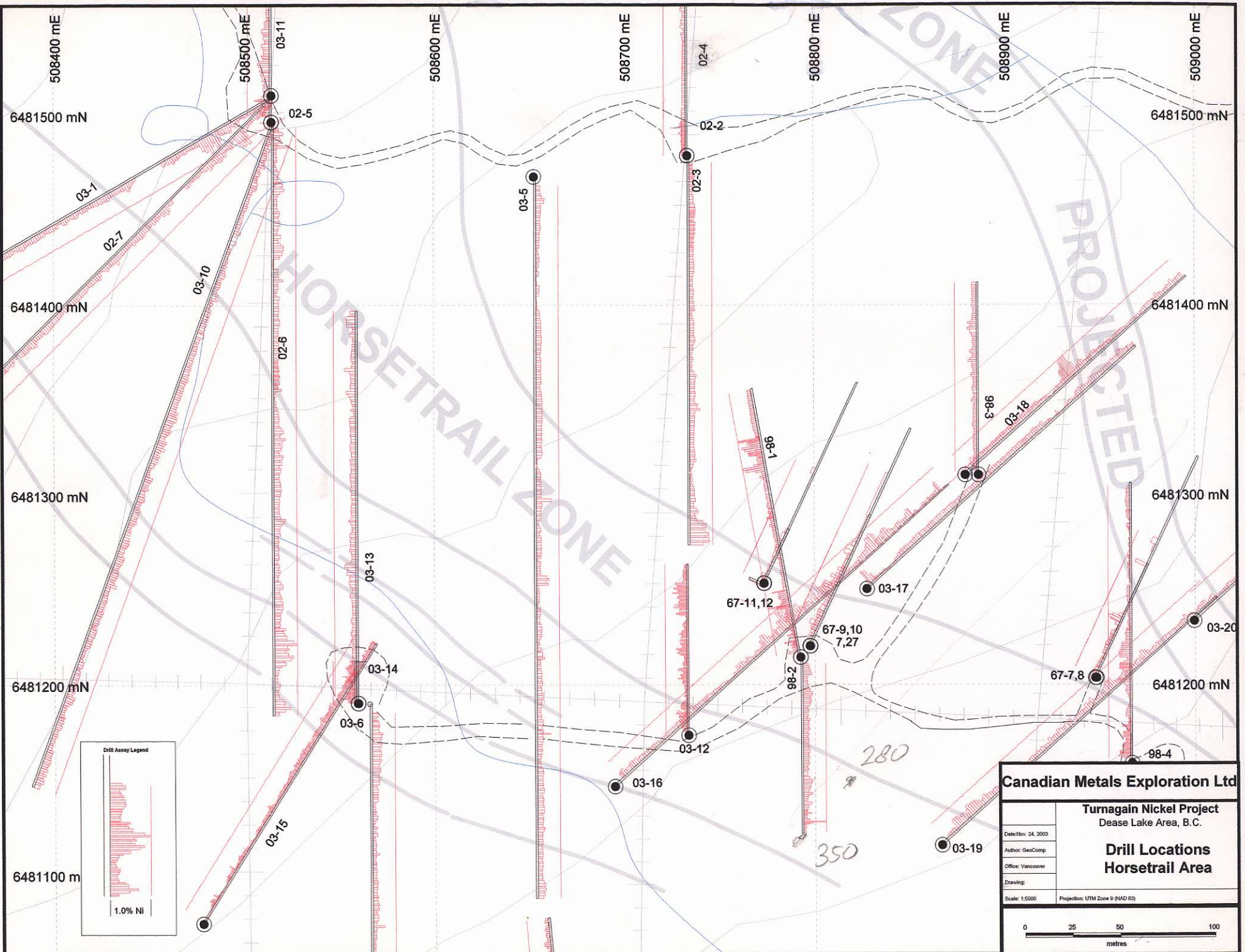
<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>	<u>Co(ppm)</u>
98-1	6.7-288.0	281.3	0.27	145
	including 6.7 – 73.5	66.8	0.30	182
	including 6.7-8.0	1.3	0.45	140
	including 18.0-19.0	1.0	0.55	382
	including 32.3-33.6	1.3	0.41	352
	Including 55.0-58.0	3.0	0.85	471
	including 56.0-57.0	1.0	1.32	693
	including 54.0-73.5	19.5	0.49	281
	including 73.5 – 148.0	74.5	0.18	119
	including 148.0-236.0	88.0	0.35	161
	including 202.0-206.0	4.0	0.93	315
	including 218.0-236.0	18.0	0.67	289
	including 234.0-236.0	2.0	1.23	741
	including 236.0– 288.0	52.0	0.22	107
98-2	6.1-184.7	178.6	0.25	131
	including 6.1-50.0	43.9	0.30	146
	including 125.3-144.0	18.7	0.30	129
	including 170.0-175.0	5.0	0.45	207
98-3	4.0-233.0	199.0	0.22	118
	including 120.0-132.0	12.0	0.30	128
	including 148.0-164.0	16.0	0.31	137
98-4	6.1 – 142.0	135.9	0.28	154
	(including 6.1-23.0	15.9	0.38	206
	including 28.0-34.0	6.0	0.31	228
	including 84.0-90.0	6.0	0.47	223
	including 98.0-128.0	30.0	0.42	184
	including 276.0-282.0	6.0	0.22	114
98-5	46.6-54.0	7.4	0.55	242
	including 49.0-50.0	1.0	1.09	398
	220.0-248.0	28.0	0.22	95
	264.0-272.0	8.0	0.25	121
	284.0-288.0	4.0	0.22	106
97-1	3.0 – 52.0	49.0	0.24	133
97-2	no significant results			
97-3	46.0 – 92.0	46.0	0.074	107
97-4	3.0 – 163.7	160.7	0.28	139
	including 94.0 – 104.0	10.0	0.44	
97-5	17.0 – 29.0	12.0	0.23	135
	29.0 – 53.0	24.0	0.11	145
	53.0 – 110.0	57.0	0.26	150
97-6	15.8 – 46.0	30.2	0.38	169
	including 26.0 – 30.0	4.0	0.70	
	80.0 – 112.0	32.0	0.25	140
97-7	3.0 – 132.0	129.0	0.085	116
97-8	83.0 – 93.0	10.0	0.36	184
	including 85.0-86.0	1.0	1.39	651
	127.0 – 216.0	89.0	0.31	155
	including 128.0-129.0	1.0	1.39	515
	148.0-159.0	11.0	0.55	184

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>	<u>Co(ppm)</u>
97-9	60.0-404.0	344.0	0.23	172
	including 82.0-94.0	12.0	0.38	146
	including 174.5-189.0	14.5	0.32	159
	including 230.0-231.0	1.0	1.13	708
	including 256.5-258.0	1.5	0.45	591
	including 277.4-284.0	6.6	0.31	180
	including 318.7-328.0	9.3	0.32	146
	including 340.0-342.0	2.0	0.41	156
	including 404.0-493.0	89.0	0.11	116
96-1	136.0 – 150.0	14.0	0.28	124
96-2	37.0 – 178.6	141.6	0.28	130
	including 81.5-92.2	10.7	0.53	120
	including 112.5-120.5	8.0	0.38	183
96-3	74.9 – 76.9	2.0	0.33	140
96-4	9.1 – 60	50.9	0.26	124
	including 9.1-27.1	18.0	0.31	130
	53.1-54.6	1.5	0.57	186
96-5	11.5 - 154.6	143.1	0.24	129
	including 31.3-44.4	3.1	0.29	132
	including 63.7-93.9	30.2	0.30	147
	including 63.7-64.7	1.0	0.64	190
	including 107.0-116.0	9.0	0.31	154
	including 142.0-144.0	2.0	0.35	175
70-19	96.0– 104.4	8.4	0.61	0.10
70-20	22.9 – 25.9	3.0	0.30	0.13
70-21	98.1– 98.5	0.4	0.45	0.07
70-23	78.3 – 83.8	5.5	0.36	
	86.0 – 92.7	6.7	0.30	
70-24	18.3 – 21.3	3.0	0.27	
70-26	3.0 – 7.6	4.6	0.32	
70-27	29.0 – 34.4	5.4	0.26	
	57.9 – 61.0	3.1	0.22	
70-28	15.2 – 16.8	1.4	0.25	
	68.9 – 69.0	0.1	1.12	
	79.2 – 82.3	3.1	0.26	
67-1	4.0 – 152.4	148.4	0.17	0.035
	including 76.2-91.4	15.2	0.23	
67-2	2.4 – 121.9	119.5	0.17	0.042
	including 9.1-12.2	3.1	0.27	
67-3	5.6 – 123.4	117.8	0.22	0.036
	including 39.6-45.7	6.1	0.35	
	including 67.1-73.2	6.1	0.38	
67-7	1.8 – 46.9	45.1	0.20	
	including 38.4-42.7	4.3	0.54	
	93.9 – 98.4	4.5	0.29	
67-8	128.6 – 132.0	3.4	0.56	0.07
67-9	2.4 – 16.8	14.4	0.34	0.06
	67.0 – 73.2	6.2	0.38	

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

<u>Hole No.</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Ni(%)</u>	<u>Co(ppm)</u>
67-10	5.5 – 91.4	85.9	0.31	0.08
including	61.0-70.0	9.0	0.60	0.11
67-12	3.0 – 6.1	3.1	0.27	
66-TG-1	0 – 9.1	9.1	0.78	0.10
including	0-5.0	5.0	1.10	0.16



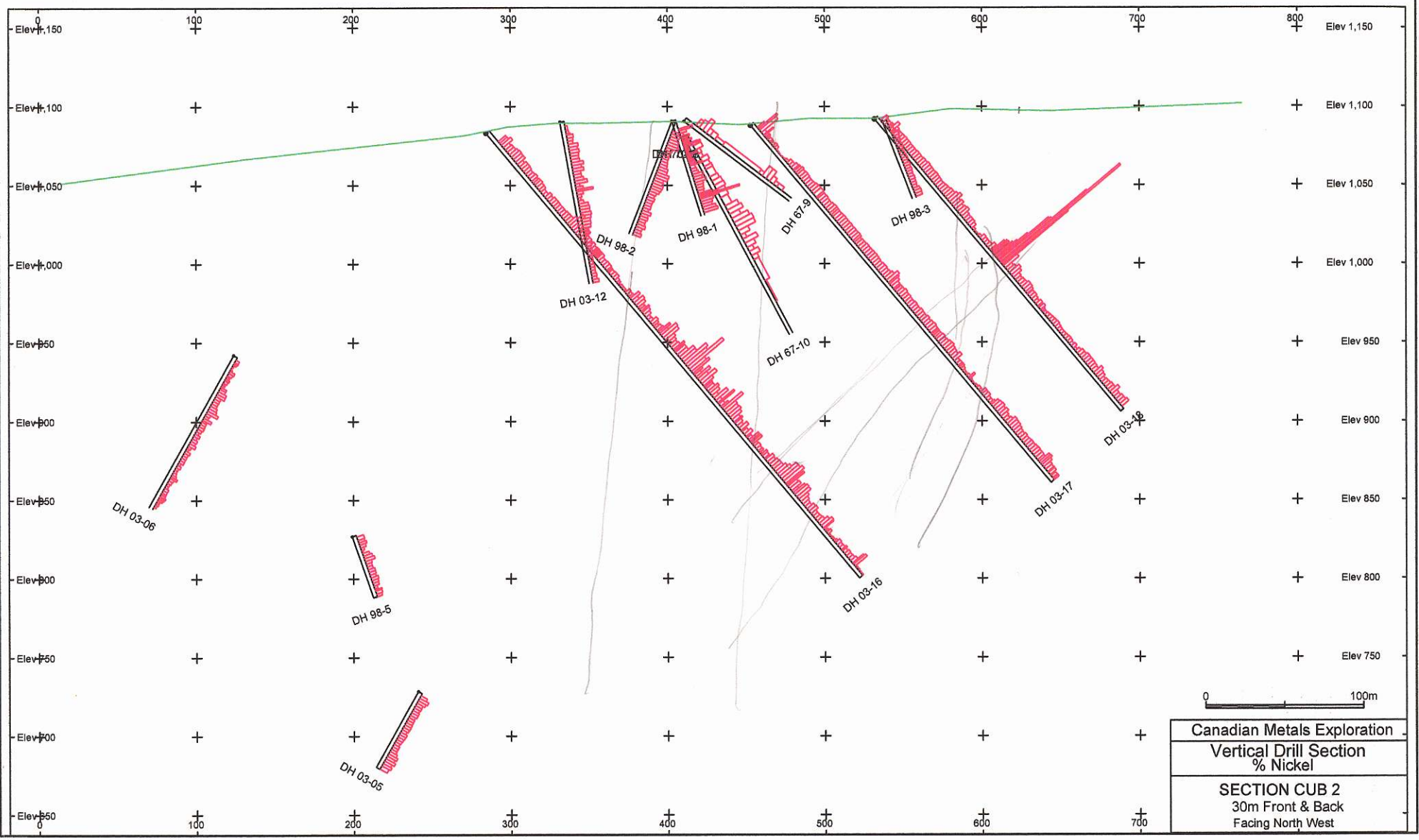
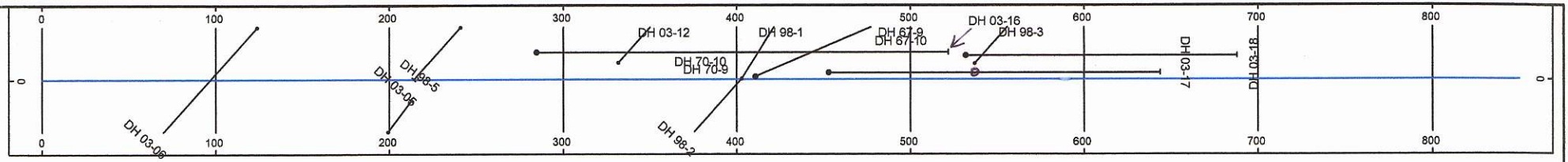
Canadian Metals Exploration Ltd

Turnagain Nickel Project
Dease Lake Area, B.C.

Drill Locations
Horsetrail Area

Date/Rev: 24, 2000
Author: GeoComp
Office: Vancouver
Drawing:
Scale: 1:5000
Projection: UTM Zone 9 (NAD 83)

0 25 50 100 metres



Canadian Metals Exploration
 Vertical Drill Section
 % Nickel
 SECTION CUB 2
 30m Front & Back
 Facing North West