

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

830933

Consulting Geologist

1410 Wende Road
Victoria, B.C. V8P 3T5
(604) 477-0419
November 25, 1994

TO: BILL HOWELL Fax: 681-0122

RE: NAK IP RESULTS

The chargeability plan is truly impressive and suggests that the system is definitely open to the north and west and possibly to the southeast as well.

It's now patently obvious that previous work has tested only small portions of the chargeability anomalies - Noranda drilling tested only the eastern half of the "bullseye" in the southern part of the present grid - there's lots of room to the west and southwest, and perhaps significantly, past drilling indicates that Cu grades appear to be improving in this direction (Figure 8 - Summary Report).

What is also particularly interesting is the response on the ridge to the west of the N-S creek and the more subtle response (looks like folded sediments) in the area of the small tributary creek coming in from the east. Chalcopyrite - pyrite have been noted on both the ridge and the latter area in the past, but to my knowledge, neither of these areas were ever investigated by Noranda.

The stronger chargeabilities in the eastern part of the grid correspond to the ridge in this area, where abundant pyrite has been noted in both volcanics and sediments - my past inclination would be to not pay too much attention to this area but the old Lynn prospect (one claim held by Homestake who inherited it from Ducanex, Lacana, Corona, etc.), which is just north of the present grid, lies on the western flank of the stronger chargeabilities.

I guess what I'm getting at is that there is a lot of room here - both of our suggested target areas (Figure 10 - Summary Report) remain valid but several additional ones are also indicated by the recent survey.

The pseudosections will be of great assistance in tying things together and it will be particularly interesting to integrate the Noranda drilling with the IP results.

I'm looking forward to getting an oar in here - hopefully the pseudosections will be available next week and we can get together early during the week of December 5.

*Best regards
Will*