

001001
N.C. CARTER, Ph.D., P.Eng.

Consulting Geologist

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

1987

SUMMARY REPORT

ON THE

SILVER POND PROJECT

Toodoggone River Area
British Columbia

SUMMARY

The Silver Pond property, situated in the Toodoggone River area of north-central British Columbia, includes a number of potential gold-silver bearing zones.

Three of these occur along a northwest fault structure of regional extent and have been partially tested by trenching and diamond drilling. West Zone, with an apparent strike length of at least 700 metres, has been tested by four drill holes and several trenches which encountered gold grades of 7 - 9 grams/tonne over widths of 1.3 to 6.5 metres. A significant drilling program is warranted to adequately assess the potential of this zone. The two other known zones along the regional fault structure require backhoe trenching and sampling prior to drilling.

Several other zones on the large property warrant follow-up geochemical and geophysical surveys and backhoe trenching.

In the writer's opinion, the Silver Pond project is one of exceptional merit and warrants a significant exploration program as proposed for 1987 by St. Joe Canada Inc.

INTRODUCTION

Nexus Resource Corporation has retained the writer to prepare this summary report on the Silver Pond project owned by St. Joe Canada Inc. and situated in the Toadoggone River area of north-central British Columbia.

The writer is familiar with the property, having supervised exploratory work on same in 1981 and 1982. Further, the writer has an extensive background knowledge of the Toadoggone area derived by way of numerous property examinations and supervision of several exploration programs over the past 16 years.

Results of St. Joe Canada Inc.'s 1985 work, with recommendations for additional work, have been reviewed and form the basis of this summary report.

LOCATION AND ACCESS

The Silver Pond property is 270 km north of Smithers in the Toadoggone River area of north-central British Columbia (Figure 1).

The claims, which adjoin those of Cheni Gold Mines Inc. on the west, cover an 8 by 4 km area several km south of Toadoggone River (Figure 2) in NTS map-area 94E/6.

Access is currently by air to an airstrip in the Sturdee River valley and by 35 km of existing road through the Multinational and Cheni Gold properties (Figure 2). Construction of an extension of the Omineca Resource Road into the Toadoggone area is presently underway.

MINERAL PROPERTY

The Silver Pond property consists of 8 Modified Grid and 4 fractional claims comprising 128 mineral claim units in the Omineca Mining Division (Figure 3). Most claims are in good standing until 1990.

GEOLOGICAL SETTING

Much of the Toodoggone River area is underlain by a distinctive lithologic volcanic assemblage of early Jurassic age (Toodoggone volcanics) which is contained in a 100 by 25 km belt extending from east of Thutade Lake in the south to Stikine River in the north.

Several styles of economic mineralization have been identified in the Toodoggone area of which the most important are epithermal precious and base metals deposits related to volcanic processes associated with the eruption of the Toodoggone volcanic rocks. These deposits occur as fissure veins, quartz stockworks, breccia zones and areas of silicification in which the principal ore minerals are fine-grained argentite, electrum, native gold and silver with lesser chalcopyrite, galena and sphalerite. Alteration mineral suites are typical of epithermal deposits with internal silicification, clay minerals and locally alunite, grading outward to sericite and clay minerals, chlorite, epidote and pyrite.

A number of significant gold-silver deposits in the area include Chappelle (ex Baker mine) and Lawyers which are in close proximity to Silver Pond.

DuPont of Canada operated Baker mine between 1980 and 1983 and milled 80,000 tonnes with average recovered grades of 16 g/t (grams/tonne) gold and 340 g/t silver. Recent work on the property by Multinational Mining Inc. has identified a new zone with grades comparable to those mined by DuPont.

Proven and probable reserves for three zones on the Lawyers property are 1 million tonnes grading 7.2 g/t gold and 260 g/t silver. Cheni Gold Mines Inc. has announced a production decision for this project at an estimated capital cost of \$36 million.

PROPERTY GEOLOGY AND MINERALIZATION

The Silver Pond property is underlain by andesitic porphyry flows, tuffs and epiclastic rocks, part of the middle unit of the Toodoggone volcanic sequence. These are transected by a northwest-striking fault zone in the eastern property area, along which at least three zones of gold-silver mineralization have been identified. From north to south these include North Grid, West Zone and Silver Creek (Figure 4).

West Zone, with an apparent strike length of 700 metres, is reflected by coincident anomalous soil geochemistry and resistivity highs. Trenching has exposed a zone of intense silica-clay mineral alteration with values of up to 9 g/t gold over a 6.5 metre width near the known southeast limits of the zone. Four diamond drill holes in the northwest part of the zone, which tested the structure to vertical depths of between 40 and 130 metres,

yielded an average 8 g/t over widths of 0.8 to 1.66 metres. Silver values in both trenches and drill holes are generally in the 25 - 30 g/t range with some spot highs of more than 200 g/t.

The Silver Creek zone, along strike to the southeast of West Zone, is a silicified zone containing locally good but spotty gold and silver grades within the area tested by drilling and trenching to date. Anomalous gold and silver values in soils 200 metres northwest of the area drilled and in the direction of West Zone require follow-up.

North Grid represents the northern extension of the fault structure hosting Silver Creek and West Zones (Figure 4). A zone of silicification is reflected by high resistivity and anomalous gold values in soils. Bulldozer trenching has been ineffective in exposing the zone and a backhoe may be more useful in assessing the potential of this area which is marked by a prominent oxidation zone.

North Grid, West Zone and Silver Creek are within a regional fault structure having an overall trend parallel to zones defined on the Lawyers (Cheni Gold) property immediately east (Figure 4). One of these zones, Cliff Creek, appears to extend into the Silver Pond property where it is characterized by multiple quartz veining and chalcedonic breccia. Limited trenching has yielded geochemically anomalous precious metals values.

Seven other potential gold-silver bearing zones, principally in the southern property area (Figure 4) have been partially

investigated by soil geochemistry, geophysical surveys and limited trenching.

CONCLUSIONS AND RECOMMENDATIONS

Several significant zones of gold-silver mineralization have been partially defined on the Silver Pond property. Of these, the West Zone warrants highest priority for additional drilling, particularly the 200 metre interval between the previous drill holes and significant gold values encountered in trenching. The writer concurs with St. Joe's plans to test the zone along strike with a series of shallow holes prior to drilling to depth.

Several other zones, notably Silver Creek and North Grid, warrant backhoe trenching which will likely result in defining additional drill targets.

A number of other zones on the large property have been subjected to only limited work and require additional investigation.

St. Joe Canada Inc., as operator, has proposed a \$2 million exploratory program for the Silver Pond property in 1987. The proposed program includes 10,000 metres of diamond drilling of which at least 4,000 metres would be directed to West Zone. Additional areas for drilling would be defined by results from backhoe trenching. Geochemical analyses of soil, rock and drill core samples would be performed on site.

The proposed budget for the program is as follows;

Diamond drilling - 10000 metres @ \$110/metre (all-inclusive price-includes camp)	\$1,100,000
Trenching	\$22,500
Environmental studies	\$10,000
Analytical work	\$368,000
Supervision, crew wages	\$143,875
Transportation	\$69,875
Equipment rental	\$41,875
Mobilization-demobilization	\$18,000
Reporting	\$15,000
Contingencies	<u>\$260,875</u>
Total	\$2,050,000

In the writer's opinion, these costs are justified and reasonable for a program of this magnitude in the Toodoggone River area.

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

CERTIFICATE

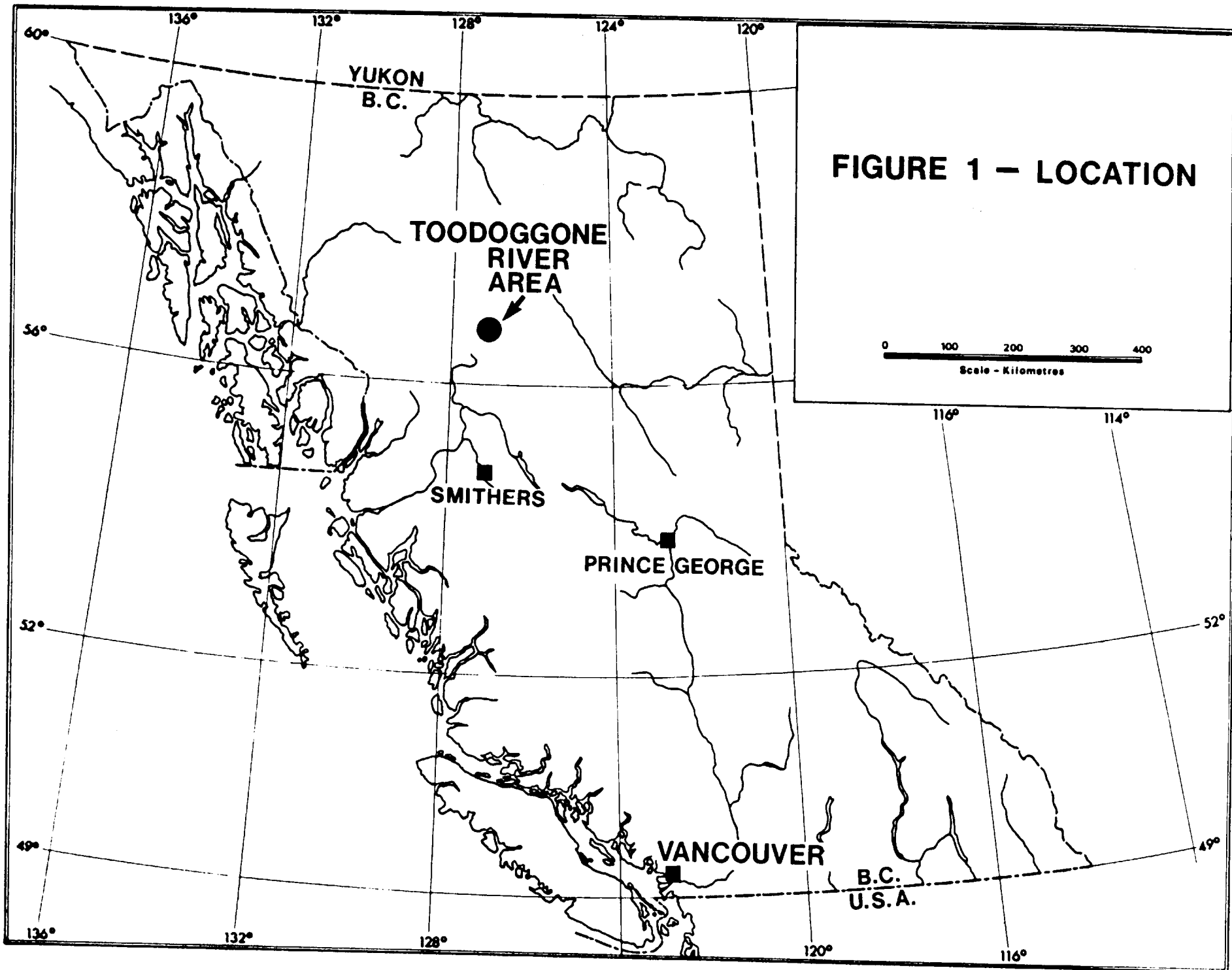
I, NICHOLAS C. CARTER, of Victoria, British Columbia, do hereby certify that:

1. I am a Consulting Geologist registered with the Association of Professional Engineers of British Columbia since 1966.
2. I am a graduate of the University of New Brunswick with B.Sc. (1960), Michigan Technological University with M.S. (1962) and the University of British Columbia with Ph.D. (1974).
3. I have practised my profession in eastern and western Canada and in parts of the United States over the past 25 years.
4. This report is based on a personal knowledge of the Silver Pond property, extensive background knowledge of the Toadoggonne River area and on a review of results of exploratory work carried out on the property by St. Joe Canada Inc.
5. I have no interest, direct or indirect, in the mineral claims comprising the Silver Pond property, or in Nexus Resource Corporation or St. Joe Canada Inc. I do own 4,000 common shares of Cassidy Resources Ltd., which company holds a 12.5% Net Profits Interest in the Silver Pond property.
6. Permission is hereby granted to Nexus Resource Corporation to use this summary report in support of any documentation to be filed with the British Columbia Securities Commission and the Vancouver Stock Exchange.

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

Victoria, B.C.
June 12, 1987

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



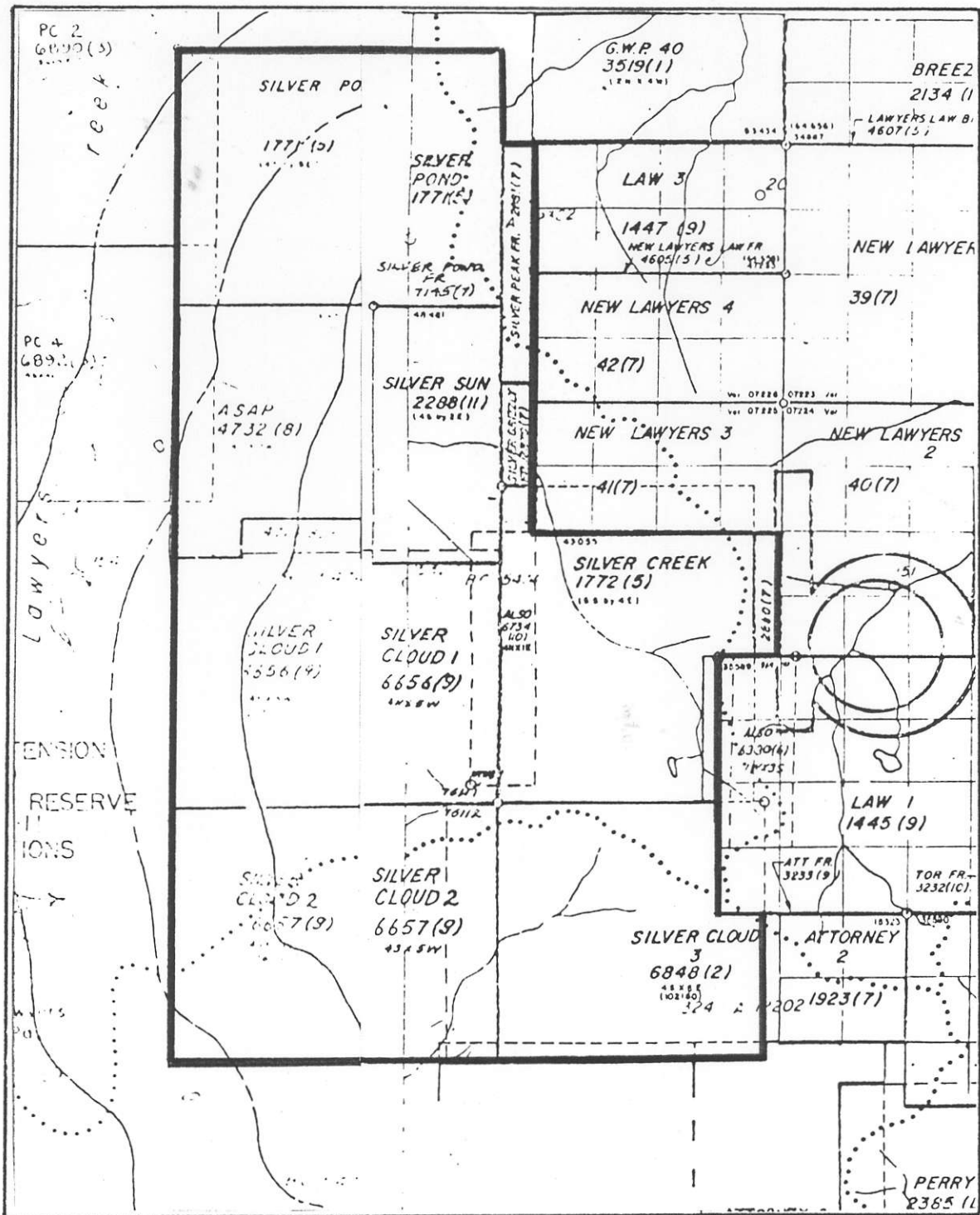


FIGURE 3- SILVER POND MINERAL CLAIMS

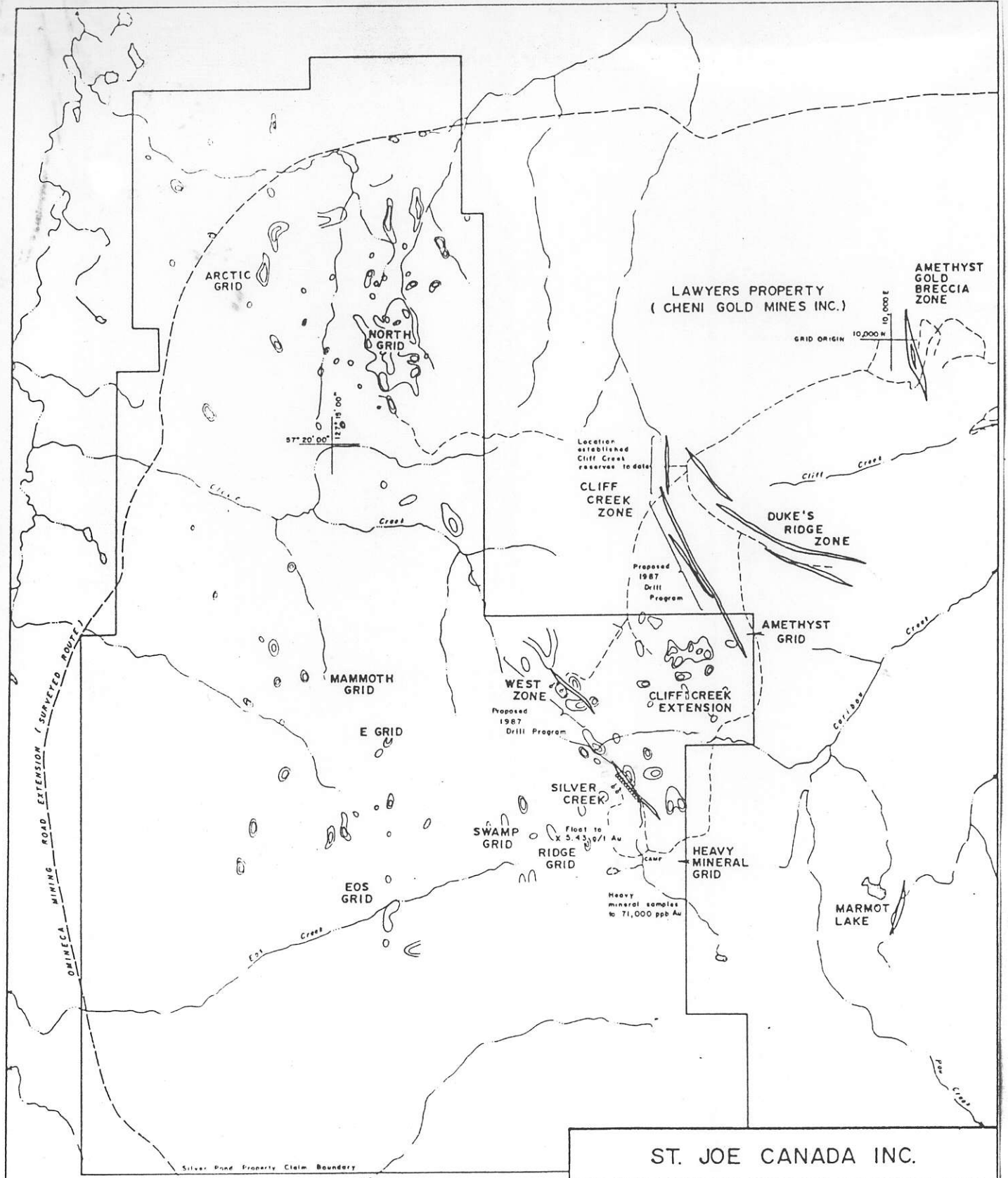


FIGURE 4

LEGEND

- Mineralized zone
- Soil geochemistry contour intervals 40 & 80 ppt Au
- Roads (existing, proposed)

ST. JOE CANADA INC.

SILVER POND PROPERTY
PROJECT COMPILATION

SCALE	DATE	N T S
1 : 40,000	APRIL 1987	94 E / 6W, 6E