Vancouver, B. C. 1986-05-13

Re: SURRENDER OF VEIN CLAIMS

Northern Gold - M504

EARL D. DODSON:

The VEIN claims are located 100 miles south of Atlin, British Columbia. There are a total of 4 claims in this block.

The claims are underlain by a small outcropping of Jurassic diorite that has intruded the Jurassic Tahwahoni formation. The siltstone, sandstone and turbidites of the Takwahoni formation have been hornfelsed within 300 meters of the diorite. Some Tertiary rhyolite sills and dykes are found locally on the property.

The mineralization located to date on the property occurs as small veins of arsenopyrite, stibnite, galena, chalcopyrite, sphalerite and stibiconite. The veins vary in thickness from 10 to 20 centimeters and are 10 to 15 meters apart. They are restricted to a 100 meter corridor that strikes east-west and dips vertically. They are interpreted as being Teritary in age because one vein was observed to cut one Tertiary dyke. All of the anomalous values are found within the veins. The sediments and the diorite have numerous fractures that are parallel to the veins which do not have any mineralization and have no associated alteration. This limited alteration and mineralization indicates to me that there is limited potential for a significant deposit.

I, therefore, recommend that we allow these claims to lapse in August. A total of 10 companies have reviewed this data, but there are no interested parties. Our expenditures to date are \$60,000.

G. WALTON

GW:am