

FOX GEOLOGICAL CONSULTANTS LTD

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93A/7

April 9, 1986

Dome Exploration (Canada) Limited
P. O. Box 350, Suite 3500
IBM Tower, Toronto Dominion Centre
Toronto, Ontario
M5K 1N3

Attention: Mr. G.S.W. Bruce

Dear Wally:

Re: Eureka Resources Inc., Frasergold Prospect, B.C.

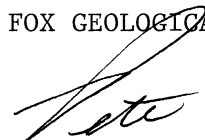
Herewith my report on the Frasergold prospect owned by Eureka Resources Inc. I reviewed all of the database as requested with the aim of identifying opportunities for further work. Amoco conducted an intensive exploration program in 1983 through 1984 - the main target being a large geochemical soil anomaly.

In my opinion Amoco has exhausted the exploration potential of the prospect. The soil anomaly together with several low priority areas, were thoroughly tested.

Eureka Resources is currently evaluating several bulk samples collected last year with the object of upgrading Amoco's overall assay results. Results of this work are inconclusive; no upgrade factor can be applied at this time.

Best regards,

FOX GEOLOGICAL CONSULTANTS LIMITED



P. E. Fox, Ph.D., P.Eng.

PEF/af

Encl.

GSWB LBH DRS MAP	
PROJECT _____	
APR 10 1986	LE
<input type="checkbox"/> PROPERTY	<input type="checkbox"/> DRILLING
<input type="checkbox"/> L. COSTS	<input type="checkbox"/> LEGAL
<input type="checkbox"/> GEOLOGICAL	<input type="checkbox"/> FINANCIAL
<input type="checkbox"/> OTHER	_____

14 Mar 86

Eureka Resources.

Knotted phyllite to 300 m thick
w/ dolomite porphyroblasts.

Gold occurs at ~~basalt~~ contact
Basal.

20 min.

Terms:

- bring to prodⁿ decision for 50% int
- 1st phase commitment yr 1 - \$500,000
- prospector \$100,000 owed

end 86 - 25000

" 87 - 75000

if goes to prodⁿ prospector

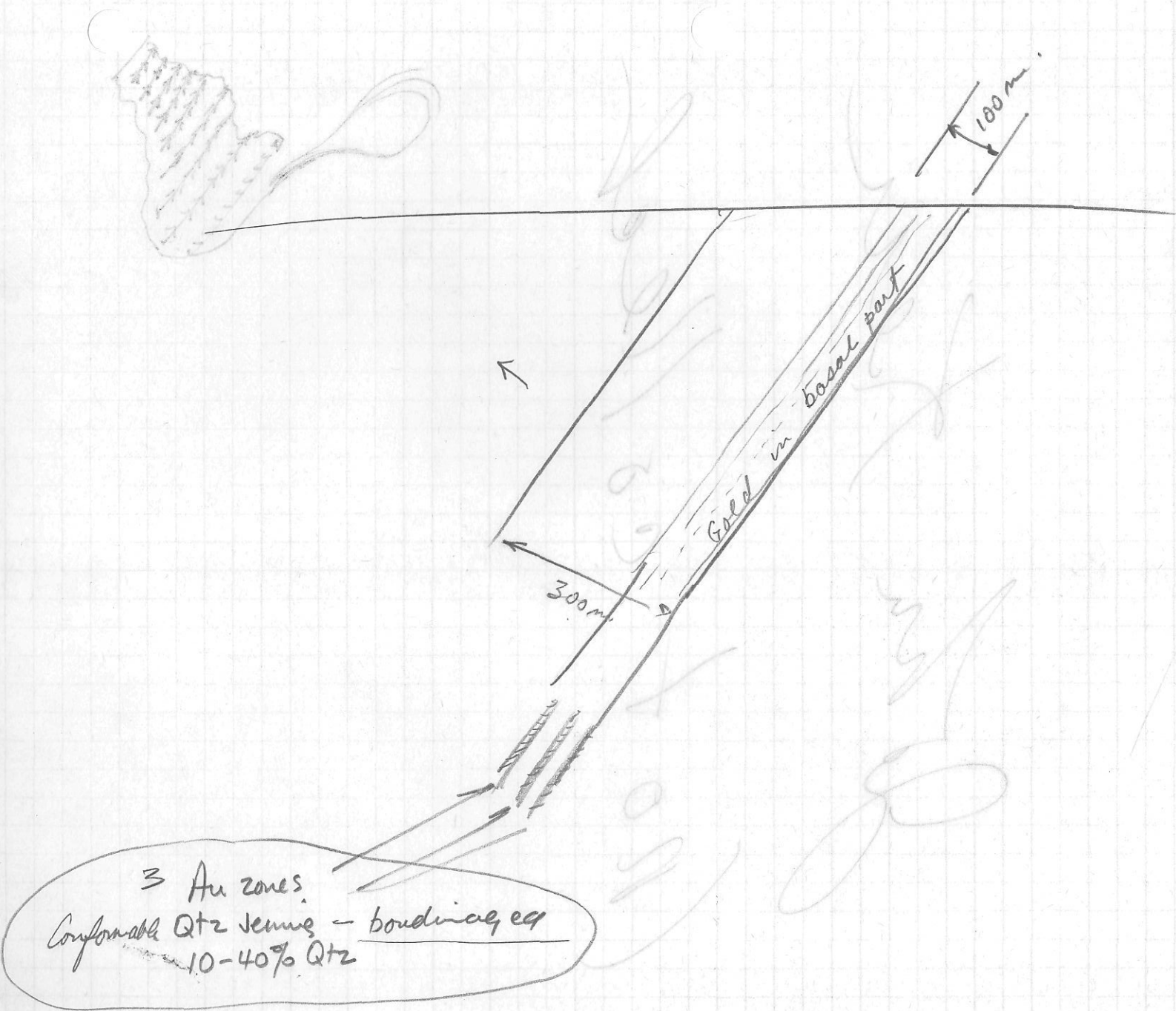
gets 200,000 shares of Eureka.

Deadlines:

Consultant: OK

John Kerr: - (604) 253 0222

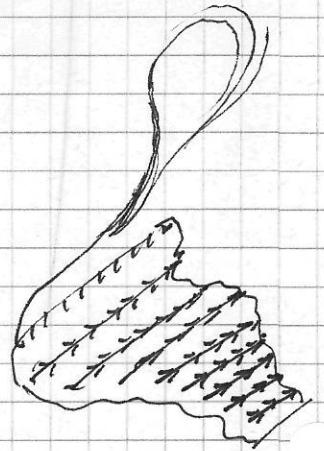
OK to talk to Paul Brown.



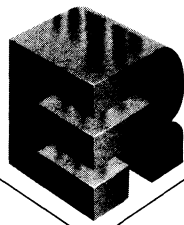
Eureka Good

John Ken

(not collected)



John Ken - 1950-1951
410 K... - 1950-1951
1/2 hr. 1951



December 19, 1986

Mr. G.S.W. Bruce
DOME EXPLORATION (Canada)
P.O. Box 270
1st Canadian Place
Toronto, Ont.
M5X 1H1

Dear Wally:

**Re: Frasergold Project
Eureka Resources, Inc.**

I am enclosing a copy of our 1986 Annual Report, with a summary of assay data from our recent drilling programme.

The results of 14 NQ diamond drill holes (1983/84) over a strike length of 1.5 Km. of a 10-12 Km. target indicated the presence of the following reserves:

15-20,000,000 tons @ .040 - .045 oz/T Au width 25 - 30 metres
2-4,000,000 tons @ 0.10 - 0.15 oz/T Au width 3.0 - 3.7 metres

The coarse, particulate nature of the gold at Frasergold has been a sampling and assay problem. The 1986 programme utilized larger diameter drilling equipment (2½" & 4½"), thereby improving our sampling procedures. The results present a much more realistic grade assignment than previously reported reserve estimates.

We therefore feel confident the grade assignment of the overall reserves will increase 2-2½ times, thereby giving estimates of 2-4,000,000 tons grading .2 - .3 oz/T Au, and 15-20,000,000 tons grading .07 - .08 oz/T Au, if the upgrading factor remains relatively constant.

Preliminary planning of our 1987 programme is a test adit and bulk sampling programme in the known hangingwall portion of the Jay Zone, plus further HQ core, and/or reverse circulation drilling to continue establishing reserves.

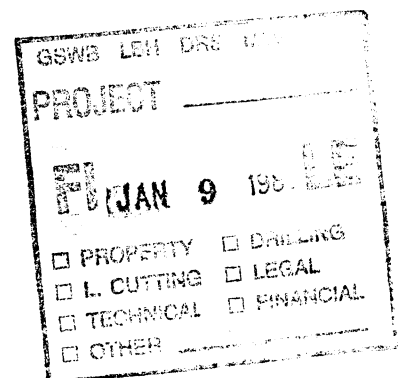
We are entertaining opportunities for joint venture partners on this project. As Dome has invested time and effort into perusing our earlier data, I feel you may be interested in reviewing the results of our 1986 programme. If you are interested please contact me in Vancouver.

Yours very truly,

EUREKA RESOURCES, INC.

John R. Kerr
J.R. Kerr, P.Eng.,
Vice President

JRK:gb
Encl:



EUREKA RESOURCES, INC., 837 East Cordova Street, Vancouver, B.C. V6A 3R2, Telephone: (604) 251-4771