

Notices received Aug 15-Sept 2 (3 week period): Mineral 14, Placer 3, others 0

Total Permits/ approvals issued (to Sept 2):

Mineral - 117 Coal - 1 Placer - 55 Aggregate - 8

Eaglehead - Access trail from "Boulder City" placer camp east of Dease Lake involves ford across the Turnagain River to reach this reactivated porphyry copper prospect. An old but useable trail to placer workings on Bobner Creek is 6 km from the proposed drill area at Eaglehead.

Regional Geology

Galore - 40,000 m of 60,000 meter drill program achieved by Sept 9. Mainly in-fill drilling in previously outlined resource areas, but exploration drilling also conducted at Middle Creek (20 ddh - good results), Junction, Butte (2 ddh - good results), IP anomalies (disappointing results) Copper Canyon (1-2 ddh planned). Success in the Butte zone seems to validate NovaGold's exploration model which postulates the base of the pseudoleucite-bearing volcanics (or intrusive dome) are favourable for potassic alteration and copper-gold mineralization.

Schaff Ck - Copper Fox reactivated work on this large low-grade porphyry copper prospect 70 km northwest of Bob Quinn. Drill program (3100 m, PQ core) to recover material for metallurgical test. Unusual mineralogy- very low pyrite content (ARD is unlikely) and atypical geology- sub-horizontal grade contours; mineralization is predominantly in altered volcanic rocks and source intrusion is not identified - cursory visit suggests deposit is inadequately explored.

RDN - Initial drill target is RTB showing found by BCGS (JoAnne Nelson) in 2004. Silver (with lead and zinc) occur in strongly silicified rocks with preserved relict sedimentary bedding. This horizon is apparently deeper in the Jurassic section than Eskay Creek. Other targets of the 1800 m program will focus on Eskay-correlative stratigraphy and include a newly recognized Eskay age rhyolite (176.5 Ma) and a mercury geochemical anomaly.

Kutcho - Western Keltic drilling for higher copper-zinc grade within the Sumac zone. The 1000 by 500 meter lens of (mainly) massive pyrite was previously drilled on 200 meter centres.

Turnagain - Second phase drilling about to begin (4000 m). Phase 1 (10,100 m) found that 2004 airborne EM anomalies are caused mainly by graphite and remobilized pyrrhotite that does not contain nickel - only cumulate (net textured) pyrrhotite contains nickel. Olivine-rich rocks are generally the preferred nickel host rock (dunite and wehrlite in the Horsetrail zone). Further west, along the trend of EM conductors, pyroxenite hosts nickel in the Silesia zone. REsults are not available for drilling further west in the Bench zone where hornblende-pyroxenite gives way to hornblendite.

Eaglehead - The planned 86 km IP survey will be reduced. Drilling to comprise 1 ddh in the Bornite zone, 3 ddh in the East zone (follow up a 1982 Esso intercept of 7.1% copper over 6.3 m) and 2-3 ddh to test IP anomaly in the unexposed Far East zone.

Health & Safety - DWF inspected Eskay Ck.

Next Week

Sept 19-20 - Group of Japanese companies to visit Eskay Creek, PJW to participate

Sept 19-23 - DWF on vacation

Sept 22 - Oil & Gas job fair at Hudson Bay Lodge (10 am - 2 pm), organized by O&G division.

Upcoming

Sept 26-28 - "Southeast Conference" in Wrangell, Alaska (PJW presentation on NW mining)

Sept 26-Oct 7 - Northern inspection tour (Iskut, Dease, Atlin areas) by AJP and DWF.

Oct 19-20 - NW Municipal Assoc. conf in Smithers, includes Mining session & Resource panel

Oct 21-24 - Tahltan/ EAO/ EMPR minerals workshops in Iskut, Dease Lk, Telegraph

Nov 20-22 - Yukon Geoscience Forum

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