

Van Schooten
PDAE '01

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SUMMARY REPORT

on the

LORRAINE-JAJAY PROPERTY

OMINECA MINING DIVISION, BC.

NTS: 93N14W

Latitude 55° 55' N, Longitude 125° 27' W

for

EASTFIELD RESOURCES LTD.

by

J.W. MORTON, P.Ge.

March 10, 2001

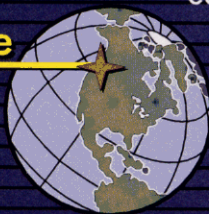
Lorraine - Jajay Project

Central British Columbia, CANADA



For decades, the copper cliffs of Lorraine have drawn prospectors and speculators, impressed by the rich metal horizons exposed in the rock faces above the scree. In the early 1970's, the terrain now comprising the

Lorraine



Lorraine/Jajay Property was the site of a major exploration rush involving several companies.

However, the infrastructure in the area was poorly developed at this time and property access was difficult. As copper prices declined through the 80's, many companies dropped their interest in the Lorraine properties, allowing Lysander Minerals to assemble a land package covering all the most prospective zones. It is this property which Eastfield has earned the rights to explore. With the infrastructure in the area much improved, and evidence of a new copper cycle in sight, the company believes that this project has tremendous potential for near term development.

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Trading Symbol **"ETF"**

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SECURITY EXEMPTION

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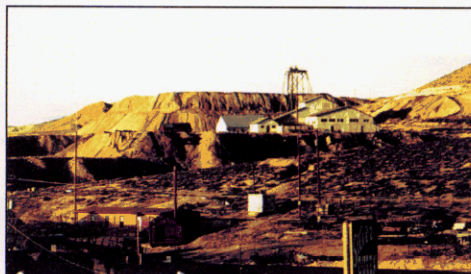
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ISSUED SHARES

Undiluted - 17.1 Million

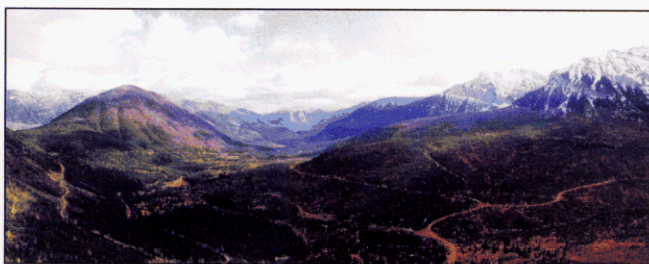
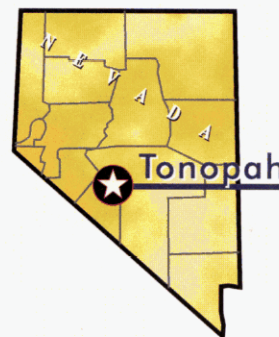
Fully diluted - 23.0 Million

Other Eastfield Projects



Tonopah

The historic Tonopah District of Nevada has already produced 174 million ounces silver & 1.8 million ounces gold from high grade ores. Eastfield has a number of drill targets outlined in this district. The Tonopah project also encloses a low-grade open pitable gold deposit that will become economic with higher gold prices.



Crowsnest/Howell

The Crowsnest/Howell properties, in southeastern B.C. show good potential for the discovery of intrusive hosted gold deposits. The geology and style of mineralization is characterized by the prolific Cripple Creek Mine, Colorado which hosted in excess of 24 million ounces of gold. Trenching at Crowsnest has returned 0.25 oz/t Au across 16.5 meters (54 ft).

Eastfield Resources is a junior resource company based in Vancouver, Canada. We are involved in the exploration for high value metal deposits in Western North America.

Listed for trading in 1987, the company has directed over \$10 Million in exploration of its mineral projects.

Iron Lake

The Iron Lake Project is a new platinum/palladium discovery in B.C.

Extensive soil geochemical anomalies have been outlined with grab rock samples up to 1g/t PGE's. The chemistry and geology indicate a large mafic to ultramafic intrusion

with excellent potential for hosting platinum and palladium resources. This is a new property which has never been explored for Platinum Group Elements



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SUMMARY

The Lorraine-Jajay claims covers one major and several significant copper-gold-PGM mineral occurrences located approximately 280 kilometres northwest of the City of Prince George, BC. The project is situated in predominantly intrusive rocks belonging to the, Triassic-Jurassic age, Quesnel Terrane.

Central to the property is a previously defined open pit resource currently containing 32 million tons with a grade of 0.66 % Cu and 0.17 g/t Au. Management believes an opportunity exists to rapidly increase this resource; hopefully past 60 million tons. A major drilling program is to be initiated in June of this year focusing on this objective.

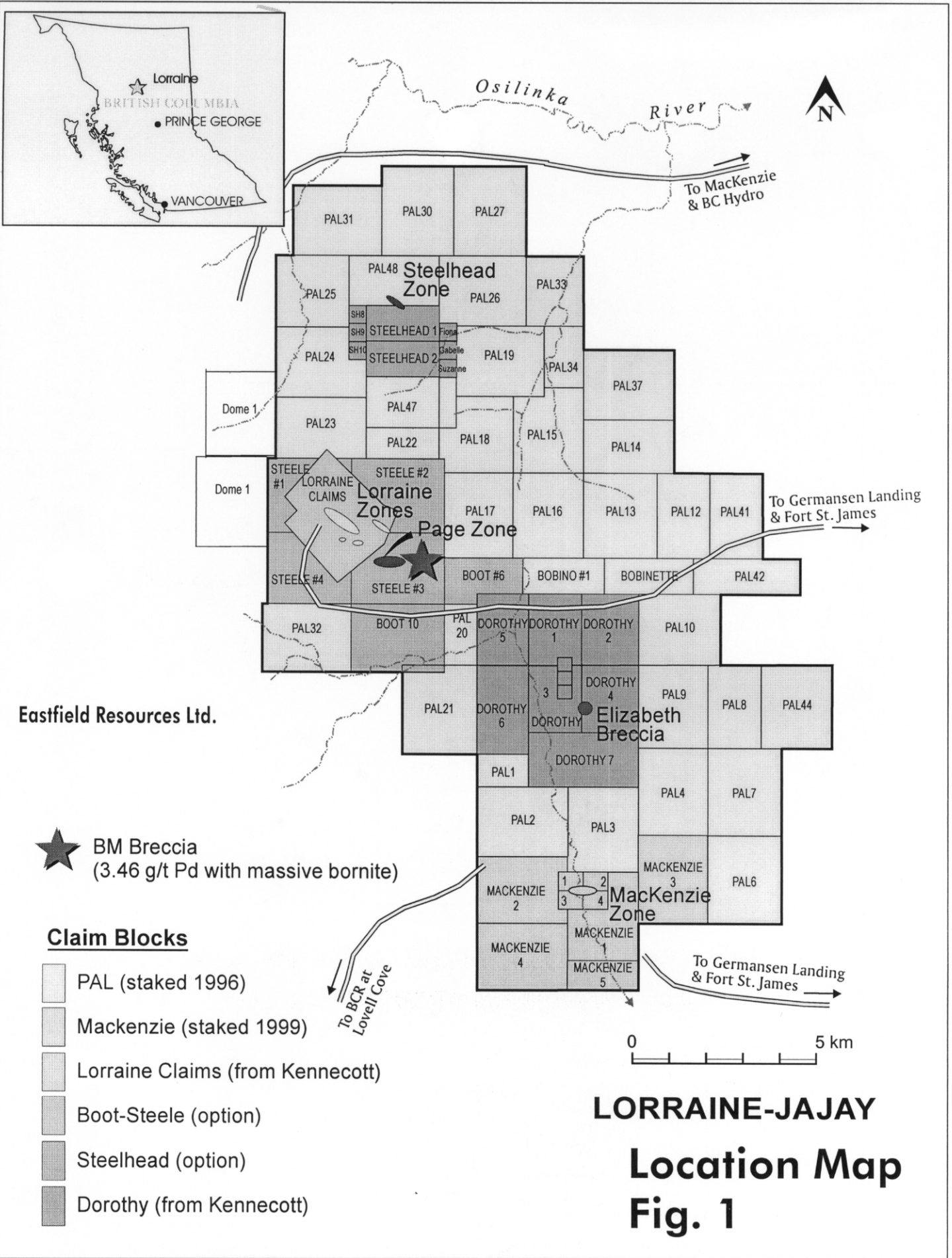
Economic factors in favour of a successful mining operation at the Lorraine-Jajay property include:

- 1) recently developed access to arterial road, rail and BC Hydro facilities;
- 2) excellent results obtained from preliminary metallurgical work indicating that good recoveries can be expected in the production of a very high grade (bornite dominant) concentrate;
- 3) a low environmental consequence to development owing to the low pyrite content of the ore and abundant secondary carbonate available to mitigate acid rock drainage; and
- 4) the polymetallic character of the ore includes copper, gold, platinum and palladium that will afford protection from turbulent commodity price swings.

In addition to copper and gold mineralization the Lorraine-Jajay property has potential to host significant palladium and platinum mineralization. This potential was first recognized by BP Minerals Canada in 1991 and has recently become a second major focus of Eastfield's activities. Sampling completed at the PGM rich "BM" breccia in 2000 returned analyses as high as 3.46 g/t Pd, 0.58 g/t Pt, 12.44 g/t Au and 26.32 % Cu.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES AND PHYSIOGRAPHY

The Lorraine-Jajay property is located in the Omineca Mountains near the headwaters of Duckling Creek. This location is approximately 280 km northwest of Prince George, British Columbia. Road access to the Lorraine claims, which form the heart of the Lorraine-Jajay property, is most commonly via Fort St. James and Germansen Landing using a bush road off the Omineca Mining Road. Recent logging activity in the area has pushed industrial logging roads to within a few kilometres of the property from the southeast (via Germansen Landing), from the southwest (via the BC rail loading facilities at Takla Lake) and from the north (via MacKenzie and the Kemess Access Corridor). One of the newly constructed roads approaches the property from the southwest using a new bridge on the Omineca River. It provides access to the BC Rail at Lovell Cove on Takla Lake where logs are shipped to Prince George. This road and bridge will be an important component to the necessary infrastructure if and when a mine is constructed on the property. A second road accesses the extreme southeastern region of the property using a new logging road branching from the Omineca Mining Road. This road extends to within a few hundred metres of the east bank of Duckling creek and was used for most



**LORRAINE-JAJAY
Location Map
Fig. 1**

of the access in the 2000 program. The property is located in a section of the interior which is truncated to the north and south by the broad, subdued river valleys of the Osilinka and Omineca Rivers respectively. Elevations on the property range from approximately 1000 metres (3200 feet) on Duckling Creek to around 2100 metres (6900 feet) on the highest ridge tops. Pleistocene glaciation has incised a number of north and east-facing cirques, which interrupt the general north-south lineation of the topography. Cirque floors are generally found at 1550 to 1600 metres (5000 to 5200 feet) elevation. Talus development is extensive on the northern and eastern slopes, while the southern and westerly slopes are commonly vegetated. Glacial till and fluvioglacial outwash blanket the valley bottoms, limiting most outcrop exposures to streambeds below tree line. A thick growth of mature spruce, pine and balsam covers much of the lower elevation areas extending up to tree line at approximately 1650 metres (5400 feet) elevation.

The climate of this region of BC is typically cool and moderate with warm moist summers and cold winters. The lower elevation regions of the claims are snow free from the end of April until the beginning of November. In the highest elevation regions of the claims winter snow may linger until the end of June and occur again any time after the middle of September. Total snowfall is not excessive.

PROPERTY DESCRIPTION AND LOCATION

The Lorraine-Jajay property covers 1042 claim units located in the Omineca Mining Division of central BC. The claims, listed below, are all located on government (crown) land and encompass approximately 25,000 hectares (62,000 acres).

Claim Name	Record #	# units	Expiry Date	Expiry Year
Pal 1	346810	6	31-May	2002
Pal 2	346811	20	16-Dec	2001
Pal 3	346812	20	16-Dec	2001
Pal 4	346813	20	11-Jun	2002
Pal 6	346815	20	11-Jun	2002
Pal 7	346816	20	11-Jun	2002
Pal 8	346817	15	9-Jun	2002
Pal 9	346818	20	9-Jun	2002
Pal 10	346819	20	9-Jun	2002
Pal 12	346820	15	10-Jun	2002
Pal 13	346821	20	12-Jun	2001
Pal 14	346822	15	12-Jun	2001
Pal 15	346823	20	6-Jun	2001
Pal 16	346824	20	7-Jun	2002
Pal 17	346825	20	7-Jun	2002
Pal 18	346826	20	6-Jun	2002
Pal 19	346827	20	5-Jun	2002
Pal 20	346828	8	2-Jun	2002
Pal 21	346829	20	31-May	2002
Pal 22	346830	8	7-Jun	2002
Pal 23	346831	20	7-Jun	2002
Pal 24	346832	20	6-Jun	2002
Pal 25	346833	20	4-Jun	2002

Claim Name	Record #	# units	Expiry Date	Expiry Year
Pal 26	346834	20	11-Jun	2002
Pal 27	346835	20	2-Jun	2002
Pal 30	346838	20	2-Jun	2002
Pal 31	346839	20	3-Jun	2002
Pal 32	349774	20	11-Aug	2001
Pal 33	349775	12	16-Aug	2002
Pal 34	349776	8	16-Aug	2002
Pal 37	349779	20	17-Aug	2001
Pal 41	349783	15	20-Aug	2001
Pal 42	349784	12	18-Aug	2001
Pal 44	349786	20	20-Aug	2001
Pal 47	350425	15	24-Aug	2001
Pal 48	350016	12	11-Jun	2002
Bobino 1	346808	10	7-Jun	2002
Bobinette	346809	10	8-Jun	2002
Fiona	352235	1	11-Jun	2002
Isabelle	352236	1	11-Jun	2002
Suzanne	352237	1	11-Jun	2002
Steelhead 1	334766	8	6-Apr	2002
Steelhead 2	334767	8	6-Apr	2002
Sh 8	334773	1	6-Apr	2002
Sh 9	334774	1	6-Apr	2002
Sh 10	334775	1	6-Apr	2002
Lorraine 1	243499	1	17-Sep	2006
Lorraine 2	243500	1	17-Sep	2006
Lorraine 3	243501	1	17-Sep	2006
Lorraine 4	243502	1	17-Sep	2006
Lorraine 5	243503	1	17-Sep	2006
Lorraine 6	243504	1	17-Sep	2006
Lorraine 7	243505	1	17-Sep	2006
Lorraine 8	243506	1	17-Sep	2006
Lorraine 9	243507	1	22-Jun	2006
Lorraine 10	243508	1	22-Jun	2006
Lorraine 11	243509	1	22-Jun	2006
Lorraine 12	243510	1	22-Jun	2006
Lorraine 1FR	245449	1	31-May	2006
Lorraine 2FR	245450	1	31-May	2006
Lorraine 3FR	245451	1	31-May	2006
Lorrex 1	243646	1	4-Sep	2006
Lorrex 2	243647	1	4-Sep	2006
GK 1	245043	1	3-Jul	2006
GK 2	245044	1	3-Jul	2006
GK 3	245045	1	3-Jul	2006
GK 4	245046	1	3-Jul	2006
GK 5	245047	1	3-Jul	2006
GK 6	245048	1	3-Jul	2006
GK 7	245049	1	3-Jul	2006
GK 8	245050	1	3-Jul	2006
GK 9	245051	1	3-Jul	2006
GK 10	245052	1	3-Jul	2006

Claim Name	Record #	# units	Expiry Date	Expiry Year
GK 11	245053	1	3-Jul	2006
GK 18	245054	1	3-Jul	2006
GK 19	245055	1	3-Jul	2006
GK 20	245056	1	3-Jul	2006
GK 21	245057	1	3-Jul	2006
GK 109 FR	245452	1	31-May	2006
GK 110 FR	245530	1	25-Jul	2006
GK 111 FR	245453	1	31-May	2006
GK 112 FR	245531	1	25-Jul	2006
Dorothy 1	241431	12	20-Nov	2002
Dorothy 2	241432	12	20-Nov	2002
Dorothy 3	241433	12	20-Nov	2002
Dorothy 4	241434	12	20-Nov	2002
Dorothy 5	241961	12	14-May	2002
Dorothy 6	241962	15	14-May	2002
Dorothy 7	241963	18	14-May	2002
Dorothy #1	243511	1	16-Jul	2002
Dorothy #3	243512	1	16-Jul	2002
Elizabeth #1	243513	1	27-Aug	2002
Steele #1	240496	20	29-Apr	2003
Steele #2	240497	20	29-Apr	2003
Steele #3	240498	20	29-Apr	2003
Steele #4	240499	20	29-Apr	2003
Boot 6	242900	15	30-Oct	2001
Boot 10	303913	20	5-Sep	2002
Duck 1	371543	1	31-Aug	2001
Duck 2	371544	1	31-Aug	2001
Duck 3	371545	1	31-Aug	2001
Duck 4	371 546	1	31-Aug	2001
Mackenzie 1	372404	20	16-Dec	2001
Mackenzie 2	372405	20	16-Dec	2001
Mackenzie 3	372406	20	16-Dec	2001
Mackenzie 4	372407	20	16-Dec	2001
Mackenzie 5	372408	8	16-Dec	2001
Dome 1	384003	20	Feb 13	2002
Dome 2	384004	20	Feb 13	2002
Total		1042		

Eastfield may earn up to a 75% interest in the Lorraine-Jajay property from Lysander Minerals Corporation and certain individuals. By completing \$4,000,000 in exploration and making \$550,000 in payments before December 31, 2005, Eastfield earns 65% and, by completing a positive feasibility study within two years thereafter, increases its interest to 75%.

There are no known environmental or aboriginal issues specific to the Lorraine-Jajay claims known to the author other than those that relate to British Columbia in its generality.

HISTORY

In the early 1900's, prospectors noted the malachite-stained bluffs of Lorraine Mountain, but it was not until 1931 that the property was first staked. The Consolidated Mining and Smelting Company Limited (later named Cominco) acquired the Lorraine property in 1943 and held it until 1947.

Kennex (a subsidiary of the Kennecott Corporation) acquired the Lorraine property in late 1947 and in 1948, under the name of Northwestern Explorations Limited, they mapped and surface sampled the property. In 1949 five widely spaced AX diamond drill-holes were completed on the Lorraine claims in the vicinity of the copper stained cliffs. Results from this drilling was mixed.

Regional prospecting, undertaken during the 1948 program located copper-mineralized float on the East Side of Duckling Creek approximately 8 kilometres distant in what soon became the Dorothy and Elizabeth showings. Several boulders, described as being up to 4 cubic feet in volume and consisting of approximately 90 % sulfide, were discovered on the Elizabeth claims. These boulders returned assays varying from 24.20 % to 31.25 % copper. In 1949, Northwestern followed-up this prospecting with a program of mapping, line-cutting, hand trenching and diamond-drilling. Four AX diamond-drill holes, totaling 442 metres, were drilled at the Dorothy showing. The best intersection from this program assayed 0.48% copper over 109 metres (357 feet).

Limited exploration was carried out in the area during the 1950's and early 1960's. In 1951, H. Warren and D. Barr carried out a biogeochemical survey in the Dorothy Elizabeth area. In the early 1960's Kenneco Explorations (Western) Limited carried out a program of mapping, silt and soil sampling, and geophysical (IP and magnetometer) surveys in the area, and in 1963, they drilled 2 AX diamond-drill holes (DDH DY-1, 2). Sufficient assessment work was generated by this work to hold the Dorothy 2-post claims until 1972, after which cash in lieu of work was paid to hold the property.

The Lorraine property then lay dormant until it was joint ventured with Granby Mining Company Limited in 1970. During the period 1970-73, Granby enlarged the property and carried out a major exploration program of geological mapping, rock and soil sampling, trenching and drilling. A total of 3,992 metres of diamond drilling and 2,470 metres of percussion drilling were completed on the Main Zone. By 1973, the Main zone had been

sub-divided into two zones and a preliminary estimate of reserves calculated. The Lower Main zone was inferred to contain 5,500,000 tons grading 0.6% copper and 0.1 grams per tonne gold, and the Upper Main Zone was inferred to contain 4,500,000 tons grading 0.75% copper and 0.34 grams per tonne gold. A cut off grade of 0.4% copper was used in the calculations. A large area surrounding the Granby-Kennecott holdings was acquired or staked by a large group of junior and senior resource companies. Senior companies conducting exploration in the early 1970's on the site of the present Lorraine-Jajay claims periferal to the Kennecott holdings included Noranda, Cominco, Falconbridge and Amoco Canada.

The Lorraine properties were inactive during the later years of the 1970's and through most of the 1980's. In 1989, Kennecott Canada Inc. began a reassessment of the gold-copper potential of the Lorraine and Dorothy properties. The property was expanded, and an initial orientation program was contracted to C.E.C. Engineering Ltd. in 1990. This included road rehabilitation, establishing grids, geological mapping, soil sampling, and geophysical (IP and magnetometer) surveys.

In 1991 Kennecott resumed management of the property and embarked on a 12-hole (2,392 metres) diamond-drill program in the Lorraine area, with 9 holes drilled in the Lorraine Extension (later called the Bishop) Zone, 2 holes drilled in the Webber zone and 1 hole drilled in the North Cirque Zone. Detailed geological mapping and petrographic studies were begun during this program. The exploration program also extended to the Dorothy / Elizabeth areas. Work consisted of road construction (from the Dorothy Duckling Creek access road to the Elizabeth Breccia area), test pitting, rock sampling, IP surveys and the diamond drilling of 6 NQ holes for a total of 961.6 metres. The first 3 holes were drilled at the Dorothy showing in the vicinity of Northwestern's 1949 drill-holes, the remaining 3 holes were drilled along the Dorothy Duckling Creek road south of Dorel Creek. The most significant intersection was in hole D91-1 which averaged 0.34% copper and 0.12 grams per tonne gold over 121 metres.

In 1993, Kennecott drilled another 2 holes (the 3rd hole was lost in overburden) in the Lorraine claims, along with detailed rock chip sampling of the Main and Extension (Bishop) zones.

In 1990 BP Resources Canada optioned several claims surrounding the Lorraine claims. This option was negotiated following the discovery of platinum and palladium mineralized float by an area prospector in 1990. In 1991 BP located the source of the mineralization in a breccia outcropping from a cliff face. In 1991 BP completed geochemical, induced polarization and minor diamond drilling northeast of the Bishop Zone as well as completing a detailed airborne geophysical survey. . An expanded program was proposed for 1992 but was not completed owing to the decision of BP's parent oil company to wind down BP Resources Canada.

In 1994 Lysander Gold Corporation (now Lysander Minerals Corporation) optioned the Lorraine property from Kennecott and carried out a 10-hole diamond-drill program (1,221.4 metres), which was focused on the western part of the Upper Main (3 holes) and

Bishop (7 holes) zones. The success of this program led to the optioning of the adjacent Boot-Steele claims to protect a possible southeastern extension of the Bishop zone.

Lysander continued drilling in 1995 with a 26-hole, 3843.53 metre program. A total of 23 holes (2903 metres) were drilled on the Upper Main Zone proving that mineralization occurs as "ameba" like masses with greater potential at depth than earlier work had suggested. Two holes were drilled in the Bishop zone in 1995 with both failing to intersect significant mineralization suggesting that faulting is an important feature in this area. A single "wildcat" hole drilled on Jenö Ridge (above the "BM " Breccia) also failed to intersect economic mineralization. This program also successfully established the existence of a potential oxide copper resource in the weathered talus apron below the Upper Main Zone.

In 1996 Lysander optioned the Dorothy and Steelhead properties and staked the Pal claims. Initial work in 1996 on the expanded Jajay property included a geochemical program of sampling soils, talus fines, seepage sediments and rocks over the western third of the expanded property. A 10-hole diamond-drill program in 1996 probed extensions of the Upper Main Zone and reestablished extensions to mineralization in the Bishop zone. Significant intersections included hole 96-44 which cut 32.2 metres (106 feet) of 1.49% copper in this zone.

Lysander continued drilling in 1997 with an 8-hole (1146.3 metres) program. 4 holes were drilled in the Dorothy showing, 3 holes in the Bishop zone and 1 hole in the Ato area (Bobinette claim). In the Bishop zone, hole 97-47 intersected 64 metres of 0.58 % copper and 0.24 grams per tonne gold. The geochemical (talus fines and seepage sampling program) was continued in 1997 and a limited amount of follow-up sampling was carried out. Numerous copper and gold anomalies were identified in both of the 1996 and 1997 geochemical surveys. Subsequent reanalysis of some of these samples resulted in the identification of several PGE anomalies.

In 1999 Lysander completed 3 fly camp scale reconnaissance prospecting surveys of three of the more obvious targets originating from the geochemical reconnaissance completed in 1996 and 1997. The most significant result of this work was the identification of "Lorraine style" mineralization in an alpine drainage 1000 metre south of the Bishop Zone. Evaluation here led to the discovery of several new outcrops containing significant copper and gold mineralization in potassic altered syenite and syenite-magnetite breccia. The importance of this discovery is enhanced by the fact that these exposures bear a striking similarity to mineralization that occurs at the Lorraine Upper Main Zone. Five outcrop (and rubble) samples at this discovery (named the Page Zone) averaged 0.86% copper and 0.47 gm/t gold. The Page Zone currently constitutes a prime target.

GEOLOGY

The Lorraine-Jajay property occurs within a large intrusive complex which is itself located within a northwest-southeast trending Mesozoic depositional basin formerly referred to as the Quesnel Trough and more recently referred to as the Quesnel Terrane. The origin of this basin has been ascribed both to a rift basin and an island arc model. In the section including the Lorraine-Jajay property the rift basin model is the most compelling. Here the basin is approximately 40 kilometres wide and is discretely bounded by the Pinchi Fault on the west and the Manson Fault on the east. Mafic volcanic rocks including basalt and andesite (mapped as the Takla Group), commonly crosscut by pyroxenite dykes, dominate the basin infill.

The intrusive complex (The Hogem Batholith) that dominates the Lorraine-Jajay property is at least partially comagmatic with the Takla Group volcanic rocks and is comparable in age (Middle to Upper Jurassic). With the exception of the extreme eastern region of the Lorraine-Jajay property, all volcanic rocks have eroded off the edifice which is considered to now represent a deeper level of the intrusion. The complex is divided into three major phases that grade from an earliest basic phase in the northeast to a syenite middle phase in the centre and a younger granitic phase in the southwest. Opinions differ with respect to whether or not the earlier basic phase and the middle syenite phase have cross cutting relationships, implying a significant variance in ages. Opinion is consistent that the youngest granitic phase (granite to granodiorite) cross cuts both the syenite and basic phases.

The Duckling Creek Syenitic Suite is the most significant unit in the region for the occurrence of copper, gold and PGM mineralization. The Duckling Creek Syenitic Suite forms an oblate northwest trending unit approximately 35 kilometres long and averaging 8 kilometres wide. Approximately 50% of the Lorraine-Jajay property is underlain by this suite while most of the remainder of the property is underlain by the older basic phase. The youngest phase, consisting of granite to granodiorite, is restricted to cross cutting dykes and to a small area on the southwest side of the property.

A number of unusual aspects present in the rocks of the Duckling Creek Syenitic Suite have caused some workers to predict a large alkaline intrusive body with carbonatite characteristics at depth. A discrete magnetic ring approximately 10 kilometres in diameter is associated with Lorraine and several other known areas of significant copper-gold ± PGM mineralization. The ring was an important consideration in assembling the present property holdings. The centre of the ring, which occurs under an overburden filled valley, remains an intriguing target. An other unusual aspect is an often foliated character to the rocks and an often pervasive potassium metasomatism in them. On a detailed scale rocks consisting of pyroxenite can be observed to essentially change back and forth to syenite over distances less than a metre (sometimes over a few centimeters). Other workers have attributed this variability to migmatization arising from emplacement of the complex at great depth within a regime fostering ductile deformation.

Magmatic, rather than hydrothermal?!

esp. bn/cpy in pyroxenite
- cumulate texture

MINERAL RESOURCES

In 1998 G.R. Peatfield, Ph.D., P. Eng. computed a then current resource for Lysander Minerals Corporation. Mr. Peatfield's methodology consisted of using a series of level plans constructed on 10 metre increments to compute new resources present within the Upper Main and Bishop Zones. The smaller Lower Main zone, with a published resources originating from earlier Granby Mining and Kennco work, was added to his new calculations. The results of these resources, taken from Peatfield's report, are as follows:

Zone	MM tonnes	Cu (%)	Au (g/t)
Upper Main	15.9	0.71	0.26
Bishop	10.6	0.63	0.06
Lower Main	5.5	0.60	0.10
Total	32	0.66	0.17

No resources have been attributed to several additional potentially economic drill intercepts in other mineralized areas which occur on the Lorraine claims and on the Dorothy claims.

Peatfield notes that the three zones in his resource calculation are all open for expansion (in at least one direction). A recent review of drilling by this author indicates that several holes in the Upper Main and Bishop Zones are not effectively cut off at depth offering a further opportunity to expand the mineral resource. It is also noted that and that a significant area between the Upper and Lower Main zones remains untested.

MINERALIZATION

The Duckling Syenitic Suite is by far the most significant unit for economic metal mineralization (copper-gold and PGM). The greatest concentration of copper minerals, dominantly bornite and chalcopyrite with lesser chalcocite and covellite, occur in syenitic rocks and to a lesser extent in pyroxenite. Pyrite is generally rare or absent while magnetite is usually ubiquitous. Gold content shows a positive correlation with syenitic-hosted copper mineralization while PGM mineralization is positively correlated with pyroxenite. Mineralization is dominantly disseminated versus fracture controlled and the mineralizing event shows evidence of having been long-lived and dynamic and at least in part magmatic. Evidence for the long lived character of the mineralizing event is offered by the range of ductile and brittle deformation zones with which it is associated and fault effects which both control and truncate mineralization. Evidence for the magmatic origin of mineralization is offered by its character of occurrence as blebs and "net textured" semi-massive sulfide in pyroxenite. Mineralization in the Lower Main Zone is often hosted by an unusual syenite migmatite in which anastomosing arrays of pink potassium feldspar rich bands and dyklets encompass and envelop a biotite-pyroxene mafic phase. This style of mineralized rock gives an impression that pyroxenite was brecciated invaded with a younger syenitic differentiate and then subjected to ductile deformation.

Magmatic vs hydrothermal

On Jenó Ridge, 1200 metres south of the Bishop Zone, a clast supported breccia with a matrix dominated by bornite and chalcocite occurs on a 50-metre exposure of cliff face (the "BM Breccia"). This mineralization (matrix to the breccia) is extremely high grade and often is in excess of 10% copper with 10 to 18 g/t gold and 1.0 to 3.5 g/t palladium. On a hand specimen scale mineralized rock here is divided into bands of potassium feldspar plus albite which are gradational to bands dominated by mafic minerals. Included in the mafic minerals are diopside, biotite, apatite and garnet. Opaque minerals (copper sulfides) and magnetite are intergrown with and form a matrix to the mafic minerals. Minor bismuth-telluride occurs within bornite. Pyrite is notably absent implying a low sulfur system. The petrology here suggests that the mineralization is hosted within the mafic portion of a compositionally banded intrusion and is primary in part and replacement in part. The major significance of this mineralization will be realized when the larger source of the magma represented in the breccia is located. Jenó Ridge and the flat tableland southeast of it represent an intriguing and compelling target area.

Mineralization occurring in the younger granitic rocks of the Hogem Batholith is generally of lesser importance. Two exceptions from this generalization are worth commenting on. Firstly an area of copper-molybdenum mineralization was located in 1999 immediately to the north of the Steelhead claims. This mineralization, which is relatively low grade at the discovery outcrop, was found while following up several strong copper in talus fines and seepage samples. The full significance of this mineralizing has not yet been determined. Secondly, and possibly of greater importance, is the gold analysis obtained from a granitic dyke occupying the last 2.6 m of hole 95-27 drilled in the Upper Main Zone. The dyke (which extends to the bottom of the hole and may have a greater width) graded 4.79 g/t gold. It may be indicative of a gold mineralizing event associated with this phase.

DEPOSIT TYPES

The setting of the Lorraine-Jajay property within a probable rift basin dominated by intrusive materials of mantle derivation lends itself to analogies with many world class deposits containing large resources of copper-gold and platinum group metals. Additional comparisons can also be made to other deposits containing mantle derived accumulations of copper-gold mineralization in association with large volumes of iron oxide. A brief list of possible analogies is as follows:

Galore Creek, BC.	284 million tons @ 0.67 % Cu and 0.44 g/t Au
Ernest Henry, Australia.	122 million tons @ 1.1 % Cu and 0.6 g/t Au
Phalaborwa, South Africa.	~ one billion tons @ 0.70 % Cu (plus Au & Pd)
Afton, BC. (now DRC Resources Ltd.)	31 million tons @ 1.10 % Cu and 0.58 g/t Au

RECOMMENDATIONS

A. **Expanding the Core Copper-Gold Resource Area.** The current 32 million ton resource is confined to the Upper and Lower Main Zones and to the Bishop Zone. Drill hole data for both the Upper Main Zone and Bishop Zones is reasonably well compiled and both of these zones offer areas of potential expansion when reviewed in three

dimensional space using 10 metre spaced level plans. Drill hole data for the Lower Main Zone, where no recent work has been completed, is less complete. The following activities are recommended to expand the current core resource:

- 1.) A sizable area exists between the current northwesterly boundary of the Upper Main Zone and the southeasterly area of the Lower Main Zone. Some of the best holes completed to date crowd this area e.g. 94-08 with 1.26-% Cu and 0.55 g/t Au over 120 metres. A step out of approximately 50 metres west of 94-08 and south of 95-32 (also a good hole) constitutes a high priority area for a fan of the new holes.
- 2.) Several high-grade holes occur in the Lower Main Zone. After completing an improved data compilation in this area to better establish the location of these holes (and its 3 dimensional geometry) new holes should be drilled in modest stepouts in directions offering room for expansion. E.g. from hole 71-1 with 114 feet (35 m) grading 0.94 % Cu and from 71-12 with 90 feet (27 m) grading 0.94 % Cu and ending in mineralization grading 0.61 % Cu (no gold determinations completed in either hole)
- 3.) The downhill side of the Bishop Zone remains open for expansion. A hole should be drilled from a location between 96-44 and 97-46 approximately 50 metres to the northeast and angled to the northeast (96-44 intercepted 1.49 % Cu over 32 metres).
- 4.) The uphill side of the Bishop Zone remains open at depth. Hole 94-5 ended in material grading 0.57 % Cu at a depth of 101 metres while hole 94-1 returned to a grade of ~ 0.30 % Cu at a depth of 145 metres after having weakened at shallower depths. A hole angled to the south and collared approximately 75 metres north of 94-1 would add considerable tonnage and should be considered.
- 5.) A high grade zone in Eckland Zone partially eluded drilling efforts in 1996. Outcrop sampling completed on Kennecott's behalf in 1990 returned several outstanding results in this area e.g. sample #94335 which assayed 2.14 % copper and 18.35 g/t gold. Hole 96-39 (the second attempt to drill this zone) intersected 8.3 metres (27 feet) grading 2.06 % Cu and 0.027 oz/T (0.94 g/t) Au starting at the bottom of the casing at a depth of 3 metres. It may be possible to trench this zone to better determine its attitude. Because mineralization here was encountered at surface the zone may prove to be thicker along strike where the top of the zone has not been removed by erosion.
- 6.) In 1999 a reconnaissance prospecting party located impressive mineralization approximately 1 kilometre south of the Bishop Zone. Several new outcrops here were found protruding from a talus field. These outcrops contained significant copper and gold mineralization hosted in potassic altered syenite and syenite-magnetite breccia and bear a striking similarity to mineralization at the Upper Main Zone located less than 1.5 kilometres to the northwest. Five outcrop (and rubble) samples at this discovery (named the Page Zone) averaged 0.86% copper and 0.47 gm/t gold. This area should be detailed with an induced polarization and magnetometer survey and then drilled.
- 7.) In 1970 Noranda exploration outlined a very strong soil copper anomaly on the north side of a dome located approximately 2 kilometres northwest of the Upper Main Zone (Pik anomaly on All Alone Dome). The anomaly which is coincident with a sparse outcropping of syenite and syenite migmatite has gross dimensions of > 1000 metres by 400 metres. It is recommended that a soil and induced polarization surveys be completed in this area and that the most compelling target(s) from this work be drill tested.

B.) Expanding Palladium-Platinum Exploration. The knowledge about the existence of palladium-platinum mineralization on the Lorraine-Jajay property is recent. It resulted somewhat accidentally because of a prospecting float discovery in 1990 that was subsequently traced to its source by BP Resources Canada. Since that time further exploration has consisted of resampling the mineralized breccia where it outcrops on a cliff, drilling one wildcat hole on the tableland behind the cliff, selectively re-assaying talus fines samples collected in 1996 and 1997 and conducting a small talus fines sampling program near the "BM" Breccia in 1999. All of these activities have been worthwhile and a number of new grass roots targets have evolved. What is required is the initiation of a comprehensive program that would effectively discriminate the highest priority target areas on the large property to focus new exploration efforts. For example private information obtained from another operator conducting regional exploration in this area in the late 1980's indicates that Wasi Creek, which drains the claim group to the northeast, produced a very high PGM result. Wasi Creek is not a watershed draining any of the currently known PGM occurrences or anomalies on the property.

The following program is recommended:

- 1.) Assemble all of the 1996, 1997 and 1999 talus fines results in one data base and complete the analysis of PGM values for samples for which determination have yet to be completed. The results for all talus fines should also be reviewed in detail noting anomalous concentrations of PGM pathfinder elements such as nickel and chromite in addition to palladium and platinum.
- 2.) Complete a heavy mineral sampling program at strategic locations within the watersheds of the claims either using conventional heavy mineral techniques or producing concentrates from large samples in a placer gold cleanup jig.
3. Establish a soil and induced polarization grid and survey on the (expansive) southeast facing tableland southeast of the "BM" Breccia cliff face. This area should also be subjected to diligent prospecting and possibly hand trenching.
- 4.) Explore and prospect in detail the PGM talus fines anomalies that presently exist. One strong anomaly exists upslope in a northeasterly direction from above the Page Zone around the topographic nose to the Bishop Zone (below Copper Peak). Another anomaly exists in the talus fines line extending northeasterly on the north side of the valley where the Bishop Zone is located.