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RESERVE ESTIMATE, 21 ZONE

ESKAY CREEK PROPERTY

SKEENA MINING DIVISION, B.C.

FOR

PRIME EXPLORATIONS LTD.

DRAFT

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PRIME EXPLORATIONS LTD.

ROBSON FOSTER ASSOCIATES INC.
Toronto, Ontario

July 28, 1969

TABLE OF CONTENTS

	Page
SUMMARY.....	1
INTRODUCTION.....	2
PROPERTY DESCRIPTION.....	2
REGIONAL GEOLOGY.....	4
PROPERTY GEOLOGY.....	6
MINERALIZATION.....	8
21 ZONE RESERVES.....	10
DATABASE INFORMATION - PROVIDED BY CALPINE.....	10
WORK COMPLETED.....	10
STATISTICS.....	11
METHODOLOGY.....	12
RESULTS.....	13
REFERENCES.....	
CERTIFICATES	
APPENDIX I BASE DATA TABLES	

LIST OF TABLES

TABLE NO.		Following Page
1	Preliminary Estimation of Reserves, 21 Zone - Eskay Creek.....	13

LIST OF FIGURES

FIGURE NO.		Following Page
1	Location Map - Eskay Creek Property.....	2
2	Section 8 (0+25S) Showing Geology and Mineralized Zones.....	8
3	Section 15 (2+60N) Showing Geology and Mineralized Zones.....	8
4	21 Zone - Main Zone. Drill Intersections, Deposit Dimensions at 0.1 and 0.04 oz/ton Au cut-off.....	13
5	21 Zone - Lower Zone Drill Intersections, Deposit Dimensions at 0.1 and 0.04 oz/ton Au cut-off.....	13

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SUMMARY

Prime Explorations Ltd. holds a controlling interest in Calpine Resources Inc. This latter company holds a 50 percent interest in the Eskay Creek Property in northern British Columbia. Some 69 diamond drill holes aggregating 16,936 m have been drilled between September 1988 and May 1989 under Prime's direction. This drilling has outlined several bodies of mineralization collectively referred to as the 21 Zone.

The Eskay Creek Property is located in northwestern British Columbia in the Unuk River Valley 100 km north of Stewart. The mineralization is hosted in Mesozoic Hazelton Group volcanogenic and sedimentary rocks and is apparently epigenetic and epithermal.

Roscoe Postle Associates Inc. were requested to estimate reserves of the mineralization outlined at the completion of the above mentioned drilling program. The results of these estimates at two different cut-off grades are:

<u>Out off</u>	<u>Probable</u>			<u>Possible</u>		
		oz/ton			oz/ton	
	<u>Tonnes</u>	<u>Au</u>	<u>Ag</u>	<u>Tonnes</u>	<u>Au</u>	<u>Ag</u>
0.1 oz/ton Au	1,594,000	0.326	2.90	52,000	0.139	0.80
0.04 oz/ton Au	2,663,000	0.219	2.35	156,000	0.107	0.67

INTRODUCTION

Roscoe Postle Associates Inc. (RPA) has been requested by Prime Explorations Ltd. (Prime) to prepare a reserve estimate for the 21 Zone on the Eskay Creek Property of Calpine Resources Inc. (Calpine) and Consolidated Stikine Silver Ltd. (Stikine). Prime holds a controlling interest in Calpine.

Calpine and Stikine each hold a 50 percent interest in the Eskay Creek Property located in the Unuk River Valley in northern British Columbia. Within that property a significant zone of mineralization, the 21 Zone, has been recognized. Calpine and Stikine have been drilling the 21 Zone since September 1988 and had completed 69 holes aggregating 16,036 m by May 1989. Drilling has recently resumed on the 21 Zone, but these results are not used in the present RPA estimate.

This report discusses the property geology, the estimation method employed and the results of the RPA work.

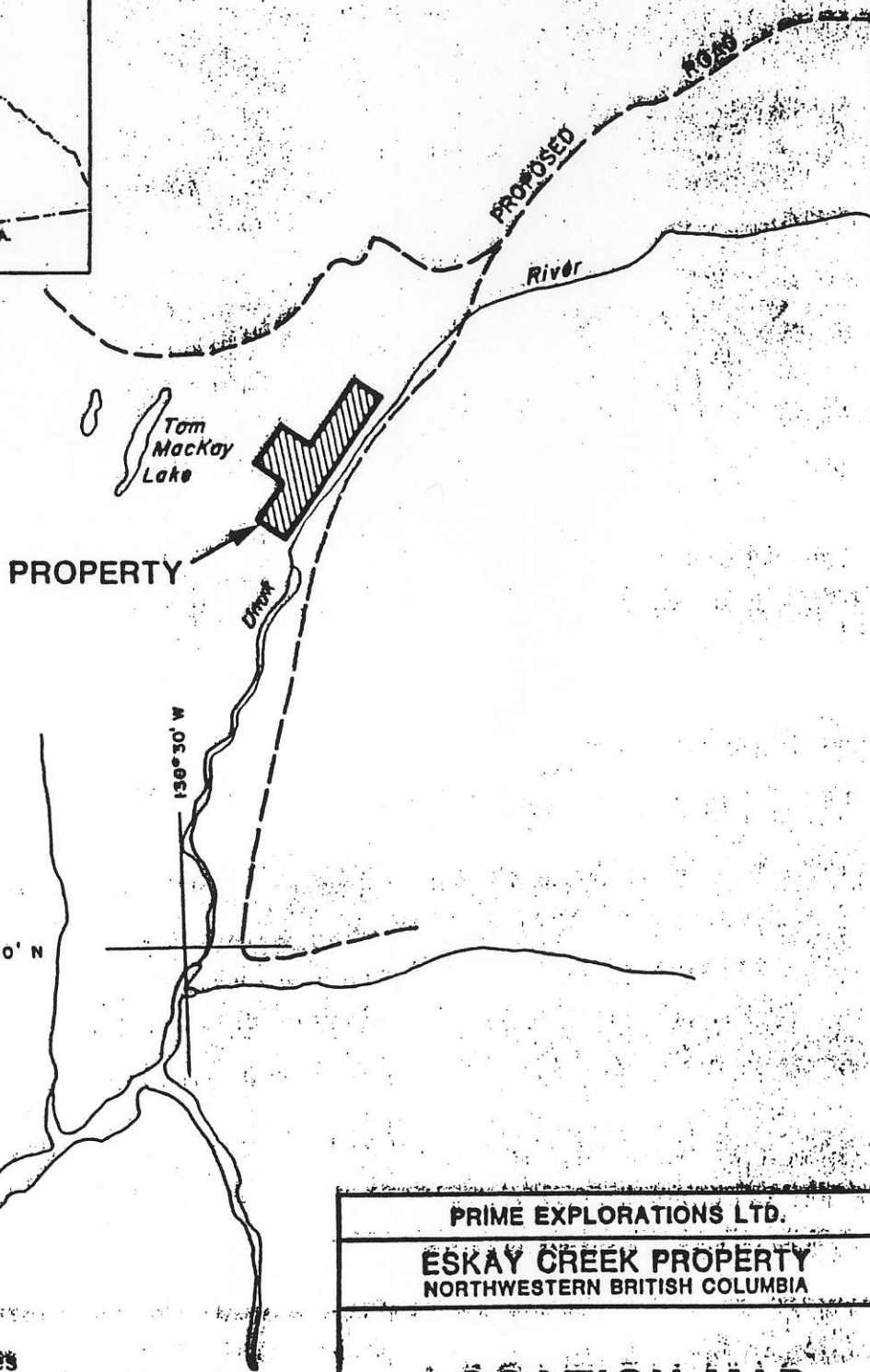
PROPERTY DESCRIPTION

The 21 Zone is located within the Eskay Creek Property of Calpine and Stikine. The property is situated in the Unuk River Valley near Fort Mackay Lake in northern British Columbia (Figure 1).

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MAP AREA



PRIME EXPLORATIONS LTD.		
ESKAY CREEK PROPERTY NORTHWESTERN BRITISH COLUMBIA		
LOCATION MAP		
DATE	SCALE	PLANS
JULY/85		

The property consists of 30 contiguous mining claims located between Tom Mackay Lake and the Unuk River. The claims making up the property are:

<u>Claim Name</u>	<u>Number of Claims</u>	<u>Nominal Area (ha)</u>
Tak 1-22	22	460
Kay 11-18	8	167
	<u>20</u>	<u>627</u>

RPA has been advised that a legal survey of the Eskay Creek Property will be undertaken during the 1989 summer field season.

The property is located about 100 km north-north-west of Stewart, B.C. It is not accessible by road at present. The property is located about 40 km southeast of the Bronson Airstrip, which services the SNIP project of Delaware Resources Corp. and Cominco Ltd. The Eskay Creek Property is accessed by helicopter from the Bronson Airstrip located in the Iskut River Valley.

The Eskay Creek Property is on the 'Boundary Ranges' physiographic sub-division of the Coast Ranges. The property lies on the northeastern edge of the Prout Plateau, characterized as an indented and ridged terrain with north-south trends. Elevations vary from 950 to 1200 m above sea level.

Typically the property and adjoining areas are sparsely timbered, with elevation controlled vegetation. Sub-alpine vegetation includes spruce, balsam, hemlock and ground alder while the alpine vegetation is made up of stunted conifers, grasses and heather.

The property lies near the boundary of the West Coast Marine and Northern Interior climate regions. Property specific climatic data are not yet available, but precipitation is likely to be of the order of 500 cm. Summers are characterized by low cloud and mist while heavy snowfalls on excess of 3 m were reported in winter.

REGIONAL GEOLOGY

The geology of the Eskay Creek area is still not well understood and a number of studies of the region are presently in progress [see Anderson (1989), Britton et al (1989)].

Most of the Unuk map sheet rocks belong to the Intermontaine Tectonic Belt and almost all of the rocks are Mesozoic Age igneous and sedimentary rocks. Three main Mesozoic units are recognized in the Unuk Sheet area: the Stuhini Group, the Hazelton Group and the Bowser Lake Group.

The lowest unit, the Stuhini Group, shows marked facies changes from northwest to southeast. Neither of these facies are similar to type Stuhini Group rocks. Closer to Eskay Creek, Stuhini Group rocks consist of immature clastic sediments with tuffaceous interbeds and rare augite porphyry breccia.

The Hazelton Group, which overlies the Stuhini Group unconformably, is regionally extensive and varies in thickness up to 1 to 2 km. The unit shows significant regional and property-wide facies changes. Anderson (1984) describes the Group as:

A regionally extensive Pleinsbachian (?) volcanic stratigraphy includes: lowermost mafic and intermediate volcanic flows and volcanoclastics interlayered with two shale or argillite horizons (Unuk River Formation of Grove, 1986); medial maroon and green epiclastic volcanoclastics and tuff (Grove's (1986) Betty Creek Formation); and an uppermost, a really extensive and distinctive, felsic welded tuff and tuff breccia (locally known as the Monitor Lake rhyolite; Grove's (1986) Salmon River Formation, in part, and Alldrick's (1987) Mount Dilworth "formation", in part). Overlying the uppermost andesite unit locally is a alkali-feldspar porphyritic volcanic flow which is considered an extrusive equivalent of the "Premier porphyry" dykes (Alldrick, 1985; Brown, 1987).

Most, if not all, of the Hazelton Group is Pleinsbachian (Lower Jurassic) in age.

The Eskay Creek mineralization and a number of other deposits are hosted in Hazelton Group rocks.

The Hazelton Group rocks are unconformably overlain by sediments of the Bowser Lake Group. Regionally the Spatsizi Group unconformably overlies Hazelton Group rocks and is unconformably overlain by Bowser Lake Group rocks but no Spatsizi Group rocks have been mapped near the Eskay Creek property to date.

Several periods of plutonism which affect Hazelton Group rocks are known. Lower Jurassic (195 to 189 Ma) and Tertiary (35 Ma) age intrusions are most significant but other periods of plutonism are inferred.

The 21 Zone Deposit is located on a west dipping limb of a subsidiary anticline within a complex north-plunging syncline.

PROPERTY GEOLOGY

The Eskay Creek Property is to be mapped by Calpine and Stikine personnel during the 1989 field season. The area around the 21 Zone is comparatively well known from the diamond drilling completed to date (Blackwell, 1989). The main rock units are described below.

1. Hanging Wall Andesite: The Hanging Wall is a flow and sill complex of andesite (or basaltic andesite) composition. Flow units consisting of pillowed flows and flow breccia tend to be fine-grained and buff-green coloured while sill rocks are sub-porphyrific, darker green and massive. Palagonite ash horizons may constitute local markers. Intercalated mudstone units are black, pyritic and discontinuous. Thin felsite dykes are present, as are "lumps" of grey rhyolite breccia.

This unit, locally the top of the Hazelton Group, is up to 100 m thick. It has not been mapped away from the Eskay Creek Property to date.

2. Graphitic Mudstone: The unit consists of a thin to medium bedded, medium to finely laminated mudstone that is carbonaceous and has tuffaceous and pyritic laminae.

The unit varies in thickness up to about 30 m but is typically 3 to 4 m thick. Part of the 21 Zone mineralization is hosted in this unit.

3. Transition Zone: The Transition Zone consists of a mixture of fragments of mudstone and the underlying rhyolite unit and varies in thickness from 10 to 60 m. The zone is, at least in part, tectonic. Much of the best grade mineralization located to date occurs in this unit.
4. Rhyolite: This felsic volcanic unit is quite variable and appears to show some facies variation along strike from a primary rhyolitic breccia to a banded, tuffaceous rock. Zones of shearing are present within the unit and subsidiary zones of mineralization are present within the unit. Some base metal mineralization, considered by Prime geologists to be of volcanogenic origin, is also present.
5. Graphitic Mudstone: A second graphitic mudstone unit is present at the base of the rhyolite unit. Few holes drilled to date have penetrated below this zone. Another unit, the Datum Dacite, has been recognized below this lower mudstone but the stratigraphy still requires elucidation.

These units display shallow to moderate northwesterly dips.

Property structure is still far from clear. A number of anomalous zones apparently fault zones can be recognized on various sections but continuity is difficult to demonstrate.

MINERALIZATION

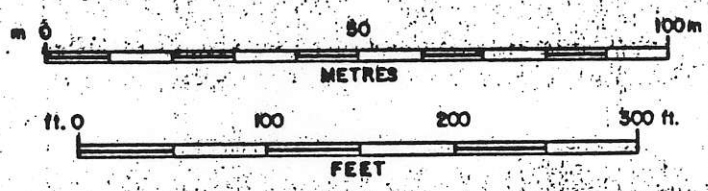
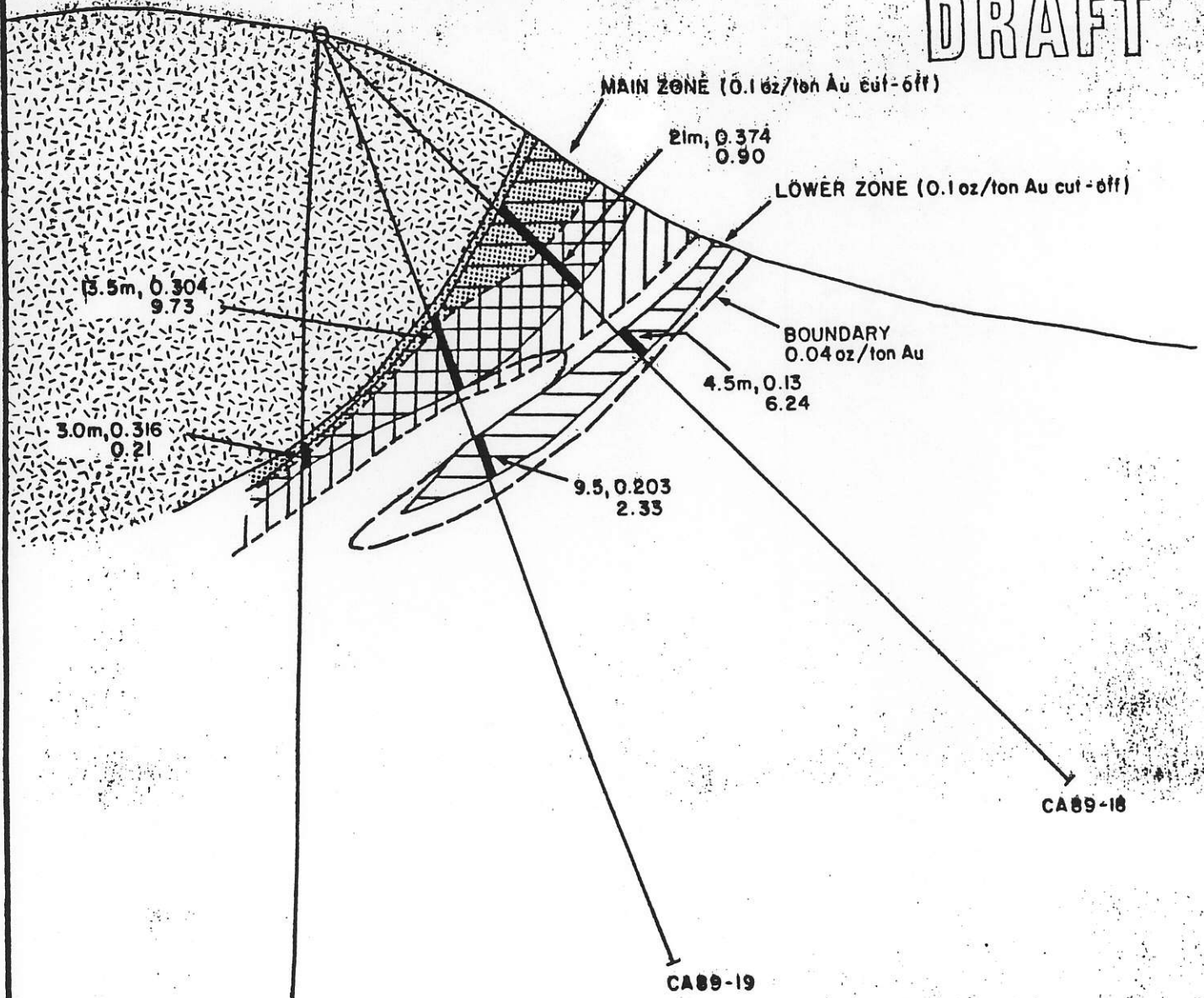
Mineralization was located in the 21 Zone area in the mid-1930's. A history of work on the property was prepared by Blackwell (1989) and is not repeated in this report.





In summary, trenching and some drilling was carried out in the 21 Zone area by Premier Gold Mining Co. Ltd. in 1935 to 1938. Other parts of the property were examined or explored a number of times between 1945 and 1985 but little work was carried out on the 21 Zone. Kerrisdale Resources Ltd. drilled 5 holes (622.1 m) in 1985 then reactivated exploration in 1987 under their new name Consolidated Stikine Silver Ltd. Calpine farmed into the property in 1988 and initiated the program which discovered high grade gold mineralization.

Controls for higher grade mineralization (at a cut-off of 0.1 oz/ton Au) are still far from clear. Drilling to date has outlined three generally separate bodies of mineralization. These are:

1. Main Zone (Figure 2,3): The Main Zone mineralization has been outlined over an area about 500 m long and up to 100 m wide. The Zone remains open to the northeast while the southeastern margin comes to surface. The southeastern margin tends to dip northeast at 45° to 60° but the deposit tends to flatten down dip and becomes sub-horizontal on some sections.

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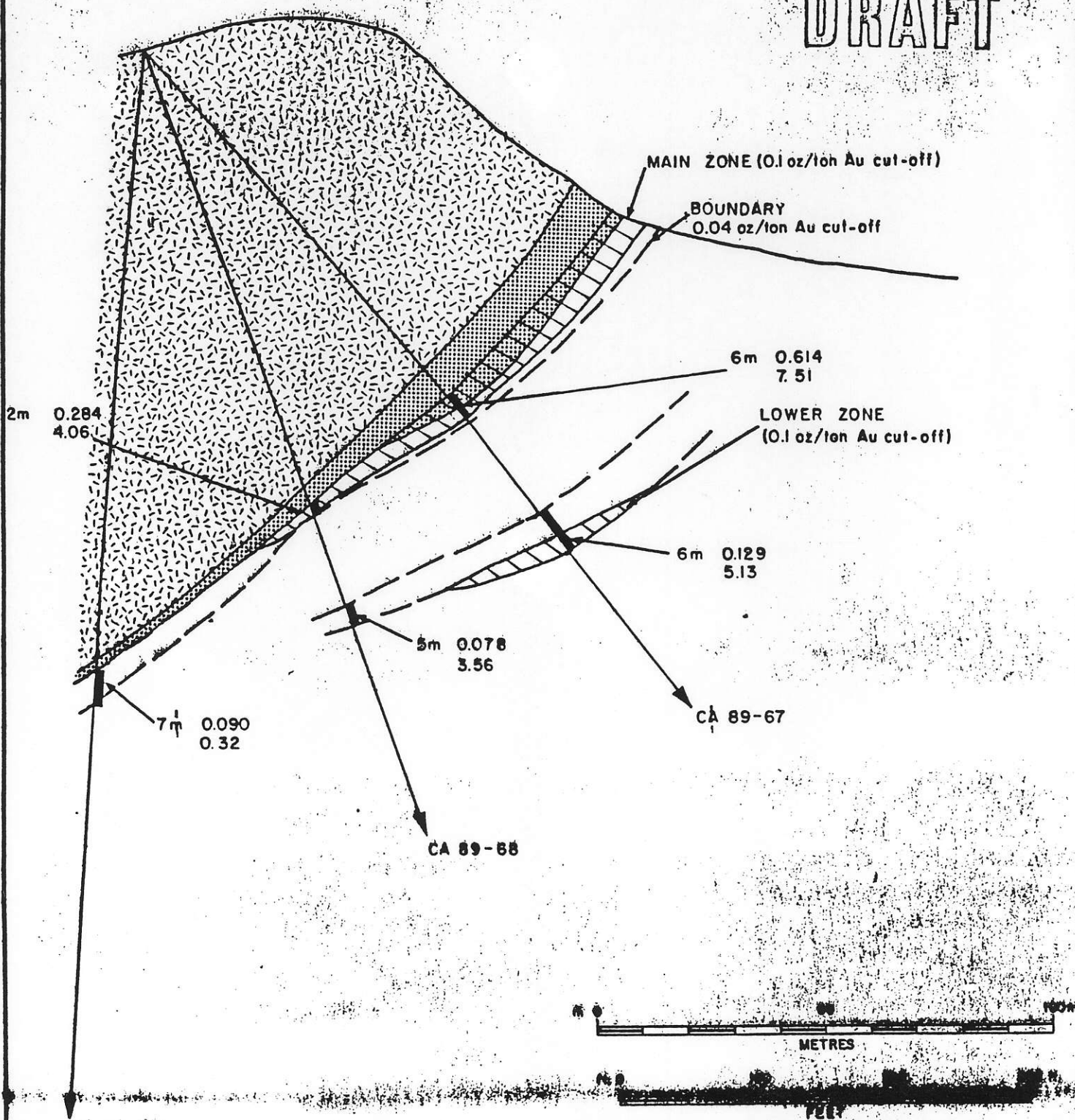





-  Hanging Wall Andesite
-  Graphitic Mudstone
-  Transition Zone
-  Mylonite

4.5m 0.13 oz/ton Au
6.24 oz/ton Au

PRIME EXPLORATIONS LTD.		
ESKAY CREEK PROPERTY NORTHWESTERN BRITISH COLUMBIA		
SECTION 8 (04258)		
SHOWING GEOLOGY AND MINERALIZED ZONES		
DATE JULY/89	SCALE	FIGURE 2

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-  Hanging Wall Andesite
-  Graphitic Mudstone
-  Serpentine
- 7.6m 0.09 oz/ton Au
0.32 oz/ton Ag

PRIME EXPLORATIONS LTD.		
ESKAY CREEK PROPERTY NORTHWESTERN BRITISH COLUMBIA		
SECTION 15 (2+60N) SHOWING GEOLOGY AND MINERALIZED ZONES		
DATE	SCALE	FIGURE
JULY/89		3

The mineralization is hosted in graphitic argillite, Transition Zone material and the underlying rhyolite unit. The mineralization is broadly stratabound.

2. Lower Zone (Figure 2,3): The Lower Zone mineralization is contained in rhyolite. The Zone is subparallel to the Main Zone and thus broadly stratabound. At a cut-off of 0.04 oz/ton Au, the Main and Lower Zones overlap in a number of holes particularly CA8812, CA8921 and CA8918.

3. An unnamed zone, herein called the Third Zone, has been defined between about 1+75S (in CA8805 and KDL-4) and 0+90S (in CA8935). The Zone is contained in rhyolite and appears to be discordant to stratigraphy. The presently outlined Third Zone is appreciably smaller than the Main and Lower Zones.

Mineralization has been intersected in a number of other areas but typically these are single hole intersections stratigraphically below the Main and Lower Zone mineralization. The mineralization outlined by these intersections has not been included in RPA's reserve estimate.

Mineralogy of the deposit includes pyrite, arsenopyrite, sphalerite, tetrahedrite, stibnite, cinnebar, realgar. Gold is apparently very fine grain with 95% of the grains less than 1 micron.

21 ZONE RESERVES

DATA BASE - INFORMATION PROVIDED BY CALPINE

Calpine has provided RPA with the following data:

1. Diamond drill logs
2. Sections of all drill holes at 1:500 scale
3. Topographic map of the property
4. Specific gravity data for a number of holes
5. Drill hole location plan.

WORK COMPLETED

Since drilling started at the Eskay Creek deposit in September 1988, until May 1989, Prime has completed 69 diamond drill holes aggregating 16,036.06 m. Drilling has been carried out by Falcon Drilling Ltd. of Prince George, B.C. Holes CA8802 to CA8806 were drilled BQ size and all subsequent holes were drilled NQ size.

The results of one of four older holes drilled by Kerrisdale Resources Ltd. in 1985 have also been considered in RPA's reserve estimation.

Diamond drill holes completed in 1988/1989 were surveyed for deviation. Holes CA8802 to CA8925 area were surveyed by Tropari while holes CA8926 to CA8970 were surveyed using a Sperry Sun unit. Deviation is small with maximum azimuth variations of 2° and flattening of the order of 1° per 150 m.

Diamond drill core was logged at the main camp site. All of the earlier core has been sampled in standard 1.5 m lengths (Holes CA8802 to CA8957) but later holes (Holes CA8958 to CA8970) were sampled in 1.0 m lengths. The bulk of

the samples taken in the drilling campaign discussed here were taken using mechanical splitters, though efforts to use a diamond saw at least for well mineralized sections were instituted late in the program. It is apparent that core loss has taken place in the drilling, in many cases in mineralized sections. Measurement of core loss may not be adequately described in the drill logs.

Samples were sent to either Bondar Clegg and Company Ltd. in Vancouver or Technical Service Laboratories in Saskatoon. Check sampling of many of the diamond drill holes has been completed but data given to RPA were not available in a form which allowed any statistical examination of the reliability of the check assaying. Visual examination of many of the check assays showed that assay reproductability was within acceptable industry norms.

STATISTICS

A limited amount of statistical study was carried out by RPA on the sample assay database. This statistical work included:

- (1) Univariate statistics for gold and silver in the sample population for gold greater than 0.04 oz/ton Au. Results were:

<u>Variable</u>	<u>Gold</u>	<u>Silver</u>
N	860	860
Mean	0.211	2.76
Variance	0.130	88.22
Standard Deviation	0.361	9.39
Maximum Value	3.028	114.76
Skewness	4.329	7.62
Median	0.088	0.37

gold and silver values show a strong positive
ness. As noted above cutting of high values was
emed unnecessary by the calculation method used.
the case of reserve estimation using a sectional
r polygonal block technique, cutting gold values to
0 oz/ton Au is considered justified.

Bivariate Statistics

Correlation scattergrams of gold and silver at both
0.04 oz/ton Au and 0.1 oz/ton Au were prepared. In
both out-off ranges there is no correlation between
gold and silver values, as indicated by the low
correlation coefficients.

<u>Au Cut-off</u>	<u>0.04 oz/ton</u>	<u>0.1 oz/ton</u>
N	860	379
Pearson Correlation	0.134	0.137
Spearman Correlation	0.267	0.201

METHODOLOGY

Diamond drill hole assays were bulked into cut-off
groupings, the first at a cut-off of 0.1 oz/ton Au and the
second at a cut-off of 0.04 oz/ton Au, at Prime's request.
Minimum true thickness of 2 m was applied in each grade
class. Material grading between 0.04 and 0.1 oz/ton Au is
located mainly below, rather than lateral to or above, the
higher grade material.

Prime had arranged for 113 specific gravity (S.G.)
measurements to be taken. Results showed that S.G. varied
from 2.7 to 3.5. A value of 2.8 was adopted for tonnage
calculations in this report.

Data were transferred by RPA onto a group of plans showing the zones of mineralization at various cut-off grades (Figures 4 and 5). Reserves have been estimated using contoured horizontal plans of thickness and grade x thickness (GT) for Au and Ag. Contoured areas on the plans were measured by planimeter. Tonnage was calculated based on the total thickness x area (volume) as measured on the plans. Grade was calculated by dividing the total GT x area for each metal by the total volume. This method reduces the area of influence of the high grade intersections and outting of high values was not considered necessary.

RESULTS

Results of the reserve estimate prepared by RPA for the 21 Zone deposit at Eskay Creek are summarized in Table 1.

The bulk of the deposit has been outlined by drilling on a 50 x 50 m grid, and in these areas, the drill hole spacing and the apparent ability to correlate from hole-to-hole allow the outlined reserves to be classed as "Probable". Along the northeastern edge of the Main Zone drilling is incomplete and mineralization is projected beyond the drilling. This mineralization is classed as "Possible" (Figure 4).

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CERTIFICATE OF QUALIFICATIONS

As an author of this report on the Reserve Estimate, 21 Zone, Eskay Creek Property of Skeena Mining Division, B.C. for Prime Explorations Ltd., I hereby make the following statements:

1. My name is Neil N. Gow, and I am a geologist residing at 678 Powell Court, Burlington, Ontario: I have been retained by Roscoe Postle Associates Inc. in connection with the Prime Explorations Ltd. report.
2. I am a graduate of the University of New England, Armidale, New South Wales with a B.Sc. (Hons.) and I have been practicing my profession continuously for twenty-three years.
3. I am a Fellow of the Geological Association of Canada and a member of both the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada.
4. This report is based on a property visit, an examination of the various company reports pertaining to the area and discussions with representatives of Prime Explorations Ltd.
5. I consent to the use of this report by Prime Explorations Ltd.
6. I have neither received nor do I expect to receive any interest in the Eskay Creek Property, nor do I own, or expect to receive directly or indirectly, any securities of Prime Explorations Ltd.

Dated at Toronto, Ontario
July 26, 1989

Neil N. Gow, B.Sc. (Hons.)

CERTIFICATE OF QUALIFICATIONS

As an author of this report on the Reserve Estimate, 21 Zone, Eskay Creek Property of Skeena Mining Division, B.C. for Prime Explorations Ltd., I hereby make the following statements:

1. My name is William E. Roscoe and I am a Consulting Geologist employed by Roscoe Postle Associates Inc. My office address is Suite 2201, 120 Adelaide St. W., Toronto, Ontario M5H 1T1.

2. I have received the following degrees in Geological Sciences:

B.Sc. (Eng.) 1966 - Queen's University, Kingston, Ontario

M.Sc. 1969 - McGill University, Montreal, Quebec

Ph.D. 1973 - McGill University, Montréal, Quebec

3. I am registered as a Professional Engineer and designated as a Consulting Engineer in the Province of Ontario. I am a member of the Canadian Institute of Mining and Metallurgy and a Fellow of the Geological Association of Canada.

4. I have been practicing as a professional geologist for over twenty years.

5. This report is based on a review of documents provided by Prime Explorations Ltd. and discussions with company personnel. I have not visited the property.

6. I consent to the use of this report by Prime Explorations Ltd.

7. I have neither received nor do I expect to receive any interest, direct or indirect, in the properties of Prime Explorations Ltd. and I do not beneficially own, directly or indirectly, any securities of Prime Explorations Ltd. or any affiliate.

Dated at Toronto, Ontario
July 16, 1989

William E. Roscoe, Ph.D., P.Eng.

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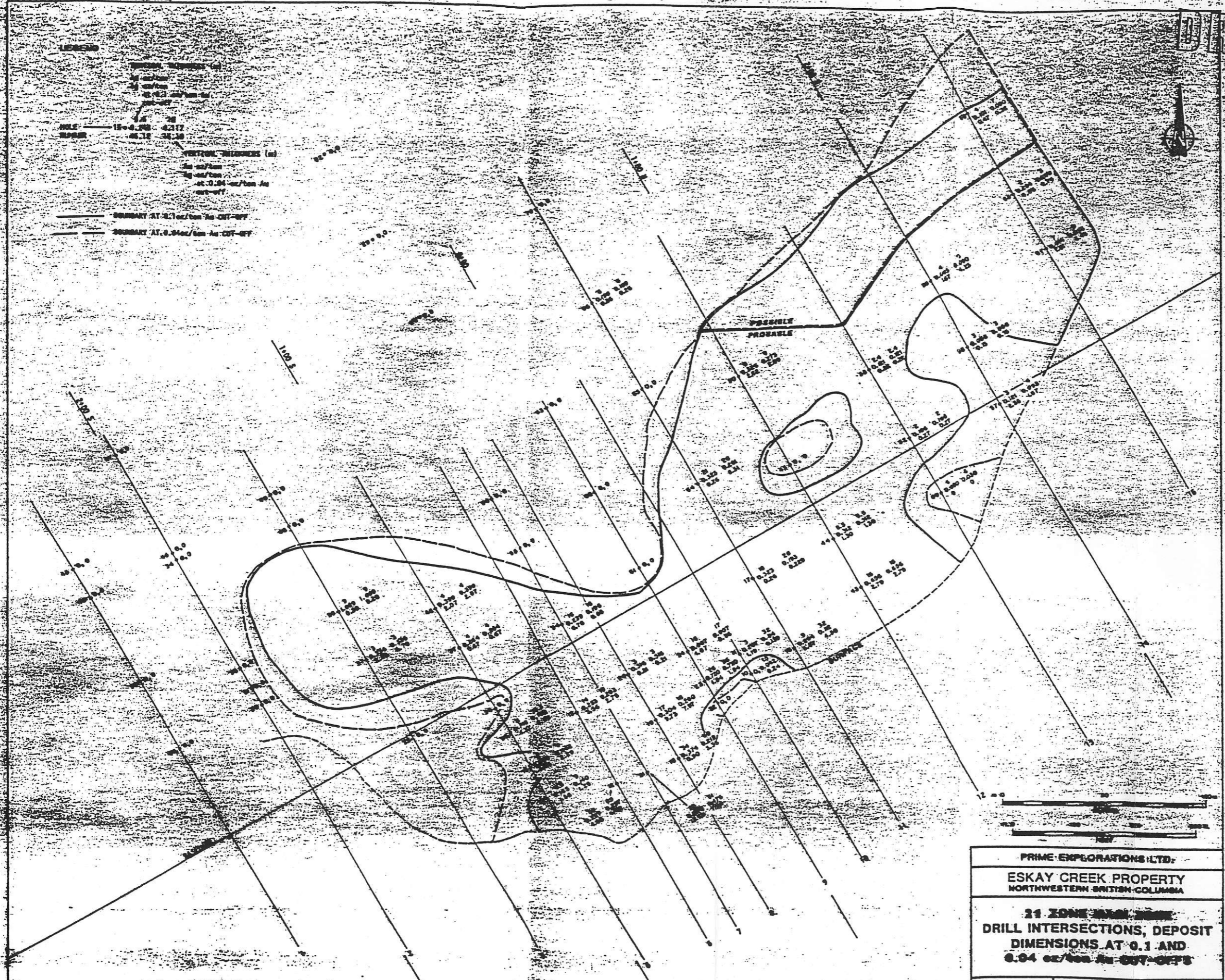
LEGEND

GENERAL DIMENSIONS (m)
 100-200
 200-300
 300-400
 400-500
 500-600

VERTICAL DIMENSIONS (m)
 100-200
 200-300
 300-400
 400-500
 500-600

BOUNDARY AT 0.1% Cu CUT-OFF
 (Solid line)

BOUNDARY AT 0.04% Cu CUT-OFF
 (Dashed line)



PRIME EXPLORATIONS LTD.
 ESKAY CREEK PROPERTY
 NORTHWESTERN BRITISH COLUMBIA

**21 ZONE 1001 1002
 DRILL INTERSECTIONS, DEPOSIT
 DIMENSIONS AT 0.1 AND
 0.04 % Cu CUT-OFFS**

DATE: 11/15/83
 SCALE: 1:50,000



LEGEND

VERTICAL THICKNESS (m)

Au oz/ton
Ag oz/ton
at 0.1 oz/ton Au
cut-off

15-0-240 0-217
45-12 75-70

VERTICAL THICKNESS (m)

Au oz/ton
Ag oz/ton
at 0.04 oz/ton Au
cut-off

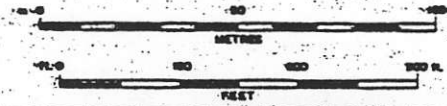
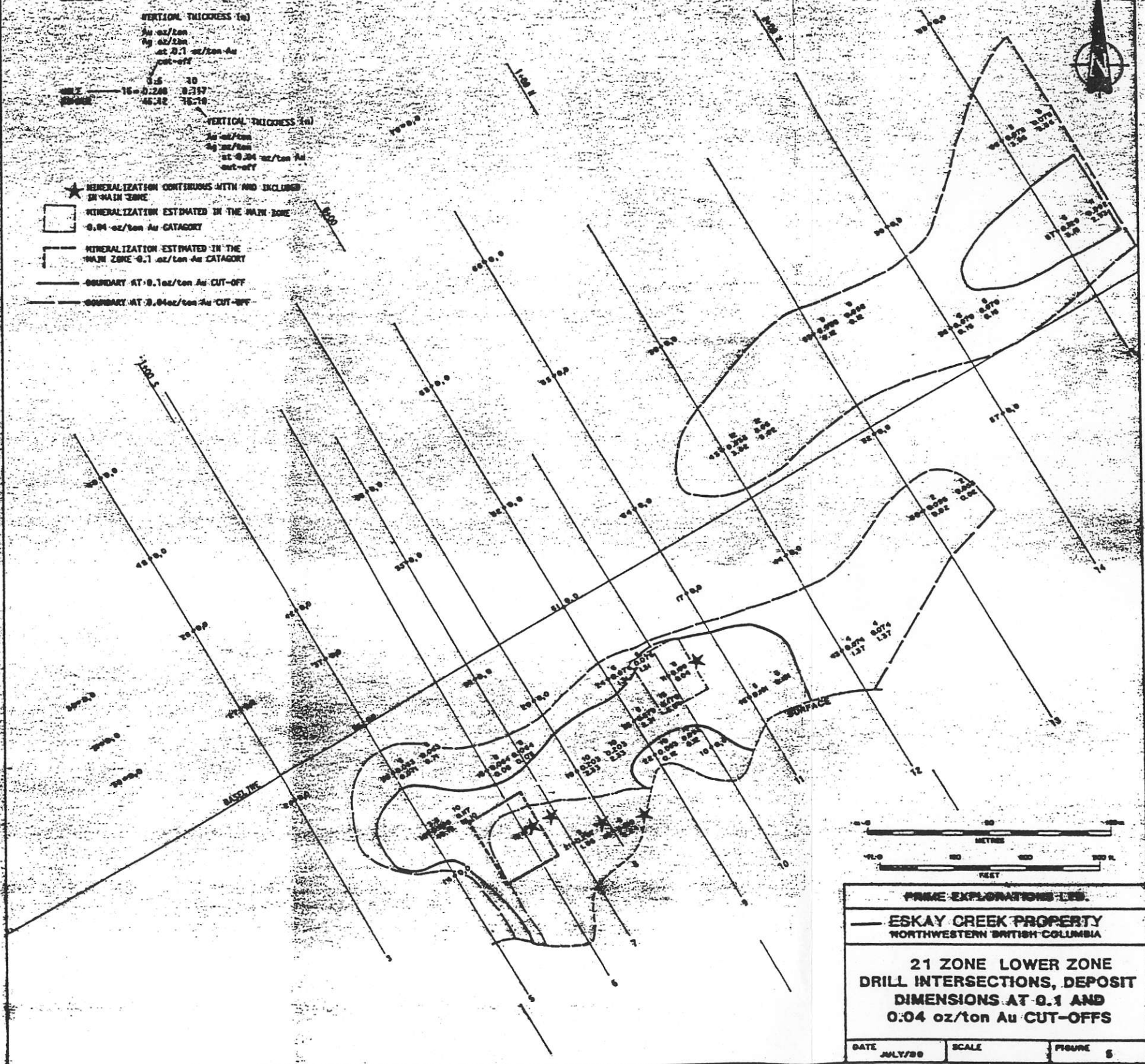
★ MINERALIZATION CONTIGUOUS WITH AND INCLUDED IN MAIN ZONE

□ MINERALIZATION ESTIMATED IN THE MAIN ZONE
0.04 oz/ton Au CATEGORY

▭ MINERALIZATION ESTIMATED IN THE MAIN ZONE
0.1 oz/ton Au CATEGORY

— BOUNDARY AT 0.1 oz/ton Au CUT-OFF

— BOUNDARY AT 0.04 oz/ton Au CUT-OFF



PRIME EXPLORATIONS LTD.
 — ESKAY CREEK PROPERTY
 NORTHWESTERN BRITISH COLUMBIA

21 ZONE LOWER ZONE
 DRILL INTERSECTIONS, DEPOSIT
 DIMENSIONS AT 0.1 AND
 0.04 oz/ton Au CUT-OFFS

DATE JULY/88 SCALE FIGURE 5

A P P E N D I X I

BASE DATA TABLES

RESERVE ESTIMATES

21 ZONE, ESKAY CREEK

DIAMOND DRILL INTERSECTIONS
MAIN ZONE USING 0.1 OZ./TON AU CUT-OFF

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SECTION	BOH NO.	VERTICAL THICKNESS	FROM (m)	INTERCEPT		LENGTH (m)	AU OZ./TON	AG OZ./TON
				TO (m)				
15	67	7	102.0	108.0	6.0	0.614	7.51	
	68	2	106.0	108.0	3.0	0.281	4.06	
	69	4	135.0	139.0	4.0	0.101	0.47	
14	57	4	98.6	99.6	3.0	0.093	1.67	
	58	3	105.0	108.0	3.0	0.058	0.15	
	59	3	116.0	119.0	3.0	0.121	2.53	
13	60	3	113.0	118.0	5.0	0.030		
	52	2	121.8	123.8	2.0	0.186	0.37	
	53	2.4	127.1	129.5	2.4	0.121	0.22	
12	43	15	98.5	110.5	12.0	0.656	2.79	
	44	8.5	111.0	118.5	7.5	0.312	1.30	
	45							
	50	8	170.9	180.5	9.6	0.326	2.62	
11	16	9	79.2	83.7	4.5	0.244	5.87	
	17	18	109.5	123.0	13.5	0.323	0.26	
	64	23	151.0	172.0	21.0	0.286	9.50	
	65							
	66	6	107.5	113.5	6.0	0.199	0.26	
70								
10	10							
	11	4	61.5	64.5	3.0	0.267	1.19	
9	22							
	23	26	48	66.0	18.0	0.720	1.84	
	24	13	66.6	78.6	12.0	0.987	1.07	
8	18	34	48.0	69.0	21.0	0.374	0.90	
	19	17	58.5	72.0	13.5	0.304	5.73	
	20	3	78.0	81.0	3.0	0.316	0.21	
	28							
	29							
32								
7	21	22	56.6	74.0	18.0	0.666	16.62	
	25							
7	54	16	105.0	118.5	13.5	0.239	0.78	
	55							
	56							
6	12	95	81.7	137.0	55.3	0.257	4.82	
	13	14	86.1	99.6	13.5	0.233	3.35	
5	14	69	49.5	55.5	6.0	0.165	1.98	
	15	2	56.5	58.5	2.0	0.088	3.96	

DIAMOND DRILL INTERSECTIONS
 MAIN ZONE USING 0.1 OZ/TON AU CUT-OFF

DRAFT

SECTION	DDH NO.	VERTICAL THICKNESS	INTERCEPT		LENGTH (m)	AU OZ/TON	Ag OZ/TON
			FROM (m)	TO (m)			
	35	0	66.5	74.0	7.5	0.148	4.57
	36						
	37	4	90.0	94.5	4.5	0.264	0.67
	42	3	105.0	109.5	4.5	0.399	2.07
4	46						
	49						
3	25						
	27	3	63.3	66.0	2.7	0.535	2.70
	28	9	64.8	73.4	8.6	1.059	0.20
2	30						
	31						
	33						
	46						
	47						
1	38						
	39						
	40						
	41						

DIAMOND DRILL INTERSECTIONS
 MAIN ZONE USING 0.04 OZ/TON AU CUT-OFF

DRAFT

SECTION	DDH NO.	VERTICAL THICKNESS	INTERCEPT		LENGTH (m)	AU OZ/TON	AG OZ/TON
			FROM (m)	TO (m)			
15	67	9	102	109	7	0.535	6.46
	68	3	105	106	3	0.209	2.74
	69	7	135	142	7	0.090	0.32
14	57	4	96.6	99.6	3	0.093	1.67
	58	3	105	108	3	0.058	0.15
	59	6	114	120	6	0.090	4.25
13	60	6	113	118	6	0.030	0
	52	2	121.8	123.8	2	0.186	0.27
	53	2.4	127.1	129.5	2.4	0.121	0.22
12	43	15	98.5	110.5	12	0.656	2.79
	44	8.5	111	118.5	7.5	0.312	1.50
	45	-	-	-	-	-	-
	50	9	169.4	181.7	12.3	0.273	2.09
11	16	32	74.7	91.2	16.5	0.112	4.50
	17	28	57.5	123	25.5	0.193	0.23
	64	28	148	172	24	0.261	8.51
	65	-	-	-	-	-	-
	66	6	107.5	113.5	6	0.199	0.26
	70	-	-	-	-	-	-
10	10	1.5	63	64.5	1.5	0.042	0.24
	11	32	37	87	30	0.114	0.14
9	22	-	-	-	-	-	-
	23	26	48	66	18	0.720	1.84
	24	17	65.1	80.1	15	0.807	0.86
	61	-	-	-	-	-	-
	62	-	-	-	-	-	-
	63	-	-	-	-	-	-
8	18	60	46.5	90	43.5	0.219	3.36
	19	18	57	73.5	16.5	0.260	7.97
	20	3	78	81	3	0.316	0.21
	26	-	-	-	-	-	-
	29	-	-	-	-	-	-
	32	-	-	-	-	-	-
7 A	21	51	53.6	92.6	39	0.475	7.54
7	54	18	100.5	118.5	18	0.195	0.65
	55	-	-	-	-	-	-
	56	-	-	-	-	-	-
6	12	99	81.7	134	52.3	0.257	4.63
	13	18	86.1	102.6	16.5	0.203	2.75

DIAMOND DRILL INTERSECTIONS
 MAIN ZONE USING 0.04 OZ/TON AU CUT-OFF

DRAFT

SECTION	DRH NO.	VERTICAL THICKNESS	INTERCEPT		LENGTH (m)	AU OZ/TON	AG OZ/TON
			FROM (m)	TO (m)			
5	14	9	49.5	57	7.5	0.140	1.28
	15	8	52.5	58.5	6	0.062	2.29
	35	13.5	66.5	80	13.5	0.100	3.68
	36	-					
	37	4	90	94.5	4.5	0.264	0.67
	42	4	105	109.5	4.5	0.399	2.07
3 & 4	25	1					
	27	3	63.3	66	2.7	0.535	2.70
	28	9	64.6	73.4	8.6	1.059	0.20
	48	1					
	49	1					
2	30	1					
	31	1					
	33	1					
	34	1					
	46	1					
	47	1					

DIAMOND DRILL INTERSECTIONS
LOWER ZONE USING 0.1 OZ/TON AU CUT-OFF

DRAFT

SECTION	DDH NO.	VERTICAL THICKNESS	INTERCEPT		LENGTH (m)	AU OZ/TON	AG OZ/TON
			FROM (m)	TO (m)			
15	67	6	140.0	146.0	6.0	0.129	5.13
	68	5	129.0	134.0	5.0	0.078	3.56
	69	-					
14	57	-					
	58	6	136.0	142.0	6.0	0.070	0.16
	59	-					
13	60	2	136.0	138.0	2.0	0.055	0.02
	52	-					
	53	9	159.7	168.7	9.0	0.058	0.12
12	43	4	119.0	122.0	3.0	0.656	2.79
	44	1					
	45	12	162.1	175.2	13.1	0.053	3.62
	50	-					
11	16	5	98.7	101.7	3.0	0.191	0.61
	17	-					
	64	-					
10	10	-					
	11	8	78.0	85.5	7.5	0.189	0.04
9	22	10	60.7	67.7	7.0	0.093	0.12
	23	7	72.0	78.0	6.0	0.279	2.31
	24	6	99.6	105.6	6.0	0.076	1.31
8	18	6	82.5	87.0	4.5	0.130	6.24
	19	10	80.5	90.0	9.5	0.203	2.33
	20	-					
	26	-					
	29	-					
	32	-					
7	54	-					
	55	-					
	56	-					
	21	9	79.1	86.6	7.5	0.207	1.06
6	12	[combined in Main Zone]					
	13	8	108.6	116.1	7.5	0.064	0.08
5	42	-					
	37	-					
	36	-					
	35	8	86.0	92.0	6.0	0.063	0.71
	15	3.5	73.5	78.5	5.0	0.248	16.12
	14	-					

DRAFT

DIAMOND DRILL INTERSECTIONS
LOWER ZONE USING 0.04 OZ/TON AU CUT-OFF

SECTION	SECTION	DDH NO.	VERTICAL THICKNESS	INTERCEPT		LENGTH (m)	AU OZ/TON	AG OZ/TON
				FROM (m)	TO (m)			
15	15	67	11	135.0	147.0	12.0	0.092	2.93
		68	5	129.0	134.0	5.0	0.078	3.56
		69	-					
14	14	57	-					
		58	6	136.0	142.0	6.0	0.070	0.16
		59	-					
13	13	60	2	136.0	138.0	2.0	0.055	0.02
		52	-					
		53	9	159.7	168.7	9.0	0.058	0.12
12	12	43	4	119.0	122.0	3.0	0.074	1.37
		44	-					
		45	12	162.1	175.2	13.1	0.053	3.62
		50	-					
11	11	16	5	98.7	101.7	3.0	0.191	0.63
		17	-					
		64	-					
10	10	10	-					
		11	8	[Combined in Main Zone]				
9	9	22	10	60.7	67.7	7.0	0.093	0.12
		23	15	70.5	82.5	12.0	0.170	5.84
		24	6	99.6	105.6	6.0	0.076	1.31
8	8	18	6	[Combined in Main Zone]				
		19	10	80.5	90.0	9.5	0.203	2.33
		20	-					
7	7	21		[Combined in Main Zone]				
6	6	12		[Combined in Main Zone]				
		13	8	108.6	116.1	7.5	0.064	0.66
5	5	42	-					
		37	-					
		38	-					
		35	6	86.0	92.0	6.0	0.083	0.91
		15	10	73.5	82.5	9.0	0.117	16.10
4	4	14	-					
		25	-					
		27	-					

SPACED DRILL INTERSECTIONS
 WHERE SOME BEING 0.1 OZ/TON AU CUT-OFF

DRAFT

SECTION	DOR NO.	FROM (m)	INTERCEPT		AU OZ/TON	AG OZ/TON
			TO (m)	LENGTH (m)		
21	5	51.7	94.20	42.50	0.188	1.01
	KDL-1	44.2	45.96	1.76	0.197	2.25
5	95	104.0	113.00	9.00	0.177	0.33
3	25	131.1	153.60	22.5	0.163	2.25

DRAFT

TABLE 1
PRELIMINARY ESTIMATION OF
RESERVES - 21 ZONE, ESKAY CREEK

0.1 oz/ton Au Cut-off

ZONE	PROBABLE			POSSIBLE		
	TONNES	Au oz/ton	Ag oz/ton	TONNES	Au oz/ton	Ag oz/ton
MAIN	1,181,000	0.381	3.156	52,000	0.139	0.80
LOWER	176,000	0.160	3.149	-	-	-
TOTAL	1,357,000	0.352	3.155	52,000	0.139	0.80
THIRD ZONE	237,000	0.177	1.42	-	-	-
TOTAL	1,594,000	0.326	2.897	52,000	0.139	0.80

0.4 oz/ton Au Cut-Off

ZONE	PROBABLE			POSSIBLE		
	TONNES	Au oz/ton	Ag oz/ton	TONNES	Au oz/ton	Ag oz/ton
MAIN	1,977,000	0.247	2.55	156,000	0.107	0.67
LOWER	449,000	0.116	1.959	-	-	-
TOTAL	2,426,000	0.223	2.441	156,000	0.107	0.67
THIRD ZONE	237,000	0.177	1.42	-	-	-
TOTAL	2,663,000	0.219	2.35	156,000	0.107	0.67