[ARIS11A] **ARIS Summary Report**

Regional Geologist, Smithers **Date Approved:** 1999.03.16 **Off Confidential:** 1999.12.22

ASSESSMENT REPORT: 25776 **Mining Division(s):** Skeena

Property Name: Eskay Creek

Location:

NAD 27	Latitude:	56 39 07	Longitude:	130 26 25	UTM:	09	6279357	411691
NAD 83	Latitude:	56 39 06	Longitude:	130 26 32	UTM:	09	6279542	411575
NTS:	104B09W							

Camp: 050 Stewart Camp

Claim(s): Mining Lease Lot 7092

Operator(s): Homestake Canada Inc.
Author(s): Cunningham-Dunlop, Ian R.

Report Year: 1998

No. of Pages: 45 Pages

Commodities Searched For: Gold, Silver, Lead, Zinc, Copper

General Work Categories: DRIL, GEOC

[redacted]

DIAD Diamond surface (2 hole(s);BQTW) (309.9 m)
Geochemical
SAMP Sampling/assaying (59 sample(s);)
Elements Analyzed For : Multielement

Keywords: Andesites, Hazelton Group, Jurassic, Mudstones, Pyrite, Rhyolites, Stockworks

Statement Nos.: 3130288

MINFILE Nos.: 104B 008

Related Reports: 24608

ASSESSMENT REPORT
OF THE
1998 DIAMOND DRILLING PROGRAM
ON THE
ESKAY CREEK PROJECT

Skeena Mining Division
British Columbia
NTS 104B/9W-10E

Latitude: 56°37'
Longitude: 130°34

Work Performed By:

HOMESTAKE CANADA INC.
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for

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Submitted by
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December 15, 1998

SUMMARY

The Eskay Creek Project is located 83 kilometers northwest of Stewart, British Columbia in the eastern flanks of the Coast Mountain Range. The property consists of 8 mining leases and 10 located mineral claims and is accessed by a 58 kilometer, all-weather road from the main Stewart-Cassiar Highway. The core claims consist of 4 key mining leases which form a narrow, northeast-trending block with a strike length of approximately 5 kilometers. This package is 100% owned by Prime Resources Group Inc., a wholly-owned subsidiary of Homestake Canada Inc.

The Eskay Creek property is underlain by volcanic and sedimentary rocks of the Lower to Middle Jurassic Hazelton Group. The Hazelton Group can be further subdivided into the Unuk River, Betty Creek, Mt. Dilworth, and Salmon River Formations (arranged in order from oldest to youngest). The stratigraphy in the project area consists of an upright succession of andesite, marine sediments, intermediate to felsic volcaniclastic rocks, rhyolite, contact mudstone (host to the main Eskay Creek deposits), and basaltic sills and flows. This sequence is in turn capped by mudstones and conglomerates of the Bowser Lake Group. These rocks are folded into a gently, northeast plunging fold termed the Eskay Anticline and are cut by north, northwest and northeast, subvertical fault structures.

Mineralization on the property is generally hosted in the contact mudstone between the main Eskay rhyolite and the overlying basaltic flows. The 21A, 21B, 21E and NEX Zones all occur at this stratigraphic contact and consist of stratiform, mudstone-hosted clastic to massive lenses of sulphide and sulphosalts. The HW Zone, characterized by more massive sulphides, is located higher in the stratigraphic sequence. Stockwork and discordant mineralization is also hosted within the footwall rhyolite in the Pumphouse, Pathfinder, 109, and 21C Rhyolite Zones.

A two-hole, 309.98 meter diamond drill program was carried out on main L. 7092 mining lease between September 13 and September 17, 1998. Two holes, C98-947 and C98-948, were collared from the water tower access road in order to test for the northwestern strike extension of the 21C Zone within the main rhyolite body. DDH C98-947 intersected the zone where anticipated and returned a value of 7.90 AuEq gpt/6.00 m. DDH C98-948 encountered severe ground conditions within hanging wall andesite package and had to be abandoned before reaching the target horizon.

Recommendations for 1999 include further drilling along strike and down-dip on the 21C Zone in order to confirm and also expand the existing resource.

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1.0 INTRODUCTION

This report constitutes a summary of the diamond drill program carried out on the Eskay Creek Project by Homestake Canada Inc./Prime Resources Group Inc. during the fall of 1998.

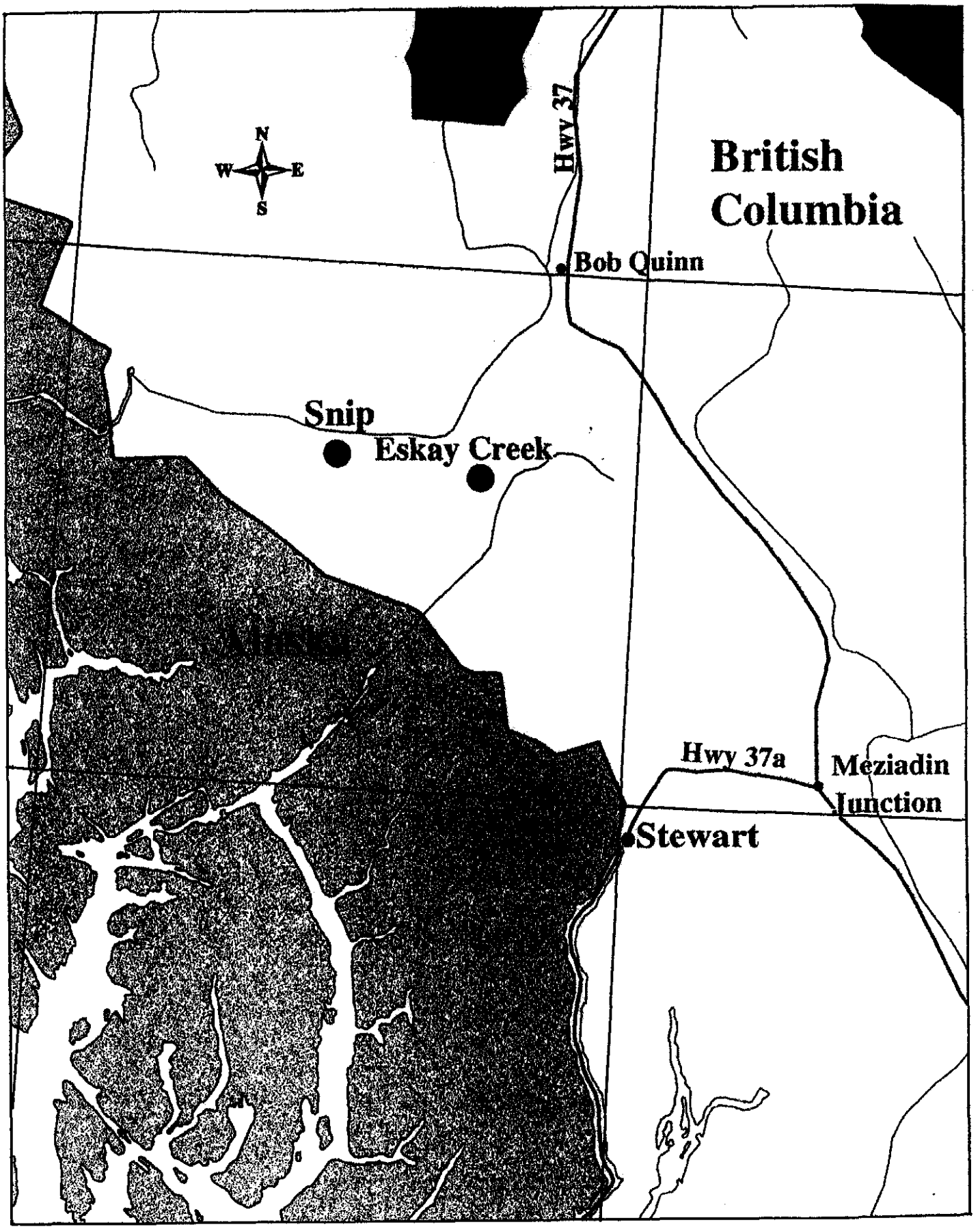
This report was prepared for assessment work credit and covers the amount of $26,416.50 in expenditures.

2.0 PROPERTY LOCATION, ACCESS AND LAND TITLE

The Eskay Creek Mine is located 83 kilometers northwest of Stewart, British Columbia in the eastern flanks of the Coast Mountain ranges (Figure 1). The mine is accessible by a 58.5 kilometer, all-weather road from the Stewart Cassiar Highway (Highway 37) just south of the hamlet of Bob Quinn. This road travels along the east side of the Iskut River for a distance of 38 km to its junction with Palmiere Creek drainage system. The road then follows the Palmiere Creek to its headwaters and then down Tom MacKay Creek to the mine site.

The Eskay Creek Property is located on Crown Land in the Skeena Mining Division and Cassiar Land District and consists of 8 mining leases and 10 located mineral claims. (Figure 2). The core claims of the property are 100% owned by Prime Resources Group Inc., a wholly-owned subsidiary of Homestake Canada Inc., and include four mining leases, L. 7092-7095, which were conversions of prior two-post located claims called the KAY and TOK claims. These leases form a narrow, northeast-trending block covering a strike length of 5 kilometers. A summary of the mineral titles and land tenure is presented in Tables 1 and 2.

There are no known federal, provincial or regional parks, wilderness or conservancy areas, ecological reserves, or recreational areas near the Eskay Creek Mine property. The area is subject to native title with the Tahltan Nation being the sole claimant in the region. B.C. Hydro holds flooding reserve rights over a portion of the Iskut River valley through which the mine access road passes.



Prime Resources Group Inc.

0 20 40 60

Scale (Kilometres)

Eskay Creek Site Location Map

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Figure 1

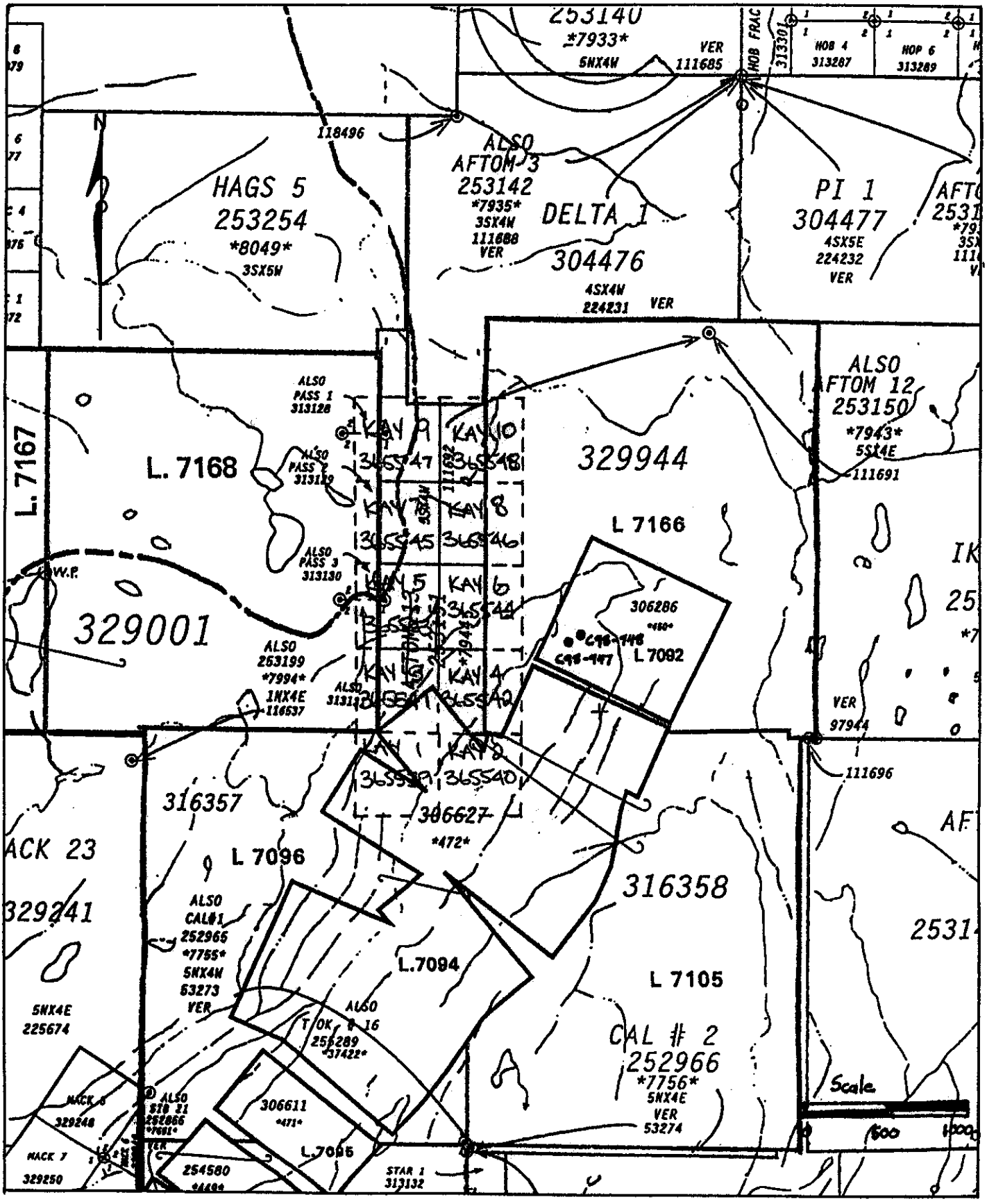


Figure 2: Eskay Creek Project – Claim Location Map

Table 1: Mineral Titles - Eskay Creek Area

LOCATED CLAIMS

Property Name	Claim Name	Record Number	# of Claims
Eskay Creek (1066)	KAY 1 to 10	365539 to 365548	10
		Total	**10**

MINING LEASES

Property Name	Lot Name	Old Lease # / Mining Lease #	# of Leases
Eskay Creek (1066)	L. 7093	449 / 254580	1
	L. 7092	450 / 306286	1
	L. 7095	471 / 306611	1
	L. 7094	472 / 306627	1
Gnc (1075)	L. 7096	316357 (Same)	1
	L. 7105	316358 (Same)	1
	L. 7106	316359 (Same)	1
Ski (1078)	L. 7166	329944 (Same)	1
		Total	**8**

Table 2: Land Tenure – Eskay Creek Area

1) Eskay Creek Group (Project Code 1066)

- Owned 100% by Prime Resources Group Inc.

2) Gnc Group (Project Code 1075)

- Owned 66.6% by Prime Resources Group Inc. / 33.4% by Canarc Resources Corp.

3) Ski Group (Project Code 1078)

- Owned 100% by Prime Resources Group Inc.

3.0 PHYSIOGRAPHY, VEGETATION AND CLIMATE

The Eskay Creek Mine is located on the Prout Plateau, a rolling sub-alpine upland on the eastern flank of the Boundary Ranges of the Coast Mountains. The Prout Plateau is characterized by severely glaciated rock terrain with elevations ranging from 330 meters along the Iskut River to 1,200 meters along the ridges.

The surficial geology of the immediate mine area is highly varied. It includes glacial till deposits, talus at the base of bedrock outcrops, colluvium on steep slopes, organics in poorly drained depressions and kettle holes, alluvial deposits along streams, and alluvial fan deposits along shorelines.

The vegetation on the property is governed by a combination of elevation, water supply and slope. Above 950 meters elevation, the vegetation is sub-alpine consisting of stunted balsam, heather and grasses. Below 950 meters, old growth spruce, fir and hemlock predominate. Areas with steep slopes are densely covered by slide alder, devil's club and skunk cabbage.

Annual precipitation at the Eskay Creek Mine site is heavy and ranges from 2000 to 3500 mm. Most of the precipitation falls as snow between November and April, resulting in thick accumulations of 10 to 20 meters. This snow pack does not fully disappear until early August. The summers are cool and damp.

4.0 PREVIOUS EXPLORATION WORK

The Eskay Creek property has been the focus of much exploration activity dating back to 1932. Numerous programs of geological mapping, geochemical and geophysical surveying, trenching, and diamond drilling have been carried out on various portions of the claim group with both precious metal and VMS-style targets in mind. This work culminated in discovery of the 21A and 21B Zones in 1988-89, followed by underground development of the 21B Zone in1990-91, and the official opening of the Eskay Creek Mine in 1995. Current reserves and resources for the Eskay Creek Mine stand at 2.75 million ounces of gold and 121.5 million ounces of silver based on a tonnage of 1,693,000 tonnes and an average grade of 50.51 Au gpt and 2231 Ag gpt.

A total of 1,386 surface drill holes totaling 308,371.24 meters have been completed on the Eskay Creek Project during the period from 1932 to December 1998. This report covers two of those holes which were drilled on the L. 7092 mining lease during September 1998.

5.0 GEOLOGY

5.1 REGIONAL GEOLOGY

The Iskut River Region lies near the western margin of the Intermontane Tectonic Belt within the Stikine Terrane of the Northern Cordillera (Table 3). In this area, deformed and metamorphosed sedimentary and volcanic rocks of the Paleozoic Stikine Assemblage are overlain by Triassic and Jurassic volcano-sedimentary arc complexes of the Stikinia Assemblage (>5000 m thick). These are, in turn capped by Middle to Upper Jurassic siliciclastic sediments of the Bowser Basin that formed an overlap assemblage following the amalgamation of the Stikine and Cache Creek Terranes (Figures 3 & 4). Plutonic rocks commonly intrude all these assemblages with a total of six suites being recognized (Table 4).

Table 3: Iskut River Tectonic rock Units (After Anderson, 1989).

Coast Plutonic Complex	Tertiary	Post tectonic, felsic plutons.
"Bowser Overlap" Assemblage (includes Bowser Lake Group)	Middle-Upper Jurassic	Deformed, siliciclastic sediments.
"Stikinia" Assemblage (includes Stuhini & Hazelton Groups)	Triassic-Jurassic	Deformed volcanics, intrusives,and basinal sediments.
Stikine Assemblage	Early Devonian to Early Permian	Highly deformed limestones and volcanics.

Table 4: Iskut River Plutonic Rock Units (After MDRU, 1992).

Coast Plutonic Complex	Biotite minette lamprophyres, Gabbro-Syenite (Mt. Hoodoo)	
Hyder	Monzogranite, qtz monzonite + granodiorite – Post tectonic.	
Eskay Creek	Monzodiorite	
Texas Creek	Calc-Alk bi-hbl granodiorite and qtz monzodiorite commonly cut by kspar megacrystic andesite dikes.	
Stikine	Cpx-gabbro + diorite, hbl qtz monzodiorite and bi-ksp-megacrystic qtz monozonite. Co-spatial with Stuhini volcs.	
Sulphurets 'Flow Dome'	Felsic intrusives/extrusives.	

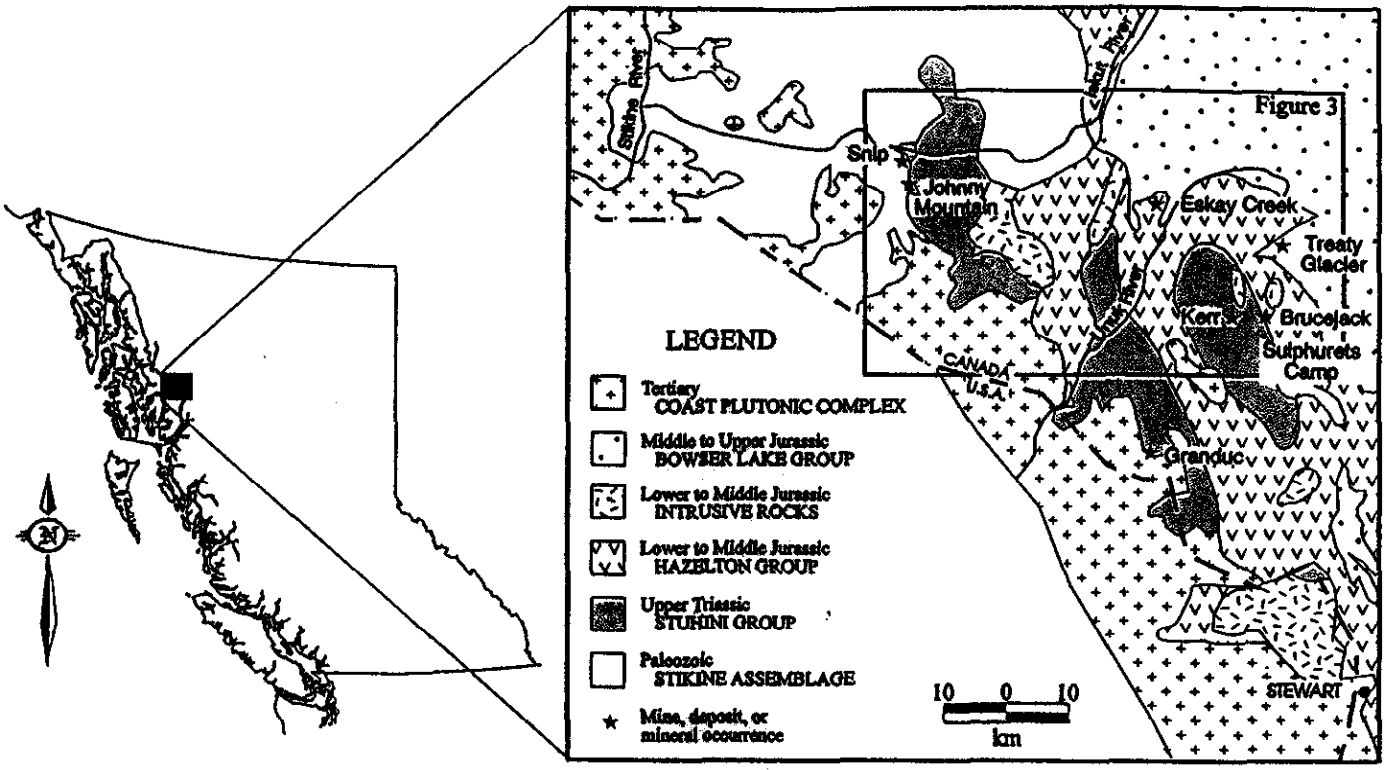


Figure 3: Generalized Geologic Map of B.C. including the Iskut River Area (After MacDonald et al., 1996).

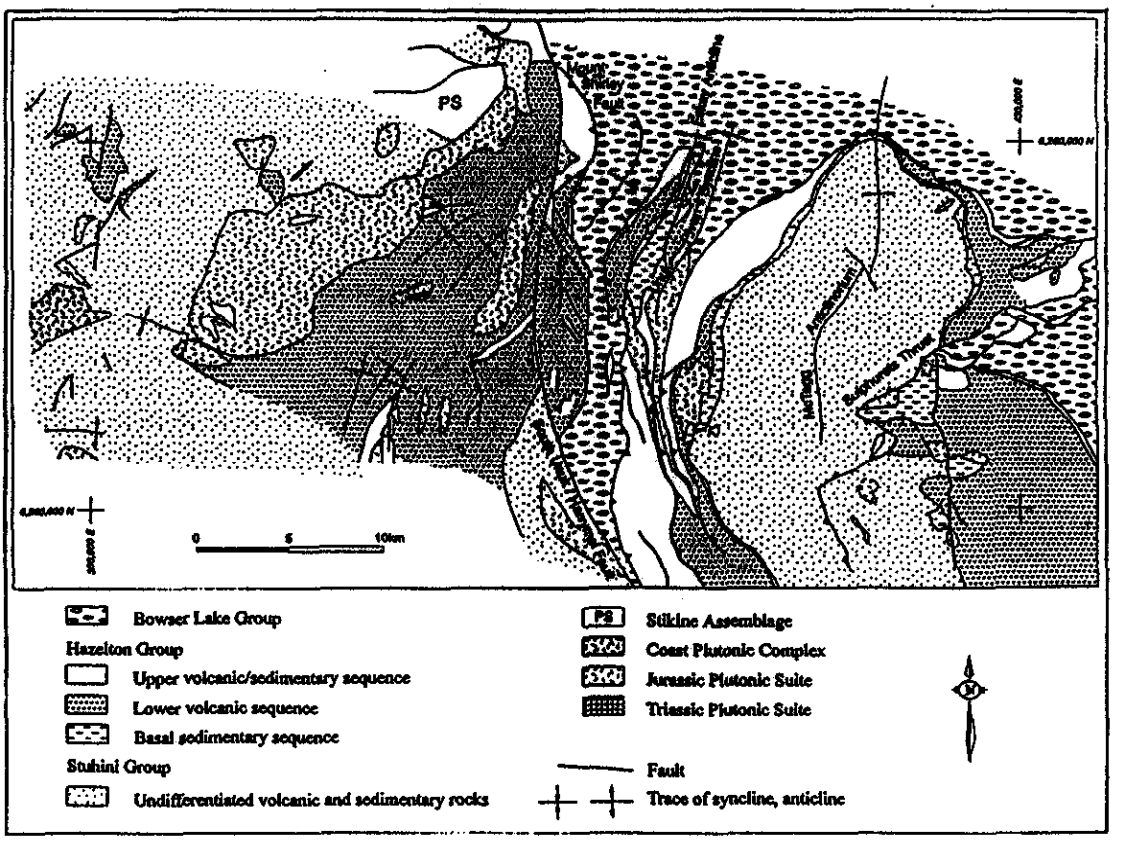


Figure 4: Geologic Map of the Iskut River Area (After MacDonald et al., 1996).

The dominant structural features within the Iskut River Region consist of north-northeast plunging regional anticline and syncline pairs accompanied by strong, regionally-developed, steeply dipping, penetrative cleavage fabrics. The regional folds and cleavage fabrics are interpreted to have formed during a mid-Cretaceous orogenic shortening event centered on a northwesterly compressive axis.

The area has also been cut by numerous faults of varying orientations and interpreted ages. Those related to the regional Cretaceous shortening event include west-vergent thrust faults such as the Coulter Creek Fault. Other major faults include north, northwest, and northeast-striking sub-vertical structures, which form strong topographic lineaments and displace both stratigraphic contacts and mineralized zones. Many of these faults developed during a second period of deformation with a northeast compressive axis and include such major features as the South Unuk/Harrymel Structure, the Forrest-Kerr Fault, and the Argillite Creek Fault.

Mineralization in the Iskut River Area is generally varied in age and deposit type. Examples include: 1) porphyry, skarn, and related vein deposits; 2) near-surface, epithermal alteration and veins; and 3) submarine exhalative precious and base metal mineralization. All of these deposits exhibit a close spatial relationship to Early Jurassic subvolcanic plutons, particularly the potassium megacrystic, plagioclase, and biotite porphyritic intrusions that were emplaced between 180 Ma and 200 Ma. (i.e. Sulphurets Porphyry). A list of the major Lower to Middle Jurassic mineral deposits that occur in the Iskut Area can be found below in Table 6.

Table 5: Mineral Deposit Types of the Iskut River Area (After Edmunds & Kurran, 1993).

Kerr	Alkaline Porphyry	66 mT @ 0.84%Cu & 0.01 Au opt	Upper Triassic
Doc	Mesothermal Gold	0.2 mT @ 0.32 Au opt	Upper Triassic
Inel	Mesothermal Gold	Prospect	Lower Jurassic (Texas Creek)
Snip	Mesothermal Gold	2.4 mT @ 0.65 Au opt	Lower Jurassic (Texas Creek)
Johnny Mountain	Mesothermal Gold	0.3 mT @ 0.83 Au opt	Lower Jurassic (Texas Creek)
Premier-Silbak	Epithermal Gold	4.6 mT @ 0.39 Au opt	Lower Jurassic (Texas Creek)
Sulphurets	Mesothermal Gold	1.4 mT @ 0.35 Au opt	Lower Jurassic
Eskay Creek	Volcanic Associated Massive Sulphide	1.4 mT @ 1.69 Au opt & 78.3 Ag opt	Lower-Mid Jurassic

5.2 PROPERTY GEOLOGY

5.2.1 General

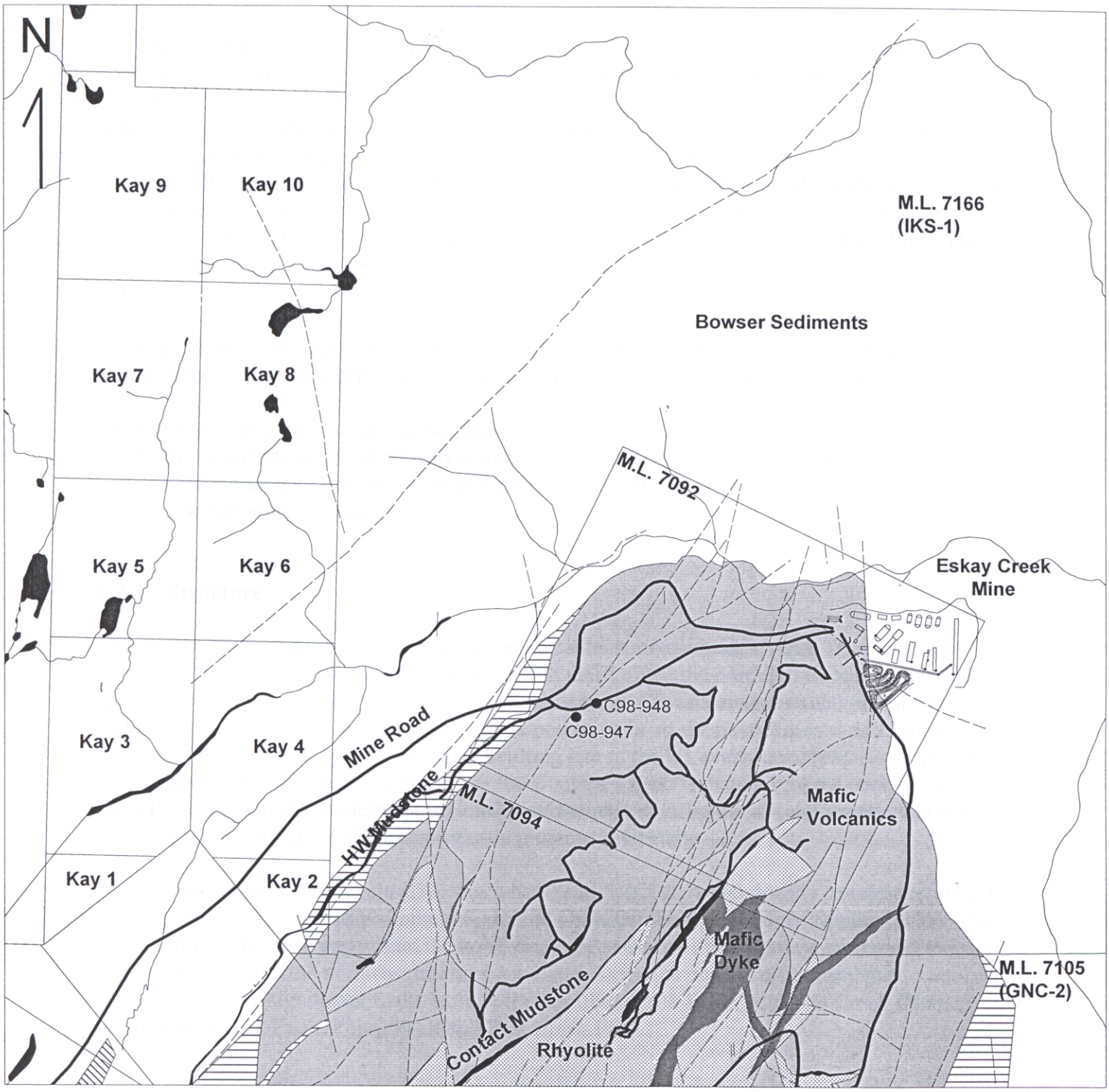
The Eskay Creek deposit is hosted within the Jurassic rocks of the Stikina Assemblage (Table 6). It is situated near the northern margin of the Eskay Anticline, at the stratigraphic transition from marine sediments of the Bowser Lake Group to volcanic rocks of the uppermost Hazelton Group (Figure 5). The Hazelton Group has been further divided into four rock formations which (ranging from oldest to youngest) include the Unuk River Formation, Betty Creek Formation, Mt. Dilworth Formation, and the Salmon River Formation.

Table 6. Stikinia Assemblage Description (After Anderson & Thorkelson, 1990).

Formation/Group	Lithologies	Age (Ma)
Ashman Fm. (Bowser Lake Group)	Shale, siltstone, greywackes, quartz arenites and chert pebble conglomerates.	156-163 Ma
Salmon River Fm. (Hazelton Group)	(ii) black siliceous shale, white reworked tuff turbidite; pillow lava and limy to siliceous shale-siltstone; andesitic volcanics (i) thin belemnite-rich calcareous sandstone and mudstones.	163-187 Ma 187-193 Ma
Mount Dilworth Fm. (Hazelton Group)	White-maroon grey weathering welded to non-welded felsic tuff and tuff breccias. Commonly aphyric, flow-banded and spherulitic. Dacite-rhyolite composition.	Unknown
Betty Creek Fm. (Hazelton Group)	Maroon to green volcanic siltstone, greywacke, breccia with common sedimentary structures and jasperoid veins.	193-196 Ma
Unuk River Fm. (Hazelton Group)	Rusty white-orange weathering, thinly bedded siliciclastic calareous siltstone dominates the unit.	Ma

5.2.2 Stratigraphy

At the bottom of the stratigraphic package and occupying the core of the Eskay Anticline, lies the Unuk River Formation. This unit is a thick sequence of coarse, broadly andesitic breccias and volcaniclastic rocks topped by marine shales and clastic sediments. It is overlain by the Betty Creek Formation, which has been informally divided into upper and lower members. The upper Eskay Creek Member is dominated by sediment and epiclastic units while the lower East Ridge Member is comprised chiefly of andesitic epiclastic and volcaniclastic rocks. The next rocks in the succession are the regionally extensive, felsic pyroclastic deposits of the Mt. Dilworth Formation. These felsics are separated from the overlying Salmon River Formation by a volcanic hiatus that allowed the accumulation of 10-15 m of black mudstone.



Eskay Creek Project
Geology and Drill Hole Location Map

Figure 5

The Salmon River Formation, host to the Eskay Creek Deposit, is divided into a homogeneous upper section of mudstone and argillite and a heterogeneous, bimodal volcano-sedimentary assemblage forming the lower section. This lower bimodal volcanic package consists of an upper submarine mafic flow/dyke sequence overlying a variably brecciated and fragmental rhyolite flow-dome complex termed the 'Eskay Rhyolite'. Interbeds of pyrite-laminated mudstone, chert, marl, limestone and vitric tuffs occur intermittently throughout this package. A mudstone bed containing Aalenian fossils and termed the 'Contact Mudstone' is found at the base of the Salmon River mafic package and immediately overlying the 'Eskay Rhyolite'. This unit varies in thickness up to 50 m and serves as the host to the main Eskay 21 Zone mineralization.

Capping the entire sequence are thick accumulations of Bowser Lake Group mudstones and conglomerates covered locally by a thin veneer of in-situ soils and transported tills.

Intrusives are common throughout the stratigraphic sequence with the lower portion intruded by porphyritic monzodiroite to diorite dikes and younger felsic dikes/sills which were feeders to the main rhyolite package. Basaltic dikes and sills feed the hanging wall mafic package and cut all the strata in the mine section.

5.2.3 Structure

The rocks at Eskay Creek have been deformed by at least two tectonic events. The earliest deformation event (D1) was a NNW compression that formed the northeast trending, syncline-anticline couples and a spaced pressure solution cleavage. The cleavage is axial planar to the bedding-defined Eskay Creek Anticline and is pervasive in all the phyllosilicate-rich lithologies and even the massive sulphide horizons. Faulting late in the D1 event developed east-dipping thrust sheets south of Eskay Creek such as the Coultier Creek Thrust. All of the rock units in the Iskut River Region also underwent regional metamorphism during the D1 deformational event resulting in the formation of porphyroblastic prehnite and calcite.

The second deformational event (D2) was a NNE compression, which locally re-oriented the D1 cleavage planes and formed prominent north and northeast trending, steeply dipping faults. The cross-cutting relations suggest that the north set is the earliest with apparently consistent sinistral displacement, while the northeast trending set displays oblique normal displacement.
Some of the more significant faults include the Argillite Creek Fault, Andesite Creek Fault, Pumphouse Creek Fault, Portal Fault and East Break Fault.

5.2.4 Alteration

Three main types of alteration have been identified at Eskay Creek. These include k-feldspar, silica, and chlorite-sericite. The k-feldspar occurs cryptically in the footwall rhyolite as a fine-grained replacement of plagioclase. Alkali ratios (Na2O/K2O & Na2O) quantify this potassic alteration which extends up to 1100 meters south of the deposit. Strong silica alteration is also

present throughout the rhyolite in the form of extremely fine-grained quartz-flooding and densely developed quartz-filled micro-veinlets. The phyllosilicate alteration is more proximal in style and generally forms tabular zones of aphanitic sericite and clinochlore in the upper 3-20 m of the footwall rhyolite directly beneath the 21B Zone.

5.2.5 Mineralization

Mineralization at Eskay Creek is found in two different environments: 1) as stratiform, mudstone-hosted, clastic to massive lenses of sulphide and sulphosalts; and 2) as discordant, rhyolite-hosted, crustiform base and precious metal veins and stratiform sericitic and/or silica-flooded zones. The stratiform mineralization is hosted in black carbonaceous mudstone and sericitic tuffaceous mudstone of the Salmon River Formation at the contact between the Eskay Rhyolite and the overlying mafic volcanic package. The main zone of mineralization, the 21B Zone, consists of stratiform clastic sulphide-sulphosalt beds and forms a body roughly 900 m long, 60 to 200 m wide and up to 15 m thick. Individual clastic sulphide layers range from 1 cm to 50 cm thick. These beds contain fragmentals of coarse-grained sphalerite, tetrahedrite, Pb-sulphosalts with lesser freibergite, galena, pyrite, electrum, amalgam and minor arsenopyrite. Stibnite occurs locally in late veins and as a replacement of clastic sulphides. Rare cinnabar is associated with the most abundant accumulations of stibnite. Barite occurs as isolated clasts and in the matrix of bedded sulphides and sulphosalts, or as rare clastic or massive accumulations. At the same stratigraphic horizon as the 21B Zone are the NEX and 21E Zones, the 21A Zone (characterized by As-Sb-Hg sulphides), and the barite-rich 21C-Barite Zone. Stratigraphically above the 21B Zone and usually above the first basaltic sill, the mudstones also host a localized body of base metal-rich, relatively precious metal-poor, massive sulphides referred to as the Hanging Wall or HW Zone.

Stockwork and discordant mineralization at Eskay Creek is hosted in the rhyolite footwall in the Pumphouse, Pathfinder, 109 Zone, and 21C-Rhyolite Zones. The Pumphouse and Pathfinder Zones are characterized by pyrite, sphalerite, galena and chalcopyrite-rich veins and veinlets hosted in strongly sericitized and chloritized rhyolite. The 109 Zone comprises gold-rich quartz veins with sphalerite, galena, pyrite, and chalcopyrite associated with abundant carbonaceous material hosted mainly in siliceous rhyolite. The 21C-Rhyolite Zone consists of very fine cryptic pyrite with rare sphalerite and galena in sericitized rhyolite.

6.0 DIAMOND DRILLING

6.1 Objectives

The 1998 Diamond Drill Program on the Eskay Creek Project was designed to test for the northwestern strike extension of the 21C Zone within the main rhyolite body.

6.2 Methods

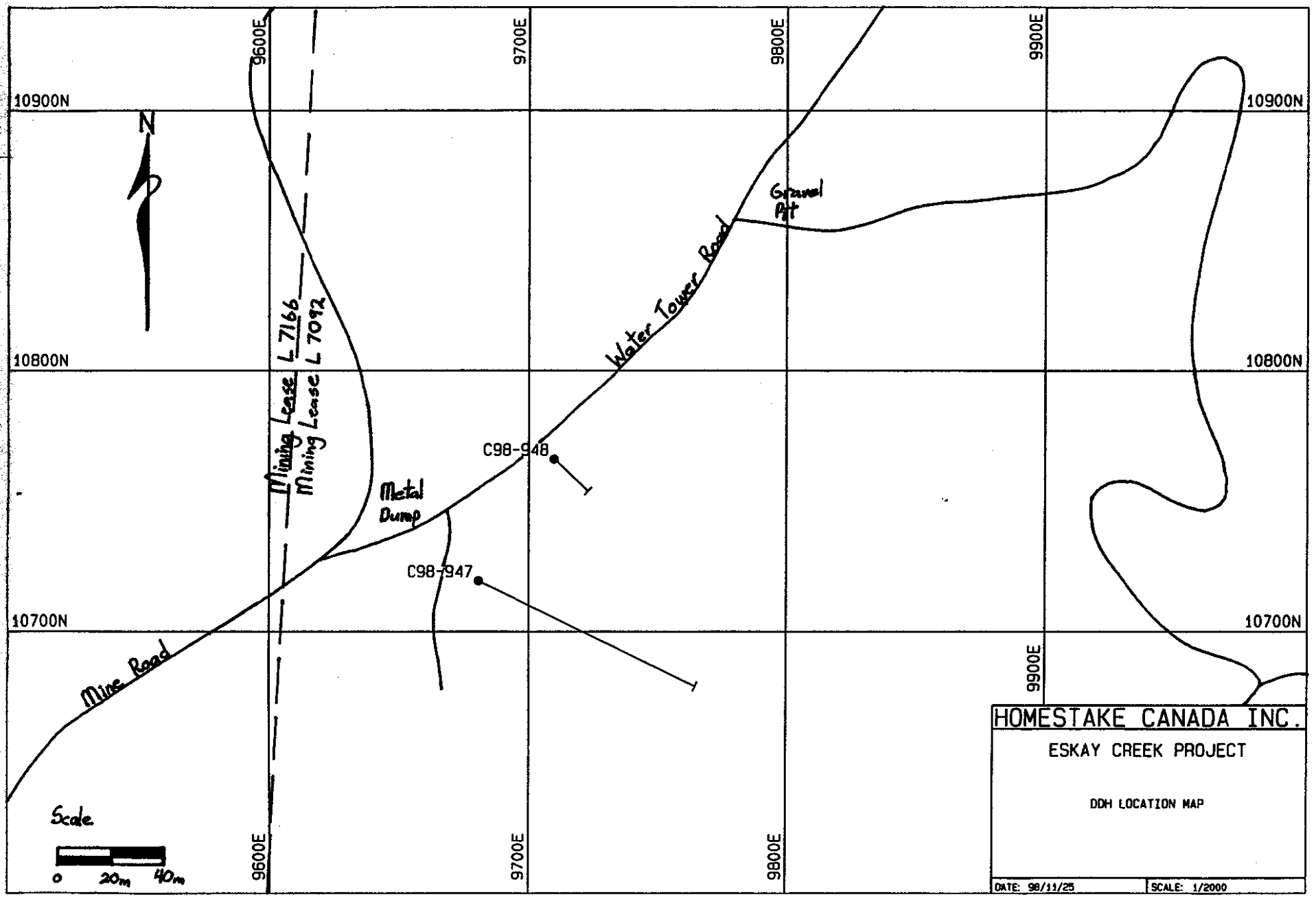
Two diamond drill holes, C98-947 and C98-949, were performed on the Eskay Creek property between September 13, 1998 and September 17, 1998. Total depths for the two holes were 206.96 m and 103.02 m respectively (Table 6 and Figure 6).

The drilling was carried out by Hy-Tech Drilling of Smithers, B.C. using 4-man drill crew, a skid-mounted, JKS-300 hydraulic drill, and BQTW sized core. The drilling crews and geologists worked out of the established Homestake Exploration Camp located at Km 45 on the Eskay Creek Mine access road. Equipment was mobilized to the C98-947 drill site by a Hughes 500D helicopter provided by Northern Mountain Helicopters based out of Prince George, B.C. All diamond drill core was logged at the coreshack at the Eskay Creek Mine and then moved to the main core storage facility at Km 44.

Drill data was entered into lap-top computers using the in-house logging program, DLOG. All lithologies were coded using a 4-character field while textural descriptions, colours and structures were summarized using a 2-character field. Primary and secondary geologic intervals were described separately. A remark field was used to take detailed notes on bedding orientations, presence of fossils and descriptions that were not coded for elsewhere. All data input into DLOG was then interpreted into meaningful descriptions when the diamond drill log were printed. The DLOG program was used to collect information that was subsequently imported into AutoCad, MapInfo, and Vulcan for data plotting.

Table 6. Eskay Creek Drill Hole Summary

Hole Number	Mine Northing	Mine Easting	Elevation	Azimuth	Dip	Length
C98-947	10719.32 N	9680.53 E	861.41 m	141	-65	206.96 m
C98-948	10766.00 N	9709.78 E	853.40 m	146	-79	103.02 m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9700E
9800E
9900E
10900N
10800N
10700N
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Mining Lease L 7166
Mining Lease L 7092
Water Tower Road
Gravel Pit
Metal Dump
C98-948
C98-947
Mine Road
Scale
0 20m 40m
HOMESTAKE CANADA INC.
ESKAY CREEK PROJECT
DDH LOCATION MAP
DATE: 98/11/25
SCALE: 1/2000

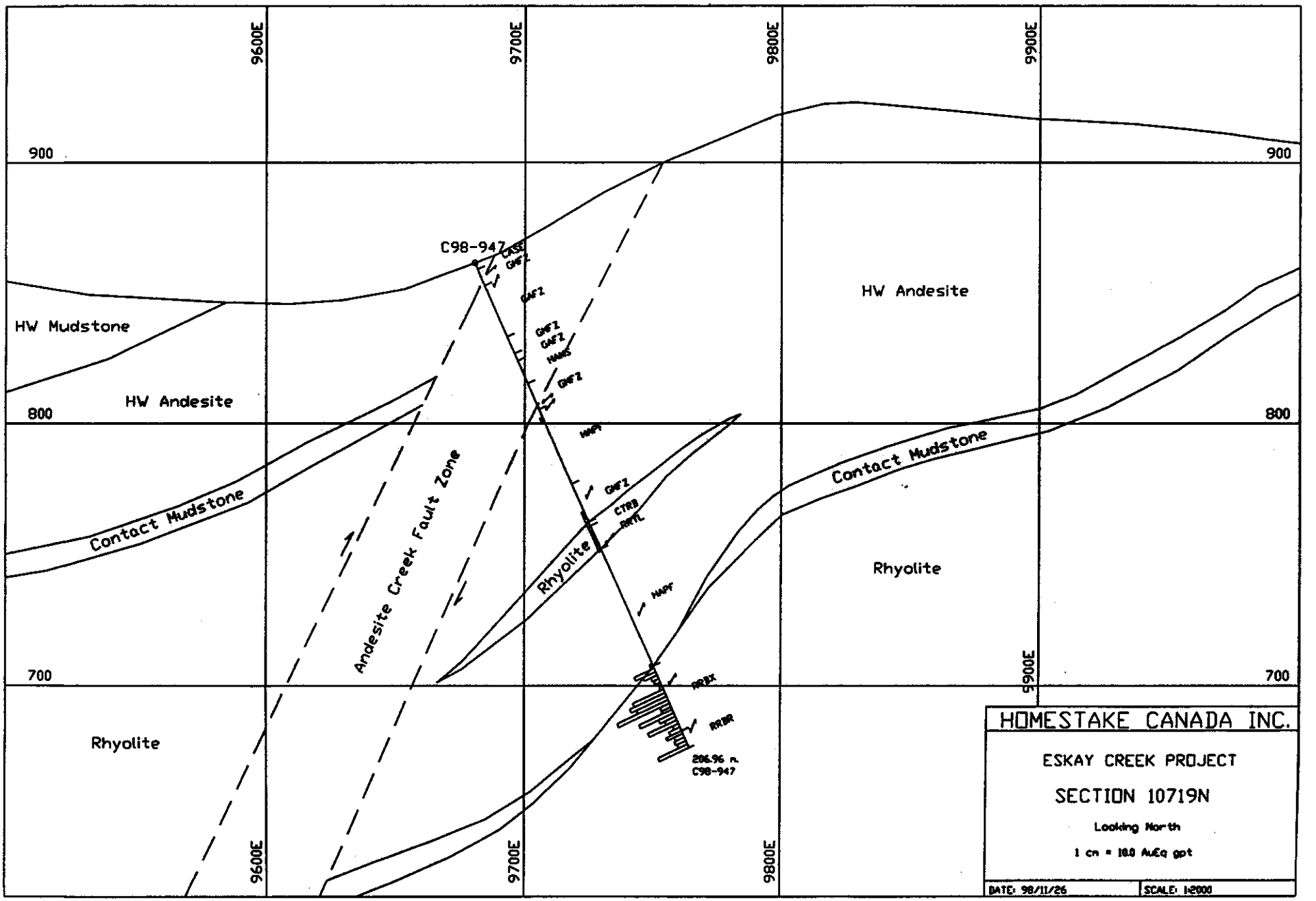
6.3 Results

6.3.1 Drill Hole C98-947

DDH C98-947 was collared on the edge of the Eskay Creek Mine metal dump and was drilled at Azimuth 141/Dip –65 to a total depth of 206.96 meters to test for the northwestern strike extension of the 21C Zone, north of Section 10700N (Figure 7). The hole started within a hanging wall suite of massive andesite flow and faulted rubbly mudstone before intersecting the main contact mudstone between 110.64-112.24 meters and the main Eskay Rhyolite between 112.24-206.96 meters. The hole passed through a zone of patchy sericite alteration with local shearing and 2-4% pyrite hosted by rhyolite breccia between 182.20-188.20 meters and returned a value of 7.93 AuEq gm/t/6.00 meters for the 21C-Rhyolite Zone. No other significant results were returned in the hole.

6.3.2 Drill Hole C98-948

The second hole, DDH C98-948, was collared approximately 75 meters to the northeast of DDH C98-947 along the access road to the Eskay Creek Mine water tower (Figure 8). The hole was drilled at Azimuth 146/Dip –79 to a total depth of 103.02 meters and was designed to follow-up on the results from C98-947. The hole collared within a hanging wall sequence of andesite breccia and hydrothermally brecciated mudstone before intersecting a rubbly mudstone fault zone from 81.35-103.02 meters. Ground conditions deteriorated rapidly over the bottom 20 meters of the hole with numerous seams of grey clayey fault gouge and diminishing core recovery. The hole was finally abandoned at 103.02 meters when severe drilling difficulties were encountered.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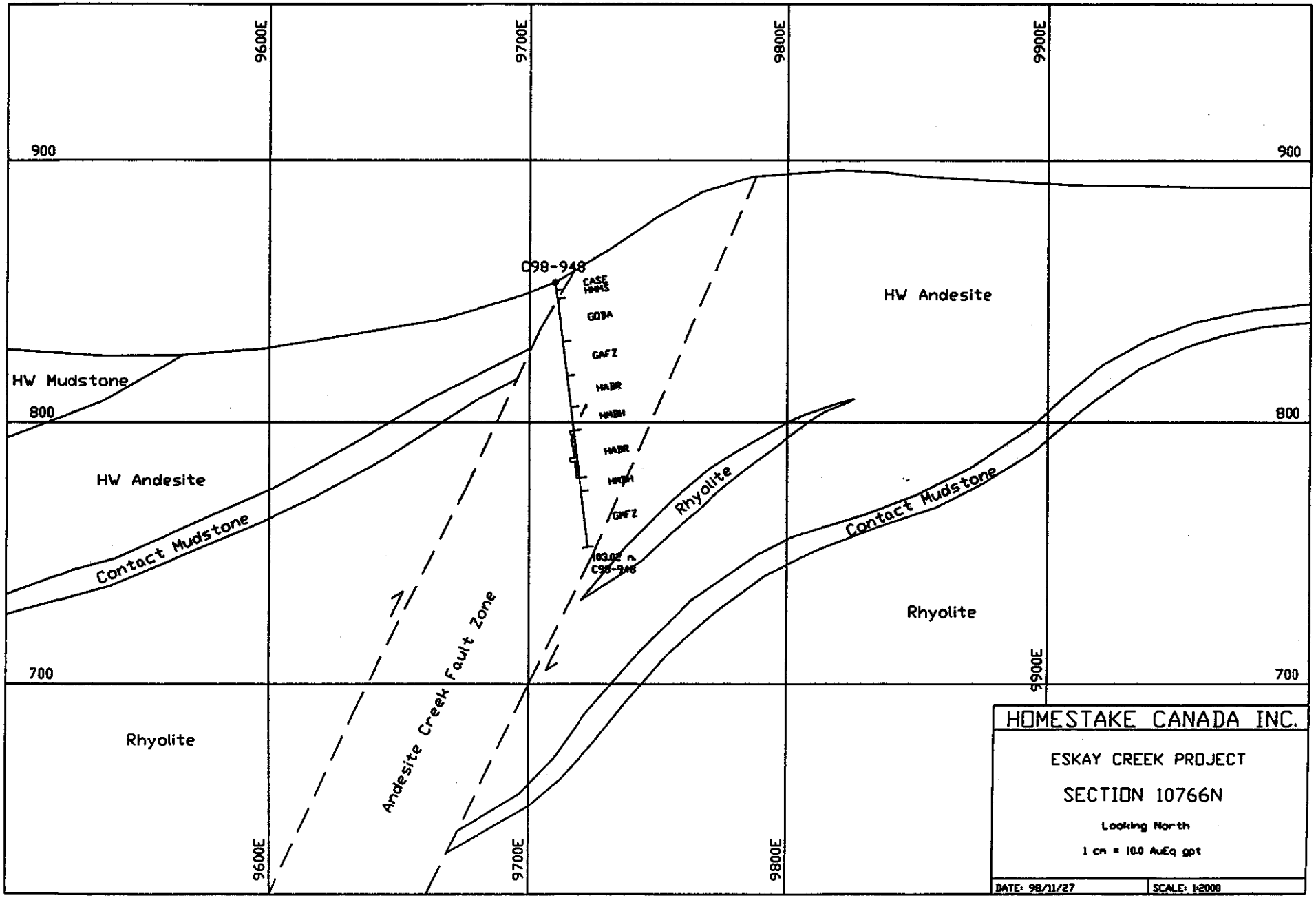
DATE: 98/11/26
SCALE: 1:2000


9600E
9700E
9800E
9900E
900
800
700
C98-948
CASE
HWMS
GOBA
GAFZ
HABR
HWBH
HABR
HWBH
GMFZ
183.02 m
C98-948
HW Andesite
HW Mudstone
HW Andesite
Contact Mudstone
Rhyolite
Andesite Creek Fault Zone
Contact Mudstone
Rhyolite
Rhyolite
HOMESTAKE CANADA INC.
ESKAY CREEK PROJECT
SECTION 10766N
Looking North
1 cm = 10.0 AuEq gpt
DATE: 98/11/27
SCALE: 1:2000

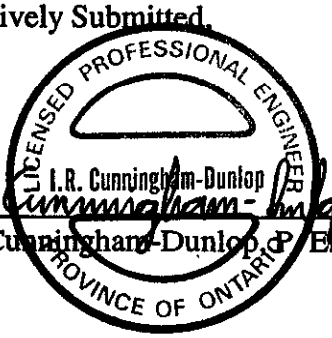
7.0 DISCUSSION AND RECOMMENDATIONS

The results from DDH C98-947 are encouraging and more drilling is warranted to test:

a) the northern strike extent of the 21C Zone;
b) the down-dip potential of the zone on both the east and west sides of the Andesite Creek and Argillite Creek Faults.
c) the deep depth potential of the Andesite Creek Fault as a possible conduit/feeder system to the 21C mineralization.

Great care should be given, however, when collaring holes in the immediate vicinity of the major faults due to the very poor ground conditions.

Respectively Submitted,



Ian R. Cunningham-Dunlop, P. Eng.

8.0 REFERENCES

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MACDONALD, A.J., LEWIS, P.D., THOMPSON, J.F.H., NADARAJU, G., BARTSCH, R.D., BRIDGE, D.J., RHYS, D.A., ROTH, T., KAIP, A., GODWIN, C.I. and SINCLAIR, A.J., 1996. Metallogeny of an Early to Middle Jurassic Arc, Iskut River Area, Northwestern British Columbia. Economic Geology, Volume 91, p. 1098-1114.

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9.0 STATEMENT OF QUALIFICATIONS

I, IAN R. CUNNINGHAM-DUNLOP, of the City of North Vancouver, Province of British Columbia do hereby certify that:

1. I am a professional geologist residing at 2537 Sechelt Drive, North Vancouver, British Columbia, V7H 1N7.

2. I am a graduate of Queen's University, Kingston, Ontario (1984) and hold a B.Sc. (Eng.) degree in geological engineering.

3. I have been practicing as a geologist for over 18 years.

4. I am a member of the Association of Professional Engineers of Ontario.

5. I am presently employed by Homestake Canada Inc. of 1100-1050 West Georgia Street, Vancouver, B.C. as a Senior Project Geologist.

6. I am familiar with the material covered by this report having personally supervised the fieldwork from the 1998 field season.

7. I do not have any direct or indirect interest in the Eskay Creek Property nor do I expect to receive any in return for conducting the work or preparing this report

8. Permission is granted for the use of this report, in whole or in part, for assessment and qualification requirements, but not for advertising purposes.

Dated at Vancouver, British Columbia
This 15th day of December, 1998

LICENSED PROFESSIONAL ENGINEER
PROVINCE OF ONTARIO

Ian R. Cunningham-Dunlop, P. Eng.

APPENDIX A

STATEMENT OF EXPENDITURES

STATEMENT OF EXPENDITURES

DDH C98-947

Diamond Drilling		
Hy-Tech Drilling Invoice for DDH C98-947.		$12,176.00
Helicopter Charter		
Northern Mountain Helicopters.		
1.6 hours @ $725.80 per hour.		$1,161.28
Assaying		
Eskay Mine Assay Lab.		
45 core samples @ $11.31 per sample.		$542.88
Geological Supervision		
3 days @ $413 per day.		$1,239.00
Technical Support		
1 day @ $263 per day		$263.00
	Total	**$15,382.16**

DDH C98-948

Diamond Drilling		
Hy-Tech Drilling Invoice for DDH C98-947.		$9,787.00
Assaying		
Eskay Mine Assay Lab.		
14 core samples @ $11.31 per sample.		$158.34
Geological Supervision		
2 days @ $413 per day.		$826.00
Technical Support		
1 day @ $263 per day		$263.00
	Total	**$11,034.34**
	Grand Total	**$26,416.50**

Apportionment of work to Kay Claims: $17,000.
The balance of the funds applied to Prime Resources Group Inc. P.A.C. Account No. 121911.

APPENDIX B

DIAMOND DRILL LOGS – C98-947 and C98-948

HOMESTAKE CANADA | DIAMOND DRILL HOLE LOG | C98947

PROJECT: Eskay Creek Project	Date Commenced: 09/13/98	Contractor: HY-TECH	Logged by: ICD
DRILL HOLE: C98947	Date Completed: 09/15/98		Geotech by: MCKD
LENGTH: 206.96	Core Diam: BQTW		

Collar Location

	Exploration Grid	Mine (023) Grid
Northing:	19484.96	10719.32
Easting:	21600.99	9680.53
Elevation:	861.41	861.41

SUMMARY

0.00-2.70	CASING
2.70-9.60	RUBBLY MUDSTONE FAULT ZONE
9.60-31.55	RUBBLY ANDESITE FAULT ZONE
31.55-38.70	RUBBLY MUDSTONE FAULT ZONE
38.70-41.76	RUBBLY ANDESITE FAULT ZONE
41.76-51.51	HW MASSIVE ANDESITE
51.51-62.58	RUBBLY MUDSTONE FAULT ZONE
62.58-94.37	HW PILLOWED ANDESITE FLOW
94.37-110.64	RUBBLY MUDSTONE FAULT ZONE
110.64-112.24	CONTACT MUD MATRIX RHY BRECCIA
112.24-122.12	RHYOLITE
122.12-172.30	HW PILLOWED ANDESITE FLOW
172.30-199.84	RHYOLITE BRECCIA
199.84-206.96	AUTOBRECCIATED RHYOLITE FLOW

DOWN HOLE SURVEYS

Depth	Azim	Inclin	Mine Az	Method
0.00	141.00	-65.00	118.00	ESTIMATE
6.01	138.50	-64.00	115.50	SPERRY SUN
103.63	138.50	-63.00	115.50	ACID TEST
205.44	138.50	-63.00	115.50	ACID TEST

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
0.00	2.70	CASING											
2.70	9.60	RUBBLY MUDSTONE FAULT ZONE Dark gray, broken, gouge bedding 70°:fault/gouge 60° Frs=100/m .5% pyrite - laminations Massive to poorly bedded mudstone; highly broken core with several sections of intense grey muddy fault gouge. Gouge zones are fairly cohesive and support angular mudstone fragments up to 2.0 cm in size; minor veining and sulphides. 9.60 m: lower contact sharp at 40 degrees to the c/a.												
9.60	31.55	RUBBLY ANDESITE FAULT ZONE Green, broken, brecciated Frs=40/m :Vns =1/m 1% chlorite alteration - pervasive 1% qz veining - microveins 1% pyrite - disseminated Intermixed massive flow and flow breccia; the massive sections are fine-grained with vague pillow outlines (?) while the brecciated portions are characterized by numerous subangular to subrounded fragments of andesite within a dark grey mudstone matrix (>50% fragments); strongly broken core throughout the unit with numeous intervals of lost and ground core, particularly between 19.81-31.55 m; weak to moderate orange-red iron staining on fracture surfaces; minor veining; <1% pyrite. 31.55 m: lower contact obscured by broken core.												
31.55	38.70	RUBBLY MUDSTONE FAULT ZONE Dark gray, broken, gouge Frs=80/m .5% pyrite - disseminated Section of highly broken core consisting of fragments of massive mudstone and vuggy mudstone-matrix andesite breccia; numerous pieces of white-grey quartz vein material up to 5.0 cm in length; minor iron staining; <1% pyrite. 38.70 m: lower contact falls within interval of very rubbly core.												

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
38.70	41.76	RUBBLY ANDESITE FAULT ZONE Green, broken, massive Frs=30/m :Vns =1/m 1% chlorite alteration - blebs 1% qz veining - microveins 1% pyrite - disseminated Highly broken massive andesite; 1-2% fine chlorite clots to 1 mm in size; no other visible textures; minor alteration, veining and sulphides.											
41.76	51.51	HW MASSIVE ANDESITE Green, massive cleavage, foliation 60° Frs=10/m :Vns =2/m 2% chlorite alteration - pervasive 1% carbonate alteration - fracture fill 1% carbonate veining - microveins 1% pyrite - disseminated Massive andesite flow; local concentrations of fine white leucoxene and dark green chlorite grains; possible pillow rims near the upper limit; weakly fractured with local carbonate infilling; minor carbonate vein set at 50-70 degrees to the c/a; 1% fine disseminated and fracture-controlled pyrite. 51.51 m: lower contact obscured by broken core.											
<48.31-49.68>		RUBBLY ANDESITE FAULT ZONE Green, broken, massive Frs=70/m :Vns =1/m 2% chlorite alteration - pervasive 1% carbonate alteration - fracture fill 1% carbonate veining - microveins 1% pyrite - disseminated Strongly broken version of overlying andesite flow; minor gouge.											
51.51	62.58	RUBBLY MUDSTONE FAULT ZONE Dark gray, broken, laminated bedding 70° Frs=50/m :Vns =2/m 1% graphite - coatings 1% carbonate veining - microveins 1% pyrite - laminations Strongly broken laminated mudstone with numerous sections of friable and shattered core; minor seams of											

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
		black gritty fault gouge up to 1.0 cm in width; rare carbonate veins parallel to the bedding; 1% laminated pyrite, local clusters of rosettes with carbonate rims near the lower limit. 62.58 m: lower contact quite sharp at 60 degrees to the c/a.											
62.58	94.37	HW PILLOWED ANDESITE FLOW Greenish-gray, pillowed, amygdaloidal cleavage, foliation 50° Frs=5/m :Vns =5/m 1% chlorite alteration - pervasive 1% carbonate alteration - fracture fill 5% carbonate veining - macroveins 2% pyrite - disseminated Pillowed andesite flow; weakly chloritic pillow rims with numerous fine white carbonate-filled amygdules within the pillow cores; dark grey/black mudstone forming the interstial material; very weak pervasive carbonate and chlorite alteration; numerous white carbonate veins to 1.0 cm in size at 40-60 degrees to the c/a; 1-2% pyrite as fine disseminated grains and locally as fracture-controlled stringers. 65.90-66.83 m: section of brecciated mudstone with white-grey carbonate infilling; 2-4% pyrite as fine stringers; contacts irregular. 67.97-68.51 m: laminated mudstone with numerous fine pyrite and lesser pyrrhotite stringers at 40-50 degrees to the c/a; minor ptygmatic carbonate veining; contacts irregular. 88.60-89.02 m: massive mudstone band at 45 degrees to the c/a; clusters of white crystallites below the upper margin. 89.42-90.03 m: andesite debris flow; abundant fine lithic fragments to 1.0 cm in size consisting primarily of andesite, mudstone and grey chert - appears graded downhole; contacts sharp at 40-50 degrees to the c/a. 93.19-94.37 m: andesite debris flow as above; contacts at 65 degrees to c/a. 94.37 m: lower contact obscured by broken core.	521507	65.90-66.83	0.93	0.5	5	0.01	0.03	0.01	0.01	4	0.01
			521508	67.97-68.51	0.54	0.5	5	0.01	0.05	0.01	0.01	13	0.01
94.37	110.64	RUBBLY MUDSTONE FAULT ZONE Dark gray, broken, laminated bedding 45°	521509	106.06-107.50	1.44	0.5	5	0.01	0.01	0.01	0.05	7	0.01
			521510	107.50-109.00	1.50	0.5	5	0.01	0.02	0.01	0.06	21	0.01
			521511	109.00-110.64	1.64	0.5	5	0.01	0.03	0.01	0.05	10	0.01

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
		Frs=50/m :Vns =3/m 1% graphite - coatings 2% qz-carb veining - macroveins 2% pyrite - laminations Strongly broken, very graphitic mudstone; massive to poorly bedded with local clusters of crystallites in vague bedding concentrations; several bands of highly veined andesite up to 2.0 meters in width - largest from 103.42-103.63 m and 104.09-106.06 m; intensely broken core below 107.50 m - highly sheared and chloritized with numerous seams of grey muddy fault gouge at 40-60 degrees to the c/a; transition into mudstone debris flow below 110.05 m with weak silicification and 3-5% fracture-controlled pyrite.										
110.64	112.24	CONTACT MUD MATRIX RHY BRECCIA Fine-coarse grained, blackish-green, brecciated Frs=15/m :Vns =1/m 10% chlorite alteration - patches 10% sericite alteration - patches 1% qz veining - macroveins 4% pyrite - fracture fill Large subangular fragments of silicified/sericitized rhyolite within a black mudstone matrix - very chaotic appearance; weakly broken core; ptygmatic quartz veining to 1.0 cm in size above the downhole limit; 3-5% fracture-controlled pyrite at the upper contact with percentage decreasing gradually downhole. 112.24 m: lower contact obscured by broken core.	521512	110.64-112.24	1.60	0.5	5	0.01	0.03	0.01	0.04	4	0.01
112.24	122.12	RHYOLITE Whiteish-green, veined, broken qz_carb veining 60° Frs=5/m :Vns =15/m 10% silica alteration - patches 5% sericite alteration - patches 5% qz-carb veining - macroveins 2% pyrite - fracture fill High-altered and fractured rhyolite - varies from massive to brecciated; several sections of buff, bleached amygdaloidal flow between 112.24-112.40, 115.42-116.15 m and 119.75-120.10 m; intensely silicified section from 116.15-117.56 with strong stockwork quartz-carbonate veining over bottom 0.50 meters; second zone of strong silicification and	521513	112.24-114.00	1.76	0.5	5	0.01	0.06	0.01	0.03	5	0.01
			521514	114.00-115.42	1.42	0.5	5	0.01	0.02	0.01	0.02	7	0.01
			521515	115.42-116.15	0.73	0.5	5	0.01	0.03	0.01	0.02	6	0.01
			521516	116.15-117.56	1.41	0.5	5	0.01	0.01	0.01	0.01	1	0.01
			521517	117.56-118.20	0.64	0.5	5	0.01	0.02	0.01	0.02	1	0.01
			521518	118.20-119.09	0.89	0.5	5	0.01	0.01	0.01	0.01	1	0.01
			521519	119.09-120.10	1.01	0.5	5	0.01	0.01	0.01	0.02	3	0.01
			521521	120.10-120.70	0.60	0.5	5	0.01	0.02	0.01	0.03	4	0.01
			521522	120.70-122.12	1.42	0.5	5	0.01	0.02	0.01	0.02	1	0.01

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
		veining from 118.20-119.09 m; core becomes quite broken from 121.30 m to the lower limit but with no visible signs of gouge; 1-2% fine disseminated and fracture-controlled pyrite. 122.12 m: lower contact obscured by broken core.											
122.12	172.30	HW PILLOWED ANDESITE FLOW	521523	122.12-123.12	1.00	0.5	5	0.01	0.05	0.01	0.02	1	0.01
		Greenish-gray, pillowed, amygdaloidal	521524	171.30-172.30	1.00	0.5	5	0.01	0.03	0.01	0.01	17	0.01
		qz_carb veining 45°											
		Frs=5/m :Vns =4/m											
		3% chlorite alteration - amygdules											
		2% carbonate alteration - pervasive											
		4% qz-carb veining - macroveins											
		1% pyrite - disseminated											
		Massive to pillowed flow; vague pillow rims with fine chlorite-filled amygdules within the pillow cores; local infilling of black mudstone within the interstices; moderate to strong fracturing/brecciation from 128.55-131.95 m with buff bleaching of fragments; numerous white quartz veins up to 10.0 cm in width at 20-60 degrees to the c/a - typically with carbonate margins; very weak pervasive carbonate; 1-2% fine disseminated pyrite.											
		148.50-172.30 m: shows transtion into dominantly fine to medium-grained massive flow; locally fractured with fine chlorite and carbonate infilling.											
		172.30 m: lower contact sharp at 30 degrees to the c/a; unit taking on medium grey color for 2.0 meters above contact; no contact mudstone or any obvious signs of alteration of mineralization.											
172.30	199.84	RHYOLITE BRECCIA	521525	172.30-173.20	0.90	0.5	13	0.01	0.01	0.01	0.01	7	0.01
		Gray, brecciated	519456	173.20-174.70	1.50	4.2	5	0.01	0.03	0.01	0.20	1	0.01
		qz veining 55°	519457	174.70-176.20	1.50	2.7	5	0.01	0.02	0.01	0.04	1	0.01
		Frs=5/m :Vns =8/m	519458	176.20-177.70	1.50	1.3	5	0.01	0.01	0.01	0.02	8	0.01
		10% silica alteration - patches	519459	177.70-179.20	1.50	1.1	5	0.01	0.02	0.01	0.02	21	0.01
		5% chlorite alteration - patches	519461	179.20-180.70	1.50	0.5	5	0.01	0.01	0.01	0.01	24	0.01
		10% sericite alteration - patches	519462	180.70-182.20	1.50	0.5	5	0.01	0.01	0.01	0.03	23	0.01
		3% qz veining - macroveins	519463	182.20-183.70	1.50	6.5	5	0.01	0.02	0.01	0.03	1	0.01
		4% pyrite - fracture fill	519464	183.70-185.20	1.50	7.5	5	0.01	0.02	0.01	0.04	1	0.01
		Rhyolite breccia with variety of subangular to subrounded fragments of rhyolite up to 10.0 cm in size within a dark grey rhyolite ash matrix; zone of	519465	185.20-186.70	1.50	6.3	14	0.01	0.03	0.01	0.06	12	0.01
			519466	186.70-188.20	1.50	10.9	5	0.01	0.02	0.01	0.08	8	0.01
			519467	188.20-189.70	1.50	2.0	5	0.01	0.02	0.01	0.03	4	0.01

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
		brecciation and shearing from the upper contact to	519468	189.70-190.80	1.10	2.0	10	0.01	0.01	0.01	0.03	1	0.01
		173.20 m with numerous thin seams of grey muddy gouge	519469	190.80-192.30	1.50	5.0	157	0.01	0.05	0.04	0.01	7	0.02
		at 25-40 degrees to to c/a; patchy and	519471	192.30-193.80	1.50	2.4	66	0.02	0.04	0.01	0.02	1	0.01
		fracture-controlled sericite and lesser chlorite to	519472	193.80-195.26	1.46	2.1	16	0.01	0.02	0.01	0.01	2	0.01
		190.80 m with 2-4% fine disseminated pyrite - locally	519473	195.26-196.75	1.49	5.3	70	0.01	0.05	0.01	0.06	1	0.03
		5-7% over short core lengths; unit takes on medium to	519474	196.75-198.25	1.50	1.2	5	0.01	0.02	0.01	0.10	4	0.01
		pale grey color below 190.80 m with increased	519475	198.25-199.84	1.59	2.2	13	0.01	0.01	0.01	0.03	1	0.01
		silicification and descreasing sericite/chlorite											
		downhole;											
		195.27-199.84 m: network of dark grey chlorite											
		stringers with 3-5% fracture-controlled pyrite at											
		30-50 degrees to c/a.											
		199.84 m: lower contact diffuse at approximately 45											
		degrees to the c/a.											
199.84	206.96	AUTOBRECCIATED RHYOLITE FLOW	519776	199.84-201.00	1.16	3.3	5	0.01	0.03	0.01	0.03	1	0.01
		Gray, auto-brecciated, flow-top BX.	519777	201.00-202.50	1.50	1.8	5	0.01	0.01	0.01	0.03	1	0.01
		Frs=5/m :Vns =2/m	519778	202.50-204.00	1.50	2.1	5	0.01	0.02	0.01	0.02	1	0.01
		15% silica alteration - pervasive	519779	204.00-205.50	1.50	1.7	13	0.02	0.05	0.01	0.02	1	0.01
		1% qz veining - microveins	519781	205.50-206.96	1.46	6.1	23	0.01	0.04	0.01	0.03	1	0.01
		2% pyrite - blebs											
		Autobrecciated rhyolite flow with large, subangular											
		flow banded fragments to 10.0 cm in size; moderate to											
		strong silicification giving the unit a pale											
		grey/white color; minor fracture-controlled sericite											
		and chlorite; 1-2% pyrite as scattered grains and											
		blebs.											
		206.96 m: End of Hole.											
(eoh)													

10/07/98

HOMESTAKE CANADA — DIAMOND DRILL HOLE LOG — C98948

PROJECT: Eskay Creek Project	Date Commenced: 09/15/98	Contractor: HY-TECH	Logged by: AB
DRILL HOLE: C98948	Date Completed: 09/17/98		Geotech by: MCKD
LENGTH: 103.02	Core Diam: BQTW		

Collar Location

	Exploration Grid	Mine (023) Grid
Northing:	19516.50	10766.00
Easting:	21646.15	9709.78
Elevation:	853.40	853.40

SUMMARY

0.00-3.05	CASING
3.05-6.40	HW MASSIVE MUDSTONE
6.40-23.00	OXIDIZED BROKEN ANDESITE FZ
23.00-36.22	RUBBLY ANDESITE FAULT ZONE
36.22-48.35	HW ANDESITE BRECCIA
48.35-57.47	HW HYDROTHERMAL BRECCIA MUD
57.47-76.05	HW ANDESITE BRECCIA
76.05-81.35	HW HYDROTHERMAL BRECCIA MUD
81.35-103.02	RUBBLY MUDSTONE FAULT ZONE

DOWN HOLE SURVEYS

Depth	Azim	Inclin	Mine Az	Method
0.00	146.00	-79.00	123.00	ESTIMATE
6.01	155.50	-79.00	132.50	SPERRY SUN
103.02	157.50	-81.00	134.50	SPERRY SUN

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
0.00	3.05	CASING											
3.05	6.40	HW MASSIVE MUDSTONE Dark gray Frs=15/m 15% graphite - pervasive Mudstone with 20cm andesite pillow breccia. Pillow fragments purply-brown with chloritic amygdules; interstitial carbonate. Lower contact obliterated by broken core.											
6.40	23.00	OXIDIZED BROKEN ANDESITE FZ Redish-brown, rubbly, oxidized Frs=117/m Faulted HAFL with clayey, gougy zones. 21.75-22.55m Oxidized fault gouge. Lower contact obliterated by broken core.											
23.00	36.22	RUBBLY ANDESITE FAULT ZONE Grayish-gray, rubbly, amygdaloidal Frs=96/m 1% chlorite alteration - amygdules 26.60-26.67m Rubbly, gougy zone. Contacts obliterated by broken core. 32.15-33.60m Siliceous mudstone and andesite breccia with carbonaceous matrix. Contact obliterated by broken core. Lower contact obscured by broken core.											
36.22	48.35	HW ANDESITE BRECCIA Grayish-gray, brecciated Frs=5/m :Vns =1/m 5% chlorite alteration - patches 10% carbonate alteration - pervasive .2% carbonate veining - microveins Chlorite and carbonate interstitially. 38.44-38.96m Blocky, broken core, minor fault zone. Contacts obscured by broken core. 43.60-43.75m Rubbly, gougy core. Contacts obscured by broken core. Lower contact transition zone with 15cm of andesite fragments in a mudstone matrix.											
48.35	57.47	HW HYDROTHERMAL BRECCIA MUD Dark gray, brecciated, broken qz_carb veining 30°											

FROM	TO	DESCRIPTION	Sample	Interval	Width	Au gpt	Ag gpt	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %
		Frs=25/m :Vns =3/m 20% silica alteration - pervasive 4% carbonate veining - macroveins 10% pyrite - patches Contorted, swirly, irregular pyritized mudstone with 45% quartz. Pyrite interstitial, veins and fracture fill. Locally rubbly core with minor fault gouge. Lower contact marked by 35cm carbonate vien. Vein upper contact at 30 degrees to ca and lower at 15 degrees to ca.										
57.47	76.05	HW ANDESITE BRECCIA	519834	57.47-59.00	1.53	0.5	18	0.01	0.03	0.01	0.07	1	0.02
		Grayish-gray, brecciated	519835	59.00-60.50	1.50	0.5	5	0.01	0.02	0.01	0.05	3	0.02
		Frs=5/m :Vns =1/m	519836	60.50-62.00	1.50	0.5	15	0.01	0.03	0.01	0.08	19	0.02
		10% chlorite alteration - pervasive	519837	62.00-63.50	1.50	0.5	12	0.01	0.03	0.01	0.09	14	0.02
		15% carbonate alteration - interstitial	519838	63.50-65.00	1.50	0.5	5	0.01	0.03	0.01	0.01	1	0.02
		.5% carbonate veining - macroveins	519839	65.00-66.50	1.50	0.5	5	0.01	0.03	0.01	0.06	3	0.02
		10% pyrite - patches	519840	66.50-68.00	1.50	0.5	5	0.01	0.03	0.01	0.07	1	0.02
		Pyrite in veinlets and irregular blebs and patches	519841	68.00-69.50	1.50	1.3	11	0.01	0.03	0.01	0.06	1	0.02
		interstitially, commonly associated with carbonate.	519842	69.50-71.00	1.50	0.5	5	0.01	0.02	0.01	0.03	8	0.02
		Blocky broken core in less than 1m intervals.	519843	71.00-72.50	1.50	0.5	5	0.01	0.02	0.01	0.02	6	0.01
		74.00m 10cm clayey, gouge.	519844	72.50-74.00	1.50	0.5	5	0.01	0.02	0.01	0.02	9	0.02
		Lower contact gradational, mud and andesite intervals.	519846	74.00-75.00	1.00	0.5	5	0.01	0.01	0.01	0.03	16	0.01
76.05	81.35	HW HYDROTHERMAL BRECCIA MUD	519847	75.00-76.05	1.05	0.5	5	0.01	0.02	0.01	0.04	26	0.01
		Dark gray, brecciated Frs=10/m :Vns =2/m 30% silica alteration - patches 5% carbonate alteration - patches 2% carbonate veining - macroveins Blocky broken core, 5% interstitial pyrite and in small blebs. Rare <1m intervals with andesite fragments. Lower contact obscured by broken core.										
81.35	103.02	RUBBLY MUDSTONE FAULT ZONE Dark gray, rubbly, gouge Frs=137/m :Vns =6/m 20% clay alteration - patches 10% graphite - patches 2% qz veining - macroveins 1% pyrite - patches Intervals (<1m) bleached, greenish andesite breccia. 88.09 to end of hole: Clayey fault gouge. EOH 103.02m Hole shut down due to fault.										
(eoh)													

10/07/98

APPENDIX C

CERTIFICATES OF ANALYSIS

PRIME RESOURCES GROUP INC.

ESKAY CREEK MINE

EXPLORATION DRILL CORE SAMPLES

LOT #: X8-3465 DATE: 18-Sep 1998

	SAMPLE number	Au g/t	Ag g/t	AuEq g/t	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %	MgO %	Al2O3 %	S.G.	Moisture wt.%
7	521507	-1.0	-10		-0.01	0.03	-0.01	-0.01	4	-0.01				
8	521508	-1.0	-10		-0.01	0.05	-0.01	-0.01	13	-0.01				
9	521509	-1.0	-10		-0.01	0.01	-0.01	0.05	7	0.01				
10	521510	-1.0	-10		0.01	0.02	-0.01	0.06	21	0.01				
11	521511	-1.0	-10		0.01	0.03	-0.01	0.05	10	0.01				
12	521512	-1.0	-10		-0.01	0.03	-0.01	0.04	4	0.01				
13	521513	-1.0	-10		0.01	0.06	-0.01	0.03	5	-0.01				
14	521514	-1.0	-10		-0.01	0.02	-0.01	0.02	7	-0.01				
15	521515	-1.0	-10		-0.01	0.03	-0.01	0.02	6	-0.01				
16	521516	-1.0	-10		-0.01	0.01	-0.01	0.01	-1	0.01				
17	521517	-1.0	-10		-0.01	0.02	-0.01	0.02	-1	-0.01				
18	521518	-1.0	-10		-0.01	0.01	-0.01	0.01	-1	-0.01				
19	521519	-1.0	-10		-0.01	0.01	-0.01	0.02	3	-0.01				
20	521520	-1.0	-10		-0.01	0.04	-0.01	-0.01	17	-0.01				
21	521521	-1.0	-10		-0.01	0.02	-0.01	0.03	4	0.01				
22	521522	-1.0	-10		-0.01	0.02	-0.01	0.02	1	-0.01				
23														
24														
25	521505	-1.0	12	0.2										
26	521520	-1.0	-10											

samples	24	base metals	132
total Au, Ag	48	total determinations	180

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X8-3465.XLS CERTIFICATION: _____

PRIME RESOURCES GROUP INC.

ESKAY CREEK MINE

EXPLORATION DRILL CORE SAMPLES

LOT #: X8-3462 DATE: 18-Sep 1998

	SAMPLE number	Au g/t	Ag g/t	AuEq g/t	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %	MgO %	Al2O3 %	S.G.	Moisture wt.%
1	521523	-1.0	-10		0.01	0.05	-0.01	0.02	-1	-0.01				
2	521524	-1.0	-10		-0.01	0.03	-0.01	0.01	17	-0.01				
3	521525	-1.0	13	0.2	-0.01	0.01	-0.01	0.01	7	-0.01				
4	519456	4.2	-10	4.2	0.01	0.03	-0.01	0.20	-1	-0.01				
5	519457	2.7	-10	2.7	0.01	0.02	-0.01	0.04	-1	-0.01				
6	519458	1.3	-10	1.3	-0.01	0.01	-0.01	0.02	8	-0.01				
7	519459	1.1	-10	1.1	-0.01	0.02	-0.01	0.02	21	-0.01				
8	519460	1.2	-10	1.2	-0.01	0.02	-0.01	0.02	14	-0.01				
9	519461	-1.0	-10		-0.01	0.01	-0.01	0.01	24	-0.01				
10	519462	-1.0	-10		-0.01	0.01	-0.01	0.03	23	-0.01				
11	519463	6.5	-10	6.5	-0.01	0.02	-0.01	0.03	-1	-0.01				
12	519464	7.5	-10	7.5	-0.01	0.02	-0.01	0.04	-1	-0.01				
13	519465	6.3	14	6.5	-0.01	0.03	-0.01	0.06	12	-0.01				
14	519466	10.9	-10	10.9	0.01	0.02	-0.01	0.08	8	-0.01				
15	519467	2.0	-10	2.0	0.01	0.02	-0.01	0.03	4	-0.01				
16	519468	2.0	10	2.2	-0.01	0.01	-0.01	0.03	-1	-0.01				
17	519469	5.0	157	7.5	0.01	0.05	0.04	0.01	7	0.02				
18	519470	-1.0	-10		-0.01	0.02	0.01	-0.01	-1	0.01				
19	519471	2.4	66	3.5	0.02	0.04	0.01	0.02	-1	-0.01				
20	519472	2.1	16	2.4	-0.01	0.02	-0.01	0.01	2	-0.01				
21	519473	5.3	70	6.4	0.01	0.05	0.01	0.06	-1	0.03				
22	519474	1.2	-10	1.2	-0.01	0.02	-0.01	0.10	4	-0.01				
23														
24														
25	519470	-1.0	-10											
26	519473	5.0	77	6.2										

samples	24	base metals	132
total Au, Ag	48	total determinations	180

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_____ xls. deleted
_____ dbf. deleted

X8-3462.XLS CERTIFICATION:_____

PRIME RESOURCES GROUP INC.

ESKAY CREEK MINE

EXPLORATION DRILL CORE SAMPLES

LOT #: X8-3474 DATE: 18-Sep 1998

	SAMPLE number	Au g/t	Ag g/t	AuEq g/t	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %	MgO %	Al2O3 %	S.G.	Moisture wt.%
1	519475	2.2	13	2.4	0.01	0.01	-0.01	0.03	-1	-0.01				
2	519476	3.3	-10	3.3	0.01	0.03	-0.01	0.03	-1	0.01				
3	519477	1.8	-10	1.8	0.01	0.01	-0.01	0.03	-1	-0.01				
4	519478	2.1	-10	2.1	0.01	0.02	-0.01	0.02	-1	-0.01				
5	519479	1.7	13	1.9	0.02	0.05	0.01	0.02	-1	0.01				
6	519480	1.4	-10	1.4	0.03	0.05	0.01	0.02	-1	-0.01				
7	519481	6.1	23	6.5	0.01	0.04	0.01	0.03	-1	0.01				

samples	24	base metals	132
total Au, Ag	48	total determinations	180

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_____ xls. deleted
_____ dbf. deleted

X8-3474.XLS CERTIFICATION: _____

PRIME RESOURCES GROUP INC.

ESKAY CREEK MINE

EXPLORATION DRILL CORE SAMPLES

LOT #: X8-3472

DATE: 18-Sep 1998

	SAMPLE number	Au g/t	Ag g/t	AuEq g/t	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %	MgO %	Al2O3 %	S.G.	Moisture wt.%
22	519834	-1.0	18	0.3	-0.01	0.03	0.01	0.07	-1	0.02				
23														
24														
25	519813	-1.0	-10											
26	519830	-1.0	-10											

samples	24	base metals	132
total Au, Ag	48	total determinations	180

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_____ xls. deleted
_____ dbf. deleted

X8-3472.XLS

CERTIFICATION:_____

PRIME RESOURCES GROUP INC.

ESKAY CREEK MINE

EXPLORATION DRILL CORE SAMPLES

LOT #: X8-3494 DATE: 20-Sep 1998

	SAMPLE number	Au g/t	Ag g/t	AuEq g/t	Pb %	Zn %	Cu %	As %	Hg ppm	Sb %	MgO %	Al2O3 %	S.G.	Moisture wt.%
1	519835	-1.0	-10		-0.01	0.02	-0.01	0.05	3	0.02				
2	519836	-1.0	15	0.2	-0.01	0.03	0.01	0.08	19	0.02				
3	519837	-1.0	12	0.2	-0.01	0.03	-0.01	0.09	14	0.02				
4	519838	-1.0	-10		-0.01	0.03	-0.01	0.01	-1	0.02				
5	519839	-1.0	-10		-0.01	0.03	-0.01	0.06	3	0.02				
6	519840	-1.0	-10		-0.01	0.03	-0.01	0.07	-1	0.02				
7	519841	1.3	11	1.5	-0.01	0.03	-0.01	0.06	1	0.02				
8	519842	-1.0	-10		-0.01	0.02	-0.01	0.03	8	0.02				
9	519843	-1.0	-10		-0.01	0.02	-0.01	0.02	6	0.01				
10	519844	-1.0	-10		-0.01	0.02	-0.01	0.02	9	0.02				
11	519845	-1.0	-10		-0.01	0.03	0.01	0.01	1	0.01				
12	519846	-1.0	-10		-0.01	0.01	-0.01	0.03	16	0.01				
13	519847	-1.0	-10		-0.01	0.02	-0.01	0.04	26	0.01				

samples	22	base metals	132
total Au, Ag	44	total determinations	176

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_____ dbf. deleted

X8-3494.XLS CERTIFICATION:_____