1995 DIAMOND DRILLING REPORT

ON THE

RAN AND BLACKHAWK CLAIMS

Grew Creek Project

Watson Lake Mining District

Yukon Territory

NTS: 105 F/15,16

Latitude $61^0 55'$ N, Longitude $132^0 30'$ W

for

YGC Resources Ltd.

By: Robert W. Stroshein, P. Eng.

November 30, 1995

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APPENDICES

LIST OF FIGURES

1.0 INTRODUCTION

The Ran and Blackhawk claims are located in the Watson Lake Mining District adjacent to the South Canol Road approximately five kilometres south of Ross River (Figure 1).

The claims are included in the Grew Creek Project operated by YGC Resources Ltd.(YGC). YGC is exploring the property under the terms of an option agreement with Mr. A. Carlos. The option agreement allows YGC to earn 100 % interest in the property.

An airborne geophysical survey in 1988 located the Canol East target near the Canol Road on the Ran claims (Figure 1). The nearest outcrops are of Eocene rhyolite located along the Lapie River three kilometres to the northwest. The target area is covered with fluvial outwash gravel estimated to be up to 40 metres thick. Drilling was recommended to explore the target following ground geophysical surveys in 1993.

2.0 SUMMARY

The Grew Creek property is underlain by Cretaceous to Tertiary bi-modal volcanic and sedimentary rocks preserved within the Tintina Trench. The Canol East target is located on the Ran 631 claim (Figure 2) within the extension of the Canyon Graben. The target is a weak VLF-EM conductor within a broad resistivity anomaly flanking extensive aero-magnetic anomalies.

Drill hole GC-95-183 passed through 27.4 metres of outwash silt, sand, gravel and boulders in the overburden before intersecting 29 metres of argillaceous organic sediments. The hole was drilled with tricone and stopped when the clay rich sediments surrounding the hole began to close in on the drill stem. Grab samples of the black clay yielded trace amounts of gold.

3.0 RECOMMENDATIONS

Further exploration of the property would require extensive systematic blind drilling. Reverse circulation drilling of geophysical targets within the Canyon Graben would be an expensive prospecting method but it would be required to determine the composition and economic potential of the underlying bedrock formations.

Prospecting and geochemical sampling including concentrate sampling could be considered in the Blackhawk area to delineate a possible dispersion train from a possible bedrock source of the high gold in soil sample collected in 1991. Detailed surficial geological mapping is required to realistically interpret geochemical survey results.

No work is currently recommended but the geological interpretation should be re-evaluated if there are any new discoveries along the regional geological trend.

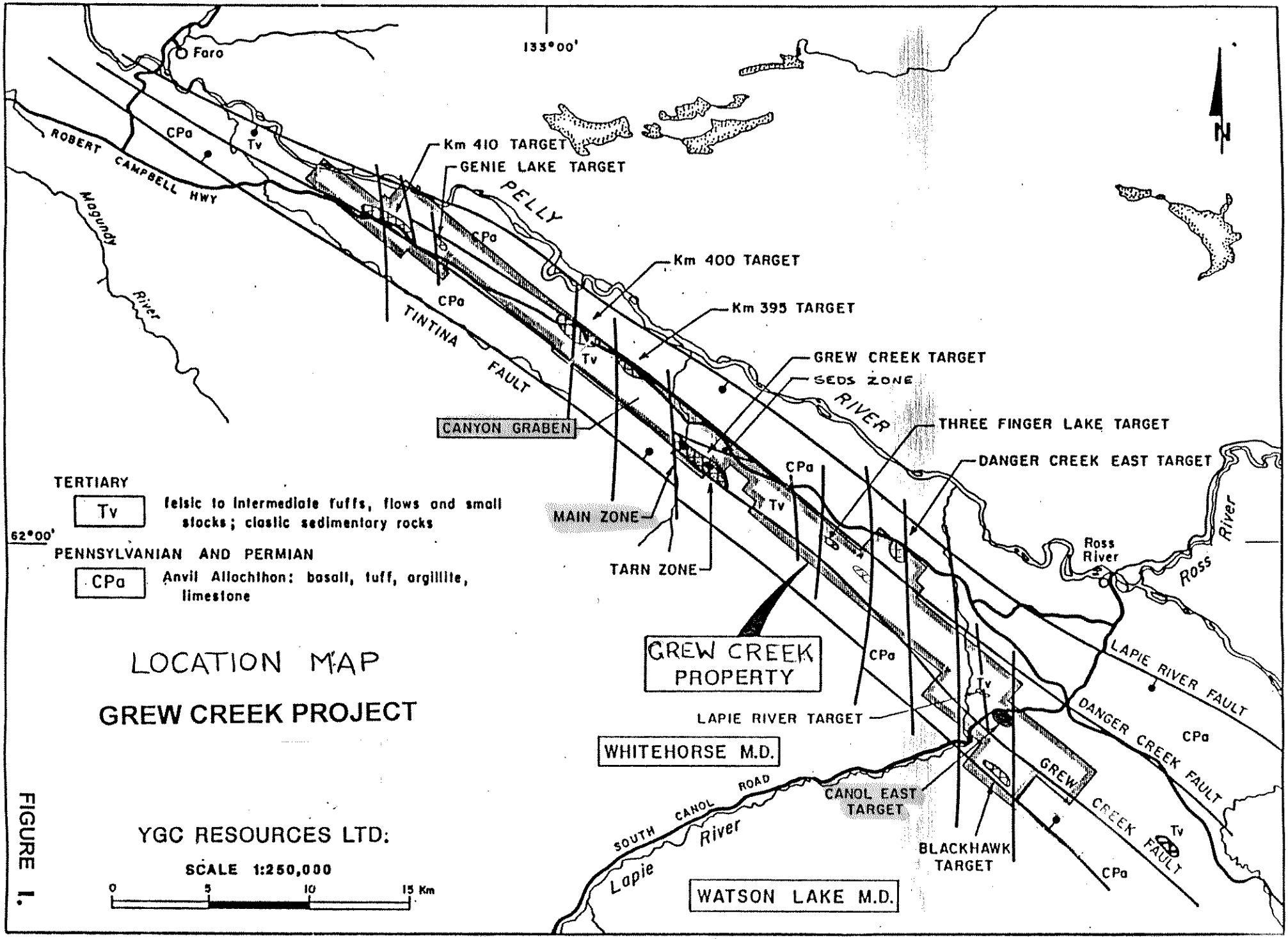

Faro
133°00'
62°00'
ROBERT CAMPBELL HWY
Magundy River
CPa
Tv
Km 410 TARGET
GENIE LAKE TARGET
PELLY
Km 400 TARGET
Km 395 TARGET
TINTINA FAULT
CANYON GRABEN
GREW CREEK TARGET
SEDS ZONE
RIVER
THREE FINGER LAKE TARGET
DANGER CREEK EAST TARGET
MAIN ZONE
TARN ZONE
Ross River
Ross River
LAPIE RIVER FAULT
DANGER CREEK FAULT
GREW CREEK PROPERTY
LAPIE RIVER TARGET
WHITEHORSE M.D.
SOUTH CANOL ROAD
CANOL EAST TARGET
GREW CREEK FAULT
BLACKHAWK TARGET
South Lapie River
WATSON LAKE M.D.
TERTIARY
Tv
felsic to intermediate tuffs, flows and small stocks; clastic sedimentary rocks
PENNSYLVANIAN AND PERMIAN
CPa
Anvil Allochthon: basalt, tuff, argillite, limestone
LOCATION MAP
GREW CREEK PROJECT
YGC RESOURCES LTD:
SCALE 1:250,000
0
5
10
15 Km

FIGURE 1.

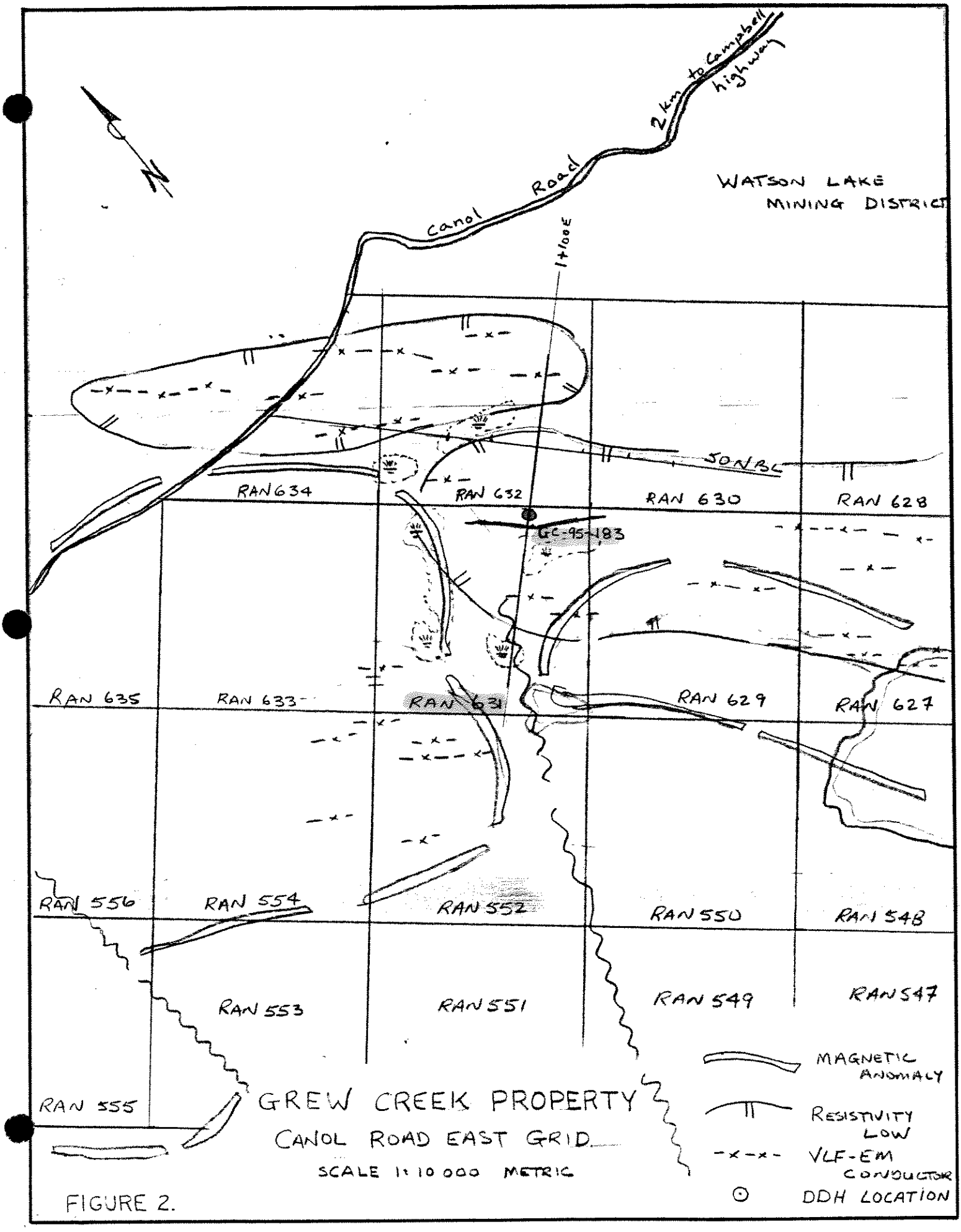

2 km to Campbell highway
Canol Road
WATSON LAKE MINING DISTRICT
14+00E
JONBL
RAN 634
RAN 632
RAN 630
RAN 628
GC-95-183
RAN 635
RAN 633
RAN 631
RAN 629
RAN 627
RAN 556
RAN 554
RAN 552
RAN 550
RAN 548
RAN 553
RAN 551
RAN 549
RAN 547
RAN 555
GREW CREEK PROPERTY
CANOL ROAD EAST GRID
SCALE 1:10 000 METRIC
MAGNETIC ANOMALY
RESISTIVITY LOW
VLF-EM CONDUCTOR
DDH LOCATION

FIGURE 2.

4.0 PROPERTY DEFINITION

4.1 LOCATION, ACCESS AND TOPOGRAPHY

The Blackhawk and Ran claims are located immediately east of the South Canol Road on claim sheet 105 F/15&16 in the Watson Lake Mining District (Figure 3). The claims are centred at 61^{0}55' N and 132^{0}32' W. The property is located five kilometres south of Ross River.

The claims are accessible from the Canol Road by a number of roads and trails.

The topography of the area is generally flat with low hills along the fault scarp of the Tintina Fault system. Elevations range from 800 to 900 metres with a prominent steep bluff of 40 - 60 metres along the Lapie River drainage. The area has been burned and now is covered with brush of alder, birch, poplar and scrub spruce. Shallow lakes and marshy areas are common in the flat areas north of the trench margin.

4.2 MINERAL CLAIMS

There are 88 claims of the Grew Creek Project in the Watson Lake Mining District. The Ran claims were staked in 1988 by a joint venture of companies exploring the Grew Creek property. The Blackhawk claims were staked by A. Carlos in 1991. YGC has an option to earn a 100 % interest in the claims by making payments and incurring certain expenditures by December 31, 1996.

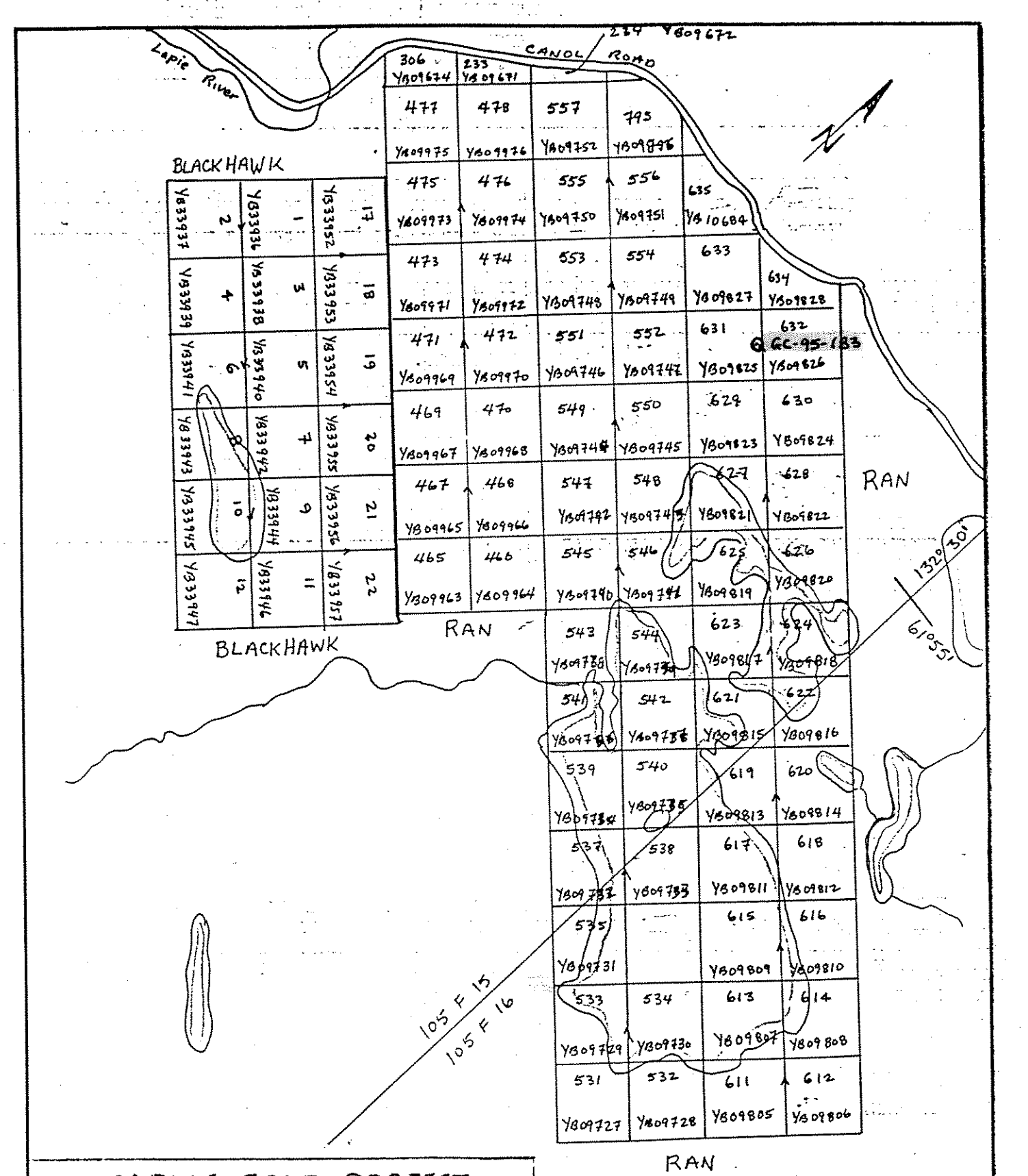
The claims of the Grew Creek Project in the Watson Lake Mining District are listed below and located on Figure 3:

Ran 233 - 234
Ran 306
Ran 465 - 478
Ran 531 - 535
Ran 537 - 557
Ran 611 - 635
Ran 795
Blackhawk 1 - 12
Blackhawk 17 - 22

YB09671 - YB09672
YB09674
YB09963 - YB09976
YB09727 - YB09731
YB09732 - YB09752
YB09805 - YB10684
YB09896
YB33952 - YB33947
YB33952 - YB33957

4.3 HISTORY

The Blackhawk claims area was explored as a portion of a larger claim block by St. Joe Explorations in 1978. St. Joe was exploring for shale hosted stratabound zinc-lead deposits in the Lower Palaeozoic black clastic rocks. St. Joe conducted geological mapping and geochemical sampling surveys.



CARLOS GOLD PROJECT

BLACKHAWK & RAN CLAIMS LOCATION MAP

WATSON LAKE MINING DISTRICT	SCALE: 1 in. = 1/2 mi.	FIGURE 3

The Ran claims area was staked in 1988 by International Rhodes Resources Ltd. as an extension of the Grew Creek Project Joint Venture. An airborne geophysical survey was carried out by Aerodat Limited in 1988. Follow up ground surveys included soil and humus sampling, ground magnetic surveys and geological mapping.

Carlos staked the Blackhawk claims in 1991 following prospecting and geochemical sampling for gold. Carlos dug test pits and conducted a VLF-EM survey near the western end of the claims.

YGC Resources Ltd. optioned the property as part of the Carlos Gold project in 1993 and carried out diamond drilling on the claims west of the Canol Road, excavator trenching on the Blackhawk claims, and ground geophysics over the Canol East target on the Ran claims.

4.4 PERSONNEL

E. Caron Diamond Drilling Limited supplied the diamond drill, ancillary equipment and drill crew. The contractor delivered the drill and equipment to the site by truck and bulldozer.

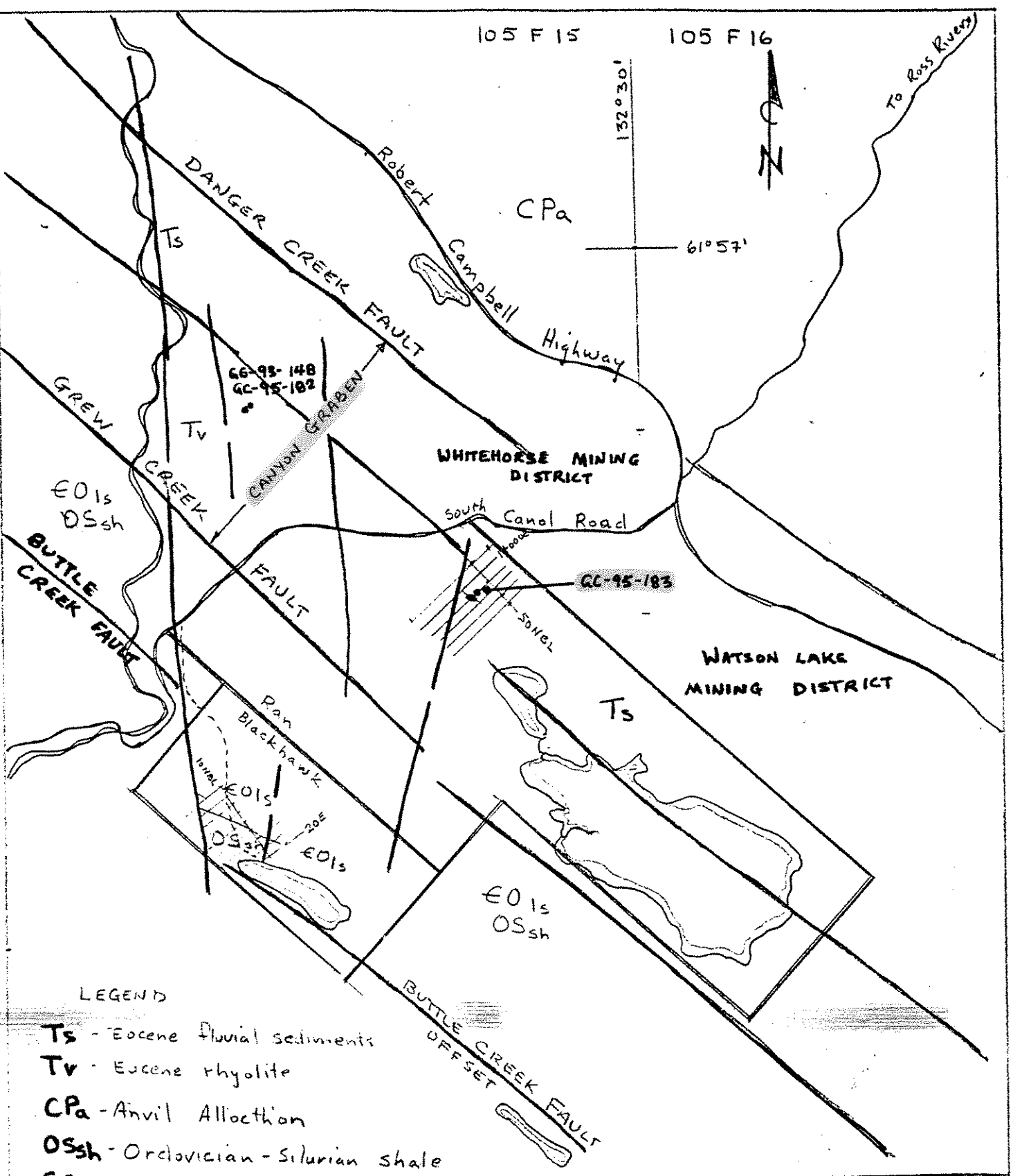
The geological services were supplied by Protore Geological Services and supervised by Robert Stroshein P.Eng. between September 7 and September 12. This report was subsequently prepared in November.

5.0 ECONOMIC ASSESSMENT

The claims cover an area underlain by Tertiary aged volcanic and sedimentary rocks preserved within the Tintina Fault system. The Tintina Fault is made up of several sub-parallel northwest-southeast trending compressional faults which were active from Cretaceous to Tertiary time. Later extensional faulting and uplift were accompanied by volcano-plutonic activity. North-south trending extensional faults are interpreted to intersect Tintina structures in the area of the Canol East target (Lebel, et.al., 1988). These extensional faults are associated with gold mineralization in Tertiary felsic pyroclastic rocks within the Canyon Graben at Grew Creek (Figure 1).

The intense clay alteration associated with the gold mineralization at Grew Creek is reflected by erratic VLF-EM conductors within a broad resistivity anomaly. The Canol East target is a weak VLF-EM conductor within a broader resistivity anomaly flanked by large magnetic anomalies (Figure 2). Mafic volcanic rocks in the Grew Creek area have a high magnetic background on the geophysical surveys.

The Canol East target was interpreted to be clay altered felsic pyroclastic rocks on the flanks of a mafic stratovolcano. The intersection of carbonaceous sediments indicates that the felsic volcanic rocks and confining faults of the Tintina Fault system have been offset along north-south extensional faults. The geophysical surveys indicate that the probable offset is some distance to the south.



LEGEND

Ts - Eocene fluvial sediments

Tv - Eocene rhyolite

CPa - Anvil Allocthon

OSsh - Ordovician - Silurian shale

€Ols - Cambro - Ordovician limestone

CARLOS GOLD PROJECT

BLACKHAWK & RAN CLAIMS

GEOLOGY MAP

SCALE : 1 : 50 000

FIGURE 4

6.0 REGIONAL GEOLOGICAL SETTING

The claims overly the western margin and central portion of the Tintina Trench. The Tintina Trench is a prominent linear physiographic depression reflecting a series of strike-slip faults which comprise the Tintina Fault System. Dextral displacement of rock units either side of the fault zone indicates transcurrent movement of approximately 450 kilometres. The fault movement began in Early Triassic time and continued intermittently until the Tertiary Era. In the area, Palaeozoic rocks of the Pelly Cassiar Platform southwest of the Tintina Fault are juxtaposed against rocks of the Anvil Allocthon to the northeast. Normal faulting along the pre-existing faults during the Pliocene Epoch resulted in the formation of the trench and the preservation of the Eocene volcanic and clastic rocks within the Canyon Graben (Figure 1 & 4).

Rocks of the Pelly Cassiar Platform are a continental margin sedimentary sequence of the Rocky Mountain assemblage composed of clastic and carbonate rocks. Rocks within the Tintina Trench are bi-modal basalt-rhyolite volcanic and fluvial sedimentary rocks of the Kamloops transitional arc volcanic assemblage.

7.0 GEOLOGY OF THE CARLOS GOLD PROPERTY

Outcrop on the property is limited to continental margin sedimentary rocks in the southwestern portion of the Blackhawk claims (Figure 4). The Cambro-Ordovician rocks of the Rocky Mountain Assemblage are in fault contact with rocks across the Grew Creek Fault zone. Rocks within the Grew Creek - Danger Creek fault bounded graben (Canyon Graben) elsewhere along the trend of the Tintina Fault are composed of massive rhyolite flows, felsic pyroclastic tuff, basalt tuff and flows and moderately consolidated fluvial sedimentary rocks of conglomerate, sandstone, shale and coal beds.

The major faults of the Tintina Fault System have been projected through the area based on topographical lineaments and linear geophysical anomalies. The Buttle Creek, Grew Creek and Danger Creek Faults trend northwest-southeast across the property north of the Blackhawk claims. The Grew Creek Fault forms the southwest boundary of the Canyon Graben in which Eocene bi-modal volcanic rocks (basalt and rhyolite) are preserved.

8.0 1995 EXPLORATION PROGRAM

The diamond drilling program was carried out on the Ran 631 claim from September 10 to 12. A single hole was drilled to test a weak VLF-EM conductor located near an interpreted northerly trending extensional fault. The conductor occurs within a broad resistivity anomaly flanking extensive magnetic anomalies.

Two samples were analyzed for gold by fire assay. The Ag, Cu, Pb, Zn, As, and Sb results were analyzed AA geochem (Atomic Absorption method). The analyses were carried out by Northern Analytical Laboratories Ltd. at

Whitehorse, Yukon Territory. The sample numbers, location and results are included with the drill log. The Certificate of Analysis #15442 issued by the laboratory is attached to the appendix.

8.1 DISCUSSION OF RESULTS

The drill intersected argillaceous organic sediments beneath the overburden cover of glacial outwash. The sediments are interpreted to be of Tertiary Age which have been offset along an interpreted northerly trending extensional fault. This would indicate that the felsic volcanic rocks have been displaced some distance to the south of the outcrops along the Lapie River.

The gold assays yielded trace levels of gold in the organic clay. The base metal analytical results may indicate the presence of paint which was noted in the pulp sample at the lab.

9.0 CONCLUSIONS

The drill results indicate that there are significant offsets of the Tintina Fault structures along north-south trending extensional faults in the Lapie River area. The analysis of samples from the drill hole do not indicate potential economic mineralization is associated with the geophysical anomalies.

Further testing in the area is difficult to justify without developing a economical method of indicating potential gold mineralization.

10.0 LIST OF REFERENCES

Carlos, A.; 1991. Geological, geophysical and geochemical report on Blackhawk 1-50 mineral claims. Watson Lake Mining District, NTS 105 F/15&16. Latitude $61^{0}53.5'$, Longitude $132^{0}34'$. Unpublished Report.

Dvorak, Z.; 1988. Report on combined helicopter-borne magnetic, electromagnetic and VLF survey, Pelly River Area, Yukon Territory. Unpublished report by Aerodat Limited for Prime Explorations Limited.

Gordey, S.P., and Irwin, S.E.B; 1987. Geology Sheldon Lake and Tay River Map areas, Yukon Territory. GSC Map 19-1987 (3 sheets)

Jackson, L.E., Gordey, S.P., Armstrong, R.L., and Harakal, J.E.; 1986. Bimodal Paleogene volcanics near Tintina Fault, East-Central Yukon, and their possible relationship to placer Gold. In: Yukon Geology, Vol. 1; Exploration and Geological Services Division, Indian and Northern affairs Canada, p. 139-147.

Lebel, J.L. and Raven, W.; 1988. Report on the Grew Creek Property. Unpublished report for International Rhodes Resources Ltd.

Stroshein, R. W.; 1993. Report on Excavator Trenching, Blackhawk and Ran Claims. Assessment Report for YGC Resources Ltd.

11.0 SUMMARY OF EXPENDITURES

Drilling costs
Contractor: E. Caron Diamond Drilling Invoice # 3335

Drilling footage charges	$ 4 625.00
Consumed items and charges (mud, waterline, bits)	1 355.40
Mobilization (Moving, truck and tractor)	2 858.00

Assay costs
Northern Analytical Laboratories Ltd. WO # 15442

Assaying and drying; 2 samples	22.75

Geology Costs
R. Stroshein

Preparation, planning and field supervision; 2 days	500.00

Camp and Field costs

Travel gas and room and board; 2 days	180.00

Report; evaluation and preparation

YGC Resources Ltd.; 2 days	500.00
TOTAL COSTS	$ 10 041.15

APPENDIX I

STATEMENT OF QUALIFICATIONS

I, Robert W. Stroshein of Whitehorse, Yukon Territory reside at:

26 Liard Road
Whitehorse, Yukon Territory
Y1A 3L4

and do hereby certify that:

1. I have graduated from the University of Saskatchewan with a B.Sc. Degree in Geological Engineering in 1973.

2. I have been employed since graduation as an exploration geologist working throughout Western Canada.

3. I am a registered Professional Engineer (No. 1165) with the Association of Profesional Engineers of the Yukon Territory.

4. I have been directly involved in exploration on the Grew Creek property since 1984. I planned and supervised the geological aspects of 1995 diamond drill program, monitored the contractor's preformance and prepared this report on the results of the program.

Signed,

Robert W. Stroshein, P.Eng.

November 30, 1995

APPENDIX 2

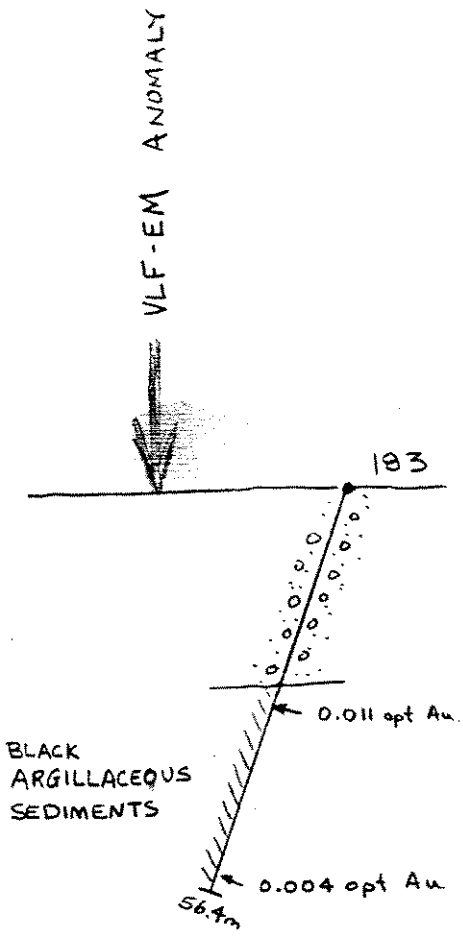
DIAMOND DRILL LOG, SECTION AND ASSAYS

DDH GC-95-183

GREW CREEK PROJECT — DIAMOND DRILL LOG

Hole No: GC-95-183	Grid: CANOL EAST	Claim: RAN 631 / YB09825	Page 1 of 1
Depth: 56.39 m.	Coordinates – Northing 4+840 N	Bearing: 225° / GRID SOUTH.	Date Started: September 11, 1995
Angle: -70°	– Easting: 1+100 E	ELEVATION: 824 m.	Date Completed: September 12, 1995
Core Size: TRI CONE	Dip Tests: UTM 6867540N 629630E	DRILLED BY: E. CARON D.D. / VAL D'OR II	Logged By: Robert Strosheim

Footage From (m)	Footage To (m)	Rock Type	Alteration S	A	C	Se	Py	Qv	T	Assays From (m)	To (m)	Width (m)	Sample No.	Au ppb	Ag ppm	% RCVRY	Description
0.00	27.43	OVB															Clay, sand, and gravel. Till and outwash
27.43	56.39	OVB / Ts															Fine grained black organic rich clay (muck).
		TERTIARY	SEDIMENTS	/	argillaceous	organic	sediment										Tricone sticking at 56.39m unable to get by.
																	Samples of Black Muck.
		SAMPLE No.	Au opt	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm	Sb ppm								
		24498	0.011	35.0	61	3840	117	21	<2								Collected from tricone at 30m and 56.39m EOH.
		25403	0.004														
																	Yellow paint chips were visible in pulp of sample 24498. Suspected gold – metallics and one assay of 'high' sample 25403 did not indicate significant gold.
																	High Ag Pb likely derived from paint content of sample.



GREW CREEK PROJECT

CANOL ROAD EAST GRID
SECTION 1+100E

LOOKING WEST

SCALE: 1:1000

Northern Analytical Laboratories ltd.

17/10/95 Assay Certificate Page 1

YGC Resources WO#15442

Shipment # 9501-90

Sample #	Au oz/ton	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm	Sb ppm
24485	0.007	6.3	279	382	43	128	<2
24486	0.002	0.1	22	36	37	312	<2
24487	0.006	2.6	343	98	10	383	3
24488	0.018	0.5	118	36	13	3070	10
24489	0.023	<0.1	65	31	9	>10000	41
24490	0.004	0.3	577	24	16	415	17
24491	0.048	0.5	9	19	25	400	<2
24492	0.010	0.2	7	17	23	496	<2
24493	0.005	<0.1	9	31	24	128	<2
24494	0.011	1.3	244	45	25	506	25
24495	0.002	0.7	52	16	10	197	<2
24496	0.033	0.5	51	7	10	>10000	10
24497	0.005	0.2	142	10	9	>10000	2
* 24498	0.011	35.0	61	3840	117	21	<2
* 25403	0.004						

3GC-95-183

Note: * Au was determined by metallics fire assay procedure on these two samples. Sample 24498 contained metallic flakes after pulverizing, but Au was not concentrated in the metallics fraction.

Certified by

105 Copper Road, Whitehorse, YT, Y1A 2Z7 Ph: (403) 668-4968 Fax: (403) 668-4890

Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

19 March, 1996

Your file *Votre référence*

Our file *Notre référence*

REGIONAL MANAGER MINERAL RIGHTS

Enclosed are Drill Logs etc. submitted by YGC Resources Limited for assessment credit on the RAN and BLACKHAWK mineral claims located on 105-F-15/16.

Drilling was as follows:

Hole #95-183	RAN 631	56.39 m

Assessment credit requested is $ 10,000.00. The drill core is stored at the core facility on the Ketza River mine site.

Yours truly,

Patti L. McLeod
Mining Recorder
Watson Lake Miing District
P. O. Box 269
Watson Lake, Yukon
Y0A 1C0

NJM
encl.(s)

cc: CHIEF GEOLOGIST

Canada

E. CARON DIAMOND DRILLING LTD. 7 Roundel Road Whitehorse, Yukon Y1A 3H3 Phone (403) 668-2424 FAX (403) 668-4520

September 15, 1995
Invoice #3335
Drill: Val D'Or #2

IN ACCOUNT WITH

YGC Resources Ltd.,
1500 - 700 West Pender Street,
Vancouver, B. C.
V6C 1G8

Drilling Charges September 8 to 15, 1995: (Grew Creek-Regional)

Hole: 182/-70/NQ				
Moving				
18 man hrs.	@ $33.00 per hr.	=	$ 594.00	
Casing				
0 - 100 = 100 ft.	@ $25.00 per ft.	= $ 2,500.00		
NW/2				
0 - 110 = 110 ft.	@ $25.00 per ft.	= $ 2,750.00	$ 5,250.00	
Coring				
110 - 322 = 212 ft.	@ $25.00 per ft.	=	$ 5,300.00	$11,144.00
Hole: 183/-70/NQ				
Moving				
13 man hrs.	@ $33.00 per hr.	=	$ 429.00	
Casing				
0 - 185 = 185 ft.	@ $25.00 per ft.	=	$ 4,625.00	$ 5,054.00
Hole: 184/-50/NQ				
Moving				
36 man hrs.	@ $33.00 per hr.	=	$ 1,188.00	
Waterline				
2 man hrs.	@ $33.00 per hr.	=	$ 66.00	
Casing				
0 - 90 = 90 ft.	@ $25.00 per ft.	=	$ 2,250.00	
Coring				
90 - 273 = 183 ft.	@ $25.00 per ft.	=	$ 4,575.00	$ 8,079.00
Hole: 185/-55/NQ				
Casing				
0 - 120 = 120 ft.	@ $25.00 per ft.	=		$ 3,000.00
Hole: 185/-60/NQ				
Casing				
0 - 100 = 100 ft.	@ $25.00 per ft.	=		$ 2,500.00

Okay Robert Thurber oct 6/95

E. CARON DIAMOND DRILLING LTD. 7 Roundel Road Whitehorse. Yukon Y1A 3H3 Phone (403) 668-2424 FAX (403) 668-4520

Tractor Hours D-7			
20 machine hrs.	@ $130.00 per hr.	=	$ 2,600.00
Mack & Lowbed			
12 truck hrs.	@ $65.00 per hr.	=	$ 780.00
Watertruck			
Sept 8 - 11/95			
4 days	@ $600.00 per day	=	$ 2,400.00
Items Consumed & Chargeable			
191 bags Quik Gel	@ $15.00 each	= $ 2,865.00	
37 bags Poly	@ $15.00 each	= $ 555.00	$ 3,420.00

Hole: 182			
2 HWL shoes 2N7882/2N8038			
	@ $398.40 each @ 50%=	$ 398.40	
2-3 7/8 tricones	@ $225.00 each @ 50%=	$ 225.00	
2 NQ bit 24900-7/5S015217			
	@ $690.00 each @ 50%=	$ 690.00	
Hole: 183			
1 HWL shoe 2N8313	@ $398.40 @ 50% =	$ 199.20	
1 HW shoe 2S1552	@ $440.40 @ 50% =	$ 220.20	
Hole: 184			
1-3 7/8 tricone	@ $225.00 @ 50% =	$ 112.50	
1 NQ bit 2G3404	@ $690.00 @ 50% =	$ 345.00	
Hole: 185			
1 HWL shoe	@ $398.40 @ 50% =	$ 199.20	
3 HWL rods	@ $216.00 each @ 50%=	$ 324.00	$ 2,713.50
Sub Total			$41,690.50
G.S.T. R101557122 @ 7%			$ 2,918.33
	Total Invoice		$44,608.83