GEOLOGICAL AND GEOCHEMICAL ASSESSMENT REPORT

for the

Nid 1-24 Claims and YZ 1-4 Claims

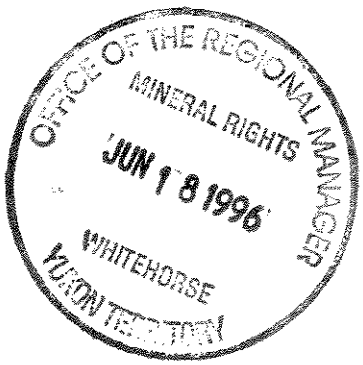
YB64007 TO YB64030; and YB64031 TO YB64034

N.T.S.
105 O 6

131' 27" WEST (LONGITUDE), 63' 17" NORTH (LATITUDE)

Mayo Mining Division

Yukon Territory



AUTHOR: B.A.Lueck

WORK PERFORMED: JULY 1 to SEPT. 1 , 1995

093497

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INTRODUCTION

The NID 1-24 Claims, record numbers YB64007 TO YB64030; and the YZ 1-4: record numbers YB43031 TO YB43034 (Mayo Mining District), are located in the Mayo Mining Division, near the headwaters of the Hess River, on map sheet 105 O 6. The nearest identifiable landmark is Niddery Lake, located at the northern boundary of the NID claims. The claims are owned 100% by Yukon Gold Corp.

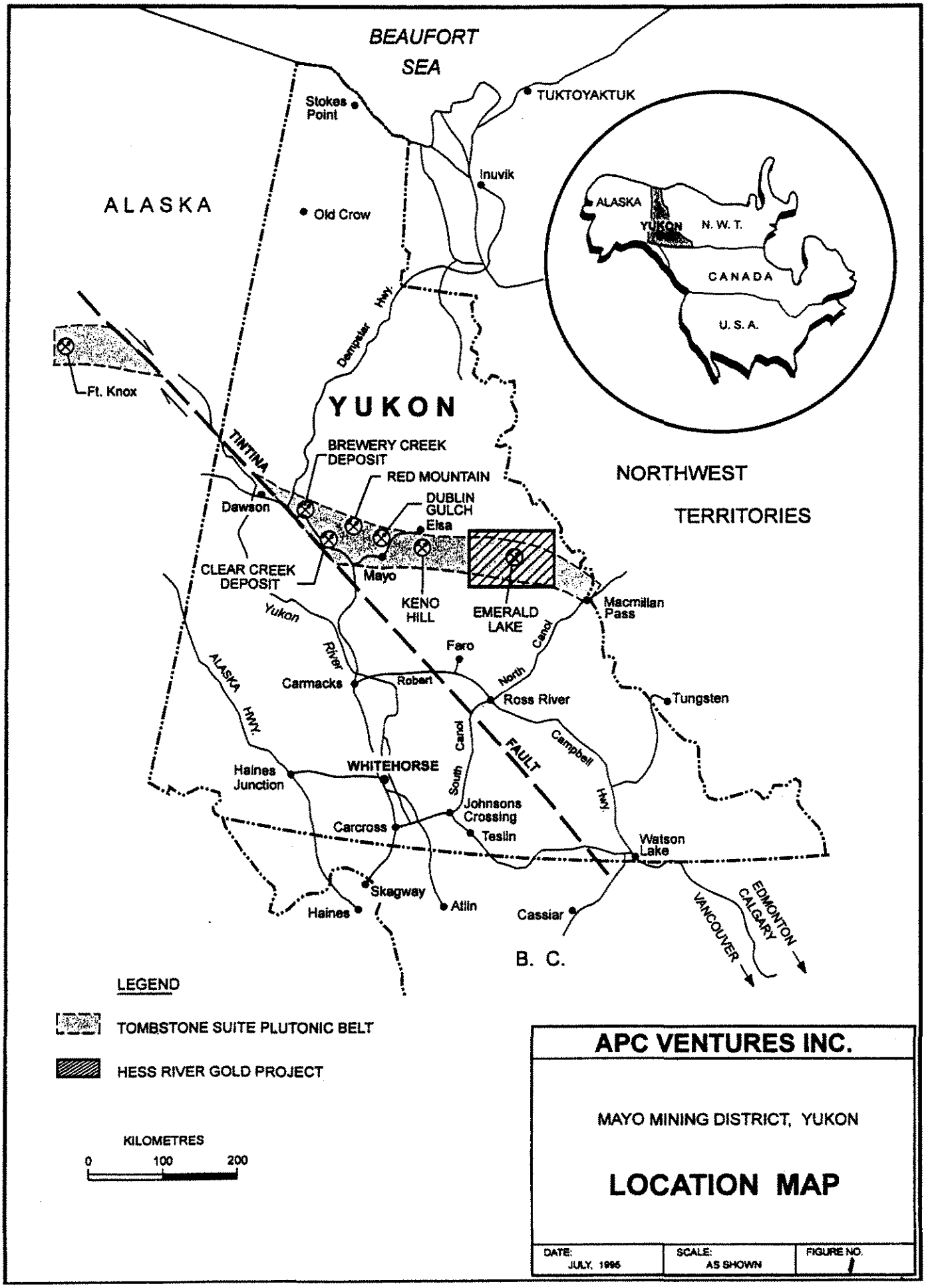
These claims were staked to cover a region known to be anomalous in gold and arsenic. The Niddery Lake Property occurs within a large regional gold, arsenic and multi-element geochemical anomaly. Previous work in this area was carried out by Agip Canada Ltd.

SUMMARY

Geologic mapping on the NID and YZ claims has established the presence of granitic intrusive stocks which are well exposed in the central portions of the claim blocks. These geochemically anomalous regions hosts significant potential for a major gold deposit of the 'Fort Knox Type' associated with Tombstone Suite Intrusives, as this area of the Selwyn Basin has recently been recognized to host intrusions dated between 87 ma and 94 ma. The use of soil sampling in 1995 confirmed the widespread nature of the gold, arsenic and antimony geochemical anomaly.

LOCATION , ACCESS and PHYSIOGRAPHY

The property is located south of Niddery Lake near the headwaters of the Hess River, within the Selwyn Basin on map sheet 105 O 6. The claim block can be accessed by helicopter. An old tote trail passes within 1 miles of the claim block. The topography

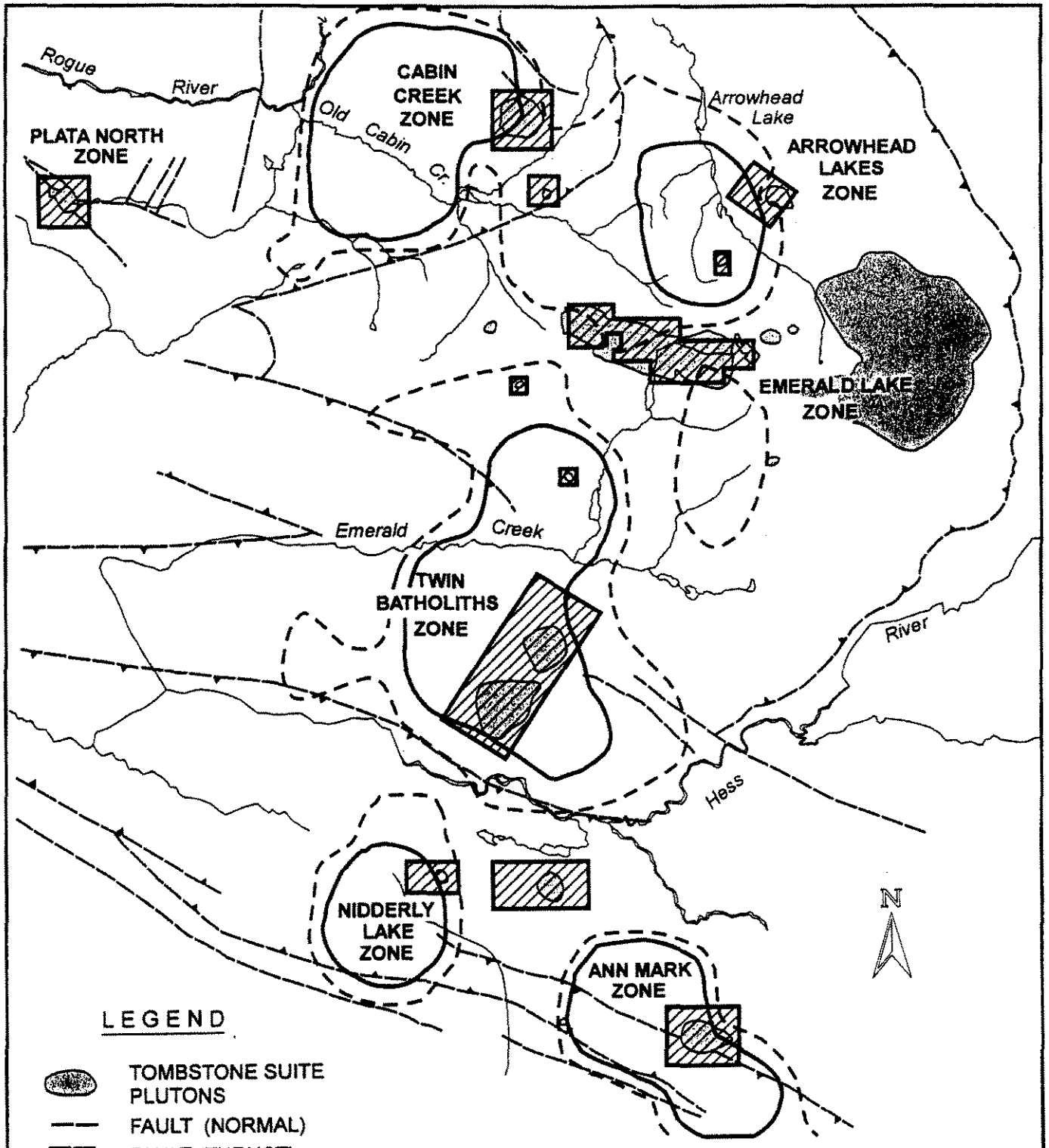


APC VENTURES INC.

MAYO MINING DISTRICT, YUKON

LOCATION MAP

DATE:	SCALE:	FIGURE NO.
JULY, 1996	AS SHOWN	1



APC VENTURES INC.

MAYO MINING DISTRICT, YUKON

GOLD ANOMALIES

DATE:	SCALE:	FIGURE NO.
JULY, 1995	AS SHOWN	2

is moderately steep and rugged making traversing difficult in a few spots. Much of the property is covered with soil and vegetation so soil sampling was employed to detect mineralization.

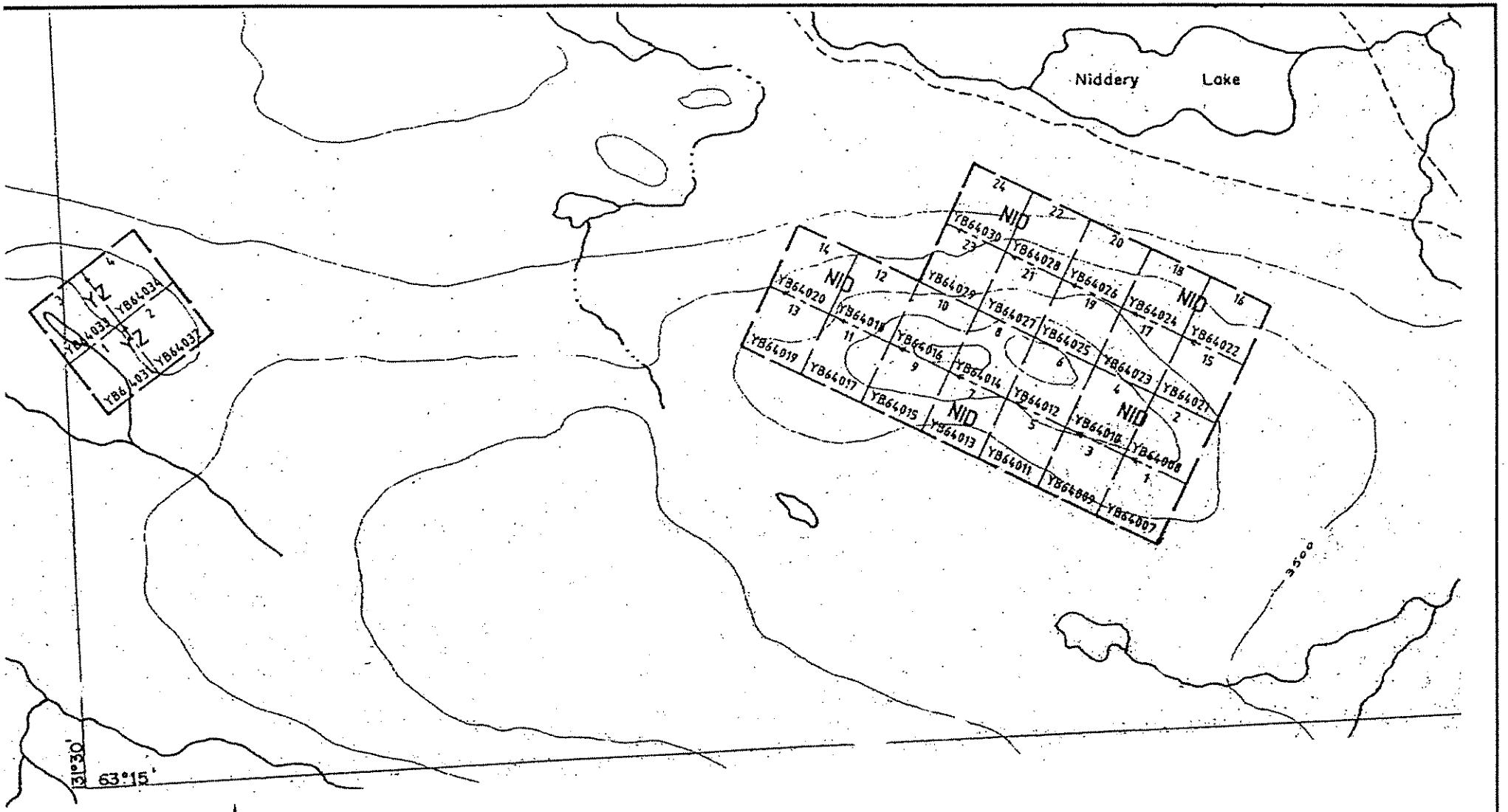
The NID and YZ claim blocks covers a sparsely timbered, recently glaciated and oversteepened region of the Selwyn Basin within the Hess Mountains. The availability of outcrop exposure varies from 5% to 100%. Mountain slopes are steep and outcrop well except on talus slopes. Blocky talus of unknown depth covers 90% of the slope area .

REGIONAL GEOLOGY and MINERALIZATION

The claim blocks are located within the Selwyn Basin, and covers two Cretaceous stock which are intrusive into Devonian-Mississippian basinal sedimentary rocks consisting of black shales, chert, laminated quartzite and chert-pebble conglomerate. Regionally, these rocks are intruded by numerous stocks and dikes of the Tombstone Suite and later intruded to the south by large batholiths of the Selwyn Suite.

The Selwyn basin hosts the Fort Knox deposit, an intrusive hosted gold deposit of large tonnage and low grade. This deposit occurs in Alaska within a region of the Selwyn Basin that has been offset to the northwest by the Tintina Trench.

Intrusive bodies occur throughout the Selwyn Basin in the Yukon, and stocks are often associated with gold mineralization. The Brewery Creek deposit, 25 miles to the northwest, is largely intrusive hosted and hosts in excess of 17 million tons of .056 opt Au. This deposit is currently being expanded and is slated for production in 1996. Another significant intrusive hosted deposit occurs at Dublin Gulch, some 25 miles to the northeast, where a geological reserve of 100,000,000 tonnes of >.032 OPT Au has been delineated (>3 million ounces gold). The Macmillan Pass area lies on the eastern margin of the Selwyn Basin, a site of marine sedimentation from the Cambrian to Triassic. The basin is underlain by clastic sediments derived from the western edge of the North American craton.



APC VENTURES INC.

NIDDERY LAKE ZONE

MAYO MINING DISTRICT, YUKON

CLAIM MAP

DATE:	SCALE:	FIGURE:
JULY, 1995	1 : 40,000	2

During Devonian time, faulting and uplift of the central part of the basin formed a series of grabens and horsts. The grabens were infilled with clastic sediments derived by erosion of the uplifted portions.

A major period of regional folding and faulting during the Cretaceous caused east-west shortening of the sedimentary package. This regional crustal thickening was accompanied by partial melting and intrusion of acid to intermediate igneous rocks such as the Niddery Lake intrusion, present on the property.

Major deposits in the Macmillan Pass area include the MacTung tungsten deposit, the Tom and Jason lead-zinc-silver deposits, and the Tea barite deposit.

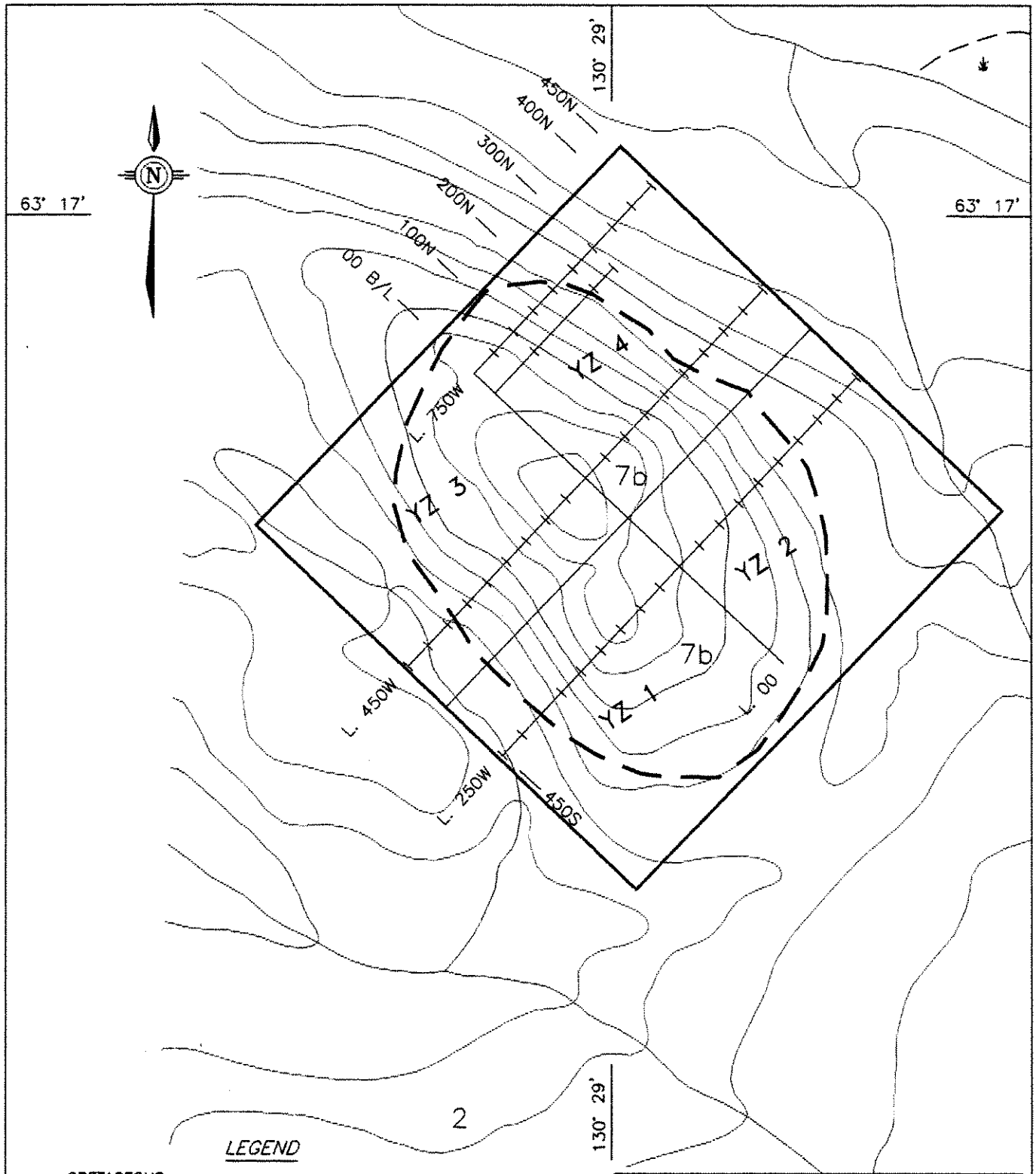
Recent work at U.B.C. (Mortensen, in press) has shown that the NID and YZ claims occur in a region of the Selwyn Basin intruded by a swarm of stocks of Tombstone age (91 ma +\- 3 ma) and that these stocks are petrologically and geochemically linked with the intrusions that host known gold orebodies (i.e. Fort Knox, Brewery Creek, Dublin Gulch).

LOCAL GEOLOGY

The claim block is underlain by Proterozoic Hyland Group sediments of the Selwyn Basin, consisting of graphitic shale, carbonaceous shale, chert and quartzite. Sometime during the Mesozoic, these sediments were intruded by porphyritic stocks and dikes of granodiorite and quartz-monzonite. The zone surrounding the pluton is extensively hornfelsed and pyritized for up to 1 km from the pluton border. There is no sizable stockwork deposit anywhere in outcrop on these two properties.

PREVIOUS WORK

This report describes work done by Agip Canada Ltd. in the summer of 1983. The exploration program consisted of geologic mapping, prospecting, grid establishment and rock and soil geochemistry.



YUKON GOLD CORP

NIDDERY LAKE ZONE
YZ 1-4 CLAIMS

NIDDERY LAKE AREA, YUKON
N.T.S.: 1050–3

GEOLOGY AND SAMPLE LOCATIONS

SCALE: 1:10,000	DATE: MAY, 1996
DRAWN BY: B. LUECK	FIGURE NO.:

The project area is located immediately south of Niddery Lake, approximately 170 kilometers northeast of Ross River and 60 kilometers west of the Macmillan Pass airstrip. Property exploration was conducted from a base camp on Niddery Lake in late June and early July; a brief follow-up work program was carried out in mid-August.

The claims are centered around a small rounded mountain with a maximum elevation of 1589 meters. Most of the work area is above treeline with typical alpine vegetation and blocky talus slopes.

The claims were originally staked to acquire an area of anomalous gold values located during regional reconnaissance exploration in 1982. Exploration work in 1983 emphasized mapping, prospecting and geochemical sampling to locate the source of these gold values and identify rock units or structures which might host significant mineralization. Work focused on the altered sediments adjacent the Niddery pluton. A grid was established and soil sampled with analyses for Au and As.

The claims are underlain by Ordovician to Silurian sedimentary rocks belonging to the Road River 'Group', intruded by the Cretaceous Niddery Lake pluton Black shale and green mudstone are the predominant lithologies present with minor chert, siltstone and limestone. Sedimentary rocks strike east-west with mainly northerly dips.

The sediments are moderately fractured with quartz and limonite coatings along fracture planes. Locally fractures in the green mudstone have a pearly luster.

The intrusion is a medium-grained, slightly porphyritic hornblende biotite quartz monzonite. Near the margins flow banding structures and wallrock xenoliths and pendants are common. At least three quartz feldspar porphyry dikes cut the sediments near and parallel to the western contact of the intrusion. The largest is approximately 225 meters long with a maximum width of 25 meters.

A one kilometer wide hornfels zone has been developed around the main intrusion. The zone is marked by recrystallization, disseminated pyrite and pyrrhotite, and locally gneissic banding. The hornfels rocks have a distinctive rusty weathering color because of the higher sulfide content.

Gold and arsenic geochemical results from the area outside the main pluton show a strong association with porphyry dikes and a weak but erratic association with the

quartz veins. Using 100 ppb gold and 400 ppm arsenic as threshold values, a series of northwest trending anomalous zones are outlined east of the baseline and a large, more northerly striking anomaly straddling the baseline. The former group of anomalies are coincident with the porphyry dikes previously described. Maximum results obtained here are 620 ppb gold and >1,000 ppm arsenic. Although not presented in the figures, the contoured arsenic data shows a closer spatial relationship to the dikes than is indicated by the gold values.

Rock sample values from quartz veins in sediments showed consistent anomalies but uneconomic grades. Sampling within intrusive rocks was restricted to sulfide in dikes with 8340 ppb Au from a grab sample.

The anomalous gold and arsenic results in the soils likely reflect mineralization associated with the intrusion of the porphyry dikes. Future work will focus on defining the potential for intrusive hosted gold deposits, as previous work did not address this potential.

This property has had little work in the past and was staked as an area of potential gold mineralization, based on the mapping of a monzonitic stock underlying the claims; the presence of a large multi-element geochemical anomaly surrounding the stock, and the similarity of the geochemical halo to that of known intrusive hosted deposits.

Previous work in the vicinity (Emerald Lake) has exposed gold mineralization in a number of stockwork zones described in reports by Agip, which are intrusive hosted disseminated gold showings.

The 1995 Exploration Program

In 1995, the work program consisted of soil sampling, geological mapping and prospecting of the NID and YZ claims. Soil sampling was done in zones of oxidation to determine the nature of the geochemical signature and to confirm the presence of

mineralization on the claimblock, associated with the stock. Soil samples were dug to the 'B' horizon.

The soil samples were dried, screened and pulverized, and fire assayed for gold to a detection unit of 5 ppb. Sample locations are shown on the geology map and sample values are reported in the appendix. Sampling confirmed a widespread multi-element soil anomaly.

The 1995 exploration season consisted of 24 mandays of helicopter supported geological mapping, prospecting and rock chip and soil sampling. Only part of the intrusion was prospected and many anomalous areas have not been well sampled and require further investigations. No drill target has been outlined on the NID or YZ Claims although a large coincident gold and arsenic anomaly is present on the YZ Claims.

Other sampling in the area failed to show mineralization of a potentially economic size or grade. Further areas to prospect on the claimblock include the extension of the soil grid on the YZ claims and the establishment of a soil grid on the southern contact of the granodiorite on the NID Claims (Figure 3).

DISCUSSION

The NID and YZ claims host poorly explored gold mineralization, which has been partially delineated by rock chip sampling and soil sampling. The target is a large, low grade, disseminated or stockwork gold deposit hosted by the intrusive rocks. The presence of a large scale gold and arsenic anomaly on the YZ claims indicates the potential for the discovery of bulk tonnage gold mineralization on these claims.

CONCLUSIONS and RECOMMENDATIONS

The 1995 exploration program on the NID and YZ claims has delineated a strong gold and arsenic in soil anomaly associated with the intrusive stocks and dykes.

The 1995 rock chip sampling determined the presence of intrusive hosted gold mineralization of unknown size and grade. It is recommended that a program of further geochemical sampling and prospecting be conducted to delineate the extent of the gold and arsenic anomalies. Helicopter support is required for this program.

PROPOSED EXPENDITURES (STATEMENT OF COSTS)

Niddery Lake Project, Yukon Territory

DESCRIPTION	EXPENSE	BALANCE
HELICOPTER FUEL		
Jet 'B' fuel, delivered	10 drums @ $450/drum	
SUBTOTAL		**$4,500**
MOBILIZATION		
Single Otter aircraft	220 miles @ $6.50/mile	
	~$1500/trip for 10 trips	
SUBTOTAL		**$15,000**
EXPLORATION		
personnel, 3 persons	15 days @ $600/day	$27,000
helicopter, 2 persons	25 hrs @ $700/hr	$17,500
camp costs, 5 persons	15 days @ $100/day	$ 6,500
expediting	15 days @ $100/day	$1,500
flights, supplies	5 flights @ $1500/flight	$7,500
SUBTOTAL		**$60,000**
Assays	300 @ $20.00/sample-----	**$6,000**
Report	-----	**$3,000**
PROJECT TOTAL		**$88,500.00**

EXPENDITURES (STATEMENT OF COSTS)

Geologist	**- 8 days at $300.00/day**	**$ 2400.00**
Crew Foreman	**- 8 days at $250.00/day**	**$ 2000.00**
Prospector	**- 8 days at $200.00/day**	**$ 1600.00**
Truck and Fuel	**- 1 days at $100.00/day**	**$ 100.00**
Helicopter	**15 Hrs. @ $1000/Hr.**	**$15,000.00**
Camp costs	**- flagging- tents- food- etc. - 24 mandays at $75.00/manday**	**$ 1,800.00**
Report and Drafting		**$ 3,000.00**
Assays		**$ 4,200.00**
Total		**$30,100.00**

Personnel:

Brian Lueck; 842 Poirier St., Coquitlam, B. C., V3J 6C2

Dave Sufady, General Delivery, Whitehorse, Yukon

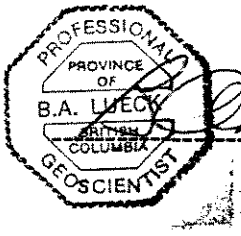
Tom Morgan, General Delivery, Dawson City, Yukon

Marco Van Wermeskerken, 1210-675 W. Hastings, Van., B.C.

Statement of Qualifications:

I, Brian A. Lueck, of the City of Whitehorse, Yukon Territory do hereby certify that:

1. I am a graduate of the University of British Columbia and posses a B. Sc. (honours) in Geology.
2. I have been employed as a consulting geologist or a government geologist since June of 1985.
3. I am currently enrolled in a M. Sc. program in geology at U. B. C.
4. I am a member in good standing of *The Association of Professional Engineers and Geoscientists of the Province of British Columbia,* and am currently registered as a ***P. Geo.***
5. I have reviewed the data and inspected the field work and I believe this report to be an accurate reflection of the work performed on the property during 1995.



Brian A. Lueck

P. Geo.

Geologist

Niddery	Au-ppb	As-ppm	Bi-ppm	Sb-ppm
NIDRC95-01	1223	215	77	7
NIDRF95-02	14	6700	7	10
NIDRF95-03	41	1302	18	39
NIDRC95-04	7	95	66	5
NIDRF95-05	<5	141	<1	2
NIDRC95-06	28	79	144	<2
NIDRC95-07	<5	273	2	<2
NIDS9501	9	1679	<1	<2
NIDS9502	<5	29	4	<2
YZ	Au-ppb	As-ppm	Bi-ppm	Sb-ppm
BL 0+00W	7	105	<1	4
BL 0+50W	15	538	<1	28
BL 1+00W	7	153	<1	14
BL 1+50W	14	1107	<1	29
BL 2+00W	8	350	<1	12
BL 2+50W	173	1463	<1	30
BL 3+00W	27	73	<1	<2
BL 3+50W	26	263	<1	10
BL 4+00W	35	851	<1	28
BL 4+50W	36	1373	<1	29
BL 5+00W	15	422	<1	10
BL 5+50W	7	189	<1	3
BL 6+00W	17	322	<1	51
BL 6+50W	29	981	<1	14
BL 7+00W	13	136	<1	7
BL 7+50W	10	94	<1	6
BL 2+50W 0+50S	8	192	<1	4
BL 2+50W 1+00S	7	204	<1	4
BL 2+50W 1+50S	66	744	<1	17
BL 2+50W 2+00S	10	273	<1	6
BL 2+50W 2+50S	115	4320	6	104
BL 2+50W 3+00S	41	3020	6	23
BL 2+50W 3+50S	34	1105	6	11
BL 2+50W 4+00S	22	365	<1	16
BL 2+50W 4+50S	30	234	<1	7
BL 2+50W 0+50N	43	1235	<1	52
BL 2+50W 1+00N	10	117	<1	4
BL 2+50W 1+50N	30	206	<1	20
BL 2+50W 2+00N	178	1950	4	287
BL 2+50W 2+50N	45	895	<1	77
BL 2+50W 3+00N	149	1275	<1	34
BL 2+50W 3+50N	38	1239	3	56
BL 2+50W 4+00N	119	207	<1	9
BL 2+50W 4+50N	22	99	<1	10
BL 4+50W 0+50S	12	425	<1	10
BL 4+50W 1+00S	22	1432	<1	23
BL 4+50W 1+50S	40	1716	<1	35

YZ (con't)	Au-ppb	As-ppm	Bi-ppm	Sb-ppm
BL 4+50W 2+00S	44	1920	<1	31
BL 4+50W 2+50S	26	611	<1	8
BL 4+50W 3+50S	8	253	<1	2
BL 4+50W 4+00S	9	132	<1	2
BL 4+50W 4+50S	14	590	<1	6
BL 4+50W 0+50N	35	924	<1	18
BL 4+50W 1+00N	32	736	<1	9
BL 4+50W 1+50N	26	1053	<1	31
BL 4+50W 2+00N	11	465	<1	9
BL 4+50W 2+50N	22	656	<1	26
BL 4+50W 3+00N	153	2010	<1	30
BL 4+50W 3+50N	34	454	<1	4
BL 4+50W 4+00N	33	434	<1	9
BL 7+00W 1+00N	7	88	<1	6
BL 7+00W 2+50N	8	87	<1	3
BL 7+00W 3+00N	19	356	4	10
BL 7+50W 0+50N	6	90	<1	5
BL 7+50W 3+50N	37	87	<1	<2
BL 7+50W 4+00N	8	242	<1	2
BL 7+50W 4+50N	19	135	<1	2

NIDDERY

LAKE

aspy

NIDRC95-02
NIDRC95-01
NIDRC95-03
NIDRC95-04
NIDRC95-06
NIDRC95-07
NIDRC95-05
NIDS95-02
NIDS95-01

LEGEND

CRETACEOUS

6 Quartz Feldspar Porphyry Dyke/Sill

5 Biotite Quartz Monzonite

SILURIAN–ORDOVICIAN

3 Blue Shale

2 Green Wispy Mudstone Road River "Group"

1 Black Shale

Bedding

Vein

Cleavage

Fault

Geological Contact (Assumed)

093497#1

YUKON GOLD CORP.

NIDDERY LAKE PROPERTY

NID 1-24 CLAIMS

NIDDERY LAKE AREA, YUKON
N.T.S.: 1050–0/3

GEOLOGY AND SAMPLE LOCATIONS MAP

METRES 0 100 200 300 400 500 METRES

SCALE: 1:10000	DATE: FEBRUARY, 1996
DRAWN BY: B. LUECK	FIGURE NO.: