GEOLGICAL AND GEOCHEMICAL ASSESSMENT REPORT

for the

EM 1-106 and EM 107-112 Claims

YB44695 to YB44800 and YB64001 to YB64006

N.T.S.

105-0/6

131'25" (LONGITUDE), 63'25" (LATITUDE)

Mayo Mining Division

Yukon Territory

AUTHOR: B.A. Lueck

WORK PERFORMED: JULY 1 to SEPT 1, 1995

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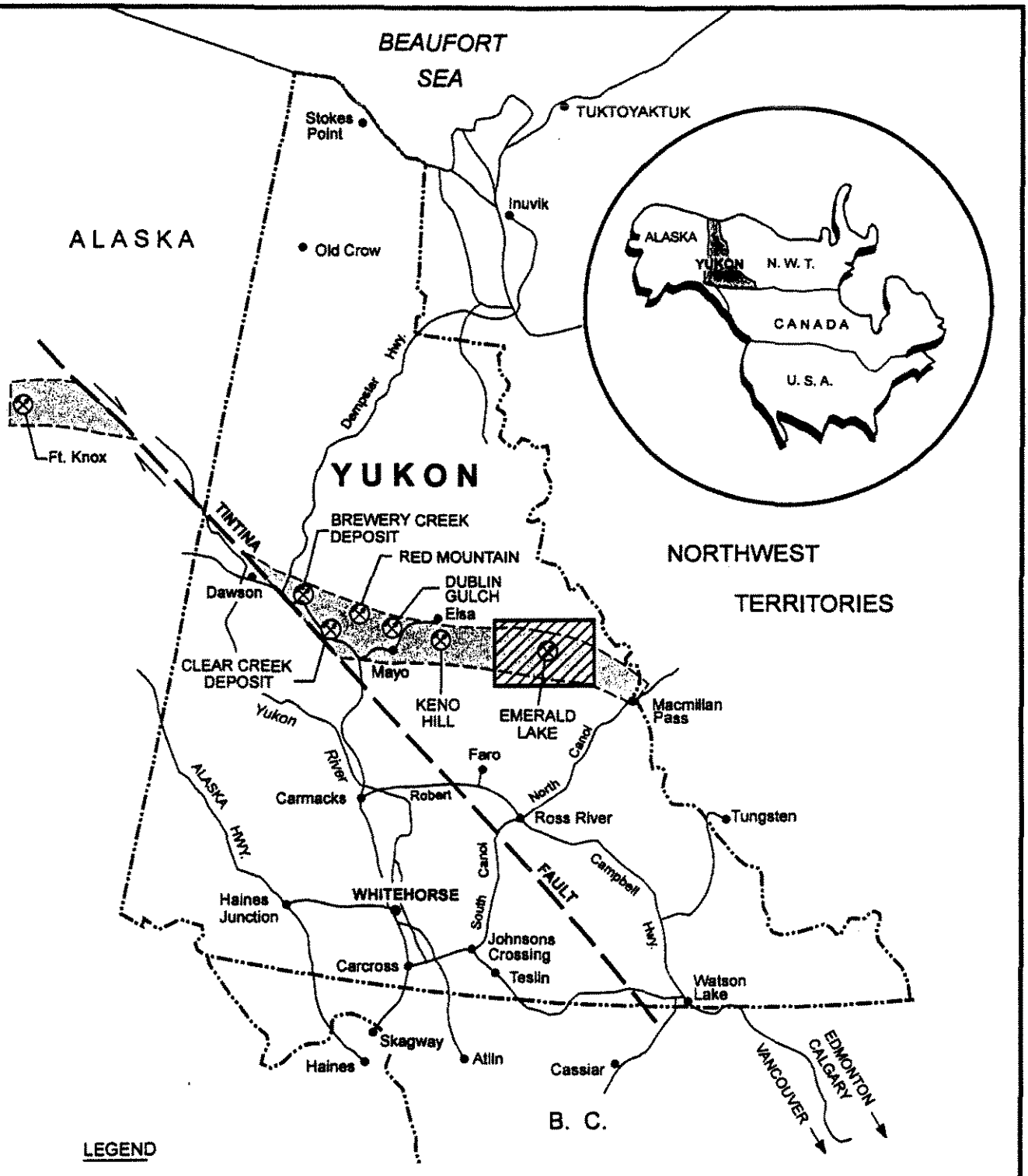
INTRODUCTION

The EM 1 to EM 106 claims, record numbers YB44695 to YB44800, and the EM 107 to EM 112, record numbers YB64001 to YB64006 , are located in the Mayo Mining Division, near the headwaters of the Hess River, on map sheet 105-O/3. The nearest identifiable landmark is Niddery Lake, located approximately 7 kilometres south of the property. The claims are 100% owned by Yukon Gold Corp.

These claims were staked to cover a region known to be anomalous in gold and arsenic. The Twin Batholiths Zone occurs within a large regional gold, arsenic and multi-element geochemical anomaly. Previous work conducted by Union Carbide in the early 1980's focused on defining the extent of gold-bearing units in the Paleozoic sediments surrounding the Twin Batholiths. Regional silt sampling by the Geological Survey of Canada in the late 1980's identified a large gold anomaly surrounding the Twin Batholiths.

SUMMARY

Geologic mapping on the Twin Batholiths Property has established the presence of quartz monzonite and granite stocks which intrude Paleozoic basinal sediments. These stocks represent geochemically anomalous regions and host significant potential for a major gold deposit of the 'Fort Knox' type associated with Tombstone Suite Intrusives,

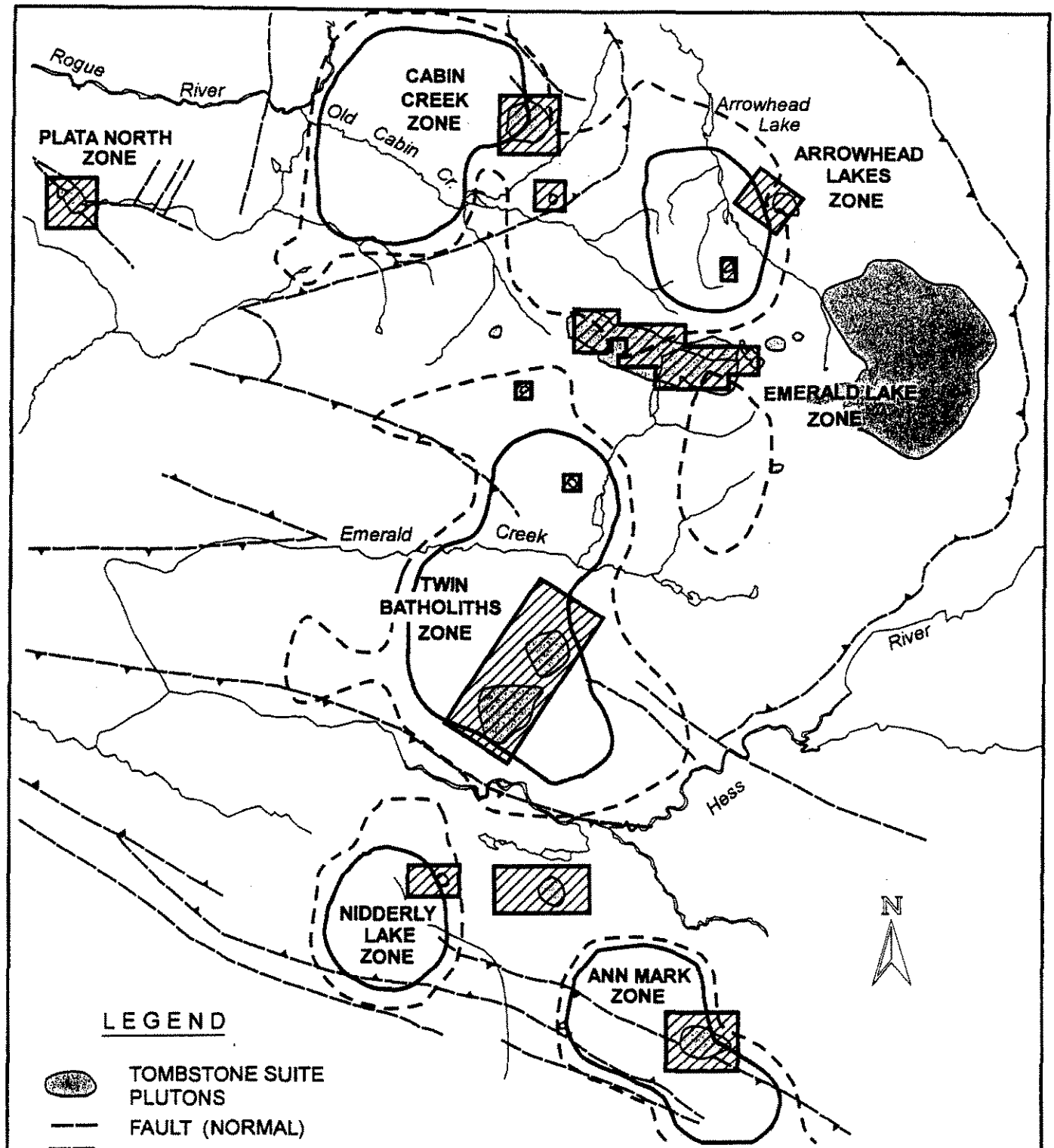


APC VENTURES INC.

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

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 approximately 20 kilometres east of the confluence of the Hess River and Emerald Creek, within the Selwyn Basin on map sheet 105-O/3. The claim block can be accessed by helicopter. The topography is moderately steep and rugged making traveling difficult in some spots.

The EM claim block covers a sparsely timbered, recently glaciated and oversteepened region of the Selwyn Basin within the Hess Mountains. The availability of outcrop exposure varies between 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 in the Selwyn Basin, and cover two Cretaceous stocks which are intrusive into Silurian to Mississippi basinal sedimentary rocks consisting of shales, argillites, and cherts. Regionally, this area of the Selwyn Basin was intruded by numerous stocks and dikes of the Tombstone Suite and later were 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 north 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 >.32 OPT Au has been delineated (>3 million ounces of 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.

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 from 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.

LOCAL GEOLOGY

The claim block is underlain by Proterozoic Hyland Group sediments consisting of Ordivician white, dark grey chert, Silurian rusty dark green argillite with minor bright orange dolostone at the base of the sequence, Devonian black shale with minor conglomerate, Mississippian massive grey white quartzite with minor dark grey argillite, and Mississippian grey argillite. Sometime during the Cretaceous, these sediments were intruded by stocks consisting of biotite-quartz monzonites and biotite granites. The sediments surrounding the stocks are extensively hornfelsed.

PREVIOUS WORK

Previous work conducted by Union Carbide in the early 1980's focused on defining the extent of gold-bearing units in the Paleozoic sediments surrounding the Twin Batholiths. Previous claims were known as the Emmy claims where a number of gold bearing veins and breccias were discovered associated with margins of the batholith. Regional silt sampling by the Geological Survey of Canada in the late 1980's identified a large gold anomaly surrounding the Twin Batholiths.

1995 WORK PROGRAM

The 1995 work program consisted of 10 days of intensive helicopter supported rock-chip, silt and soil sampling program. Professional climbers were hired to access the nearly vertical exposures in some areas. A total of 40 rock chip samples and 29 soil samples were taken at Twin Batholith area to provide a database for further exploration and drilling of the defined areas of gold mineralization. Samples were analyzed for gold, silver, copper, arsenic, antimony, molybdenum, bismuth and tungsten. Sample locations are plotted on figures 2 and 3 and sample descriptions and assays are listed in appendix.

The Twin Batholith Pluton is strongly mineralized with several stages of hydrothermal activity evident, including spectacular miarolitic cavities containing gold, molybdenum and tungsten bearing minerals, east-west striking, north-dipping veins containing gold, molybdenum, scheelite, bismuthinite and telluride minerals and north-south striking, steeply-dipping fractures that sometimes contain disseminated sulfides.

DISCUSSION

The Twin Batholith claims at Emerald Lake host previously identified gold mineralization partially delineated by rock chip sampling, channel sampling, and silt and soil geochemistry. Sampling in 1995 has confirmed the existence of intrusive hosted gold deposits similar in character to those at Dublin Gulch, Fort Knox and Brewery Creek. The target is a large, low grade, disseminated or stockwork gold deposit hosted by

both the intrusive rocks and the altered and veined sedimentary rocks adjacent to the intrusions.

Growth fractures, fracture coatings and sheeted veins all contain significant gold values associated with bismuth. This style of mineralization indicates that there is a high probability for the discovery of bulk tonnage gold mineralization on the claims. The properties are judged to have excellent potential for the discovery of significant reserves of gold. Large porphyry gold targets have not been explored for in the past and much of the previous work focused on mineralization which was hosted by veins outside of the perimeter of the plutons. Since the discovery of the Fort Knox, Brewery Creek and Dublin Gulch deposits, this type of deposit has become an important exploration target.

CONCLUSIONS and RECOMMENDATIONS

Previous exploration in the Hess River region has delineated several zones of potentially economic mineralization on the ground described in this report. Regional scale anomalous concentrations of gold and arsenic in silt and soil are associated with the various Tombstone Suite intrusions in this area. There is potential for delineation of a large low-grade gold deposit of the 'Fort Knox type' on the Twin Batholith claims.

It is recommended that further regional sampling as well as mapping be carried out in the area. If further mineralization is identified, the program may include drilling of the identified mineralization, as there is a major drill program being carried out in this region by the operator.

PROPOSED EXPENDITURES (STATEMENT OF COSTS)

Hess River Project, Yukon Territory: 1996 Budget

DESCRIPTION	EXPENSE	BALANCE
CAMP SETUP		
tent frames, tents	$10,000	
lumber	$8000	
stoves, heaters	$2800	
plumbing	$2000	
propane, tanks, hose fittings	$4000	
generator, set wire, lights	$4000	
stove, fridge, freezer	$2500	
SUBTOTAL		**$33,300**
HELICOPTER FUEL		
Jet 'B' fuel, delivered	200 drums @ $450/drum	
SUBTOTAL		**$90,000**
MOBILIZATION		
Single Otter aircraft	220 miles @ $6.50/mile	
	~$1500/trip for 10 trips	
SUBTOTAL		**$15,000**
EXPLORATION		
personnel, 4 persons	20 days @ $1000/day	$90,000
helicopter, 2 persons	40 hrs @ $700/hr	$28,000
camp costs, 20 persons	20 days @ $1500/day	$30,000
expediting	90 days @ $100/day	$9,000
flights, supplies	5 flights @ $1500/flight	$7,500
SUBTOTAL		**$164,500**
PROJECT TOTAL		**$302,800**

EXPENDITURES (STATEMENT OF COSTS)

Geologist	**- 10 days at $300.00/day**	**$6000.00**
Crew Foreman	**- 10 days at $250.00/day**	**$5000.00**
Prospector	**- 10 days at $200.00/day**	**$4000.00**
Truck and Fuel	**- 2 days at $100.00/day**	**$200.00**
Helicopter	**25 Hrs. @ $1000/Hr.**	**$25,000.00**
Camp costs	**- flagging- tents- food- etc. - 60 mandays at $75.00/manday**	**$4,500.00**
Report and Drafting		**$5,000.00**
Assays	**69 samples @ $20/sample**	**$1,380.00**
Total		**$51,080.00**

Personnel:

Brian Lueck; 607 Berry St., Coquitlam, B. C., V3J 6C2

Dave Sufady, General Delivery, Whitehorse, Yukon

Tom Morgan, General Delivery, Dawson City, Yukon

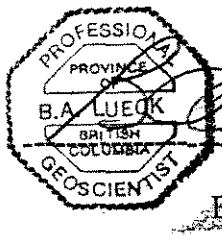
Marco Van Wermeskerken, 1210-675 W. Hastings, Van., B.C.

Kelly Lenglet, 1210-675 W. Hastings St., 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

	EM - claims						
SAMPLE #	Au-ppb	Ag-ppm	Cu-ppm	As-ppm	Bi-ppm	Sb-ppm	Mo-ppm
TBS 95 -001	55	1	35	814	12	6	1
TBS 95 -002	50	0.8	32	756	12	8	1
TBS 95 -003	30	0.4	24	600	12	6	1
TBS 95 -004	45	0.6	27	644	6	6	1
TBS 95 -005	45	0.8	24	602	6	8	<1
TBS 95 -006	65	1	19	530	8	6	<1
TBS 95 -007	60	<0.2	52	578	26	2	4
TBS 95 -008	50	<0.2	52	460	20	2	2
TBS 95 -009	45	<0.2	43	456	12	6	3
TBS 95 -010	45	<0.2	52	508	16	4	3
TBS 95 -011	43	<0.2	53	482	12	4	6
TBS 95 -012	35	<0.2	52	474	12	4	3
TBS 95 -013	<5	<0.2	14	24	<2	<2	3
TBS 95 -014	<5	<0.2	6	72	<2	<2	<1
TBS 95 -015	<5	0.2	97	108	<2	<2	7
TBS 95 -016	<5	0.4	95	118	2	2	8
TBS 95 -017	15	1	108	128	2	<2	9
TBS 95 -018	25	0.2	31	64	<2	2	2
TBS 95 -019	25	<0.2	19	92	<2	<2	3
TBS 95 -020	35	1.4	93	116	2	2	3
TBS 95 -021	35	2	99	126	2	4	3
TBS 95 -022	70	2.2	197	424	<2	14	6
TBS 95 -023	60	1.8	230	474	<2	12	5
TBS 95 -024	70	2.2	209	422	2	14	6
TBS 95 -025	60	0.2	115	400	2	6	1
TBS 95 -026	30	<0.2	15	212	2	4	1
TBS 95 -027	30	<0.2	16	156	<2	2	<1
TBS 95 -028	/	/	/	/	/	/	/
TBS 95 -029	<5	<0.2	94	1220	22	2	2
TWIN RC 95-05	47	1.2	192	61	<1	<2	4
TWIN RC 95-06	<5	<0.1	18	25	<1	3	2
TWIN RC 95-07	262	1	12	705	<1	21	3
TWIN RC 95-08	531	1.6	22	1034	<1	31	2
TWIN RC 95-09	603	2	34	795	<1	48	4
TWIN RC 95-10	36	0.2	9	45	<1	5	4
TWIN RC 95-11	628	1.4	15	1276	<1	38	4
TWIN RC 95-12	23	0.4	8	41	<1	9	2
TWIN RC 95-13	21	1.2	7	83	<1	16	2
TWIN RC 95-14	7	0.1	14	27	<1	<2	2
TWIN RC 95-15	<5	0.1	10	19	<1	<2	4
TWIN RC 95-16	<5	<0.1	8	22	<1	<2	7
TWIN RC 95-17	<5	<0.1	3	13	<1	3	2
TWIN RC 95-18	<5	<0.1	7	51	<1	<2	119
TWIN RC 95-19	7	0.1	29	817	11	<2	5
TWIN RC 95-20	46	2.9	24	15	<1	3	3
TWIN RC 95-21	<5	<0.1	13	<10	<1	<2	3
TWIN RC 95-22	9	0.1	11	23	<1	<2	146
TB MRC 95-002	84	1.4	335	134	5	9	40
TB MRC 95-003	16	1.7	137	28	<1	2	25
TB MRC 95-004	92	1.9	152	93	<1	108	29
TB MRC 95-005	51	0.7	1032	45	<1	<2	90
TB MRC 95-006	13	0.1	20	36	<1	<2	2
TB MRC 95-007	12	0.3	9	42	<1	<2	2
TB MRC 95-008	6	0.8	17	13	<1	<2	2
TB MRC 95-009	<5	0.7	20	24	<1	<2	2
TB MRC 95-010	8	0.5	13	41	<1	<2	3
TB MRC 95-011	13	0.3	18	46	<1	5	3
TB MRC 95-012	5	0.4	50	26	<1	<2	3
TB MRC 95-013	9	0.7	51	54	<1	<2	3
TB MRC 95-014	10	0.8	35	61	<1	4	3
TB MRC 95-015	10	1	41	60	<1	<2	4
TB MRC 95-016	21	1.2	42	193	<1	7	12
TB MRC 95-017	6	0.2	21	51	<1	<2	6
TB MRC 95-018	21	1.3	43	156	<1	8	13
TB MRC 95-019	67	0.9	59	76	<1	<2	6
TB KRC 95-005	53	0.1	39	712	<1	<2	2
TB KRC 95-006	21	0.4	33	485	<1	<2	2
TB KRC 95-007	162	1.2	124	3310	<1	55	2
TB KRC 95-008	2625	8.2	618	>10000	3	553	5

131°25'

63°25'

TBS95-001
TBS95-004
TBS95-002
TBS95-005
TBS95-003
TBS95-006
TBS95-007
TBS95-008
TBS95-009

TWINRC95-17
TWINRC95-18
TWINRC95-16
TWINRC95-15
TWINRC95-14
TWINRC95-11
TWINRC95-13
TWINRC95-09
TWINRC95-12
TWINRC95-10
TWINRC95-08
TWINRC95-07
TWINRC95-06
TWINRC95-05

TBKRC95-006
TBKRC95-005
TBKRC95-007
TBS95-023
TBKRC95-008
TBS95-025
TBS95-024
TBS95-026
TBS95-029
TBS95-028
TBKRC95-009
TBS95-027

TBS95-016
TBS95-015
TBMS95-014
TBS95-013
TBS95-012
TBS95-011
TBS95-010

TBMRC95-002-005
TBMRC95-006

TRS95-022
TRS95-021
TRS95-020
TRS95-019
TRS95-018
TRS95-017
TBMRC95-012 to 019
TBMRC95-007 to 011

TWINRC95-22
TWINRC95-21
TWINRC95-20
TWINRC95-19

ICE

HESS RIVER

63°20'

13°25'

LEGEND

CRETACEOUS
- 7 Granite with biotite

DEVONIAN–PERMIAN
- 6 Grey argillite, black shale
- 5 Grey massive quartzite
- 4 Black shale, minor conglomerate

CAMBRIAN–SILURIAN
- 3 Dark green argillite
- 2 Dark grey chert
- 1 Green argillite, minor black shale

- Outcrop
- Contact
- Bedding
- Vein
- Cleavage
- ▲ Rock Sample Location (Grab)
- TBMRC95-011 Rock Sample Location (Chip)
- ○ Silt Sample Location

093501

YUKON GOLD CORP.

TWIN BATHOLITHS PROPERTY
EM 1-112 CLAIMS

HESS MTN. AREA, YUKON
N.T.S.: 105-O/3

GEOLOGY AND SAMPLE LOCATIONS MAP

METRES 0 100 200 300 400 500 METRES

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

(1)

131°25'

63°25'

ICE

ICE

ICE

ICE

HESS RIVER

63°20'

131°25'

N

093501

YUKON GOLD CORP.	
TWIN BATHOLITHS PROPERTY EM 1-112 CLAIMS HESS MTN. AREA, YUKON N.T.S.: 105-O/3	
CLAIM MAP METRES 0 100 200 300 400 500 METRES	
SCALE: 1:10,000	DATE: FEBRUARY, 1996
DRAWN BY: B. LUECK	FIGURE NO.:

(2)