ASSESSMENT REPORT

ON THE

PRIMO CLAIMS

093724

McPherson Lake area

NTS 105 H-13, 14
Lat. 61° 56' N, Long. 129° 24' W
Watson Lake Mining District

For: P. RISBY

By: G.S. Davidson, P. Geol.
JULY 2, 1997

This report has been examined by the Geological Evaluation Unit under Section 53 (4) Yukon Quartz Mining Act and is allowed as representation work in the amount of $ 42,525.00.

for Regional Manager, Exploration and Geological Services for Commissioner of Yukon Territory.

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SUMMARY

This report prepared for P. Risby (Risby) summarizes exploration programs undertaken on the PRIMO property in 1996 for filing assessment. The Primo consists of 223 claims (4,683 hectares) located on McPherson Lake, 180 kilometers northwest of Watson Lake and 53 kilometers northeast of the Robert Campbell Highway in the east-central Yukon Territory. Access is by helicopter from the Robert Campbell Highway or by float plane to McPherson Lake. Charter aircraft and supplies are available from Ross River, 155 kilometers to the west or from Watson Lake.

The property is within the Selwyn Basin geological region, a thick sequence of Proterozoic and Paleozoic sedimentary rocks situated on the western edge of the North American craton. The Tintina Fault, the contact between the craton and accreted rocks is located southwest of the property marking the contact between the Cassiar Platform and the Yukon Tanana Terrane. This area is being explored for massive sulphide deposits formed in Paleozoic and Mesozoic sedimentary and metavolcanic rocks. Since 1993, over 15,000 claims have been staked in the region, centered around VMS deposits at Wolverine Lake (Westmin) and North Lakes(Cominco). Cominco's Kudz ze Kayah deposit has reported reserves of 14 million tones at 1.1% Cu, 1.5% Pb, 6.1% Zn, 140gpt Ag and 1.3gpt Au.

The PRIMO claims were staked by prospector P. Risby on an old prospect he originally discovered in the 1960's. The prospect is described as a skarn by the Yukon Minfile and was first staked by Sparton Exploration Ltd. in 1967. Porphyry molybdenum mineralization was found in the area and the prospect was restaked several times for its porphyry potential. The resurgence of interest in the district led Mr. Risby to restake the showing as a potential volcanogenic massive sulphide deposit. The target models for the district are the Kudz ze Kayah deposit, a volcanogenic massive sulphide body in Paleozoic metasediments and the Wolverine Lake deposit, a strataform Pb-Zn-Cu massive sulphide occurring at the base of a felsic volcanic sequence. The model consists of massive to broken sulphides occurring in a carbonaceous metasedimentary to felsic metavolcanic and volcanoclastic horizon overlain by massive subvolcanic domes or sills of mafic to felsic volcanic rock. The sulphide mineralization is in fairly narrow elongated lenses in argillaceous horizons which contain variable amounts of magnetite. Electromagnetic and magnetic geophysical surveys are the primary exploration techniques used for locating drill sites.

On the Primo property the geological units consist of quartzites, argillites, cherts and limestone of Haydrinian age, felsic to mafic volcanic flows and tuffs of unknown age and intrusive granitic rocks of Cretaceous or younger age. Volcanogenic massive sulphide mineralization is found at the contact between hangingwall tuffaceous volcanic breccia and footwall quartzite, argillite, chert and limestone. The sulphides are banded to massive and consist of fine-grained pyrrhotite and pyrite with minor chalcopyrite, galena and sphalerite.

During acquisition of the property, P. Risby relocated the Primo showing ("Primo West") in a creek bank approximately 5 kilometers east of the north end of McPherson Lake. The claim stakers found several other massive sulphide occurrences ("Primo East and Primo SE") two kilometers to the east. Mineralized samples collected by P. Risby assayed up to 4% copper, 12% zinc, 4% lead, 40gpt silver and 0.5gpt gold. P. Van Angeren, P. Geol. visited the property in July on behalf of Klondike Gold Ltd. (Klondike) and recommended that the property be acquired. Klondike entered a letter of intent with the Risby Family Trust on July 19, 1996 and started exploration and claim staking. In August, 1996 a 17.2 kilometer flagline grid was established over the showings and magnetometer and VLF-EM surveys were performed by Amerok Geosciences Ltd.. The surveys located narrow magnetic highs trending 045-060° coincident with the sulphide occurrences.

Based on recommendations in a Summary Report on the Primo Property by P. Van Angeren, P. Geol. dated September 1, 1996, a drill program (450 meters) was performed from September 24 to October 15, 1996. A Longyear 38 drill supplied by Caron E. Diamond Drilling Ltd. was transported from the Campbell Highway to the property by jet ranger helicopter chartered from Trans North Air Ltd. Seven drill holes were completed from three sites. Five holes were drilled from two sites on the Primo West and two holes were drilled from one site on the Primo East. The writer supervised the drill program from Sept. 12 to Oct. 8, 1996 and P. Van Angeren supervised the program from Oct. 8-15. The drill program intersected banded and massive sulphide mineralization hosted by argillaceous siltstone and chert at both the Primo East and West showings. Sulphide mineral content averaged 55% through the intersections.

At the Primo West, drill holes 96-3, 96-4 and 96-5 were drilled from the same site; all three holes entered mineralization at the bedrock surface. The footwall contact gives an apparent dip to the horizon of 25° northwest. DDH96-3 cut a 16.55 meter intersection (5.6 meter true width) of fine-grained pyrrhotite and pyrite that assayed an average of 0.25% copper, 0.9gpt silver and 0.34gpt gold. Holes 96-4 and 96-5 intersected similar mineralization over 2.8 and 2.1 meter widths respectively. Drill holes 96-1 and 96-2 drilled form a site located 50 meters northwest and downdip of the Primo West showing failed to intersect sulphide mineralization suggesting that a fault underlies the creek.

At the Primo East showing drill holes 96-6 and 96-7 intersected massive and brecciated sulphide mineralization over 3.3 and 2.5 meter widths respectively. The mineralization occurs at the contact between hanging wall rhyolite tuff and footwall siltstone and chert breccia. In hole 96-6 from 30.8-33.1 meters the core assayed 3.6% zinc and 7gpt silver. Hole 96-7, intersected chert breccia containing massive sulphide from 43.7-45.6 meters which assayed 45gpt silver, 0.91% lead and 0.7% zinc.

Klondike ended the option agreement on the PRIMO in April, 1997 by failing to meet the requirements of the agreement. The initial work program on the PRIMO claims has intersected banded and massive sulphide mineralization in a promising geological environment. Magnetometer and EM surveys are effective methods of identifying targets for drilling. The Primo West and East showings and several geophysical anomalies are the primary targets for continued drilling. There is good potential for finding a base and precious metal bearing deposit in this area. An exploration program of diamond drilling, road building, grid development, mapping and geophysics at a proposed budget of $440,000 is recommended for the PRIMO property.

INTRODUCTION

The PRIMO property consists of 223 claims located in the east-central Yukon Territory near McPherson Lake in the Logan Mountains and the Watson Lake Mining District. The claims cover mountainous topography. The showings are located along a creek bed in a rocky upland plateau (Primo East) and downstream at lower elevation along a creek bank in a heavily forested U-shaped valley (Primo West). An exploration program consisting of surface geophysics and grid development was supervised by M. Barker and P. Van Angeren. The diamond drill program was supervised by the writer and P. Van Angeren. This report reviews data collected by Amerok Geosciences Ltd. (geophysical surveys), the writer and P. Van Angeren. The report is prepared on behalf of P. Risby for meeting assessment requirements for the claims.

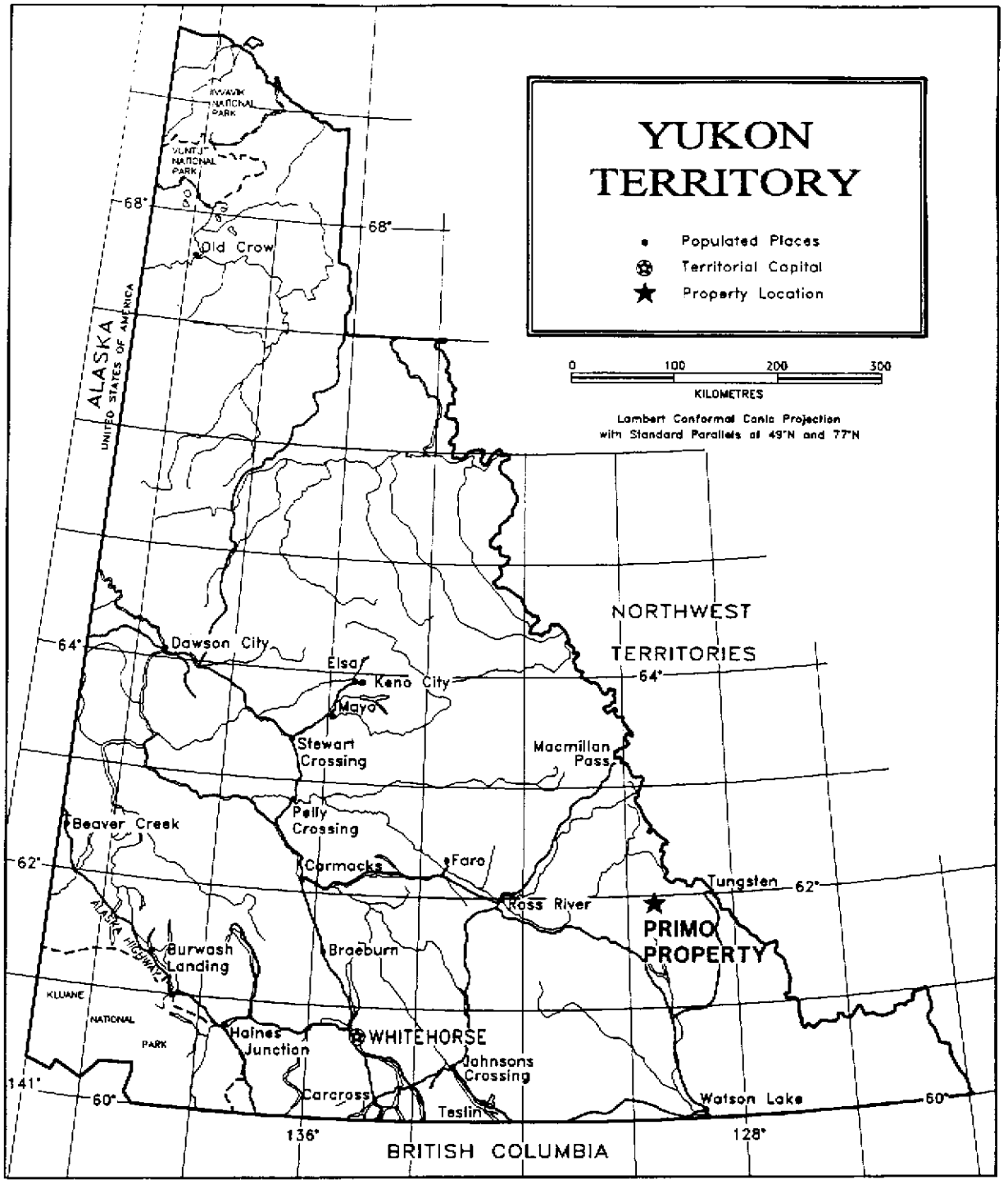
LOCATION AND ACCESS

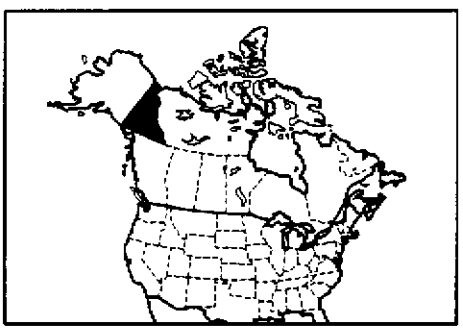
The PRIMO property is located 180 kilometers northwest of Watson Lake and 53 kilometers northeast of the Robert Campbell Highway at the north end of McPherson Lake on NTS Map Sheet 105 H-13, 14 at geographical co-ordinates 61° 56' N and 129° 24' W. The PRIMO property was accessed by helicopter from a staging area at kilometer 188 on the Campbell Highway. An all weather camp is located at 1,250 meters elevation on a pond in Primo #24 claim. Figures 1 and 2 show the property location. Logistically, Whitehorse, Ross River and Watson Lake provide supplies, accommodations and government services for the district and there is a government maintained airstrip near Finlayson Lake.

PHYSIOGRAPHY

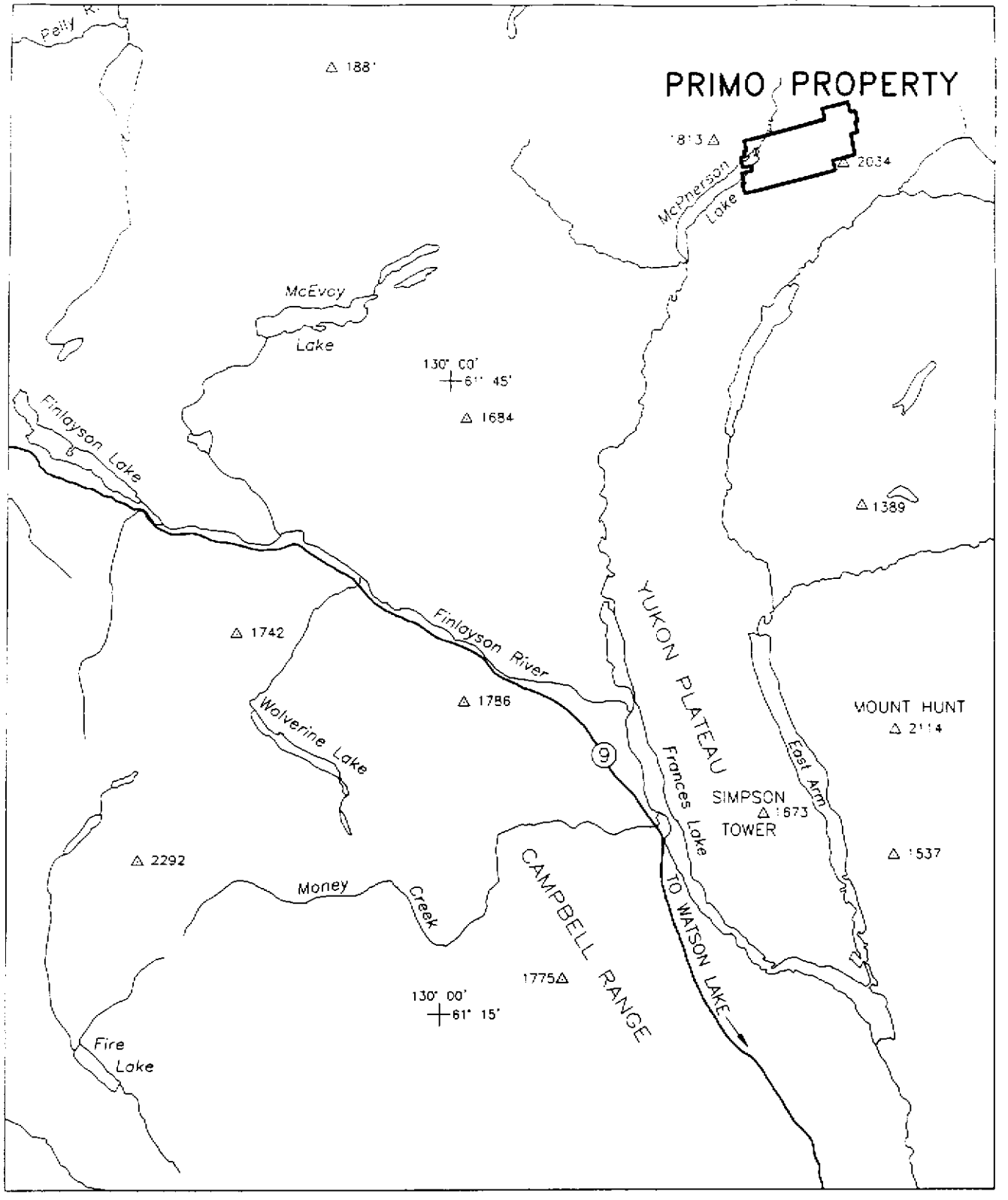
The PRIMO property covers a west-trending valley surrounded by high mountain peaks and upland plateau's. Along the north and east boundary of the claims rugged peaks and ridges rise to 2,300 meters. The central portion of the claims features upland plateau's at 1,500 meters that source the main creek that descends through a steep-sided U-shaped valley to McPherson Lake at 765 meters. Several side valleys end at cirques and tarns. Outcrop is widespread at higher elevations and talus slopes are common on steeper slopes. Lower levels are covered in overburden which averages 10 meters in depth and contains permafrost. The effects of alpine glaciation are evident in the higher cirques.

The district has a northern interior climate marked by long cold winters and moderate annual precipitation. Exploration on the property can be performed from May until October.





Klondike Gold Corp.		
PRIMO PROPERTY **Location Map**		
Graham Davidson, Consulting Geologist		
SCALE: 1 : 6 000 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 1



LEGEND

Stream, creek, lake

Territorial Highway (9)

Claim group boundary

N

UTM Grid North

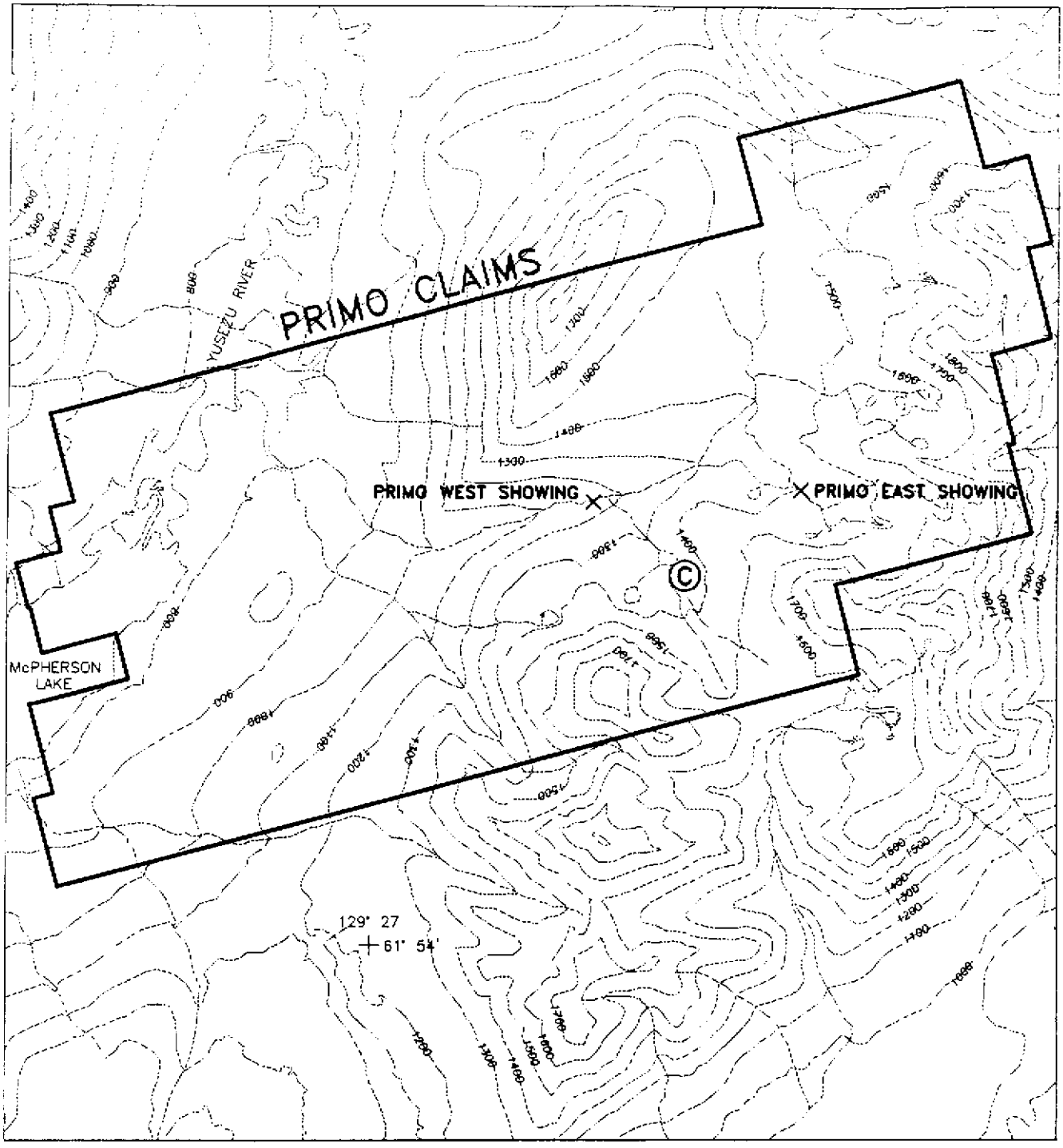
Klondike Gold Corp.

PRIMO PROPERTY

Regional Plan

Graham Davidson, Consulting Geologist

SCALE: 1 : 500 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 2



0 500 1000 1500

METRES

LEGEND

elevation contour interval, (100 metres) — 1000

stream, creek

road, trail

claim group boundary

camp location ©

N

UTM Grid North

Klondike Gold Corp.

PRIMO PROPERTY
Topographic Map

Graham Davidson, Consulting Geologist

SCALE: 1 : 60 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 3

PROPERTY

The PRIMO property consists of 223 contiguous mineral claims, as shown in Figure 3 and listed in Table 1.

TABLE 1
Claim Data

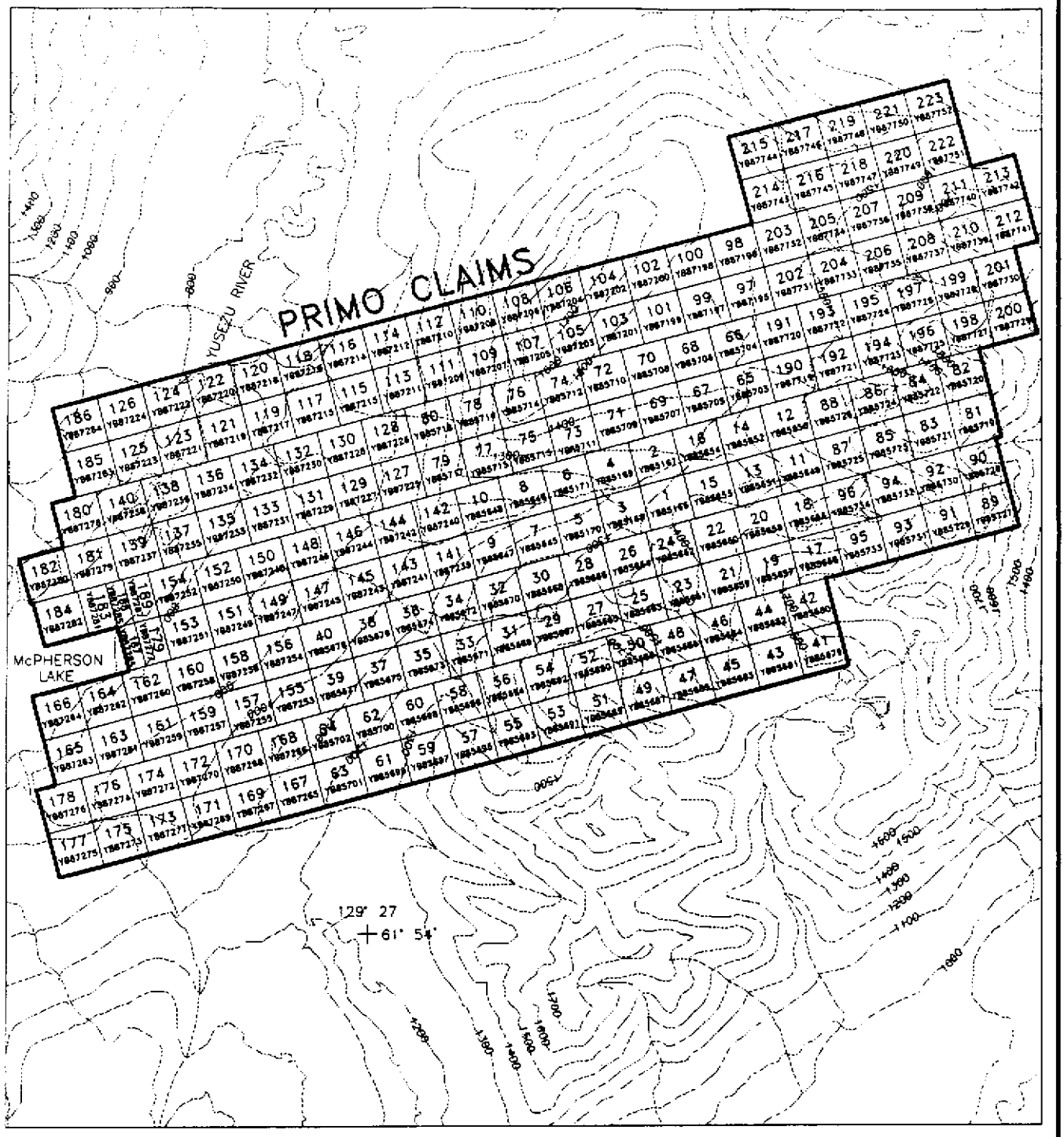
Claim Name	Grant Number	Expiry Date (* applied for)
PRIMO 1-6	YB85166-171	*OCT. 6, 1999
PRIMO 7-96	YB85645-734	*OCT. 6, 1999
PRIMO 97-189	YB87195-287	*OCT. 6, 1999
PRIMO 190-223	YB87719-752	*OCT. 6, 1999

The PRIMO 1-6 claims were staked on June 15, 1996 and recorded in the office of the district mining recorder in Watson Lake on July 6, 1996 by P. Risby. The PRIMO 7-96 were staked between July 1-4, 1996 and recorded by P. Risby. The PRIMO 97-189 were staked on August 1-7, 1996 and recorded by Klondike. The PRIMO 190-223 were staked on Oct. 28, 1996 and recorded by Klondike. The claims were returned to P. Risby in April, 1997.

REGIONAL GEOLOGY

The rocks underlying the Finlayson area are mainly metasedimentary and include argillites, phyllites, limestones, cherts, slates, schists and quartzites of upper Proterozoic to Mississippian Selwyn Basin and Paleozoic metamorphic and volcanic rocks of the Slide Mountain and Yukon-Tanana Terranes. Conformable lenses and sills of greenstone, probably Triassic in age, occur in profusion in places in the metasediments and a few narrow lamprophyre and quartz-porphyry sills, probably Jurassic or younger, are present locally. Granitic bodies cut the sediments, metasediments and greenstones at several places. Near the granitic intrusions, characteristic skarn zones are developed in calcareous rocks of the metasedimentary sequence. In the late Mesozoic extensive thrust faulting accompanied the emplacement of Carboniferous and Permian dark green aphanitic basalt, dunite, peroxinite, peridotite, serpentinized equivalents and quartz carbonate rock.

The claims lie north of the Tintina Fault, a large transcurrent Late Cretaceous to Tertiary fault system that caused at least 450 km of displacement. During the Eocene volcanism and sedimentation deposited sequences of basalt, rhyolite, felsic tuff and conglomerate in the Tintina depression. Late Tertiary uplift and faulting preserved Eocene volcanoclastic rocks in structurally complex grabens. Epithermal style gold and silver mineralization occurs at fault intersections in these grabens.



LEGEND

- elevation contour interval, (100 metres) — 1000
- stream, creek
- road, trail
- claim group boundary
- claim line

0 500 1000 1500

METRES

N UTM Grid North

Klondike Gold Corp.

PRIMO PROPERTY
Claim Location Map

Graham Davidson, Consulting Geologist

SCALE: 1 : 50 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 4

Metasedimentary rocks in the McPherson Lake area strike 045-090° and dip 20-40° northwest. The most recent geological map of the area was compiled by Templeman-Kluit as Open File 486. Figure 4 shows the area geology and the Table of Formations is presented in Table II.

HISTORY

The Finlayson area was first explored by Robert Campbell of the Hudsons Bay Company in 1840. A post was established by the HBC at Francis Lake in the 1850's. Prospectors entered the country via the Liard River system around 1880 looking for placer gold deposits. Minor amounts were found along bars in the Finlayson River. Lode prospecting began in the 1950's and intensified in the 1960's with the discovery of the Anvil Pb-Zn deposit.

The potential for massive sulphide deposits led to several staking rushes in the Ross River, Finlayson and Pelly River areas. A few narrow zones of sulphide mineralization were discovered on claims around Wolverine Lake and at the Pelly Banks. In the 1980's the potential for gold mineralization along the Tintina Fault sparked a staking rush and the Ketza River (Canamax) and Grew Creek deposits were outlined.

In 1993 Cominco discovered massive sulphide float near the North Lakes. Follow-up geochemistry, geophysics identified a promising anomaly that was drilled in 1994 and 1995 delineating the Kutz ze Kayah massive sulphide deposit. Cominco has staked about 10,000 claims in the district since the discovery of the mineralization. Westmin Resources Ltd. entered the picture by optioning Atna Resources Ltd. properties around Wolverine Lake in Jan., 1995. Westmin continued with a program of claim staking through the district and now holds about 3,000 claims in the belt. Westmin announced a volcanogenic massive sulphide discovery at the south end of Wolverine Lake in the summer of 1995. Another major player in the area, Expatriate Resources has also acquired about 3,000 claims in the district.

Sulphide mineralization was originally found along a creek bank in the area of the PRIMO claims by Mr. P. Risby in 1967 while prospecting for Spartan Exploration Ltd. Sparton staked a large block of claims on discovery of nearby molybdenum-tungsten mineralization. The sulphide showing received minimal work as exploration efforts of the day were directed at discovering porphyry molybdenum deposits. The area was restaked several times for its porphyry molybdenum potential but little of significance was identified. In 1988, regional stream sediment geochemistry on the 105 H map sheet was released in Open File 1649. Four samples collected from creeks draining the PRIMO claims registered weakly to highly anomalous values in zinc-lead-copper-silver-gold-arsenic-cadmium-cobalt. This geochemical anomaly is also present in a silt sample collected one drainage south of the PRIMO claim block. In the Yukon Minfile the PRIMO sulphide showing was described as a skarn occurrence with no additional information. On the ground an old ax cut grid exists over the prospect. Records of geophysical surveys or other work on the old grid have not been found.

TABLE II - TABLE OF FORMATIONS

(adapted from Templeman-Kluit, 1977)

Quaternary

Q-Undifferentiated, unconsolidated gravels, sands and clays

Tertiary

QTvb-Basalt

Tscg-Sandstone, conglomerate, shale

Tgfp-Quartz-feldspar porphyritic rhyolite

Cretaceous

Kg-Buff to gray dykes, sills and small plugs of aplite and granite; locally quartz, feldspar and/or biotite phyric; minor arsenopyrite

Kl-Fine- to coarse-grained, light gray, biotite lamprophyre dykes, locally feldspathic

Triassic

Trd-Fine- to medium-grained greenstone (meta-diorite, meta-gabbro)

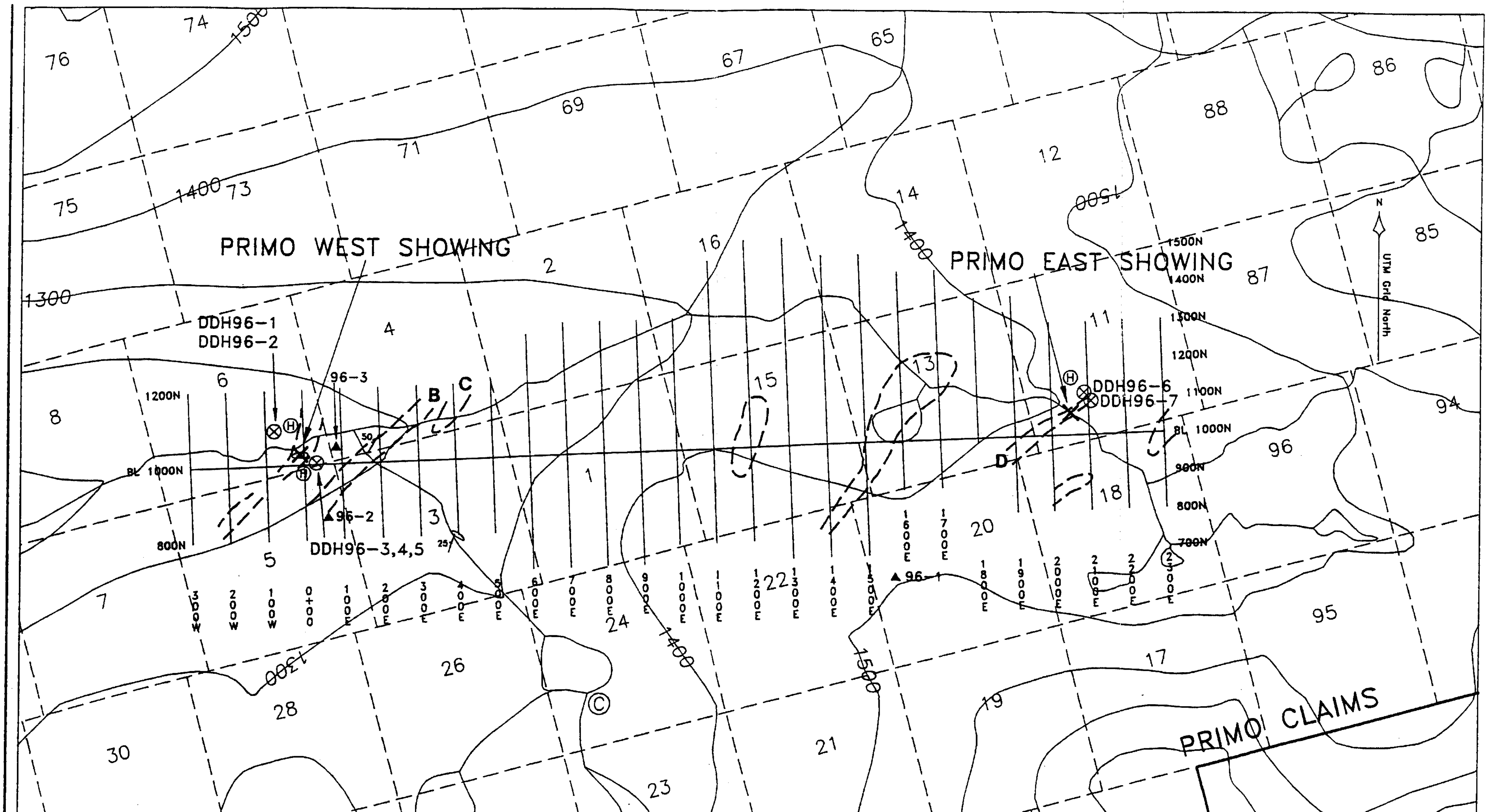
Carboniferous & Permian

CPav-Anvil Allocthan, amphibolite, greenstone, basalt, gabbro

CPas-Serpentinite

Precambrian-Lower Cambrian

PPK-Klondike schist



LEGEND

Magnetic high, anomaly	D
Drill hole site	DDH96-3
Massive sulphide showing	X
Rock sample site, number	96-3
Rock strike and dip	25
Stream, creek, lake	
Elevation contour interval (100 metres)	1000
Helipad	H
Camp location	C
Claim boundary, number	96

0 10 20 30 40

KILOMETRES

KLONDIKE GOLD CORP.

PRIMO PROPERTY

PROPERTY GEOLOGY & COMPILATION MAP

SCALE: 1 : 10 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 6

1996 EXPLORATION PROGRAM

INTRODUCTION

Two programs of exploration work were undertaken in the 1996 season. The initial work program was grid development and surface geophysical surveys, followed in the fall by the diamond drill program. Twin Mountain Enterprises Ltd., brushing contractors, established a flagline grid over the showings in early August. An east-west baseline was cut for 2.3 kilometers and 14.9 km of flaglines were run from 100 meter centers along the baseline to the north and south. Grid 0+00E, 1000N is located 30 meters south of the Primo West showing at a chopper pad (see Grid Plan, Figure 5). Grid lines were flagged at 12.5 meter intervals. Amerok Geosciences Ltd performed magnetometer and VLF-EM surveys over the grid from August 16-20, 1996.

Based on the results of the surface work a diamond drill program was initiated in September. Drill pads were cut out and an all weather camp was built by Twin Mountain Exploration Ltd from September 7-14, 1996. Mobilization of a diamond drill to the property began on September 23 and the drill program ended on October 15, 1996. Drill core was stored in core racks at the campsite except for sections of DDH96-3 and DDH 96-7 which are stored in the Whitehorse Core Library. Time periods and personnel on the project were as follows:

July 1-4, 1996; Property inspection by Phil Van Angeren, claim staking

August 1-7 ,1996; Grid development and claim staking-Twin Mountain Enterprises Ltd.

August 16-20, 1996; Geophysical surveys by Amerok Geosciences Ltd.
Dan Hall-supervisor, Jeff Boyce-technician

September 7-14, 1996; Camp construction and drill pads Twin Mountain Enterprises Ltd
Sylvain Fluerant-supervisor, Charles Waugh and Rick Martin-line cutters

September 24 to Oct. 17, 1996 Diamond drill program
Graham Davidson (Sept. 24-Oct. 8) and Phil Van Angeren (Oct. 8-Oct. 17) geologists, Dennis Chase-camp handyman

Caron Diamond Drilling Ltd.
Pat Hogan-foreman/driller, Kevin Dupuis-driller
Armand Arsenault and Tom Stewart-drill helpers
Robert Caley-cook

Trans North Air Ltd.
Pat Dayman-pilot, Doug Ladune-mechanic
Steve Stanley-pilot

Figure 5-Local Geology-Grid Plan

PROPERTY GEOLOGY

The rocks exposed on the PRIMO claims are Hadrynian metasediments of the Selwyn Basin overlain and intruded by volcanic flows and dykes of uncertain age, in turn intruded by Cretaceous or younger granodiorite. Graphitic argillite, chert, limestone and quartzite underlie much of the claim area. North of camp along the small creek draining the tarn cherts and siltstones outcrop, strike 045-080° and dip 20-35° northwest. Rhyolite flows and dykes weather a typical buff color and outcrop on the ridge east of camp and at the Primo East showing. Mafic tuffs were intersected in drill holes 96-1 and 96-2 at the Primo West showing where they contain calcite along fractures and chlorite alteration with minor to 2% pyrrhotite and pyrite. Granitic to dioritic bodies intrude the metasediments and volcanics. A coarse-grained massive white granite outcrops on the ridge top east of camp. Garanodiorite sills were intersected in drill holes 96-1 and 2. The rock was fresh to weakly fractured containing chlorite and epidote alteration. Dip slopes are present on the south side of the main creek valley.

Structurally the sedimentary units are folded and deformed by normal faults, thrust faulting and intrusion. Figure 5 shows the property geology and the following units were identified;

- Granodiorite to diorite: fine to medium-grained sills or plugs of plagioclase porphyry intersected in drill holes 96-1 and 2.

- Rhyolite: Highly fractured buff weathering dykes and sills. Quartz eye and feldspar phenocrysts, minor pyrrhotite

- Mafic tuff and breccia, porphyritic andesite tuff, calcite veins, coarse diorite, argillite and limestone clasts form up to 20% of the rock. Minor pyrrhotite and pyrite, minor galena.

- Argillite and chert: fine grained light to dark gray siliceous sediments with disseminated to patchy pyrite, graphitic fracture faces, locally brecciated with minor white quartz and carbonate veining, weak to heavy limonite staining.

- Quartzite: bedded light gray, glassy, fine to medium grained quartzite, locally gritty and recrystallized, containing sericite, minor pyrite and pyrrhotite on faces.

- Limestone: bedded gray-white, locally silicified containing minor cubic pyrite

The massive sulphide zones occur in metasedimentary rocks proximal to granodiorite sills, mafic tuffs and rhyolites. Hornfels alteration occurs in the footwall of the Primo West showing suggesting a skarn origin for the mineralization. However sulphide mineralization was disseminated through wide sections of mafic tuff and tuffaceous breccia occurs in the hanging wall indicating a volcanogenic origin. At Primo East, the sulphides occur between hangingwall felsic tuff and underlying argillite, a volcanogenic setting.

MINERALIZATION

Massive sulphide style mineralization at the Primo East and West showings consists of banded to massive fine-grained pyrrhotite and pyrite in chert and argillite overlain by felsic and mafic tuffs. The sulphide mineral content of the mineralization averages 55%. The Primo West occurrence is a 20 meter long exposure of banded massive sulphides capped by mafic tuff breccia containing fragments of limestone and granodiorite. Boulders of black weathering mineralization lie along the creek bank beneath the showing. The pyrrhotite and pyrite occur in brecciated, silicified chloritic chert. Surface samples collected by P. Risby obtained 179-457gpt silver, 1.5-10.8% copper, 2.1-6.4% lead and 2.3-6.5% zinc from five grab samples (sample numbers 11458-11462).

The Primo East is a 1.5 to 1.8 meter thick massive sulphide bed that outcrops over a 45 meter length in a creek bank. The mineralization is locally well-layered, but typically is a massive sulphide cemented breccia. The hanging wall rhyolitic tuff contains up to 5% pyrrhotite and pyrite in fractures and as disseminated clots. The footwall argillite breccia and siltstone contains a few bands of galena and sphalerite. Samples taken by P. Risby assayed 0.13-0.83% copper, and 1.7-13.6% zinc (sample numbers 005-009).

A third showing called the Primo Southeast is a massive sulphide bearing limey chert layer overlain by rhyolite and underlain by quartzite. The horizon is along the upper limb of a fold. The mineralization is massive pyrrhotite and pyrite with 5% medium-grained galena in veins. Samples taken by P. Risby assayed 34-135 g/t silver, 0.16-1.7% copper, 0.2-13.5% lead and 3.3-10.1% zinc (sample numbers 001-004). The writer collected 3 samples and P. Van Angeren collected 6 samples, listed in Table III with the results of the P. Risby sampling. The Certificates of Analysis are presented in Appendix I.

GEOPHYSICAL SURVEYS

The magnetometer survey delineated bands of high magnetism trending 045-060° across the grid area; the color total magnetic field contour map in the map pocket best illustrates the magnetic trends (see Figures 7a and 7b). These bands are approximately 50 meters wide and of fairly strong magnitude, averaging 250 nT above the background level. A magnetic high (Anomaly A) at L0+00E, 10+25N marks the Primo West showing. It is a patchy narrow feature evident over a 300 meter length. A stronger parallel magnetic anomaly (Anomaly B) is located 100 meters east of the Primo West showing. This feature has been detected over a 450 meter strike length and is open in both directions along trend. A strong high located at the north end of Anomaly B is offset to the east and is identified as Anomaly C.

TABLE III SAMPLE VALUES AND DESCRIPTIONS

Sample Number	Description	Au PPB	Ag PPM	Cu %	Pb %	Zn %
11458	Primo West-grab	37	179	10.8		
11459	Primo West-grab	84	457	4.74	6.45	6.54
11460	Primo West-10 m chip	103	414	4.86	5.95	5.97
11461	Primo West-10 m chip, lower	310	155	1.56	2.14	2.78
11462	Primo West-10 m chip, upper	129	214	1.50	2.52	2.28
001	Primo Southeast-5 m chip	< 5	73.7	0.359	10.1	8.15
002	Primo Southeast-12 m chip	15	135.2	0.174	12.9	10.1
003	Primo Southeast-grab	15	124.0	0.161	13.5	9.84
004	Primo Southeast-3 m chip	164	33.9	1.74	0.24	3.3
005	Primo East-1 m chip	< 5	3.8	0.167	0.24	7.18
006	Primo East-1 m chip	5	2.0	0.222	0.02	10.0
007	Primo East-grab	< 5	1.7	0.133	0.03	11.7
008	Primo East-grab	< 5	1.8	0.15	0.01	13.6
009	Primo East-grab	< 5	3.8	0.83	0.03	1.67
		Au ppb	Ag oz/t	Cu %	Pb %	Zn %
*231423	Primo West-1 m panel in creek	115	3.85	4.20	1.92	2.26
*231424	Primo West-1.1 m chip in sulphide bed	110	0.06	0.35	<0.01	<0.01
*231425	Primo West-1 m chip in base of sulphides	130	0.14	0.80	0.39	0.37
*231426	Primo East- 1 m panel, east end of outcrop	< 5	0.05	0.30	<0.01	0.05
*231427	Primo East-1 m chip in sulphide bed	< 5	0.06	0.17	0.01	0.75
*231428	Primo East-1.5 m chip in hanging wall tuff	15	0.02	0.03	<0.01	0.02
		Au PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM
**96-1	L16+00E, 6+50N, massive sulphide showing	6	32.1	1198	12.3%	8.18%
**96-2	L1+00E, 8+25N, rhyolite, minor arsenopyrite	8	0.6	93	290	206
**96-3	L1+00E, 10+50N, massive pyrrhotite boulder	< 5	0.6	1486	332	181

*Samples collected by P. Van Angeren, **Samples collected by G. Davidson

At the Primo East a narrow sinuous magnetic high (Anomaly D) trends 060° for a 300 meters. This anomaly is open to the southwest. Two other spot highs in the Primo East area are on the edge of the grid and require follow up. Magnetic lows correlate with quartzites and volcanic rocks. The discontinuous nature of the magnetic anomalies suggests that faulting and/or folding has disrupted the geology.

The VLF-EM survey detected weak conductors somewhat parallel to the magnetic highs (see Figure 8). The writer performed a VLF-EM survey on the old ax cut gridlines orientated normal to the local strike. This survey found moderate strength conductors trending 045° at the Primo West (magnetic anomaly A) and coincident with magnetic anomaly B. Magnetometer and EM surveys were effective methods of detecting the banded and massive pyrrhotite intersected in drill holes at the Primo West showing and the magnetometer survey accurately located the massive pyrrhotite at the Primo East showing.

DIAMOND DRILLING

A diamond drill contract was let to Caron Diamond Drilling Ltd of Whitehorse for 2,000 feet of NQ core drilling in September. P. Van Angeren listed drill sites and proposed drill holes in his report on the PRIMO Property dated September 1, 1996. The crew began set up of the drill on a pad locate 50 meters northwest of the Primo West showing. Drilling started on September 28 with an angle hole on a east azimuth but problems with penetrating the overburden led to abandoning the initial hole at 12 meters. A second vertical hole successfully penetrated the overburden as hole 96-1 and an angle hole on a southeast azimuth, hole 96-2 were drilled from site 1. These holes did not intersect mineralization and the drill was moved to site 2; located across the creek 35 meters southeast of the Primo West showing. Drill holes 96-3, 96-4 and 96-5 were drilled from this location and intersected massive sulphides at the bedrock surface.

The drill was then moved to a site 40 meters north of the Primo East showing for drill holes 96-6 and 96-7 which both intersected massive sulphide mineralization. The drill program was terminated after these holes due to worsening winter weather and the high cost of operating. Drill hole locations are shown on Figure 6 and drill hole sections are presented in Figures 9a and 9b. Drill logs prepared by P. Van Angeren and the writer are listed in Appendix I. A detailed description of the drill holes follows:

Drill Hole 96-1, grid 0+85W, 1085N, vertical hole to 76.8 meters.
Drill Hole 96-2, same location, -60° hole at 135° azimuth to 130.1 meters.

Target: Testing down dip of the Primo West showing, projected intersection at 45 and 35 meters respectively.
Results: The holes cut several layers of fine to medium-grained granodiorite and mafic tuffs. Pyrrhotite up to 2% and rare veinlets of galena were present in the tuffs but no massive sulphide mineralization was intersected. An east-west trending fault contact underlying the creek bed is suggested by these holes. Slickensides are present towards the bottom of hole 96-2.

Drill Hole 96-3, 0+23E, 996N, -50° hole at 315° azimuth to 57.9 meters.

Target: Drilling towards Primo West showing to test possibility of the mineralization dipping to the southeast.

Results: Banded and massive pyrrhotite in chert intersected at the bedrock surface and cut for 16.55 meters (approximately 6 meter true width). Over this interval sulphide mineralization content averages 55% of the core. The massive sulphide consists almost entirely of fine-grained pyrrhotite and pyrite in bands, veins and masses. Minor chalcopyrite is visible as minute veinlets in the pyrrhotite. Galena and sphalerite occur near the footwall contact in fine-grained bands and lenses. The footwall consists of argillaceous siltstone exhibiting hornfels alteration.

The mineralization was cut with a saw and sampled in 1 meter sections. Copper content assayed at 0.25%, gold content averaged 0.35gpt and silver averaged 0.9gpt over the 16.55 meters. The highest gold and silver values were obtained from a chert breccia in the footwall immediately bellow the massive sulphide. The breccia is very siliceous with a weak stockwork of chlorite-epidote-quartz-sulphide veinlets. Clots and veinlets of pyrrhotite, pyrite, chalcopyrite and sphalerite compose less than 2% of the core. Assays of 1.17gpt gold and 10.1gpt silver were obtained from 42.1-43.1 meters.

A fault zone was intersected at 44.9 meters consisted of sheared and brecciated siltstone.

Drill Hole 96-4, same location as 96-3, -70° at north azimuth to 30.8 meters
Drill Hole 96-5, same location as 96-3, vertical hole to 21.6 meters.

Target: Massive sulphide horizon

Results: Banded and massive sulphide intersected at the bedrock surface, similar to 96-3 mineralization consists of pyrrhotite and pyrite with a trace of chalcopyrite as exsolved veinlets. Assay values were consistent with the average values obtained in DDH 96-3. The footwall contact of the three holes indicates a dip of 25° northwest. The sulphide horizon must be cut off by a fault between drill site 1 and 2.

Drill Hole 96-6, 20+93E, 11+08N, -60° dip at 180° azimuth to 59.7 meters.
Drill Hole 96-7, same site, vertical hole

Target: Primo East showing outcropping in the creek bed.

Results: Both holes intersected banded to massive pyrrhotite and pyrite in argillite at the contact between hanging wall rhyolite tuff and footwall argillaceous siltstone and breccia. The sulphide zone consists of angular fragments of argillite encased in massive fine-grained pyrrhotite and pyrite matrix. Minor chalcopyrite occurs in exsolution veinlets and a few disseminated clots of sphalerite and galena occur at the bottom of the massive sulphide mineralization and in the footwall siltstone. Drill core assayed 7.0gpt silver and 3.69% zinc from 30.8-33.1 (2.3) meters in drill hole 96-6 and assayed 24.7gpt silver, 0.54% lead and 0.82% zinc from 41.2-45.6 (4.4) meters in hole 96-7.

DISCUSSION AND RECOMMENDATIONS

Klondike has located promising massive sulphide occurrences and there is good potential for discovering a copper-lead-zinc-silver-gold deposit on the PRIMO property. Geophysical surveys are the most effecive methods of locating mineralization. Exploration of a small portion of the property has located four targets for more detailed geophysical surveys and diamond drilling. An airborne magnetic and electromagnetic geophysical survey is recommended to initiate general exploration of the rest of the claim area.

The drill core containing massive sulphide mineralization from the Primo West and East showings produced relatively low grades compared to surface samples. Zinc and lead mineralization in drill holes 6 and 7 (Primo East) occur at the footwall contact of the massive sulphide. Further drilling of both zones may determine the distribution and zoning of more economic grade mineralization.

Prior to diamond drilling, the magnetic resposes should be further defined by expanded magnetic coverage and a max-min survey. The existing targets strike 045-060° and are open along strike. The orientation of the present grid is not suitable for this trend and it is recommended that a new cut line grid be established with gridlines at 135° azimuth from a baseline at 045°. The cut grid would cover the Primo West and East areas including magnetic anomalies B and C, and any strong magnetic features identified by the airborne survey. Diamond drill sites would then be selected by evaluating the results of EM and magnetic survey data on the new grid.

Four main target areas are identified on the property.

1) Primo West (Anomaly A): Outlined by a sinuous and patchy magnetic high, patchy VLF-EM conductor and sulphide mineralization intersected in three drill holes. Line-cutting and max-min survey are recommended on the anomaly to assist in drill site selection.

2) Anomalies B & C: Outlined by a strong magnetic high trending northeast with a slight offset to the east at its northern end and by VLF-EM anomalies and massive sulphide float. Line cutting and max-min survey recommended prior to selecting drill sites.

3) Primo East (Anomaly D): A narrow magnetic high correlates well with the massive sulphide showing and drill intersections of massive sulphide in two drill holes. The anomaly trends southwest and correlates with a weak VLF-EM feature. This area should be surveyed with a max-min unit prior to further drilling. The diamond drill is presently located at the Primo East and it is recommended that the 1997 drill program start from a site located 50 meters north of the DDH 96-6 and 96-7 site with drill orientation on a south azimuth at -60°.

4) Primo SE: A massive sulphide showing that requires general exploration to establish the extent of the mineralization.

The following exploration program is recommended.

PROPOSED EXPLORATION PROGRAM

Airborne geophysical survey of claim area on flight lines orientated northwest-southeast at a line separation of 100 meters. The total flight line distance is estimated at 200 kilometers.

Grid development (cutlines) over Primo West, Primo East and Anomaly B, baseline to run 045° with crosslines every 100 meters to facilitate max-min survey over magnetic anomalies.

Diamond drilling, 1,000 meters on max-min and magnetic targets.

Follow-up grid development, mapping and geophysical surveys on airborne anomalies

EXPLORATION PROGRAM BUGET

Airborne geophysical survey, 200 flight line kilometers	30,000.00
Diamond drilling, 1,000 meters at $120/m	120,000.00
Geological supervision and management	15,000.00
Surface exploration, line cutting, 25 km	15,000.00
Geophysical surveys, max-min and magnetometer	25,000.00
Camp, supplies and support	50,000.00
Transportation, helicopter, 150 hours at $750/hour	112,500.00
floatplane,	20,000.00
Geochemistry, assays	5,000.00
Report, maps & assessment	7,500.00
sub total	$400,000
Contingency, 10%	40,000.00
TOTAL	**$440,000.00**

CERTIFICATE

I, GRAHAM DAVIDSON, of the City of Whitehorse in the Yukon Territory, HEREBY CERTIFY:

1. That I am a consulting geologist and that I performed and supervised the work program reviewed in this report.

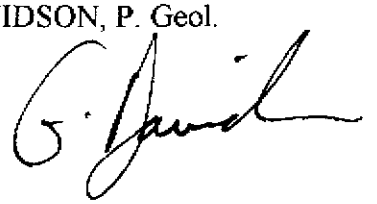
2. That I am a graduate of the University of Western Ontario (H. BSc., Geology, 1981).

3. That I am registered as a Professional Geologist by the Association of Professional Engineers, Geologists and Geophysicists of Alberta (No.42038).

4. That I have been engaged in mineral exploration for fourteen years in the Yukon, the Northwest Territories and British Columbia.

SIGNED at Whitehorse, Yukon, this 2nd day of July, 1997.

G.S. DAVIDSON, P. Geol.



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Geological Survey of Canada, Open File 1649, Regional Stream Sediment and Water Geochemical Data, Southeastern Yukon.

Johnston S. & Mortenson J.,1994; Regional setting of porphyry Cu-Mo deposits, volcanogenic massive sulphide deposits, and mesothermal gold deposits in the Yukon-Tanana terrane, Yukon

Temple-Man-Kluit D., 1975, Open File 486

Van Angeren, P., 1996; Summary Report on the Primo Property for Klondike Gold Corp.

Yukon Minfile, DIAND, 1995

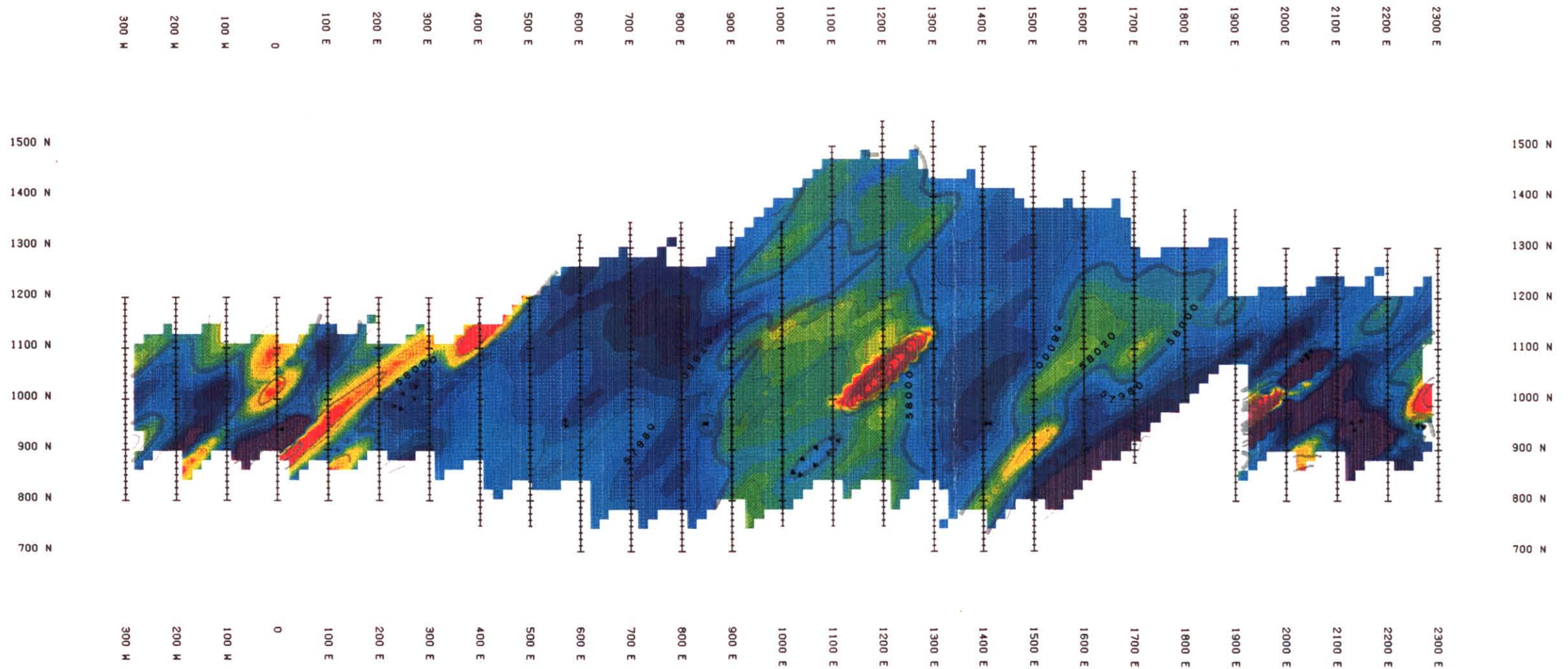
STATEMENT OF COSTS

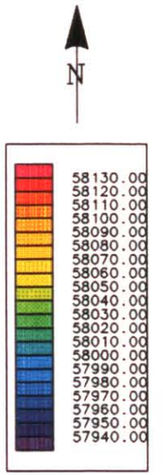
Period: August 1- September 11, 1996

Grid development, drill pads and camp construction; Twin Mountain Enterprises Ltd.	$17,533.33
Geophysical Surveys; Amerok Geosciences Ltd.	5,480.96
Transportation; Trans North Air Ltd.	
Sub Total	**$23,014.29**

Period: September 24-October 17, 1996

Transportation; Trans North Air Ltd	113,263.88
Diamond drilling, camp supplies and cook; Caron Diamond Drilling Ltd.	81,248.88
Equipement, field supplies;	3,153.59
Geological supervision and consulting; G. Davidson and P. Van Angeren, Consulting Geologists	19,926.80
Travel, food and lodging;	1,678.64
Analytical services; Chemex Labs. Ltd.	2,591.65
Report preparation, printing and drafting; G. Davidson Consulting Geologist.	5,417.45
Sub Total	**$227,280.89**
TOTAL EXPENDITURES	**$250,295.18**





N

Scale: 1:10,000

0 250

metres

KLONDIKE GOLD CORP.

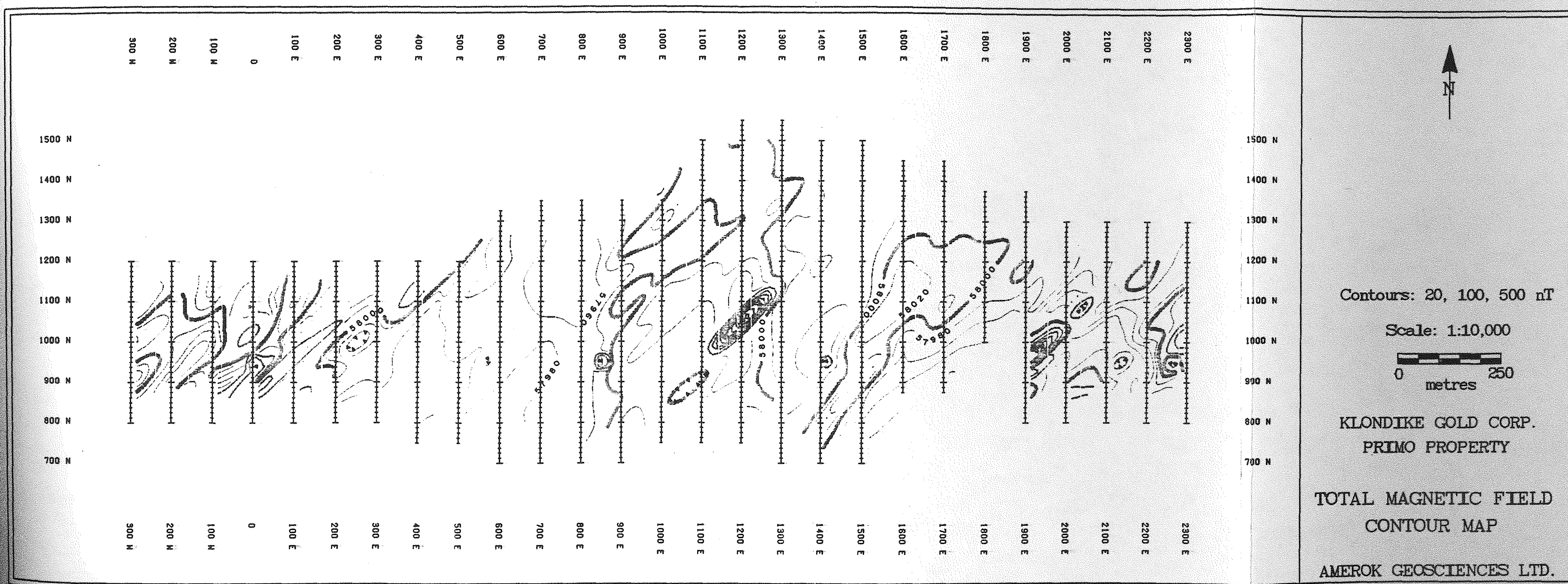
PRIMO PROPERTY

TOTAL MAGNETIC FIELD CONTOUR MAP

Figure 7a

093724

AMEROK GEOSCIENCES LTD.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KLONDIKE GOLD CORP.
PRIMO PROPERTY
TOTAL MAGNETIC FIELD
CONTOUR MAP
AMEROK GEOSCIENCES LTD.

Scale: 1:10,000

0 250
metres

KLONDIKE GOLD CORP.
PRIMO PROPERTY

TOTAL MAGNETIC FIELD
SHADE PLOT

AMEROK GEOSCIENCES LTD.

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Contours: 2, 10% Hz
(Fraser-filtered in-phase component)
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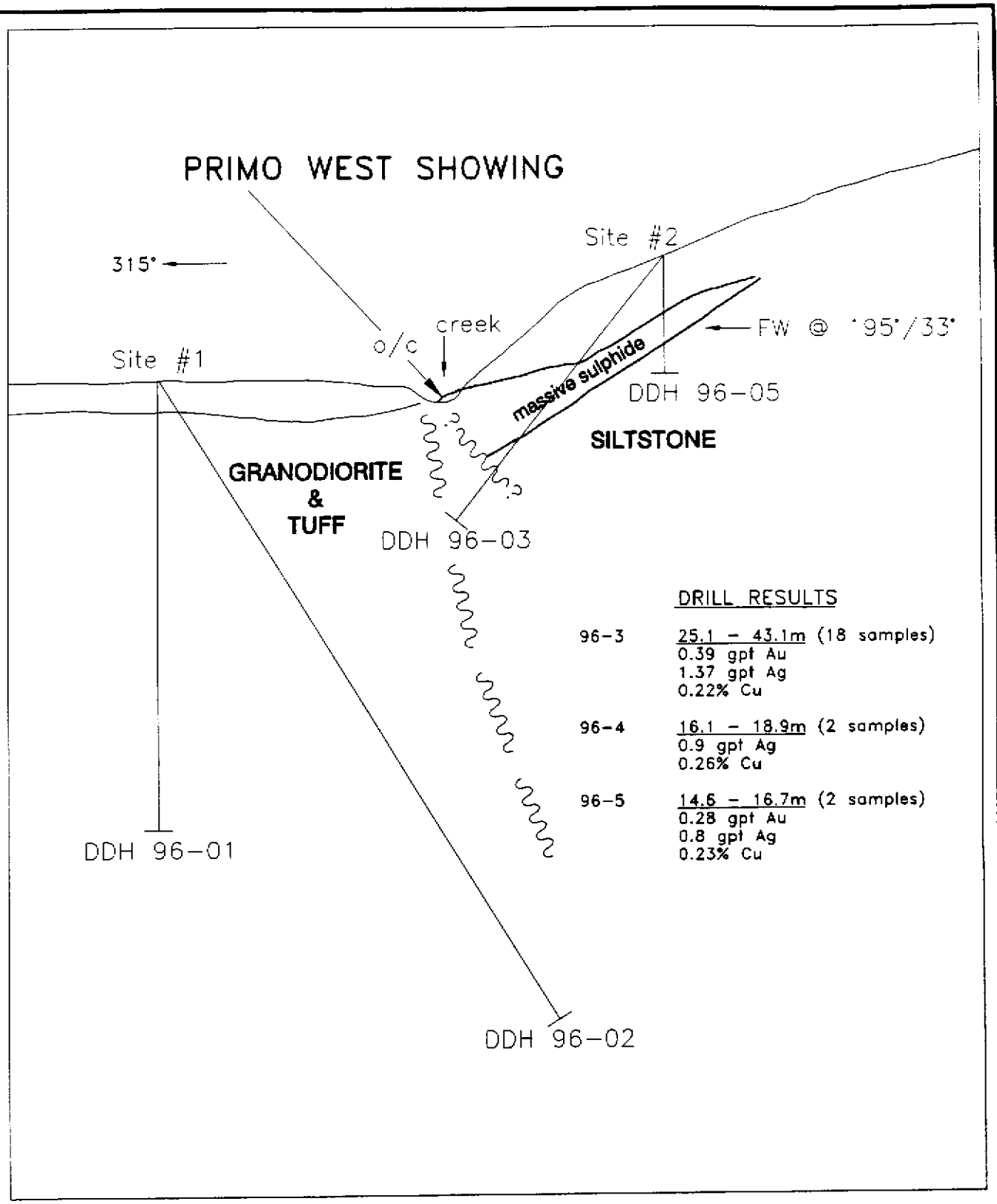
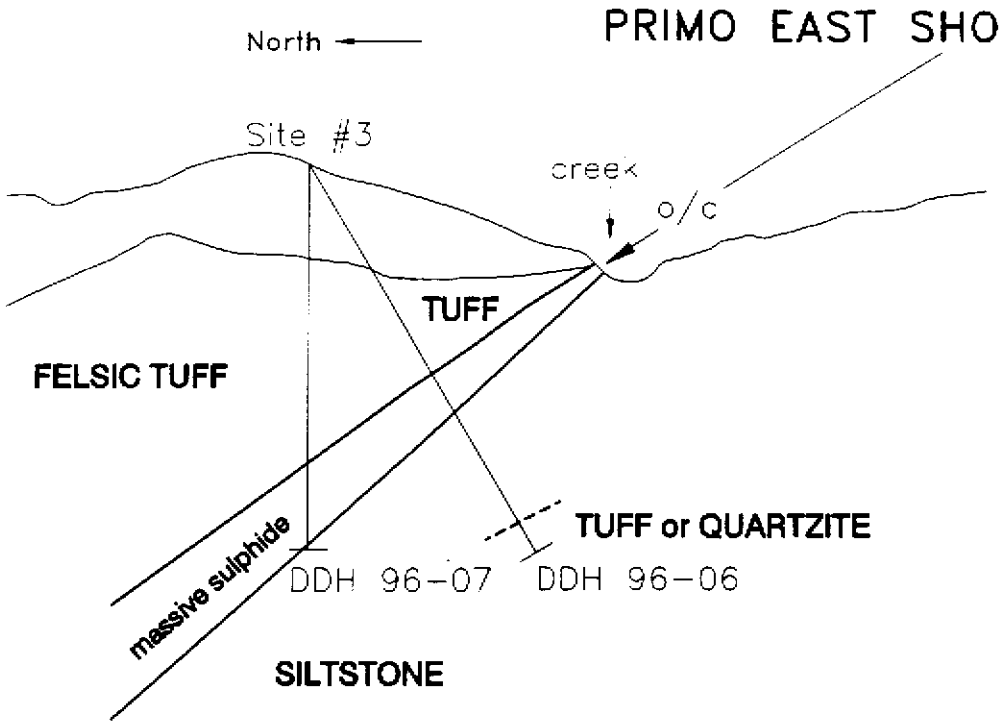
KLONDIKE GOLD CORP.
PRIMO PROPERTY
FRASER FILTERED VLF
CONTOUR MAP
AMEROK GEOSCIENCES LTD.



Klondike Gold Corp.		
PRIMO PROPERTY **Drill Hole Section**		
Graham Davidson, Consulting Geologist		
SCALE: 1 : 1 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 9a

PRIMO EAST SHOWING



DRILL RESULTS

96-06	30.8 - 33.1m 7.0 gpt Ag 3.69% Zn
96-07	41.2 - 45.6m 24.7 gpt Ag 0.54% Pb 0.82% Zn

0 10 20 30 40 50

METRES

Klondike Gold Corp.		
PRIMO PROPERTY Drill Hole Section		
Graham Davidson, Consulting Geologist		
SCALE: 1 : 1 000		DATE: 97.01.11
NTS: 105 H/13, 14	DRAWN:	FIGURE 9b

APPENDIX II

DRILL LOGS AND ASSAY CERTIFICATES

PRIMO DIAMOND DRILL LOG: DD96-01

Hole#: DD96-01	Northing: 10+85N	Easting: 0+85E	Altitude: 1174m
	Bearing: 135°	Inclin: -90°	Depth: 76.8m

FROM (m)	TO (m)	DESCRIPTION
0.0	**11.90**	**Overburden/Till:** Bldrs tuff, porphyry, sed.
11.90	**22.90**	**Tuff:** Green, dense, with rounded phenocrysts of feldspar, quartz and mafic. Some po in fractures. Rhyolite or rhyodacite?
22.90	**25.00**	**Granodiorite:** Grey, medium-grained, weakly porphyritic, massive, with inclusions of siltstone and tuff.
25.00	**29.80**	**Tuff:** Ditto 11.90-22.90. Many calcareous veinlets + po.
29.80	**76.80**	**Granodiorite:** Ditto 22.90-25.00. Trace disseminated po and rounded tuff fragments.
	EOH	-90°

PRIMO DIAMOND DRILL LOG: DD96-02

Hole#: DD96-02	Northing: 10+85N	Easting: 0+85E	Altitude: 1174m
	Bearing: 135°	Inclin: -60°	Depth: 130.1m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**14.60**	**Overburden/Till**:Bldrs tuff, porphyry, sed.
14.60	**18.60**	**Tuff:** Green, dense, with po in fractures. Rhyolite or rhyodacite?
18.60	**50.30**	**Granodiorite:** Grey, medium-grained, weakly porphyritic, massive, with inclusions of siltstone and tuff.
50.30	**81.40**	**Tuff:** Ditto 14.60-18.60. Many calcareous veinlets + po @ 40° SE.
81.40	**83.80**	**Granodiorite:** Ditto 18.60-50.30.
83.80	**89.60**	**Tuff:** Ditto elsewhere in this hole.
89.60	**95.10**	**Granodiorite:** Ditto elsewhere in this hole.
95.10	**113.40**	**Tuff:** Pale green, finer grained, with a few coarser & darker bands.
113.40	**130.10**	**Granodiorite:** Pale grey, with fresh speckled sections.
	EOH	-62°

PRIMO DIAMOND DRILL LOG: DD96-03

Hole#: DD96-03	Northing: 9+96N	Easting: 0+23E	Altitude: 1195m
	Bearing: 315°	Inclin: -50°	Depth: 57.9m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**25.20**	**Overburden/Till**:Bldrs tuff, porphyry, sed.
25.20	**41.75** (16.55)	**Sulphide Horizon:** Semi-massive to massive pyrrhotite-pyrite in chloritic chert. Crudely bedded. Cut by barren chlorite-carbonate veinlets.
(25.10	26.20)	Sample# ***231465;*** 1.1m 0.30Au, 0.7Ag, 0.23%Cu
(26.20	27.20)	Sample# ***231466;*** 1.0m 0.38Au, 0.7Ag, 0.22%Cu
(25.20	34.70)	Mottled, weakly brecciated (autoclastic?) semi-massive sulphide-chert. Sulphides: 50-75%; amorphous to banded, py-po as "breccia-fill"; with <1% to ~1% chalcopyrite as disseminated clots and in tiny veinlets (exsolution blebs). Sulphides interstitial to chert "fragments" and layers. Chert: pale green, extremely siliceous, chloritic?. Trace $CaCO_3$ in clots. Local synformational deformation & rip-up clasts "cemented" by sulphides. ?Exhalative chert?
	(25.90)	Bedding ATC: 15°
	(34.50)	Bedding ATC: 22°
(27.20	28.20)	Sample# ***231467;*** 1.0m 0.26Au, 0.5Ag, 0.19%Cu
(28.20	29.20)	Sample# ***231468;*** 1.0m 0.24Au, 1.0Ag, 0.26%Cu
(29.20	30.20)	Sample# ***231469;*** 1.0m 0.23Au, 0.6Ag, 0.23%Cu
(30.20	31.10)	Sample# ***231470;*** 0.9m 0.82Au, 0.8Ag, 0.2%Cu
(31.10	32.10)	Sample# ***231471;*** 1.0m 0.25Au, 1.0Ag, 0.35%Cu
(32.10	33.10)	Sample# ***231472;*** 1.0m 0.52Au, 0.8Ag, 0.28%Cu
(33.10	34.10)	Sample# ***231473;*** 1.0m 0.34Au, 0.6Ag, 0.15%Cu
(34.10	35.10)	Sample# ***231474;*** 1.0m 0.10Au, 0.4Ag, 0.15%Cu

(34.70	39.10)	Massive sulphide zone. Sulphides: 75-90%; ditto 25.2-34.7, but little chert except at 36.4-37.3 (<20% sulphides in stringers). Chalcopyrite ditto 25.2-34.7, <2% throughout.
	(36.30)	Bedding ATC: 25°
(35.10	36.10)	Sample# ***231475;*** 1.0m 0.32Au, 0.3Ag, 0.21%Cu
(36.10	37.10)	Sample# ***231476;*** 1.0m 0.22Au, 0.7Ag, 0.25%Cu
(37.10	38.10)	Sample# ***231477;*** 1.0m 0.30Au, 1.1Ag, 0.44%Cu
(38.10	39.10)	Sample# ***231478;*** 1.0m 0.48Au, 0.6Ag, 0.14%Cu
(39.10	41.75)	Sulphide-rich weakly fragmented chert. Sulphides: <20%; ditto 25.2-34.7, but as bands, lenses and stringers only. Chalcopyrite ditto 25.2-34.7, but <1% throughout. Chert: ditto 25.2-34.7, but with epidote and with minor quartz-sulphide veinlets.
(39.10	40.10)	Sample# ***231479;*** 1.0m 0.34Au, 0.8Ag, 0.14%Cu
(40.10	41.10)	Sample# ***231480;*** 1.0m 0.46Au, 1.4Ag, 0.20%cu
(41.10	42.10)	Sample# **231481**; 1.0m 0.35Au, 2.5Ag, 0.18%Cu
(42.10	43.10)	Sample# **231482**; 1.0m 1.17Au, 10.1Ag, 0.07%Cu 0.16%Pb, 0.23%Zn
41.75	**42.60**	**Chert Breccia?:** Chert: Extremely siliceous, white "chert" with ghost siltstone/chert fragments. Weak stockwork of pale green chlorite-epidote-quartz-sulphide veinlets. Minor disseminated clots of carbonate. Footwall exhalite zone? Sulphides: Trace po-py, chalcopyrite AND sphalerite as disseminated clots and in veinlets.
42.60	**44.90**	**Strongly Altered Siltstone:** White, with brown remnants of precursor siltstone. Strong pervasive silicification; dense stockwork of quartz veinlets + epi, chl, po-py. Veinlets @ <2cm spacing. No carbonate.
44.90	**47.50**	**Fault zone:** Sheared, brecciated and calcified siltstone. Attitude unknown.
47.50	**57.90**	**Siltstone:** Non-calcareous, brown siltstone. Dense, hornfelsed? Quartz-chlorite + epidote veinlets, with bleached walls, 3-5cm spacing. Trace py-po + chalcopyrite in veinlets. These veinlets do NOT extend into overlying sulphide horizon!
	(48.20)	Bedding ATC: 24°
	EOH	-54°

PRIMO DIAMOND DRILL LOG: DD96-04

Hole#: DD96-04	Northing: 9+96N	Easting: 0+24E	Altitude: 1195m
	Bearing: 000°	Inclin: -70°	Depth: 30.8m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**16.10**	**Overburden/Till:** Bldrs tuff, porphyry, sed.
16.10	**18.90** (2.80)	**Sulphide Horizon:** Ditto section 25.50-34.70 of DD96-03; >65* po/py with trace to 2% chalcopyrite as exsolved stringers and as disseminated clots. Mottled texture, weak synformational brecciation?
	(17.00)	Bedding ATC: 22°
(16.10	17.50)	Sample# ***231451***; 1.4m VMS 0.9Ag, 0.33%Cu
(17.50	18.90)	Sample# ***231452***; 1.4m VMS 0.08Au, 1.0Ag, 0.20%Cu
	18.90	**Contact** @ 58° ????
18.90	**30.80**	**Siltstone:** Brown, with many pale green quartz-epidote-calcite veinlets. Ditto to section 47.50-57.90 of DD96-03.
(18.90	20.90)	Sample# ***231453***; 2.0m siltstone 0.10Au, 4.8Ag
	EOH	-72°

PRIMO DIAMOND DRILL LOG: DD96-05

Hole#: DD96-05	Northing: 9+96N	Easting: 0+24E	Altitude: 1195m
	Bearing: 000°	Inclin: -90°	Depth: 21.6m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**14.60**	**Overburden/Till:** Bldrs tuff, porphyry, sed.
14.60	**16.70** (2.10)	**Sulphide Horizon:** Brecciated?, but very similar to section 25.50-34.70 of DD96-03; >75% po-py with trace chalcopyrite Trace chalcopyrite as exsolved stringers @ 14.60-15.60. >50% sulphides in brown siltstone @ 15.60-16.80.
	(15.50)	Bedding ATC: 38°
(16.10	17.10)	Sample# ***231454;*** 1.0m VMS 0.24Au, 0.9Ag, 0.24%Cu
(17.10	18.20)	Sample# ***231455;*** 1.1m VMS 0.32Au, 0.8Ag, 0.23%Cu .
	16.70	**Contact** broken/sheared over 10cm
16.70	**21.60**	**Siltstone:** Brown, with several bleached/pale-green stringers of quartz-carbonate. Very similar to section 18.90-30.80 of DD94-04. No sulphides.
	ECH	-90°

PRIMO DIAMOND DRILL LOG: DD96-06

Hole#: DD96-06	Northing: 11+08N	Easting: 20+93E	Altitude: 1443m
	Bearing: 180°	Inclin: -60°	Depth: 59.7m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**18.00**	**Overburden/Till**:Bldrs tuff, porphyry, sed.
18.00	**30.80**	**Rhyolite Tuff:** Dark gray, porous, massive, medium-grained. Some po in fractures.
(23.80	28.40)	With quartz-calcite veinlet stockwork including chlorite, po and trace chalcopyrite. Disseminated clots of py, chalcopyrite, and sphalerite (trace) locally. Synformational AND postformational "open-space" veining. Locally silicified (cherty).
(28.40	30.80)	Argillaceous tuff, dark grey to black. Very weak stockwork of quartz-calcity-psychlorite fractures.
	(21.60)	Bedding ATC: 47°
	(30.80)	Bedding ATC: 43°
(24.00	25.50)	Sample# ***231456***; 1.5m weakly mineralized tuff, HW, streaks of sulphide
(25.50	27.00)	Sample# ***231457***; 1.5m ditto 0.7Ag, 0.25%Zn
(27.00	28.40)	Sample# ***231458***; 1.4m ditto
(28.40	29.60	Sample# ***231459***; 1.2m argillaceous tuff, qtz-pyrite streaks, HW of VMS
(29.60	30.80)	Sample# ***231460***; 1.2m ditto
30.80	**34.10** (3.30)	**Sulphide Horizon:** Synformational breccia passing downwards to sulphide impregnated tuff and argillite/siltstone.
(30.80	32.00)	VMS breccia. Angular fragments of black argillite encased in massive po/py. Minor tuff bands. >60% total sulphides. Trace chalcopyrite as exsolved stringers.

(32.00	32.50)	Black argillite, trace po in fractures and as disseminations.
(32.50	34.10)	Semi-massive sulphides, <25% po/py. Sulphide impregnated tuff; granular quartz grains cemented by sulphides. Trace chalcopyrite but good banded po/sphalerite @ 32.50-33.00.
(30.80	32.00)	Sample# ***231461***; 1.2m VMS, breccia 3.1Ag, 0.11%Cu 4.48%Zn
(32.00	33.10)	Sample# ***231462***; 1.1m VMS, Argil+sphalerite 11.0Ag, 0.13%Pb, 2.83%Zn
(33.10	34.10)	Sample# ***231463***; 1.0m VMS, Tuff <20%polpy
	34.10	**Contact**: ATC 75°
34.10	**55.50**	**Siltstone:** Tuffaceous grey siltstone with several <30cm layers of tuff (ditto 18.00-30.80) and of black argillite. Many quartz-epidote-calcite fractures.
(34.10	39.00) (4.80)	Numerous thin (<3cm) bands of greenish chert with disseminated po, py, sphalerite and galena (all in traces). **Significance**: This horizon AND overlying VMS ARE associated with Zn and Pb bearing sulphides elsewhere on same stratigraphic horizon.
(38.00	39.00)	Sample# ***231464***; 1.0m Argillito, trace salphides 1.2Ag, 0.12%Pb, 0.10%Zn
	(40.00)	Bedding ATC: 82°
55.50	**59.70**	**Rhyolite Tuff:** Ditto 18.00-30.80, but NO sulphide veinlets.
	EOH	-68°

PRIMO DIAMOND DRILL LOG: DD96-07

Hole#: DD96-07	Northing: 11+08N	Easting: 20+93E	Altitude: 1443m
	Bearing: 180°	Inclin: -90°	Depth: 57.0m

FROM	TO	DESCRIPTION
(m)	(m)	
0.0	**14.90**	**Overburden/Till**:Bldrs tuff, porphyry, sed.
14.90	**41.20**	**Rhyolite Tuff:** Dark gray, porous, massive, medium-grained. Some po in late fractures. Ditto 18.00-30.80 of DD96-06.
(29.80	33.20)	With quartz-calcite veinlet stockwork including chlorite, po and trace chalcopyrite. <10% sulphides. Ditto 23.80-28.40 of DD96-06. Locally brecciated (autoclastic?).
	(21.00)	Bedding ATC: 58°
(33.20	41.20)	Argillaceous tuff, dark grey. Very weak stockwork of quartz-calcite-py-chlorite fractures. Ditto 28.40-30.80 of DD96-06.
	(40.80)	Bedding ATC: 58°
(26.50	27.90)	Sample# ***231488***; 1.4m 1.4Ag
(27.90	29.70)	Sample# ***231489***; 1.8m
(29.70	31.40)	Sample# ***231490***; 1.7m
(31.40	33.20)	Sample# ***231491***; 1.8m
(33.20	35.20)	Sample# ***231492***; 2.0m
(35.20	37.20)	Sample# ***231493***; 2.0m
(37.20	38.80)	Sample# ***351494***; 1.6m
(38.80	39.80)	Sample# ***351495***; 1.0m
(40.50	41.70)	Sample# ***231483***; 1.2m 0.80%Zn
41.20	**43.70** (2.50)	**Sulphide Horizon:** Synformational breccia in argillite, with sulphide impregnated tuff and siltstone.
(41.20	41.40)	Semi-massive sulphides, <25% po/py. Sulphide impregnated tuff; granular quartz grains cemented by sulphides. Trace chalcopyrite.

(41.40	43.70)	VMS breccia ditto 30.80-32.00 of DD96-06. Angular fragments of black argillite encased in massive po/py and in sulphide cemented tuff. >60% total sulphides. Up to 3% chalcopyrite as disseminated clots and in exsolution fractures @ 41.40-42.60. Minor bedded sphalerite (2-5%?) mixed wt po/py @ 42.60-43.70.
(41.70	42.70)	Sample# ***231484***; 1.0m 1.7Ag, 0.15%Cu, 0.16%Zn
(42.70	43.70)	Sample# ***231485***; 1.0m 7.1Ag, 0.17%Cu, 0.22%Pb, 1.77%Zn
43.70	**45.30** (1.60)	**Chert Breccia?:** Siliceous (cherty), pale green, tuff and siltstone. Similar to narrow bands at 34.10-39.00 of DD96-06, but much better developed unit. Also similar to cherty horizon at 41.70-42.60 of DD96-03. Up to 5% disseminated clots of sphalerite and galena, occurring along bands <3cm thick. Strong exhalative connotation. See **"Significance"** in DD96-06 above!!
(43.70	44.60)	Sample# ***231486***; 0.9m 42.2Ag, 0.91%Pb, 1.14%Zn
(44.60	45.60)	Sample# ***231487***; 1.0m 47.7Ag, 0.92%Pb, 0.22%Zn
45.30	**57.00**	**Siltstone:** Tuffaceous grey siltstone with several <30cm layers of tuff and of black argillite. Many quartz-epidote-calcite fractures. Ditto 34.10-55.50 of DD96-06
	(55.50)	Bedding ATC: 56°
	EOH	-90°

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221 FAX: 604-984-0218

To: HASTINGS MANAGEMENT CORP.

1000 - 675 W. HASTINGS
VANCOUVER, BC
V6B 1N6

Project : PRIMO
Comments: CC: GRAHAM DAVIDSON

Page Number : 1
Total Pages : 2
Certificate Date: 05-NOV-96
Invoice No. : I9637969
P.O. Number :
Account : JCL

CERTIFICATE OF ANALYSIS A9637969

SAMPLE	PREP CODE		Au g/t	Ag g/t	Cu %	Pb %	Zn %					
M231451	208	226	< 0.03	0.9	0.33	< 0.01	< 0.01					
M231452	208	226	0.08	1.0	0.20	< 0.01	< 0.01					
M231453	208	226	0.10	4.8	0.03	0.04	0.05					
M231454	208	226	0.24	0.9	0.24	< 0.01	< 0.01					
M231455	208	226	0.32	0.8	0.23	< 0.01	< 0.01					
M231456	208	226	< 0.03	0.4	0.03	< 0.01	0.02					
M231457	208	226	< 0.03	0.7	0.01	< 0.01	0.25					
M231458	208	226	< 0.03	0.6	0.01	< 0.01	0.01					
M231459	208	226	< 0.03	< 0.3	< 0.01	< 0.01	0.01					
M231460	208	226	< 0.03	< 0.3	0.02	< 0.01	< 0.01					
M231461	208	226	< 0.03	3.1	0.11	0.01	4.48					
M231462	208	226	< 0.03	11.0	0.06	0.13	2.83					
M231463	208	226	< 0.03	0.7	0.10	< 0.01	0.03					
M231464	208	226	< 0.03	1.2	< 0.01	0.12	0.10					
M231465	208	226	0.30	0.7	0.23	< 0.01	< 0.01					
M231466	208	226	0.38	0.7	0.22	< 0.01	< 0.01					
M231467	208	226	0.26	0.5	0.19	< 0.01	0.01					
M231468	208	226	0.24	1.0	0.26	< 0.01	< 0.01					
M231469	208	226	0.23	0.6	0.23	< 0.01	< 0.01					
M231470	208	226	0.82	0.8	0.20	< 0.01	< 0.01					
M231471	208	226	0.25	1.0	0.35	< 0.01	< 0.01					
M231472	208	226	0.52	0.8	0.28	< 0.01	< 0.01					
M231473	208	226	0.34	0.6	0.15	< 0.01	< 0.01					
M231474	208	226	0.10	0.4	0.15	< 0.01	< 0.01					
M231475	208	226	0.32	0.3	0.21	< 0.01	< 0.01					
M231476	208	226	0.22	0.7	0.25	< 0.01	< 0.01					
M231477	208	226	0.30	1.1	0.44	< 0.01	< 0.01					
M231478	208	226	0.48	0.6	0.14	< 0.01	< 0.01					
M231479	208	226	0.34	0.8	0.14	< 0.01	< 0.01					
M231480	208	226	0.46	1.4	0.20	< 0.01	< 0.01					
M231481	208	226	0.35	2.5	0.18	0.02	0.05					
M231482	208	226	1.17	10.1	0.07	0.16	0.23					
M231483	208	226	< 0.03	0.5	0.02	< 0.01	0.80					
M231484	208	226	< 0.03	1.7	0.15	< 0.01	0.16					
M231485	208	226	< 0.03	7.1	0.17	0.22	1.77					
M231486	208	226	< 0.03	42.2	0.02	0.91	1.14					
M231487	208	226	< 0.03	47.7	0.01	0.92	0.22					
M231488	208	226	< 0.03	1.4	0.01	0.03	0.03					
M231489	208	226	< 0.03	0.9	0.01	0.01	0.02					
M231490	208	226	< 0.03	0.3	0.01	< 0.01	0.02					

CERTIFICATION:

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221 FAX: 604-984-0218

To: HASTINGS MANAGEMENT CORP.

1000 - 675 W. HASTINGS
VANCOUVER, BC
V6B 1N6

Project : PRIMO
Comments: CC: GRAHAM DAVIDSON

Certificate Date: 05-NOV-96
Invoice No. : 19637969
P.O. Number :
Account :JCL

CERTIFICATE OF ANALYSIS A9637969

SAMPLE	PREP CODE		Au g/t	Ag g/t	Cu %	Pb %	Zn %					
M231491	208	226	< 0.03	0.7	0.03	0.01	0.03					
M231492	208	226	< 0.03	< 0.3	0.02	< 0.01	0.01					
M231493	208	226	< 0.03	< 0.3	0.01	< 0.01	0.01					
M231494	208	226	< 0.03	< 0.3	0.01	< 0.01	0.18					
M231495	208	226	< 0.03	< 0.3	0.01	< 0.01	0.20					

CERTIFICATION: Saad Mehmood

Northern Analytical Laboratories ltd.
105 Copper Road
Whitehorse, Yukon
Y1A 2Z7
Ph: (403) 668-4968
Fax: (403) 668-4890

04/07/96

Assay Certificate

WO#10333

Risby-Gullen Family Trust

Sample #	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	
11451	94	11.0	6290	1574	2960	BANDED CALCO
11452	114	7.9	6170	541	1745	BANDED PY
11453	67	6.9	735	4850	>10000	BANDED ZN - PY
11454	90	6.5	3000	206	967	RANDOM SAMPLE BOULDER
11455	11	1.1	30	85	346	QUARTZ CARB. VN
11456	101	8.9	8780	660	677	RANDOM PY. CPY
11457	<5	0.2	37	20	87	
11458	37	>50.0	>10000	480	5990	GRAB CU
11459	84	>50.0	>10000	>10000	>10000	GRAB CU ZN
11460	103	>50.0	>10000	>10000	>10000	10 MP CHIP.
11461	310	>50.0	>10000	>10000	>10000	10 MP CHIP LOWER
11462	129	>50.0	>10000	>10000	>10000	10 MP CHIP UPPER CAL PY
11463	11	4.3	506	676	647	GRAB 1
11464	9	1.2	236	234	437	GRAB 2

Corrected Report - Note correction to Pb for sample 11453

Certified by

Northern Analytical Laboratories ltd.

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

04/07/96

Assay Certificate

Risby - Gullen Family Trust

WO# 10333a

Sample #	Ag g/mt	Cu %	Pb %	Zn %	
11453			0.42	5.35	UNO RANDOM FLOAT
11458	179	10.80			PRIMO GRAB
11459	457	4.74	6.45	6.54	PRIMO GRAB
11460	414	4.86	5.95	5.97	PRIMO 10 MT CHIP
11461	155	1.56	2.14	2.78	PRIMO 10 MT CHIP
11462	214	1.50	2.52	2.28	PRIMO 10 MT CHIP
3 [illegible] AVG (PRIMO [illegible])	310 g/mt	3.165	4.265	4.393	

Certified by [signature]

Northern Analytical Laboratories ltd.

105 Copper Road
Whitehorse, Yukon
Y1A 2Z7
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Fax (403) 668-4890

09/08/96

Assay Certificate

Risby - Gullen Family Trust

WO#10452

	Sample #	Au g/mt	Ag g/mt	Cu %	Pb %	Zn %	
Primo Southeast	001	<0.005	73.7	0.359	10.100	8.150	Primo E. "S. SHIP CHIP
	002	0.015	135.2	0.174	12.900	10.070	Primo E. "2 S 12 MT CHIP
	003	0.015	124.0	0.161	13.500	9.840	Primo E. "1 S GRAB
	004	0.164	33.9	1.740	0.238	3.300	Primo E. "3 S 3 MT CHIP
Primo East	005	<0.005	3.8	0.167	0.236	7.180	Primo E. MAIN 1 MT CHIP
	006	0.005	2.0	0.222	0.017	10.030	Primo E. MAIN "2 1 MT CH
	007	<0.005	1.7	0.133	0.026	11.700	Primo E MAIN "1 GRAB
	008	<0.005	1.8	0.150	0.010	13.600	Prim E MAIN "2 GRAB
	009	<0.005	3.8	0.830	0.028	1.670	Primo E MAIN
	010	<0.005	<1.0	0.071	0.007	0.093	
AVG. Primo Southeast			91.7	0.609	9.125	7.84	
Primo East			2.62	0.300	0.062	8.836	
AVERAGE PRIMO MAIN " SOUTHEAST " EAST			134.773	1.358	4.504	7.023	

AVERAGE ASSAYS OF SAMPLES TAKEN OVER 2.7 KMS

Certified by

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221 FAX: 604-984-0218

To: HASTINGS MANAGEMENT CORP.

1000 - 675 W. HASTINGS
VANCOUVER, BC
V6B 1N6

Project : PRIMO-UNO
Comments: ATTN: PHIL VAN ANGEREN CC:PHIL VAN ANGEREN

Page Number : 1
Total Pages : 1
Certificate Date: 25-JUL-96
Invoice No. : I9624921
P.O. Number :
Account : JCL

CERTIFICATE OF ANALYSIS A9624921

SAMPLE	PREP CODE		Au ppb FA+AA	Ag oz/T	Cu %	Pb %	Zn %					
231423	208	226	115	3.85	4.20	1.92	2.26					
231424	208	226	110	0.06	0.35	< 0.01	< 0.01					
231425	208	226	130	0.14	0.80	0.39	0.37					
231426	208	226	< 5	0.05	0.30	< 0.01	0.05					
231427	208	226	< 5	0.06	0.17	0.01	0.75					
231428	208	226	15	0.02	0.03	< 0.01	0.02					
231429	208	226	45	0.12	0.26	0.04	1.25					
231430	208	226	50	0.11	0.20	< 0.01	0.61					

CERTIFICATION:

Northern
Analytical
Laboratories ltd.

Morley Barker WO# 07146

Certified by

Sample #	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
96 - 1	6	32.1	1198	>10000	>10000
96 - 2	8	0.6	93	290	206
96 - 3	<5	0.6	1486	332	181
96 - 4	<5	0.1	124	45	623
96 - 5	175	0.3	847	59	43
96 - 6	<5	1.2	649	32	818
96 - 7	5	1.2	683	44	>10000
96 - 8	<5	1.6	1063	48	>10000
96 - 9	6	1.7	1037	55	>10000
96 - 10	13	>50.0	>10000	>10000	>10000
96 - 11	5	4.3	1000	378	>10000

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

Northern Analytical Laboratories ltd.

05/11/96 Assay Certificate Page 1

Morley Barker WO# 07146a

Certified by

Sample #	Ag g/mt	Cu %	Pb %	Zn %
96 - 1			12.30	8.18
96 - 7				6.77
96 - 8				8.02
96 - 9				5.30
96 - 10	906.0	5.27	12.50	11.80
96 - 11				12.10

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

APPENDIX III

AMEROK GEOSCIENCES MEMORANDUM

MEMORANDUM

AMEROK GEOSCIENCES LTD.
Site 6, Comp 11
Whitehorse, Yukon
Y1A 5V8
(403) 668-7672 (Phone/Fax)
amerok@yknet.yk.ca

August 30, 1996
File: 96-36

To: Morley Barker
Klondike Gold Corporation

From: Mike Power

Re: Field Report - Primo Claims mag/VLF survey

This memorandum is a field report describing a mag/VLF survey conducted on the Primo Claims for Klondike Gold Corporation during the period August 17 to 19, 1996.

a. Crew, equipment and logistics. The crew consisted of Dan Hall (Crew chief) and Jeff Boyce (Technician). They were equipped with two Omni Plus magnetometer/VLF receivers and an Omni IV proton magnetometer. Data was downloaded to a P-75 laptop computer. The crew was also equipped with camp, generator, truck and VHF radios. They worked out of the Finlayson Lake public landing at the east end of Finlayson Lake and flew into the property daily with Trans North Helicopters.

b. Grid. The survey grid consisted of 27 lines turned off a base line oriented at 90°. Stations were marked at 25 m intervals on all survey lines. The lines shown on the attached maps show the extent of the grid as found by the survey crew. Grid quality varied from excellent in the eastern portion of the property to locally poor on several lines in the west. A total of 14.9 line-km were surveyed at a 12.5 m station spacing.

c. Geophysical surveys. The magnetometer survey was conducted using a synchronized base station magnetometer installed at the west end of the grid. This unit was cycled at a 15 second interval and used to remove temporal geomagnetic variation. Several lines were not corrected with the base station on the first pass due to a malfunction; these were corrected by partial resurvey and tie-line correction. The geomagnetic field was quiet throughout the periods recorded. The VLF survey was conducted using the Cutler, Maine (Station NAA - 24.0 KHz) and Lualualei, Hawaii (Station NPM - 23.4 KHz) transmitters. These have apparent azimuths of 95° and 220° respectively. Signals from Cutler were very weak to unreadable locally while stronger signals were recorded from Lualualei.

d. Products. Digital data is attached to this report in the form of ASCII XYZ files in the

following format:

Line Station X Y mag

and

Line Station X Y IP Q Total_field Terrain_slope

The data was also contoured and plotted. The total magnetic field map shows several magnetic field highs of restricted strike length on the grid and an area of slightly higher magnetic response in the center of the grid. This latter feature appears to be a bedrock ridge. The in-phase data was Fraser-filtered and positive values were colour contoured. Highs on the Fraser filter map indicate the location of conductor axes; all values below zero are not contoured. The Lualualei data is to be preferred over the Cutler data since the former is less noisy and this station has a higher signal strength.

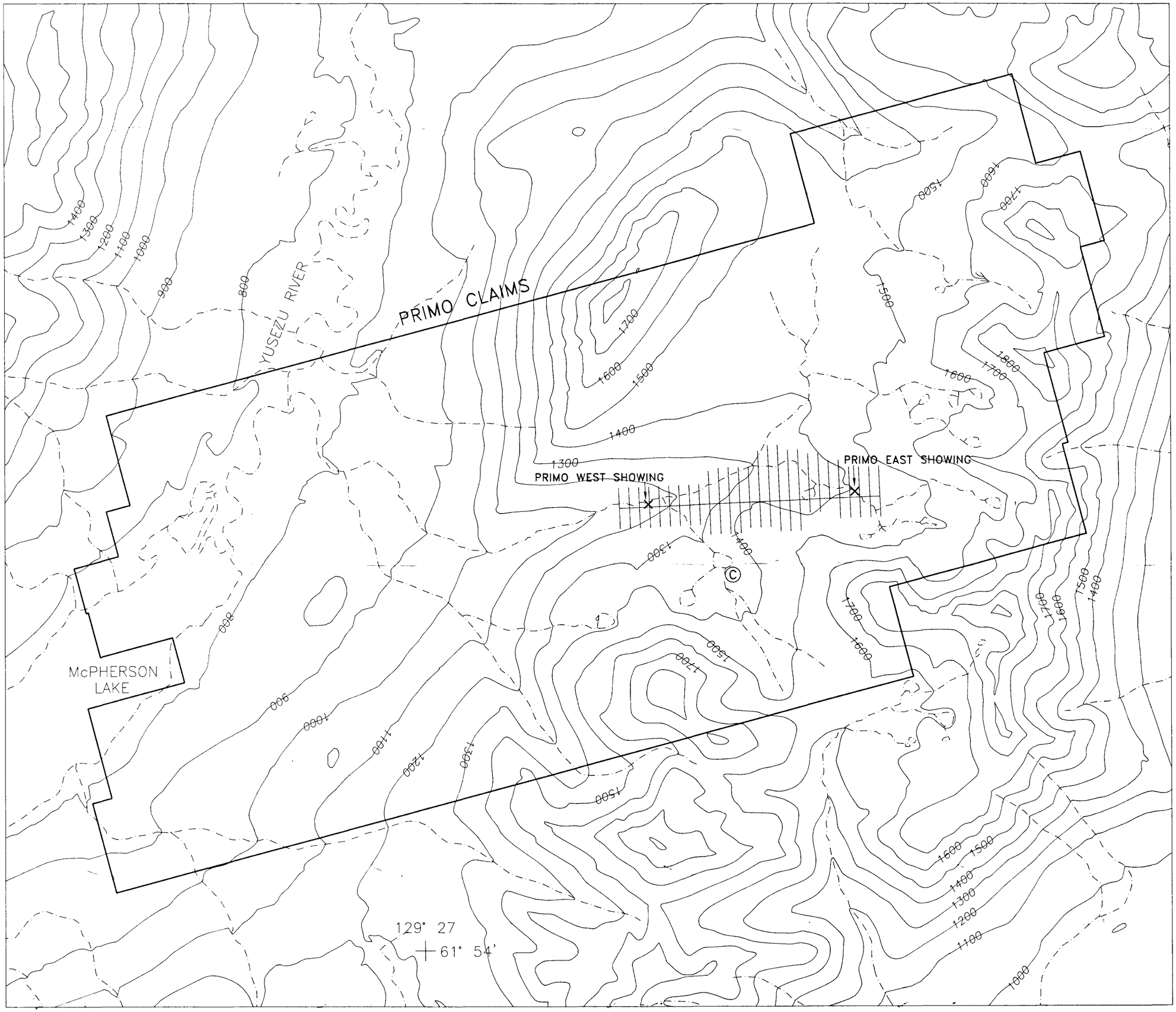
e. Results. Coincident positive magnetic anomalies and VLFconductors are located in the following areas:

1. Lines 0E and 100E; this is reportedly in the area of the known showing.
2. Line 1200E 1050N
3. Line 1900E 925N
4. Line 2300E 1000N

f. Recommendations. The geophysical anomalies in the area of the known showing may be useful in guiding drilling in this area and no additional geophysical work appears necessary here. There are a number of northeast trending features visible in the magnetic field maps. If required, the magnetic field data could be recontoured to accentuate trends of this orientation. Anomalies east of the main showing should be investigated by surface mapping. If necessary, additional geophysical surveys could be conducted to map conductors in overburden covered areas. I recommend that a frequency domain system such as Maxmin or Genie be used in this instance to provide information on the geometry and electrical properties of blind targets.

Respectfully submitted,
AMEROK GEOSCIENCES LTD.

M.A. Power M.Sc. P.Geo.
Geophysicist



LEGEND & SYMBOLS

- Elevation contour interval, (100 metres) — 1000
- Stream, creek
- 4-wheel drive road
- Claim group boundary
- Camp location — C
- Geophysical survey grid
- Massive sulphide showing — ×

093724

N — UTM Grid North

0 500 1000 1500
METRES

KLONDIKE GOLD CORP.

PRIMO PROPERTY

PROPERTY MAP

DwGD

Graham Davidson, Consulting Geologist

SCALE: 1 : 20,000		DATE: 97.01.11
N.T.S.: 105 H/13, 14	DRAWN:	FIGURE 10