EAGLE PLAINS RESOURCES LTD.

GRAVITY AND REFLECTION SEISMIC SURVEYS ON THE RUSTY SPRINGS PROPERTY, NORTHERN YUKON TERRITORY

M.A. Power M.Sc. P. Geoph.

Location: 66° 30' N 140° 25' W
NTS: 116 K/8 & K/9
Mining District: Dawson, YT
Date: May 31, 1998

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 $ 45,100.00 .

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

SUMMARY

Gravity and reflection seismic surveys were conducted on the Rusty Springs Property for Eagle Plains Resources Ltd. to locate Mississippi Valley Type massive sulphide targets in a low lying area north of the exposed showings on Orma Hill. The surveys were conducted by a four man party from May 4 to 19, 1998.

The gravity survey delineated three high amplitude, positive residual Bouguer anomalies approximately 700 m north of Orma Hill. These anomalies have peak responses of 500 to 600 microGal and are of substantial size. The gravity anomalies may be associated with shallow massive sulphide mineralization. The regional Bouguer anomaly was calculated by upward continuation of the Bouguer anomaly to 1000 m. It revealed a weak positive high at the base of Orma Hill. This feature may be of geological significance.

The reflection seismic survey was conducted on a line extending from hole RS96-14 at the west end of Orma Hill 1800 m northeast to an impassible creek. The survey was conducted with a 24 channel seismograph using a 5 m phone spacing and 60, 90 and 120 m shot spacings to achieve one and two fold coverage on different portions of the line. The survey detected reflections from the base of the Katshat Unit which were lost in the axial zone of a fold to the north of hole RS96-14. Similar reflection reappear north of the fold axis and suggest that the Katshat Unit is brought back up close to ground level approximately 700 m north of Orma Hill. Reflections are lost north of this second culmination and the culmination point is near the westernmost residual Bouguer anomaly.

The results of the surveys program suggest that economic mineralization may be found north of Orma Hill and have identified three areas for further testing.

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1.0 INTRODUCTION

This report describes gravity and reflection seismic surveys conducted on the Rusty Springs property in the Dawson Mining District, Yukon Territory. The Rusty Springs Property hosts stratabound copper-lead-zinc-silver mineralization at the top of a Paleozoic carbonate sequence on Orma Hill in the centre of the property. The purpose of the surveys was to search for an extension to the known mineralization in lower, overburden covered areas north of the Orma Hill showing. The surveys were conducted by a four man party from May 4 to19, 1998.

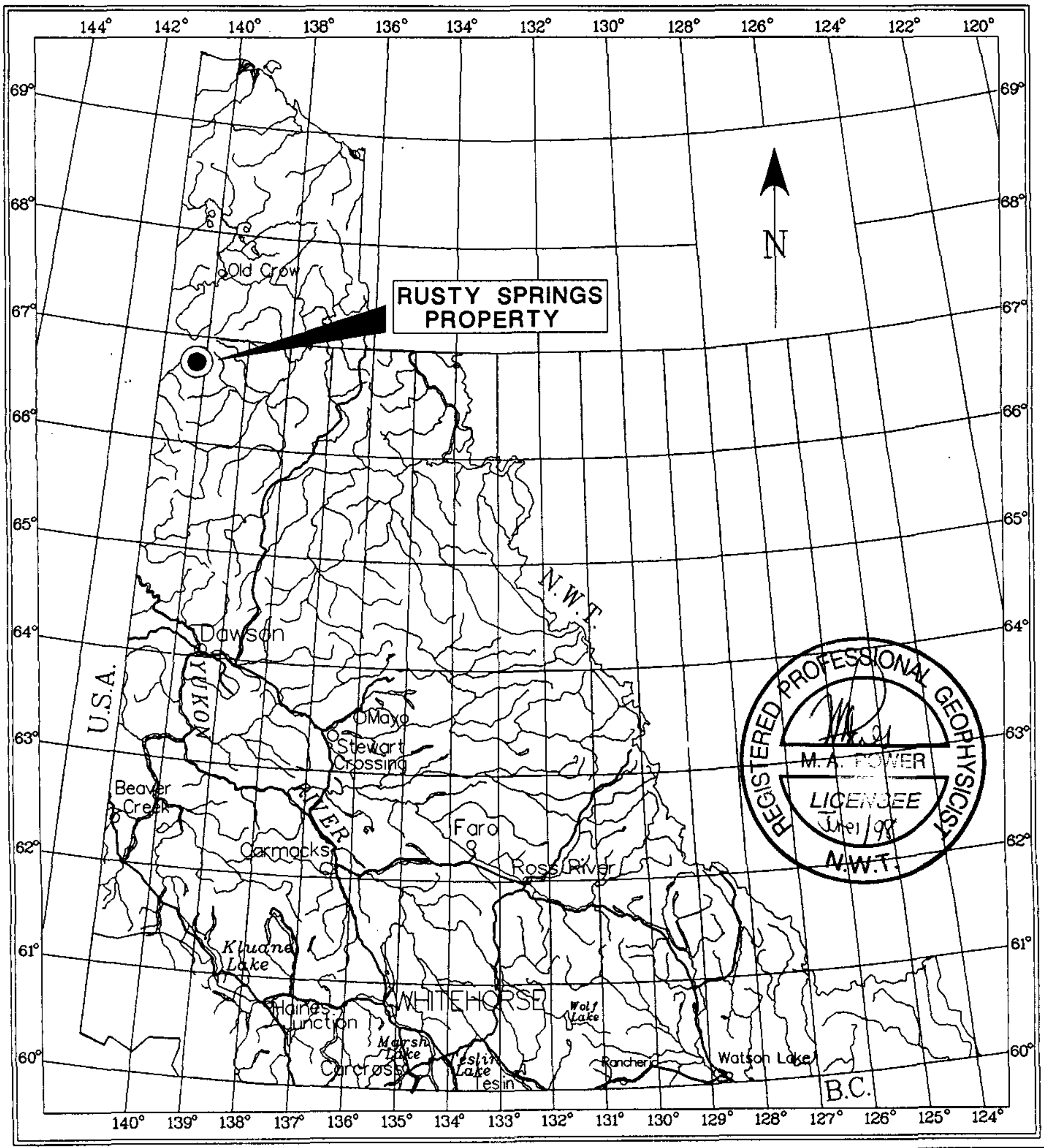
2.0 LOCATION AND ACCESS

The Rusty Springs property is centred at 66° 30' N 140° 25' W in the northern Yukon Territory (Figure 1). The property contains a 600 m airstrip and is accessible by fixed wing aircraft from Dawson City (250 km south) or the Eagle Plains Lodge on the Dempster Highway (160 km east). A winter haul road extending 193 km from Ogilvie Crossing on the Dempster Highway to the property has also been developed.

3.0 PROPERTY DESCRIPTION

The Rusty Springs Property consists of 541 Quartz Claims staked under the Yukon Quartz Mining Act in the Dawson Mining District. Claim descriptions, drawn from Termuende and Downie (1998), are summarized below:

Claim	Record Number(s)	Expiry Date
Eric 1 - 6	YB41182-87	December 10, 2006
Eric 7-8	YB48768-69	December 10, 2007
Jessica 1-6	YB41188-93	December 10, 2006
Jessica 7-8	YB48750-51	December 10, 2007
Shelly 1-16	YB48752-67	December 10, 2007
Joel 1-4	YB52723-25	December 10, 2003
Joel 5-8	YB53897-53900	December 10, 2004
Glen	YB53901	December 10, 2004



EAGLE PLAINS RESOURCES LTD.	RUSTY SPRINGS PROPERTY	
LOCATION MAP	MINING DISTRICT: DAWSON	
	NTS: 116 K 9	SCALE: 1: 6 000 000
	DRAWN BY CP	
AMEROK GEOSCIENCES LTD.	DATE: 05MAY98	FIGURE: 1

Calli	YB53902	December 10, 2004
Marlo	YB53903	December 10, 2004
Katie	YB53904	December 10, 2004
Alecia	YB53905	December 10, 2004
Kelsey	YB53906	December 10, 2004
Lauren	YB53907	December 10, 2004
Tyler	YB53908	December 10, 2004
Casey	YB53909	December 10, 2004
Lane	YB53910	December 10, 2004
Kayla	YB53911	December 10, 2004
Ben	YB53912	December 10, 2004
Trevor	YB53913	December 10, 2004
James	YB53914	December 10, 2004
Connor 1-9	YB54257-65	September 7, 2000
Matt 1-4	YB54266-69	September 7, 2000
Diduck 1-4	YB54270-73	September 7, 2000
KB 1-38	YB88155-92	July 29, 1998
Trog 1-432	YB88193-624	July 29, 1998

4.0 EXPLORATION HISTORY

The Rusty Springs showing was discovered in the fall of 1975 by M.N. Chernoff during a regional exploration program. The following year, Rio Alto Exploration Ltd. staked the showing and conducted geological mapping, prospecting and soil surveying. In the following year, Rio Alto conducted further mapping, geochemical sampling and 975 m of diamond drilling. A winter road was put into the property in 1978 and an additional 1840 m of diamond drilling was performed in that year. In 1979, induced polarization, gravity and geochemical surveys and geological mapping were conducted with Rio Alto taking on E & B Explorations Ltd. as a joint venture partner. E & B took over as operator in 1980 and conducted additional geological mapping, diamond drilling and bull dozer trenching. In 1982 and 1983, Taiga Consultants Ltd. was contracted by Kenton Natural Resources to run a program of geochemical, geophysical (VLF-EM) and geological surveys, trenching and 998 m of diamond drilling. In 1986, Kenton drilled an additional 404 m between the showings on Mike and Orma Hills and, after failing to locate additional mineralization, demobilized the drill and allowed the claims to lapse.

In July 1992, the principal showings were restaked by R.W. Termuende and a new exploration program was undertaken by Eagle Plains Resources Ltd. Since 1994, Eagle Plains Resources has conducted diamond and reverse circulation drilling, made extensive improvements to the existing road network and improved the airstrip, conducted bull dozer trenching, geochemical, geological and geophysical (IP) surveys. In addition, they have performed environmental clean up and reclamation to mitigate the effects of the previous exploration program.

5.0 REGIONAL AND PROPERTY GEOLOGY

The following discussion is based on Termuende and Downie (1998), Cairnes (1914) and Gabrielse and Yorath (1992). The Rusty Springs Property is located in the northern Ogilvie Mountains and is underlain by the following surficial sediments and geological formations:

Formation	Description
Surficial deposits (Tertiary / Quaternary)	Talus, gravel, colluvium; local permafrost.
Kingak Formation (Jurassic)	Cherty bioclastic limestone and orange weathering argillite and shale unconformably overlying Earn Group
Jungle Creek Formation (Permian)	Black to dark grey shale, unconformably overlying Earn Group
Earn Group (Devonian - Mississippian)	Light grey-brown weathering black siliceous shale and chert
Katshat Unit (Devonian - Mississippian (?))	Limonitic quartz, locally hosting Cu-Pb-Zn mineralization
Ogilvie Formation (Middle Devonian)	Grey dolostone with chert and siliceous dolostone

The property lies in the western section of the Taiga - Nahoni Fold Belt. Structural style within this belt consists of north trending folds and folded thrust faults. In the Rusty Springs area, north trending anticlines underlie both Mike and Orma Hills. On the southwest side of Orma Hill, the Katshat Unit dips to the west at a shallow angle but it is not exposed in the northeast side of the hill, indicating normal faulting or folding of the formation down to the northeast.

Economic mineralization at Rusty Springs occurs in discordant quartz veins and in a much larger oxidized limonitic alteration zone (Hodder, 1997). The quartz veins are steeply-dipping and host galena, pyrite and tetrahedrite with quartz and lesser calcite and barite gangue. The recently identified Katshat Unit is a regional scale zone of limonitic alteration developed at the contact between the Ogilvie carbonates and overlying Earn Group shales. The Katshat unit is up to 40 m thick but it is only present where cherts overlie the Ogilvie Formation. It consists of amorphous, aphanitic quartz, dolomite and clay minerals together with a number of exotic Pb, Zn, Cu and Fe oxides. The Katshat unit has been mapped under both Mike and Orma Hills and probably extends to the northeast beneath surficial cover in lowlands east of Orma Hill. It appears to have originated from extensive hydrothermal alteration accompanying karsting and brecciation within the underlying Ogilvie Formation.

The character of the mineralization within the Katshat Unit and its large extent suggest that it may host a Mississippi Valley Type (MVT) deposit of significant size. An economic target would be have dimensions in the order of 500 m (length) by 500 m (width) by 5 to 10 m thick hosting 4 to 8 MT of massive sulphides. As a first approximation, the target can presumed to be tabular and stratabound. The position of the Katshat horizon relative to past and present water tables may be significant, possibly controlling the extent of oxidation and the potential grades within the horizon. Portions of the Katshat above the water table have been extensively altered by ground water leaching; examples of this include exposures on Mike and Orma Hills. Geological investigations by Cairnes (1914) in the area immediately west of Rusty Springs established that the region has not been extensively glaciated and that surficial sediments include sand, gravel, peat and ground ice (permafrost). Given the tectonic and climatic history of the area, it appears likely that areas currently beneath the water table have been so for a considerable time and primary unaltered sulphide mineralization will be found in these areas. Property scale geological mapping suggests that economic sulphide mineralization will not be preserved at elevations above 600 m and exploration should focus on low-lying areas below this level. A further constraint on the search area is the likely thickness of overburden and overlying strata.

Mississippi Valley Type (MVT) base metal massive sulphide deposits have been discovered in the past using a combination of gravity and induced polarization techniques while EM techniques have not been very successful. This is a consequence of the high density and chargeability and relatively low electrical conductivity of galena and sphalerite - the principle ore minerals. A review of exploration successes in the Pine Point district in a setting quite similiar to Rusty Springs showed that initial discoveries were made with gravity and that IP surveys were required as an additional filter in target discrimination as exploration progressed (Lajoie and Klein 1979). Seismic surveys have been used to map carbonate sequences in the vicinity of MVT deposits where they are used primarily as an indirect mapping tool.

6.0 GEOPHYSICAL GRID

Gravity and seismic surveys were conducted on the grid shown in Figure 2. The gravity grid is centred northeast of Orma Hill in a wide area of tundra on the Trog and Jessica claim blocks. Gravity stations were located subject to the restraints that all stations be visible from a survey station near the windsock on Orma Hill and that the stations not be sited near any topographic features with significant relief. This accounts for the irregular location of the survey lines. The seismic line extends from DDH 96-14 northeast (52°) for 1860 m. Gravity stations and seismic survey registration points at 60 m intervals were picketed with half length survey lathe and, in addition, the gravity line was marked with intermediate flagging.

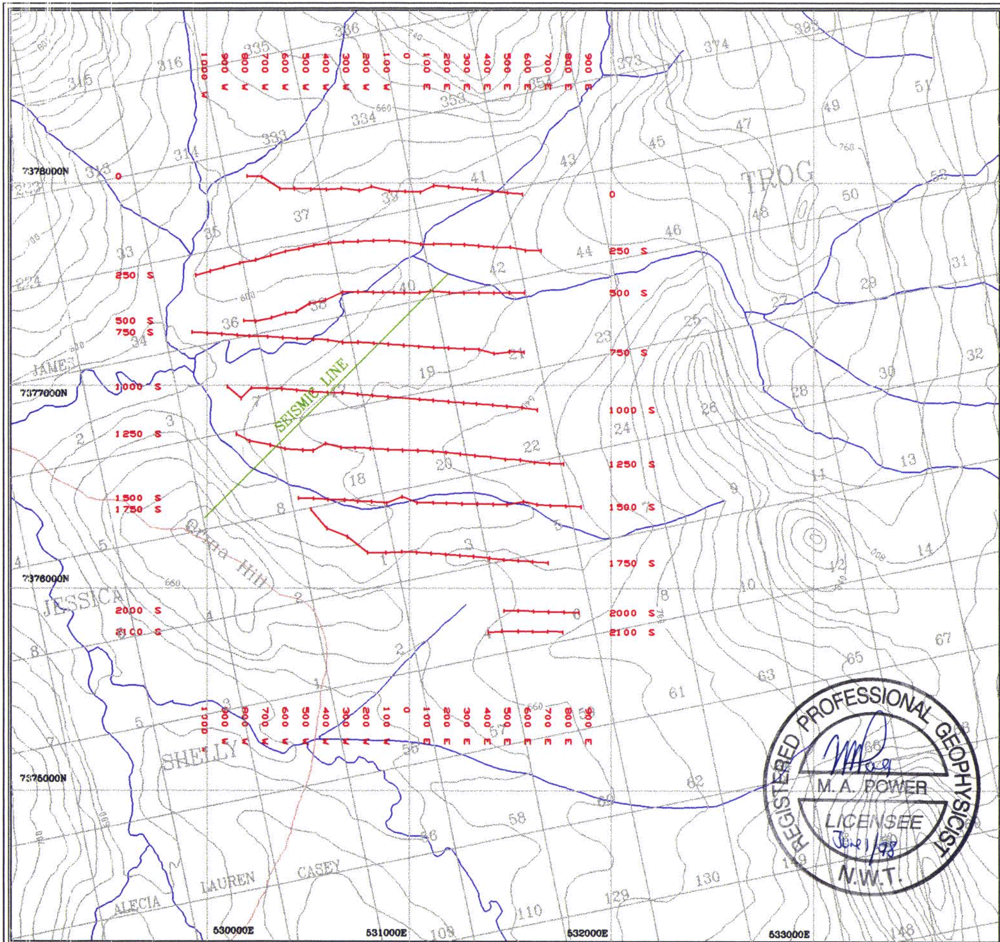
7.0 GRAVITY SURVEY

This section describes the gravity data acquisition, reductions, results and interpretation.

7.1 Specifications, personnel and equipment.

Prior modelling of the expected worst-case response from a MVT at a maximum economic depth indicated a peak Bouguer anomaly of 160 to 300 μGal (microGal - 0.001 milliGal). This indicated that the survey would have to be designed to achieve a noise envelope of $\pm$ 50 μGal. Based on this requirement, the following survey specifications were set:

Elevation accuracy:	$\pm$ 10 cm ($\pm$ 20 μGal)
Horizontal position accuracy:	$\pm$ 50 cm ($\pm$ 3 μGal)



Seismic Line

Gravity grid line

Claim boundary

Creeks

Topography

Elevations in metres above mean sea level

0 600 metres

Scale: 1:25,000

UTM NAD 1927

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GEOPHYSICAL GRID LOCATION

Figure 2.

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Reading accuracy:	$\pm$ 5 μGal
Base point tie in frequency:	4 per 10 hr-day ($\pm$ 30 μGal)

In addition, terrain corrections are a major source of error in gravity surveys in mountainous regions. To mitigate this source of error, a digital terrain model (DTM) of the topography covering the grid and the area surrounding it to a distance of 3 km from the boundaries was produced and used in the terrain corrections.

The crew was equipped with a Scintrex CG-3 Autograv digital gravity meter. This instrument records the vertical acceleration of gravity to a precision of 1 μGal with a reading accuracy of 5 μGal. The instrument performs on-board tidal corrections based on location and GMT and has a sophisticated algorithm for removing known long-term drift. Near station terrain corrections were performed with an Impulse reflectorless laser range finder. This instrument measures the horizontal, vertical and slope distance to targets within 200 m of the operator. The topographic survey was to have been performed with kinematic GPS receivers but these did not work on the property and a Nikon A-10 total station instrument (transit / electronic distance measuring device) was used to survey in the stations. Data was processed in two Pentium laptop computers on-site.

The gravity surveys were conducted by Gary Smith (Geophysicist), Ron Stack and Josh Bailey (helpers) and M. Power (Geophysicist). The gravity crew consisted of a geophysicist to run the gravimeter and a helper to measure the near station topography to compute terrain corrections. In addition, a two-man topographic survey crew consisting of a geophysicist and helper surveyed in station elevations and locations to within specified accuracy limits. A survey log is attached as Appendix B.

Prior to the survey, the gravimeter was allowed to stabilize at its internal operating temperature for a period of 72 hours and the crew verified that the instrument was free of any temperature shock effects. Gravity reading stations were sited in areas which were flat within 2 m of the reading station (ie. no more than 20 cm topographic relief within 2 m of the hub) and marked with an 8 inch steel spike (hub) driven completely into stable frozen ground. The gravimeter operator recorded the height of the gravimeter base above the hub and corrected the raw gravity reading for Free Air effect to account for variation in the separation between the base of the gravimeter and the hub. The gravity meter was leveled to within 10 seconds of arc prior to each reading and the readings were stacked over a period of 2 minutes with automatic noise rejection engaged to reject any spurious readings. Prior to the gravity survey, base station points at line intersections along the base line (0E) were surveyed as reference or tie points to be used to remove instrument drift. The operator commenced and ended his day with readings at the tie points and returned to tie points several times during the day to perform a drift correction.

During the gravity survey, the terrain surrounding the station to a distance of 200 m was surveyed by the gravity crew helper with the laser rangefinder. This survey consisted of measuring the relative elevation of topography surrounding the station with respect to the station in 6 - 60° sectors surrounding the station within three range limits within each sector: 2 to 20 m, 20 to 50 m and 50 to 200 m.

The topographic survey was performed by fan-shooting the gravity stations from a single set-up on the edge of Orma Hill near the windsock. Station elevations were measured from the same survey hubs used in the gravity readings and were repeated at points along the base line to ensure that they were repeatable within the specified measurement error of ± 10 cm. Stations 225 to 675E on line 0N were surveyed in from an intermediate point at BL 1000S because they were too far from the Orma Hill setup. Standard corrections for temperature and instrument / target heights were performed and as a check, selected points were resurveyed on different days to ensure that the results were repeatable.

7.2 Data.

All gravity data collected during the survey is collated in Appendix D. This spread sheet printout shows the raw data and the interim results of each correction performed on the gravity data in the columns to the right of the raw gravity readings. In addition, the gravity data is plotted in Figures 3 to 9.

The gravity data was generally of good quality but a number of readings with unacceptably high standard deviations were removed from the data set. This accounts for some of the omitted stations in the plots. A significant tare (change in gravity base level caused by mechanical shock) occurred during the survey of lines 2000E and 2100E. The tare affected only these two lines and occurred as the operator crossed between lines. Unfortunately, it was not recognized as a significant problem until after the survey and there was no opportunity to resurvey these intervals. The gravity base level has been adjusted between these two lines using the assumption that the tare was a single-step event occurring as the operator crossed between lines. Some effects of this tare are apparent in the final data and are discussed below; this problem did not significantly affect the results of the survey.

7.3 Reductions.

A comprehensive discussion of the reductions and corrections required in gravity surveying is contained in Telford *et. al.* (1990). The following reductions and corrections were performed on the data:

1. Drift correction
2. Latitude effect
3. Free Air correction
4. Bouguer slab correction
5. Bullard B correction
6. Near station terrain correction
7. Far station terrain correction
8. Regional calculation and removal

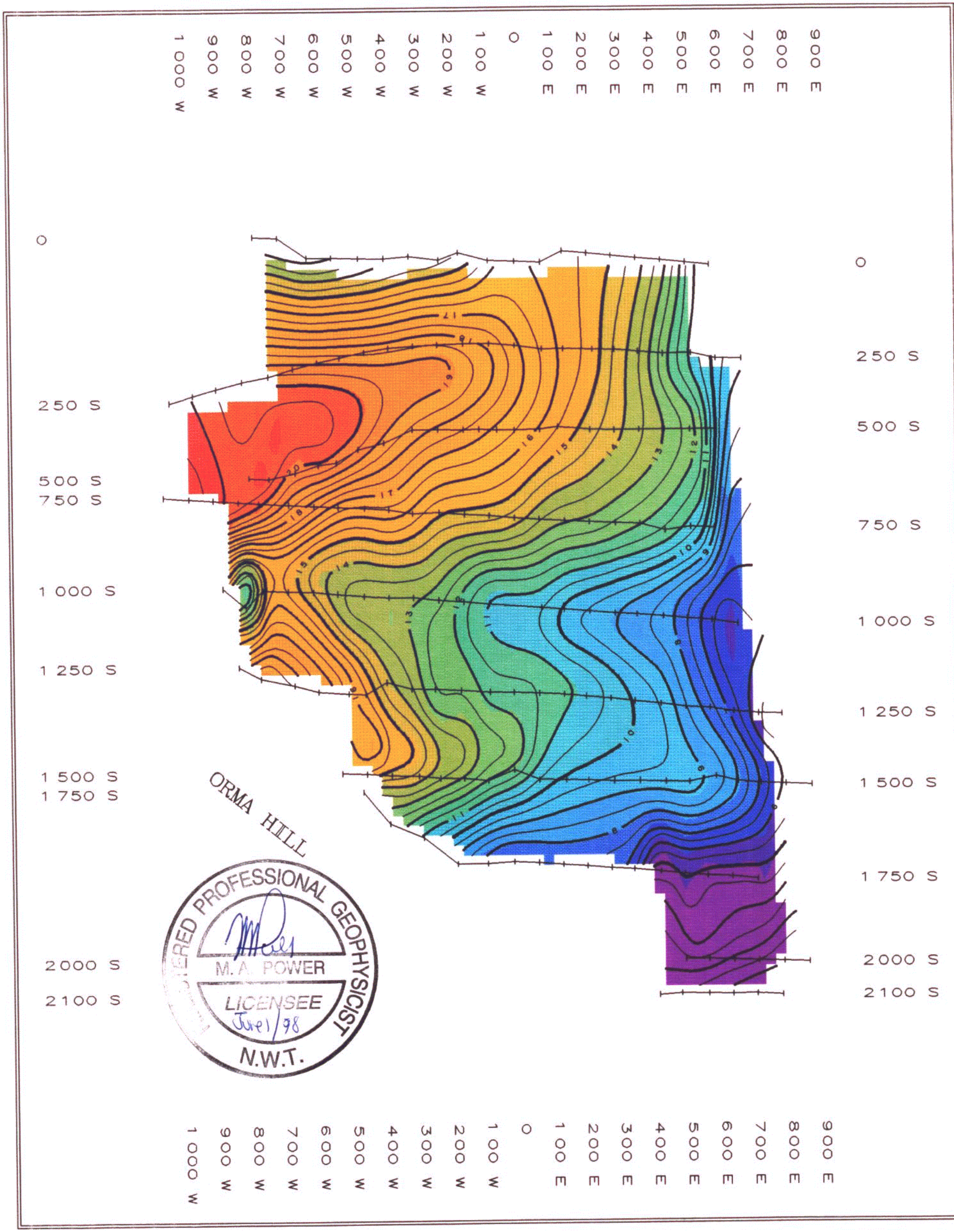
These are discussed in turn. All corrections except the last were performed with GRAVRED, a proprietary program to reduce gravity data developed by Amerok Geosciences Ltd. In addition, spot checks of corrections at each stage of the reduction were made by hand where possible.

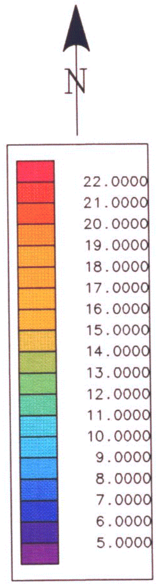
<u>Drift Correction</u>

Solar and lunar gravity (tides), instrument drift and atmospheric pressure variations shift the base level of the gravimeter throughout the survey day. Tidal variations are in the order of 30 to 300 μGal per day. In addition, gravimeters occasionally suffer *tares* or large shifts in base level due to mechanical shock. These are normally identified by sudden and large changes in base station readings between tie-ins. With frequent tie-ins, drift is calculated using linear interpolation between base readings and removed from the data. Incomplete drift correction is estimated to have left errors of up to ±20 μGal into the data. Drift corrected raw gravity is plotted in Figure 3.

<u>Latitude correction</u>

Variation in gravitational acceleration due to latitude arises from flattening of the geoid and from the effect of centrifugal force when approaching the equator. The gravity gradient due to latitude effect is greatest at mid-latitudes and least at both the poles and the equator. Latitude effect was removed by calculating the latitude variation gradient at the centre of the grid and correcting the gravity readings by a variable amount based on their north-south distance from the central station. The gradient in the gravity field due to latitude effect at the latitude of the grid is 6.7 μGal per metre and station horizontal locations are surveyed in to within ± 10 cm. No significant error in the





Contour Interval: 0.5, 1.0, 5.0 mGal

Drift Corrected Gravity (in mGal)

0 400

metres

Scale: 1:15,000

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DRIFT CORRECTED

RAW GRAVITY

Figure 3.

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gravity readings is likely caused by latitude effect after this correction.

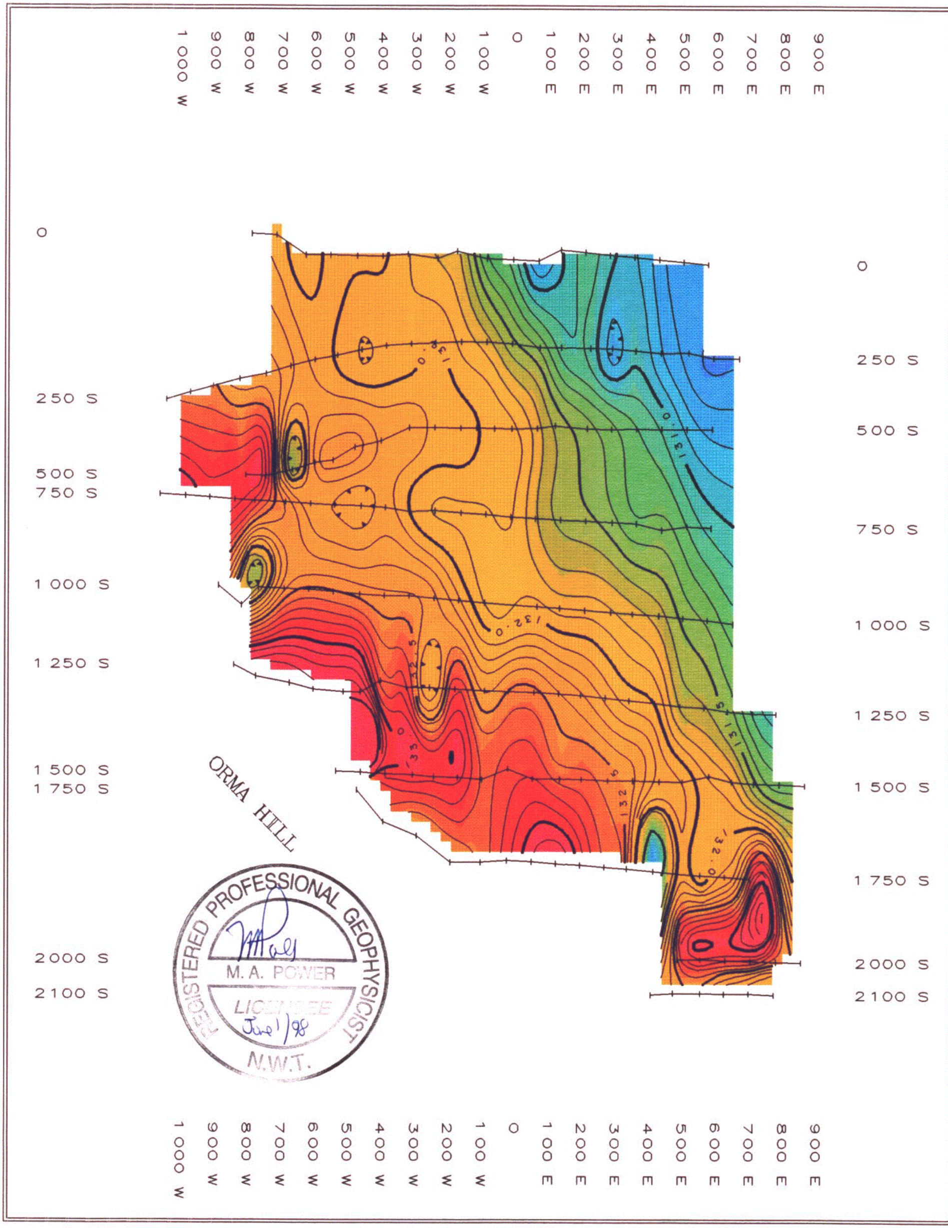
Elevation (Free-Air / Bouguer / Bullard B) correction

The Free Air, Bouguer and Bullard B corrections are performed in the same module in GRAVRED and are discussed together. All three of these corrections affect the vertical gradient of the gravity field observed at a station. As shown in Figure GR-1, the Free Air correction is applied to correct the gravity readings for the effect of varying elevation above a datum plane caused by the change in distance from the centre of the earth. The Bouguer correction accounts for the attraction of the additional material above the datum as. The Free Air correction reduces the gravity by 0.3086 mGal per metre of increased elevation while the Bouguer correction increases the gravity field by a smaller amount to account for the increased attraction of the increased mass beneath the station. The Bouguer correction is based on the gravitational attraction of an infinite horizontal slab and is accurate for small variations in elevation. In rough topography where large changes in elevation are possible, the Bouguer correction must itself be corrected to account for the curvature of the earth. The Bullard B correction (LaFehr 1991) is used to adjust the Bouguer correction to that of a finite curved slab and is appropriate for surveys in rough topography. The Bullard B correction uses the global average density of 2.67 g/cm^3 whereas a different density can be used in the Bouguer slab correction if this is appropriate. All three corrections can be combined into an elevation correction. The data collected in Figure 4 shows the gravity data after corrections for drift, latitude and elevation (Bouguer, Free Air and Bullard B). Elevation corrections were made using a Bouguer density of 2.67 g/cm^3.

An incorrect selection of Bouguer density results in gravity profiles which either follow topography or are anti-symmetric with respect to topography. Figure 8 displays elevation corrected gravity and topographic profiles in idealized grid coordinates. It is apparent that the gravity field shows no correlation with topography indicating a correct Bouguer density.

Terrain corrections

Terrain corrections are adjustments to the elevation corrected data to compensate for the gravitational attraction of topography above the station and the absence of gravitational attraction due to depressions in topography. Topography higher than the station attracts the test mass in the gravimeter upwards thereby reducing the gravity that would be recorded in its absence. Similarly, the Bouguer and Bullard -B corrections presuppose that the topography is flat and the effect of a depression near a station is to reduce the downward gravitational acceleration at that station because of the absence of the excavated mass. Consequently terrain corrections are subtracted



133.00
132.90
132.80
132.70
132.60
132.50
132.40
132.30
132.20
132.10
132.00
131.90
131.80
131.70
131.60
131.50
131.40
131.30
131.20
131.10
131.00
130.90
130.80
130.70
130.60
130.50
130.40
130.30
130.20
130.10
130.00

Contour Interval: 0.1, 0.5, 1.0 mGal

Elevation Corrected

Raw Field (in mGal)

0 400

metres

Scale: 1:15,000

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ELEVATION CORRECTED

RAW GRAVITY

Figure 4.

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from the elevation corrected gravity and the sign of the elevation difference has no effect on the terrain effect calculated at a station. As in the Bouguer correction, a density other than the global average may be used.

Terrain corrections are applied by calculating the effect of a pie shaped slice of topography defined by inner and outer radii ($\mathbf{r}_i$ and $\mathbf{r}_o$) and the angle subtended by the slice θ. If ρ is the density, the gravitational effect of that slice $\mathbf{g}_i$ is given by:

$$g_i = \gamma\rho\theta\left\{(r_o - r_i) + \left(\Delta z^2 + r_i^2\right)^{0.5} - \left(\Delta z^2 + r_o^2\right)^{0.5}\right\}$$

where γ is the universal gravitational constant and $\Delta\mathbf{z}$ is the difference in elevation between that of the sector and that of the station. The terrain effect is the sum of individual terrain corrections. Two corrections are made. The near station correction uses elevation difference directly measured by the operator in six 60° sectors surrounding the station. Each sector is further divided into three range limits: 2 to 20 m, 20 to 50 m and 50 to 200 m. The terrain effect from topography at greater distances from the station (far station terrain effect) is calculated in a slightly different fashion. First, a digital terrain model is interpolated from the topography maps; in this survey the DTM used a 200 m node or cell size to a distance of 3 km from the edges of the survey area. The far-station terrain effect is then calculated using the same relation applied to each node. Both near and far-station terrain corrections are performed in GRAVRED.

Figure 5 shows the gravity data after the application of the terrain correction to the elevation corrected gravity. Comparing this figure with Figure 4 shows that terrain correction has removed the large positive anomaly caused by Orma Hill and suppressed a gradient in the data caused by the slope of the topography to the west.

<u>Regional calculation and removal</u>

The Bouguer anomaly map (Figure 5) contains features caused by density variations at various depths. The gravity anomaly caused by a massive sulphide deposit at an economic depth is a relatively high spatial frequency anomaly since it arises from a shallow source. The Bouguer anomaly from a larger feature at depth will produce a higher amplitude and lower spatial frequency anomaly. The generation and removal of the regional gravity gradient leaves the residual Bouguer anomaly which is theoretically caused solely by shallow source bodies. The generation of the regional Bouguer anomaly is somewhat arbitrary however and it is difficult to fully remove the effects of the regional gradient and, conversely, to avoid removing some of the gravity effect of a shallow source of interest.

An approximation of the regional Bouguer anomaly was generated by upward-

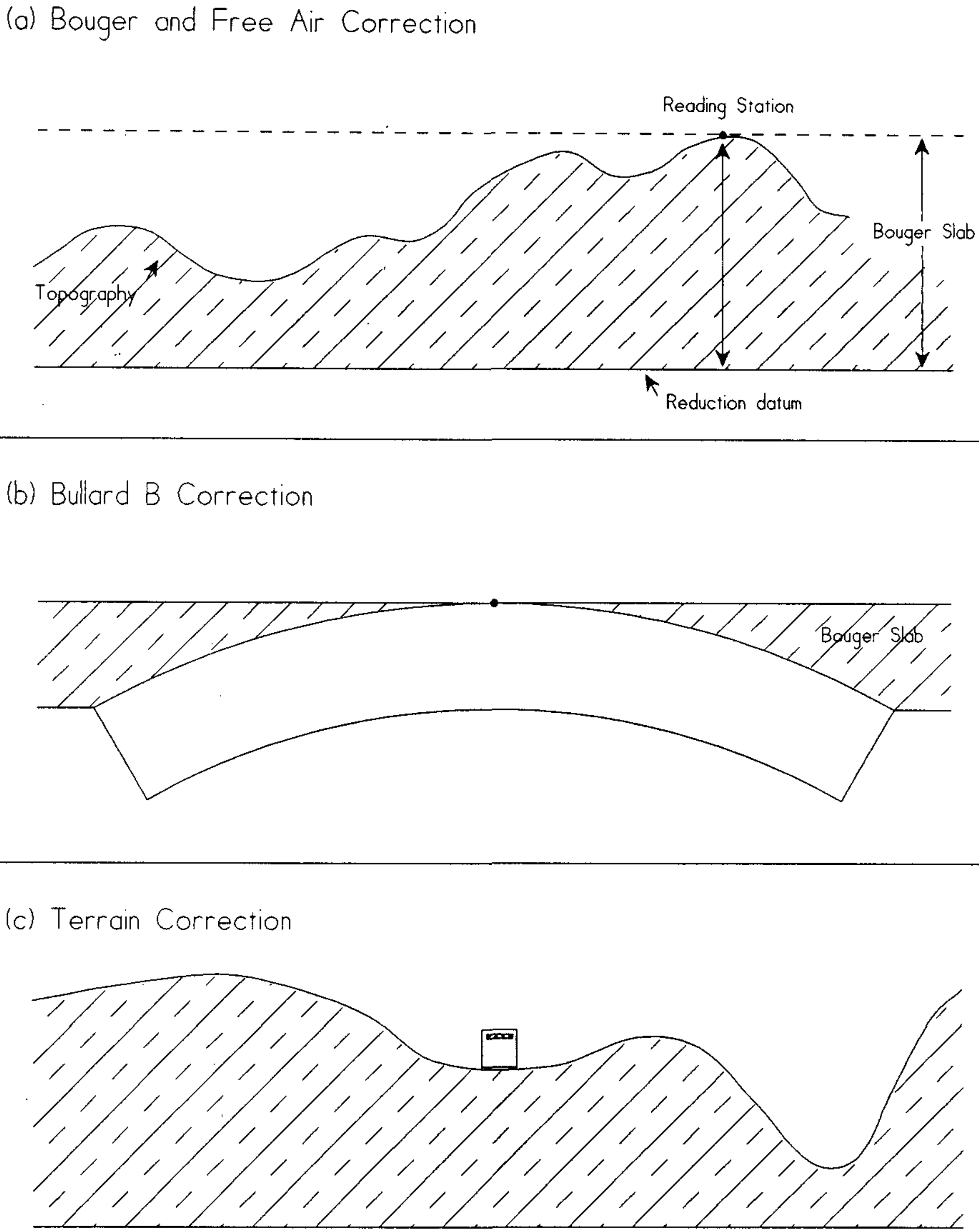
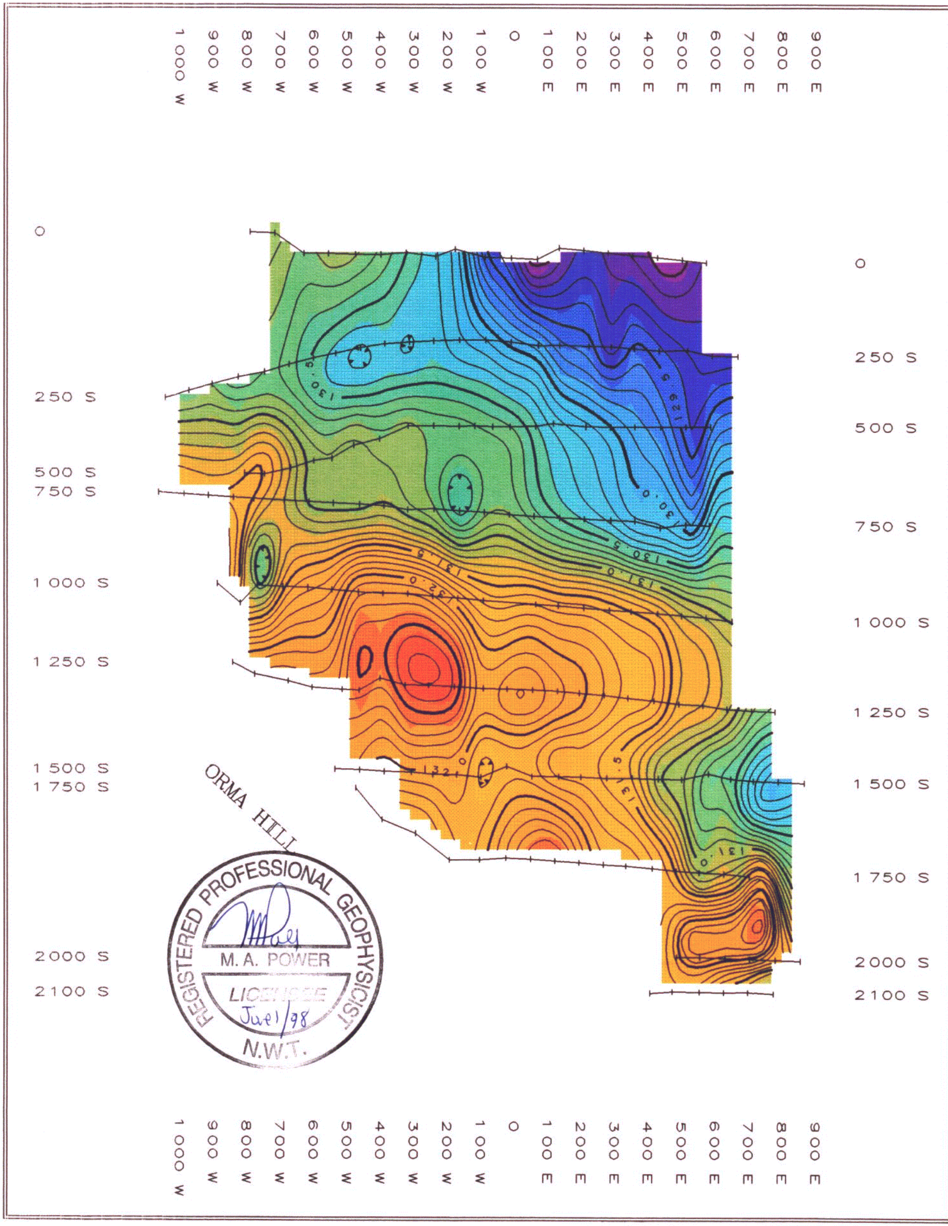
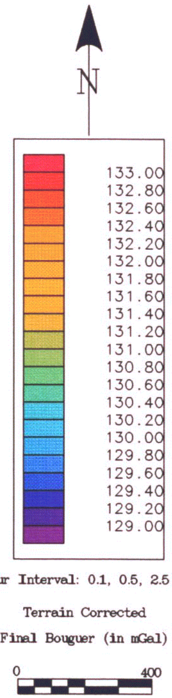


Figure GR-1 Gravity reductions and corrections





Contour Interval: 0.1, 0.5, 2.5 mGal

Terrain Corrected

Final Bouguer (in mGal)

Scale: 1:15,000

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TERRAIN CORRECTED

FINAL BOUGUER GRAVITY

Figure 5.

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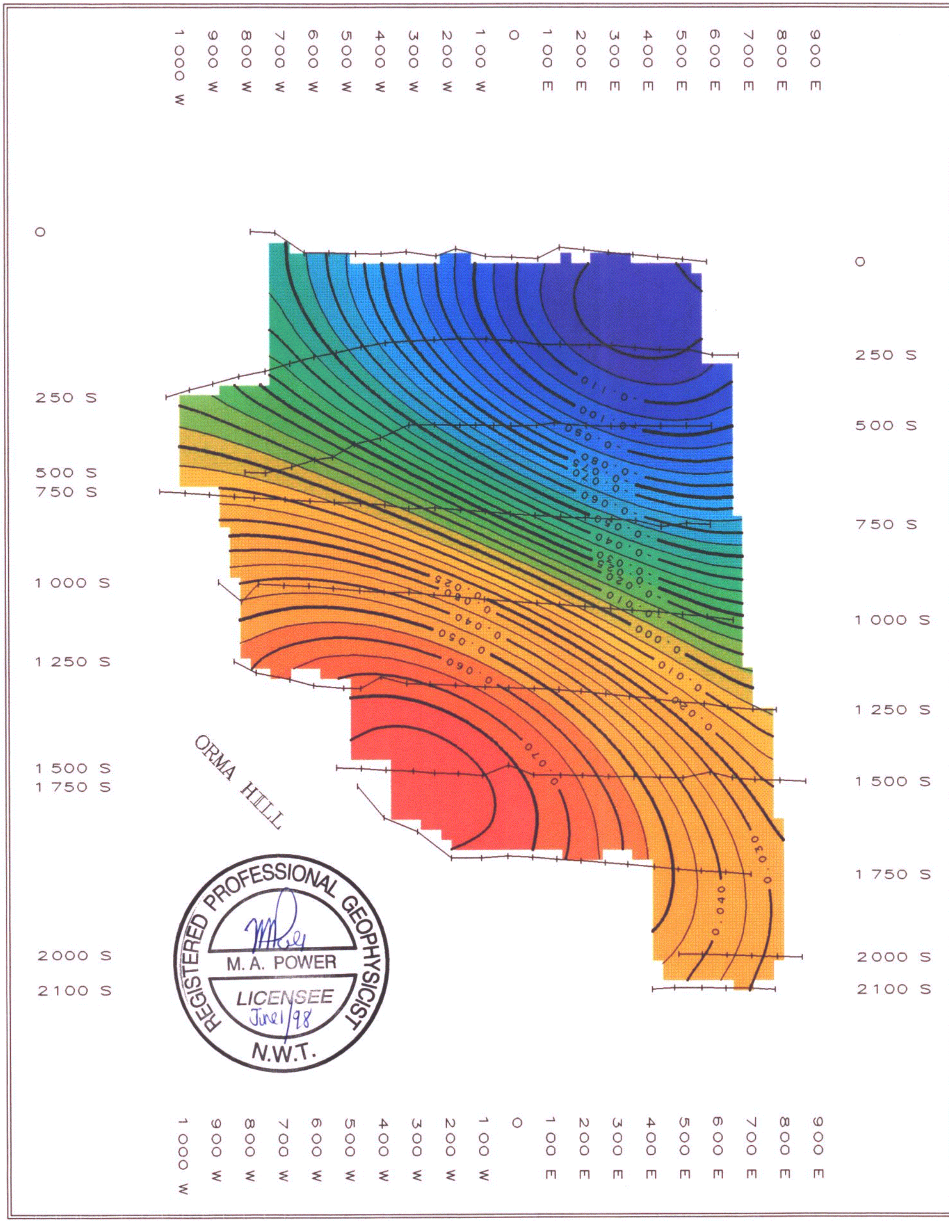

N

.085000
.075000
.065000
.055000
.045000
.035000
.025000
.015000
.005000
-.005000
-.015000
-.025000
-.035000
-.045000
-.055000
-.065000
-.075000
-.085000
-.095000
-.105000
-.115000
-.125000

Contour Interval: .005, .010, .025mGal

Regional Gravity Field (in mGal)

0 400

metres

Scale: 1:15,000

Bouger data upward continued to

1000 metres above ground level

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UPWARD CONTINUED

BOUGUER

(REGIONAL GRAVITY FIELD)

Figure 6.

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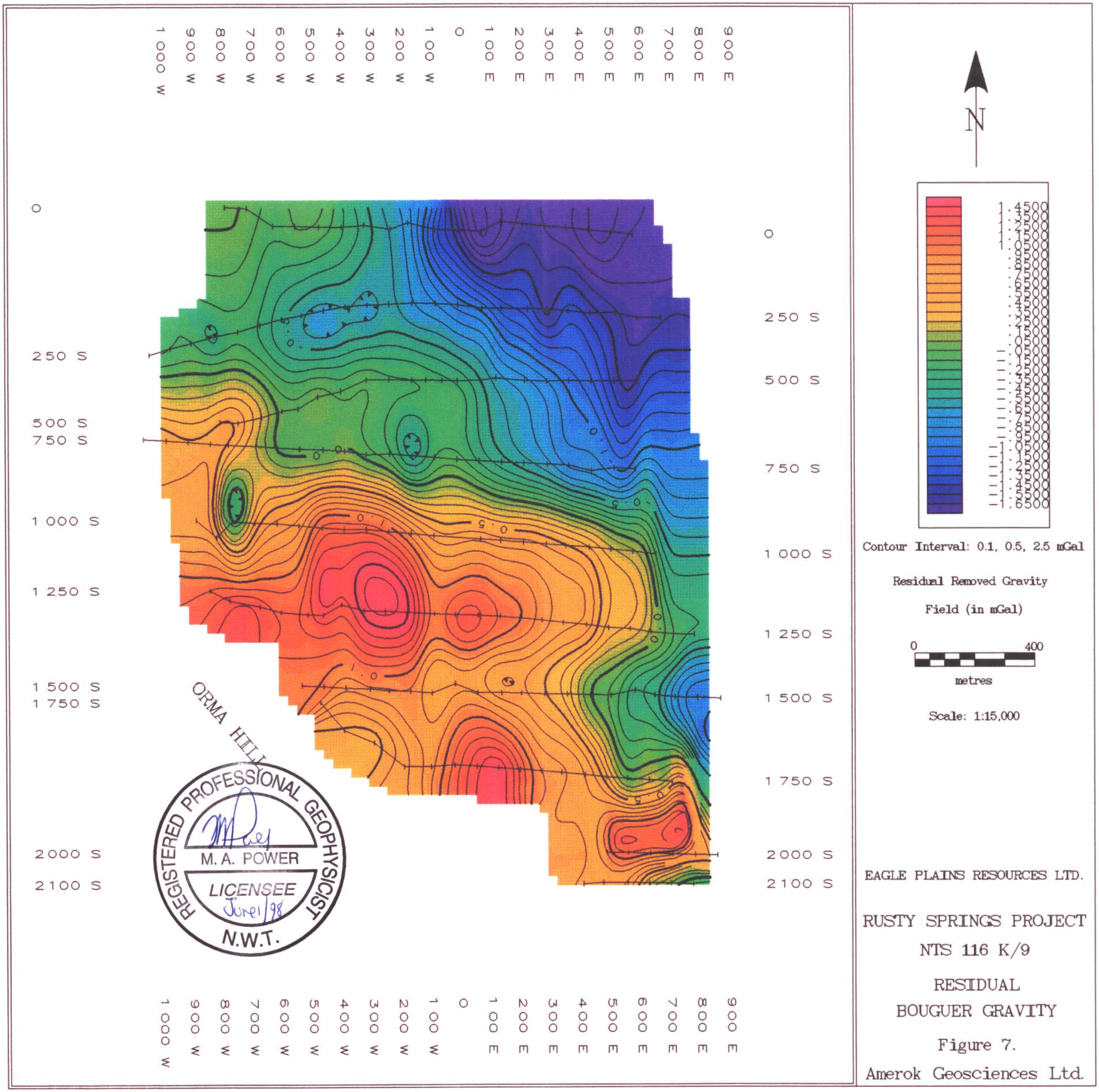

Contour Interval: 0.1, 0.5, 2.5 mGal

Residual Removed Gravity

Field (in mGal)

0 400

metres

Scale: 1:15,000

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RESIDUAL

BOUGUER GRAVITY

Figure 7.

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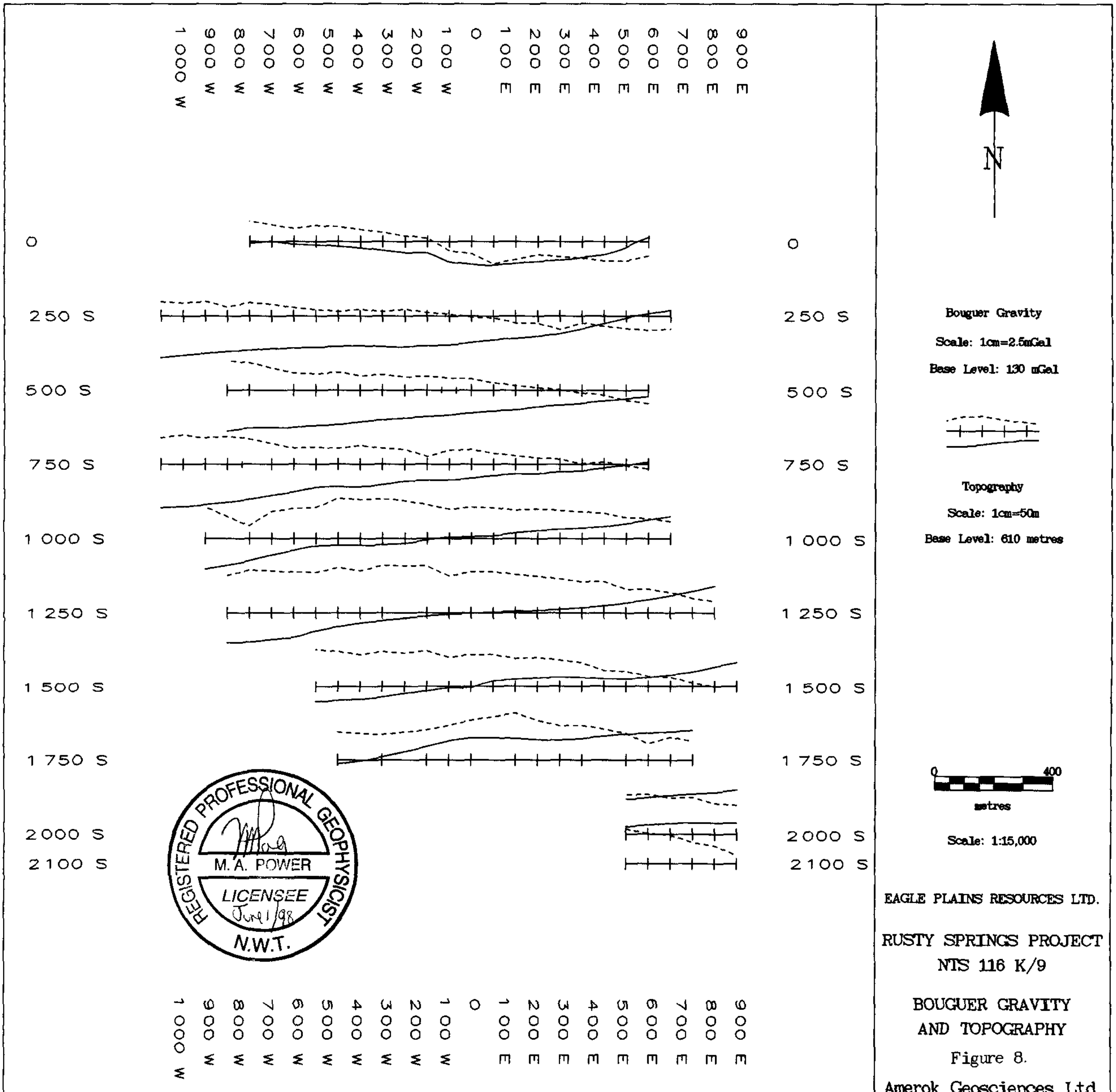
1000 W
900 W
800 W
700 W
600 W
500 W
400 W
300 W
200 W
100 W
0
100 E
200 E
300 E
400 E
500 E
600 E
700 E
800 E
900 E
0
250 S
500 S
750 S
1 000 S
1 250 S
1 500 S
1 750 S
2000 S
2100 S
N
Bouguer Gravity
Scale: 1cm=2.5mGal
Base Level: 130 mGal
Topography
Scale: 1cm=50m
Base Level: 610 metres
0
400
metres
Scale: 1:15,000
REGISTERED PROFESSIONAL GEOPHYSICIST
M. A. POWER
LICENSEE
June 1/98
N.W.T.
EAGLE PLAINS RESOURCES LTD.
RUSTY SPRINGS PROJECT
NTS 116 K/9
BOUGUER GRAVITY
AND TOPOGRAPHY
Figure 8.
Amerok Geosciences Ltd.

continuing the Bouguer anomaly to a height of 1000 m above ground level using a Fast Fourier Transform based filter. Results are shown in Figure 6. The upward continued Bouguer anomaly is an approximation to what the Bouguer anomaly would look like if it were measured at an elevation of 1000 m above ground level. At this height, the Bouguer anomaly attributable to any shallow sources of relatively small size would be negligible. The upward continued Bouguer anomaly map contains a large low amplitude Bouguer high immediately north of Orma Hill. This feature may indicate a geological feature of some significance.

The regional Bouguer anomaly generated by the upward continuation was subtracted from the Bouguer anomaly to produce a residual Bouguer anomaly (Figure 7). This is the Bouguer anomaly likely caused by shallow sources of restricted dimensions and is the final product of the correction process.

7.4 Results

The residual Bouguer anomaly is also shown together with topography in Figure 8. Four positive residual Bouguer anomalies are indicated on the plot (**A - D**). Anomaly **D** is suspect and may have been generated by the tare described earlier in this report. Anomalies **A, B** and **C** may be of geological significance. Examination of Figures 8 and 9 shows that there are no significant topographic features near the survey lines covering these anomalies and thus they are not likely to be topographic artifacts. Tares in the gravity data would produce step discontinuities in the profiles as the base level of the gravimeter shifted; these are not present and suggest that the anomalies are not caused by undetected tares. Consequently, these anomalies are considered to be real and could be caused by subsurface density variations associated with sulphide mineralization. The anomalies are of relatively high amplitude with peak responses of 500 to 600 μGal above background and they are of restricted dimensions with high gradients on their flanks. These features suggest that the source bodies may be relatively shallow.

8.0 SEISMIC SURVEY

A reflection seismic survey was conducted to map the Katshat Unit beneath the low lying area north of Orma Hill. This section describes this survey and its results.

8.1 Specifications, personnel and equipment.

The seismic survey was conducted by Mike Power (geophysicist) with the assistance of Ron Stack and Josh Bailey (helpers). The survey was conducted with a Geometrics

Strataview 24 channel seismograph using two spreads of 12 geophones spaced 5 m apart. Explosives were used as the energy source and survey stations were surveyed in using a laser range finder.

Survey specifications were as follows:

Geophone spacing:	5 m
Shot spacing:	90 m (single fold) (Stations 1 - 190) 60 and 120 m (two fold) (Stations 191- end)
Energy source:	2 to 5 sticks of ammonium dynamite initiated electrically with Mk-IV Seismocaps
Spread length:	115 m (24 channels)
Record length:	1024 ms
Sampling rate:	0.5 ms
Nyquist frequency:	1000 Hz
Acquisition filter(s):	500 Hz high cut

8.2 Processing

The seismic data was collected in SEG-2 format on disk and a paper shot record was made for a field check. Following the survey, the data was processed with Vista 7.0 - a reflection processing package developed by Seismic Image Software Ltd. Subsequent data processing included the following:

1. Determine shot and geophone locations (horizontal / elevations) from survey data and prepare header in SEG-Y format.

2. Combine all traces for subsequent data processing.

3. Bottom mute to cut ground roll from shot records. Small sections were not muted where reflections were observed to be merging with ground roll. The steeply NE dipping arrivals on the seismic section are ground roll.

4. Apply exponential gain using an exponent of 8.0 to recapture the losses due to spherical spreading.

5. Filter the data using the following specifications:
   Low truncation: 5 Hz
   Low cut: 15 Hz
   High cut: 250 Hz
   High truncation: 300 Hz

6. Deconvolution:
   Window: 0 - 400 ms
   Operator length: 80 ms
   Pre-whitening: 1%

7. Automatic gain control:
   Window: 200 ms

8. Velocity analysis of 6 shot records; best fit normal moveout (NMO) velocity of 1600 m/s determined from shot records.

9. Common depth point (CDP) sort.

10. Normal moveout correction using Vnmo=1600 m/s

11. Stacking

12. F-k filtering (removes some reverberations and ground roll)

13. Plotting.

14. Time to depth conversion and crude migration of reflections beneath steep flank of Orma Hill.

15. Interpretation and final plotting.

The final seismic section is included as Figure 10 (in pocket).

8.3 Results

Velocity analysis performed by examining refracted first arrivals and by semblance analysis of reflections in shot records, revealed a thin upper layer of frozen ground with a velocity of 3500 m/s underlain by a layer with velocity of 1500 - 1800 m/s. An NMO velocity of 1600 m/s was determined to be the best overall average of the velocities observed. This is the velocity of water saturated overburden or weathered bedrock and suggests that a high water table is present beneath the seismic line. A number of much slower arrivals were detected in the velocity analysis at depth but, following accepted practice, these were attributed to multiples and ignored in the velocity determination.

The seismic record is of variable quality from acceptable to poor. Good reflections were recorded on the southern portion of the line on Orma Hill but signal quality degraded considerably to the north. At station 191, the crew changed from firing a three shot stack array at a nominal shot offset of 90 m to firing heavier single charges at two offsets of 60 and 120 m to follow reflections over a broader time window. In retrospect this may have been a mistake as the quality of the shot records is degraded from there to the north by reverberations following the first arrivals.

The Katshat Unit was intersected at 80 m in drill hole 96-14 and this pinned the reflection labelled **KS** in the interpretation section. This reflection does not stand out particularly from the others surrounding it and the reflection is not continuous for any great distance across the record. The reflection labelled **KS?** may be the extension of this arrival to the east. It appears that the **KS** reflection originates at the base of the Katshat unit and that the top may not be visible in the seismic section. An arrival from the top of the unit at a depth of 40 m would occur at 50 ms on the record and likely be lost in the head wave.

The reflections beneath and north of Orma Hill suggest that the rocks are folded into a broad anticline with axis centred at 75 to 100E. Reflections are lost in the axial zone of the fold and reappear to the north. The reflections appear to rise back to a relatively shallow depth with the **KS?** reflection culminating at 75 m below ground level at 700E. Reflection strength degrades rapidly north of this location.

The reader is cautioned that this seismic survey was performed with only 1 or 2 fold coverage which prohibits the application of data processing techniques to clean up the records. There are a number of artifacts in the section, all dipping to the north at varying angles. These include refraction reverberations between the base of frozen ground and the water table at the top of the section, a few traces containing unmuted ground roll dipping very steeply to the north and a number of later low frequency arrivals which are parallel to the refraction reverberations and are considered to be multiples. In general, reflections should be relatively high frequency and have generally flat dips in this section; the best examples are in the first few shot records on the south end of the line.

9.0 CONCLUSIONS

The results of the gravity and seismic surveys lead to the following conclusions:

a. Three high amplitude, positive residual Bouguer anomalies occur north of Orma Hill in a low lying area.

b. The three anomalies appear to be caused by subsurface density contrasts and may indicate the presence of massive sulphide mineralization at a shallow depth.

c. A reflection coincident with the base of the Katshat Unit can be traced into the axial zone of an anticline to the north. Reflections are disrupted in the axial zone of the fold but a similar reflection (**KS?**) continues to the north, culminating in the axis of second anticline at a depth of 75 m.

d. The **KS?** reflection culmination occurs on the flank of the largest of the three significant residual Bouguer anomalies (Anomaly **A**). The seismic survey results suggest that the Katshat Unit occurs at a shallow depth in the area of the gravity anomalies.

e. Seismic velocities in the range of 1500 to 1800 m/s were recorded over most of the seismic line in the low lying ground north of Orma Hill. These velocities are in the range expected for water saturated sediments and deeply weathered bedrock and suggest that the area may be largely below water table. This enhances the possibility of locating stratabound massive sulphide mineralization in the Katshat Unit.

10.0 RECOMMENDATIONS

The conclusions lead to the following recommendations:

a. Induced polarization surveys consisting of one or two lines over each of the gravity anomalies should be performed to screen the anomalies and conclusively identify a drill target. Such a survey should employ a pole-dipole or dipole-dipole array and a dipole spacing of 50 m given the large size of the target. It is possible but not likely that the limonitic clay alteration in the Katshat Unit would create a high amplitude chargeability anomaly which could be mistaken for that of a smaller massive sulphide body.

b. If management decides to proceed directly with drilling, residual Bouguer anomalies **A, B** and **C** should be drilled in that order. Holes should be centred over the peak Bouguer anomaly response on the survey lines.

Respectfully submitted,
AMEROK GEOSCIENCES LTD.

REGISTERED PROFESSIONAL GEOPHYSICIST
M. A. POWER
LICENSEE
N.W.T.
June 1/98

M.A. Power M.Sc. P.Geoph.(NT)
Geophysicist

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF THE NORTHWEST TERRITORIES
PERMIT NUMBER
P 321
AMEROK GEOSCIENCES LTD.

May 31, 1998

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APPENDIX A. CERTIFICATE

I, Michael Allan Power, M.Sc. P.Geo., P.Geoph., with business and residence addresses in Whitehorse, Yukon Territory do hereby certify that:

1. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (registration number 21131) and a professional geophysicist registered by the Northwest Territories Association of Professional Engineers, Geologists and Geophysicists (licensee L942).

2. I am a graduate of the University of Alberta with a B.Sc. (Honours) degree in Geology obtained in 1986 and a M.Sc. in Geophysics obtained in 1988.

3. I have been actively involved in mineral exploration the Northern Cordillera since 1988.

4. I have no interest, direct or indirect, nor do I hope to receive any interest, direct or indirect, in Eagle Plains Resources Ltd. or any of its properties.

Dated this 31st day of May, 1998 in Whitehorse, Yukon.

Respectfully Submitted,

REGISTERED PROFESSIONAL GEOPHYSICIST
M. A. POWER
LICENSEE
N.W.T.

Michael A. Power M.Sc. P. Geoph.

Appendix B. Survey Log

Mon 04 MAY 98	Crew left for Eagle Plains at 1100 hrs after a delay getting explosives. Arrived Eagle Plains Lodge at 2300 hrs.
Tue 05 MAY 98	Aklak Twin Otter from Inuvik arrived at 0930 hrs; left for Rusty Springs at 1100 hrs. Some snow on the strip and lots on the road and bush when we arrived. Suzuki started easily. Roads impassible so tried to fire up the CAT. Some problems with fuel lines (vapour lock). Began ploughing road of west end of the strip at 1600 hrs. Lots of snow and very slow work. Remainder of crew sorted gear and began checking GPS. Started after CAT about 1900 hrs in Suzuki. After ploughing past Orma Camp and into the creek, CAT encountered thick overflow and a bad washout where the creek jumped its channel. Not possible for the Suzuki to make it past this point. After a lot of screwing around, crew met at Orma camp around 1AM and slept under the stars. Snow and rain in early AM.
Wed 06 MAY 98	Constructed camp at old Orma Camp using tarps, foamies and oil stove from Rusty Springs camp. GPS not locking and spent some time working on it late in the day. No production. Radio reception nil. Began warming gravity meter; will require 48 hours.
Thu 07 MAY 98	Began seismic survey and put in base line for gravity survey. Attempted level surveying with laser rangefinder since GPS still non-functional. Radio reception nil. Gravity meter warming. Production: Seismic - 500 m Gravity - 2000 m base line (gridding only)
Fri 08 MAY 98	Seismic survey continued. In AM took some time to plough the west end of the strip to make sure that Bonanza could make it in. Gravity crew resurveyed the base line and surveyed the seismic line with the range finder. Levelling results, based on checks of repeatablility is quite suitable for the seismic survey but is unsuitable for the gravity survey. Radio reception still lousy but improved after discovering a problem with a splice in the antenna - no contact however. Production: Seismic - 300 m

Gravity - 2000 m base line (level survey)

Sat 09 MAY 98	Seismic survey continued. Put JB on seismic crew for the day while GS ran gravity survey on base line for control. Spoke briefly with Coffee Creek but otherwise radio is quiet. Wx: cool, cloudy. Production: Seismic - 700 m Gravity - 7 stations x 4 (control station survey)
Sun 10 MAY 98	Seismic survey completed and continued gravity survey. JB taken from gravity crew to assist seismic crew. Ran line to 1860E where stopped by an impassable creek about 4 feet deep. Gravity crew (GS) working on L500S until about 1430hrs when shut down to survey seismic line and help pack seismic gear back up to the airstrip. Snow very soft in snowfields. Made contact with Brian in Dawson in the evening and delayed flight until total station instrument arrives. Wx: cool, showers. Production: Seismic - 360 m Gravity - 4 stations
Mon 11 May 98	Gravity survey. Late start due to weather; worked 1300 to 2000 hrs. Lots of wet snow. Flight postponed due to weather although instruments in Dawson. Wx: Rain turning to snow in early AM; about 8 inches fell by noon. Cold and wet all day. Production: Gravity - 11 stations
Tue 12 May 98	Gravity survey. RS putting in grid, JB & GS running gravity survey. MP data processing. Flight postponed again because of slush on the strip. Production: Gravity - 27 stations
Wed 13 May 98	Gravity survey. Flight from Dawson arrived at 2000hrs; GPS and seismic gear shipped out. RS running line, GS and JB running survey; MP data processing. Wx: cloudy and cool; flurries. Production: Gravity - 31 stations
Thu 14 May 98	Gravity survey. RS running line; GS and JB running gravity survey;

MP data processing. Resurveyed base line for levelling (2 loops); problems with gravity meter weight latching. Wx: light snow all morning clearing in PM.

Production: Gravity - 29 stations (17 repeat - baseline levelling)

Fri 15 May 98 — Gravity survey. MP and RS ran topo survey of lines 500S through 1250S (partial). JB and GS ran gravity surveys. Wx: clear and windy; warmer; wind shifting to south.

Production: Gravity - 28 stations.

Sat 16 May 98 — Gravity survey. GS ran gravimeter; MP, RS and JB ran topographic surveys. Wx: fair and cool.

Production: Gravity - 27 stations

Sun 17 May 98 — Gravity survey. GS finished grid (gravimeter) while MP, RS and JB surveyed north end of grid (topographic surveys).

Production: Gravity - 24 stations

Mon 18 May 98 — Gravity survey. Put in points to complete grid by filling in holes in SW. Completed topographic survey. Surprise! Aklak shows up unannounced and crew scrambled to pack up and leave; arrived Eagle Plains at 0100 hrs.

Production: Gravity - 15 stations

Tue 19 May 98 — Return to Whitehorse.

Totals:
- Seismic - 4 days
- Gravity - 13 days
- Mobe/demobe - 3 days

Personnel

Mike Power 1 Bates Crescent Whitehorse Y.T.	Gary Smith Box 5805 Whitehorse YT Y1A 5V8	Josh Bailey Box 5808 Whitehorse YT Y1A 5V8	Ron Stack Mile 10 Annie Lake Road Yukon Territory

Appendix C. Statement of Costs

(To be inserted)

Appendix D. Gravity measurements and reductions.

Line	Station	UTME	UTMN	Z	Raw Gravity	Drift Correction	Latitude Correction	Elevation Correction	Near station terrain effect	Far station terrain effect
-2100	525	531393.8	7375784.6	651.77	3.169	2.922	3.601	132.596	132.586	131.950
-2100	600	531459.8	7375789.4	653.50	2.668	2.347	3.023	132.354	132.343	131.701
-2100	675	531540.7	7375788.7	655.14	2.352	1.954	2.631	132.278	132.273	131.596
-2100	750	531612.9	7375787.0	655.82	1.946	1.474	2.153	131.939	131.933	131.201
-2100	825	531686.2	7375787.5	656.05	1.819	1.279	1.958	131.784	131.780	131.015
-2100	900	531761.6	7375783.6	655.73	1.506	0.895	1.577	131.343	131.332	130.485
-2000	525	531472.2	7375889.6	649.45	4.931	3.779	4.397	132.938	132.907	132.214
-2000	600	531542.0	7375889.6	651.09	4.550	3.504	4.123	132.980	132.956	132.233
-2000	675	531616.9	7375886.6	653.54	3.806	2.838	3.459	132.790	132.779	132.037
-2000	750	531690.6	7375883.8	654.88	3.528	2.640	3.263	132.871	132.860	132.074
-2000	825	531767.1	7375882.2	656.95	2.728	1.917	2.542	132.565	132.565	131.732
-2000	900	531842.5	7375880.1	659.63	2.102	1.378	2.004	132.541	132.513	131.641
-1750	-525	530515.2	7376390.4	596.82	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000
-1750	-450	530593.7	7376296.3	605.66	14.256	12.276	12.651	132.533	132.423	131.553
-1750	-300	530694.5	7376254.7	613.34	12.533	10.523	10.923	132.307	132.205	131.439
-1750	-150	530794.8	7376175.3	624.89	10.367	8.324	8.771	132.448	132.348	131.682
-1750	-75	530884.9	7376175.5	631.26	9.309	7.217	7.665	132.608	132.571	131.956
-1750	0	530963.5	7376180.4	634.56	6.871	6.830	7.275	132.870	132.862	132.249
-1750	75	531037.2	7376176.9	634.55	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000
-1750	150	531109.4	7376171.7	634.19	7.389	7.363	7.814	133.330	133.314	132.663
-1750	225	531181.6	7376166.4	632.93	7.284	7.270	7.725	132.984	132.962	132.248
-1750	300	531253.9	7376161.2	632.44	7.065	7.059	7.518	132.678	132.664	131.925
-1750	375	531321.1	7376156.5	634.11	6.756	6.756	7.218	132.714	132.704	131.946
-1750	450	531399.8	7376148.7	636.87	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000
-1750	525	531471.1	7376140.6	639.05	5.358	5.372	5.844	132.309	132.300	131.508
-1750	600	531540.1	7376136.3	640.39	4.518	4.540	5.015	131.757	131.741	130.913
-1750	675	531613.7	7376132.1	641.49	4.721	4.750	5.228	132.187	132.160	131.279
-1750	750	531689.2	7376125.2	643.42	4.175	4.209	4.692	132.026	131.986	131.060
-1500	-525	530452.6	7376445.6	592.13	15.840	15.809	16.097	133.290	133.186	132.123
-1500	-450	530526.5	7376443.0	593.66	15.349	15.328	15.618	133.127	133.042	132.025
-1500	-375	530599.7	7376438.7	594.92	14.896	14.884	15.177	132.923	132.859	131.847

-1500	-300	530681.1	7376435.6	597.62	14.432	14.434	14.729	133.010	132.970	132.020
-1500	-225	530744.8	7376428.8	601.73	13.509	13.521	13.820	132.911	132.829	131.929
-1500	-150	530815.7	7376428.0	604.25	13.090	13.115	13.416	133.021	132.958	132.056
-1500	-75	530888.4	7376420.7	608.59	11.846	11.892	12.198	132.653	132.561	131.711
-1500	0	530965.4	7376452.2	608.42	11.987	12.050	12.337	132.752	132.752	131.849
-1500	75	531040.0	7376422.6	617.12	10.403	10.522	10.708	132.844	132.659	131.859
-1500	150	531120.5	7376421.9	619.18	9.760	9.874	10.066	132.617	132.455	131.634
-1500	225	531186.1	7376421.2	620.60	9.535	9.645	9.842	132.669	132.549	131.692
-1500	300	531264.5	7376417.3	621.33	9.282	9.389	9.592	132.558	132.438	131.550
-1500	375	531339.8	7376417.1	621.06	9.214	9.318	9.524	132.450	132.364	131.409
-1500	450	531417.8	7376414.3	619.55	9.243	9.344	9.556	132.166	132.049	130.963
-1500	525	531487.2	7376413.0	619.44	9.224	9.322	9.538	132.128	132.065	130.930
-1500	600	531567.3	7376429.4	620.85	8.692	8.786	8.997	131.864	131.828	130.609
-1500	675	531633.6	7376414.0	623.97	8.040	8.131	8.354	131.854	131.815	130.567
-1500	750	531700.7	7376407.9	627.67	6.942	7.029	7.260	131.491	131.431	130.190
-1500	825	531775.8	7376405.5	633.23	5.684	5.768	6.004	131.322	131.259	129.974
-1500	900	531853.0	7376402.1	639.39	4.516	4.596	4.839	131.383	131.292	130.018
-1250	-825	530146.7	7376762.0	577.01	20.755	19.081	19.183	133.390	133.357	132.104
-1250	-750	530212.5	7376727.4	577.35	20.984	19.282	19.405	133.671	133.645	132.402
-1250	-675	530313.5	7376707.4	580.54	20.249	18.516	18.651	133.550	133.523	132.360
-1250	-600	530384.4	7376689.1	582.58	19.843	17.979	18.125	133.439	133.420	132.292
-1250	-525	530474.5	7376682.0	589.99	18.165	16.363	16.513	133.291	133.254	132.276
-1250	-450	530524.7	7376680.2	594.67	17.378	15.606	15.758	133.465	133.445	132.543
-1250	-375	530586.6	7376714.4	598.50	14.397	14.012	14.145	132.604	132.575	132.361
-1250	-300	530662.1	7376694.3	601.53	14.069	13.694	13.838	132.890	132.871	132.666
-1250	-225	530732.6	7376693.3	604.21	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000	-9999.000
-1250	-150	530809.0	7376689.4	606.52	13.033	12.673	12.821	132.861	132.847	132.646
-1250	-75	530896.3	7376684.1	608.77	12.002	11.651	11.803	132.298	132.277	132.072
-1250	0	530967.6	7376682.0	609.94	12.019	11.676	11.830	132.542	132.521	132.309
-1250	75	531043.0	7376678.9	610.69	11.866	11.529	11.685	132.556	132.530	132.313
-1250	150	531117.0	7376675.4	611.88	11.470	11.139	11.298	132.405	132.377	132.151
-1250	225	531183.0	7376670.0	612.76	11.207	10.881	11.043	132.329	132.302	132.065
-1250	300	531256.2	7376663.0	614.28	10.746	10.424	10.591	132.173	132.148	131.906
-1250	375	531328.2	7376654.5	615.87	10.280	9.963	10.135	132.033	132.004	131.753
-1250	450	531404.5	7376646.8	618.13	9.857	9.546	9.723	132.056	132.027	131.761

-1250	525	531478.8	7376636.7	621.34	8.779	8.474	8.658	131.624	131.604	131.338
-1250	600	531550.9	7376632.9	625.31	7.987	7.688	7.875	131.631	131.602	131.331
-1250	675	531621.9	7376622.0	629.42	6.990	6.697	6.890	131.457	131.430	131.150
-1250	750	531696.4	7376615.7	634.15	5.736	5.449	5.647	131.163	131.107	130.825
-1250	825	531765.8	7376614.0	640.06	4.409	4.128	4.327	131.009	130.949	130.658
-1000	-900	530101.2	7376995.6	575.98	19.157	18.908	18.874	132.883	132.883	131.774
-1000	-750	530220.2	7376990.1	585.47	16.104	15.860	15.830	131.718	131.669	130.714
-1000	-675	530296.7	7376985.8	591.64	15.592	15.352	15.325	132.419	132.375	131.521
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-1000	-525	530443.7	7376977.1	601.72	13.673	13.439	13.418	132.509	132.490	131.740
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-1000	-375	530596.7	7376965.7	602.38	13.402	13.189	13.176	132.405	132.392	132.193
-1000	-300	530669.9	7376964.8	603.15	13.266	13.058	13.045	132.433	132.422	132.225
-1000	-225	530745.2	7376957.1	604.53	12.913	12.709	12.702	132.347	132.329	132.129
-1000	-150	530819.1	7376951.0	608.69	11.840	11.640	11.637	132.112	132.087	131.895
-1000	-75	530896.5	7376943.3	611.62	11.018	10.822	10.823	131.872	131.847	131.656
-1000	0	530169.8	7376937.5	612.53	10.933	10.741	10.741	131.967	131.948	131.767
-1000	75	531052.0	7376932.4	613.29	10.770	10.566	10.575	131.959	131.932	131.729
-1000	150	531119.2	7376927.7	616.74	9.966	9.753	9.765	131.822	131.805	131.603
-1000	225	531195.1	7376920.8	619.00	9.578	9.359	9.375	131.886	131.872	131.666
-1000	300	531272.3	7376914.9	620.74	9.176	8.951	8.972	131.819	131.796	131.583
-1000	375	531336.7	7376910.4	621.97	8.846	8.615	8.639	131.743	131.729	131.508
-1000	450	531415.5	7376904.4	623.54	8.477	8.239	8.267	131.668	131.656	131.423
-1000	525	531486.6	7376897.7	626.83	7.613	7.365	7.397	131.450	131.427	131.188
-1000	600	531560.4	7376891.5	630.89	6.750	6.497	6.533	131.397	131.363	131.116
-1000	675	531637.2	7376880.3	635.16	5.720	5.460	5.503	131.217	131.217	130.962
-750	-1050	529925.9	7377264.4	561.01	22.436	22.180	21.988	133.031	133.017	131.484
-750	-975	530001.5	7377260.2	562.68	22.234	21.975	21.787	133.167	133.144	131.667
-750	-900	530074.4	7377255.4	564.79	21.578	21.315	21.129	132.923	132.895	131.494
-750	-825	530149.6	7377249.4	567.56	21.071	20.805	20.624	132.972	132.909	131.577
-750	-775	530209.4	7377245.7	569.50	20.531	20.261	20.083	132.807	132.807	131.503
-750	-675	530300.3	7377241.3	575.04	19.058	18.785	18.609	132.420	132.357	131.187
-750	-600	530375.6	7377236.3	579.15	17.934	17.648	17.476	132.118	132.014	130.917
-750	-525	530447.8	7377232.8	584.16	16.923	16.632	16.462	132.093	131.977	130.965
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-750	-375	530599.2	7377224.8	584.77	16.889	16.592	16.428	132.178	132.124	131.058
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-500	-375	530586.2	7377423.8	574.24	20.782	18.795	18.515	132.168	132.168	130.794
-500	-300	530670.6	7377462.2	576.69	18.662	18.364	18.063	132.211	132.197	130.866
-500	-300	530670.6	7377462.2	576.69	20.380	18.658	18.357	132.505	132.505	131.174
-500	-225	530746.6	7377462.6	578.51	18.154	17.862	17.561	132.065	132.055	130.736
-500	-150	530823.7	7377461.2	580.11	17.937	17.567	17.267	132.087	132.071	130.767
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-500	0	530976.0	7377459.1	584.47	16.933	16.561	16.264	131.954	131.916	130.632
-500	0	530976.1	7377459.1	584.48	16.848	16.561	16.264	131.954	131.954	130.670
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0	-450	530513.8	7377970.2	604.50	14.877	12.962	12.364	132.008	132.008	130.837
0	-375	530589.9	7377969.0	602.74	15.255	13.345	12.749	132.038	131.949	130.685
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0	-225	530753.4	7377963.1	597.25	16.048	14.150	13.558	131.779	131.709	130.308
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0	0	530980.1	7377959.3	584.67	17.934	16.048	15.460	131.189	131.155	129.317
0	75	531056.7	7377954.8	583.32	17.691	15.824	15.239	130.691	130.668	128.756
0	150	531122.0	7377987.9	585.56	17.502	15.639	15.035	130.943	130.917	128.999
0	225	531195.3	7377980.8	587.76	17.299	15.441	14.841	131.184	131.179	129.253
0	300	531268.6	7377973.7	589.19	16.853	15.000	14.405	131.024	131.013	129.150
0	375	531341.9	7377966.6	592.14	16.174	14.325	13.735	130.928	130.902	129.086
0	450	531415.2	7377959.5	595.52	15.298	13.453	12.868	130.733	130.692	128.917
0	525	531488.5	7377952.3	603.68	13.541	11.700	11.120	130.607	130.509	128.912
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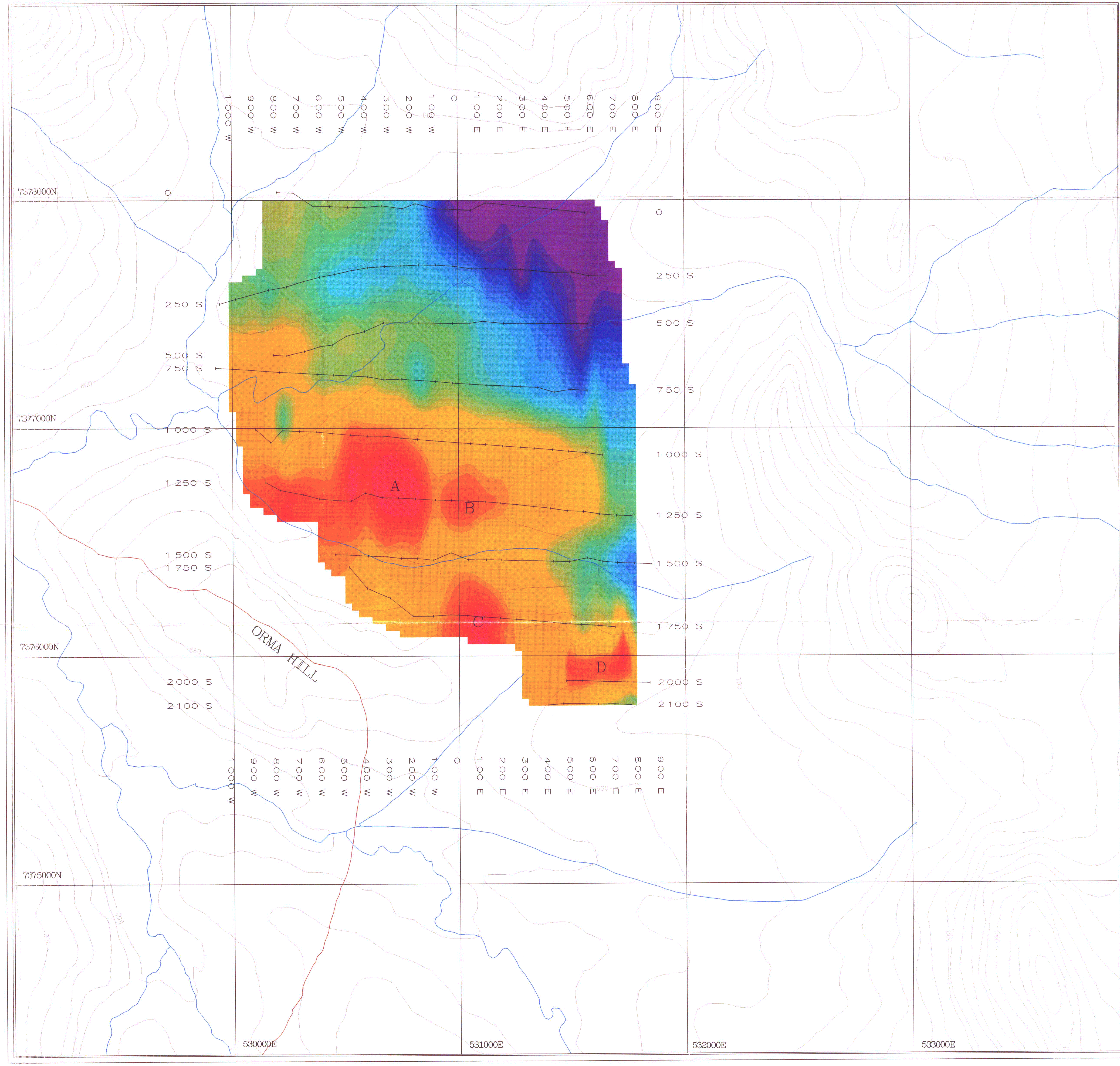

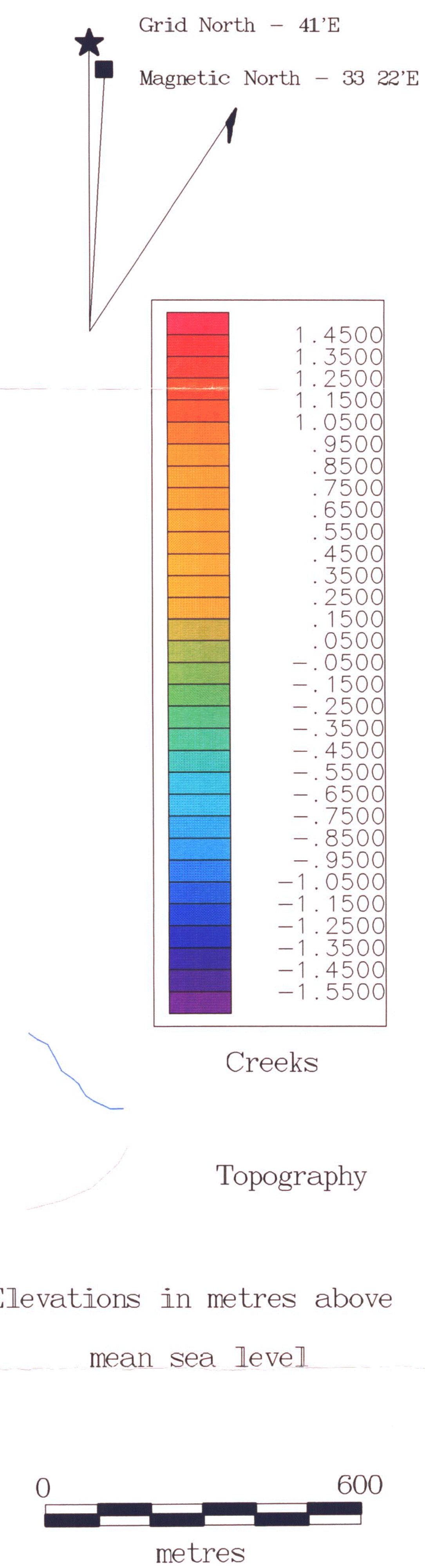

Scale: 1:7,500

REGISTERED PROFESSIONAL GEOPHYSICIST M.A. POWER LICENSEE N.W.T.

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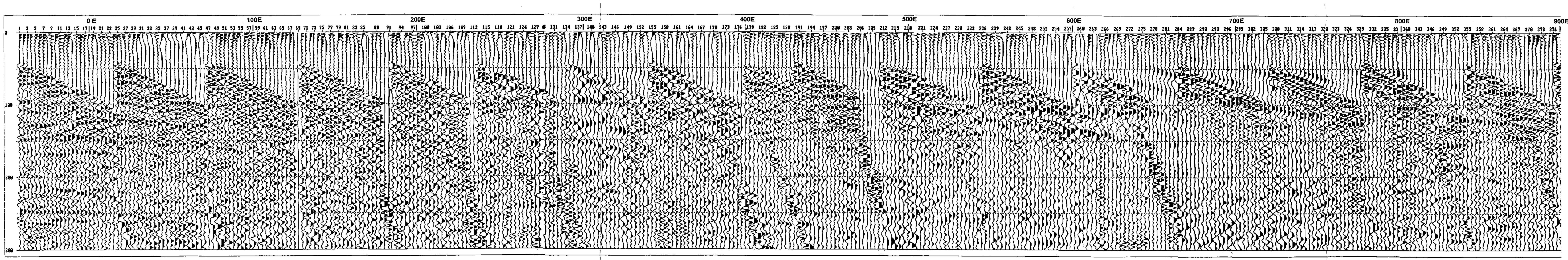
EAGLE PLAINS RESOURCES LTD.

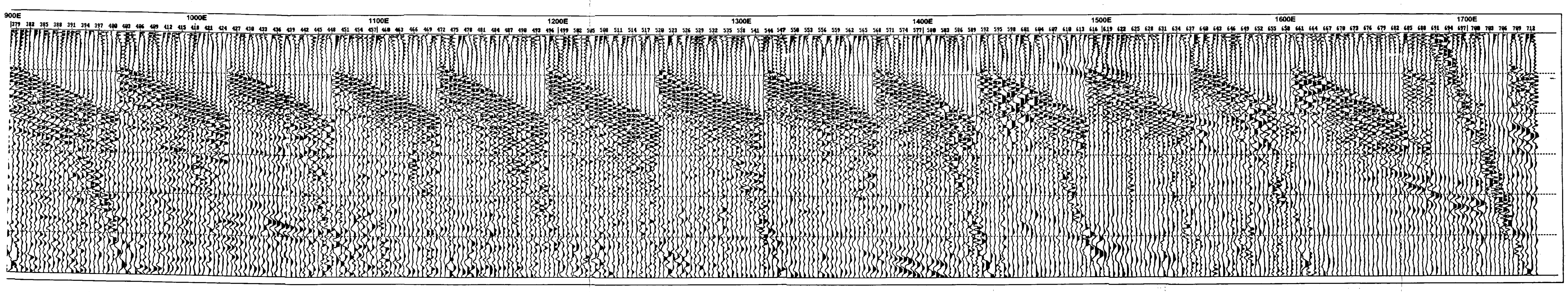
RUSTY SPRINGS PROJECT

NTS 116 K/9

RESIDUAL BOUGUER GRAVITY WITH TOPOGRAPHY

Amerok Geosciences Ltd.

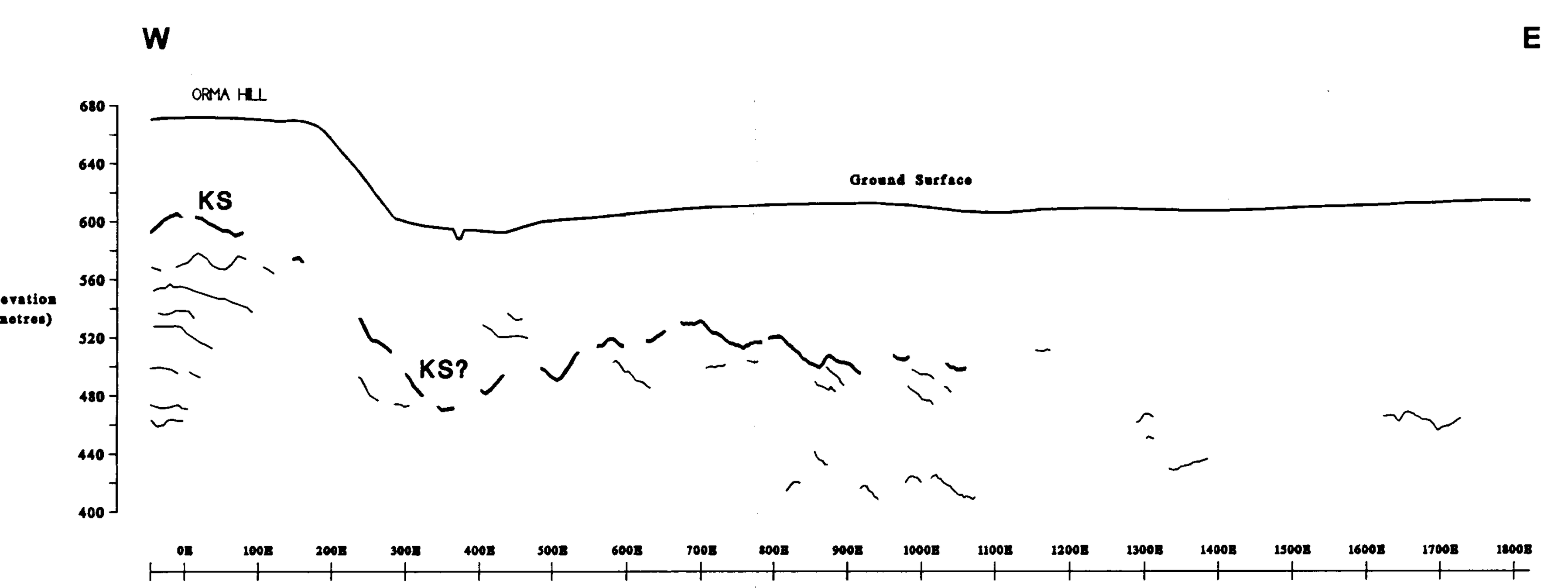




SURVEY SPECIFICATIONS

ACQUISITION		PROCESSING	
Channels:	24	Statics:	No correction applied
Fold:	1 (100%) - Trace 1-190 2 (200%) - Trace 191 - end	Mute:	Bottom (ground roll)
Phone spacing:	5 m	Filters:	5 Hz - low truncation 15 Hz - low cut 250 Hz - high cut 300 Hz - high truncation
Shot interval:	90 m (Trace 1 -190) 60 m / 120 m (Trace 191-end)	Gain:	Exponential (8.0) AGC - 200 ms
Source:	Dynamite / surface	Deconvolution:	Analysis 0-400 ms Operator length: 80 ms Pre-white: 1% Zero phase
Source array:	3-shot stack array w/2.5 m spacing (Trace 1-190) Single shot (Trace 191-end)	NMO velocity:	1600 m/s
Record length:	1024 ms	F-k filtering	After NMO , stack
Sampling:	0.5 ms	Datum:	Mean Sea Level
Acquisition filters:	500 Hz high cut		
System:	Strataview S-48		
Phones:	Mark 40 Hz.		

INTERPRETATION SECTION



Depths to reflections calculated using RMS velocity of 1600 m/s

KS Katshat Horizon: occurs at 80 m depth in hole 96-14, corresponding to reflection indicated in the section.

Inferred extension of this reflection based on similar response and relation of the extension to underlying reflections

0 — 200 metres

Horizontal scale: 1:6,000
Vertical Scale: 1:3,000

Vertical Exaggeration: 2.0

Elevations in metres above Mean Sea Level

REGISTERED PROFESSIONAL GEOPHYSICIST M. A. POWER LICENSEE JUN 1 98 N.W.T.

093921

TIME SECTION SCALE

HORIZONTAL: 1:1,111
VERTICAL: 1 cm = 25 ms

Dwg ②

EAGLE PLAINS RESOURCES LTD.	RUSTY SPRINGS PROPERTY
REFLECTION SEISMIC SURVEY COMPOSITE SECTION	MINING DISTRICT: DAWSON NTS: 116 K 9 — SCALE: 1:6,000 DRAWN BY: M.P.
AMEROK GEOSCIENCES LTD.	DATE: 31MAY98 — FIGURE: 10

1998 RUSTY SPRINGS AERIAL RECONNAISSANCE AND PROSPECTING/SAMPLING PROGRAMME

JUNE, 1998

ADDENDUM TO :

GRAVITY AND REFLECTION SEISMIC SURVEYS ON THE RUSTY SPRINGS PROPERTY, NORTHERN YUKON TERRITORY

Dated: MAY 31ST, 1998

By: Mike Power, M.Sc. P.Geoph.

Amerok Geosciences Ltd

Submitted By:

Tim J. Termuende, P.Geo.

Toklat Resources Inc.

2720-17th Street South

Cranbrook, BC   V1C 4H4

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Summary

A geophysical program was carried out in May, 1998 on the Rusty Springs property by Amerok Geosciences Ltd. of Whitehorse, Yukon. The purpose of the gravity and seismic reflection geophysical survey was to test for the presence of Katshat stratigraphy and associated mineralization northeast of the Orma Hill. This area lies between a prominent oolitic iron formation and mineralization delineated by drilling on the Orma Hill, and is considered to be prospective for the presence of Mississippi Valley Type ("MVT") mineralization.

Following presentation of the report by Amerok, the directors of Eagle Plains Resources contracted the author to carry out a field inspection of the survey area, and ground-truth any anomalies indicated. In addition, an aerial reconnaissance was made of the entire property area, and any gossanous zones located were subsequently sampled.

Dr. R.W. Hodder, Ph.D., P.Eng., visited the property for four days in 1997, making a cursory examination of existing drillcore, outcrop, trenches and technical data. Following his study, he concluded that "*The limonitic interval at Rusty Springs is a resource of hundreds of millions of tons, but of very subeconomic amounts of base and precious metals...the limonitic interval and its enclosed quartz veins and lamellae are however vital symptoms that ore-forming processes existed for major deposits of silver-lead-zinc... deposits of this type cluster in districts of enormous potential*".

Further work is recommended for the property. The 1997 confirmation of a specific mineralized horizon over considerable aerial distribution, and geophysical indications of a shallow continuation of the Katshat to the northwest coupled by high-intensity gravity anomalies, make excellent drill-targets. A three-hole, $220,000 diamond-drill program is proposed for the 1999 season.

1998 Program

1998 project management was contracted to Toklat Resources Inc., of Cranbrook, B.C.. Tim J. Termuende, P.Geo. Principal of Toklat, was accompanied by Geologist Mike Burke of the Yukon Geology Program and R. W. Termuende, P.Geol., President of Eagle Plains Resources to Dawson City, Yukon on June 21st, 1998. Mobilization to Rusty Springs was to take place on June 22nd, but poor weather prohibited the move until June 25th. Due to the delay, Mr. Burke was unable to travel to the property, and the program was scaled down to a single day, utilizing extensive helicopter support. A Bell 206 from Fireweed Helicopters of Dawson City was contracted to carry out the work.

Three specific areas of interest as outlined in the Power report (1998) were visited, all located to the northeast of the Orma Hill. In addition, the entire property area was systematically flown at a low-level, in an attempt to located any gossanous areas, and to define the Katshat/Ogilvie Formation (shale/dolomite) contact. A total of 7 samples were taken, and shipped to Eco-Tech Labs at Kamloops, BC. Samples were then dried, sieved to -80 mesh and analyzed for 30 element ICP using aqua-regia digestion. Sample locations are shown in Figure 1, following this report.

Discussion of Results

The three areas of interest indicated in the Power report (1998) were all visited on the ground by the author. Unfortunately no outcrop exposures are visible, and no samples of local host-rock were collected. However, to the north of the anomaly area, Downie (1997) mapped in shale material which collaborates with the seismic profiles obtained during the geophysical survey. This would suggest that the shale/dolomite interface is buried at depth in the area, and would make an attractive drill target.

Elsewhere on the property seven rock samples were collected. Though most did not return anomalous results, sample TTRS98R03, taken of rusty-weathering, dolomitized fossiliferous limestone near a shale/dolostone contact returned 0.8 g/t Ag and 60 ppm Pb, and 366 ppm Zn.

Conclusion and Recommendations

Based on a thorough review of the Power report (1998) and subsequent field inspection of the Rusty Springs property, it is apparent that the favorable stratigraphic contact delineated by 1997 drilling may be located to the northeast of the Orma Hill, and is indicated by seismic data to occur at a relatively shallow depth. The coincident presence of three "high amplitude, positive residual Bouger (gravity) anomalies" in the area further underscores the potential of the target. The location of the anomalies in a low-lying area also increases the potential for the preservation of sulphide mineralization below the water-table.

Focus should also be placed on the dolomite/chert contact elsewhere on the property, particularly in areas where the contact occurs below the water table (past and present). These areas include the Ullr showing, located approximately 1 kilometre southwest of the Rusty Springs camp.

A three-hole, 1500' (460m) helicopter-supported drilling program is recommended for the property. The purpose of the program is to test the three anomaly areas (A-C), as indicated in the Power report. An estimated budget for the work follows:

Program Budget

Diamond Drilling-460 meters @ $120/m	$55,000
Personnel	25,000
Analytical	5,000
Helicopter	30,000
Mob/Demob	40,000
Heavy Equipment	10,000
Meals/Accommodation	12,500
Rentals	10,000
Field Supplies	2,500
Travel	5,000
Report	5,000
Sub-Total:	200,000
Contingency (10%)	20,000
Total:	**$220,000**

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APPENDIX 1

CERTIFICATE OF QUALIFICATION

CERTIFICATE OF QUALIFICATION

I, Tim J. Termuende, of 2720-17th St. South in the City of Cranbrook in the Province of British Columbia do hereby certify that:

1) I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (#19201).

2) I am a graduate of the University of British Columbia (1987) with a B.Sc. degree in Geology, and have practised my profession as geologist continuously since graduation.

3) This report is supported by data collected during fieldwork conducted on the Rusty Springs property on June 25th, 1998.

4) I have no direct interest in the Rusty Springs claims. I presently hold 207,000 shares of Eagle Plains Resources.

Dated this 30th day of November, 1998 in Cranbrook, British Columbia.

TOKLAT RESOURCES INC.

Tim J. Termuende, P.Geo.
President

APPENDIX II

STATEMENT OF EXPENDITURES

Cost Outline, Rusty Springs Program, 1998

Tim J. Termuende, P.Geo.: 7.0 days x $425.00/day	$ 2,975.00
Helicopter (Fireweed Helicopters	3,149.81
Analytical (Eco-Tech Labs)	65.91
Recording Fees	2,562.65
Meals/Accommodation	1,736.50
not elegible → Airfare:	4,363.46
Materials:	354.04
Gasoline:	62.40
Drafting/Reproduction:	1,617.38
Taxi:	18.00
Shipping	22.77
Total:	**$16,927.92**

7-Aug-98

ECO-TECH LABORATORIES LTD.
10041 East Trans Canada HWY
KAMLOOPS, B.C.
V2C 6T4

Phone: 604-573-5700
Fax : 604-573-4557

ICP CERTIFICATE OF ANALYSIS AK98-392

TOKLAT RESOURCES INC.
2720-17th STREET SOUTH
CRANBROOK, B.C.
V1C 4H4

ATTENTION: TIM TERMUENDE

No. of samples received: 7
Sample Type: Rock
PROJECT #: RS98
SHIPMENT #: RS9801
Samples submitted by: T. Termuende

Values in ppm unless otherwise reported

Et #.	Tag #	Ag	Al %	As	Ba	Bi	Ca %	Cd	Co	Cr	Cu	Fe %	La	Mg %	Mn	Mo	Na %	Ni	P	Pb	Sb	Sn	Sr	Ti %	U	V	W	Y	Zn
1	TTRS98R01	<0.2	0.21	10	115	<5	0.01	<1	<1	65	8	1.88	<10	<0.01	13	6	0.03	<1	330	10	<5	<20	28	<0.01	<10	10	<10	<1	<1
2	TTRS98R02	<0.2	2.96	10	225	15	3.85	1	18	119	24	9.88	<10	1.22	411	9	0.02	68	7140	22	<5	<20	268	<0.01	<10	108	<10	73	178
3	TTRS98R03	0.8	0.36	70	120	45	0.50	1	30	21	50	>10	<10	<0.01	31	41	0.01	160	200	60	<5	<20	13	<0.01	10	13	<10	<1	366
4	TTRS98R04	<0.2	0.81	<5	45	<5	4.40	<1	4	48	19	2.40	<10	0.56	98	2	0.01	22	240	10	<5	<20	127	<0.01	<10	17	<10	4	58
5	TTRS98R05	<0.2	0.06	<5	25	<5	5.15	<1	<1	108	3	0.54	<10	0.04	77	13	<0.01	15	60	6	<5	<20	79	<0.01	<10	4	<10	2	30
6	TTRS98R06	<0.2	2.62	15	65	15	0.20	<1	8	110	9	6.80	<10	0.95	71	7	0.01	22	950	24	<5	<20	25	<0.01	<10	41	<10	<1	86
7	TTRS98R07	<0.2	0.05	<5	20	<5	0.02	<1	<1	125	2	0.35	<10	<0.01	35	6	<0.01	<1	50	2	<5	<20	8	<0.01	<10	1	<10	<1	<1
QC/DATA:																													
Resplit:																													
1	TTRS98R01	<0.2	0.22	10	110	5	<0.01	<1	<1	88	7	1.93	<10	<0.01	13	8	0.03	<1	330	8	<5	<20	22	<0.01	<10	11	<10	<1	<1
Repeat:																													
1	TTRS98R01	0.2	0.22	10	110	<5	0.01	<1	<1	63	8	1.86	<10	<0.01	11	6	0.03	<1	340	10	<5	<20	22	<0.01	<10	10	<10	<1	<1
Standard:																													
GEO'98		1.0	1.77	65	160	5	1.77	<1	19	67	81	4.13	<10	0.97	700	<1	0.03	25	670	24	<5	<20	56	0.11	<10	78	<10	6	67

per ECO-TECH LABORATORIES LTD.
Frank J. Pezzotti, A.Sc.T.
B.C. Certified Assayer

df/334
XLS/98Toklat
fax:250-426-6899

APPENDIX III

ANALYTICAL RESULTS

APPENDIX IV

ROCK SAMPLE DESCRIPTIONS

Rock Sample Descriptions- Rusty Springs 1998

TTRS98R01: Rock-In situ; shale/dolomite contact. Rusty fracture surfaces, cross-cutting calcite stringers.

TTRS98R02: Rock-In situ, location as above; flaggy dolostone/argillite

TTRS98R03: Rock-In situ; rusty, dolomitized fossiliferous limestone.

TTRS98R04: Rock-In situ, location as above; limestone.

TTRS98R05: Rock-In situ; dolomitic limestone.

TTRS98R06: Rock- In situ; rusty-weathering argillite.

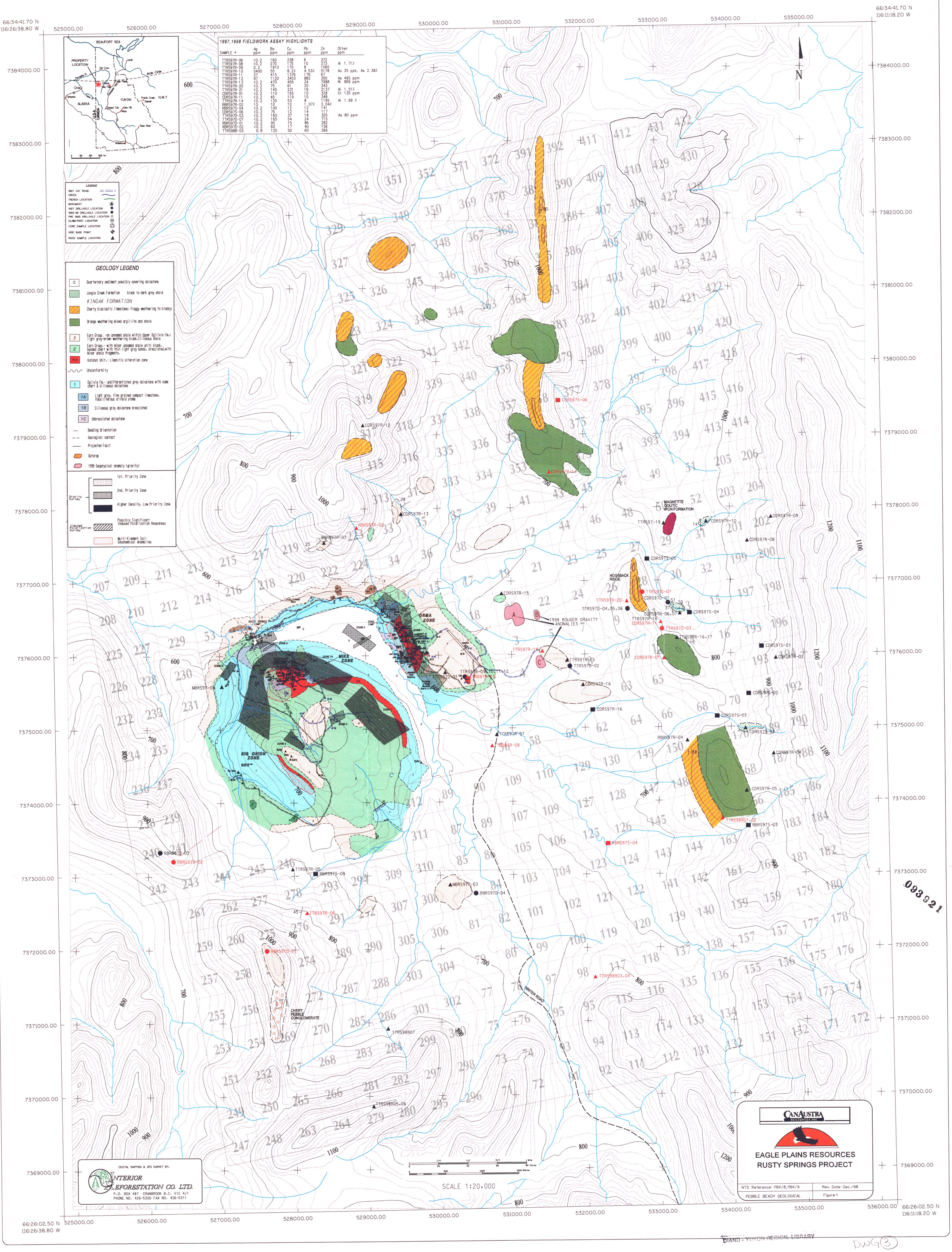
TTRS98R07: Rock-In situ, location as above; impure quartzite.

Statement of Expenditures
Rusty Springs Geophysical Program-Spring, 1998

Geophysical Survey (Amerok Geosciences)........................	$ 36,239.71
Fixed-Wing Charter (Aklak Air):..	9,775.29
(Bonanza Aviation):................................	1,113.44
Tim J. Termuende, P.Geo.: 2.0 days x $425.00/day...............	850.00
Equipment Rental:..	700.00
Handling Fees:..	4,712.84
Total:	$ 53,391.28

The above costs were incurred on the Rusty Springs property for the purpose of mineral exploration, and are intended to be applied toward renewal of the claims comprising the property, as outlined in the text of this report.

Tim J. Termuende, P.Geo.



1997,1998 FIELDWORK ASSAY HIGHLIGHTS

SAMPLE *	Ag ppm	Ba ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
TTRS97R-06	<0.2	160	238	6	372	
TTRS97R-08	<0.2	270	175	10	373	Al 1.71%
TTRS97R-09	0.2	1910	170	8	1060	
TTRS97R-10	5400	55	8.2%	4.53%	5178	Au 35 ppb, As 2.38%
TTRS97R-11	27	415	1376	176	67	
TTRS97R-12	97	1120	3453	882	350	As 495 ppm
TTRS97R-13	<0.2	470	455	24	7988	Ni 869 ppm
TTRS97R-20	<0.2	75	61	20	343	
TTRS97R-21	<0.2	145	231	16	2137	Al 1.51%
CDRS97R-01	<0.2	110	165	10	328	Cr 135 ppm
CDRS97R-11	<0.2	45	119	10	348	
TTRS97R-14	<0.2	125	53	8	1195	Al 1.89 %
RBRS97R-02	10	10	10	1.07%	2.04%	
RBRS97S-04	<0.2	100	12	12	141	
CDRS97S-06	<0.2	75	12	14	117	
TTRS97D-03	<0.2	160	37	18	305	As 80 ppm
TTRS97D-07	<0.2	165	54	24	715	
RBRS97D-01	<0.2	95	15	86	282	
RBRS97D-02	<0.2	60	17	40	156	
TTRS98R-03	0.8	120	50	60	366	

DWG 3