2001 Report on Field Activities

for The Regal Ridge Project

of the

Goal Net Property
Goal 296-YB77177

Latitude 61°20′N; Longitude 130°32′W

in the

Watson Lake Mining District
Yukon Territory

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for

True North Gems Inc.

Report approved for
$ ~~37,900.00~~ 9,300.00
Mining Recorder
Oct 9/02

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 $ 9300.

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

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Introduction

In June 2001, True North Gems Inc. entered into an option agreement with Expatriate Resources Ltd. (EXR.cdnx) to acquire a 50% interest in the Regal Ridge Emerald Property in the Finlayson Lake region, Yukon, Canada. Under the terms of the option agreement, True North must incur annual exploration expenditures of $100,000 prior to March 1, 2002 and $250,000 in each of the following years, until Aggregate Expenditures total C$1.1 million and make cash payments totaling $50,000.

Expatriate discovered the emerald occurrence at Regal Ridge in 1998 while exploring a base metal geochemical soil anomaly. Approximately one kilogram of emerald material was collected from float and outcrop during a two-hour examination within a 30 x 100 metre area..

Follow-up of the discovery in the summer of 1999 demonstrated that the emerald occurrence had size potential. Prospecting and sampling of the area has defined Beryl over an area of 800 x 400 metres. Sampling and processing of subcrop and talus material produced numerous small, gem quality emeralds with excellent colour and clarity. The emeralds identified to that point had been recovered from surface and hand-dug pits where chemical and mechanical weathering may have caused fracturing and alteration. Study of the emerald samples has confirmed that, in some cases, the recovered gemstones represent crystal fragments and that the potential for the occurrence of large gemstones on the property was excellent.

1.0 Property, Location and Access

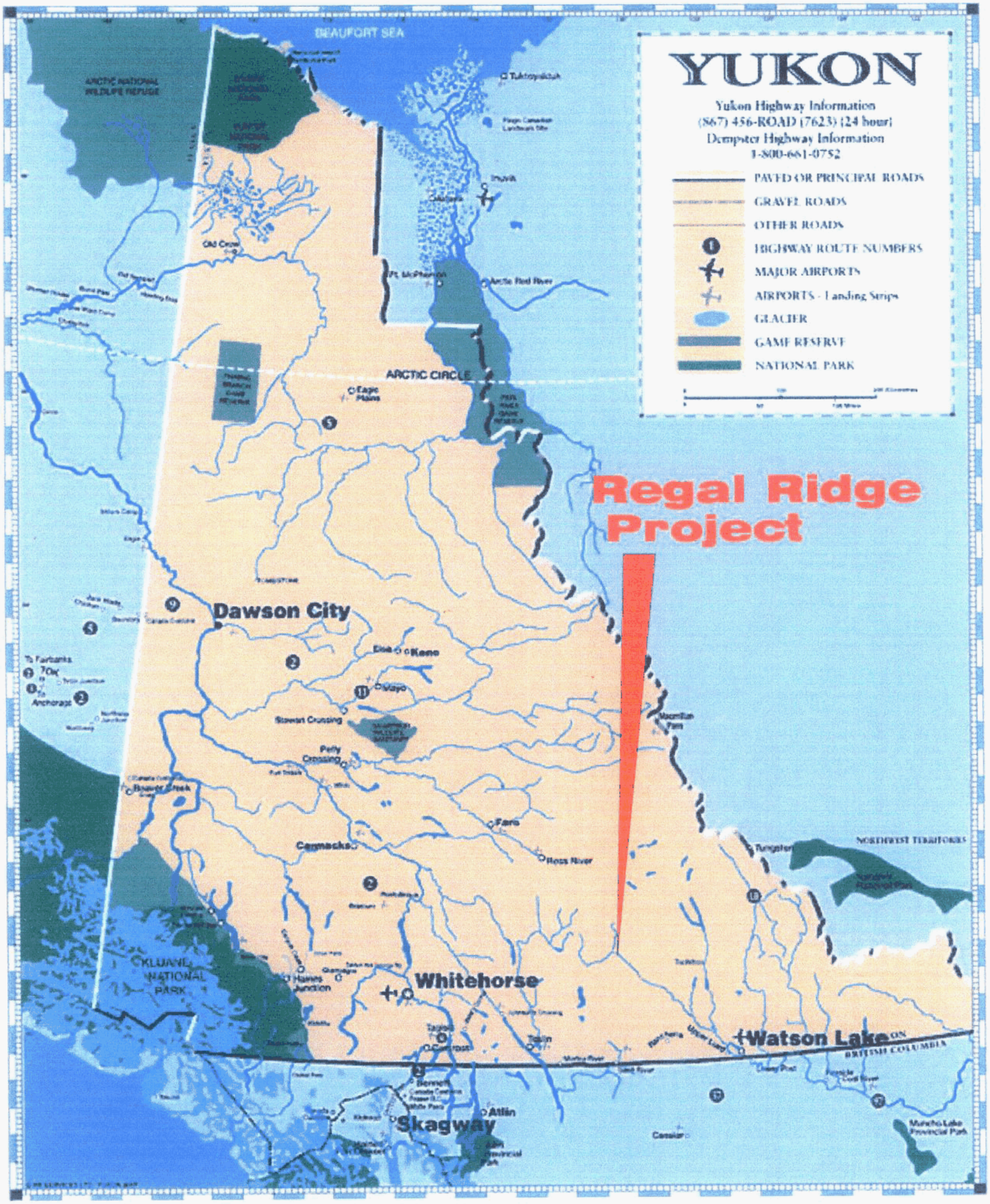
The property is located in southeastern Yukon at Latitude 61°20'N and longitude 130°32'W on NTS map sheets105G/7 & 8 (**Figure 1**). It is composed of 93 claims registered with the Watson Lake Mining Recorder in the name of Expatriate Resources Ltd. Claim registration data are listed in Table 1 below.

TABLE 1 Claims

Claim Group	Claim Number from	Claim Number to	Number of Claims	Record Number from	Record Number to	Expiry Date	Mining District
Goal	204		1	YB70474		17-March-11	Watson L.
Goal	213	230	18	YB76789	YB76806	17-March-11	Watson L.
Goal	233	250	18	YB76809	YB76826	17-March-11	Watson L.
Goal	252	270	19	YB76828	YB76846	17-March-11	Watson L.
Goal	283	303	21	YB77164	YB77184	17-March-11	Watson L.
Goal	304	319	16	YB76860	YB76875	17-March-11	Watson L.
TOTAL			93				

The area covered in this report is located 42 km south of the Robert Campbell Highway and 230 km northeast of Whitehorse in the Pelly Mountains, southeastern Yukon. There is a private, all weather access road from the Robert Campbell Highway at Finlayson Lake south to the Kudz Ze Kayah Deposit. Access to the property was gained by helicopter staged from the Kudz Ze Kayah Deposit and by a one time access trail for the 225 Caterpillar Excavator used in the trenching activities.

Figure 1 Location Map



2.0 Geomorphology

The "Crown Showing" occurs in the rugged terrain of the Pelly Mountains approximately 7 km northwest of Fyre Lake. It occurs entirely within the Liard River Watershed. Elevations on the property range from 1200 m in the river valley bottoms to 1800 m on ridge tops.

"Regal Ridge" itself is a northwest-trending ridge characterized by a steep (maximum angle of repose) north-facing slope with abundant outcrop and a more gently sloping face with much more talus cover and less outcrop.

Vegetation consists of dense "buckbrush" in the flat, broad river valley bottoms, grading into dense growths of ever more stunted balsam, black spruce and occasional pine on the lower slopes, and eventually dwarf willow, birch, alpine grasses at elevations above 1550 m. The ridge tops only support lichen and very sparse alpine grasses.

3.0 Regional Geology

Murphy (1997) has compiled the regional geology underlying the area covered in this report. The main lithotypes involved include Paleozoic metasedimentary and metavolcanic rocks of Murphy's Layered Metamorphic Rocks (LMR) and a variety of intrusive rocks. The pertinent units of Murphy's LMR include members of units 1,2, and 3. These are listed in **Table 2**, a stratigraphic section for the area, and **Figure 2** is a depiction of the regional geology for the area peripheral to the project area.

The oldest recognized rocks in the area is an upper quartzose metaclastic unit (1qsu) of probably Pre-Mississipian age, which appears to grade upwards into a mainly chloritic schist unit with minor intercalations of quartzite and phyllites (2m). This in turn is overlain by a felsic to mafic volcanic sequence with minor intercalations of quartzite and argillaceous marbles (unit 3). This entire package is intruded by several igneous rocks ranging from Mississipian age (metagabbros and metapyroxenite sills of unit 2mum) to Cretaceous (the highly evolved Be-bearing granitic rocks of unit Kg) and finally Tertiary feldspar porphyry dikes (unit Td).

Unit 2 of Murphy's LMR hosts Beryl mineralization where Quartz veins cut mica-rich layers. These volcanic rocks of arc-backarc succession include boninite, low Ti Tholeite, Normal Mid-Ocean Ridge Basalt, and transitional Light Rare Earth Element (LREE)-enriched tholeite. In the area of the showing, boninites predominate and overlie a thick wedge of variably serpentinized mafic and ultramafic meta-plutonic rocks interpreted to be a co-magmatic sill (Murphy, 1998a,b)(Murphy and Piercey, 2001).

The project area falls into the tectonic setting of the Yukon-Tenana terrane, the main body of which lies within the Tintina and Denali Fault Zones. Both of these are northwesterly-trending right lateral

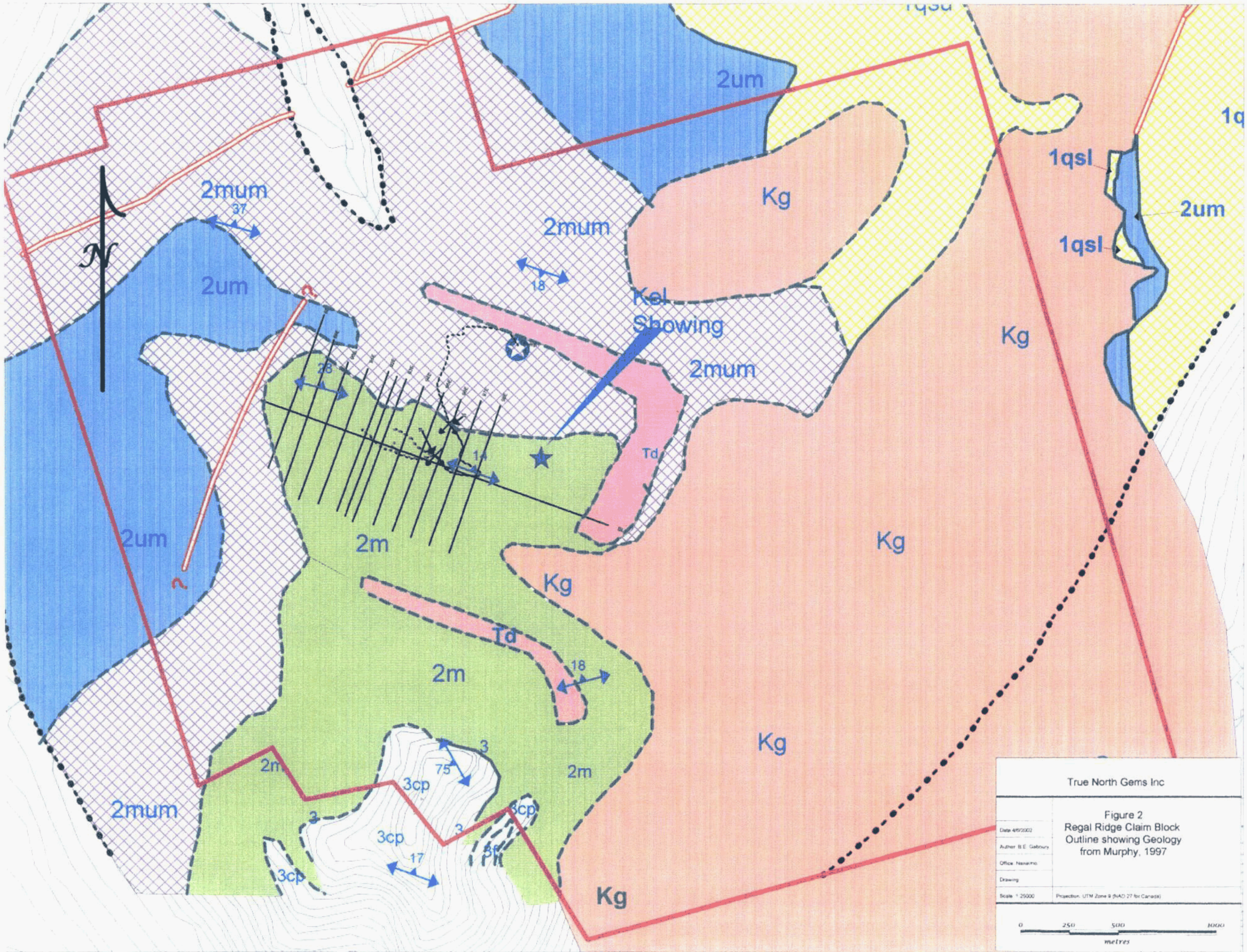

2um
2mum
2um
2mum
Kg
2um
1qsl
2um
1qsl
Kel
Showing
2mum
Kg
37
18
28
14
Td
2m
2um
Kg
Kg
Td
18
2m
2m
2m
2mum
3cp
3cp
3cp
3cp
3
3
3
75
17
Kg
Kg
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Figure 2
Regal Ridge Claim Block
Outline showing Geology
from Murphy, 1997
Office Nanaimo
Drawing
Scale 1:25000
Projection UTM Zone 9 (NAD 27 for Canada)
0
250
500
1000
metres

TABLE 2 REGIONAL STRATIGRAPHY

UNIT	NAME	AGE	DESCRIPTION	MINERALIZATION
QUATERNARY				
Q		Quaternary	Unconsolidated alluvium, colluvium and lacustrine and glacial deposits	
INTRUSIVE ROCKS				
Td	**Quartz-Feldspar porphyry**	Tertiary	Pale green-gray to tan unfoliated intrusive rock consisting of Biotite, Hornblende,Plagioclase Feldspar, and Quartz phenocrysts up to1cm across, in a Quartzofeldspathic groundmass. Comprises dikes and plugs in the eastern and southern parts of the property, which are seldom more than 20 m thick.	
Kg	**Biotite-Muscovite Granite**	Cretaceous	Massive, gray to brown, medium to coarse grained, generally equigranular; forms a large stock along the eastern edge of the property . Margin zone <100 m thick, somewhat more muscovite rich. QFBM Pegmatitic segregations within the stock.	fg. purple fluorite & garnet; common pegmatite accessory minerals
2um	**Pyroxenite Ultramafic**	Mississipian?	Massive to layered metamorphosed ultramafic rocks including Dunite and dark brown to green Pyroxenite; strongly magnetic and locally serpentinized, occurs on the western and northern flanks of the property.	
2mum	**Metagabbro**	Mississipian	(North Lakes Metadiorite) Weakly to moderately foliated, medium to dark green rock composed of Biotite, Actinolite and Plagioclase. Some Chlorite development and minor stubby Tourmaline crystals along foliation planes.	
Layered Metamorphic Rocks				
3cp	**Sandy Marble**	Mississipian	dark grey, carbonaceous Muscovite-Quartz schist, quartzite thinly laminated with argillaceous partings and Quartzite, tuff and schist interbands. Ranges from marble to calcareous Quartzite.	minor foliaform pyrite
3f	**Felsic Metatuff**	Mississipian	The bulk of Unit 3 comprises Quartzite, but it does locally contain schistose metavolcanic subunits varying from felsic to mafic composition. Felsic end members are tan to yellow weathering subunits 0.5 to 5.0 m thick, consisting of Quartz,Muscovite and Sericite. More intermediate members are dull grey-brown, thicker (up to 30 m thick) and locally calcareous and garnetiferous	some disseminated sulfide mineralization associated with skarnification in more intermediate members
2t	**Muscovite-Tourmaline Schist**	Mississipian	Well foliated and friable "golden-rusty weathering" schist composed of Muscovite, Tourmaline and minor Quartz. Tourmaline occurs along foliation as dull black masses and as "bird's foot" textured layers. Was recognized as occuring as interbands within the Chlorite Schist (Unit 2m)	Green Beryl and Emerald found at the contact of 2t units and Quartz-Tourmaline vein and pods
2m	**Chlorite Schist**	Mississipian?	Olive green, pervasively foliated rock composed of Chlorite, Biotite, Actinolite and minor Calcite. It represents the main lithotype in the project area. May contain local intercalations of calcareous Phyllite, Quartzite, and "Golden Schist". Interpreted to be of mafic to ultramafic volcanic origin (Bononites)	Tourmaline as masses or "bird's foot" textured layers; Quartz, garnet and epidote accessories.
1qsu	**Quartzite**	Pre-Miss.?	The Lower Quartzose Metaclastic Unit; A pale orange -grey to tan, non-calcareous and moderately micaceous meta-arenite composed of sucrosic silica with biotite and white Mica in equal amounts.May also contain lesser amounts of Quartz Pebble Conglomerate, Chlorite-Biotite Schist and grey carbonaceous Quartzite.	May contain heavy disseminations of pyrite and pyrrhotite.

faults of large displacement. The Finlayson Lake segment is a lozenge-shaped body on the northeast side of the Tintina Fault Zone, interpreted to be displaced from the main body of the Yukon-Tanana terrane by 450 km of right lateral movement (Hunt,1997).

Murphy's LMR described above has been subjected to two phases of deformation, bringing the rocks to greenschist to lower amphibolite facies metamorphism. A near flat-lying foliation subparallel to the compositional layering is the dominant structural fabric. It is related to Phase 1 deformation and is preserved as crenulation cleavage developed parallel to the axial planes of recumbent isoclinal folds. These isoclinal folds manifest themselves in numerous locations in the project area in quartz sweats and silicious horizons. The foliation itself strikes west to northwest and dips gently to the north and northeast. The folds are locally north verging and the axes plunge gently to the west between 5° and 10°.

One regional scale fault occurs on the east edge of the project area and juxtaposes the ultramafic unit, 2mum, against the LMR. Smaller scale late stage faults, associated with Quartz ± Tourmaline ± carbonate veins are widespread in the project area. They commonly exhibit two orientations. One set is steeply dipping striking northwesterly or northeasterly while the other set strikes northeast and is gently northwest dipping. Work done in the project area up to 1999 indicated that only the shallow dipping set had associated Quartz-Tourmaline veins which could produce Beryl mineralization.

4.0 Previous Work

Field activities in 1998 were focused in the vicinity of what are now known as areas 4,9 & 10. Three hand dug trenches encountered chloritic schists with Quartz-Hornblende-Tourmaline veins and sweats, and tan-colored schists.The fabric was found to trend westerly and dip 18° to 40° to the north. Occasional beryl mineralization was found at vein contacts or in "hornblende" masses within shear zones. The best "Emerald-Scheelite" mineralization was found to be associated with the intersection of two shear zones. Wengzynowski (1998) reports that the occurrence of Scheelite is structurally controlled with the best mineralized shears striking between Az070 and Az105 with steep southerly dips. Several of such shears were observed to cross-cut a gabbro dike in one of the trenches, suggesting a correlation between gabbro dikes and mineralized shears. Pyrite and chalcopyrite mineralization was occasionally observed within or near the shears and Quartz veining.

The Quartz-Tourmaline veins affiliated with Emerald mineralization appear to be genetically linked to one of the largest bodies of mid-Cretaceous granite in the area (Groat, 2001). This is a zoned pluton which is exposed 600 m to the east of the Emerald Showing. The closest exposed portion appears to be a marginal Muscovite Granite that grades rapidly westward to the more typical reddish-weathering Biotite-Muscovite Granite. Tourmaline is a common accessory mineral present as disseminations and within the Quartz veins which occur within and around the granite.

Emerald exploration became the focus of field activities in 1999. These activities included the establishment of a 1200 X 600 m control grid with 50m square spacings (down to 25 m in crucial areas), followed by talus fines soil sampling and mapping. Beryl- bearing talus fines and bedrock were collected and processed from six occurences yielding some 5000g of rough green beryl. **Figure 3** is a geological map of the "Crown Showing" showing the location of Emerald mineralization encountered in the 1998 and 1999 field season.

4.1 Soil Geochemistry

Talus fines collected were subjected to seiving at -80 mesh, digested with standard aqua regia leach and analyzed for 32 elements by Induced Coupled Plasma technique. The digestion process for Be and W are partial and so values reported are qualified as being lower than absolute. Threshold values are depicted in **Table 3** below.

Wengzynowski (2000) reports a strong correlation between Beryllium and Tungsten and a reasonable correlation with Copper. He states that the strongest Tungsten response coincides with the near flat -lying Muscovite-Tourmaline Schist horizons mapped in the area..

Table 3: Elemental Threshold Values (depicted in ppm)

Element	Weak	Moderate	Strong	Peak Value (ppm)
Copper	50	100	200	1605
Beryllium	1	2	4	28.5
Tungsten	15	30	60	790

Beryllium contour data are depicted in **Figure 4** . There are two distinct anomalous bands that straddle the ridge, extending some 700 m westerly along the ridge between lines 94+50 E and 87+50 E. The anomaly was left opened to the north and northwest.

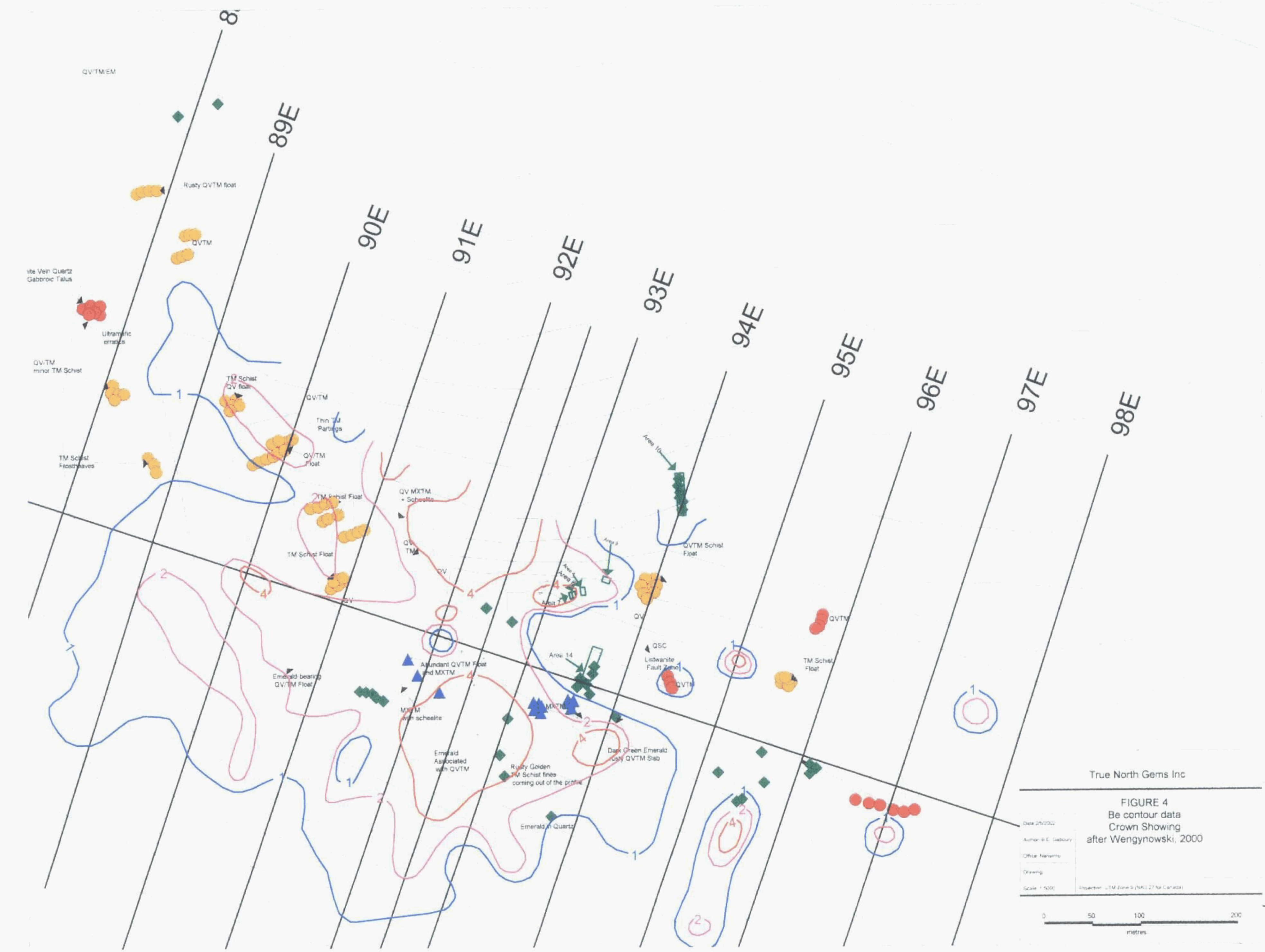

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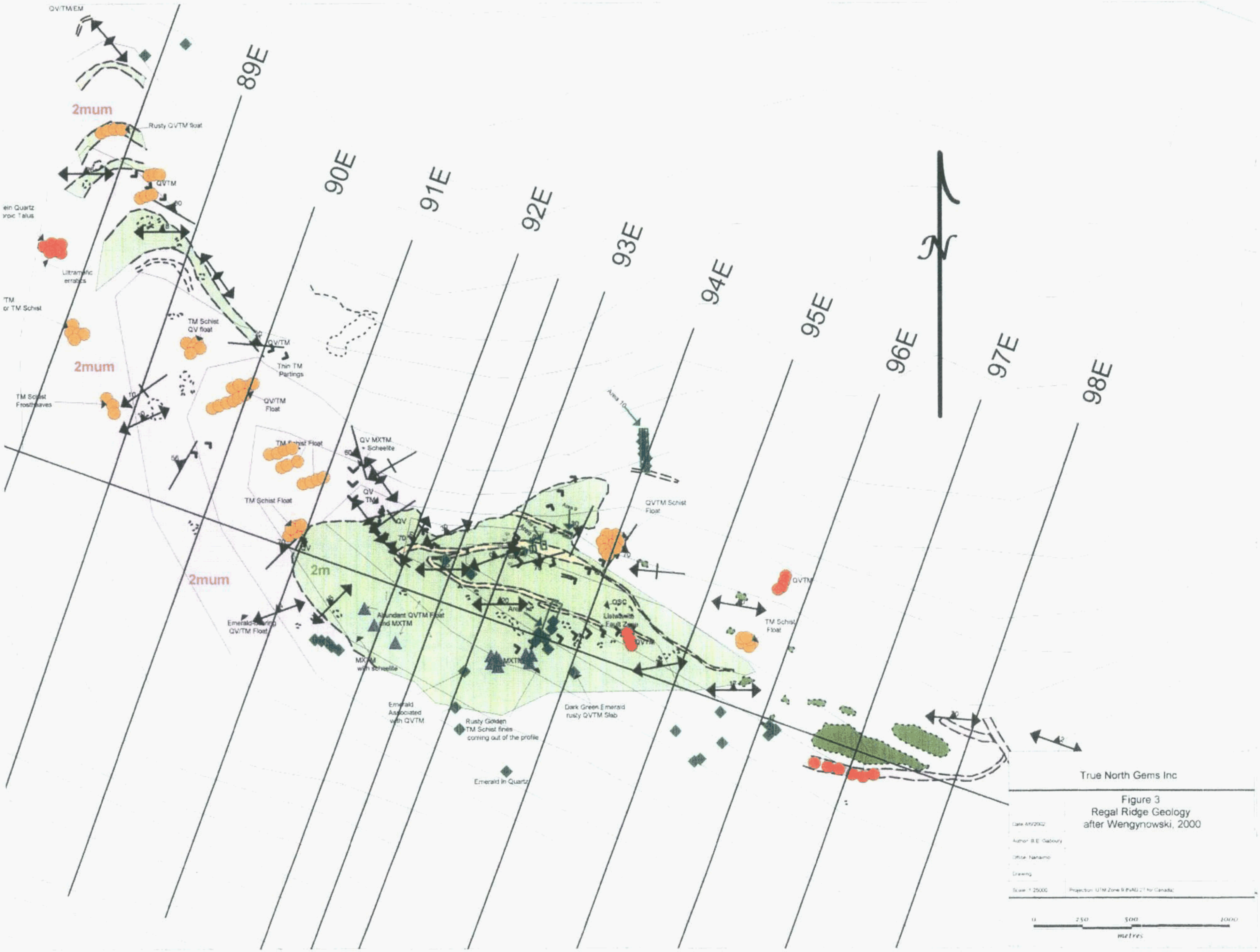
FIGURE 4
Be contour data
Crown Showing
after Wengynowski, 2000



QV/TM/EM
89E
90E
91E
92E
93E
94E
95E
96E
97E
98E
2mum
Rusty QVTM float
QVTM
Ultramafic erratics
TM Schist QV float
2mum
QV/TM
Thin TM Partings
TM Schist Frostheaves
QV/TM Float
TM Schist Float
QV MXTM + Scheelite
TM Schist Float
QV
2m
2mum
Emerald-bearing QV/TM Float
Abundant QVTM Float and MXTM
MXTM with scheelite
Emerald Associated with QVTM
Rusty Golden TM Schist fines coming out of the profile
Emerald in Quartz
Dark Green Emerald rusty QVTM Slab
QVTM Schist Float
Listwanite Fault Zone
QVTM
TM Schist Float
Area 10
N
True North Gems Inc
Figure 3
Regal Ridge Geology
after Wengynowski, 2000
Scale 1:25000
0
250
500
1000
metres

4.2. Beryl Mineralization

By 1999, Emerald and green Beryl crystals had been collected, in bedrock and talus fines, in an area measuring 950 X 350 m. They were found in pods or bands as individual crystals or as crystal aggregates. The locus of formation of these pods or bands was found to be near the contact of Quartz-tourmaline veins with the "Golden Schists", or less commonly within the Quartz-Tourmaline veins themselves. Generally the Quartz-Tourmaline veins are surrounded by a yellow coloured zone of sulfate mineralization and a much more extensive, overlapping zone of dark tourmaline crystals which locally contains minor amounts of Scheelite.Unaltered Chlorite Schist was found to be practically devoid of tungsten and only weakly anomalous in Beryllium. The Golden Schist (Muscovite-Tourmaline Schist) on the other hand is reported to be highly anomalous in both.

Electron Microprobe work by Dr. Lee Groat indicated that Chromium is the major contributing chromophore in the Regal Ridge Emeralds, putting them in a unique class shared by Emeralds from Colombia, Pakistan and Africa.

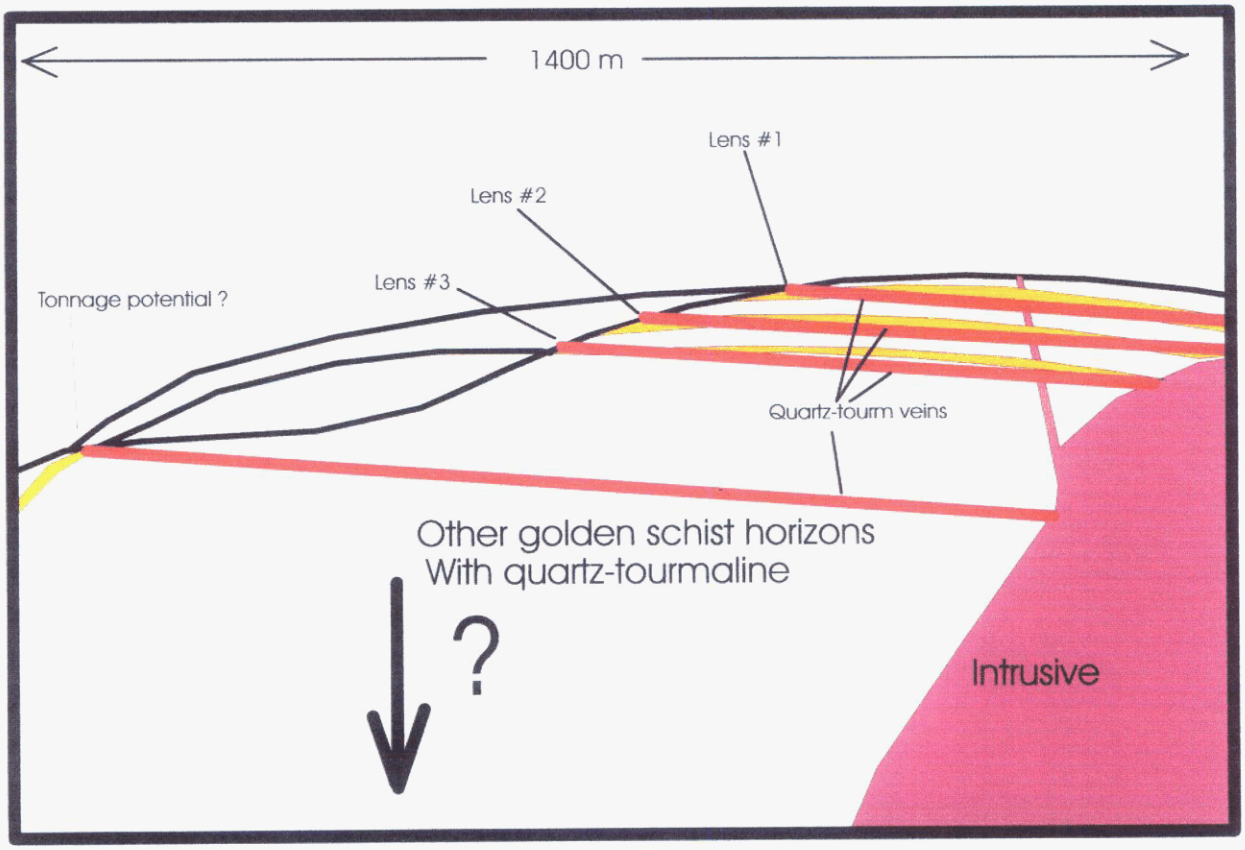
Material collected from six dispersion trains and strongly weathered decomposed bedrock associated with them was processed by wet screening and hand picking. A total of 7 m^3 of material was processed yielding a total of 5,000 grams of green Beryl. Wengzynowski (2000) states that only a tiny portion of the crystals were of gem quality, but it appears that no attempt was made to quantify and grade the material collected from each of these locations.

5.0 Scope of 2001 Field Activities

5.1 Mineralization Controls

The results of the 1999 field activities on the Regal Ridge Emerald Property led to the conclusion that mineralization occurs at the locus of intersection of Rusty Golden Schist and Quartz-Tourmaline veins. Both of these are reported to be near flat-lying. This could conceivably lead to the production of sizeable ore shoots even if the respective schist horizon and quartz vein are not very thick. An even more favorable situation would involve the quartz veins following the schist horizons, in that the mineralizing fluids followed the path of least resistance in the more permeable Golden Schist. During the initial 2001 property visit quartz veins were observed to anastamose within the "Golden schist". Wengzynowski (2000) reports that even the barren schist contains elevated Berylium and Tungsten levels, suggesting that mineralizing fluids may have used the schist as a conduit, and the high permeability of this unit made it very reactive with those fluids. this creates the potential of finding beryl anywhere within the Golden Schist horizons.

Figure 5: Regal Ridge Conceptional Model for Emerald Mineralization
(Cross section through ridge looking north)



5.2 Potential Orebody Size

Montgomery (1998), and Wengzynowski (2000) report that at least 3 different schist horizons were observed.. **Figure 5** "Regal Ridge Conceptional Model for Emerald Mineralization" is an interpretation of the Vein -"Golden Schist" horizon relationship looking northward at approximately right angles to the ridge line. Trenching in 1999 indicated the potential of up to 9 m true thickness of Golden Schist in Horizon #1. Horizon #2 appears to vary from 1-2 m in thickness. No indications were made for the potential thickness of Horizon #3.

Horizon #1: assume thickness of 4.5 m

area : 400 x 50 m = 20,000 sq m
volume : 90,000 cubic m
Tonnage = 238,500 Tonnes

Horizon #2: assume thickness of 1.0 m
area : 450 x 250 m = 112,500 sq m
volume : 112,500 cubic m
Tonnage = 282,250 Tonnes

Horizon #3: assume thickness of 1.0 m
area : 550 x 350 m = 177,500 sq m
volume : 177,500 cubic m
Tonnage = 470,000 Tonnes

Total Tonnage = 990,750 Tonnes.

This is a best case scenario where the entire Schist horizon would be mineralized. If the Schist horizons have barren sections, as is most likely the case, a determination will have to be made as to the size of mineralized shoots. If one assumes that the stacked Be-W Cu soil anomaly blankets the mineralized portion of the schist, the tonnage estimate above might only diminish to half. But this estimate also does not take into consideration blind schist and Qtz-Tourm horizons, and so the potential for + 1 MT of ore certainly exists.

5.3 2001 Field Season Objectives

The following objectives were set as goals to be accomplished or at least initiated in the 2001 field season:

1. Determine controls for mineralization.
2. Determine variation in Beryl / Emerald quality
3. close off previous soil anomalies
4. test trench previous soil anomalies
5. trench previously sampled areas according to priority ranking
6. collect sample for pilot mill testing
7. sample fines rejects from trenching for Tungsten mineralization etc.
8. Examine NW dipping, NE striking faults with associated Beryl-Tourmaline

Emerald mineralization appears to vary from area to area. This variation would be correlated to;

1. proximity to the intrusion
2. thickness ± frequency of proximal quartz vein(s)
3. thickness of Golden schist horizon
4. nearby structures (faults, folds, jointing) taking note of their orientation.

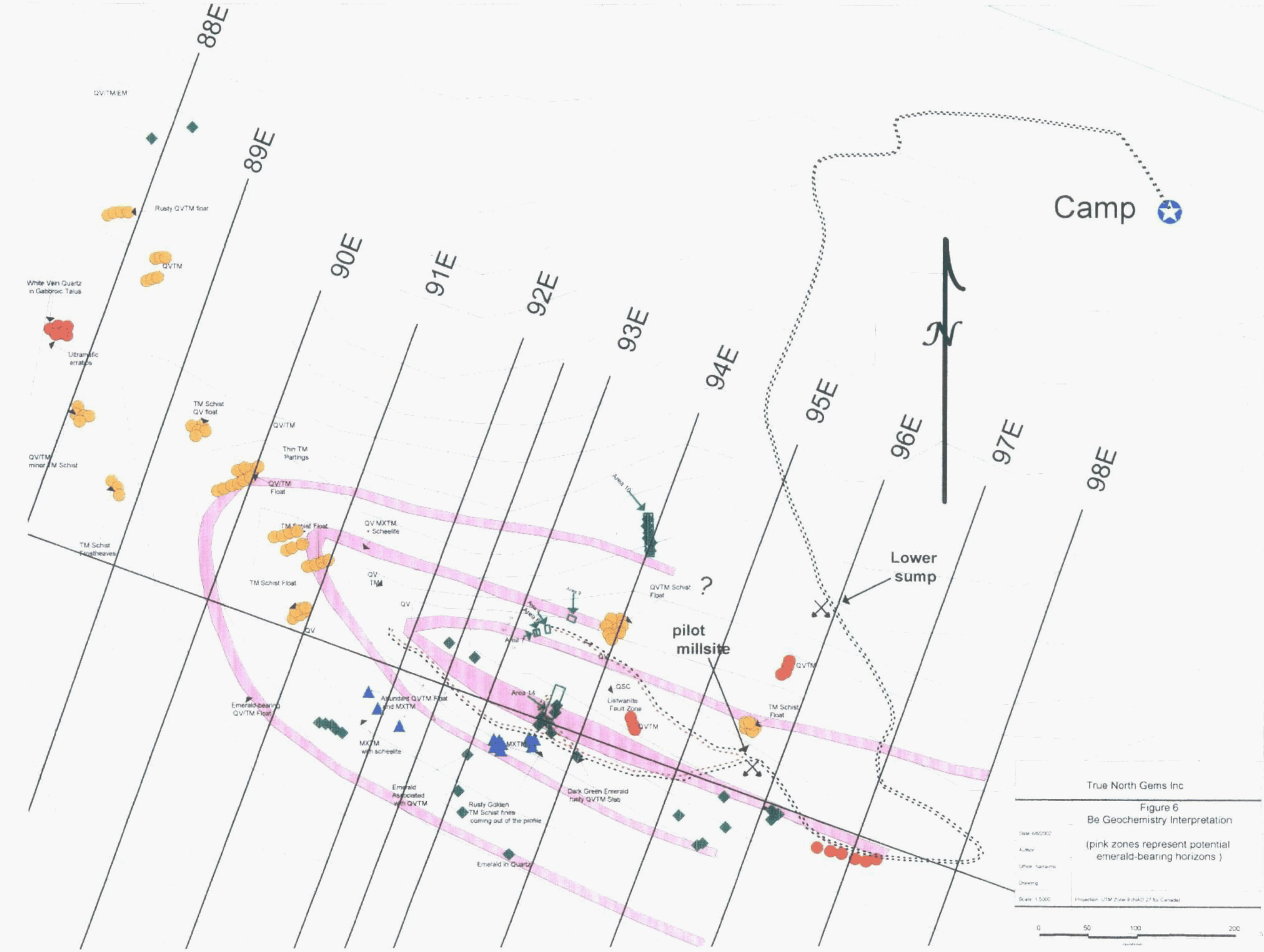
It was anticipated that trench material would be processed by screening, followed by a final washing , hand screening and grading. Trenching information would be quantified in such a manner as to allow for a calculation of reserves. This means the recording of mineralized horizon parameters as well as grading of the Beryl / Emerald, so as to arrive at an estimate of value per Tonne-Metre.

Although trenching was to be carried out according to ranking established in the examination of material collected in 1999, it was anticipated that each entire Golden Schist horizon would have to be eventually exposed.

6.0 2001 Field Program

6.1 Soil Geochemistry as a Guide to Tracing Emerald Mineralization

An interpretation of the soil data collected in 1999 by Expatriate Resource is presented in **Figure 6.** The data was skewed in accordance with data pertaining to stratigraphy and what was known to date regarding the controls for mineralization. At least 4 separate vein systems are interpreted to exist in



88E
89E
90E
91E
92E
93E
94E
95E
96E
97E
98E
Camp
N
QV/TM/EM
Rusty QVTM float
QVTM
White Vein Quartz in Gabbroic Talus
Ultramafic erratics
TM Schist QV float
QV/TM
Thin TM Partings
QV/TM minor TM Schist
QV/TM Float
TM Schist Float
QV MXTM + Scheelite
TM Schist Float
QV TM
QV
QV
Area 10
QVTM Schist Float
?
Lower sump
pilot millsite
QVTM
QSC
Listwanite Fault Zone
QVTM
TM Schist Float
Area 14
Abundant QVTM Float and MXTM
Emerald-bearing QV/TM Float
MXTM with scheelite
MXTM
Emerald Associated with QVTM
Rusty Golden TM Schist fines coming out of the profile
Dark Green Emerald rusty QVTM Slab
Emerald in Quartz
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Figure 6
Be Geochemistry Interpretation
(pink zones represent potential emerald-bearing horizons)
Scale 1:5000
0
50
100
200

the top ~100 meters of Regal Ridge. Each of these horizons probably contains a system of several veins enveloped in " Golden Schist" analagous to the situation observed to exist in Area #4.Trenching was generally directed perpendicular, and at the uphill portions of the "source horizons". This technique was successfully utilized to guide the trenching activities and identify three new areas containing emerald mineralization. Emerald of excellent colour has now been observed in bedrock showings centrally (Area 4) and at the far extremities of the 1,000 meter long zone of mineralization (The Far West Zone and Area 51). These observations indicate that the area of potential emerald mineralization is open laterally in both directions, as well as to depth. The arrival of inclement weather forced a premature end to the field season. As a result, many other untested anomalies remained to be evaluated as a part of the 2002 exploration program.

6.1.1 Effectiveness of Soil Geochemistry in Emerald Exploration

There are anticipated limitations to the use of soil analytical data in this manner. Area 51 was discovered in 2001 by follow-up of an emerald-bearing boulder train. The soil response was weak, with spotty weak Beryllium soil levels ~ 50 meters to eigther side of the source. The source, a 30-50 cm thick, emerald-bearing Quartz-Tourmaline vein enveloped by "Golden Schist", was found at a depth of approximately 2 meters. It is apparent that dilution of soil response becomes significant in areas of heavy overburden cover and other exploration techniques must be employed.. The soil data will continue to be used in further exploration on Regal Ridge in 2002. Due to "layer cake Stratigraphy" trench targets can still be selected by following the trace of horizons known to be productive. "Blind" horizons will require other exploration techniques such as exploratory drilling.

6.2 2001 Soil Sampling Grid Extension

In addition to the trenching and mapping program, the existing geochemical grid was expanded to the west in order to assess areas for additional emerald potential. Talus samples were collected on 50 meter centres along chain and compass lines in a western extension of the existing grid. As was the case with the original grid, a line separation of 50 meters was used. Samples were collected by removing the vegetative mat and sifting the underlying material to -80 mesh. They were described, placed in kraft bags and brought back to camp to be air dried. These have been subsequently shipped out for chemical analysis. Sample locations for screened talus fines collected in this program are shown in **Figure 7.** The same analytical procedure was selected as was used in the previous work by Expatriate Resources Ltd. Contoured soil geochemical data for 2001 is also illustrated in figure 7.

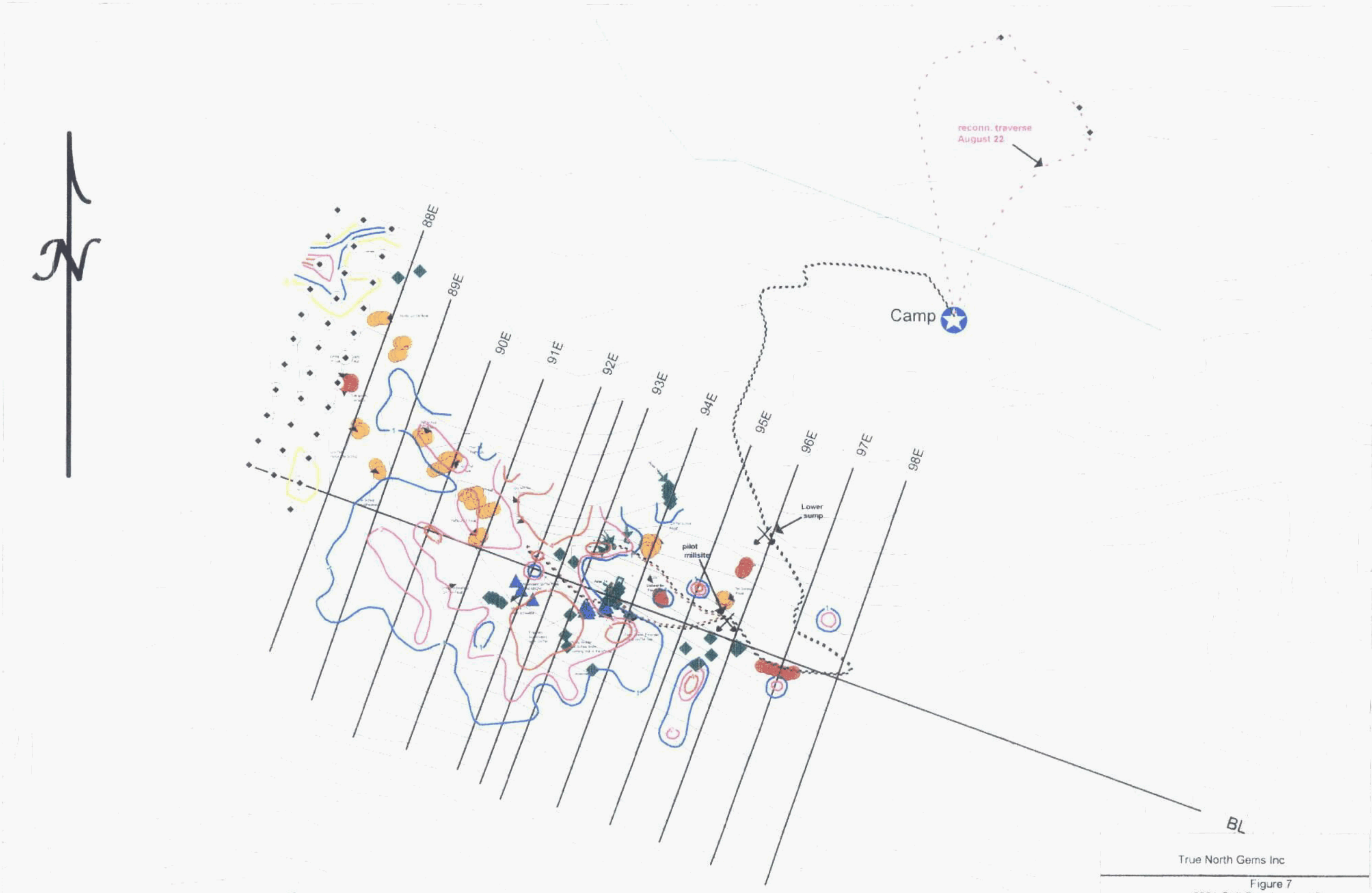

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Figure 7
2001 Soil Geochemical Survey
sample data points and
contoured data is depicted
(.5, 1, 2, &4 ppm contours shown)

Projection: UTM Zone 9 (NAD 27 for Canada)

0 100 200 400
metres

6.3 Trenching Activities

6.3.1 Trenching Technique

Heavy equipment was employed to develop access trails to the known emerald showings as well as complete stripping , trenching and sampling of emerald -bearing zones and geochemical anomalies. Once a target area was selected, the vegetative mat and overburden was removed. Material being removed in this process was under the careful scrutiny of the field geologist. In this process material being removed was visually analyzed for signs indicative of Beryl mineralization. These include the most obvious Beryl / emerald fragments, quartz-tourmaline, and the "Golden Schist" itself. In any instance where Golden Schist and quartz-tourmaline were found in contact, or close proximity, the excavator was shut down and the rocks exposed would be inspected closely by hand. If Beryl was encountered at this stage, the source pod or horizon was sought out and when found, was characterized as to hostrock mineralogy and alteration, and physical size and trend. All Beryl material was then collected from the pod and bagged for washing and concentrating later in camp. This was accomplished by sieving to +0.5mm and -10.0mm (the +10mm fraction was visually inspected for any Beryl mineralization). The Beryl from each individual pod was later classified according to Facet Grade material / cabochon Grade / Non Gem Grade (Bead Grade). It was classified also according to degree of colour saturation. These results are compiled and discussed in **Tables 5,6,7 & 8. Table 4b** is a summary of the trenches opened in the 2001 field season.

TABLE 4b: Trenching Summary for 2001 Field Season

Trench #	Name of Area	Dimensions of Trench	Approximate weight of Material removed
Tr-01-01	Area 51	40 X 2 X 2 meters	424 Tonnes
Tr-01-02	Area 51	30 X 2 X 2 meters	318 Tonnes
Tr-01-03	Area 4	1/2(12 X 3 X 6) meters	286.2 Tonnes
Tr-01-04		35 X 2 X 1 meters	185.5 Tonnes
Tr-01-05		45 X 2 X 1 meters	238.5 Tonnes
Tr-01-06		40 X 1 X 0.5 meters	53 Tonnes
Tr-01-07	BG-1	5 X 3 X 1 meters	39.75 Tonnes

Excavator stripping of overburden in Area 4 , has revealed the structural controls on mineralization and the geological setting of this emerald occurence. Several stacked near-horizontal bands of "golden schist" containing sub-parallel quartz-tourmaline veins or pods are observed here. As was found to be the case in previous work by Expatriate Resources, these golden schists are brownish weathering Muscovite-Tourmaline-Chlorite schists, which host coarse mica and emerald near selvages of quartz veins. It was, however, also observed that vertical joints that intersect the golden schist horizons, have provided conduits for the mineralizing fluids to migrate along.This is depicted

TABLE 4: Emerald / Beryl Evaluation Sheet - Area 9

Area	Parcel	Emerald (Y, N, ~)	colour	ave.size (mm)	max. size (mm)	wt. facet grade (g)	wt. cab grade (g)	wt.non-gem grade (g)	wt. specimen grade (g)	notes
9	1	Y	m-md	3		0.536				
9	2a	N	l-m	+5-7				5.91		
9	2b	Y	m-md	~4			1.4			
9	3a	Y	md	~3		1.458				
9	3b	Y	m-md	~3			1.358			
9	4a	Y	md	~3		0.198				
9	4b	Y	m-md	+3-4			0.622			
9	4c	N	l-m	+3-4				1.678		
9	5a	Y	d	3			0.14			
9	5b	N	l	+3-5				0.928		
9	6a	N	l-m	+4-5				98.78		
9	6b	Y	m-md	+3-4			4.858			
9	6c	Y	m-md	2		1.14				
9	7a	N	l-m	6				69.96		
9	7b	Y	m-md	+3-4			1.655			
9	7c	Y	ml-m	+1.5-2		0.512				
9	8a	~	m-md	+4-5				201.49		
9	8b	Y	m	~3			2.53			
9	8c	Y	m-md	~2		0.399				
9	9a	~	l-m	+6-8				81.34		
9	9b	Y	m-md	~2		0.384				
9	9c	Y	m	4			3.97			
9	10a	~	m	+5-7				92.1		
9	10b	Y	m-md	~2			1.607			
9	10c	Y	ml-m	~2		0.278				
9	10d	Y	m	+4-5					1.185	
9	11a	~	l-m	+4-6				107.16		
9	11b	Y	l-md	+2-3			1.352			
9	11c	Y	l-m	+1.5-2		0.323				
						5.228	19.49	659.35	1.185	
						0.77%	2.84%	96.22%	0.17%	

l = light
m= medium
d = dark

TABLE 5: Emerald / Beryl Evaluation Sheet - Area 10

Area	Parcel	Emerald (Y, N, ~)	colour	ave. size (mm)	max. size (mm)	wt. facet grade (g)	wt. cab grade (g)	wt. non-gem grade (g)	wt. specimen grade (g)	notes
10	12a	~	l-m	+4-6				16.47		
10	12b	Y	m	4			1.079			
10	12c	N	l	+2.5-3		0.177				
10	12d	Y	md	13x9					1.667	
10	13a	Y	ml-m	+3-5				49.88		
10	13b	Y	ml-m	+4-5			3.823			
10	13c	Y	ml	+3-4		1.854				
10	14a	Y	ml	+3-5				8		
10	14b	Y	m	+3-5			1.24			
10	15a	Y	m	+3-5				47.58		
10	15b	Y	l-m	+3-5			4.413			
10	15c	Y	l-m	+3-4		0.893				
10	16a	Y	l-m	+3-5				9.805		
10	16b	Y	m	+3-5			1.003			
10	16c	Y	m	+3-5					1.1	
10	17a	Y	l-m	+4-6				16.17		
10	17b	Y	m	+3-5			0.974			
10	17c	Y	m	3		0.123				
10	18a	~	l-m	+4-6	10			21.06		
10	18b	Y	m	+4-6	11x4.5	0.114	1.658			
10	19	~	l-m	+4-6	>10			31.928		several large pieces
10	20a	Y	l-m	+5-7	>=10			18.514		
10	20b	Y	m	+4-6			0.989			
10	20c	Y	m	+3-4		0.086				
10	21a	Y	l-m	+4-6	+7-10			48.74		
10	21b	Y	m	+4-6	10x6		4.951			
10	21c	Y	l-m	~3		0.63				
10	22a	Y	l-m	+3-4	some>5			23.17		
10	22b	Y	ml	+3-5		0.296				
10	22c	Y	m	+3-5	some>10		4.267			
10	23a	Y	l-m	+3-5				20.499		
10	23b	Y	m	3			0.185			
10	23c	Y	l-m	+3-5		0.385				
10	24a	~	l	+4-6				44.742		
10	24b	Y	m	+3-5			4.021			
10	24c	Y	m	~3		0.343				
10	25a	Y	l-m	+3-5	16x9			27.893		
10	25b	Y	m	+3-5			2.032			
10	25c	Y	l-m	2.5		0.018				
						4.919	30.635	335.71	2.777	
						1.32%	8.19%	89.75%	0.74%	

TABLE 6: Emerald / Beryl Evaluation Sheet - Area 4

Area	Parcel	Emerald (Y, N, ~)	colour	ave. size (mm)	max. size (mm)	wt. facet grade (g)	wt. cab grade (g)	wt. non-gem grade (g)	wt. specimen grade (g)	notes
4	26a	Y	m-md	+4-6	13x10			41.736		
4	26b	Y	md	+3-4	5x5		2.658			
4	26c	Y	md-d	+2.5-3.5		0.441				
4	27a	Y	m-md	+4-6				36.484		> 50% matrix material
4	27b	Y	md-d	+3-5		2.184				
4L	28a	Y	d	+3-4		0.575				
4L	28b	Y	md-d	+3-5	6x5		2.362			
E.of 4	29a	Y	m-md	+5-7	12x10			24.24		~40% matrix
E.of 4	29b	Y	md	+3-4	6x4		0.845			
						3.2	5.865	74.518		
						3.83%	7.02%	89.15%		

l = light
m = medium
d = dark

TABLE 7: Emerald / Beryl Evaluation Sheet - Areas 4 & 9

Area	Pod	Emerald (Y, N, ~)	colour	ave. size (mm)	max. size (mm)	wt. facet grade (g)	wt. cab grade (g)	wt. non-gem grade (g)*	wt. %	notes
9	surface†	N	l	+4-6	15 x 9			49.00*	76.9	
9	surface†	Y	m - md	+3-5	11 x 11			10.00*	15.67	
9	surface†	~	l - ml	+1-3	10 x 8	2.06			3.22	
9	surface†	Y	ml - md	+1-3	8 x 3.5	2.77			4.34	
9	1 x 2 m area	Y	m	+4-8	19 x 12			456.01	94.01	
9	1 x 2 m area	Y	m	+4-6	14 x 9		24.818		5.12	
9	1 x 2 m area	Y	m	+3-4	6 x 6	4.25			0.87	
4	Aug30	Y	m-md	+5-6	12 x 10			44.606*	90.69	
4	Aug30	Y	d	+4-6	8 x 5	4.58			9.31	
4	Sept4	Y	m	+3-5	6 x 6			10.025*	95.52	
4	Sept4	~	ml - m	+2-3	5.5 x 4	0.47			4.48	
4	DZ#1	Y	m	+4-6	11 x 7			3.878*	94.63	
4	DZ#1	Y	m - md	+1.5-3	3 x 3	0.22			5.37	
4	DZ#2	~	ml - m	+4-6	18 x 13			22.303*	98.19	
4	DZ#2	Y	m	+4-6	+8 x 5	0.41			1.81	
4	Lee zone	Y	m - md	+4-6	17 x 12			34.059*	79.25	
4	Lee zone	Y	md	+3-6	15 x 10	8.92			20.75	
4	Danae vert zone	Y	m	+4-6	12 x 12			9.011*	85.08	
4	Danae vert zone	Y	md	+1-3	7 x 7	1.58			14.92	

* combined non-gem and semi-gem
l = light
m = medium
d = dark
surface† = material collected in Due Diligence property visit

Table 8: Emerald / Beryl Evaluation sheet - Areas 4 & 9

Area	Pod	Emerald (Y, N, ~)	colour	ave. size (mm)	max. size (mm)	wt. facet grade (g)	wt. near gem grade (g)	wt. non-gem grade (g)*	wt. %	notes
9	surface†	N	l	-2	15 x 9			49.00*	76.9	
9	surface†	Y	m - md	-2	11 x 11			10.00*	15.67	
9	surface†	~	l - ml	-2	10 x 8	2.06			3.22	
9	surface†	Y	ml - md	-2	8 x 3.5	2.77			4.34	
9	1 x 2 m area	Y	m	-4	19 x 12			456.01	94.01	
9	1 x 2 m area	Y	m	-2	14 x 9		24.818		5.12	
9	1 x 2 m area	Y	m	-1	6 x 6	4.25			0.87	
4	Aug30	Y	m-md	-1	12 x 10			35.186	71.54	
4	30-Aug	Y	m				9.42		19.15	
4	Aug30	Y	d	-2	8 x 5	4.58			9.31	
4	Sept4	Y	m	-2	6 x 6			7.655	72.94	
4	4-Sep	Y	m				2.37		22.58	
4	Sept4	~	ml - m	-1	5.5 x 4	0.47			4.48	
4	DZ#1	Y	m	-2	11 x 7			2.378	71.94	
4	DZ#1	Y	m				0.75		22.69	
4	DZ#1	Y	m - md	-1.5	3 x 3	0.22			5.37	
4	DZ#2	~	ml - m	-2	18 x 13			21.303	93.79	
4	DZ#2	Y	m				1		4.4	
4	DZ#2	Y	m	-2	+8 x 5	0.41			1.81	
4	Lee zone	Y	m - md	-2	17 x 12			23.859	55.52	
4	Lee zone	Y	m-md				10.2		23.73	
4	Lee zone	Y	md	-3	15 x 10	8.92			20.75	
4	Danae vert zone	Y	m	-2	12 x 12			8.261	77.28	
4	Danae vert zone	Y	md				0.75		7.08	
4	Danae vert zone	Y	md	-2	7 x 7	1.58			14.92	

l = light
m = medium
d = dark
surface† = material collected in Due Diligence property visit

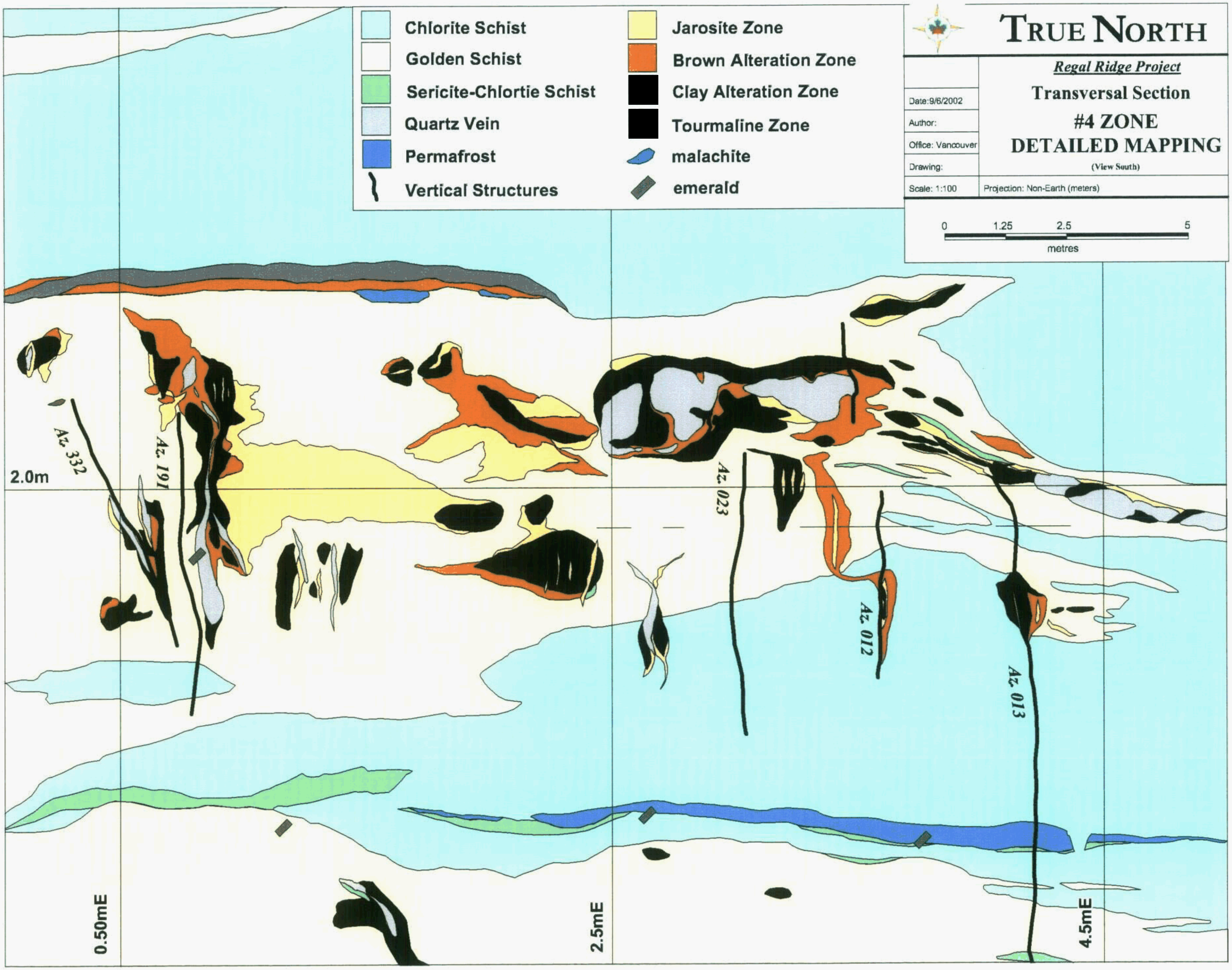
in **Figure 8a**, which is detailed mapping of Area #4 after it was uncovered by the excavator. Emerald mineralization was identified in association with these "cross-structures". This significantly increases the potential emerald yield from this 6-7 meter thick series of golden schist horizons.Trenching in Area 4 has also produced larger gem quality pieces of emerald, confirming that the effects of near surface weathering has been responsible for degradation and fracturing of many of the emerald crystals recovered to date.

Initial trenching activities in Area 14, prior to the close of the 2001 field season indicates the same potential stacking and cross-structure development exists on the south side of the ridge. Other previously identified areas of emerald mineralization (Area 9 and Area 10) represent single or multiple horizons similar to Area 4. Field work completed during 2001 has indicated that these favourable horizons may be present in larger numbers and greater frequency than was initially considered. **Figure 8b** is a depiction of the revised geology of Regal Ridge based on the 2001 field season. It shows the location of the former discovered mineralized areas and those discovered this year.

6.4 Reserve Estimate Data

Data from material collected by Expatriate in 1999 is compiled in **Tables 4, 5 and,6** . Beryl and Emerald from the processed talus fines and decomposed bedrock was analyzed for average size, color and clarity. Wengzynowski (2000) reports that the material was derived fom "pods" and bands, but material was not collected in such a way as to segregate the yield from individual bands or pods. The nature of mineralization in Area 9 appears to be a series of networked pods and so material collected from that area in 1999 is assumed to be regularly distributed.

Several pods of emerald mineralization were collected from Area 4 in the 2001 field season. These were collected so as to keep the materials from individual pods separate. Due to the need for accuracy in analyzing the yield from each individual pod (targets measuring only centimeters to decimeters in size), materials had to be collected and sceened by hand. All material from each pod was collected and brought back to camp, where the sample was screened so as to eliminate the finer fraction (-80 mesh). The bulk of the Beryl was collected by then screening to -10 mm. The +10 mm fraction was visually inspected for larger pieces of Beryl or Beryl-bearing hostrock.
Pods in Area 4 seemed to occur at regular spacings of 1.0 to 1.5 metres apart at the upper selvage of one of the Quartz-Tourmaline veins. The Beryl from each pod was processed so as to calculate the yield of non-gem and gem grade emerald from each one in the same manner that the materials from 1999 were.. Material was also collected from an area of ~ 1 metre by 2 metres at the lower selvage of the Quartz-Tourmaline vein at Area 9. These data are presented in **Table 7** .



Chlorite Schist
Golden Schist
Sericite-Chlortie Schist
Quartz Vein
Permafrost
Vertical Structures
Jarosite Zone
Brown Alteration Zone
Clay Alteration Zone
Tourmaline Zone
malachite
emerald
TRUE NORTH
Regal Ridge Project
Transversal Section
#4 ZONE
DETAILED MAPPING
(View South)
Date:9/6/2002
Author:
Office: Vancouver
Drawing:
Scale: 1:100
Projection: Non-Earth (meters)
0
1.25
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metres
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Az 191
Az 023
Az 012
Az 013
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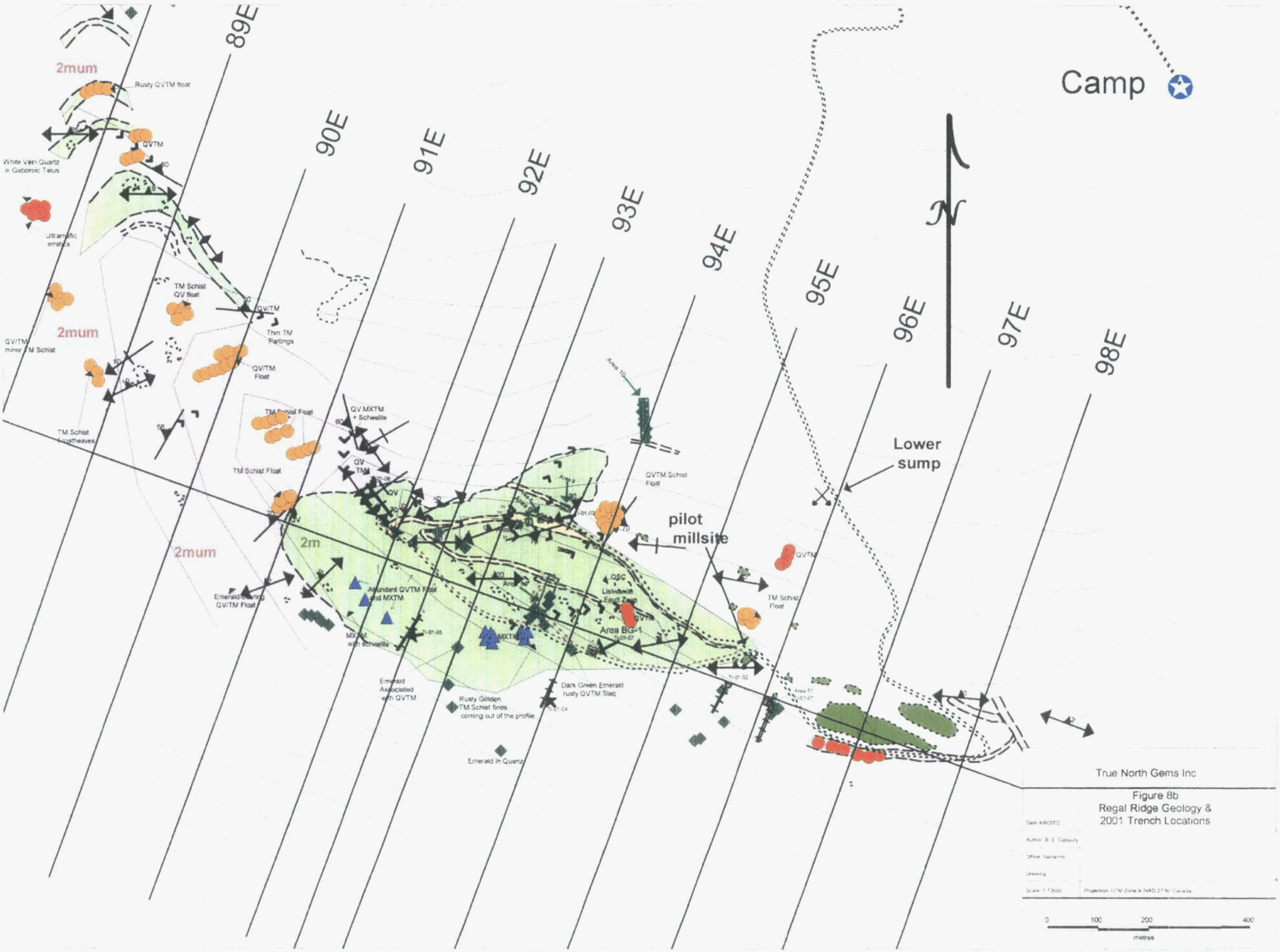
2.5mE
4.5mE



Camp
N
89E
90E
91E
92E
93E
94E
95E
96E
97E
98E
2mum
2mum
2mum
2m
Rusty QVTM float
QVTM
White Vein Quartz in Gabbroic Talus
Ultramafic erratics
TM Schist QV float
QV/TM
Thin TM Partings
QV/TM minor TM Schist
QV/TM Float
TM Schist Frostheaves
TM Schist Float
TM Schist Float
QV MXTM + Scheelite
QV TM
Area 10
QVTM Schist Float
pilot millsite
Lower sump
QVTM
TM Schist Float
Emerald Bearing QV/TM Float
Abundant QVTM Float and MXTM
MXTM with scheelite
MXTM
Liswhenite Fault Zone
Area BG-1
Emerald Associated with QVTM
Rusty Golden TM Schist fines coming out of the profile
Dark Green Emerald rusty QVTM Slab
Emerald in Quartz
True North Gems Inc
Figure 8b
Regal Ridge Geology &
2001 Trench Locations
0
100
200
400
metres

6.4.1 Discussion of Emerald Yield Data

Summary:

Area 9:

Expatriate Data: 96.22% non-gem, 2.84 % cab grade, 0.77 % gem grade

Due Diligence Visit: 92.57 % non-gem, 7.56 % gem grade

2001 field season: 94.01 % non gem, 5.12 % cab grade, 0.87 % gem grade

Area 10:

Expatriate Data: 89.75 % non-gem, 8.19 % cab grade, 1.32 % gem grade

Area 4:

Expatriate Data: 89.15 % non-gem, 7.02 % cab grade, 3.83 % gem grade

Aug30 pod: 90.69 % non-gem, 9.31 % gem grade

Sept4 pod: 95.52 % non-gem, 4.48 % gem grade

DZ#1 pod: 94.63 % non-gem, 5.37 % gem grade

DZ#2 pod: 98.19 % non-gem, 1.81 % gem grade

Lee pod: 79 .25 % non-gem, 20.75 % gem grade

Danae vert. zone: 85.08 % non-gem, 14.92 % gem grade

Gem grade materials collected in the 1998 field season attain a maximum of 3.83 % in Area #4, whereas up to 20.25 % gem grade material was recovered from one Area #4 pod during the 2001 field season. With the exception of the DZ#2 pod, all the 2001 year Area #4 pods produced higher proportions of gem grade material. This material was collected from deeper into less weathered material than was sampled in 1998. Material collected from Area #9 in 2001 was not collected from much deeper below the surface than was the material collected in 1998. With the exception of materials sampled during the Due Diligence visit, there was little difference in the yields as compared with those from 1998. Thes data reflect a possible decrease in the degree of crystal degradation as one penetrates the weathering zone. The data alsc reflects larger crystals present in the pods extracted deeper below the effects of weathering.

6.5 Academic Studies at Regal Ridge

In accordance with the mandate of the company, True North Gems has continued to support academic studies at Regal Ridge by Earth Sciences staff of UBC and SFU as was initiated by Expatriate Resources.

6.5.1 Work Done to date

Groat (2001) reports that microscopic examination of smaller crystals and portions of larger crystals from the 1998 field program has verified the existence of gem quality Emerald of excellent colour. The larger crystals are often observed to show a regular pattern of holes interpreted to be growth features. SEM investigation of the cavities has revealed the presence of Chromite, Ferberite / Ferritungstate, hematite, Jarosite, and Scheelite. The SEM work has also identified the presence of Calcite, Chalcopyrite, Molybdenite, Phlogopite, Pyrite, Quartz, Tourmaline, and Zircon as solid inclusions. The Phlogopite inclusions are reported to carry moderate levels of Chromium and high levels of Fluorine. These data are summarized in **Table 8** .

6.5.2 2001 Field season

True North's field personnel were joined by Dr. Lee Groat of UBC and Dan Marshall of SFU for a portion of the 2001 field season. During their stay, they collected samples for ongoing geochemical studies that will offer greater insight in to the nature and origin of the fluids from which the emeralds were derived. True North's continued involvement with academic institutes such as UBC and SFU is leading to a better understanding of geological controls on emerald mineralization with the ultimate goal of the discovery of new zones of mineralization elsewhere in the area.

Samples collected this year by UBC and SFU personnel include gem grade Emerald to be analyzed for fluid inclusion content and phlogopite from vein selvages for age dating the time of Emerald mineralization. This information will assist in determining if a genetic link to the Cretaceous granite exists. Activities also included the examination of other granitic intrusives and ultramafic rocks near the Regal Ridge project area.

Table 8: Summary of analyses of emeralds and hostrock minerals at Regal Ridge (from Groat, 2001)

Material Analyzed	Analytical Procedure	Results	Implications
Beryl	SEM	Chromite, Ferberite / Ferritungstate, hematite, jarosite, and Scheelite in "holes"	Co-existence of these minerals and the solid inclusion minerals listed below indicates a supply of alkali and hygromagmatophile elements which are associated with the cupola assemblages of S or A-type granioids
	SEM	Calcite, Chalcopyrite, Molybdenite, Phlogopite, Pyrite, Quartz, Tourmaline, and Zircon as solid inclusions	
	SEM	moderate Cr content and high F content in Phlogopite	High F is reflective of the nature of the Beryllium transporting fluids, would also imply that phlogopite is an alteration product produced by the mineralizing fluids
	Fluid Inclusion	3 fluid phases at room temp; an aqueous brine (dominant) , a gaseous carbonic phase , and a liquid carbonic phase	homogenization temps for the Regal Ridge Emeralds are of the order of 260° to 340° C. Unusual low salinities, bear similarity to some Schist- type deposits associated with pegmatites
	Stable Isotopes (Hydrogen)	delta D = -62.1 to -57.3 per mil	range defined for Egyptian Emeralds, consistent with both magmatic and metamorphic origin.
	Stable Isotopes (Oxygen)	delta ^{18}O demonstrates a wide range from 12.3 to 14.8 per mil	Bears similarity to Afghani and Brazilian Santa Terezinha Deposits, both of which are shear-zone- related and disconnected from granites
Kg granite	whole rock analysis	W enriched, Eu and Lu impoverished, also rich in Li, F, and B	high Fluorine content in the granite would suggest that fluids derived from it would be effective in transporting Be at the lower salinities indicated
Tourmaline	SEM	range in composition from Dravite to Uvite and generally show increasing Ca and Mg (at the expense of Na and Fe) with proximity to Emerald mineralization	the high Boron activity would serve to act as an iron scavenger,maintaining a higher purity of colour in the Emerald
yellow sulfate-rich material	XRD	indicates a mixture of Jarosite, Chlorite, and Mica	source of sulfur is somewhat enigmatic

6.6 *Claimstaking*

A total of 118 claims (the MEG group:YB93395 to YB93506 inclusive and the YIR group: YB93280 to YB93285 inclusive) were staked over ground with favorable geology to the west of the Regal Ridge Project claims during the 2001 field season. These are illustrated in **Figure 9.**

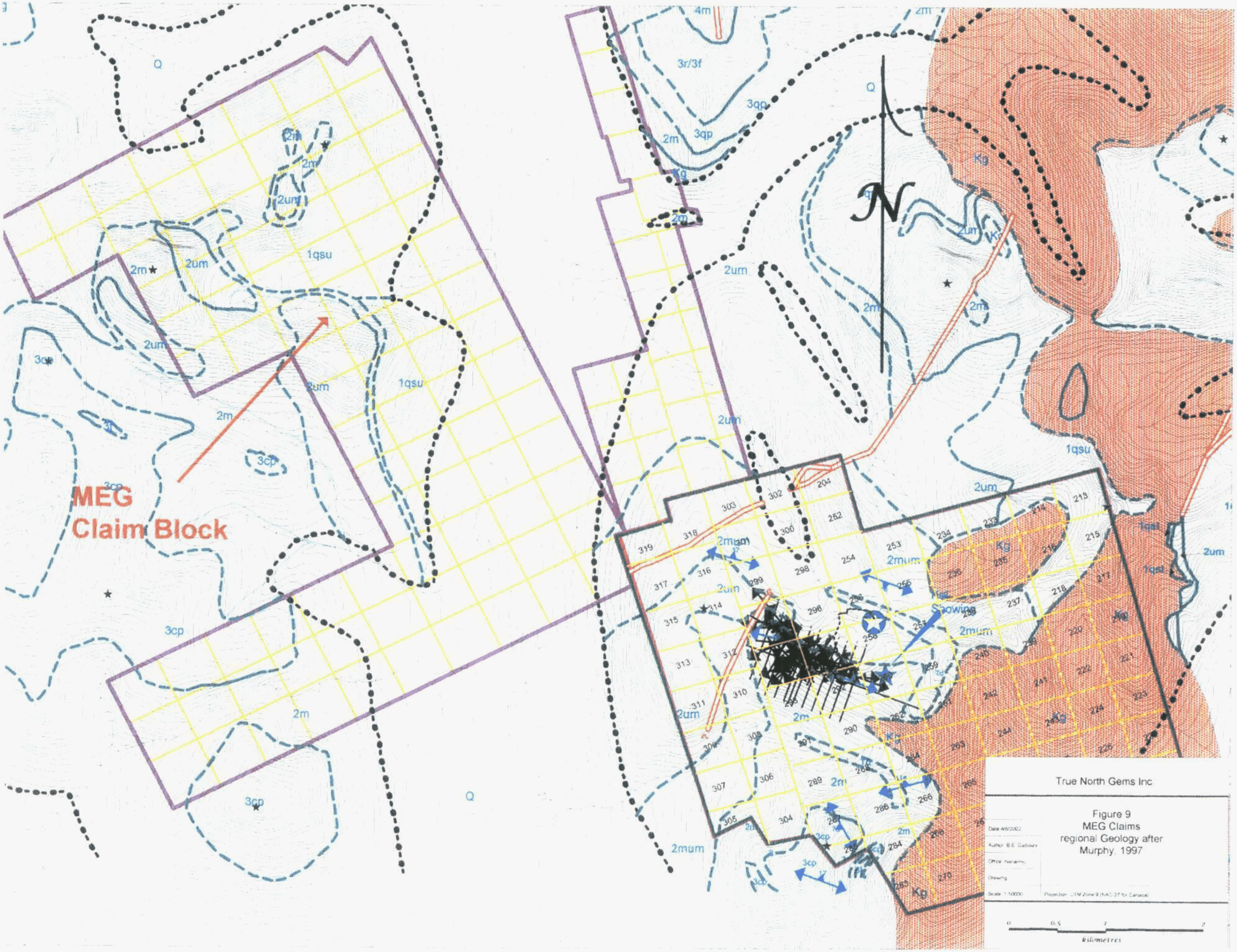
7.0 Summary and Conclusions

The 2001 program marked the first time that mechanized equipment has been employed in the exploration of the Emerald occurrences on Regal Ridge. Access trails to previously identified areas of Emerald mineralization have now been established. Detailed stripping, sampling and mapping of Area #4 has allowed for a better understanding of the controls on mineralization and indicated that the development of emerald is more extensive than previously thought. This work has demonstrated that emerald bearing material has been developed, not only within stacked, shallow dipping zones as previously recognized, but also along vertical cross structures. This greatly increases the potential yield of emerald from this deposit.

The use of soil geochemical data has assisted mechanical trenching in uncovering a significant new zone of emerald mineralization, 200 metres of east Area 4. Emerald material recovered from this new zone (Area 51) shows the same excellent colour as that which characterizes the Area 4 showing. Trenching has also indicated emerald-bearing horizons exist with greater frequency in the upper 100 metre section of the deposit than was formerly recognized. The additional discovery of two new zones of emerald mineralization has also verified the continuity and productivity of the favourable horizons.Trenching of the soil geochemical anomalies was terminated by the early arrival of inclement weather. The results to date, however, have shown that soil Beryllium, Tungsten, Copper levels can be used to guide trenching activities in situations where depth to bedrock is generally less than 2.0 meters.

In addition to the trenching and mapping program, the existing geochemical grid was expanded to the west in order to assess areas for additional emerald potential. Results of this sampling are pending. Dr. Lee Groat of the University of British Columbia and Dr. Dan Marshall of Simon Fraser University joined True North's field crew for part of the 2001 exploration program. During this time, they collected samples for research that will aid in the development of the geological understanding of the this unique Canadian emerald deposit.

The emerald material recovered during the 2001 program has been quantified and graded. These data, plus further data collected as the project is advanced, will be used to continue to develop a reserve estimate data base for the deposit. Comparison with similar data collected from processing Beryl collected in 1998 and 1999 by Expatriate personnel have indicated that the average size and percentage of gem grade material is increasing as one penetrates the weathering horizon..



MEG
Claim Block
True North Gems Inc
Figure 9
MEG Claims
regional Geology after
Murphy, 1997
Showing
kilometres
0
0.5
1
2
Q
3r/3f
3qp
2m
2um
1qsu
3cp
2mum
Kg

8.0 *Recommendations*

8.1 Establish water sumps for Beryl screening, Portal Construction and Diamond Drilling

A water reservoir was established along the access trail to the ridge top during the 2001 field season. By the middle of the season it was anticipated that dry processing of the emeralds was not going to be effective. A sump was dug approximately half way up the ridge in the midst of a pre-existent drainage. The natural drainage will supply ample water for all field activities. A culvert is proposed at the sump, to carry the surplus flow to the other side of the access trail. Even at peak flow periods water runs only part ways downslope along the natural stream before disappearing underground, and so no sedimentation problems are anticipated for major drainages downslope. A second sump is proposed on the ridge top, to act as a gravity feed water reservoir. Pumping from the lower sump to the ridge-top sump will be done as needed to keep a reservoir available for field activities.

8.2 Complete trenches initiated in 2001 (Tr01-01 to Tr01-05)

Six trenches were opened in 2001. Three encountered emerald mineralization, only the Area #4 trench has been completed, mapped and sampled. The two trenches at Area #51 contain Golden Schists, and Trench 01-01 has produced emerald. Systematic mapping and sampling remains to be done. Two trenches further to the west were initiated in 2001,but are also left incompleted.

8.4 Complete access to Area#9 and sample / map

An access trail was started at the end of the 2001 field season in order to gain access to Area #9. This trail was left incomplete due to the arrival of inclement weather. Access is needed to be completed in order to trench, map and sample Area #9. Trenching is proposed across the section of Chlorite Schists between Areas 4 & 9 in the event that still undiscovered Golden Schists / Qtz-Tourm. veins may exist there.The proposed access trail and trench site is shown in **Figure 10**.

8.5 Access trail to Area #10 and sample / map

A short spur is proposed in order to access Area #10 (see **Figure 10**). It is again anticipated that trenching will be needed between Area #10 and Area #9 as is proposed for the section between Areas 4 & 9.

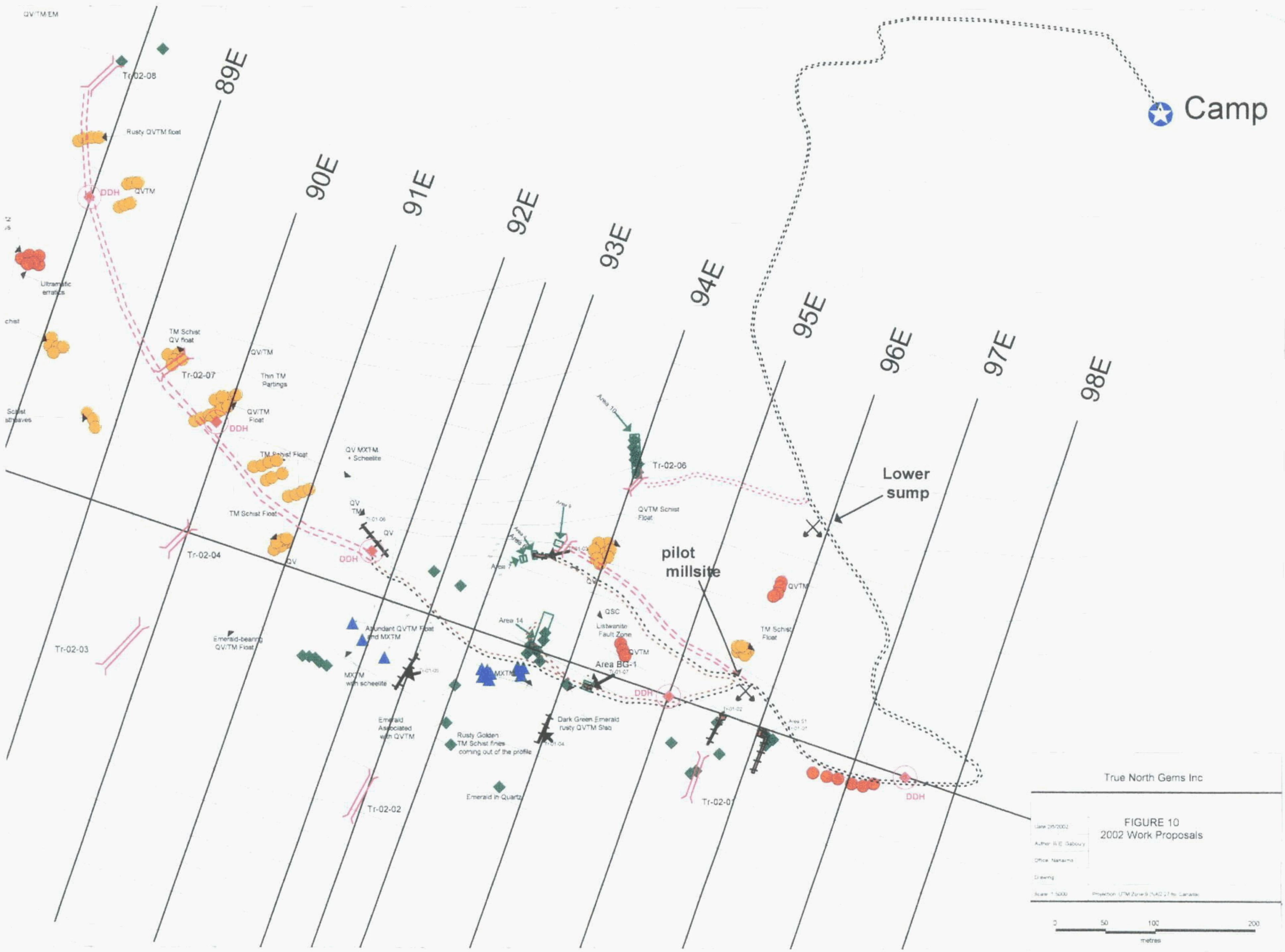


FIGURE 10
2002 Work Proposals

8.6 Complete access trail to Area #14 and sample / map

An access trail to Area #14 , on the south side of the ridge, was constructed near the end of the 2001 field season. Area BG-1 was discovered during this procedure leading to the anticipation that Area #14 may consist of multiple Golden Schist / Qtz-Tourm veins as was observed at Area #4. Area BG-1 lies approximately 15 - 20 meters vertically below Area #14. Trenching is needed to be completed in order to test for such horizons in the thick section between the two zones. Area #14 produces larger crystals of medium to medium-light colour. Area BG-1 also produces larger crystals, but also seems to have some darker more desirable colours.

8.7 Complete access trails and proposed trenches Tr02-01 to Tr02-08 (Figure 10).

Trench sites proposed in **Figure 10** are based on geochemical anomalies produced from Expatriate data. Other trenches are anticipated from newly generated geochemical anomalies from 2001 soil sampling extension.

8.8 Diamond Drilling for "Blind" Golden Schist Horizons .

As discussed earlier in section 6.1.1, limited technique is available to test for " blind emerald-bearing horizons" under more than a few meters of overburden cover. Five vertical diamond drill holes totalling 800 to 1000 meters are proposed along the ridge crest (proposed locations in **Figure 10**). Although the diamond drilling offers no aid in evaluating the emerald mineralization of an intersected Golden Schist Horizon, emerald mineralization potential should be attainable. Information gathered by UBC personnel regarding Tourmaline composition variation proximal to emerald mineralization should offer application as such an indicator.

8.9 Exploration Adit

An approximately 30 meter long exploration adit is proposed to drift along the Area #4 / Area 6/7 horizons. Due to the extreme "nugget effect" displayed in the podiform nature of mineralization observed in Area #4, such an adit will sample a wide enough cross section so as to produce statistically sound data to be used for reserve estimation calculations.

8.10 Meg Claims

A reconnaisance mapping, prospecting, and stream sediment sampling is proposed for the ground covered by the Meg Claims staked in 2001. **Figure 9** shows the location of the claims in relation to Regal Ridge as well as the underlying favourable geology. A combination of 100 talus fines soils and stream sediment samples are anticipated to be collected in the first phase of the evaluation of these claims.

Appendix II is a budget covering the programs proposed above for the 2002 field activities.

Appendix I

4:30 PM

05/23/02

Accrual Basis

True North
Custom Report
January through December 2001

	Jan - Dec 01	
ASSETS		
Other Assets		
Mineral Properties		
Regal Annex		
Acquisition		
Claim Staking	8,960.00	
Total Acquisition	8,960.00	
Total Regal Annex	8,960.00	✓ No
Regal Ridge		
Acquisition		
Claim Staking	2,864.78	
Due Diligence	9,261.92	
Legal Fees	1,614.50	
Property Payment	10,000.00	
Acquisition - Other	3,090.00	
Total Acquisition	26,831.20	✓ No
Exploration		
Camp - Construction		
Labour	6,810.00	
Materials	13,026.53	
Total Camp - Construction	19,836.53	✓ yes
Camp - Operation		
Equipment Rental	2,450.00	
Fuel - Diesel	4,789.20	
Fuel - Gas	522.75	
Labour	8,551.78	
Misc. Supplies	6,739.25	
Total Camp - Operation	23,052.98	✓ yes
Communication		
Equipment Rental	300.00	
Phone (Airtime)	775.47	
Total Communication	1,075.47	
Data Acquisition	74.90	
Equipment Rental	2,930.00	
Field Supplies	5,002.28	
Helicopter Support	54,240.00	
Kluane Drilling		
Mob-Demob	3,493.50	
Trenching	31,062.50	
Total Kluane Drilling	34,556.00	✓ yes
Labour	37,850.00	
Management Fee	18,698.56	
Permitting		
Fees	250.00	
Wages	1,050.00	
Permitting - Other	355.00	
Total Permitting	1,655.00	✓ No
Planning & Logistics	10,695.00	
Reporting		
Redaction	6,600.00	
Total Reporting	6,600.00	✓ NO
Sorting & Grading	900.00	
Travel		
Food & Accommodation	2,658.55	
Transportation	7,483.14	
Travel - Other	900.00	
Total Travel	11,041.69	✓ No

4:30 PM
05/23/02
Accrual Basis

True North
Custom Report
January through December 2001

	Jan - Dec 01
UBC	
Food & Accommodation	481.88
Transportation	2,258.15
Total UBC	2,740.03 ✓ No
Total Exploration	230,948.44
Total Regal Ridge	257,779.64
Total Mineral Properties	266,739.64
Total Other Assets	266,739.64
TOTAL ASSETS	**266,739.64**
LIABILITIES & EQUITY	0.00

Appendix II

Nature of Work	Estimated Expenditure	Estimated Commencement	Estimated Completion
Cook and First Aid (based on $2,000 plus $450 / day)	$40,500.00	June 1st	Sept 1st
Diamond Drilling (1000 meters @ $88 / meter, all costs in)	$88,000.00	June 15th	July 15th
Exploration Adit (33.5 meters @ $3,000 / meter)	$100,500.00	July 15th	Aug 15th
Trenching (includes equipt. lease and operator time, based on year 2001 burn rate	$120,000.00	June 1st	Sept 1st
Surveying (theodolite rental plus purchase of 2 GPS units)	$2,000.00	June 1st	Sept 1st
Meg Project, helicopter support	$6,000.00	July 1st	July 15th
Meg Project, 80 soil samples @ $40 / each	$3,200.00	July 1st	July 15th
Mineral processing, purchase crusher and conveyors	$45,000.00	June 1st	Sept 1st
Mineral processing, lease power plant	$5,000.00	June 1st	Sept 1st
Mineral processing, operator @ $225 / day, and 4 laborors @ $150 / day for 90 days	$74,250.00	June 1st	Sept 1st
Geological and Technical Support (project management)	$50,000.00	March 1st	Dec 31st
Geological and Technical Support (3 geologists @ 220 man days)	$100,000.00	June 1st	Sept 1st
Geological and Technical Support (Mining Consultant)	$3,500.00	July 15th	July 22nd
Regal Ridge Data Base	$5,000.00		
Regal Ridge Orthophoto	$9,000.00		
UBC Support (3 yr support plus 1 yr support for research assistant)	$46,000.00	May 1st	May 1st, 2004
UBC "in kind support" (2002 field season at Regal Ridge)	$5,000.00	June 1st	Sept 1st
Camp and Logistical Support (lumber for camp expansion)	$6,500.00		
Camp and Logistical Support (camp expansion 14 man-days)	$2,800.00	May 24th	May 31st
Camp and Logistical Support (oil stoves purchase)	$4,000.00		
Camp and Logistical Support (4X4 truck purchase)	$6,000.00		
Camp and Logistical Support (quad rentals @ $100 / wk)	$1,000.00		
Camp and Logistical Support (communication; includes sat phone and hand-held radios)	$5,000.00		
Camp and Logistical Support (helicopter support)	$9,000.00		
Camp and Logistical Support (camp power plant lease)	$4,500.00	June 1st	Sept 1st
Camp and Logistical Support (fuel purchase)	$8,000.00		
Camp and Logistical Support (per diems; 1160 man-days @ $20 / man-day)	$23,200.00	June 1st	Sept 1st
Winter Mobe-in	$40,000.00	March 23rd	April 7th
June 1st mobe-in / Sept 1st demobe	$15,000.00		
TOTAL	$827,950.00		
Contingency	$82,800.00		
Office Overhead	$82,800.00		
GRAND TOTAL	**$993,550.00**		

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