ADDENDUM

TO

MINERAL RESERVE ASSESSMENT REPORT
MARG PROPERTY - NOVEMBER 18, 1988

FOR

NDU RESOURCES LTD.

MAYO MINING DISTRICT

YUKON TERRITORY

BY

FRANZEN MINERAL ENGINEERING LTD.

J.P. FRANZEN, P.ENG.

NORTH VANCOUVER, B.C. OCTOBER 16, 1989

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INTRODUCTION

This addendum evaluates diamond drill hole assay results from a five hole program completed in 1989. These holes add to the 21 drill hole - 13,443 feet data base which the writer reported on in 1988 (Franzen, 1988).

Drill holes completed in 1989 are as follows:

Drill Section	Hole Number	Length (feet)
1850E	89-37	812.8
2180E	89-36	998.8
2180E	89-38	1,384.7
2580E	89-34	1,456.6
2650E	89-35	1,313.7
Total	5 holes	5,966.6

PROCEDURE

Mineral reserve assessment procedures were described in detail in the writer's November 18, 1988 report and are summarized below.

Tonnages in each reserve block are calculated using volume and lithologic-interval weighted specific gravity values for each block. Lithologic units within the reserve blocks are assigned specific gravity values as follows:

Sulphide Lithology	Specific Gravity
Massive	4.25
Laminated	3.75
Disseminated	3.25
Barren	2.80

Mineral reserves were calculated by the section method. Two categories of mineral reserves were considered:

Drill Indicated: Tonnage and grade are computed partly from specific drill hole values and partly from projection of these values for a distance of up to 115 feet (35 metres) from the drill hole values. Sampling is inappropriately spaced to outline the material completely or to establish its grade throughout.

Inferred: Tonnage and grade estimates are based on an assumed continuity of values 115 feet (35 metres) to 230 feet (70 metres) from a drill hole sample. These estimates are based on overall geological character of the deposit, as seen in level plans and for which there are no local samples or measurements.

Figures 1 to 6 show the location of calculated mineral reserve blocks in the deposit. Appendix A lists detailed tonnage and grade calculations for individual reserve blocks.

The mineral reserve area measures 1,540 feet along strike and up to 1,640 feet downdip from surface. All drill sections are at 230 foot intervals with the exception of the most westerly section (2180E) which is 620 feet from the nearest reserve section line (2370E).

DISCUSSION

Table A summarizes undiluted tonnage and grades based on the most recent diamond drill information.

Undiluted mineral reserves are as follows:

		%			ounces/ton	
Category	Tons	Cu	Pb	Zn	Ag	Au
Drill Indicated	2,558,120	1.83	2.67	4.99	1.94	0.033
Drill Inferred	1,278,520	1.59	2.68	5.03	1.88	0.037
TOTAL	3,836,640	1.76	2.68	5.01	1.92	0.034
% Change over 1988 Estimate	66.0	(7.4)	3.5	0.4	2.7	21.4

The 1989 drill program increased reserves in all categories by 1,525,140 tons or 66% over the 1988 estimate. Reserve grades for base metals and silver are essentially unchanged; gold grade increased by 21%.

Cross Section 2180E contributed 77.4% of the additional reserve tonnage. Gold grades on this section line are significantly above average.

Mining and economic constraints have not been applied to the reserve estimate.

REFERENCES

FRANZEN, J.P. (1988) Preliminary Assessment of Mineral Reserves at the MARG Cu-Zn-Pb-Ag-Au Property, Mayo Mining District, Yukon Territory. Report for NDU Resources Ltd., pp. 7.

FRANZEN, J.P. (1988) Assessment of Mineral Reserves at the MARG Cu-Zn-Pb-Ag-Au Property, Mayo Mining District, Yukon Territory. Report for NDU Resources Ltd., pp. 11.

FRANZEN, J.P. (1988) Addendum to November 18, 1988 Mineral Reserve Assessment, MARG Property, Mayo Mining District, Yukon Territory. Report for NDU Resources Ltd., pp. 8.

CERTIFICATE

I, Jeffrey Paul Franzen, P.Eng., of 4990 Cedarcrest Avenue, North Vancouver, B.C. do hereby certify that:

1. I am a Consulting Mining Geologist registered with the Association of Professional Engineers of British Columbia since 1982.

2. I am a graduate of the University of British Columbia with B.Sc. (1972) and Carleton University with M.Sc. (1974).

3. I have practiced my profession continuously since 1974. In Yukon: as Mine Geologist, Research Geologist and Chief Geologist, United Keno Hill Mines Limited, and Exploration Geologist, Cyprus Anvil Mining Corp. In British Columbia: Regional Geologist - Western Canada, Billiton Canada Ltd., Consultant - Franzen Mineral Engineering Ltd.

4. This report is based on a visit to the subject property on August 22 and 23, 1988; on the writer's 1988 reports on the subject property dated October 17, November 18 and December 12 and on the writer's evaluation of maps and data supplied by NDU Resources Ltd.

5. I have no interest, direct or indirect, in the MARG property or NDU Resources Ltd.

6. Permission is hereby granted to NDU Resources Ltd. to use this report in support of any Prospectus, Statement of Material Facts or Filing Statement to be submitted to the Superintendent of Brokers and the Vancouver Stock Exchange.

FRANZEN MINERAL ENGINEERING LTD.
J.P. Franzen, P. Eng.

North Vancouver, B.C.
October 16, 1989

TABLE A

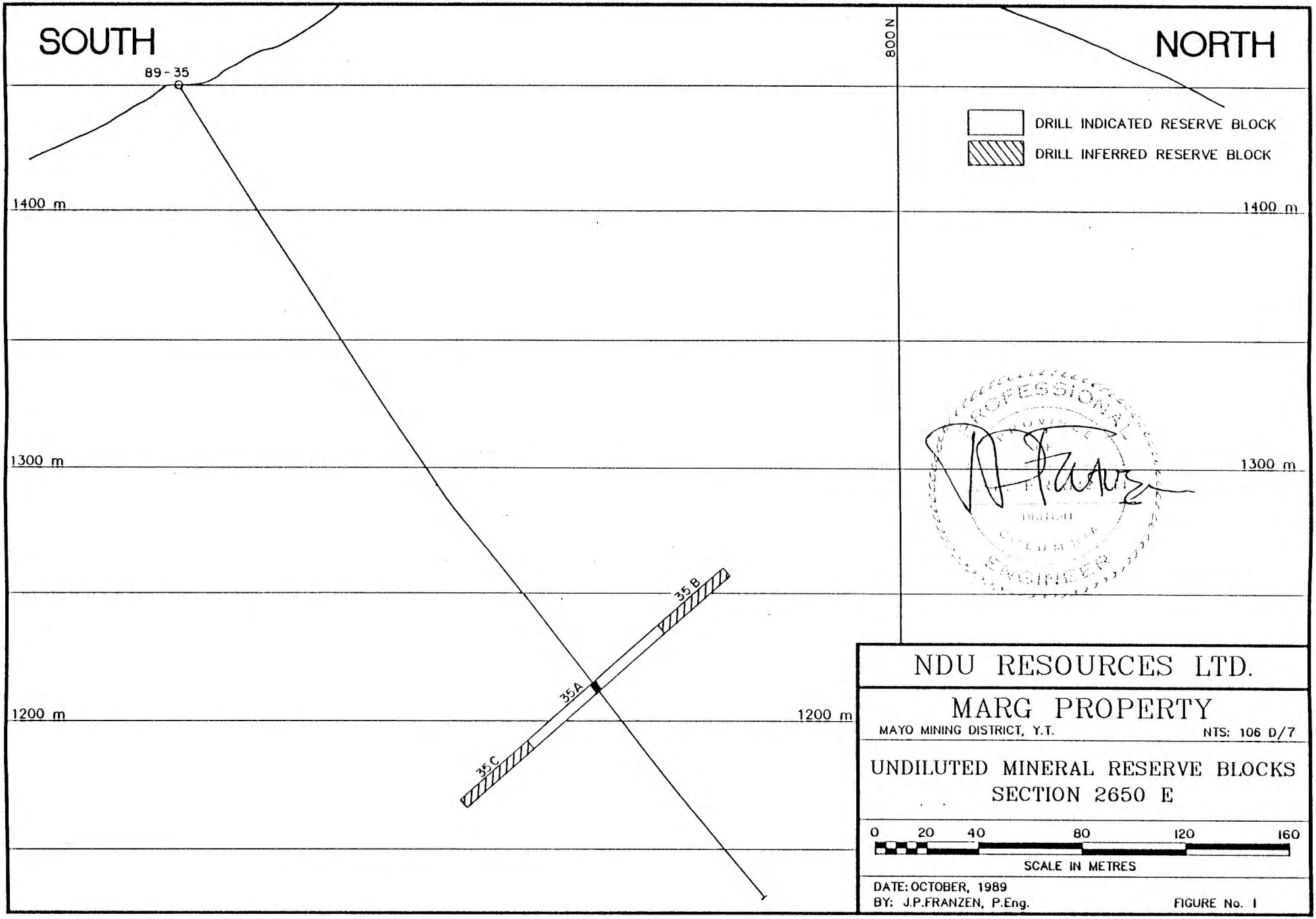
MARG PROPERTY

UNDILUTED TONS AND GRADE SUMMARY - OCTOBER 16, 1989

	Cross Section 2180 E	Cross Section 2370 E	Cross Section 2440 E	Cross Section 2510 E	Cross Section 2580 E	Cross Section 2650 E	TOTAL ALL SECTION
DRILL INDICATED							
Tons	501,217	371,841	709,418	588,459	302,400	84,760	2,558,120
Grade % Cu Pb Zn	1.50 2.66 4.74	2.05 2.69 4.45	2.19 2.76 5.38	1.72 2.54 4.97	1.60 2.49 4.85	1.58 3.45 6.35	1.83 2.67 4.9
oz/ton Ag Au	2.07 0.048	1.68 0.023	1.87 0.031	2.18 0.032	1.83 0.025	1.65 0.035	1.94 0.033
DRILL INFERRED							
Tons	679,758	56,389	174,988	109,781	130,200	127,400	1,278,520
Grade % Cu Pb Zn	1.50 2.66 4.74	1.20 1.20 2.79	2.18 2.57 5.48	1.59 2.59 5.28	1.49 2.94 5.39	1.58 3.45 6.35	1.59 2.68 5.0
oz/ton Ag Au	2.07 0.048	0.72 0.010	1.62 0.021	2.08 0.033	1.80 0.022	1.65 0.035	1.88 0.037
TOTAL DRILL INDICATED AND INFERRED							
Tons	1,181,000	428,200	884,400	698,300	432,600	212,160	3,836,640
Grade % Cu Pb Zn	1.50 2.66 4.74	1.94 2.49 4.23	2.19 2.72 5.40	1.70 2.55 5.02	1.57 2.63 5.01	1.58 3.45 6.35	1.76 2.68 5.0
oz/ton Ag Au	2.07 0.048	1.55 0.021	1.82 0.029	2.16 0.032	1.83 0.024	1.65 0.035	1.92 0.034

FIGURES 1-6

UNDILUTED MINERAL RESERVE BLOCKS, SECTIONS
2650E, 2580E, 2510E, 2440E, 2370E, 2180E



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MARG PROPERTY

MAYO MINING DISTRICT, Y.T. NTS: 106 D/7

UNDILUTED MINERAL RESERVE BLOCKS SECTION 2650 E

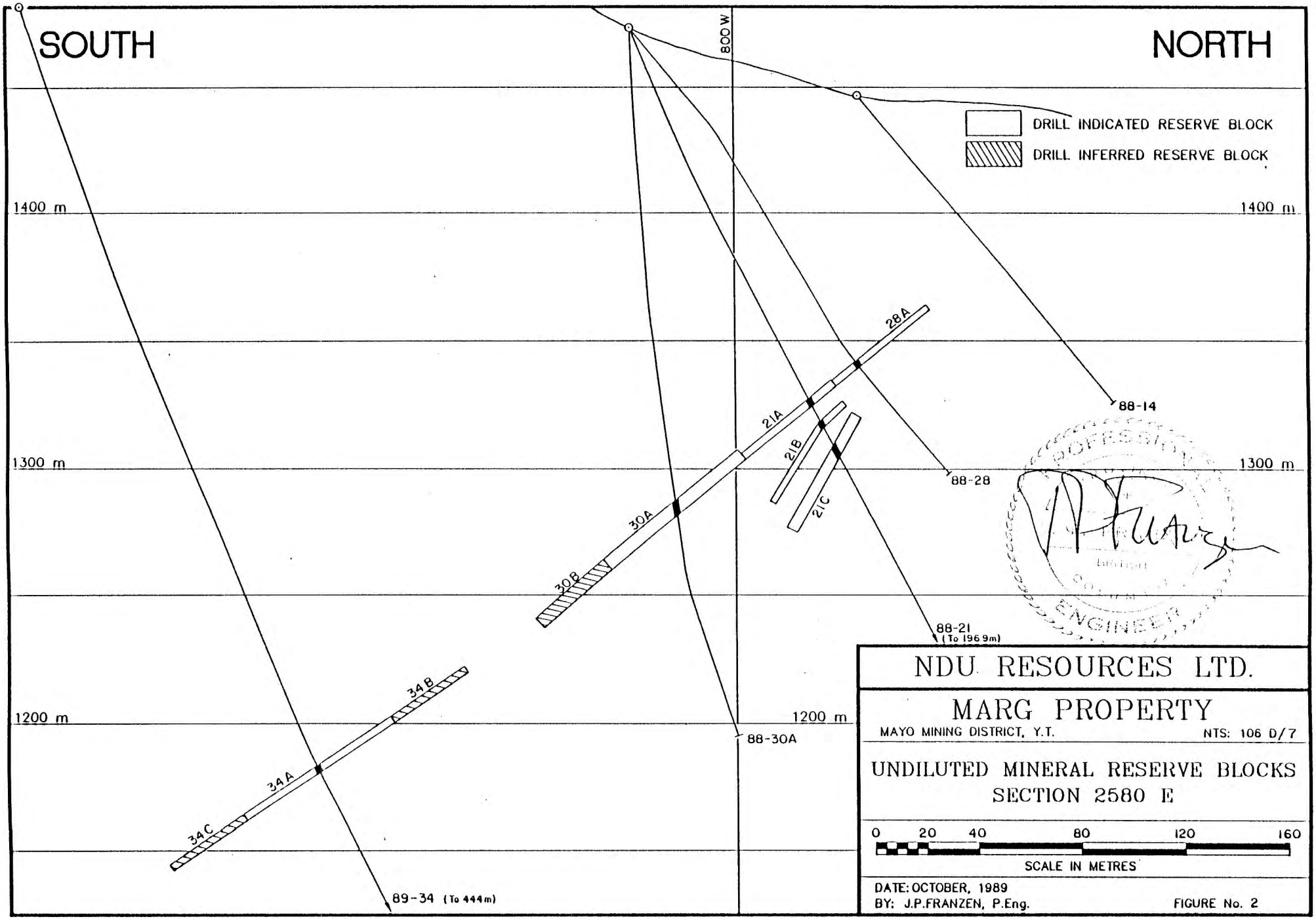
0 20 40 80 120 160

SCALE IN METRES

DATE: OCTOBER, 1989

BY: J.P.FRANZEN, P.Eng. FIGURE No. 1

Prepared by: RWR MINERAL GRAPHICS LTD.



NDU RESOURCES LTD.

MARG PROPERTY

MAYO MINING DISTRICT, Y.T. NTS: 106 D/7

UNDILUTED MINERAL RESERVE BLOCKS
SECTION 2580 E

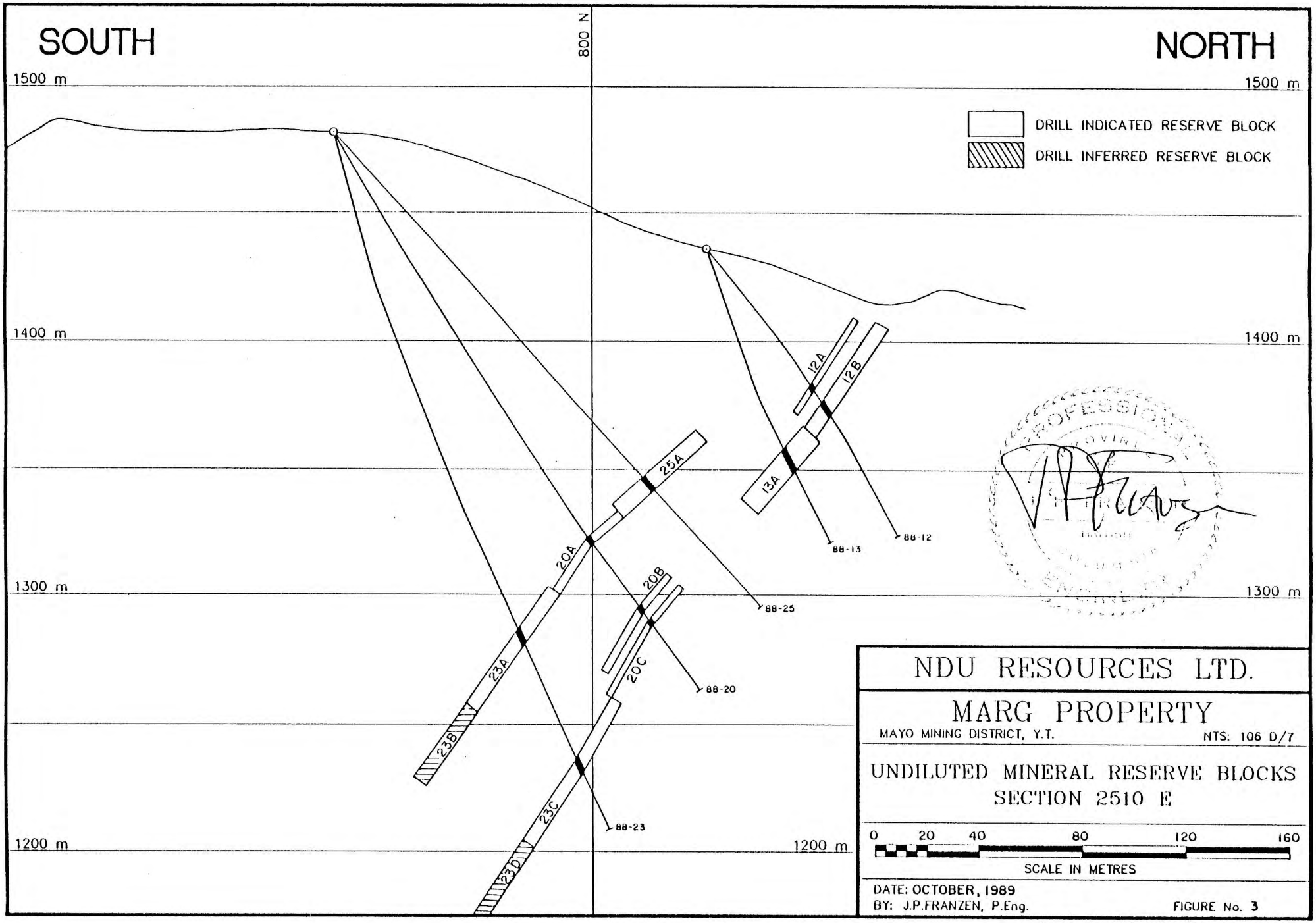
0 20 40 80 120 160

SCALE IN METRES

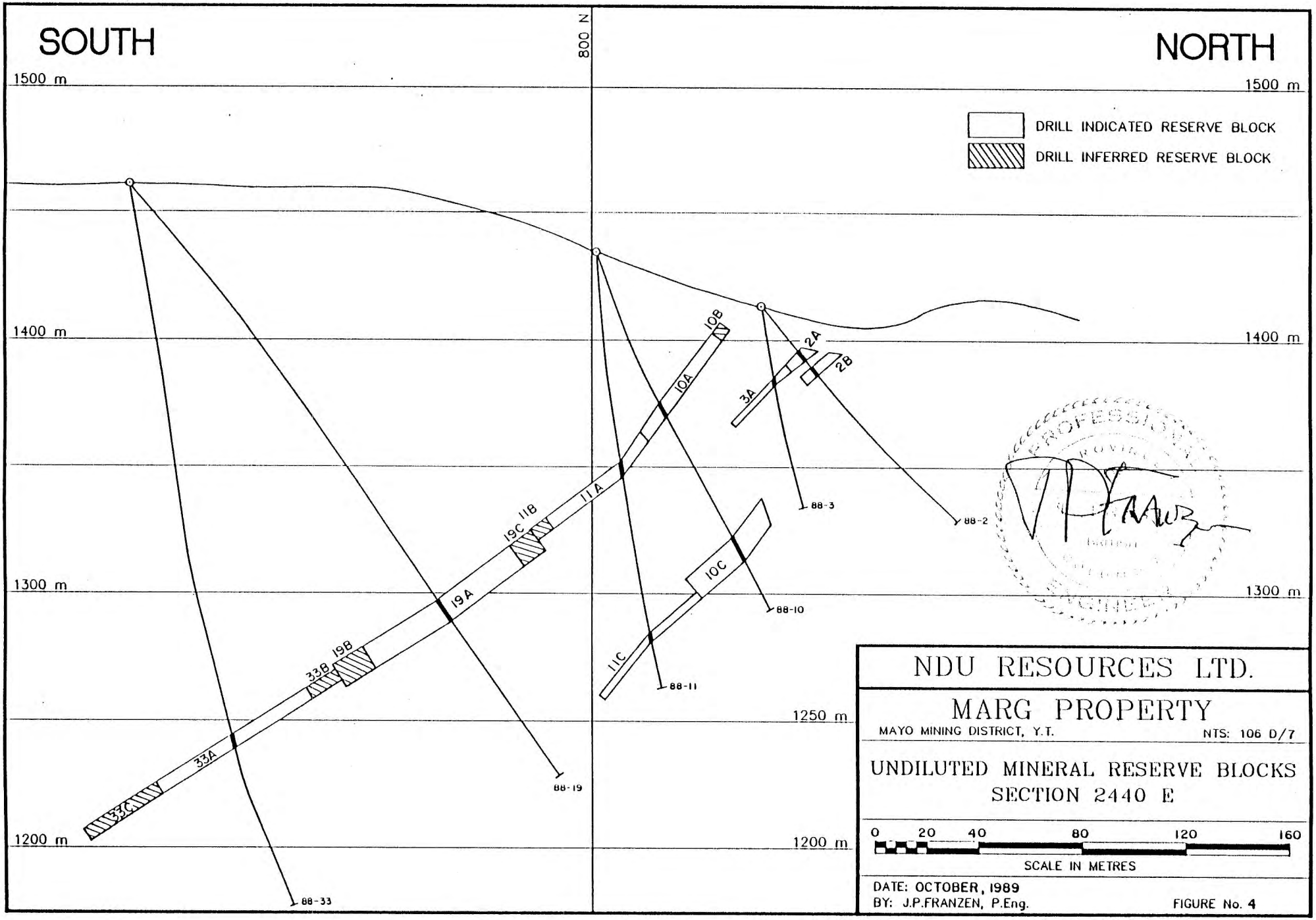
DATE: OCTOBER, 1989

BY: J.P.FRANZEN, P.Eng. FIGURE No. 2

Prepared by: RWR MINERAL GRAPHICS LTD.



Prepared by: RWR MINERAL GRAPHICS LTD.



NDU RESOURCES LTD.

MARG PROPERTY

MAYO MINING DISTRICT, Y.T. NTS: 106 D/7

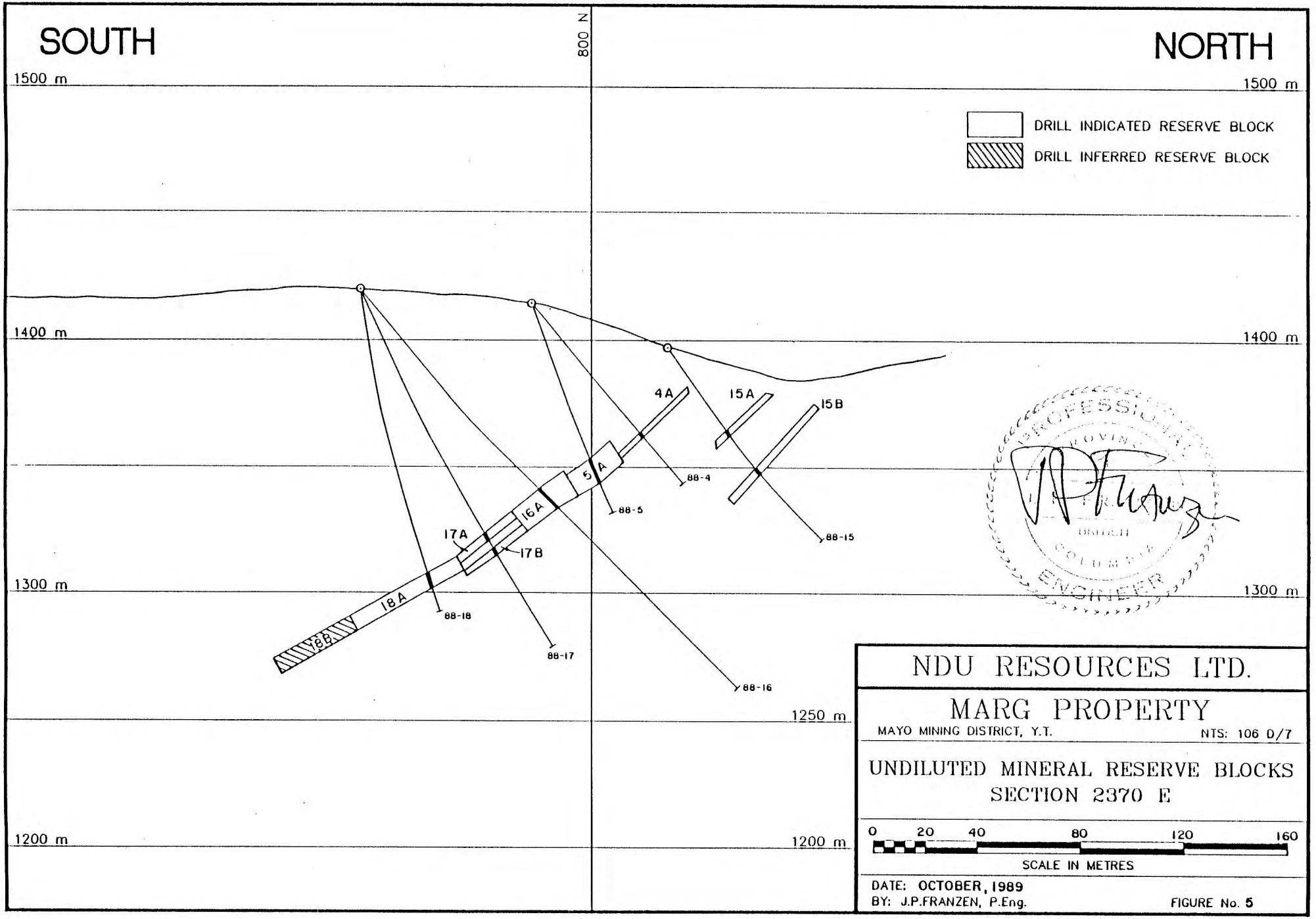
UNDILUTED MINERAL RESERVE BLOCKS
SECTION 2440 E

0 20 40 80 120 160

SCALE IN METRES

DATE: OCTOBER, 1989
BY: J.P.FRANZEN, P.Eng. FIGURE No. 4

Prepared by: RWR MINERAL GRAPHICS LTD.



NDU RESOURCES LTD.

MARG PROPERTY

MAYO MINING DISTRICT, Y.T. NTS: 106 D/7

UNDILUTED MINERAL RESERVE BLOCKS
SECTION 2370 E

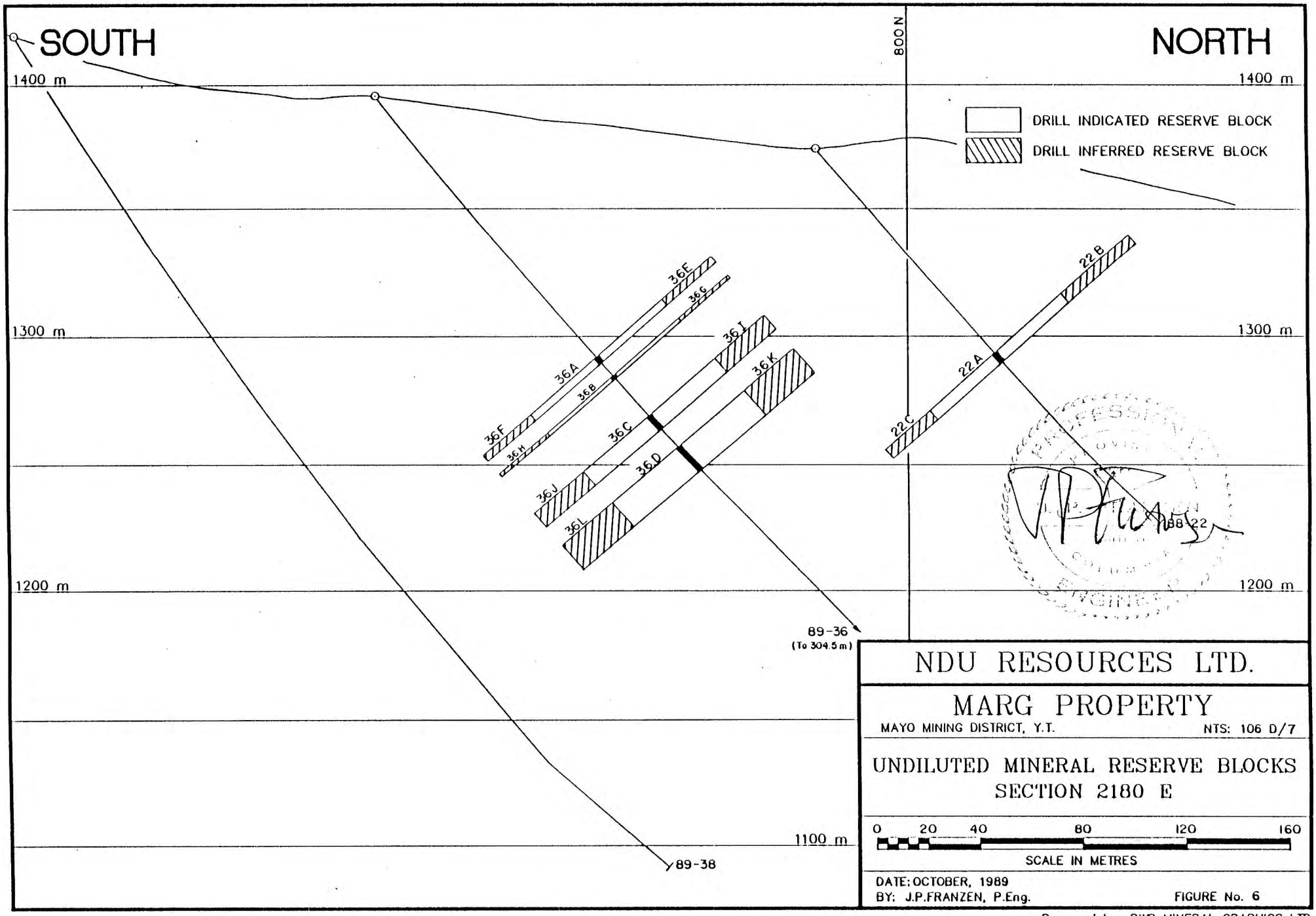
0 20 40 80 120 160

SCALE IN METRES

DATE: OCTOBER, 1989

BY: J.P.FRANZEN, P.Eng. FIGURE No. 5

Prepared by: RWR MINERAL GRAPHICS LTD.



Prepared by: RWR MINERAL GRAPHICS LTD.

APPENDIX A

UNDILUTED TONNAGE AND GRADE CALCULATIONS
CROSS SECTIONS 2650E, 2580E, 2510E, 2440E, 2370E, 2180E

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2650 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
35A	89-35	292.5	296.2	3.7	3.7	70	70	18130	4.25	84760	1.58	3.45	6.35	1.65	0.035
TOTAL DRILL INDICATED								18130	4.25	**84760**	1.58	3.45	6.35	1.65	0.035
DRILL INFERRED															
35B	89-35	292.5	296.2	3.7	3.7	35	105	13600	4.25	63700	1.58	3.45	6.35	1.65	0.035
35C	89-35	292.5	296.2	3.7	3.7	35	105	13600	4.25	63700	1.58	3.45	6.35	1.65	0.035
TOTAL DRILL INFERRED								27200	4.25	**127400**	1.58	3.45	6.35	1.65	0.035
GRAND TOTAL DRILL INDICATED AND INFERRED										**212160**	**1.58**	**3.45**	**6.35**	**1.65**	**0.035**

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2580 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
21A	88-21	161.5	164.8	3.3	3.3	46	70	10626	4.22	49429	2.56	2.48	5.25	2.11	0.034
21B	88-21	171.7	174.2	2.5	2.4	48	70	8064	4.25	37778	1.46	2.10	4.10	1.78	0.022
21C	88-21	182.4	187.5	5.1	3.8	48	70	12768	4.20	59111	1.50	2.32	4.84	1.97	0.031
28A	88-28	156.9	160.0	3.1	3.1	46	70	9982	3.29	36200	1.39	1.81	3.46	1.49	0.015
30A	88-30	188.6	192.2	3.6	3.0	69	70	14490	4.20	67084	1.05	2.85	5.21	1.70	0.027
34A	89-34	320.2	322.5	2.3	2.3	70	70	11270	4.25	52687	1.77	3.00	5.50	1.86	0.018
TOTAL DRILL INDICATED								67200	4.08	**302400**	1.60	2.49	4.85	1.83	0.025
DRILL INFERRED															
30B	88-30	188.6	192.2	3.6	3.0	35	105	11025	4.20	51042	1.05	2.85	5.21	1.70	0.027
34B	89-34	320.2	322.5	2.3	2.3	35	105	8453	4.25	39600	1.77	3.00	5.50	1.86	0.018
34C	89-34	320.2	322.5	2.3	2.3	35	105	8453	4.25	39600	1.77	3.00	5.50	1.86	0.018
TOTAL DRILL INFERRED								27931	4.23	**130200**	1.49	2.94	5.39	1.80	0.022
GRAND TOTAL DRILL INDICATED AND INFERRED										**432600**	**1.57**	**2.63**	**5.01**	**1.83**	**0.024**

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2510 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
12A	88-12	65.0	68.7	3.7	3.0	43	70	9030	4.00	39815	3.14	4.84	9.21	3.18	0.053
12B	88-12	73.9	79.8	6.0	5.5	50	70	19250	4.00	84877	2.03	3.31	5.85	3.09	0.042
13A	88-13	82.3	94.0	11.7	10.3	38	70	27398	3.77	113857	1.41	2.52	4.45	2.25	0.031
20A	88-20A	187.2	189.3	2.1	2.1	39	70	5733	3.40	21486	1.74	1.87	3.97	1.91	0.034
20B	88-20B	221.3	223.5	2.2	2.2	45	70	6930	3.61	27577	1.26	2.10	4.04	1.55	0.018
20C	88-20C	226.7	229.2	2.5	2.5	50	70	8750	3.35	32311	0.93	1.77	3.23	1.41	0.014
23A	88-23A	209.2	215.1	5.9	5.0	56	70	19600	4.25	91822	1.91	3.07	6.49	2.20	0.028
23C	88-23C	263.8	269.2	5.3	5.0	66	70	23100	3.88	98797	1.24	2.07	3.95	1.94	0.038
25A	88-25A	181.5	187.5	6.0	6.0	45	70	18900	3.74	77917	1.98	1.22	3.40	1.47	0.023
TOTAL DRILL INDICATED								138691	3.85	**588459**	1.72	2.54	4.97	2.18	0.032
DRILL INFERRED															
23B	88-23	209.2	215.1	5.9	5.0	35	70	12250	4.25	57388	1.91	3.07	6.49	2.20	0.028
23D	88-23	263.8	269.2	5.4	5.0	35	70	12250	3.88	52392	1.24	2.07	3.95	1.94	0.038
TOTAL DRILL INFERRED					5.0	35	70	24500	4.07	**109781**	1.59	2.59	5.28	2.08	0.033
GRAND TOTAL DRILL INDICATED AND INFERRED										**698300**	**1.70**	**2.55**	**5.02**	**2.16**	**0.032**

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2440 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
2A	88-2	18.9	25.1	6.2	4.0	11	70	3080	2.99	10151	0.26	5.77	0.02	9.30	0.050
2B	88-2	28.2	32.6	4.4	4.4	16	70	4928	3.66	19882	3.99	1.74	3.44	1.66	0.029
3A	88-3	28.3	29.4	1.1	0.7	31	70	1519	4.25	7116	5.41	3.05	6.72	2.97	0.010
10A	88-10	62.7	68.6	5.9	5.4	48	70	18144	4.25	85001	2.92	3.33	5.80	1.81	0.048
10C	88-10	123.3	133.6	10.3	10.0	42	70	29400	3.90	126390	1.32	2.50	4.45	1.91	0.047
11A	88-11	82.2	87.8	5.6	4.7	51	70	16779	4.18	77311	2.24	3.05	5.87	1.16	0.027
11C	88-11	150.0	152.9	2.9	2.3	55	70	8855	4.25	41484	1.52	3.17	5.57	2.47	0.050
19A	88-19	203.7	214.9	11.2	11.2	70	70	54880	4.12	249236	2.55	2.71	6.26	1.86	0.022
33A	88-33	222.5	227.2	4.7	4.5	70	70	22050	3.82	92848	1.57	2.19	4.29	1.36	0.016
TOTAL DRILL INDICATED								159635	4.03	**709418**	2.19	2.76	5.38	1.87	0.031
DRILL INFERRED															
10B	88-10	62.7	68.6	5.9	5.4	5	70	1890	4.25	8854	2.92	3.33	5.80	1.81	0.048
11B	88-11	82.2	87.8	5.6	4.7	8	70	2632	4.18	12127	2.24	3.05	5.87	1.16	0.027
19B	88-19	203.7	214.9	11.2	11.2	14	70	10976	4.12	49847	2.55	2.71	6.26	1.86	0.022
19C	88-19	203.7	214.9	11.2	11.2	11	70	8624	4.12	39166	2.55	2.71	6.26	1.86	0.022
33B	88-33	222.5	227.2	4.7	4.5	14	70	4410	3.82	18570	1.57	2.19	4.29	1.36	0.016
33C	88-33	222.5	227.2	4.7	4.5	35	70	11025	3.82	46424	1.57	2.19	4.29	1.36	0.016
TOTAL DRILL INFERRED								39557	4.01	**174988**	2.18	2.57	5.48	1.62	0.021
GRAND TOTAL DRILL INDICATED AND INFERRED										**884400**	**2.19**	**2.72**	**5.40**	**1.82**	**0.029**

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2370 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
4A	88-4	65.2	68.3	3.1	3.1	38	70	8246	3.10	28178	0.14	6.18	0.02	2.81	0.027
5A	88-5	64.1	74.8	10.7	10.7	22	70	16478	4.25	77196	3.32	3.68	6.59	2.08	0.030
15A	88-15	39.5	41.2	1.7	1.7	30	70	3570	4.07	16016	3.35	2.52	4.64	2.36	0.033
15B	88-15	58.8	61.2	2.4	2.4	50	70	8400	4.05	37500	1.65	2.66	5.20	2.22	0.032
16A	88-16	104.0	114.9	10.9	10.5	25	70	18375	3.73	75550	2.54	2.48	5.31	1.76	0.022
17A	88-17	108.0	111.9	3.9	3.9	28	70	7644	3.93	33114	2.15	2.98	6.14	1.80	0.024
17B	88-17	115.0	118.3	3.3	3.3	29	70	6699	3.65	26953	1.18	0.83	2.08	0.52	0.014
18A	88-18	114.3	120.7	6.4	6.0	48	70	20160	3.48	77334	1.20	1.21	2.79	0.72	0.010
TOTAL DRILL INDICATED								89572	3.77	**371841**	2.05	2.69	4.45	1.68	0.023
DRILL INFERRED															
18B	88-18	114.3	120.7	6.4	6.0	35	70	14700	3.48	56389	1.20	1.20	2.79	0.72	0.010
TOTAL DRILL INFERRED								14700	3.48	**56389**	1.20	1.20	2.79	0.72	0.010
GRAND TOTAL DRILL INDICATED AND INFERRED										**428200**	**1.94**	**2.49**	**4.23**	**1.55**	**0.021**

MARG PROPERTY

UNDILUTED MINERAL RESERVES

October 16, 1989

Cross Section 2180 E

Block	Drill Hole	Interval (m) From	To	Width (m)	True Width (m)	Length (m)	Infl (m)	Volume (m^3)	Specific Gravity	Tons	% Cu	% Pb	% Zn	oz/ton Ag	oz/ton Au
DRILL INDICATED															
22A	89-22	107.7	111.3	3.6	3.6	70	70	17640	4.25	82639	1.97	2.87	5.64	2.00	0.026
36A	89-36	139.5	141.4	1.9	1.9	70	70	9310	4.25	43524	1.45	3.65	4.67	2.60	0.056
36B	89-36	148.5	149.4	0.9	0.9	70	70	4410	4.25	20660	2.21	5.29	9.63	3.73	0.072
36C	89-36	170.1	177.2	7.1	7.1	70	70	34790	3.75	143809	1.15	2.43	4.36	1.88	0.063
36D	89-36	188.9	200.3	11.4	11.4	70	70	55860	3.42	210585	1.47	2.27	4.15	1.95	0.043
TOTAL DRILL INDICATED								122010	3.73	**501217**	1.50	2.66	4.74	2.07	0.048
DRILL INFERRED															
22B	89-22	107.7	111.3	3.6	3.6	35	125	15750	4.25	73786	1.97	2.87	5.64	2.00	0.026
22C	89-22	107.7	111.3	3.6	3.6	24	125	10800	4.25	50596	1.97	2.87	5.64	2.00	0.026
36E	89-36	139.5	141.4	1.9	1.9	26	125	6175	4.25	28928	1.45	3.65	4.67	2.60	0.056
36F	89-36	139.5	141.4	1.9	1.9	26	125	6175	4.25	28928	1.45	3.65	4.67	2.60	0.056
36G	89-36	148.5	149.4	0.9	0.9	26	125	2925	4.25	13703	2.21	5.29	9.63	3.73	0.072
36H	89-36	148.5	149.4	0.9	0.9	26	125	2925	4.25	13703	2.21	5.29	9.63	3.73	0.072
36I	89-36	170.1	177.2	7.1	7.1	26	125	23075	3.75	95383	1.15	2.43	4.36	1.88	0.063
36J	89-36	170.1	177.2	7.1	7.1	26	125	23075	3.75	95383	1.15	2.43	4.36	1.88	0.063
36K	89-36	188.9	200.3	11.4	11.4	26	125	37050	3.42	139674	1.47	2.27	4.15	1.95	0.043
36L	89-36	188.9	200.3	11.4	11.4	26	125	37050	3.42	139674	1.47	2.27	4.15	1.95	0.043
TOTAL DRILL INFERRED								165000	3.74	**679758**	1.50	2.66	4.74	2.07	0.048
GRAND TOTAL DRILL INDICATED AND INFERRED										**1181000**	**1.50**	**2.66**	**4.74**	**2.07**	**0.048**