

PROPERTY FILE

RAA

Brett  
82L/4E

004580

SUPERINTENDENT OF BROKERS

AND

VANCOUVER STOCK EXCHANGE

82LSW  
110  
131  
132  
084

(The Issuer is, under the Rules of the Exchange, a Development Company)

**STATEMENT OF MATERIAL FACTS (#37/89)**

**EFFECTIVE DATE: JULY 21, 1989**

HUNTINGTON RESOURCES INC.  
555 West Hastings Street, Suite 700, Harbour Centre, P.O. Box 12099  
Vancouver, British Columbia V6B 4N5 Telephone: (604) 684-7994  
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#2020 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4N7  
ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

MONTREAL TRUST COMPANY OF CANADA  
510 Burrard Street, Vancouver, British Columbia V6C 3B9  
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 400,000 Units consisting of One Share and Two (2) Series "A" Share Purchase Warrants

	Estimated Price to Public	Agent's Commission	Estimated Net Proceeds to the Issuer
Per Unit	\$1.30	\$0.0975	\$1.2025
Total	\$520,000	\$39,000	\$481,000

The price of the 400,000 Units will be determined by the Vancouver Stock Exchange based on a premium over the average trading price of the shares of the Issuer as determined by the Vancouver Stock Exchange.

Additional Offering

The Agent has agreed to purchase (the "Guarantee") any of the Units offered hereby which have not been sold at the conclusion of the Offering (see "Offering").

Any Units acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

Rcvd 8/29/89

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**AGENT**

CANARIM INVESTMENT CORPORATION LTD.  
2200 - 609 Granville Street  
Vancouver, B. C.  
V7Y 1H2

**Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.**

GROUP II - PRESENTLY HELD PROPERTIES WHICH ARE CURRENTLY PRODUCING OR BEING EXPLORED, OR UPON WHICH EXPLORATION IS PLANNED WITHIN THE NEXT YEAR.

Brett Claims, British Columbia

In 1939, gold-silver bearing quartz veins were discovered by a Mr. A. Brewer of Vernon near the common boundary of the present Brett 1 and 2 claims. Assays up to 1.16 oz/t gold and 5.2 oz/t silver across 0.3 metres were reported. The claims were allowed to lapse and no work was done for several years.

In 1983 heavy mineral stream sediment sampling was conducted in the area by Mr. Charles Brett. Several of the streams draining the area were strongly anomalous in gold. The Brett 1 and 2 claims were staked at this time and cover the stream sediment anomalies and the gold-silver bearing quartz veins mentioned previously.

By an agreement dated July 5, 1983 the Issuer optioned the claims for \$1,000 and 750,000 escrow shares subject to an underlying 5% net smelter return. Mr. James Dawson of Kerr, Dawson and Associates Ltd., of Kamloops, B. C., was retained to evaluate the property and to provide an exploration program if warranted. Mr. Dawson recognized epithermal mineralization in a large, northerly trending rusty zone known as the Gossan Zone where initial chip samples assayed up to 0.174 oz/t gold. He recommended geochemical sampling of the Gossan Zone which was carried out in 1984. A large arsenic soil anomaly was defined accompanied by sporadic gold values.

Geochemical sampling and mapping were also carried out over a large area near Brett Creek, the most anomalous drainage, and led to the identification of several new areas containing anomalous gold values. Subsequent surface prospecting led to the discovery of a new gold bearing vein located on the Brett 1 claim. This vein was named the Discovery Zone and assayed 0.17 oz/t across 0.15 metres. The Discovery Zone is located about 1,000 metres west of the two previously known veins and over 1,000 metres southwest of the Gossan Zone.

Subsequent work near the Discovery Zone in 1985 and 1986 consisted of grid work, trenching, road building and diamond drilling. During the course of this work a major fault, now called the Main Shear Zone, was exposed a few metres west of the Discovery Zone and was traced for several hundred metres. The Main Shear Zone strikes north-northwesterly and dips steeply westward and is the locus of several occurrences of gold mineralization. Another gold bearing vein (RW Vein) was exposed by road building. This vein is located 15 metres west of the Main Shear Zone and assayed 1.84 oz/t gold and 3.2 oz/t silver over 1.4 metres. Considerable visible gold was reported.

The Brett 3 and 4 claims were staked in 1985 to cover the possible northwest extension of favourable geology. The Brett claims now consist of 51 units covering 1,275 hectares of favourable geology much of which is unexplored.

The property is underlain by Mesozoic granitic rocks and Eocene volcanic rocks mainly of andesitic composition. These rock units have been intruded by Eocene granite and syenite and related quartz-feldspar porphyry dykes. Epithermal precious metal mineralization occurs in sheared and altered zones within andesite host rocks and is thought to be related to late intrusive activity although dykes are generally unmineralized. Gold mineralization on the property is widely distributed and is reflected by numerous gold geochemical anomalies ranging from 10 to over 200 ppb in soils.

Precious metal mineralogy is relatively simple, consisting of native gold, electrum and argentite. Gold ranges in size from visible grains to very fine disseminations. The gold to silver ratio is commonly between 1:1 and 3:1 for better mineralization. Pyrite is the only notable sulphide present and commonly ranges between 1 and 3 percent. In many cases, mineralization along the Main Shear Zone is associated with a tuffaceous unit some 40 metres thick which has a gentle westward dip. Mineralization also occurs as fracture controlled zones near or within the shear zone, as hanging wall veins, within quartz fragments in the shear zone and in altered andesite up to 30 metres in the hanging wall or footwall of the Main Shear Zone. Of these styles, the fracture controlled mineralization and the hanging wall veins appear to have the best continuity.

In 1986 the Main Shear Zone and RW Vein were tested by 16 diamond drill holes totalling 795 metres. Gold values up to 0.40 oz/t were intersected.

In early 1987, the Issuer entered into an option agreement with Lacana Ex (1981) Inc., a subsidiary of Corona Corporation. Under the terms of that agreement, Lacana was to invest \$250,000 in the Brett claims during 1987 and a further \$250,000 by December 1988. By the expenditure of \$500,000 on the Brett claims, a cash payment of \$110,000 and the purchase of 58,820 shares of the Issuer at \$1.70 per share, Lacana acquired a 51% interest in the property to be operated as a Joint Venture. Also, Lacana has an option to acquire 100,000 shares from the Issuer for a period of five (5) years at prices to be negotiated.

The work program for 1987 included geochemical surveys, trenching, road building and 2,900 metres of diamond drilling in 32 holes. The Main Shear Zone was extended to over 580 metres along strike and over a vertical interval of over 250 metres. Trenching and drilling indicated the zone to be several metres in width and to be filled by a post-mineral dyke over much of the area tested. Several gold intersections were obtained, mainly confined to a 136 metre section of the Main Shear Zone. The best assay was 0.737 oz/t gold over a 5.25 metre core length.

The 1988 exploration program consisted mainly of diamond drilling, reverse circulation drilling, trenching and road construction. 26 diamond drill holes totalling 2,902.6 metres and 34 reverse circulation holes totalling 2,834.7 metres were completed. Of this drilling, 17 diamond drill holes and 32 reverse circulation holes were drilled along

the Main Shear Zone, extending its tested strike length to 1,050 metres. The best grade intersections were obtained within a 194 metre strike length and over vertical range of 153 metres. The best hole in 1988 was reverse circulation hole number 88-11 which intersected 71.65 metres (235 feet) of 2.03 oz/t gold. This hole was drilled at a steep angle (84 degrees) nearly parallel to the dip of the Main Shear Zone. The gold soil geochemistry pattern in this area indicates a cross-structure to the Main Shear Zone may be present. The potential for discovering additional gold mineralization along the Main Shear Zone to the northwest or at depth is considered to be good.

Two additional gold bearing zones were tested by diamond drilling in 1988. These are the New Discovery Zone and the East Zone which are located some 400 metres and 600 metres respectively eastward of the Main Shear Zone. Gold mineralization is associated with altered andesite and several gold intersections were obtained near surface and at depth ranging up to 0.187 oz/t gold.

The Issuer engaged D.C. Miller, P. Eng. to prepare an independent qualifying report dated April 13, 1989 on the Brett claims (a copy of which is attached and forms part of this Statement of Material Facts). This report recommends a particular work program upon Mr. Miller's evaluation of the Brett claims. That two phase work program totals \$684,400.

As the managing partner in the Huntington (49%) - Corona (51%) Joint Venture, Corona Corporation's professional staff have determined that a two phase program totalling \$661,000 will be undertaken (see program outlined below). From the funds raised through this offering \$323,890 will be employed to fund that program.

The Issuer has reviewed the two programs and believes that both programs are fundamentally consistent with the further development of the Brett claims.

The 1989 joint venture program (the "Joint Venture Program") is budgeted at \$661,000 (Issuer's share is \$323,890) and will include extensive diamond and reverse circulation drilling. The drilling will be primarily directed toward further development of the Main Shear Zone.

Phase I of the joint venture program has now been completed. The 18 diamond drill holes tested the main shear zone from section 9+70N to section 14+38N, a distance of 1,535 ft. Including the area detailed in 1987 and 1988 (section 7+30N to section 9+24N), the total length of the structure has been extended to over 2,300 ft. The following data has been provided by Corona:

<u>Drill Hole #</u>	<u>Section</u>	<u>Dip (°)</u>	<u>Intersection (ft.)</u>	<u>Width (ft.)</u>	<u>Grade (oz./ton)</u>
DDH 89-78	10+26N	-80	235.8 to 257.4	21.6	0.041
DDH 89-88	13+75N	-55	No significant assays		
DDH 89-89	13+75N	-70	611.5 to 617.9 (includes 2.3 ft. of .720 oz. gold per ton)	6.4	0.280
DDH 89-90	14+38N	-77	No significant assays		
DDH 89-91	13+11N	-70	441.2 to 450.5 (includes 4.1 ft. of 1.256 oz. gold per ton)	9.3	0.726
DDH 89-92	13+11N	-65	326.3 to 327.3 426.9 to 430.6	1.0 3.7	1.125 1.590

Drill Hole Summary:

DDH 89-78 - 21.6 ft. of 0.041 oz. of gold per ton occurring in hanging wall tuff near the main shear zone.

DDH 89-88 and DDH 89-89 - Both holes were drilled on the same section. DDH 89-88 returned no significant assays. DDH 89-89, the steeper angled of the two holes, returned 6.4 ft. of 0.280 oz. of gold per ton from an epithermal quartz veined breccia zone. This intersection occurs at an elevation of 3,970 feet, corresponding well with previous drilling.

DDH 89-90 - Drilled on section 14+38N, the most northerly of all holes drilled to date confirmed structural continuity. Additional drilling is required to test mineralization.

DDH 89-91 - 9.4 ft. of 0.726 oz. of gold per ton was intersected in a quartz veined and brecciated zone. Visible gold and electrum were reported. This intersection, occurring at an elevation of 4,100 feet, is 130 feet higher and 210 feet south and along strike of the intersection in DDH 89-89. The hole also returned 9.4 ft. of 1.82 oz. of silver per ton.

DDH 89-92 - 3.7 ft. of 1.590 oz. of gold per ton was intersected in silicified breccia zone approximately 40 feet above or "up dip" of the intersection in DDH 89-91. The intersection contained 3.70 oz. of silver per ton and remains open at depth.

1.0 ft. of 0.125 oz. of gold per ton was intersected in a narrow quartz vein/breccia zone in hanging wall andesitic rocks. This intersection also contained 9.19 oz. of silver per ton.

Five holes (DDH 89-83, DDH 89-84, DDH 89-85, DDH 89-86, DDH 89-87) drilled between sections 11+76N and 12+80N did not return significant assays due to the large amount of intrusive rocks intersected. These rocks may post date the mineralization and thus, may interrupt the mineralized structure over approximately 350 feet.

Analysis:

The intersections in DDH 89-90, DDH 89-91 and DDH 89-92 reveal a well mineralized structure at elevations consistent with previous years drilling. These intersections provide strong evidence of a second mineralized shoot similar to that revealed by RC 88-11 (235 ft. of 2.03 oz. of gold per ton) on section 8+05N. Detailed drilling will be required to confirm the size.

The style of the mineralization to the north appears to be changing towards a more silicified quartz veined breccia zone. In addition, much higher than usual silver values appear concurrent with the gold mineralization.

Corona is now analyzing this data prior to the start of Phase II.

The Issuer has spent \$609,364 for exploration work to date on the property and Lacana has spent approximately \$700,000. These figures do not include the joint venture program.

The Brett claims are without a known body of commercial ore.

GROUP III - OTHER PRESENTLY-HELD PROPERTIES UPON WHICH THE ISSUER'S ACQUISITION AND EXPLORATION COSTS TO DATE EXCEED \$100,000.

NONE.

The securities offered by this Statement of Material Facts must be considered speculative, generally because of the nature of the Issuer's business. In particular, a prospective investor should carefully consider the following factors:

1. There is no known body of ore on the Issuer's mineral property. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The

only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development of the property.

2. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described in this Statement of Material Facts will result in discoveries of commercial quantities of ore.
3. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer's not receiving an adequate return on invested capital.
4. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial capital.
5. While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.
6. The Issuer's property consists of recorded mineral claims which have not been surveyed, and therefore, the precise area and location of such claims may be in doubt.



REPORT ON THE BRETT 1 TO 4 CLAIMS

VERNON MINING DIVISION

NTS 82L/4E AND 5E

LATITUDE: 50 DEGREES 14 MINUTES

LONGITUDE: 119 DEGREES 39 MINUTES

FOR

HUNTINGTON RESOURCES INC.

BY

D.C. MILLER, P.ENG.

D. C. MILLER GEOLOGICAL SERVICES

APRIL 13, 1989

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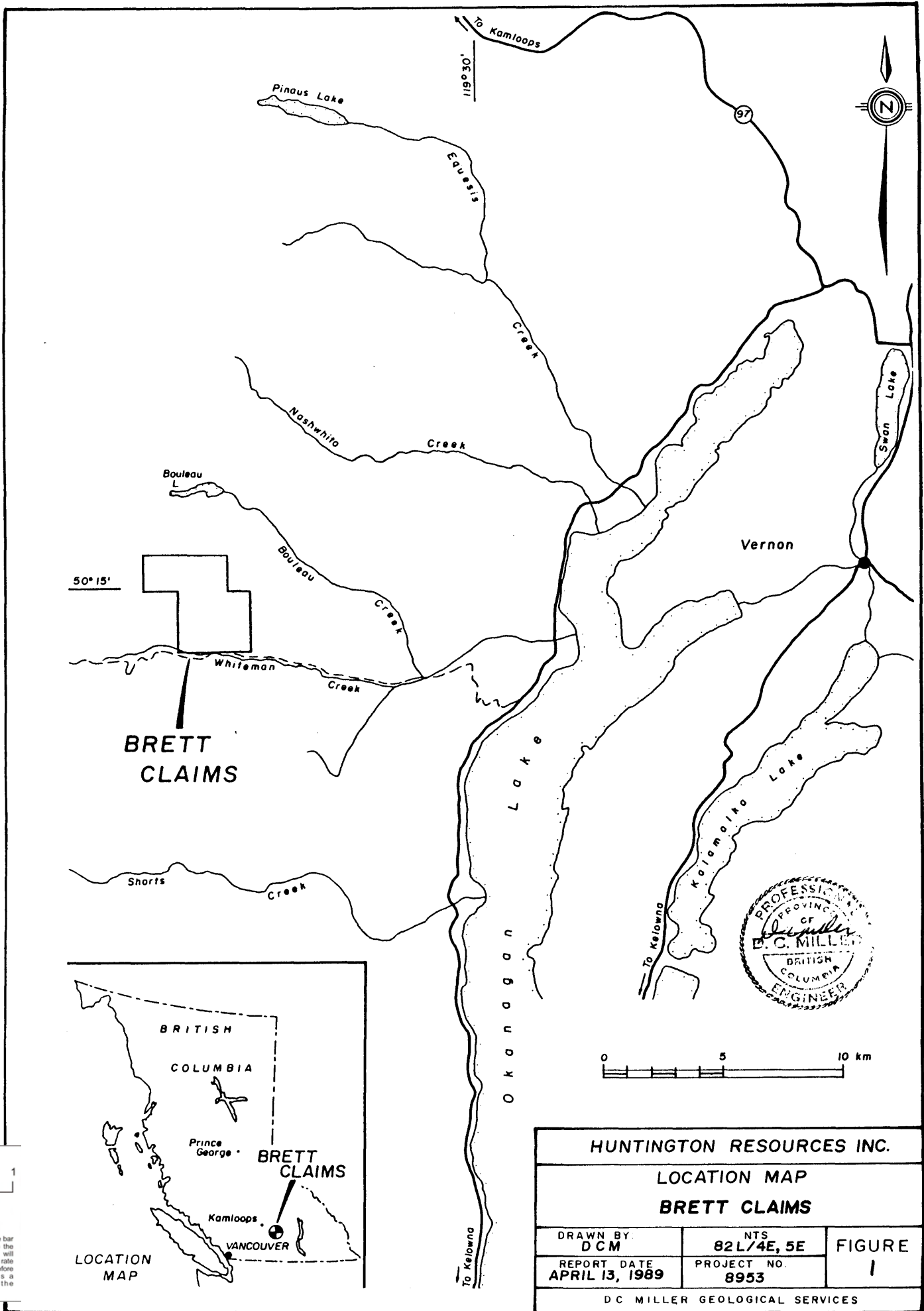
## INTRODUCTION

At the request of Werner Gruenwald, a Director of Huntington Resources Inc., the writer has reviewed exploration results at the Brett property. This report summarizes these results and proposes a programme for further work at the property. Because of snow cover, the writer was unable to examine the claims and check drill core stored at the property. However, the writer was provided with specimens of representative drill core and a complete set of plans, sections, drill logs and assay data. As well, additional information was provided by Ron Wells of Corona Corporation.

## SUMMARY

The Brett property comprises 4 contiguous claims consisting of 51 units or 1275 hectares. Recent precious metal discoveries on the property resulted from the follow up of heavy mineral stream sediment samples which were highly anomalous in gold for several streams draining the property. Exploration work on the property since 1983 includes extensive geological and geochemical surveys, trenching, 11.5 km of access road and 9,429 m of diamond and reverse circulation drilling. The property is currently operated as a joint venture between Huntington Resources Inc. and Corona Corporation.

The property is underlain by Mesozoic granitic rocks and Eocene volcanic rocks mainly of andesitic composition. These rock units have been intruded by Eocene granite and syenite of the Whiteman Creek stock and related quartz-feldspar porphyry dykes.



50° 15'

**BRETT  
CLAIMS**

Vernon

97

To Kamloops  
119° 30'



0 5 10 km

**HUNTINGTON RESOURCES INC.**

**LOCATION MAP  
BRETT CLAIMS**

DRAWN BY  
**DCM**

NTS  
**82L/4E, 5E**

**FIGURE**

REPORT DATE  
**APRIL 13, 1989**

PROJECT NO.  
**8953**

**1**

DC MILLER GEOLOGICAL SERVICES



**LOCATION  
MAP**

inches  
0 1  
centimetres  
0 1 2



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Epithermal precious metal mineralization occurs in sheared and altered zones within andesite host rocks and is thought to be related to late intrusive activity although dykes are generally unmineralized.

The main structure on the property is a north-northwesterly striking fault which dips steeply westward. This structure has a strike length of at least 1.5 km and is the locus of several occurrences of gold-silver mineralization. Elsewhere on the property, mineralization is widely distributed and is associated with small to large zones of alteration and shearing within the andesites. The extent of gold bearing rocks is reflected to some degree by gold geochemical soil anomalies.

Precious metal mineralogy is relatively simple consisting of native gold, electrum and argentite. Gold ranges in size from visible grains to very fine disseminations. The silver to gold ratio varies considerably but is commonly between 1:1 and 3:1 for better mineralization. Pyrite is the only notable sulphide present and generally ranges between 1 and 3 percent. A cyanidation test of drill core and chips from several areas of the property indicated gold is generally easily extractable.

Although several drill holes have cut good grade gold mineralization along the Main Shear Zone, no formal ore reserves have been calculated because the continuity between intersections is not well established. Mineralization in some cases appears to have reasonable continuity up-dip but cannot be projected more than a few tens of metres along strike. The best intersection to date occurred in

hole RC 88-11 which intersected 71.65 m averaging 2.03 oz/t gold. This hole was drilled down the dip of the mineralization to test between intercepts in several previous holes (Section 8+05N).

In many cases mineralization along the Main Shear Zone is associated with a tuffaceous unit, some 40 m thick, which has a gentle, apparent westward dip.

Proposed exploration consists of further drilling to the north along the Main Shear Zone, 2 holes to test near previous intersections in the East Zone, 2 holes to test a strong geochemical anomaly and 3 short holes to test the best area of the Main Shear Zone near surface.

#### LOCATION AND ACCESS

The property is located some 25 km west of Vernon, B.C. at geographic co-ordinates 50 degrees 14 minutes north and 119 degrees 39 minutes west. Access to the property is provided by a good logging road which leads westerly from the west side of Okanagan Lake along Whiteman Creek. At kilometre 19.2, a branch road leads to the property and connects with a recently constructed system of 4-wheel drive roads (totalling 11.5 km ) which provide access to the southwestern part of the claim block.

## PROPERTY

The Brett property consists of 4 contiguous Modified Grid System Claims totalling 51 units or 1275 hectares. The claims are located on Crown Land 8 km beyond the nearest private land. A summary of these claims is as follows:

<u>Claim Name</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date</u>
Brett 1	87964	1550	15	19 July 1994
Brett 2	87965	1551	15	19 July 1994
Brett 3	83283	2045	12	24 Oct. 1991
Brett 4	83284	2046	9	24 Oct. 1991

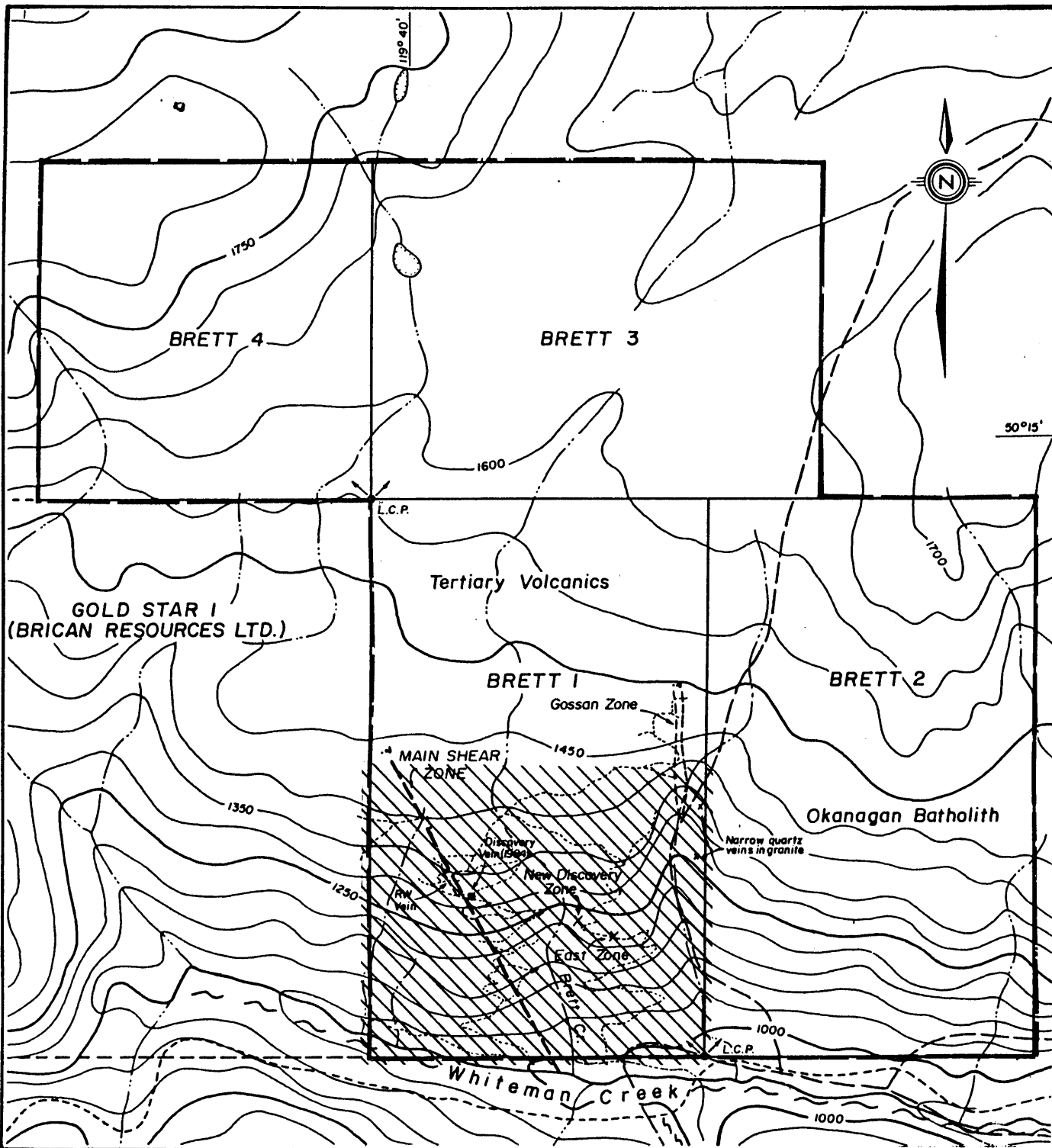
The registered owner of the Brett claims is Huntington Resources Inc. of Vancouver, B.C. Corona Corporation has earned a 51% interest in the property through exploration expenditures during the past 2 years.

## PHYSIOGRAPHY AND CLIMATE

The property is situated mainly on a south facing slope and is drained by tributaries of Whiteman Creek. A fairly level plateau area occurs on the Brett 3 claim which is situated between the drainages of Whiteman and Bouleau Creeks. Topographic relief amounts to 855 m.

The southern exposure of the Brett 1 and 2 claims causes a rapid snow melt once warm weather starts and these claims are commonly snow free by early May. The first permanent winter snow arrives in late October or early November. Summers are normally dry and warm.





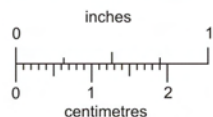
--- CLAIM BOUNDARY



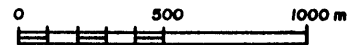
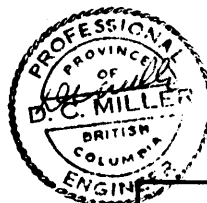
AREA COVERED BY FIGURES 4 AND 5

— 1600 —

CONTOUR ELEVATIONS IN METRES



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HUNTINGTON RESOURCES INC.

**BRETT CLAIMS  
CLAIM AND KEY MAP**

DRAWN BY: <b>DCM</b>	NTS <b>82L/4E, 5E</b>	<b>FIGURE 2</b>
REPORT DATE <b>APRIL 13, 1989</b>	PROJECT NO. <b>8953</b>	

DC MILLER GEOLOGICAL SERVICES

Forest cover consists of dense stands of fir and pine with minor deciduous growth. No recent logging has taken place, however, Crown Forest Products holds the timber rights to the area.

### HISTORY

The earliest exploration in the area occurred around the turn of the century when small amounts of placer gold were taken from Whiteman and Bouleau Creeks. In 1939 gold-silver bearing quartz veins were discovered on what is now the Brett 2 claim by Mr. A. Brewer of Vernon. Assays up to 1.16 oz/t gold and 5.2 oz/t silver across 0.3 m were reported.

In 1983 heavy mineral stream sediment sampling was conducted in the area by Mr. C. Brett. Several of the streams draining the property area were strongly anomalous in gold and the Brett claims were staked to cover the anomalies. Later in the year Huntington Resources Inc. acquired the claims and in 1984 carried out geochemical sampling of the Gossan Zone (Figures 2 and 4) as recommended by consultant J. M. Dawson, P. Eng. This sampling indicated a large arsenic anomaly and sporadic gold values over the Gossan Zone.

Geochemical sampling was also carried out to cover the area near Brett Creek, the most anomalous drainage. Near Brett Creek, several soil gold anomalies were found which ended upstream at the same point that previous stream sediment anomalies ended.

The Discovery Vein (Fig. 4) was found by Werner Gruenwald in late 1984 while prospecting on the Brett 1 claim. This vein assayed

110, 132

0.17 oz/t gold and 0.53 oz/t silver across 0.15 m. Subsequent work in this area during 1985 and 1986 consisted of trenching, road building and diamond drilling. During the course of this work a major fault, now called the Main Shear Zone was exposed a few metres west of the Discovery Vein and traced for several hundred metres. A gold bearing quartz vein (RW Vein, Fig. 4) was exposed by road building. This vein is located 15 m west of the Main Shear Zone and assayed 1.84 oz/t gold and 3.20 oz/t silver over 1.4 m. Trench 21, which exposes the Main Shear Zone at 7+70N, assayed 2.05 oz/t gold and 1.80 oz/t silver over a 2.4 m width.

In 1986, 16 NQ diamond drill holes totalling 795 m tested the RW Vein and Main Shear Zone areas. Gold values up to 0.40 oz/t were intersected and indicated the RW Vein is a hanging wall splay structure off the Main Shear Zone.

In 1987 the property was optioned to Lacana Mining Corporation (now Corona Corporation) under the terms of a joint venture agreement. Corona funded exploration work while Huntington continued as the operator. Work consisted of further geochemical and geological surveys, road construction, trenching and diamond drilling (2900 m in 32 NQ holes). Twenty-eight holes were drilled along a 580 m strike length of the Main Shear Zone. Several gold intersections were obtained, mainly confined to a 136 m strike length interval. The best assay was 0.737 oz/t gold over a 5.25 m core length.

The Gossan Zone was tested by 4 holes over a 245 m strike length and exposed by trenching. Gold values were low to background.

Detailed geochemical sampling east of Brett Creek returned highly anomalous gold values in soil and rock samples. This area was named the New Discovery Zone and is thought to be the source of the gold in Brett Creek.

In 1988 exploration continued with Huntington as operator. Work included grid work, soil sampling, geological mapping, trenching, road construction and drilling. A total of 26 NQ diamond drill holes totalling 2902.6 m and 34 reverse circulation holes totalling 2834.7 m were completed. Of this drilling, 17 diamond drill holes and 32 reverse circulation holes were drilled along the Main Shear Zone extending its tested strike length to 1050 m. The best grade intersections were obtained over a 194 m strike length between sections 7+30N and 9+24 north. In this section 12 holes intersected values ranging from 0.050 oz/t gold over a 5.4 m length to 7.46 oz/t over a 4.6 m length.

The New Discovery Zone was tested by 7 diamond drill holes which intersected generally low values.

The East Zone, which will be described later, was tested by 2 diamond drill holes and one reverse circulation hole. Results were mixed with weak intersections near surface and stronger intersections at depth.

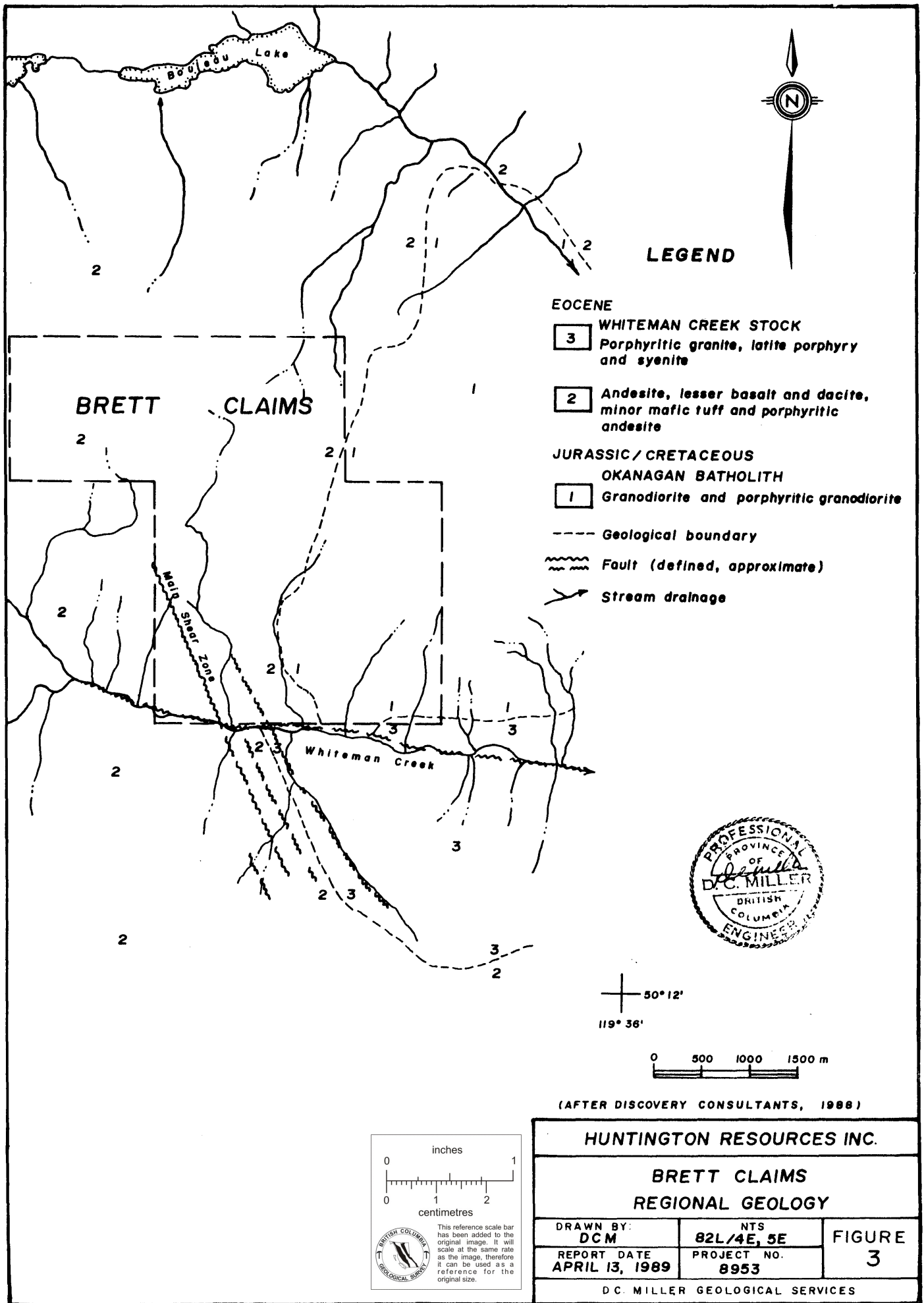
The Gossan Zone was tested by one reverse circulation hole which intersected low to background values.

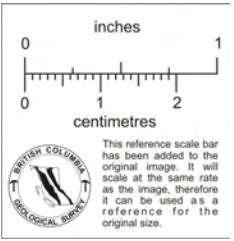
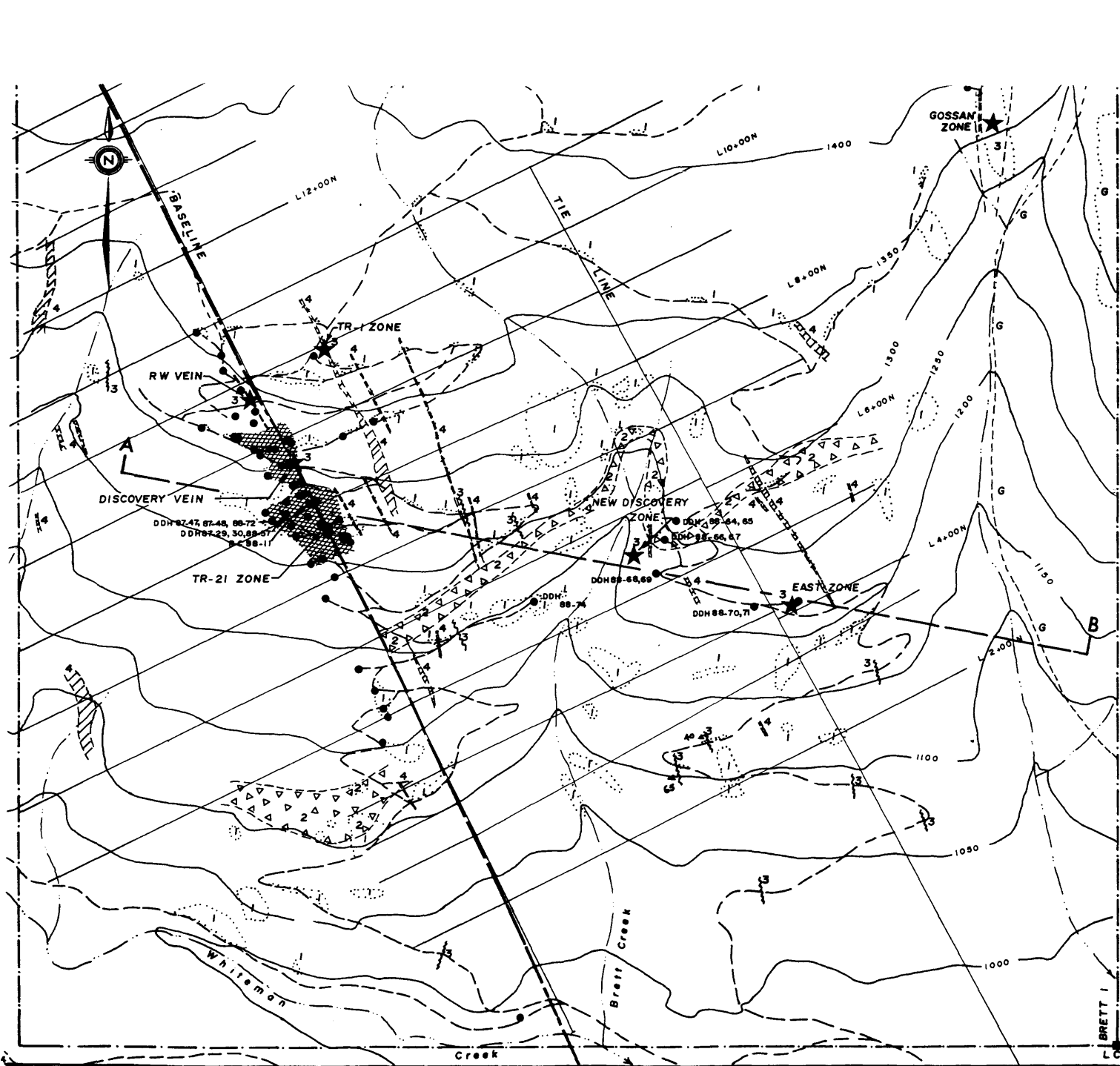
## REGIONAL GEOLOGY

The regional geology near the Brett property is quite simple as illustrated on Figure 3. Older granodiorite of the Okanagan Batholith is overlain by Eocene volcanic rocks mainly of andesitic composition. Both of these rock units have been intruded by the Whiteman stock which is composed of porphyritic granite, latite porphyry and syenite. A major east-west trending fault follows the Whiteman Creek drainage. Rocks on the north side of this fault are down-dropped with respect to rocks on the south side. A series of north-northwesterly striking faults occur along the west side of the Whiteman stock. Mineralization and dyke swarms on the Brett property are related to these faults. The regional geology is based on recent mapping by Discovery Consultants of Vernon, B.C.

## PROPERTY GEOLOGY

The property geology is shown on Figures 4 and 5. Only the Brett 1 claim has been mapped in detail. The oldest rocks underlying this claim are granitic rocks of the Okanagan Batholith located in the east part of the claim. Drilling has shown this unit to dip moderately westward. The granitic rocks are overlain by Eocene age volcanic rocks including andesite flows, minor basalt and fine to coarse grained, bedded tuffs. These rocks are nearly flat lying with local dips of up to 12 degrees. The main tuff unit is up to 40 m thick and has a gentle, apparent west dip in section (Fig.5). Other thinner tuff beds are also present. The tuffs vary from bedded, fine grained varieties to massive, coarse grained types.





**LEGEND**

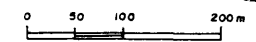
- 1400— Contour elevation in metres
- Creek
- Road
- Claim boundary
- LCP
- Diamond/rotary drill hole (completed)
- (Star on western and East) Zone and New Discovery Zone Areas are identified
- ★ Main Shear Zone
- ★ Gold showing

A B

- Geological section
- Area covering drill holes tabulated on pages 12 and 13 of accompanying report

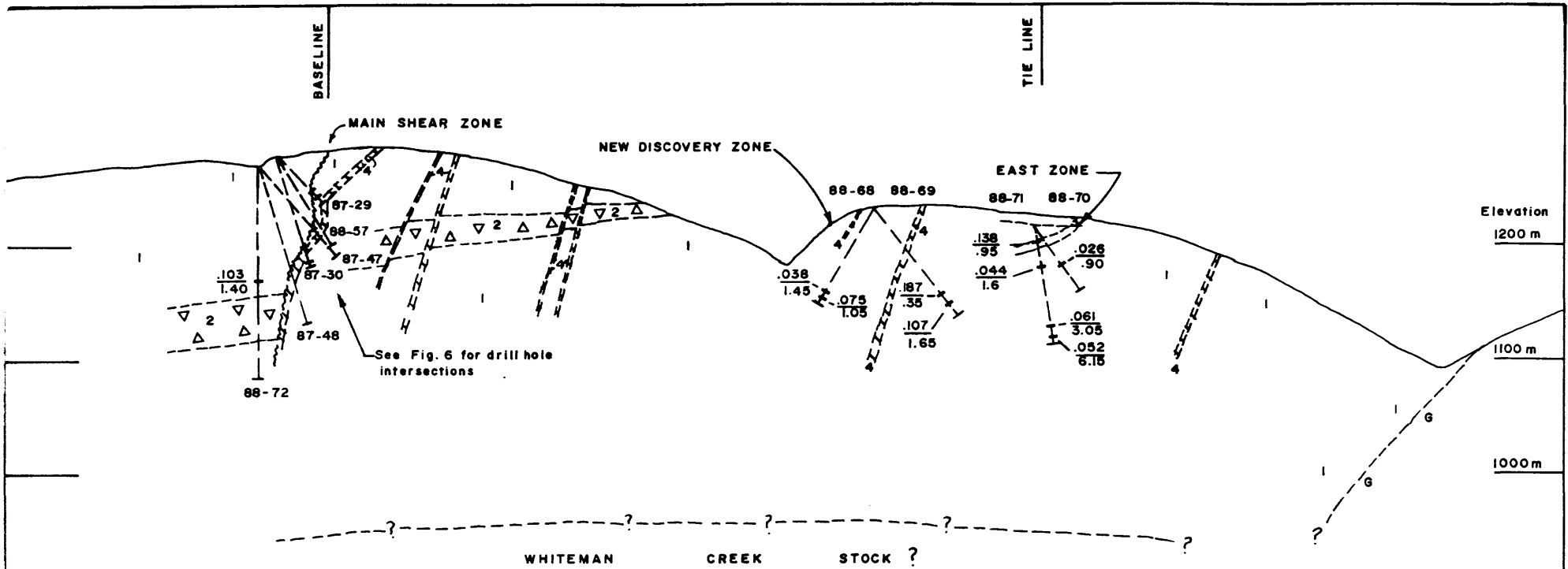
**GEOLOGY**

- Fieldspar porphyry dyke
- 3 Sheared, veined and/or silicified zone
- 2 Tuff - fine to coarse grained
- 1 Andesite flows, minor basalt
- G Granitic rocks - Okanagan Batholith
- Rock outcrop
- Shear zone
- Geological boundary



(AFTER GRUENWALD AND WALTERS, 1988)

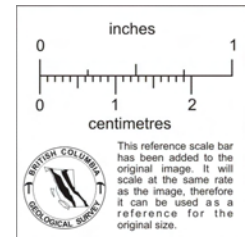
<b>HUNTINGTON RESOURCES INC.</b>		
<b>BRETT CLAIMS PROPERTY GEOLOGY</b>		
DRAWN BY: DCM	NTS 82L/4E	FIGURE 4
REPORT DATE APRIL 13, 1989	PROJECT NO. 8953	
D.C. MILLER GEOLOGICAL SERVICES		



**LEGEND**

Diamond drill hole (off section)  $\frac{.052}{6.15}$  **oz./ton gold**  
core length in metres

**SEE FIG. 4 FOR LOCATION AND GEOLOGICAL LEGEND**



<b>HUNTINGTON RESOURCES INC.</b>		
<b>BRETT CLAIMS</b>		
<b>GEOLOGICAL SECTION A-B</b>		
<b>DRAWN BY:</b> DCM	<b>NTS</b> 82L/4E	<b>FIGURE</b> 5
<b>REPORT DATE</b> APRIL 13, 1989	<b>PROJECT No.</b> 8953	
D C. MILLER GEOLOGICAL SERVICES		



Two main types of andesite flows are present: those containing amygdules and those which are fine grained, massive to weakly porphyritic and associated with darker basaltic layers up to 20 m thick. The andesites contain 1-3% fine disseminated pyrite and the basalts less than 2% pyrite. Where they are cut by shear zones the volcanic rocks become variably bleached and silicified.

The relatively flat lying volcanic rocks have been intruded by numerous feldspar porphyry dykes which are thought to be related to the nearby Whiteman Creek stock. The dykes strike northwesterly, sub-parallel to the strike of major and minor faults on the property and dip westerly at fairly steep angles. They typically contain 1-2% disseminated pyrite. The dykes often fill and replace older shear zones and are generally unmineralized.

The main fault on the property has been named the Main Shear Zone. It strikes north-northwesterly and dips steeply westward. Its surface trace is remarkably straight and it closely parallels the baseline (Fig. 4). It has been traced for some 1.5 km through the property. Where exposed by trenching, it is accompanied by 2 to 15 m of shearing and alteration. The rocks on the west side of this structure have been down-dropped some 40 m with respect to rocks on the east side. Several similar but smaller shear zones or faults have been mapped elsewhere on the property.

## MINERALIZATION AND DRILLING

Two types of precious metal mineralization have been recognized on the property. These include veins within the Okanagan Batholith and veins hosted by volcanic rocks. The former veins have different characteristics than the latter including a base metal association and have been termed "mesothermal" veins. The mesothermal veins are small and shallow dipping and therefore have received only minor exploration. The precious metal bearing veins hosted by Eocene volcanic rocks have characteristics of low temperature deposition at relatively shallow depths and are referred to as "epithermal" veins.

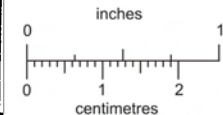
### MAIN SHEAR ZONE

As noted previously, the Main Shear Zone is a major north-northwesterly striking fault which dips steeply westward and is accompanied by 2 to 15 m of shearing and alteration. The alteration commonly is yellow-brown in colour and locally the rock has been altered to clay minerals. In some locations a green mineral thought to be mariposite is present. Fragments of altered andesite and angular quartz vein material are locally present. At the Tr-21 showing, abundant visible gold is present with the quartz fragments. These mineralized quartz fragments are interpreted as being pieces of a former vein which was shattered by faulting. Drill core from within the shear zone indicates the pyrite content varies from 2 to 10%. Alteration in the wall rocks includes silicification, bleaching and pyritization. It is within this altered halo that gold mineralization commonly occurs as well as in the Main Shear Zone.

Elev. 1280 m

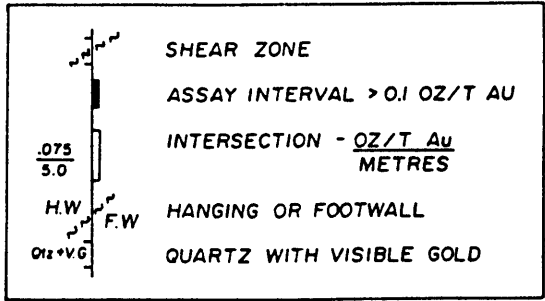
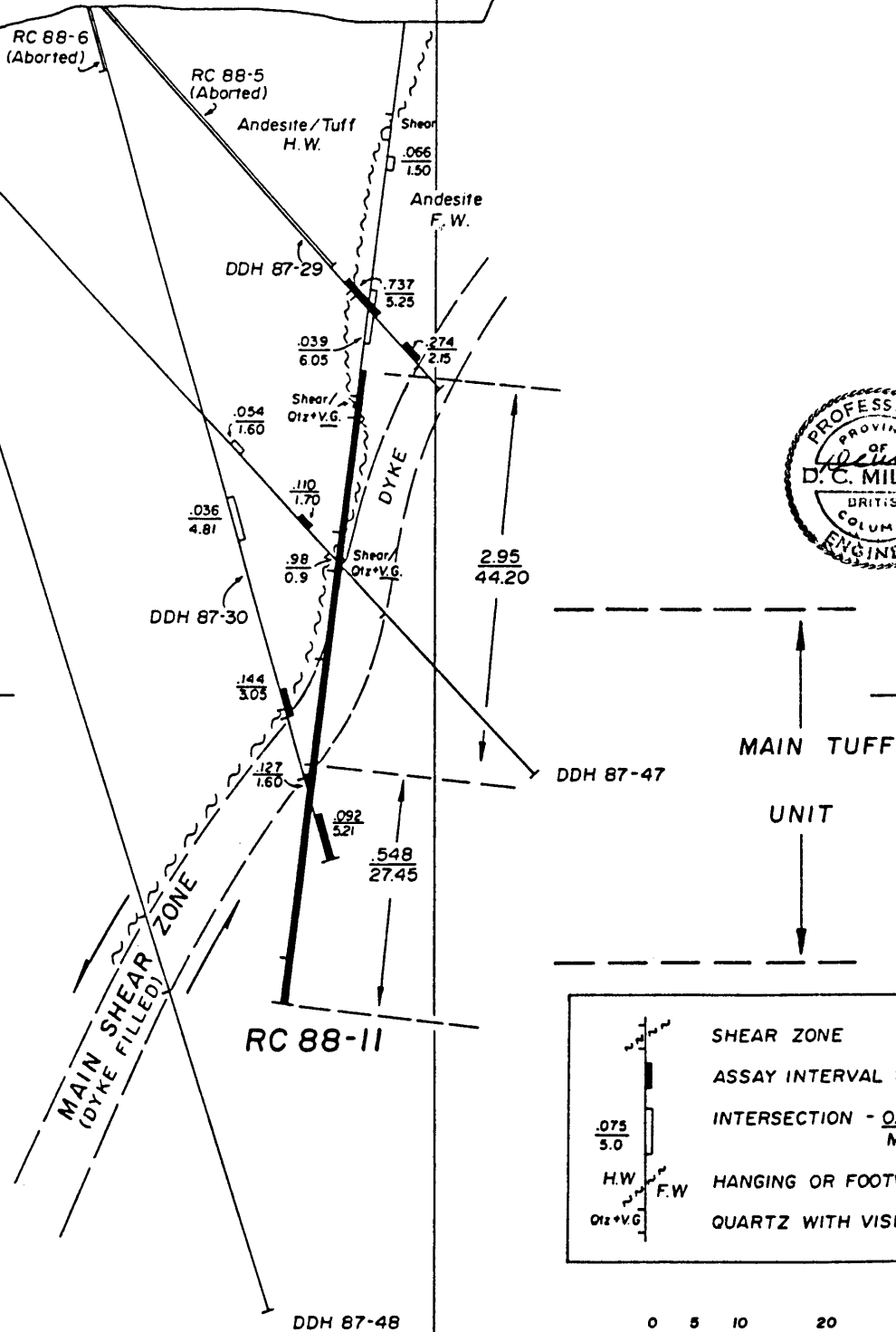
Elev. 1200 m

Elev. 1120 m



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

After Gruenwald and Walters, 1988



HUNTINGTON RESOURCES INC.		
BRETT CLAIMS		
MAIN SHEAR ZONE SECTION 8+05 N		
DRAWN BY: DCM	NTS 82L/4E	FIGURE 6
REPORT DATE APRIL 13, 1989	PROJECT NO. 8953	
D.C. MILLER GEOLOGICAL SERVICES		

Through much of the section tested, the Main Shear Zone is filled with a feldspar porphyry dyke to within 30 to 80 m of surface (Fig. 6). The dyke is generally unmineralized and is thought to post date much of the mineralization.

Mineralization associated with the Main Shear Zone occurs in several styles. These include:

- 1) Hanging wall veins as the RW Vein.
- 2) Fracture controlled zones near or within the shear zone.
- 3) Mineralization associated with tuffs in either the footwall or or the hanging wall.
- 4) Mineralization associated with quartz fragments within the Main Shear Zone.
- 5) Mineralization in altered andesite up to 30 m in the hanging wall or footwall of the Main Shear Zone.

Of these styles, the fracture controlled mineralization near or within the Main Shear Zone appears to have the most continuity. In general the dip continuity is better than continuity along strike.

Mineralization includes native gold, electrum, argentite and pyrite. Gold mineralization varies from very fine grained in tuffs to relatively coarse, visible gold in quartz veinlets. The silver to gold ratio for better mineralization varies from less than 1:1 to 3:1.

As mentioned previously, the best gold values intersected are over a 194 m strike length between 7+30N and 9+24N. A summary of intersections greater than 0.050 oz/t gold follows. In this table, the style numbers refer to the the 5 styles mentioned previously.

SECTION	HOLE NO.	ELEVATION AT BASE OF		GOLD (oz/t)	STYLE
		INTERCEPT(m)	INTERCEPT(m)		
7+30N	RC88-33	1254.9	1.50	.113	2
		1225.6	7.60	.050	5
		1147.6	3.05	.083	5
7+30N	RC88-19	1204.1	4.55	.113	3
		1182.8	9.15	.055	3
		1150.8	1.50	.065	5
7+30N	DDH87-36	1206.1	7.65	.063	3
7+30N	DDH87-45	1187.1	1.50	.169	3
		1183.9	2.00	.125	3
7+30N	DDH87-37	1179.7	6.60	.104	3
		1141.8	4.20	.075	5
7+38N	RC88-16	1210.0	33.55	.074	5
		1188.8	4.55	.084	3
7+38N	DDH87-46	1227.2	9.55	.085	3
		1209.6	15.55	.074	5
		1183.5	6.05	.133	3
7+41N	RC88-2	1224.9	10.65	.076	5
		1201.0	1.50	.089	3
		1182.6	12.20	.065	3
		1171.3	1.50	.075	3
7+61N	RC88-3	1244.7	1.50	.100	2
7+61N	RC88-34	1203.7	1.55	.059	3
		1179.3	1.55	.050	3
7+70N	RC88-15	1257.1	3.05	.051	2
		1218.9	3.05	.100	5
		1179.3	3.05	.108	3
7+70N	DDH87-33	1238.4	5.60	.061	5
7+88N	RC88-32	1240.8	16.80	.136	2
7+88N	RC88-18	1181.5	3.05	.088	3
		1205.4	1.55	.165	2
7+88N	DDH88-60	1220.4	4.00	.084	2
7+88N	DDH88-61	1225.4	1.50	.082	5
		1217.2	1.10	.056	5
		1201.6	0.90	.278	2
		1184.9	3.05	.074	3
8+05N	DDH87-29	1242.9	5.25	.737	2
		1237.7	2.15	.274	2
8+05N	DDH88-57	1229.4	2.00	.060	5

<u>SECTION HOLE NO.</u>		<u>ELEVATION AT BASE OF INTERCEPT(m)</u>		<u>INTERCEPT(m)</u>	<u>GOLD(oz/t)</u>	<u>STYLE</u>
8+05N	DDH87-47	1226.8	1.60	.054	5	
		1218.8	2.70	.110	5	
		1214.6	0.90	.980	2	
8+05N	DDH87-30	1217.3	1.42	.051	5	
		1197.6	3.05	.144	2	
		1189.2	1.60	.127	3	
		1181.1	5.21	.092	3	
		1169.7	1.40	.103	5	
8+05N	DDH88-72	1169.7	1.40	.103	5	
8+05N	RC88-11	1192.8	44.20	2.950	2	
		1165.6	27.45	.548	3	
8+05N	RC88-24	1263.9	1.55	.097	2	
		1256.3	1.50	.086	2	
		1239.6	1.55	.083	2	
		1179.0	28.95	.054	3	
8+05N	RC88-23	1221.1	3.05	.061	5	
8+20N	RC88-17	1256.5	7.65	.224	2	
		1242.8	1.50	.082	2	
		1194.1	3.05	.057	3	
		1155.9	9.15	.335	5	
8+20N	RC88-25	1204.7	1.50	.110	2	
		1174.2	7.65	.050	3	
		1171.1	1.55	.052	5	
8+20N	RC88-31	1253.2	11.60	.058	2	
		1245.0	1.50	.058	5	
8+20N	DDH88-51	1249.5	2.20	.540	2	
8+20N	DDH88-58	1183.7	1.25	.066	3	
8+33N	RC88-30	1255.3	1.50	.124	2	
		1203.0	3.05	.074	3	
8+66N	DDH87-35	1199.6	3.00	.054	3	
8+66N	RC88-22	1204.4	4.60	.244	3	
		1199.8	1.50	.062	3	
		1187.6	6.10	.106	3	
8+95N	RC88-7	1311.4	1.50	.056	2	
		1285.6	4.60	.503	2	
8+95N	RC88-14	1298.8	1.55	.055	5	
8+95N	DDH86-16	1254.0	3.36	.175	2	
9+24N	DDH86-10	1280.5	1.52	.125	2	
9+24N	DDH86-15	1281.7	1.83	.284	2	
9+24N	DDH88-62	1206.5	3.00	.119	3	
9+24N	DDH88-73	1172.3	2.45	.066	3	
		1157.6	1.40	.168	2	
		1150.8	5.40	.050		

In the foregoing table, the elevations of the bases of various intercepts were calculated from survey data for 1988 drilling and scaled off sections for older drilling.

Section 9+52N was tested by hole RC88-1. This hole intersected .051 oz/t gold over 6.10 m in the RW Vein some 10 m below surface. Previous diamond drilling in this area intersected similar values in this structure. Previous DDH86-4 intersected .253 oz/t gold over 1.37 m in the Main Shear Zone on this section.

Section 10+28N was tested by 2 reverse circulation holes. These holes failed to intersect values exceeding .003 oz/t in the Main Shear Zone, but one hole intersected 1.55 m of .089 oz/t gold in a hanging wall tuff bed.

#### NEW DISCOVERY ZONE

The New Discovery Zone is located some 400 m east of the Main Shear Zone on the steep, eastern bank of Brett Creek. Low grade gold mineralization occurs in variably bleached, silicified and pyritized andesites. Coarse, visible gold can be panned from soils over the zone. The location of this zone coincides with the upstream cut-off of gold values in Brett Creek.

The New Discovery Zone was tested by seven diamond drill holes. Drilling intersected several low grade gold intersections at depth, but few near surface. The following table summarizes mineralized intercepts:

SECTION	HOLE NO.	COLLAR ELEVATION	DIP DEG.	ELEVATION		GOLD(oz/t)
				AT BASE OF INTERCEPT(m)	INTERCEPT(m)	
5+30N	DDH88-68	1232.4	-53	1152.9	1.45	.038
				1147.9	1.05	.075
5+30N	DDH88-69	1232.4	-46	1172.4	1.50	.028
				1155.2	0.35	.187
				1149.4	1.65	.107
5+58N	DDH88-66	1241.8	-56	1200.8	1.50	.033
				1196.0	1.25	.021
				1149.7	2.90	.034
5+58N	DDH88-67	1241.8	-90	1173.2	1.45	.045
				1167.2	2.60	.035
				1139.1	1.50	.091
5+58N	DDH88-74	1201.2	-50	1111.9	1.49	.124
				1109.7	2.90	.023
				1105.1	1.50	.039

Holes 88-64 and 88-65 drilled on sections 5+72N and 5+73N failed to intersect any values above .009 oz/t gold. The best values in the other holes are associated with bleached and/or silicified andesite. The mineralization may be relatively flat lying, associated with bedding plane fractures, although sufficient work has not been done to establish this possibility.

#### EAST ZONE

In the East Zone gold is associated with a limonitic, bleached, altered zone containing fine quartz stockworks. The zone dips gently westward and appears to be stratigraphically controlled. Chip samples of the best mineralization averaged .073 oz/t gold over 3 m.

The zone was tested at depth with 2 diamond drill holes and one reverse circulation hole. The drilling confirmed the shallow dip and intersected some significant values below the zone. A summary of drilling results follows:



<u>SECTION</u>	<u>HOLE NO.</u>	<u>COLLAR ELEV.(m)</u>	<u>DIP DEG.</u>	<u>ELEVATION AT BASE OF</u>		
				<u>INTERCEPT(m)</u>	<u>INTERCEPT(m)</u>	<u>GOLD(oz/t)</u>
4+14N	DDH88-71	1215	-79	1201.4	0.95	.138
				1178.3	1.60	.044
				1125.9	3.05	.061
				1113.5	6.15	.052
4+14N	DDH88-70	1215	-49	1181.9	0.90	.026

A short, vertical reverse circulation hole was drilled to the east of the diamond drill holes but did not intersect any values above .01 oz/t gold. The better intersections in hole 88-71 were accompanied by bleaching and silicification and may be fairly shallow dipping.

#### GOSSAN ZONE

The Gossan Zone is a large, northerly trending structure which dips moderately westward. It lies just west of the contact of the Okanagan Batholith. It is an oxidized rusty zone which is variably silicified, feldspathized, and clay altered. Chip samples from a siliceous breccia cut by a quartz vein stockwork assayed .174 oz/t gold and .29 oz/t silver. Drilling in 1987 and 1988 encountered quartz rich sections near the footwall of this zone. The best assays were .028 oz/t gold and 1.20 oz./t silver over narrow widths. Minor galena was observed in one deep intersection.

## SOIL GEOCHEMISTRY

Anomalous gold values in soils are shown on Fig. 7. The pattern is one which indicates widespread underlying mineralization. The large T-shaped anomaly on and near the Main Shear Zone centered at 9+75N may indicate a cross-structure in this area. Exceptionally strong anomalies are found along Brett Creek at Line 2N and at the west side of the property at Line 6N. Many values in these anomalies exceed 200 ppb. The Brett Creek anomaly may be a transported anomaly, however.

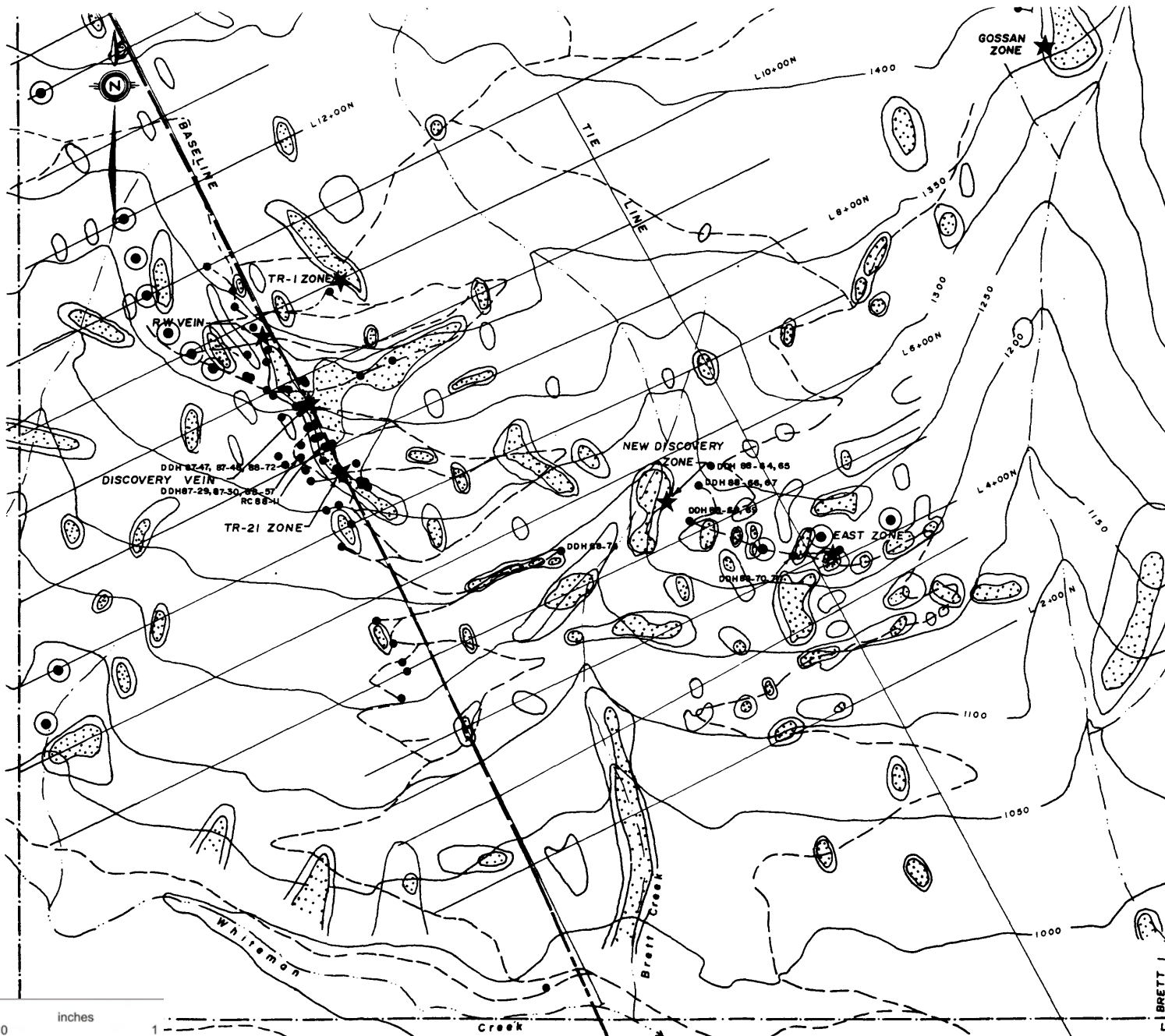
Arsenic anomalies are not shown but generally are located near the gold anomalies and cover a larger area.

## CYANIDE LEACH STUDY

A total of 57 drill samples were submitted to the Kamloops Research and Assay Lab for cyanide leach testing. The samples were crushed to -100 mesh and leached for 22 hours. The gold was found to be readily extractable and recoveries averaged 88.7%.

## EXPLORATION POTENTIAL

It is the writer's opinion that the Brett property has the potential to host economic gold bearing veins and larger, but lower grade bulk-type deposits.

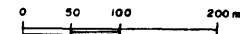


### LEGEND

- 1400— Contour elevation in metres
- Creek
- — — Road
- - - - - Claim boundary
- Legal corner post
- Diamond/rotary drill hole (completed)  
(Holes on sections and East Zone and New Discovery Zone holes are identified)
- Proposed drill hole
- Main Shear Zone
- ★ Gold showing

### ANOMALOUS GOLD IN SOILS

- 10-49 PPB
- GREATER THAN 50 PPB



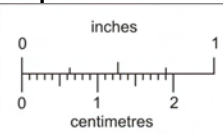
(BASE MAP AFTER GRUENWALD AND WALTERS, 1988)

HUNTINGTON RESOURCES INC.

### BRETT CLAIMS GOLD ANOMALIES IN SOILS AND PROPOSED DRILLING

DRAWN BY: DCM	NTS 82L/4E	FIGURE 7
REPORT DATE APRIL 13, 1989	PROJECT NO. 8953	

D.C. MILLER GEOLOGICAL SERVICES



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## CONCLUSIONS

- 1) Soil geochemistry, trenching and drilling indicate widespread gold mineralization on the Brett 1 claim.
- 2) Mineralization is classed as epithermal and host rocks are Eocene age volcanic rocks of andesitic to basaltic composition.
- 3) Gold mineralization occurs near northwest trending faults and within bleached and/or silica altered zones.
- 4) Considerable drill testing has been done since 1986 and numerous gold bearing zones have been encountered along the Main Shear Zone. Other areas which have potential include the New Discovery Zone, the East Zone, the Gossan Zone and areas underlying strong gold soil anomalies.

## RECOMMENDATIONS

- 1) Continue drilling to test the north portion of the Main Shear Zone at a level that will test the favourable main tuff bed.
- 2) Drill at least 2 holes to bracket significant mineralization intersected at depth in the East Zone in an area of high gold values in soil geochemistry.
- 3) Drill 2 holes to test a strong gold soil anomaly at low elevation on the west side of the property near Line 6N (Fig. 7).
- 4) Drill one hole on a northwest or southeast bearing to check for a possible cross structure near the T-shaped gold soil anomaly centered at 8+75N on the Main Shear Zone.
- 5) Drill 3 short holes to test the near surface part of the Main Shear Zone between 7+88N and 8+20N.

ESTIMATED COST

Phase 1

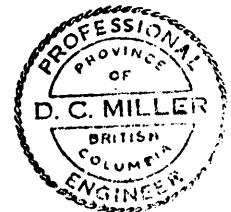
1)	Main Shear Zone- 14 NQ diamond drill holes, 2000 m at an all in cost of \$100/m.....	\$200,000.00
2)	East Zone- 2 NQ diamond drill holes, 300 m at an all in cost of \$100/m.....	30,000.00
3)	Geochemical anomaly on west side of property- 2 NQ diamond drill holes, 200 m at an all in cost of \$100/m.....	20,000.00
4)	One 100 m NQ diamond drill hole to test the cross structure possibility through the T-shaped geochem. anomaly near the Main Shear Zone at 8+75N, all in cost \$100/ m.....	10,000.00
5)	Backhoe for site preparation, road building and trenching-100 hr at \$100/hr.....	10,000.00
6)	Drill 3 short reverse circulation holes between 7+88N and 8+20N, 120 m at \$70/m.....	8,400.00
6)	Report and miscellaneous supplies.....	10,000.00
	Total Phase 1	\$288,400.00

Phase 2 Contingent on the results of Phase 1

1)	Diamond drilling, 2000 m at \$100/m all in.....	\$200,000.00
2)	Reverse circulation drilling, 2000 m at \$70/m all in.....	140,000.00
3)	Backhoe, 100 hr. at \$100/hr.....	10,000.00
4)	Report and miscellaneous.....	10,000.00
5)	Contingency.....	36,000.00
	Total Phase 2	\$396,000.00

Respectfully submitted,

-----*D.C. Miller*-----  
D.C. Miller, P. Eng.  
April 13, 1989



CERTIFICATE

I, David C. Miller, certify that:

- 1) I am a consulting Geological Engineer with an office at 769 Fraser Street, Kamloops, B.C. V2C 3H1.
- 2) I am a graduate of the University of British Columbia and earned a B.A.Sc. Degree in Geological Engineering in 1959.
- 3) I am a member of the Association of Professional Engineers of B.C. and a Fellow of the Geological Association of Canada.
- 4) I have practiced my profession for over 25 years.
- 5) This report is based on a study of technical data.
- 6) I have no direct or indirect interest in the property discussed in this report nor in the securities of Huntington Resources Inc.

----- *D.C. Miller* -----

D.C. Miller, P. Eng.

April 13, 1989



## REFERENCES

Gruenwald, W., and Walters, L., 1989:  
Report on the Brett Property Exploration Programme-1988  
Vernon Mining Division, British Columbia, for Huntington  
Resources Inc.

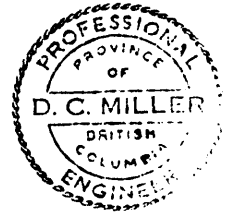
This report included a complete set of plans, sections, and geological and assay data covering work from 1984 to 1988. Additional information concerning the style and continuity of mineralization was received from Ron Wells, Resident Geologist for Corona Corporation at their regional office in Kamloops.

USE OF REPORT

Re: Report on the Brett 1 to 4 Claims dated April 13, 1989  
by D.C. Miller, P. Eng.:

Permission is hereby granted to use this report in a Prospectus  
or Statement of Material Facts or for other purposes in its  
entire unedited form.

----- *D.C. Miller* -----  
D.C. Miller, P. Eng.



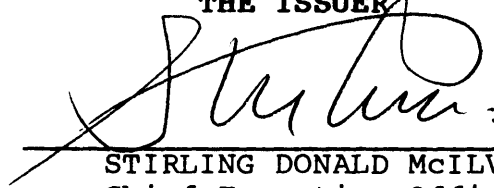
April 13, 1989



**CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER**

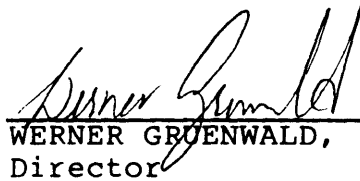
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

**THE ISSUER**

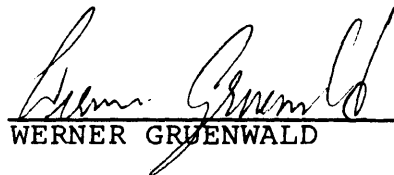


STIRLING DONALD McILVEEN,  
Chief Executive Officer and  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

  
WERNER GRUENWALD,  
Director  
MILTON HUNSLEY COOK,  
Director

**THE PROMOTERS**

  
STIRLING DONALD McILVEEN  
MILTON HUNSLEY COOK  
WERNER GRUENWALD

DATED at Vancouver, British Columbia this 12th day of July, 1989.

**CERTIFICATE OF THE AGENT**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

CANARIM INVESTMENT CORPORATION LTD.

Per:   

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DATED at Vancouver, British Columbia this 12th day of July, 1989.