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R E P O R T

on the

COPPER ZONE CLAIM (9 units)

TASEYO LAKE AREA

CLINTON MINING DIVISION, BRITISH COLUMBIA

for

UNITED GUNN RESOURCES LTD.

by

R.W. PHENDLER, P. ENG.

Vancouver, Canada

August 19, 1980

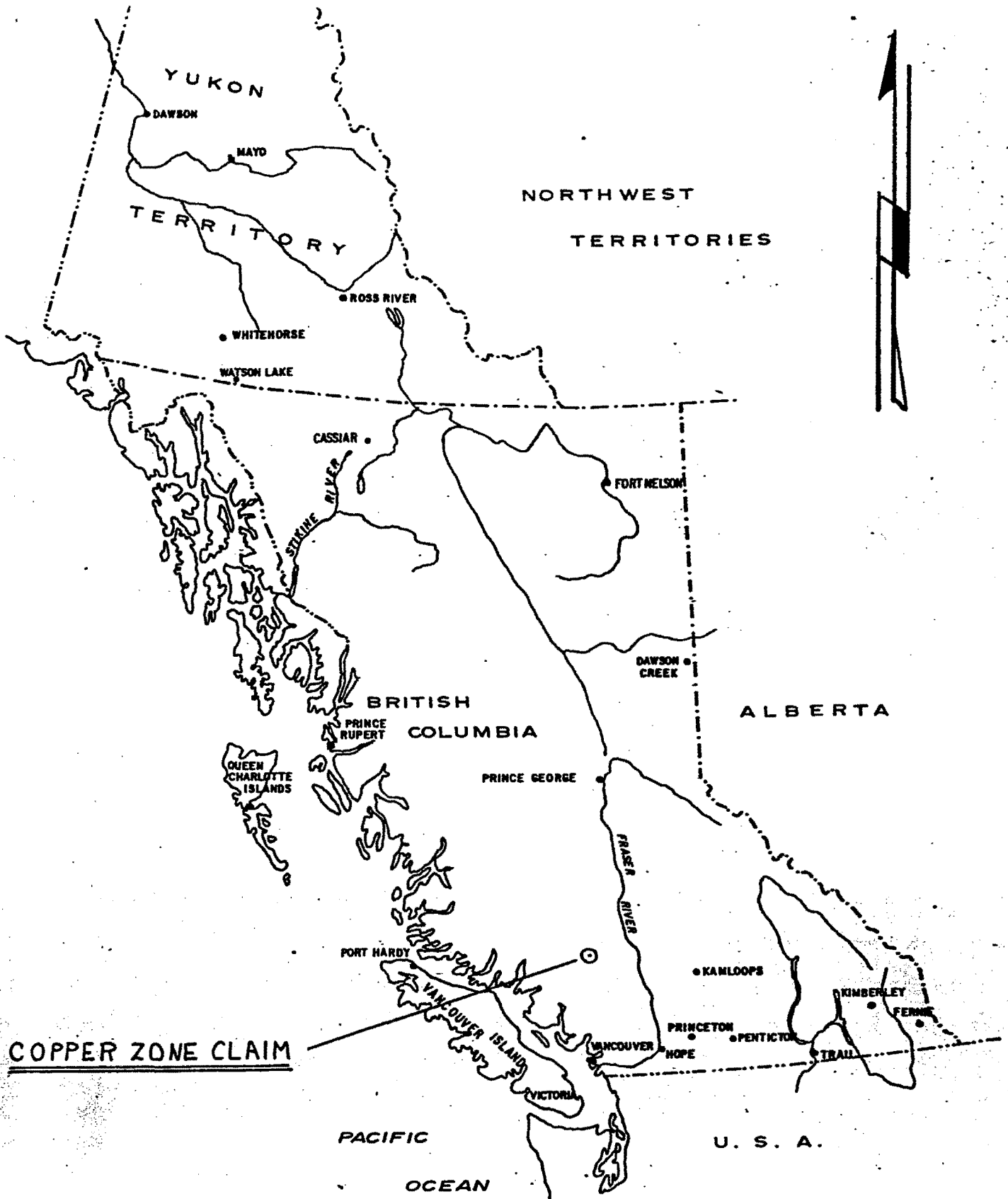
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(Figures 3 to 7 were compiled by Western Geological Services.)



COPPER ZONE CLAIM

LOCATION MAP		
VANCOUVER		BRITISH COLUMBIA
UNITED GUNN RESOURCES LTD.		
COPPER ZONE CLAIM, CLINTON M. D.		
SCALE 1:12,672,000		
NTS.	DATE	FIG. No. 1

PART "A"

SUMMARY AND CONCLUSIONS

Lying near the east limit of the Coastal Granitic Intrusive Complex in southwestern British Columbia, the Copper Zone prospect is one of many prominent copper - bearing gossan zones in the area.

Mineralization consists of disseminated and fracture - fillings of chalcopyrite and molybdenite within quartz diorite. A later stock of feldspar porphyry that measures 300 meters by 600 meters appears to be the centre of the strongest concentration of sulphides. The L-shaped mineral zone is 1200 meters by 500 meters and within this area are two sets of prominent fractures, one generally north - south and one east - west.

The four diamond drill holes and four percussion holes drilled to date suggest that large tonnages of mineralized material may be present that averages 0.20% Cu and 0.10% Mo S₂.

RECOMMENDATIONS

It is recommended that:

- 1) The 25 kilometers of road from the property to the Taseko Lakes be upgraded and drill access roads be constructed on the property.
- 2) A series of vertical percussion holes be drilled to a depth of 400 feet (121 meters) on 250 meter centres over the gossan zone.
- 3) An induced polarization survey and a magnetometer survey be conducted over the gossan zone.
- 4) A competent field engineer be made available to supervise the program.

COST ESTIMATE

Phase I

1) Road rehabilitation & construction	-	\$20,000
2) Induced polarization & EM survey	-	10,000
3) Percussion Drilling - 2800' @ \$10/foot	-	28,000
4) Engineering & Geology	-	5,000
5) Assaying of samples	-	<u>2,200</u>
	Total -	\$65,200
	15% Contingencies -	<u>9,780</u>
	Total - Phase I -	\$74,980

Phase II - depending on favourable results from Phase I

1) Percussion Drilling - 8,000' @ \$10/foot	-	80,000
2) Assaying of samples	-	5,000
3) Engineering & Geology	-	<u>10,000</u>
	Total -	\$95,000
	15% Contingencies -	<u>14,250</u>
	Total - Phase II -	\$109,250

The sum of \$75,000 should be made available to carry out Phase I of the above program.

Respectfully submitted,



PART "E"

INTRODUCTION

At the request of Mr. R. Nosalek of United Gunn Resources Ltd., the writer has compiled the following report on the Copper Zone claims. All pertinent data was provided the writer who also had lengthy discussions with Mr. W. Meyer, P. Eng., who supervised much of the work carried out on the claims. The writer examined the claims on August 13, 1980.

Previous work on the claims included prospecting, trenching, percussion and diamond drilling and geological mapping.

LOCATION AND ACCESS

The property is located at an elevation of 1800 to 2400 meters about 225 kilometers due north of Vancouver in southwestern British Columbia. The easiest access is by helicopter from Pemberton (about one hour) but the property is also accessible by four wheel drive vehicle from Williams Lake westerly on the Bella Coola road to Hanceville. Thence southwesterly for 150 kilometers past the Taseko Lakes and up the Taseko and Granite Rivers to the property. Road distance from Williams Lake is 270 kilometers and time required is seven hours.

The area in the vicinity of the showings is above the tree line and consequently is barren and often very windy. Ample water is available locally to supply a mining operation.

PROPERTY AND OWNERSHIP

The property consists of the Copper Zone mineral claim of 9 units. Record no. is 48(8) and the claim is believed to be in the name of United Gunn Resources Ltd.

HISTORY

The east limit of the Coast Range granitic intrusive complex has received considerable attention and has long been known to contain numerous zones of widespread copper mineralization. During the 1960's and early 1970's numerous regional studies were made in the search for large low grade copper deposits throughout British Columbia and the area around the Taseko Lakes received a great deal of interest with moderate success. Programs were carried out by Cominco, Canex Placer, Phelps Dodge Corporation, Bethlehem Copper Corporation, Scurry Rainbow (Home Oil Ltd.) and Quintana.

The Copper Zone claims cover the old Rowbottom Creek prospect which was explored by Phelps Dodge Corporation in 1964. It is reported that one 57 meter diamond drill hole was put down about 500 meters from the gossan zone and intersected mineralization averaging 0.12% Cu over its length.

Between 1969 and 1972 the property was known as the NW & Bill prospect and was held by Victor Mining Corporation. During this time four diamond drill holes and four percussion holes were drilled, some by Victor and others by a syndicate involving Victor Mining Corporation, Granite Mountain Mines Ltd. and Galveston Mines Ltd. During this period the work was conducted by Western Geological Services Ltd. under the supervision of Mr. W. Meyers, P. Eng. presently employed by Teck Corporation, Vancouver.

In 1972 Mr. J. Buchholz supervised the drilling of drill holes 72-1 and 72-2 while he carried out geological mapping.

In 1975 the claims covering the widespread gossan zone lapsed and were staked as the Copper Zone mineral claim for United Gunn Resources Ltd.

GEOLOGY AND MINERALIZATION

The area in which the Copper Zone claim is located lies on the east flank of the Coast Range Crystalline Belt - a complex series of granitic intrusives of post lower Cretaceous age which are intruded by later more acidic stocks and dyke swarms. Four miles northeast of the Copper Zone showings lies the northeast limit of the granitic rocks in contact with volcanic rocks of Cretaceous age.

The principal rock type on the Copper Zone claim is hornblende quartz diorite intruded by numerous feldspar porphyry and quartz feldspar porphyry dykes, all generally striking either north 20° west or east - west.

An oval - shaped stock of quartz feldspar porphyry measuring 300 meters (EW) by 600 meters (NS) appears to be the loci of the more intense sulphide mineralization, which consists of chalcopyrite, molybdenite and heavy pyrite. This mineralization occurs as fracture fillings and disseminations in both the quartz diorite and the feldspar porphyry. Total sulphides of up to 10% (estimated) decrease away from the central porphyry stock.

The area of heavy total sulphides and more prominent gossan is an L-shaped zone centering on the porphyry stock. The stock and other later porphyry dykes are relatively massive, showing less leaching than the surrounding fractured quartz diorite. This leaching reaches a depth of about 15 meters but there is no apparent enriched zone immediately below the leached zone. Minor secondary chalcocite was observed in D.D.H. A-1 but no significant increase in copper values was noted.

No significant gold values were present (all trace) and only minor silver assays were returned (0.1 oz per ton). It is believed that tungsten assays would be desirable for selected high quartz samples as this metal has been observed in this geological environment in the past.

DRILLING RESULTS

Diamond and percussion drilling was carried out between 1969 and 1972 under the direction of Mr. W. Meyer, P. Eng. Although sample by sample assay certificates are not available at present the results are believed to be reliable. The most significant observation is the increase in values (copper) in the percussion holes as distance towards the central porphyry stock decreases. Percussion hole PH4 averaged 0.10% Cu while PH1 and 2 near the stock average 0.21% Cu and 0.19% Cu respectively. However, D.D.H. 72-1 which is reported to be located outside the gossan - high sulphide area averaged 0.22% Cu over a vertical distance of 150' (45.5 meters).

Complete results are as follows:

<u>Hole No.</u>	<u>Depth</u>	<u>Interval</u>	<u>Length</u>	<u>% Cu</u>	<u>% MoS₂</u>
D.H. A-1	121.2 mtrs	15.2- 115.2 mtrs	100 mtrs	0.23	0.11
D.H. A-2	125.8 "	12.1- 121.2 "	109.1 "	0.12	0.007
D.H. 72-1	211.5 "	75.8- 121.2 "	45.5 "	0.22	0.008
D.H. 72-2	92.1 "	54.5- 92.1 "	37.6 "	0.284% Cu equivalent	
P.H. 1	121.2 "	18.2- 121.2 "	103.0 "	0.21	0.011
P.H. 2	72.7 "	12.1- 66.7 "	54.5 "	0.19	0.008
P.H. 3	60.6 "	3.0- 60.6 "	18.4 "	0.12	0.009
P.H. 4	90.9 "	9.1- 90.9 "	81.8 "	0.10	0.011

COMMENT

No average grades or tonnages can be calculated at this time but it is evident that the possibility exists for the presence of significant tonnages of mineralized material that may average 0.20% Cu and 0.10% MoS₂.


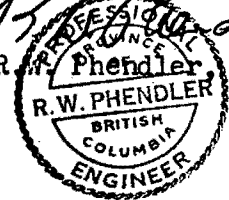
It is felt that better grade material may exist in selected areas and a systematic drilling program is recommended.

The copper equivalent grade shown for D.H. 72-2 was probably calculated on a 4 Mo to 1 Cu ratio, as was the practice in 1972. A ratio of 9 : 1 would be more in order at 1980 metal prices.

It was reported by J. Buchholz in his 1972 summary report that short intervals in drill core assayed as high as 0.45% Cu and 0.110% MoS₂ and that molybdenite values appear to increase with lower copper values, with the converse also being true. Pyrite appears to decrease with depth while copper content increases.

The holes that have been drilled are too few to permit a sensible interpretation of zoning, control of mineralization, etc. but sufficient encouragement has been received to warrant additional work.

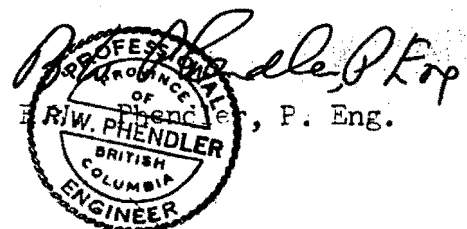
Respectfully submitted,


R. W. Phendler, P. Eng.


C E R T I F I C A T I O N

I, R.W. Phendler, of 7360 Decourcy Crescent, Richmond, B.C. hereby certify as follows:

- 1) THAT I am a registered member of the Association of Professional Engineers of British Columbia - No. 4421 - 1963.
- 2) THAT I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in geology.
- 3) THAT I have practiced my profession continually as mine, exploration and consultant geologist for the past 27 years in all parts of Canada, the U.S.A., Mexico, Peru, Colombia and Chile.
- 4) THAT I have no interest directly or indirectly in the Copper Zone claim nor do I own directly or indirectly, any shares of United Gunn Resources Ltd., nor do I expect to.
- 5) THAT the information contained in this report was compiled as a result of my examination of all available data, covering work carried out on the Copper Zone property and my examination of the claims on August 13, 1980
- 6) THAT I hereby consent to the publication of my report entitled "Report on the Copper Zone claim, Clinton Mining Division, British Columbia", dated March 19, 1980 in a prospectus or a statement of material facts.



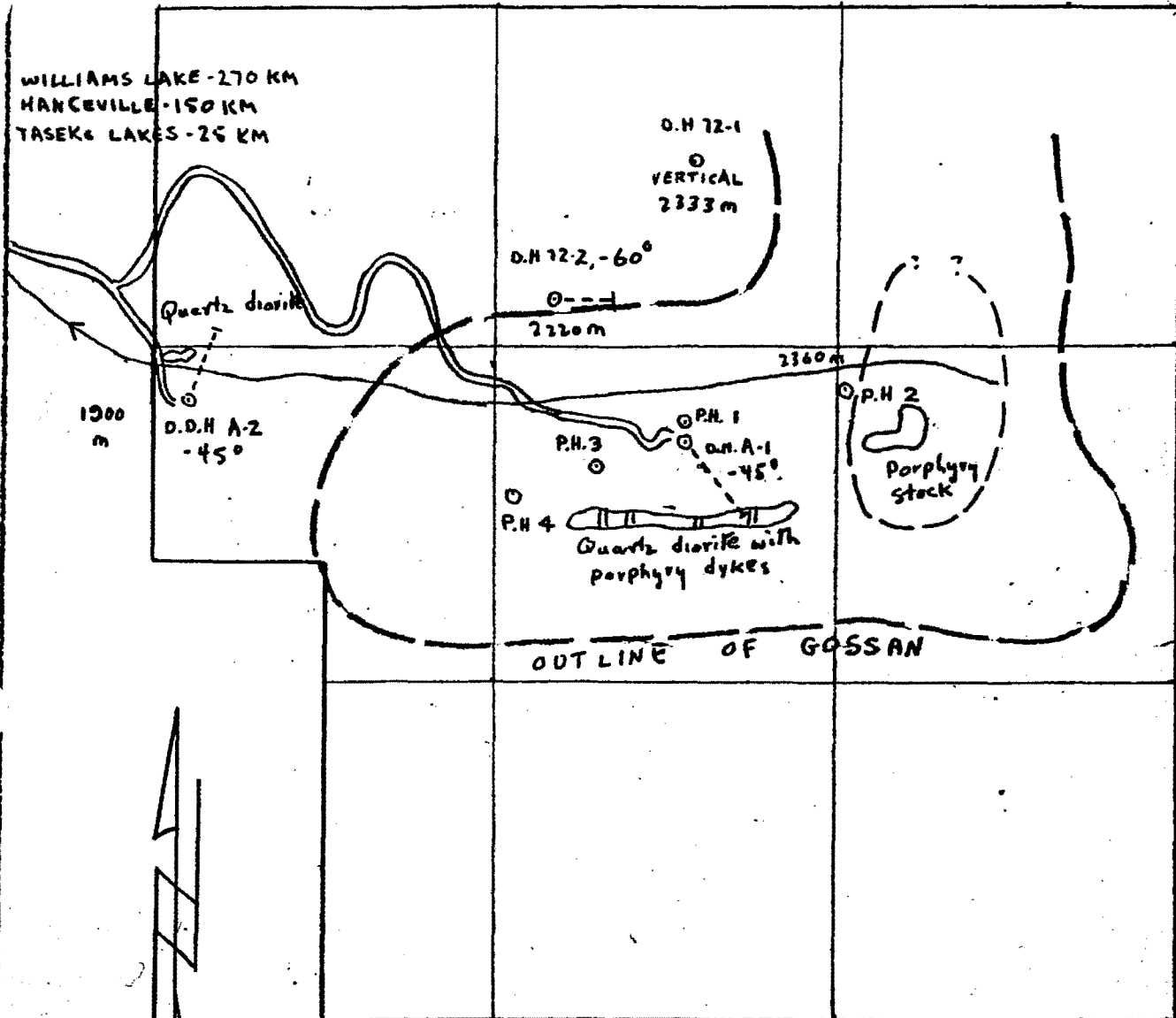
BIBLIOGRAPHY

- 1) MEYER, W. - "Report on the Bill and NW claims, Taseko Lake area, B.C." -
November 29, 1971.

- 2) BUCHHOLZ, J - "Summary Report - NW - Bill Mineral Claims" -
November 27, 1972.

- 3) MEYER, W. - "Report on the Copper Zone claim, Taseko Lake area, B.C." -
February 21, 1977.

WILLIAMS LAKE - 270 KM
 HANCEVILLE - 150 KM
 TASEKO LAKES - 25 KM

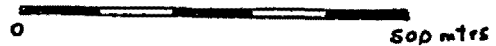


APPROXIMATE PROPERTY OUTLINE

UNITED GUNN RESOURCES LTD.

**COPPER ZONE CLAIM (3 UNITS)
 TASEKO LAKE AREA, CLINTON MINING DIVISION,
 BRITISH COLUMBIA.**

SCALE 1:10000

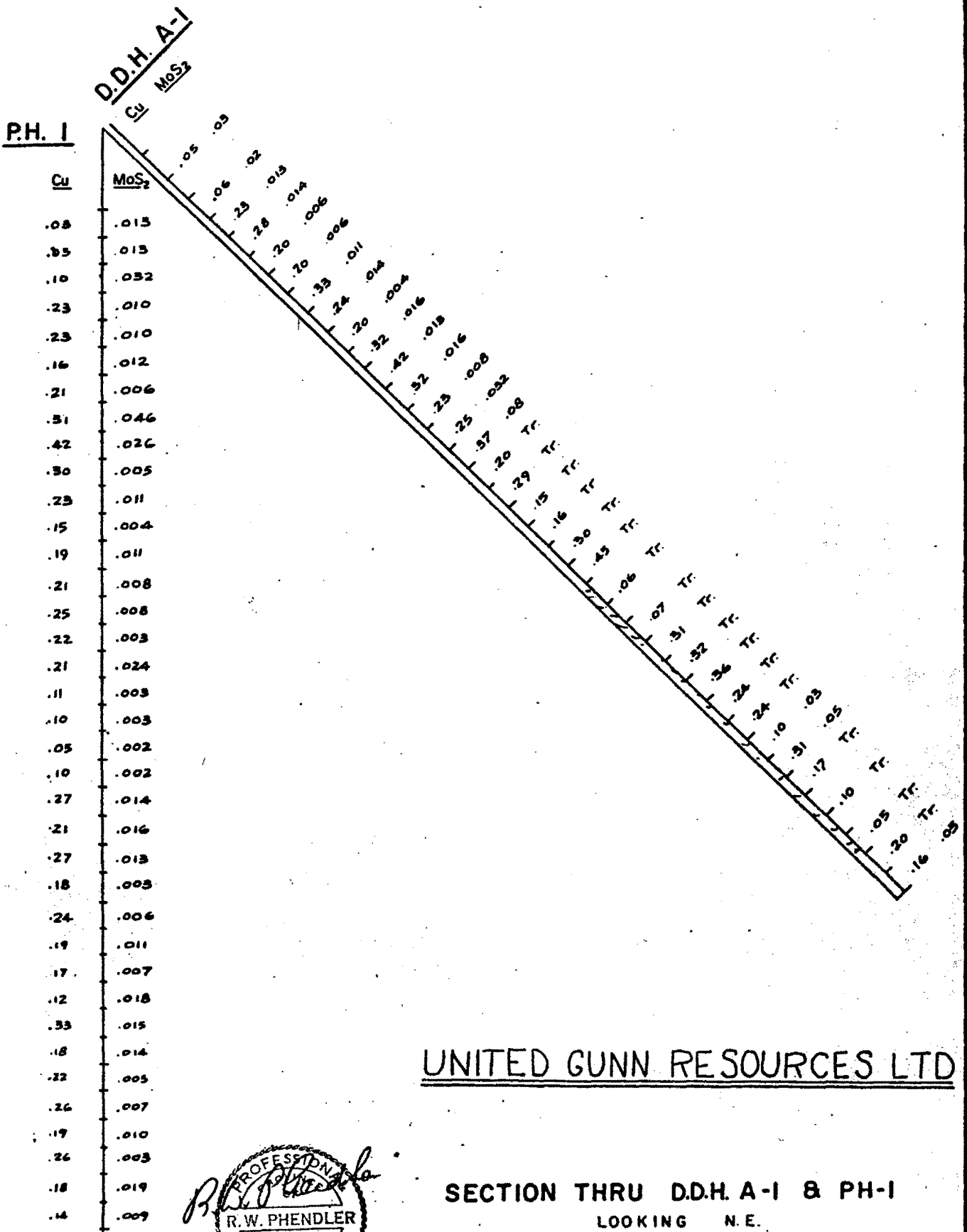


R.W. PHENDLER P. ENG

MARCH 1980

○ P.H. - PERCUSSION HOLES
 ○---○ D.H. - DIAMOND DRILL HOLES





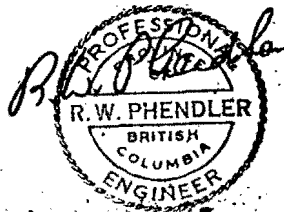
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SECTION THRU D.D.H. A-1 & PH-I
LOOKING N.E.

SCALE: 1" = 50'

NOVEMBER, 1971

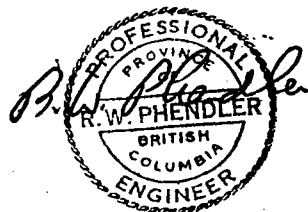
W. G. S.



P. H. 2

<u>Cu.</u>	<u>MoS₂</u>
.02	.005
.07	.014
.06	.006
.25	.010
.20	.007
.10	.004
.13	.007
.12	.010
.17	.007
.13	.010
.23	.012
.19	.017
.18	.006
.18	.019
.23	.006
.16	.004
.24	.006
.29	.005
.12	.005
.24	.009
.25	.005
.06	.006
.04	.002

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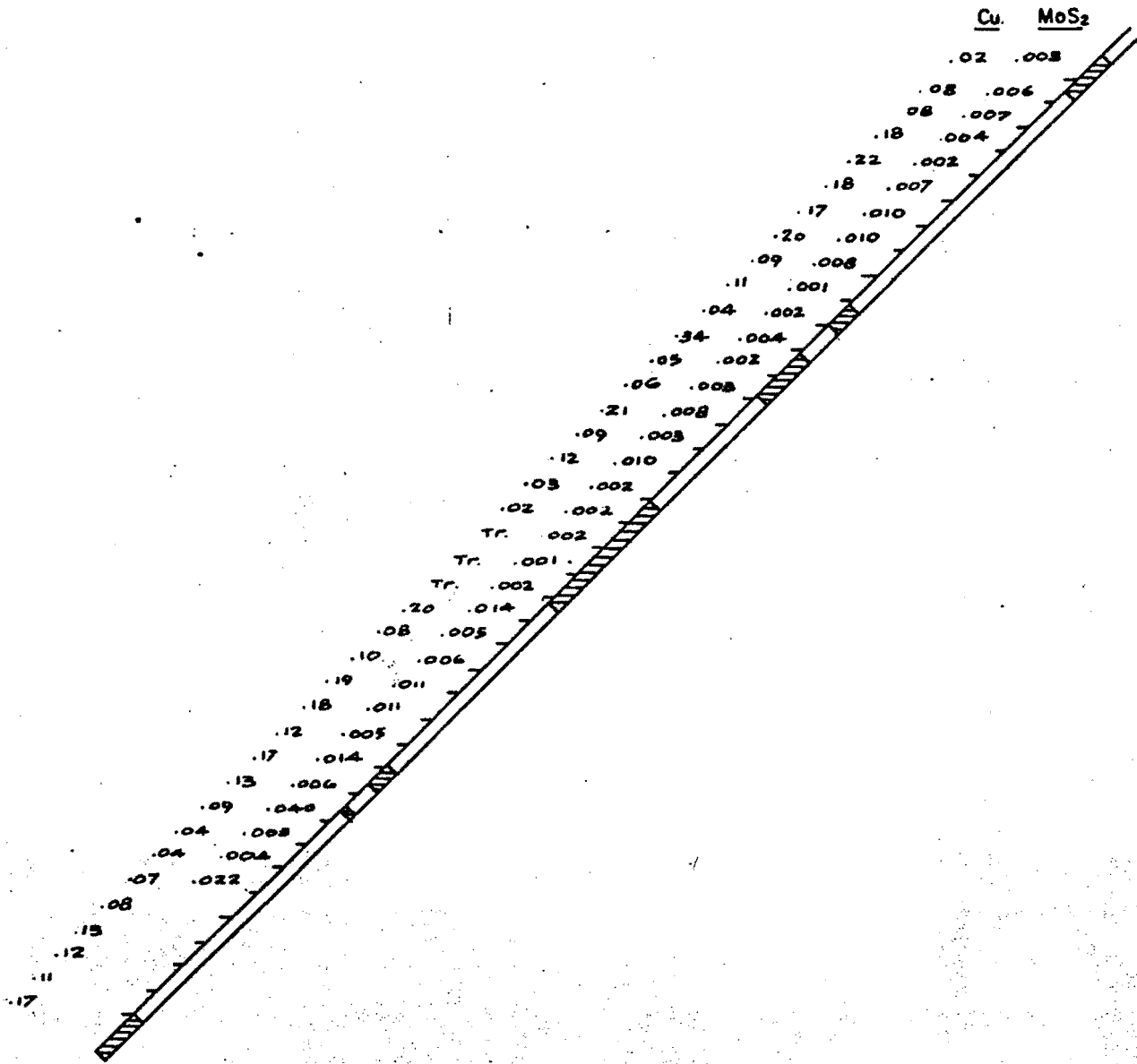
SECTION THRU P.H. 2

SCALE: 1" = 50'

NOVEMBER, 1971

W. G. S.

D.D.H. A-2
-45° d.N. 30°E



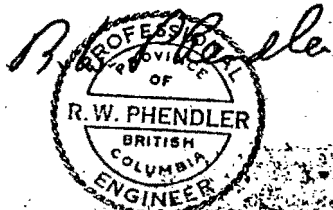
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SECTION THRU D.D.H. A-2
LOOKING S.E.

SCALE: 1" = 50'

NOVEMBER, 1971

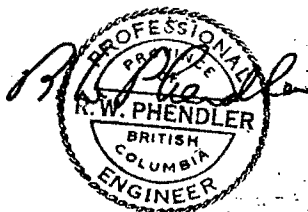
W. G. S.



P. H. 3

<u>Cu.</u>	<u>MoS₂</u>
.07	.004
.06	.024
.09	.010
.22	.011
.37	.018
.24	.021
.09	.011
.07	.010
.08	.007
.16	.012
.16	.013
.09	.006
.10	.007
.08	.005
.04	.002
.09	.004
.10	.004
.08	.004
.09	.004
.09	.004

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SECTION THRU P.H. 3

SCALE 1" = 50'

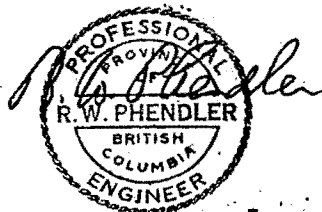
NOVEMBER, 1971

W. G. S.

P. H. 4

<u>Cu.</u>	<u>MoS₂</u>
.03	.002
.10	.004
.09	.005
.10	.004
.16	.005
.10	.007
.13	.006
.15	.004
.09	.018
.13	.009
.09	.007
.21	.014
.09	.028
.10	.011
.10	.013
.09	.022
.12	.028
.09	.011
.08	.010
.07	.009
.13	.012
.07	.009
.08	.009
.09	.007
.08	.016
.06	.011
.05	.018
.09	.017

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SECTION THRU P.H. 4

SCALE: 1" = 50

NOVEMBER, 1971

W. G. S.