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report taken from VSF,
UKE Resources Ltd. (NPL)

Vancouver, B.C.

March 23, 1981.

Clive W. Ball, P.Eng.

078154

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| Appendix "D" | Induced Polarization Survey, Clyde Prospect by D.G. Mark, Geotronics Surveys Ltd., June 10, 1980. |

Maps

1. Location Map.
2. Mineral Claim Map (B.C. Department of Mines)
3. Map of Mineral Claims showing Copper-Zinc Showings.
4. Plan of 1750 foot level. Scale 1" = 30'.
5. Plan of 1900 foot level. Scale 1" = 30'.
6. Sketches of mineralization bodies No. 1, 4, 5, 6 and 9 - Yreka Mine showing areas, average assay grades (per cent Cu) from diamond drill hole intersections and length of each mineralization body as used in Reserve Estimate by Clive W. Ball, P.Eng. dated July 31, 1980.

1. CONCLUSION AND RECOMMENDATIONS

The report includes details of the writer's Reserve estimate with geological maps of the mineralization bodies used in the calculations. Probable tonnage indicated by diamond drilling is 118,450 tons averaging 1.05 per cent copper, 0.02 ounces gold per ton and 0.60 ounces silver per ton.

Uke Resources Limited intends to complete the exploration program of road work, diamond drilling and bulk sampling recommended by B.S. Imrie, P.Eng. in report dated March 7, 1980. Also the Company plans to test the geophysical anomaly found by Geotronics Survey in May of 1980 by drilling the three surface diamond drill holes recommended by Geotronics.

The proposed work program as itemized in Appendix "A" is estimated to cost a total of \$240,000 and includes a preliminary feasibility study, road construction and surface diamond drilling. The writer considers that the venture is of sufficient merit to justify the proposed work program. It is therefore recommended that funds be made available for the above work.

II. INTRODUCTION

The following report represents an attempt to consolidate previous reports dated July 31st, 1980, August 12th, 1980, and November 7th, 1980. It also serves as an explanation or substantiation of the Reserve estimate, Yreka Mine, submitted on July 31st, 1980.

Report by B.S. Imrie, P.Eng. dated March 7, 1980, on Yreka mineral property with estimated cost of recommended exploration program is also analysed and discussed in the present report.

III. LOCATION AND ACCESS

The property which embraces the old Yreka Mine is located on the westside of Neroutsos Inlet which is an arm of Quatsino Sound near the northern end of Vancouver Island. It is approximately 7 miles north-west of the town of Port Alice which is a thriving community with an established pulp mill. Location is $50^{\circ} 27'$ North latitude, $127^{\circ} 32'$ West longitude.

Access is by float-equipped aircraft or by boat from Jeune Landing 3 miles south-east of the property.

The terrain is steep and the property lies between sea-level and 3,500 feet above sea-level on the steep rugged north-east facing slope of Mount Comstock. Typical slopes range from 35 degrees to 45 degrees.

The climate is typical west coast Vancouver Island - mild and wet. The average annual precipitation is over 100 inches, most of which occurs in the winter months. Snowfall above 1,000 feet elevation probably ranges up to 3 feet.

The property is heavily timbered with mature spruce, cedar and hemlock with considerable underbrush below 1,000 feet elevation.

The presence of two creeks - Canyon Creek and Edison Creek - are more than sufficient to ensure ample water supply for diamond drilling, mining and milling operations.

IV. PROPERTY AND OWNERSHIP

A total of sixteen (16) reverted Crown-granted mineral claims are held by Uke Resources Limited. The claims form a solid block and are contiguous to one another. Title is absolutely clear as evidence research and title search by the writer in the office of the Sub-Mining Recorder, Department of Mines and Petroleum Resources, Vancouver, B.C.

The mineral claims as shown in the following table are registered in the Nanaimo Mining Division and ownership is vested in the name of Uke Resources Limited .

| Name of Mineral Claim | Lot Number | Area (Acres) | Expiry Date |
|-----------------------|------------|--------------|----------------|
| Elva | 81 | 50.47 | March 20, 1981 |
| Edith Fraction | 82 | 1.53 | " " |
| Mountain Queen | 83 | 31.49 | " " |
| Hiawatha Fraction | 88 | 24.57 | " " |
| Tuscarora | 84 | 51.65 | " " |
| Pocahontas | 85 | 47.97 | " " |
| Mountain King | 86 | 49.10 | " " |
| Quatsino Chief | 87 | 45.90 | " " |
| Yreka Fraction | 89 | 15.34 | " " |
| New Comstock | 90 | 51.65 | " " |
| Superior | 106 | 49.47 | " " |
| Asa Thor | 107 | 27.22 | " " |
| N.S. Fraction | 111 | 22.62 | " " |
| Mohican Fraction | 112 | 11.93 | " " |
| Ready Cash Fraction | 109 | 7.94 | " " |
| Omega Fraction | 113 | 4.43 | May 12, 1981 |

It is important to note that Uke Resources Limited has met the requirements of Sections 10 and 11 of the Mineral Act which relate to Surface Rights on the sixteen Mineral Claims listed in the above table.

V. HISTORY OF YREKA PROPERTY

The original claims were staked in 1898 and were worked until 1903 by the Yreka Copper Company. Open quarry work and three tunnels on the Comstock Mineral Claim disclosed bodies of copper sulphide carrying gold and silver. The Company built a wharf and a 3,600 foot tramway and shipped a total of 2,500 tons of ore, the bulk of which was quarried out of the "Clyde" cut. In 1903 the sixteen claims owned by Yreka Copper Company were acquired by North-Western Smelting and Refining Company and 1,500 feet of drifting was completed by the new owners.

From 1903 to 1916 the Yreka mine was idle and in 1916 work was carried out for six months. Three main cuts and No.1 adit were examined and sampled. The samples were reported to run 0.02 ounces gold per ton, 2.6 ounces silver per ton and 2.9 per cent copper.

In 1917 a new wharf and aerial tramway were erected and about 900 tons of copper ore was shipped. During the winter of 1917-1918 the property was bonded to Tidewater Copper Company of Victoria.

Minister of Mines report for the year 1928 describes the mineralization as veins from 5 to 14 feet wide up to 200 feet long, occurring across a width of 200 feet in a contact-belt between limestone and igneous rocks extending for a length of 2,000 feet. The ore was stated to average 3 per cent copper and 3 ounces silver per ton.

In 1952, Noranda Exploration optioned the property from Yreka Copper Company after cleaning out the old workings and completing X-Ray diamond drilling. The property consisted of 16 Crown-granted and eleven recorded mineral claims. From 1953 to 1955, exploration work was

concentrated on the bed of mineralized skarn overlying No.6 adit and extending over parts of the North South Fraction, Ready Cash and Superior mineral claims.

Government reports indicate that between 1953 and 1956, Noranda Exploration carried out 40,000 feet of diamond drilling and 4,000 feet of underground development. By this means the main Yreka ore-body was outlined in the skarn zone which occurs in porose agglomerate and tuff.

Annual Report of the Minister of Mines for the year 1965 refers to three ore shoots and the sulphide zone was partially opened and explored on three levels at elevations of 1,900 and 1,600 feet above sea-level.

The three ore-bodies A, B and C were prepared for stoping, and the ore mined in this stage totalled 13,330 tons.

Power plant, crushing facilities and ore storage bins were completed in conjunction with a mill of 375 tons per day capacity. An aerial tramway was in operation and by the end of December, 9,347 tons of ore was milled to produce 1,618 tons of copper concentrates. Operations from 1964 onwards were conducted under the name of Teeta River Mining Company Limited and owned jointly by Noranda Exploration Company and Mitsubishi International Limited. A 3/4 mile long tramway was used for ore shipments from the 1,750 haulage level to the mill on tidewater.

From November, 1965 to September 1967, the mine and mill operated by Noranda and Mitsubishi treated a total of 156,586 tons grading 2.9 per cent copper from the Yreka mine which yielded 19,665 tons of copper concentrate.

In 1971 and 1972, Iso Explorations Limited spent \$128,000 testing the 17 Crown-granted claims and 77 recorded claims at Yreka - the ground being held under option from Green Eagle Mines Ltd. Work in 1971 included property-wide geochemical silt sampling and prospecting on the Comstock,

Tuscarora and Upper Blue Grouse; ground magnetics of one grid (Tuscarora); geological mapping, blasting and sampling of the Lower and Upper Blue Grouse and Tuscarora showings.

VI. GEOLOGY

(i) Stratigraphy

The rocks underlying the claims consist of andesites, agglomerates, tuff and limestones, correlated with the Vancouver group of Triassic age.

The following stratigraphic units are recognized:

| | |
|---|------------------------|
| Upper Andesite unit | above 2,000' Elevation |
| Interbedded tuff and agglomerate with lenses of limestone. Zone favourable for copper-zinc mineralizations associated with skarn. | 1,000' to 2,000' " |
| Banded Limestone | 900' to 1,000' " |
| Lower Andesite | Sea-level to 900' " |

Swarms of quartz feldspar porphyry and basalt dykes and sills up to 30 feet thick cut the bedded rocks.

A quartz diorite outcrop occurs about 3,000 feet south-west of the mine workings.

- (ii) Skarn Zones up to 100 feet thick and 1,500 feet long have been reported. The largest deposit is the "A" ore-body in the Yreka mine. It is 50 feet wide by 160 feet long by 200 feet high and contained about 3 per cent copper.

Several larger blocks of mineralized material grading less than 1½ per cent copper are known as for example the Blue Grouse area. The latter is a gossan zone consisting of

copper, zinc, silver mineralization in limy tuffs on a steep scarp. The Upper Blue Grouse zone is 110 feet long by 15 to 30 feet thick and runs 0.42 per cent copper and 1.30 per cent zinc (samples by J.Poloni July 1, 1971).

- (iii) The main (A & B) Ore-bodies were adjacent, steeply plunging pipe-like stockworks of pyrrhotite, pyrite, chalcopyrite, cubanite and sphalerite, developed in an extensive skarn bed cut by numerous post-ore dykes. Dr. J.M.Carr believed that ore controls probably involved intersecting shear zones and replacement of favorable skarn. Due to overlying unfavorable beds the ore failed largely to reach surface. At depth it apparently became pyritic and therefore low in grade.

- (iv) Faulting and Shearing

Published reports refer to faulting and weak shearing. The main fault strikes north-east and dips at about 70 degrees south-east. It cuts the ore in No.6 adit.

It has been suggested that the main Yreka ore-bodies have been partly localized by weak shearing in the skarn zone on the limb of a drag fold. Furthermore, the North-east fault system appears to be part of the structure which controlled the deposition of ore in the skarn.

- (v) Minor Intrusions

Localization of the ore-bodies is related to the presence of swarms of quartz porphyry dykes. These dykes are post-ore.

Dykes and sills of basalt and diabase are very common and feldspar porphyry dykes are reported in the diamond drill logs.

(vi) Mineralization

The host rock is generally skarn or silicified skarny limestone and limy tuffs. The ore minerals comprise chalcopyrite and cubanite along with sphalerite. Silver reports generally in assays, and runs about 2 to 3 ounces silver per ton of ore. The nature of the silver mineral is not known at present but it appears to be closely associated with the sphalerite. During the operation of the Yreka mine between 1964 and 1967, head assays of mill feed were not run regularly for gold and silver.

Pyrrhotite is prominent as a rule with lesser amounts of pyrite.

Magnetite is widely distributed and was especially prominent in the main Yreka ore zones.

VII. DESCRIPTION OF SHOWINGS

1. Yreka Mine Area

This is the area in which Minoca Mines Ltd. operated in 1964 to 1967 and mined 156,586 tons grading 2.9 per cent copper. Concentrates shipped totalled 19,665 tons of copper concentrates.

Over 40,000 feet of surface and underground drilling was completed and underground workings totalled over 7,500 feet.

The geology of the skarn zone is described above. As stated by Dr. J.M.Carr, the ore failed largely to reach surface and at depth it became pyritic and therefore low in grade.

Minoca Mines tested and developed the main ore-bodies from three adits at 1,900, 1,750 and 1,600 feet above sea-level.

2. Clyde Zone

It is located on the New Comstock mineral claim at 1,200 feet above sea-level. Total production is 2,500 tons grading 4 to 5 per cent copper and underground workings total 1,500 feet approximately.

3. Upper Blue Grouse

Located on the Clyde mineral claim about 800 feet south-east of the Clyde zone at 1,400 feet A.S.L.

A short adit 30 feet in length explored a zone varying from 10 feet to 30 feet wide by 120 feet long. Iso Explorations carried out geological mapping, blasting and sampling of the zone.

The Upper Blue Grouse gossan zone consists of copper-zinc-silver mineralization in limy tuffs on a steep northerly facing scarp. Nine samples taken by J. Poloni in 1971 averaged 0.42 per cent cu and 1.30 per cent zinc.

4. Blue Grouse

This prospect lies on the Mountain King mineral claim at 800 feet A.S.L. Extensive mapping, blasting and sampling by Iso Explorations does not appear to have exposed a commercial zone.

5. Tuscarora Showing

It is located on Edison Creek at 1,000 feet A.S.L.

Noranda Exploration cut 49 samples from 13 exposures in a N.E. trending area 600 feet by 200 feet. The results average about 2 per cent zinc and less than 0.5 per cent copper over an average width of 10.0 feet and strike length of 90 feet.

The country-rock consists of limy tuffs, cherts and silicified limestone mineralized with chalcopyrite and sphalerite accompanied by pyrrhotite and pyrite.

VIII. RESERVE ESTIMATE OF MINERALIZATION BODIES - YREKA MINE.

Extensive underground diamond drilling carried out by Noranda Exploration Company prior to 1967 outlined a large number of mineralized lenses. Close scrutiny of the Company's geological maps and cross-sections reveals that 5 large lenses of mineralization remain underground in the Yreka mine. Four of the latter lenses are accessible for mining from the existing adits, and the largest lens - Mineralization-body No.9 - lies below the 1,750 foot level.

A series of 10 diamond drill holes completed by Noranda Exploration Company encountered very promising intersections of copper-silver mineralization below the 1,750 foot level.

The results of the writer's evaluation are shown in Table I below. The copper content is based on results of Noranda's drill core by J.R. Poloni, Consulting Geologist, in November, 1970. A copy of Mr. Poloni's report furnished to Green Eagle Mines Ltd. and dated November 4, 1970, is on file in the office of Uke Resources Limited.

TABLE I.

UKE RESOURCES LIMITED

(i) Mineralization Reserve Estimate in Yreka Mine

Probable tonnage indicated by diamond drilling intersections ranging in elevation from 1,600 feet to 2,000 feet above sea level and indicated on plans and cross-sections of the 1,750 foot level and 1,900 foot level adits:

| Minerali- zation Body No. | Area (Sq.Ft.) | Length (Ft.) | Volume (Cub.Ft.) | Probable Tonnage | G R A D E | | |
|---------------------------------|------------------|-----------------|---------------------|---------------------|-----------|-----------------|-------------------|
| | | | | | Cu % | Gold Oz./ton | Silver Oz./ton |
| 1. | 2,784 | 100 | 278,400 | 23,200 | 0.71 | 0.02 | 0.60 |
| 4. | 1,140 | 60 | 68,400 | 5,700 | 1.62 | 0.02 | 0.60 |
| 5. | 3,320 | 90 | 298,800 | 24,900 | 0.67 | 0.02 | 0.60 |
| 6. | 936 | 100 | 93,600 | 7,800 | 1.65 | 0.02 | 0.60 |
| 9. | 4,548 | 150 | 682,200 | 56,850 | 1.20 | 0.02 | 0.60 |
| TOTAL | | | | 118,450 | 1.05 | 0.02 | 0.60 |

Tonnage factor used in above calculations = 12 cubic feet per ton of mineralization zone.

Comment

In regard to the precious metals, the following qualifications are important. The grade of silver content for mineralization-body No.9 below

the 1,750 foot level is based on assays of drill core. However, the values quoted for gold and silver in the other mineralization bodies are quite empirical. At the same time they are based on sampling by Noranda Exploration Company Limited prior to 1959, the results of which are as follows:

| Metal | Disseminated Ore 1900 level | Massive Sulphide Ore 1900 level | Diamond Drill Core 1900 level |
|--------|--------------------------------|------------------------------------|----------------------------------|
| Gold | 0.02 oz./ton | 0.03 oz./ton | 0.01 oz./ton |
| Silver | 1.10 oz./ton | 5.11 oz./ton | 2.12 oz./ton |

IX. EXAMINATION OF UPPER WORKINGS, YREKA MINE

The mine workings of the 1,900 level of Yreka mine were studied in a reconnaissance survey on July 23, 1980 with Mr. Joseph Iwasenko acting as guide.

The impression was gained that the ground stands up well which is to be expected when mine openings (drifts and stopes) are made in limestone and skarn country-rock.

Geological maps and cross-sections prepared by Minoca Mines (Noranda and Mitsubishi) have been closely studied by the writer and it is obvious that mining was carried out a large degree to "assay walls". It is reasonable to assume that zones of copper-zinc mineralization assaying below a pre-determined "cut-off" grade would be left behind as non-commercial. It is to be hoped that a number of zones of mineralization passed over and neglected by Minoca Mines can be considered as possible commercial zones worthy of exploitation.

Likewise, additional tonnage may be obtained by slashing the existing drifts and mine workings.

X. CLYDE AND UPPER BLUE GROUSE ZONES

The Clyde workings and Upper Blue Grouse gossan zone have not been fully tested, and Uke Resources Limited intend to complete the exploration program of road work, diamond drilling and bulk sampling as recommended by B.S. Imrie, P.Eng. in report to Uke Resources Limited entitled "Report on the Yreka Mineral Property Upper Blue Grouse Prospect" dated March 7, 1980. In this report Mr. Imrie recommended geological work, an I.P. Survey, bulk sampling and 5,000 feet of diamond drilling on the Upper Blue Grouse, plus road construction to the Blue Grouse and Upper Blue Grouse properties and to the Clyde cut at a cost of \$180,000.

Geophysical survey of the Clyde area was carried out by Geotronics Surveys Limited, Vancouver, in May of 1980. The Induced Polarization survey indicated an anomalous zone immediately north of the Clyde adit and three diamond drill holes were recommended. It is considered advisable to follow up and drill in the locations shown on the sketch map which accompanies the report by D.G. Mark, Geotronics Surveys Limited in Appendix "C".

XI. PRELIMINARY FEASIBILITY STUDY

The proposed feasibility study will include the following important items:

- (a) Overall appraisal of geology of the mineralization-bodies and potential zones of mineralization.
- (b) Selection of zones worthy of exploratory diamond drilling on surface and underground.
- (c) Metallurgical testing and bulk sampling.
- (d) Study of mining and milling methods best suited for economic extraction of the mineralized zones and concentrates.
- (e) Detailed estimates of production costs - mining, milling and overhead.
- (f) Planned production schedule and estimate of projected earnings.

XII. ESTIMATE OF COSTS FOR RECOMMENDED WORK PROGRAM

It is recommended that road construction on the property be continued for development of the mine. Additional road construction is estimated to cost \$50,000. Bulk sampling and diamond drilling as recommended by B.S. Imrie in report dated March 7, 1980, will continue. The surface diamond drilling is estimated to cost \$75,000 and Uke Resources Ltd. intends to use its own diamond drill machine and crew.

Preliminary Feasibility Study including metallurgical testing and engineering evaluation will be initiated and will total \$65,000.

It is recommended that the proposed work program as itemized in Appendix "A" be carried out at a total estimated cost of \$240,000.

Respectfully submitted,

Clive W. Ball, P.Eng.

Vancouver, B.C.

March 23, 1981.

Clive W. Ball, P.Eng.

APPENDIX "A"

UKE RESOURCES LTD.

ESTIMATE OF COSTS

Preliminary Feasibility Study, Road Construction

and Surface Diamond Drilling

| | |
|---|-------------|
| Feasibility Study including metallurgical tests and engineering report | \$65,000 |
| Road Construction | \$50,000 |
| Legal, accounting, travel, marketing and miscellaneous | \$50,000 |
| Surface diamond drilling | \$75,000 |
| | <hr/> |
| TOTAL | \$ 240,000 |
| | <hr/> <hr/> |

WRITER'S CERTIFICATE

I, Clive W. Ball, of 3191 West 36th Avenue, Vancouver, B.C.

hereby certify as follows:

1. I am a consulting geologist residing at the above address.
2. I am an honours graduate of the University of Queensland, Brisbane, Australia, holding an M.Sc. degree in Geology and Mineralogy.
3. As a geologist I have practised my profession since 1935 in mining geology and exploration. For 30 years I was employed as a geologist on the staff of Placer Development Limited, retiring as Chief Geologist in February, 1978.
4. I am registered as a member of the Association of Professional Engineers (Geological) of the Province of British Columbia.
5. My knowledge of the Yreka property is based mainly on a study of published reports and company reports by Noranda Exploration Ltd. and Iso Explorations Limited.
6. Physical inventory and knowledge of the property is based on brief visits to the mine site in 1959, September 1978, and July 23, 1980.
7. I hold no interest whatsoever in the Yreka property as encompassed in my report and I do not own any shares in Uke Resources Limited.

Respectfully submitted,



Clive W. Ball, P.Eng.

Vancouver, B.C.

March 23, 1981.

3191 West 36th Avenue
Vancouver, B.C.
V6N 2R4.

March 23, 1981.

The Superintendent of Brokers
Vancouver Stock Exchange,
Vancouver, B.C.

Dear Sir:

I hereby give you permission for my report entitled:

"Recommended Work Program for Preliminary
Feasibility Study for Mining and Milling,
Future Road Construction and Future Purchase
of a Concentrator or Mill."

dated Vancouver, B.C., 23 March, 1981, to be used for the
general public.

Yours truly,

Clive W. Ball, P.Eng.

Clive W. Ball, P.Eng.
Consulting Engineer.

REFERENCES**B.C. MINISTER OF MINES ANNUAL REPORTS:**

1902, 1903, 1905, 1906, 1916, 1917, 1918, 1925, 1953, 1954,
1955, 1956, 1964, 1965, 1966, 1967.

MINOCA MINES LTD., 1969: Maps, plans and sections of surface and
underground workings filed with the B.C. Dept. of Mines,
Victoria.

GEOL.SURV.CAN., 1963: Neroutsos Inlet, Vancouver Island, B.C.
Geophysics Paper 1733, Map 1733G.

DOLMAGE, V. 1918: Quatsino Sound and Certain Mineral Deposits of
the West Coast of Vancouver Island, British Columbia; Geol. Surv.
Can., Summ.Rept.Pt.B, pp,30-38.

HOADLEY, J.W. 1953: Geology and Mineral Deposits of the Zeballos-
Nimpkish area, Vancouver Island, British Columbia; Geol.Surv.
Can., Mem.272.

WILSON, P.R. 1955: The Geology and Mineralogy of the Yreka Property,
Quatsino Sound, B.C., unpublished master's thesis, University
of B.C.

**Report on Airborne Geophysical Surveys, Port Hardy Area, B.C., on
behalf of Green Eagle Mines Ltd.**

by Richard O. Crosby, June 10, 1970.

Claims Pan 1-24

GE 1-40 and GE 41 Frac. & GE 42.

**Summary Report on the Work Programs Conducted to July 1, 1971 on the
Green Eagle Mines Ltd. Claims, Yreka Project, Nanaimo Mining
Division, B.C. by John R. Poloni, July 1, 1971.**

Iso Explorations Ltd. , Yreka (Green Eagle Mines Ltd. Option) Report
on Exploration, June -Sept. 1972, by R.V.Crossley, for
Geophysical Engineering & Surveys Ltd.

Report on Drill hole E.M.Surveys DDH , 17-38, 17-33 and 19-100
at the Yreka Mine , Quatsino , B.C. , on behalf of Minoca Mines
Ltd. by Jon G. Baird and H.O.Seigel, Toronto, April 18, 1967.

Appendix "D"



RECEIVED JUN 10 1980
*430
SW*

GEOTRONICS SURVEYS LTD.
420-890 W. PENDER ST.
VANCOUVER, CANADA V6C 1J9
(604) 687-6671

Uke Resources Ltd., *Pemberton Hldg.*
222-744 West Hastings Street
Vancouver, B.C.

June 10, 1980

Attention: J. Iwasenko
President

Dear Sirs:

Re: Induced Polarization Survey
Clyde Prospect
The "Yreka" Mineral Property
Port Alice Area
Nanaimo, M.C., B.C.

The above named survey was completed during the middle of May, 1980 and the data has been compiled. The following is simply a preliminary report on the results. More work is planned on the property at which time a more complete report will be written.

The purpose of the survey was to outline a copper mineralized zone that carries values in gold and silver. Ore has been shipped sporadically from this zone since 1903.

A frequency domain instrument manufactured by Sabre Electronic Instruments Ltd. of Burnaby, B.C. was used for the survey.

One test line was done with the dipole-dipole array at the first, second and third separations. The dipole length was 30 meters. Five additional lines were then done at a 30 meter dipole length and a 15 meter reading interval. The line separation on an average was 30 meters.

The extent of the survey area, especially the length of the lines was severely limited by cliffs and talus slopes. It would have been much more preferable to extend the lines especially to the southeast.

For a description of the geology and mineralogy, the following is quoted from B.S. Imrie's engineering report on the property.

"The Yreka property is underlain by Triassic sedimentary and volcanic rocks of the Vancouver Group. The beds strike northwest and dip 30° to 60° southwest into the mountainside. A northeast trending fault structure occupies the Canyon Creek Gorge and apparently displaces the Vancouver Group strata by as much as 1,000 feet.

Mineralogically, the host rock is generally skarn or silicified skarny limestone and limy tuffs. The ore minerals comprise chalcopyrite and cubanite along with the sphalerite. Silver reports generally in assays, and runs about 2 to 3 ounces silver per ton of ore. Pyrrhotite is present as a rule, with lesser amounts of pyrite. Magnetite is widely distributed."

The data is drawn on the accompanying 2 maps with the pseudo-section of the test line being drawn at a scale of 1:750 and the plan of all the lines being drawn at a scale of 1:1500. The contouring was done at an interval of 1% beginning at 4%.

From the limited survey work as shown on the plan, the I.P. survey has revealed an anomalous zone that appears to be striking in a northerly direction. It reaches a high of 10.5% with many of the values in the 7 to 9% range. The background level appears to be about 2.5 to 3.0%.

Considering the zone seems to be correlating directly with the Clyde mineralized zone (the producing adit is to the immediate south), it is quite likely the anomalous zone is reflecting sulphides, some of which is probably chalcopyrite. As a result, the I.P. survey has extended the Clyde zone another 140 meters to the north. The anomaly is characterized by small zones of high readings which is likely a reflection of a varying amount of sulphides.

The pseudo-section shows the causitive source to be dipping to the west which is apparently in agreement with the dip of the Clyde zone.

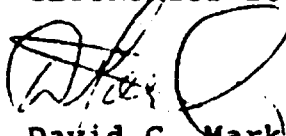
It is recommended that the I.P. survey be continued to the south as well as to the north since the anomaly is open in both of these directions.

The anomaly should also be diamond drilled by a series of three holes placed on the west side of the anomaly with a dip of -45° to the east. Considering the recommended dip is downhill, it may be preferable to drill at -60° instead. The locations of the holes are:

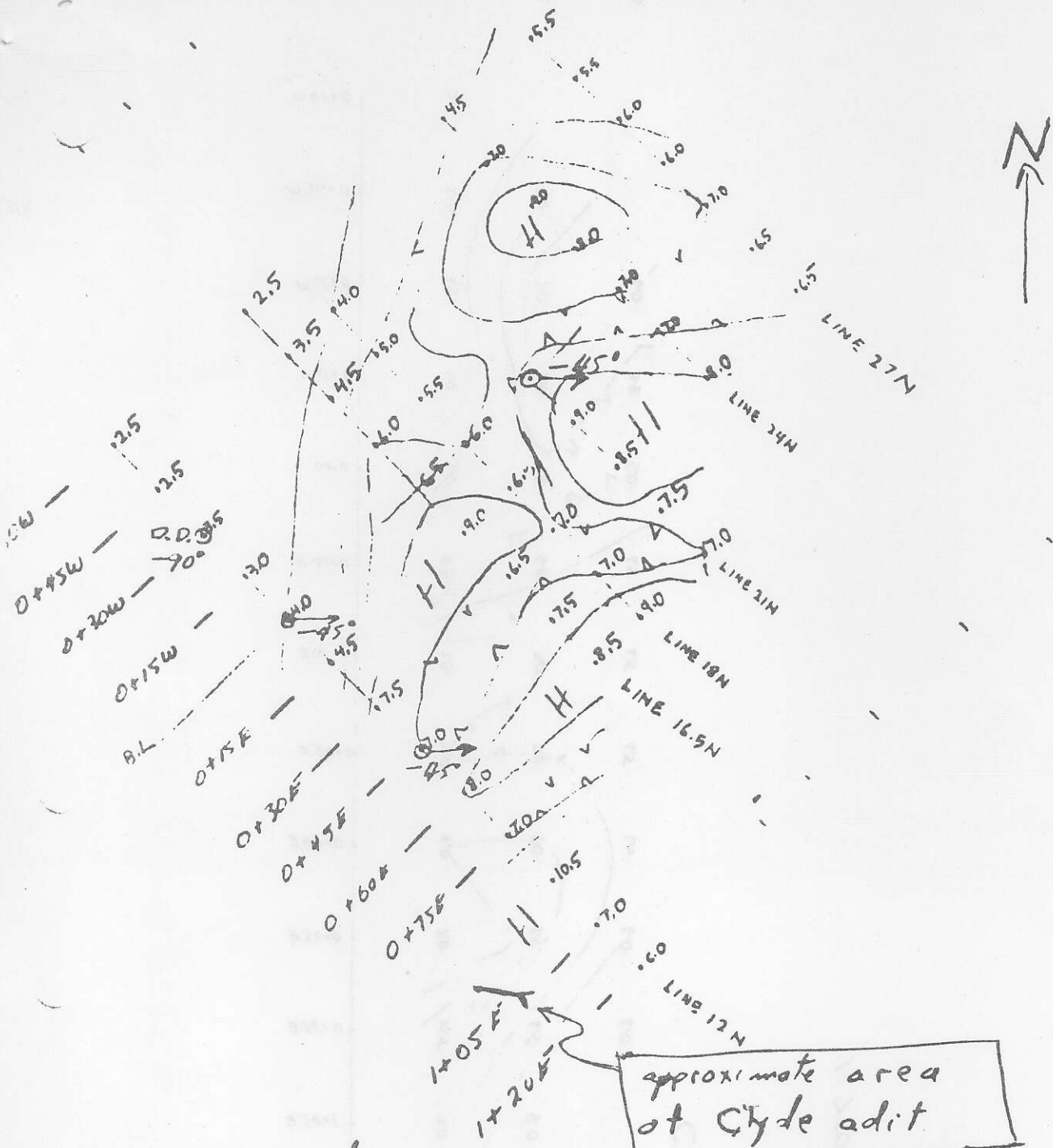
1. L-12N, 0+45E
2. L-12N, 0+00
3. L-21N, 0+00

An alternative to the third hole is (L-12N, 0+30W) with a vertical dip. The location and dip of the holes may be changed as the drilling is being carried out. The writer feels that a concurring opinion should be obtained from a geological engineer who is familiar with the property geology.

Respectfully submitted,
GEOTRONICS SURVEYS LTD.



David G. Mark
Geophysicist



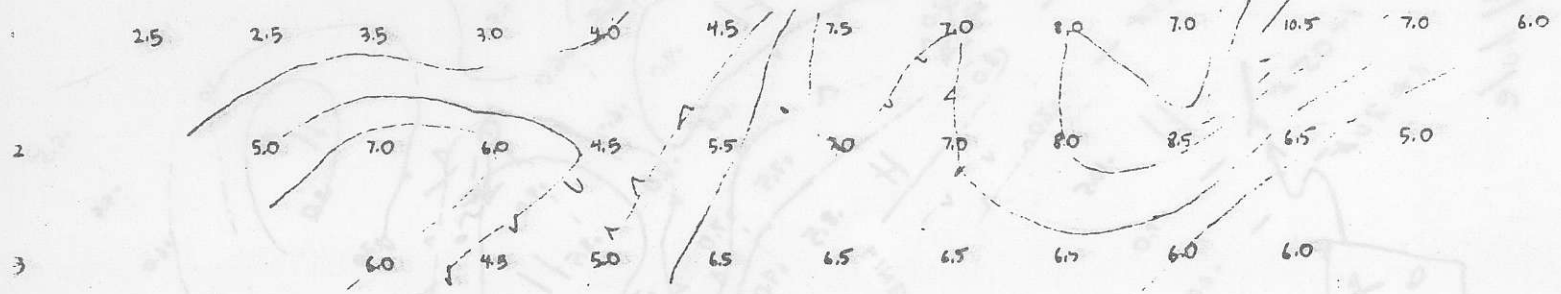
○ → proposed diamond dr. // hole
-45°

CLYDE PROSPECT
IP SURVEY / P.A.
% FREQUENCY EFFECT
11 = 1

1:1500

0+60W 0+45W 0+30E 0+15W 0+00 0+15E 0+30E 0+45E 0+60E 0+75E 0+90E 1+05E 1+20E

LINE 124 (BEARING - 45°)



CLYDE PROSPECT
 IP SURVEY
 PSEUDO-SECTION
 % FREQUENCY EFFECT

1:750

JUNE 1950

CLYDE PROSPECT
 124
 125
 126
 127
 128
 129
 130
 131
 132
 133
 134
 135
 136
 137
 138
 139
 140

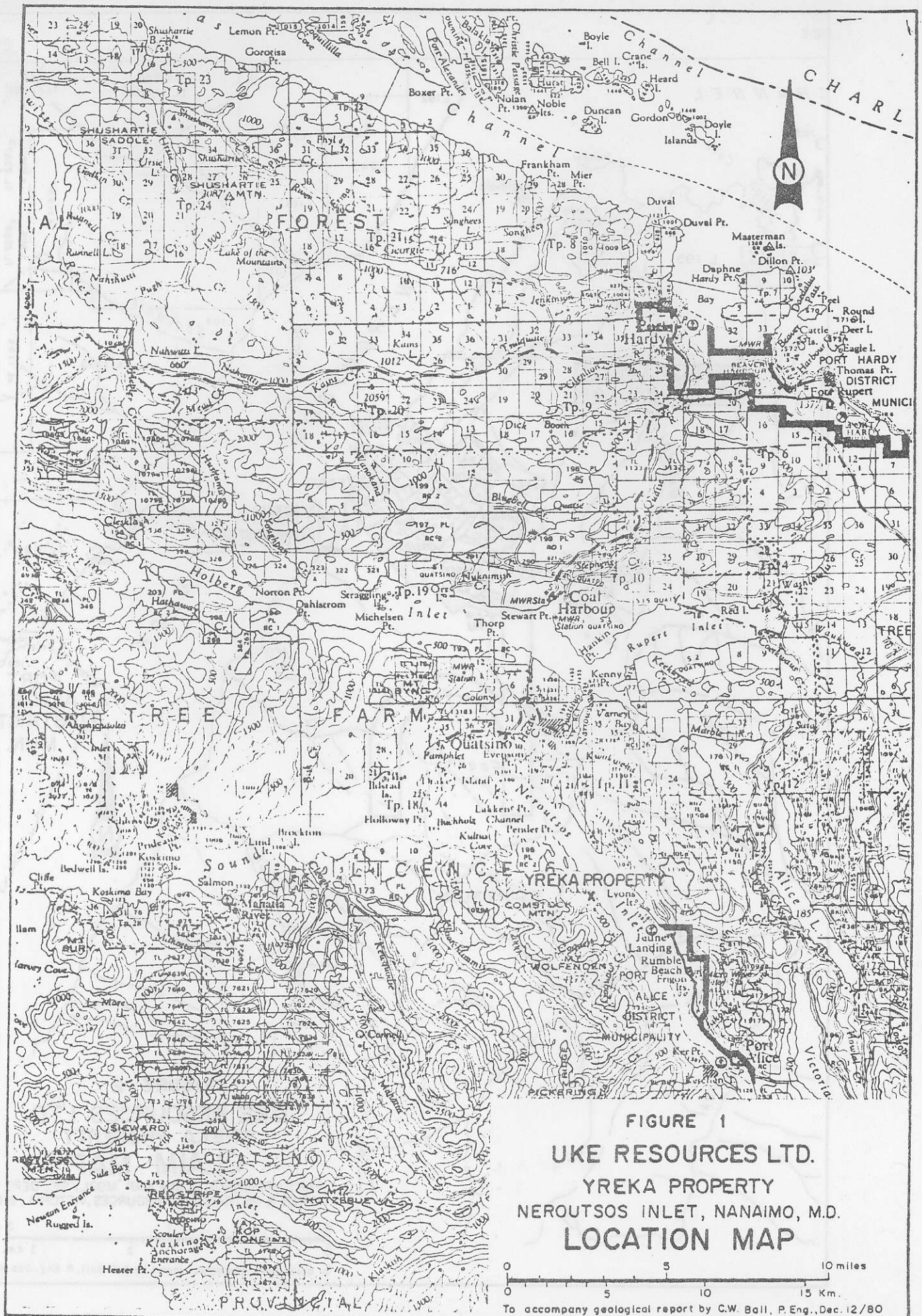


FIGURE 1
UKE RESOURCES LTD.
YREKA PROPERTY
NEROUTSOS INLET, NANAIMO, M.D.
LOCATION MAP

0 5 10 miles
 0 5 10 15 Km.

To accompany geological report by C.W. Ball, P.Eng., Dec. 12/80

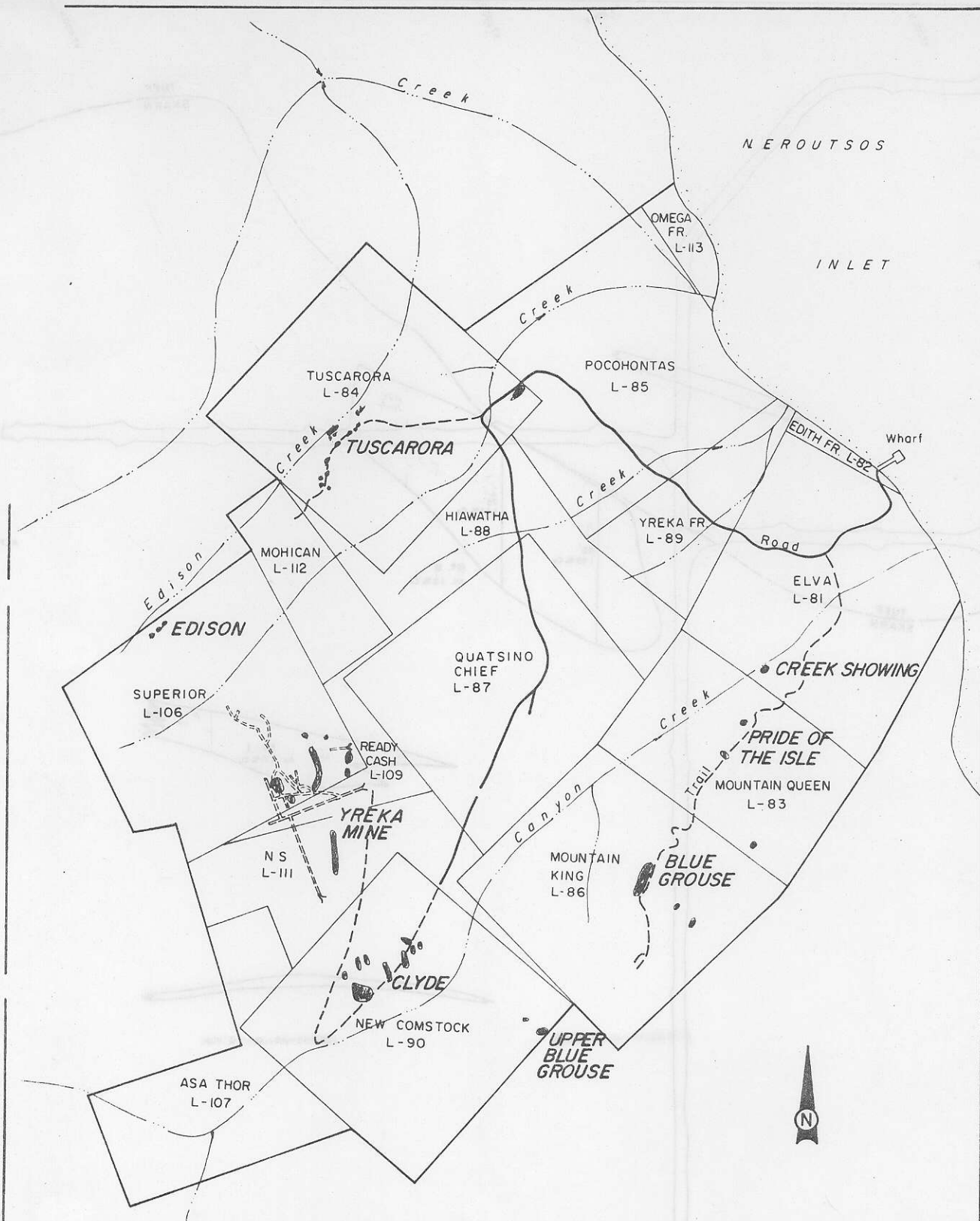


FIGURE 3
 UKE RESOURCES LTD.
 YREKA PROPERTY
 NEROUTSOS INLET, NANAIMO M.D.
MINERAL CLAIM MAP
INDICATING COPPER-ZINC SHOWINGS

UKE RESOURCES LTD.
 YREKA MINE, B.C.
 PLAN 1750 LEVEL
 SCALE 1:50,000

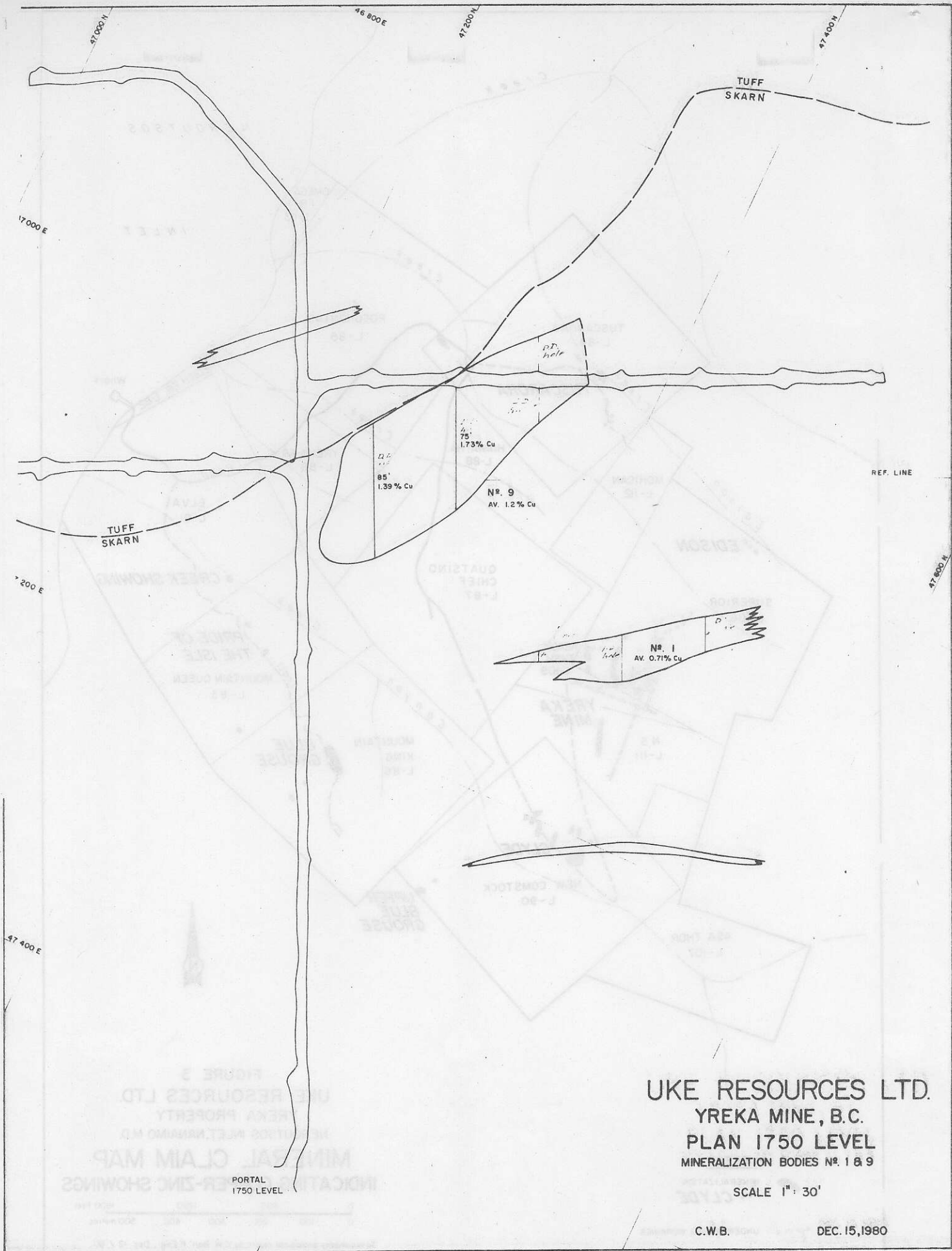
LEGEND

MINERALIZATION
 ●● CLYDE

UNDERGROUND WORKINGS



To accompany geological report by C.W. Ball, P.Eng., Dec. 12 / '80.

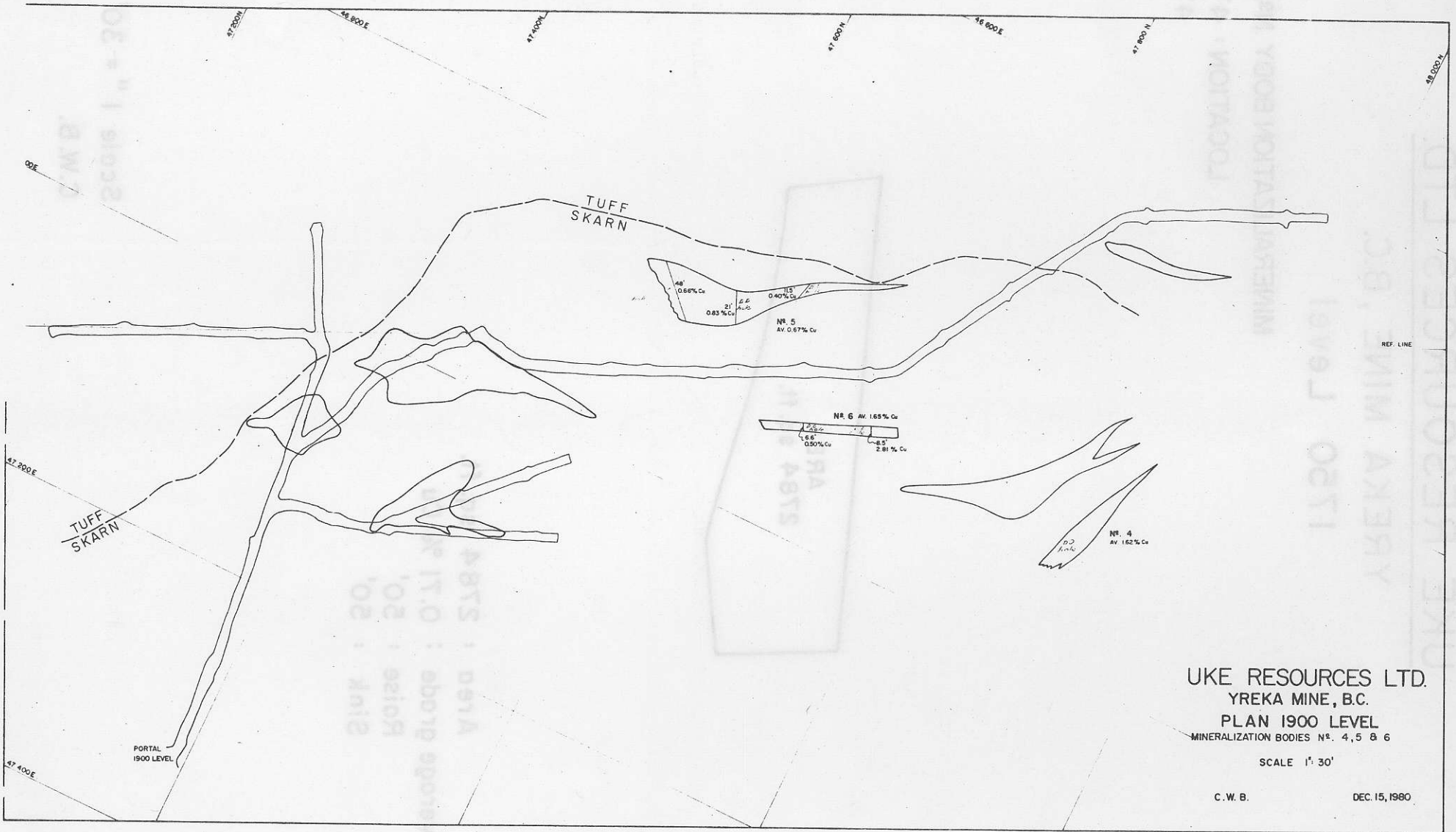


UKE RESOURCES LTD.
YREKA MINE, B.C.
PLAN 1750 LEVEL
MINERALIZATION BODIES No. 1 & 9

SCALE 1" = 30'

C.W.B.

DEC. 15, 1980



UKE RESOURCES LTD.
YREKA MINE, B.C.
PLAN 1900 LEVEL
MINERALIZATION BODIES No. 4, 5 & 6

SCALE 1" = 30'

C. W. B.

DEC. 15, 1980

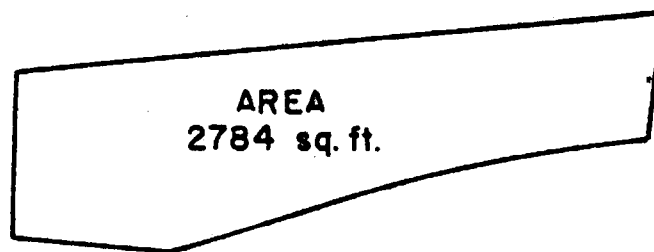
UKE RESOURCES LTD.

YREKA MINE , B.C.

1750 Level

MINERALIZATION BODY N^o. 1

LOCATION: 47,470 N.
47,100 E.



Area : 2784 sq. ft.
Average grade : 0.71 % Cu
Raise : 50'
Sink : 50'

Scale 1" = 30'
C.W.B.

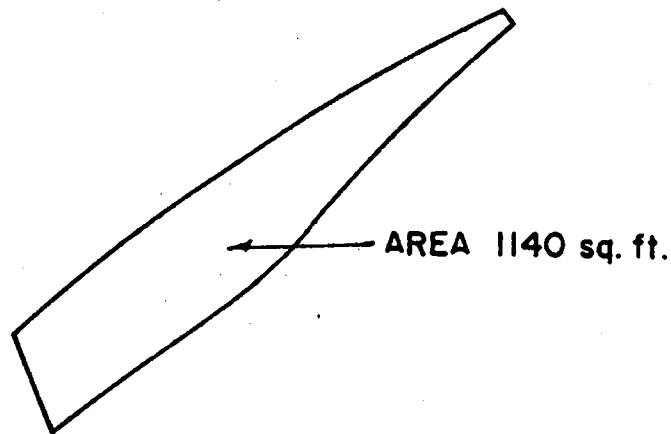
UKE RESOURCES LTD.

YREKA MINE, B.C.

1900 Level

MINERALIZATION BODY No. 4

LOCATION: 47,920 N.
46,900 E.



Area : 1140 sq. ft.
Average grade : 1.62 % Cu
Raise : 30'
Sink : 30'

Scale 1" = 30'
C.W.B.

UKE RESOURCES LTD.

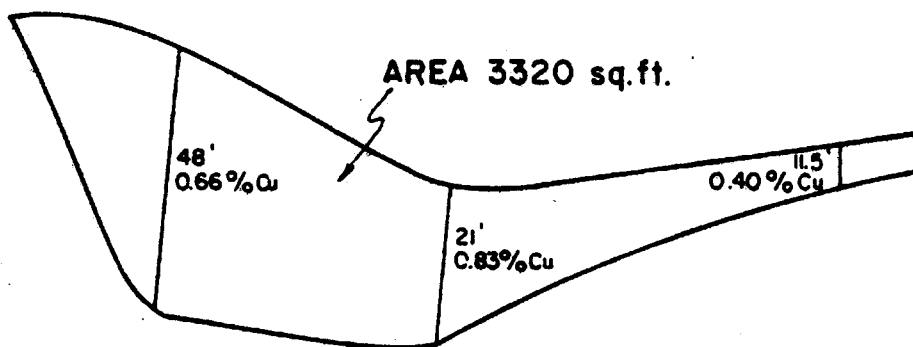
YREKA MINE, B.C.

1900 Level

MINERALIZATION BODY No. 5

LOCATION: 47,600 N.

46,870 E.



Area : 3320 sq. ft.

Average grade : 0.67 % Cu

Raise : 40'

Sink : 50'

Scale 1" = 30'

C.W.B.

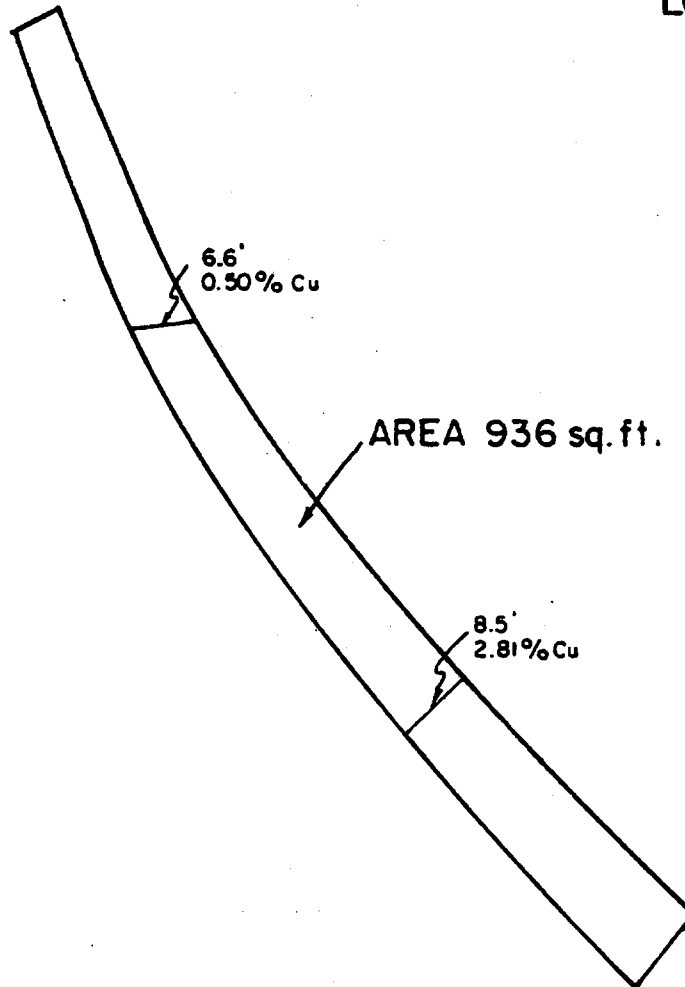
UKE RESOURCES LTD.

YREKA MINE, B.C.

1900 Level

MINERALIZATION BODY N^o. 6

LOCATION: 46,930 N.
46,850 E.



Area : 936 sq. ft.

Average grade : 1.65 % Cu

Length along strike : 100'

Scale 1" = 20'
C.W.B.

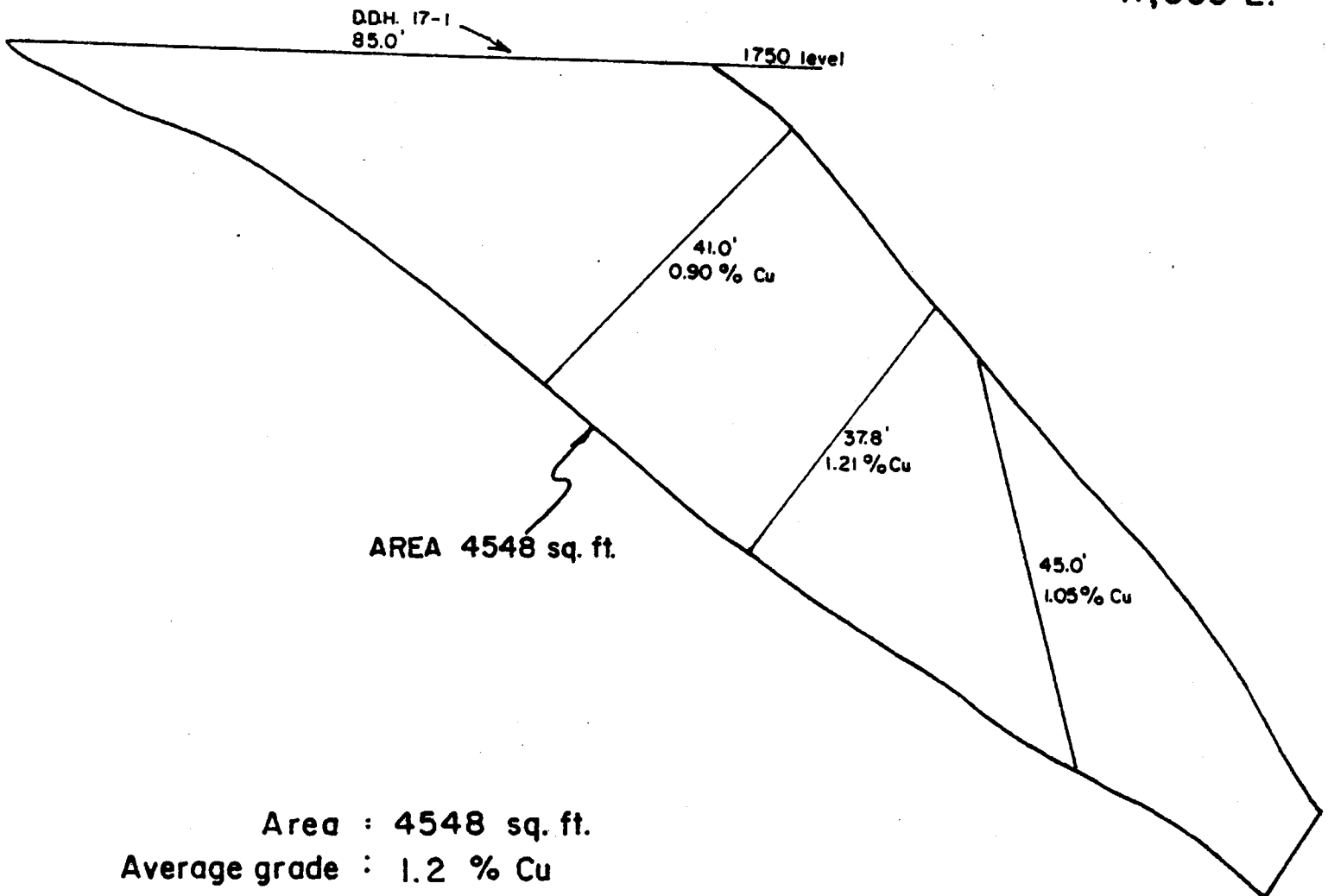
UKE RESOURCES LTD.

YREKA MINE, B.C.

1750 Level

MINERALIZATION BODY No. 9

LOCATION: 47,300 N.
47,000 E.



Area : 4548 sq. ft.
Average grade : 1.2 % Cu
Project lens along
strike for 150'

Scale 1" = 20'
C.W.B.