GNAT PASS PROJECT: 671729

Received from Lenthall at Cordilleran Roundup Friday Feb 1/91

Size: 8 mineral claims, 494 acres in 8 units.

Participants: Integrated Resources Ltd, 100%

Commodity: Copper-Gold-Silver

Agreement: None.

Land Status: All disposition are in good standing until at least August 19, 1989.

Technical Overview:

Property Description:

This property consists of 8 claims (494 acres) located in the Liard Mining District approximately 20 miles south of Dease Lake, British Columbia on NTS map sheet 104-I. The all weather Stewart-Cassier Highway passes through the property(Figure-2).

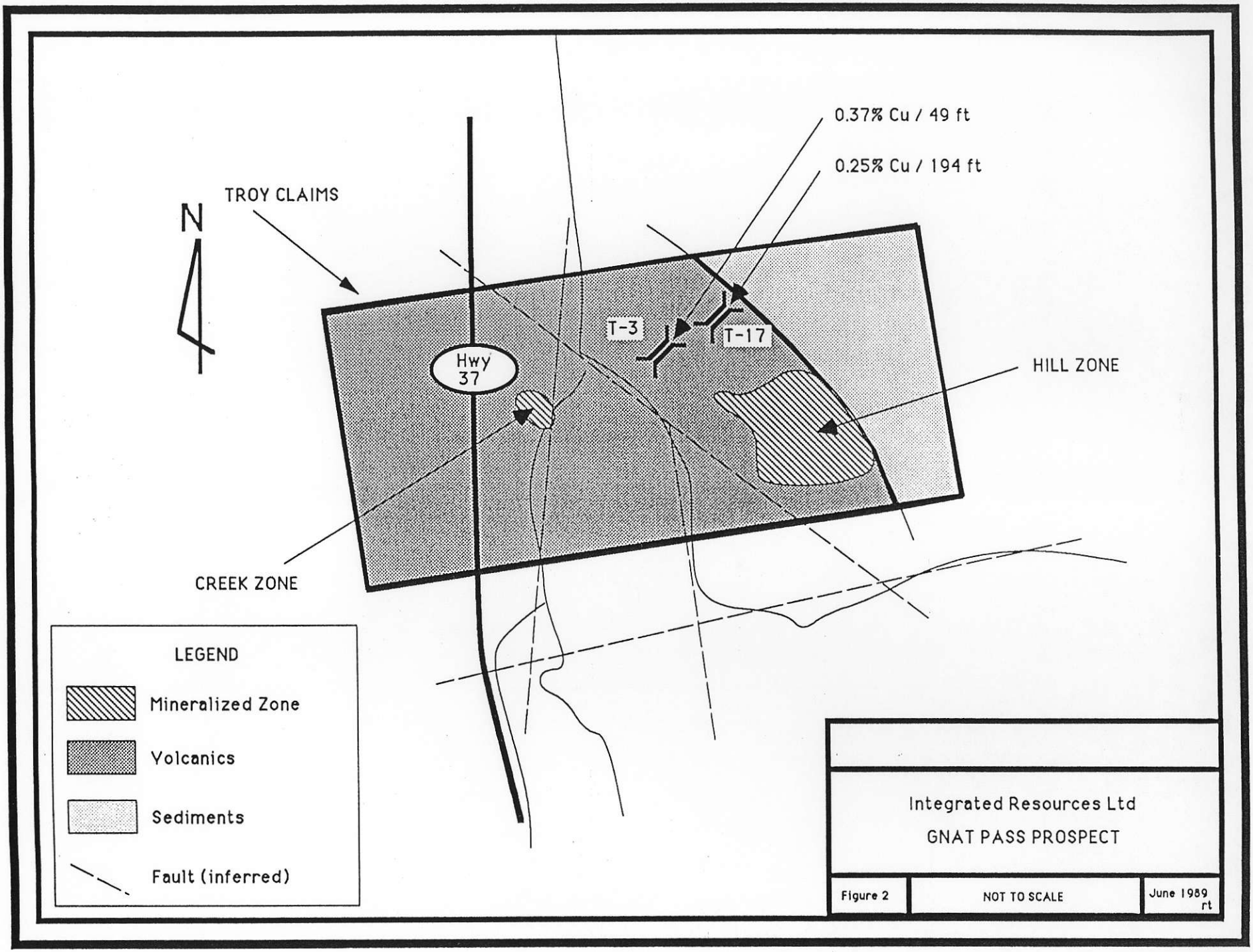
Property History:

The Gnat Pass property was found in the late 1960's. Deas Lake Mines explored the property for three years completing geochemical sampling, mapping, geophysical surveys and diamond drilling.

In 1971, Mitsubsihi Metals optioned the property and is reported to have spent a total of $15 million on exploration. Trenching and additional drilling was completed. Mitsubishi dropped their option on the property in 1973.

In 1982, Hudson Mining and Smelting optioned the property and carried out a reserve evaluation using cutoff grades of 0.1% and 0.25% copper. The reserves calculated using these cutoff grades are not available. Hudson Bay dropped their option in 1984.

In 1986, the property lapsed and was staked by J. Hope and was vended into Integrated Resources Ltd.


0.37% Cu / 49 ft
0.25% Cu / 194 ft
TROY CLAIMS
N
T-3
T-17
Hwy 37
HILL ZONE
CREEK ZONE
LEGEND
Mineralized Zone
Volcanics
Sediments
Fault (inferred)
Integrated Resources Ltd
GNAT PASS PROSPECT
Figure 2
NOT TO SCALE
June 1989
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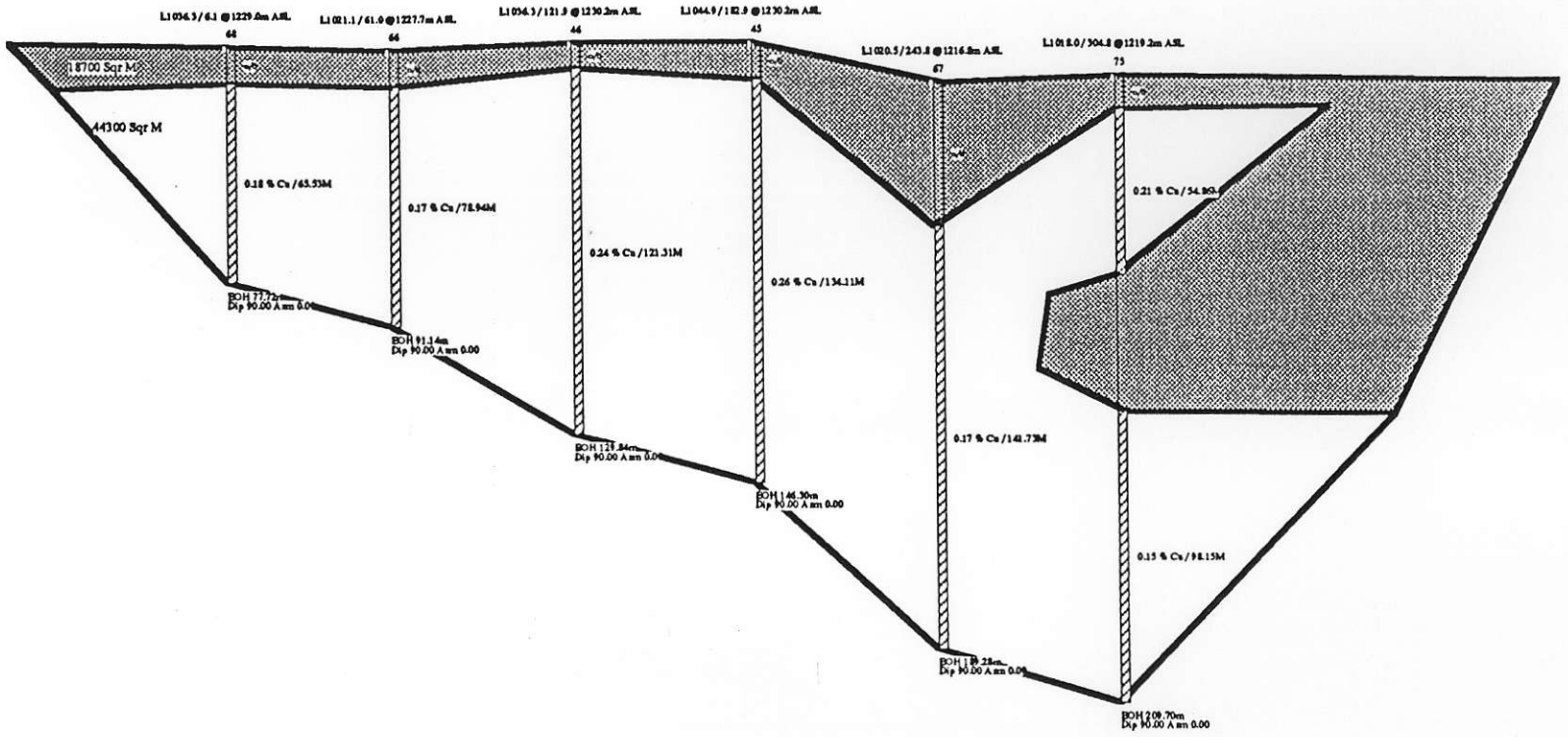


LEGEND

Waste

>0.1% Cu / 100 ft

0 50

0

50

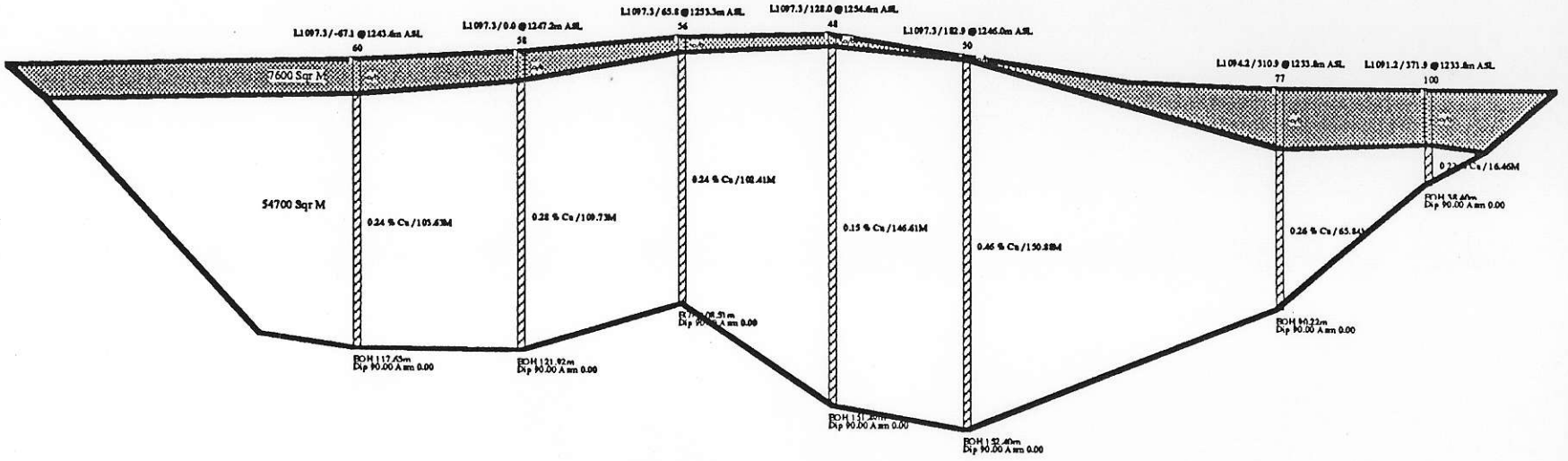
scale
metres

Integrated Resources Ltd.

Gnat Pass Prospect

Section 1020-1045

FIGURE 4	Scale 1: 2500	June 1989



LEGEND

Waste

>0.1% Cu / 100 ft

0 50

0

50

scale
metres

Integrated Resources Ltd.

Gnat Pass Prospect

Section 1100

FIGURE 3	Scale 1: 2500	June 1989

Geology and Mineralization:

The Gnat Pass property exhibits geological and geochemical characteristic of the Alkaline Suite of Porphyry Copper deposits. The mineralization is related to a series of feldspar porphyry dikes and a quartz monzonite intrusion of Lower Jurassic age that intrudes along the contact between sediments and volcanics of the Stuhini Group. Local bedrock geology consists of feldspar porphyry dikes, greywackes, shales, arkoses, congolmerates, andesites and basalts.

Two major north trending faults are known to occur on the property. The main fault {Gnat Lake Fault} lies in the stream that flows north from Gnat lake. The second fault occurs approximately 1,600 feet east of the Gnat lake fault. A series of north northeast trending faults offset the mineralization in the Hill zone along the sediment/volcanic contact.

Chalcopyrite and other copper bearing sulphide minerals occurs as disseminations and stockwork controlled mineralization throughout the Hill and Creek zones. Gold concentrations of up to 0.030 ounces per ton have been reported from grab samples of core from the Hill zone. Magnetite occurs within the Hill zone and may be indicative of higher gold content. Systematic sampling of the core to determine the average gold content of the Hill zone has not been completed. Silver values have not been reported.

The area of the mineralization is characterized by potassic alteration as evidenced by the development of fine grained potash feldspar and silicification. The fringe of the mineralization in the Hill zone exhibits propylitic style alteration.

Exploration Results:

Work to date on the property consists of geochemical and geophysical surveys (Induced Polarization, Magnetometer), trenching and surface channel sampling and 103 diamond drill holes.

Reserves:

The Hill deposit has been drilled on 200 foot centers and covers an area from 30+00E to 48+00E and from 8+00N to 10+00S. The mineralization occurs is a saucer shaped zone and outcrops at surface. The mineralization is open to the southeast, northwest and northeast and at depth on several sections. Excellent potential exists to find additional reserves in the Hill zone and Creek zone.

Several higher grade zones[>0.30% copper] of mineralization have not been fully delineated by the drilling. This occurs in ddh-50 on section 11+00, (Figure-3). Section 1020-1045 indicates that a certain portion of the deposit would not be mined due to its low grade and excessive waste (Figure-4). The general morphology of the deposit indicates that the stripping ratio would be low.

A computer generated modified Cross Sectional method was used to calculate the reserves in the Hill deposit using a block size of 100 feet and a search radius of 200 feet. The grade variation in each block is calculated to be 0.08% copper. A factor of 12 cubic feet per ton (equal to Specific Gravity of 2.67) was used in the tonnage calculation.

Three reserves were calculated using cutoff grades of 0.10% Cu, 0.20% Cu and 0.30% Cu over a minimum 100 foot interval. Internal dilution is included in these calculations. The possibility exists that the internal dilution referred to above may on closer examination be considered "marginal ore". The tonnage and weighted average grade for each cutoff grade are as follows:

@ 0.10% Cu, 138,000,000 tons grading 0.21% Copper.

@ 0.20% Cu, 65,700,000 tons grading 0.28% Copper

@ 0.30% Cu, 20,600,000 tons grading 0.37% Copper

The Hill deposit is similar in character to the Mount Milligan Copper-gold porphyry deposit currently under evaluation by Continental Gold and BP Resources ltd. Reported reserves for the Mount Milligan deposit are in the order of 120 million tons grading 0.30% copper and 0.025 ounces of gold per ton. A preliminary feasibility study of this deposit is expected to be completed by the end of 1989.

Surface Exploration Results:

Trenching to the northwest of the Hill deposit has returned an average copper value of 0.37% Cu over a distance of 49 feet in Trench # 3(Figure-2). No drilling has been completed in this area. In Trench # 17 three contiguous samples returned values of 0.39% Cu over 66 feet, 0.17% Cu over 66 feet and

0.18% Cu over 62 feet. A grab sample from this trench assayed 0.008 ounces of gold per ton and 4.1% Copper. Drill hole # 24 was drilled under this trench, the results of which are unknown.

Trenching on the Creek zone yielded the following results; 99 feet grading 0.21% Cu, 66 feet grading 0.31% Cu and 59 feet grading 0.13% Cu. Three drill hole were completed in this zone, the information for which is not available.

The area around the Hill deposit and the Creek Zone contains several geochemical and geophysical anomalies that have not been evaluated. Copper in soil geochemical anomalies occurs immediately south of and northwest of the Creek zone. The available information indicates that neither of these anomalies have been drill tested.

Encumbrances:

A residual Net Override of $513,625 payable out of first production is owed to the Vendor.