

# J.A. Chapman Mining Services

#30 - 1725 Southmere Cr. \* Surrey, B.C., V4A 7A7 \* Telephone: (604) 682-7677 \* Facsimile: (604) 682-0089

## 677002

Chris Ash, M.Sc., P.Geo.  
Project Geologist  
Geological Survey Branch  
PO Box 9320 Stn Prov Govt  
Victoria, B.C. V8W 9N3

Via Fax: 250.952.0381

June 16, 1998

Dear Chris:

I am pleased to hear that you are preparing to conduct a regional geological program in the Gibraltar Mine area this Summer. As we discussed, your timing is good as any work done by you and your team could be complimentary to work already done or underway by United Gunn Resources Ltd. and Gibraltar Mine.

Craig Payne, M.Sc., P.Geo., is in charge of all work on United Gunn's "Granite Mountain" project, which covers a region within 15 km radius of the Gibraltar minesite. Craig, with the help of Talis Kalrins, has assembled all of the best quality data from Assessment Reports and Minfile on this region and compiled it into an Autocad database registered to the Trim map base. In addition Craig has acquired Landsat and RadarSat images for the region. In order to save the GSB from having to repeat this very professional work, United Gunn is prepared to provide the digital database to you in exchange for some GSB service(s) of equivalent value. I will leave it to you to barter with Craig Payne. Craig is staying at the McLeese Lake Resort and may be reached at 250.297.6525 or by facsimile at 250.297.6531. He is in the field during the day and may normally be reached at the resort after 8:00 pm.

Chris, for your information I am attaching three letters that help to outline our exploration objectives at Granite Mountain, and the relationship between the players.

Please do not hesitate to contact me at 604.682.7677 or at home in the evening at 604.535.0038, should you have any questions or suggestions. We look forward to having your team in the field.

Yours truly,

**J.A. Chapman Mining Services**



John A. Chapman, P.Eng.  
Principal

cc. David Anfield, President, United Gunn Resources Ltd.  
George Barker, Chief Geologist, Gibraltar Mine  
Gary Bysouth, Geological Consultant to United Gunn Resources Ltd.  
Tom Milner, Manager, Gibraltar Mine  
Craig Payne, Principal, Crest Geological Consultants Limited  
Chris Rockingham, Exploration Manager - North America, Boliden Limited  
Ron Smyth, Director & Chief Geologist, Geological Survey Branch

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Craig Payne

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Mr. Tom Milner, Mine Manager  
Gibraltar Mine  
P.O. Box 130  
McLeese Lake, B.C. V0L 1P0

# COPY

Via Fax: 250.297.6220

April 13, 1998

Dear Tom:

I am pleased to report that the Board of Directors of United Gunn has approved a Stage One exploration program on its mineral lands adjoining Gibraltar. The \$245,000 program, scheduled to commence in early May, will consist mainly of geochemical and geophysical surveys with supporting surface sampling and mapping. Craig Payne, M.Sc., P.Geo., Principal, Crest Geological Consultants Limited, has prepared the program and will be managing the execution of the field work. I have worked with Craig on several projects over the past ten years and have found him to be very experienced, capable and professional in all phases of mineral exploration. Craig will be supported by Gary Bysouth who is providing advisory geological services.

As you are aware the management team at United Gunn Resources Ltd. have been long-term players at Gibraltar, and continue to view the Camp as having excellent potential for continued operations well into the next millennium. United Gunn recently completed a comprehensive study of all exploration work conducted in the Camp since the early 1960's, and has correlated that data with new LANDSAT and RADARSAT images. The large database was merged into AutoCAD, and colour composite maps were plotted. As a result of that work several targets were identified and some 8,000 hectares of mineral claims staked during October 1997. During the claim staking some reconnaissance silt sampling and outcrop sampling was conducted; results of this work was positive giving strong support for the targets and in one case identifying a large new precious metals anomaly.

Since the mid 1980's I have provided consulting services to United Gunn, principally as a technical advisor. I work closely with management in developing budgets and operating plans for mineral exploration and mining projects. David Anfield, President of United Gunn shares my vision of communicating and co-operating with Gibraltar mine in conducting exploration programs in the mine area. It is our belief that by focusing the combined experience and talents of United Gunn's and Gibraltar's geological teams toward mineral deposit discovery will vastly improve the odds.

At this time I wish to arrange a technical meeting for Craig Payne with George Barker for the second week of May, at Gibraltar. Craig has been instructed to be fully open in sharing all of the information that United Gunn has assembled in planning its 1998 exploration program. I trust that you will be able to provide similar disclosure. Craig will contact you directly to determine a mutually acceptable meeting date and time.

Yours truly,

J.A. Chapman Mining Services



John A. Chapman, P.Eng.  
Principal

cc. David Anfield, President, United Gunn Resources Ltd.  
Craig Payne, Principal, Crest Geological Consultants Limited  
Gary Bysouth, Consulting Geologist

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Mr. William Fisher  
World Wide Exploration Manager  
Boliden Limited  
181 Bay Street, Suite 1500  
Toronto, Ontario M5J 2T3

Via Fax: 416.364.5484

COPY

January 30, 1998

Dear Mr. Fisher:

Thank you for taking the time to visit with me at Pathways '98, following your presentation on Boliden. I found the Boliden update to be very interesting and informative, and of course timely given the Company's growth through acquisition of Westmin.

As we discussed, I have worked at Gibraltar as Chief Engineer and Acting Manager (1977 & 1978) as part of my 11 years service with Placer Dome Inc. I am presently a consultant to United Gunn Resources Ltd. a part owner (through Cuisson Lake Mines Ltd.) of the Gibraltar Mine. Also I am a director and a shareholder in Oakmont Ventures Ltd. a royalty holder on the Gibraltar North Deposit at the Gibraltar mine. Both of these companies have been involved in exploration in the Gibraltar Camp since the 1960's. Rudy Nosalek of United Gunn was the person that organized and financed Gibraltar Mines Ltd. in the discovery era, prior to Placer Dome Inc. buying control of the Company. Rudy is still active in the management of United Gunn. Marianne Kyme has been with Oakmont (formerly Newcoast) since the 1960's and currently serves as the Company's President.

The management teams at both United Gunn and Oakmont, have not only been long-term players at Gibraltar, but continue to view the Camp as having excellent potential for continued operations well into the next millennium. Despite the low grade tenor of the ore, the skilled workforce combined with low power costs and excellent area infrastructure combines to create one of the World's lowest cost mining operations on a cost per ton mined and milled basis. Also, I have always had the opinion that the plant was designed too small for the size and grade of the orebody - expansion to the 60,000 - 80,000 tonne per day range would reduce the operating cost per pound of copper produced, at a relatively low incremental capital cost. In addition, there is significant potential for discovery of ore grading +0.4% copper, as demonstrated by the most recent shear hosted deposit discovered at Gibraltar North. An added bonus is the low work index of the ore; it would probably mill at a 50,000 tpd rate in the present mill. This ore also contains more fracture filling copper in relation to disseminated copper, thereby enhancing recovery potential.

United Gunn recently completed a comprehensive study of all exploration work conducted in the Camp since the early 1960's, and has correlated that data with new LANDSAT and RADARSAT images. As a result of that work several targets were identified and some 8,000 hectares of mineral claims staked (October 1997). During the claim staking some reconnaissance silt sampling and outcrop sampling was conducted; results of this work was positive giving strong support for the targets and in one case identifying a large new precious metals anomaly.

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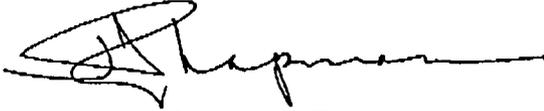
Page 2  
January 30, 1998

In your presentation you mentioned that Boliden's focus ranked zinc as the primary metal and copper as number two. You should be aware that there is some very strong zinc and silver zoning in areas flanking the main deposits. For example, the Gibraltar North Deposit contains a resource of nearly 100 million tonnes grading 0.4% copper, 0.1% zinc and 0.1opt silver - not including the northwest extension that has returned large drill intersections of 0.3% zinc. A plus 40,000 tpd mill will efficiently produce a lot of zinc, along with the normal copper, even at these low zinc grades.

As you can see I am a believer in the Gibraltar Camp and its mining future - my associates at United Gunn and Oakmont share this same vision. Do not hesitate to contact me if you wish to meet with the principals of either company to learn more about the mineral potential in the Gibraltar Camp and the surrounding area.

Yours truly,

**J.A. Chapman Mining Services**



John A. Chapman, P.Eng.  
Principal

cc. David Anfield, President, United Gunn Mines Ltd.  
Marianne Kyme, President, Oakmont Ventures Ltd.

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May 15, 1998

Chris J. Rockingham  
Exploration Manager, North America  
Belliden Limited  
904 - 1055 Dunsmiur Street  
Vancouver, B.C.  
V7X 1C4

Via Fax: 604.681.0357  
(4 pages)

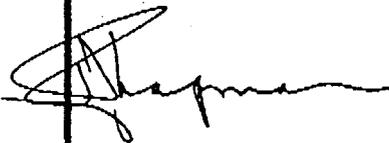
Dear Chris:

It was indeed a pleasure to meet you and your wife on Thursday evening. Tom Milner had spoken highly of your ability when we were discussing Gibraltar area exploration and the need for building a strong team. We certainly look forward to your input regarding the exploration, and will be sure to keep you informed through Tom. At this time I am attaching two letters that should help you to understand the relationship of the various players in Gibraltar area exploration.

Craig Payne has informed me that he intends be in a position to present historical information, as well as preliminary data from the 1998 program, to United Gunn, Oakmont and Gibraltar managements in the second week of July. I will suggest to Tom that the most suitable location for the meeting will be the minesite. We will set the meeting date very soon so that key players such as you will be able to schedule accordingly. We do look forward to your review and suggestions.

Yours truly,

**J.A. Chapman Mining Services**



John A. Chapman  
Principal

Attach.

cc. Gary Bysouth  
Tom Milner  
Craig Payne