

207 - 470 Granville St.,
Vancouver 2, B.C.
July 31, 1973.

The Board of Directors,
Starbird Mines Ltd. (N.P.L.),
427 - 510 West Hastings Street,
Vancouver 2, B.C.

Gentlemen:

At the request of Mr. W.G. Timmins P.Eng., Director, the writer visited the Stewart, B.C. property of Starbird Mines Ltd. on July 20th 1973. Purpose of the visit was to examine present operations at the property, to evaluate results and recommend future action.

At the time of the visit, the vein structure, a quartz-sulphide-filled fissure in argillites, was being traced laterally by a small drill machine. In addition the underground workings and surface developments were being mapped and sampled.

The main structure, the Little Joe Vein, had been worked in the early part of the century and, reportedly, some 7000 tons of silver-bearing ore had been mined through three adits. The vein strikes roughly north north-west and appears to parallel the argillite-volcanic contact which lies well to the west. The vein dips flatly (20° - 30°) into the hillside.

Recent trenching has extended the structure on surface some 300 feet to the southeast of the workings. Drilling has confirmed its presence at shallow depths.

Assays from surface trenching ran as follows:

Trench #1 - 5 feet - 0.16oz/t Au; 7.9 oz/t Ag; 4.04 % Pb; 3.55% Zn.
Trench #3 - 4 feet - 0.11oz/t Au; 4.6 oz/t Ag; 2.58 % Pb; 6.40% Zn.
Trench #4 - 4 feet - 0.01oz/t Au; 0.5 oz/t Ag; 0.10 % Pb; 0.16% Zn.

At the time of the examination, four holes had been drilled while the fifth was in progress. The writer has since been informed that eight drill holes have been completed. Assay results have been received on the first four holes and are awaited on the remaining holes.

Details of the drilling are:

| <u>Hole #</u> | <u>Depth</u> | <u>Dip</u> | <u>Bearing</u> | <u>Ore Intersection</u> | <u>Recovery</u> |
|---------------|--------------|------------|----------------|-------------------------|-----------------|
| # 1 | 46.0' | -90 | - | 188 - 35' | 64.3% |
| 2 | 56.0' | -65 | N 60° E | | 51.5% |
| 3 | 29.0' | -65 | N 60° E | 17' - 23' | 81.0% |

| | | | | | |
|-----|-------|-----|---------|---------------------------------------|-------|
| # 4 | 60.5' | -60 | S 60° W | | 65.0% |
| 5 | 65.0' | -65 | N 70° E | | 58.5% |
| 6 | 52.5' | -65 | N 80° E | ← 42.0 - 48.5 17' - 27' | 45.0% |
| 7 | 30.0' | -90 | - | 8½' - 17' | 55.5% |
| 8 | 62.0' | -90 | - | | 54.0% |

Total Footage = 401.0 feet.

Hole # 1 intersected 17 feet assaying 0.06 oz/t Au; 6.63 oz/t Ag; 3.71% Pb and 4.51% Zn. Gross metal value = \$ 45.46/ ton.

Hole # 3 cut 6 feet running 0.08 oz/t Au; 1.85 oz/t Ag; 1.53% Pb and 7.07% Zn. Gross metal value = \$ 49.75/ ton.

Neither hole #2 nor #3 went deep enough to penetrate the structure.

An underground sample from a pillar in the stope taken by the writer assayed 0.21 oz/t Au; 4.8 oz/t Ag; 3.52% Pb and 4.60% Zn across a width of 4 feet. Gross metal value is \$ 65.42 per ton. Further assays from this stope are awaited.

A significant development was the taking of a grab sample from across a shear structure in a water-filled shaft almost 3000 feet due north of the underground workings. The sample ran 1.07 oz/t Au; 5.5 oz/t Ag; 5.2% Pb and 2.08% Zn for a gross metal value of \$ 146.63 per ton.

The trenching and drilling results have extended the mineralized structure beyond the previously known limits. Assay values from the drilling, at this point, are most encouraging and warrant more detailed investigation.

It is recommended that the company move into a grid style of diamond drilling utilizing a larger machine with a capacity for deeper holes. The objective should be to prove up tonnage and grade.

Respectfully submitted,

W.G. Hainsworth P.Eng.
Consulting Geologist

WGH/h

REQUEST FOR MATERIAL

MAY BE OBTAINED FROM _____

| | |
|---------------------------------|--------------------------|
| IF CONFIRMING ORDER, CHECK HERE | <input type="checkbox"/> |
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SHIP TO: **UNION PACIFIC RESOURCES LTD.**
 1785 - TWO BENTALL CENTRE
 VANCOUVER 1, B.C.

DATE _____
 ORDER NO. _____

ATTN: _____

| QUANTITY TO BE ORDERED | DESCRIPTION | PRICE |
|------------------------|--------------|--------|
| | | 21.00 |
| | 4.8 x 2.50 | 12.00 |
| | 70.4 # x 16¢ | 11.26 |
| | 92.0 # x 23¢ | 21.16 |
| | | 965.42 |
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| SUB. DEPT. | MINING DEPARTMENT | | | | | AMOUNT |
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| | LOC. | PROJ. | COST CODE | WORK ORDER | | |
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APPROVED _____ APPROVED _____ APPROVED _____ SIGNED _____

TITLE _____ TITLE _____ TITLE _____ TITLE _____

PURPOSE _____

8218 - Au .01 .6 - - - - - Hole #3
 19 - .21 4.8 3.52 4.60

#1 - .01 .2
 2 - .03 1.3
 17 3 - 3' .05 1.4 1.3 5.1
 23 4 - 3' .11 2.3 1.76 9.04

5 - 3 1/2 .02 .5 .19 .05
 6 - .01 .4

7 - TN TN Hole #1
 8 - .01 .1

18 9 - 5 1/2 .05 7.3 } 0.06 0.37
 10 - 3 1/2 .08 11.6 } 4.78 1.80
 31 1/2 11 - 4 1/2 .09 4.3 } 2.88 6.61
 1 35 12 - 3 1/2 .03 3.6 } 0.19 0.25

960
 135
 100%
 135
 10% Zn
 10% Pb

13 - .01 .4
 14 - .01 .4
 A significant development
 Pit Grout - 1.07 5.5 16.64 9.24
 Bobs Sample - .01 .2 5.2 2.08

| |
|--------|
| 100 Au |
| 250 Ag |
| 23% Zn |
| 16% Pb |

Hole # 1
 18 - 31 1/2 = .07 7.41
 18 - 35 = .06 6.63
 [23 1/2 - 31 1/2] = - 6.00 16.50
 Hole # 3
 17 - 23 = .08 1.85 11.53 7.07 49.75
 8.00 4.63 4.90 32.52
 .028 6.82

[25.53]
 [45.46]
 [32.62]
 [14.15]