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MEMORANDUM

DATE: February 6, 1987
TO: A. J. Davidson
COPIES TO:
DE FROM: L. D. Pirie
SUJET SUBJECT: Brett Property, Huntington Resources

825366

I met with Werner Gruenwald (geologist) on February 2nd in Kamloops to review data on Huntington's Brett Property near Vernon. Gruenwald is the geologist responsible for almost all the work carried out on the property and is a director of Huntington.

The property is underlain by Miocene Granite and Tertiary volcanics. It hosts several N-S trending shear zones at least two of which contain auriferous quartz veins and quartz vein breccias. A third is overlain by a large gossan zone with sporadic anomalous gold, silver and mercury. Mineralization is believed to be Tertiary and epithermal. A more complete summary is given in the accompanying report.

My overall impression was of a well run, well organized project with definite potential. Gold values, although erratic, are locally spectacular and typical of a coarse gold situation of this type. The "Discovery Zone" is a bonanza type prospect with potential for a smallish tonnage, high-grade deposit while the "Gossan Zone" may be a higher level system with a potential not limited by erosion level. Numerous untested gold-in-soils anomalies are present and a large part of the property is unexplored.

Huntington has expended approximately \$250,000 on the property to date and is looking at ways of funding further work. One possibility is by raising their own funds by flow-through financing. A second is to JV the property with the partner spending \$250,000 this year to earn 50% then 50/50. Huntington wish to operate.

On the face of it this would seem to be quite a cheap deal for a reasonably advanced project. Numerous other companies have reviewed the data and/or looked at the property and at least one "good" offer has been made. It will be necessary to be innovative and competitive if we are to become involved.

I was favourably impressed with what I saw and believe we should take further action, albeit contingent upon a property examination. I don't

think a \$250,000 programme this year is unreasonable as most of it would be drilling and trenching producing direct results. An offer involving payments down-the-road or to spend more than \$250,000 to earn the interest (say \$250,000 this year and \$250,000 next year) may attract them. It would also give us some time and additional data to fully assess the potential.

As I am going on vacation, may I also recommend that you contact Werner Gruenwald and/or Huntington's non-mining executive to confirm our interest and initiate discussions.

Ian D. Pirie

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