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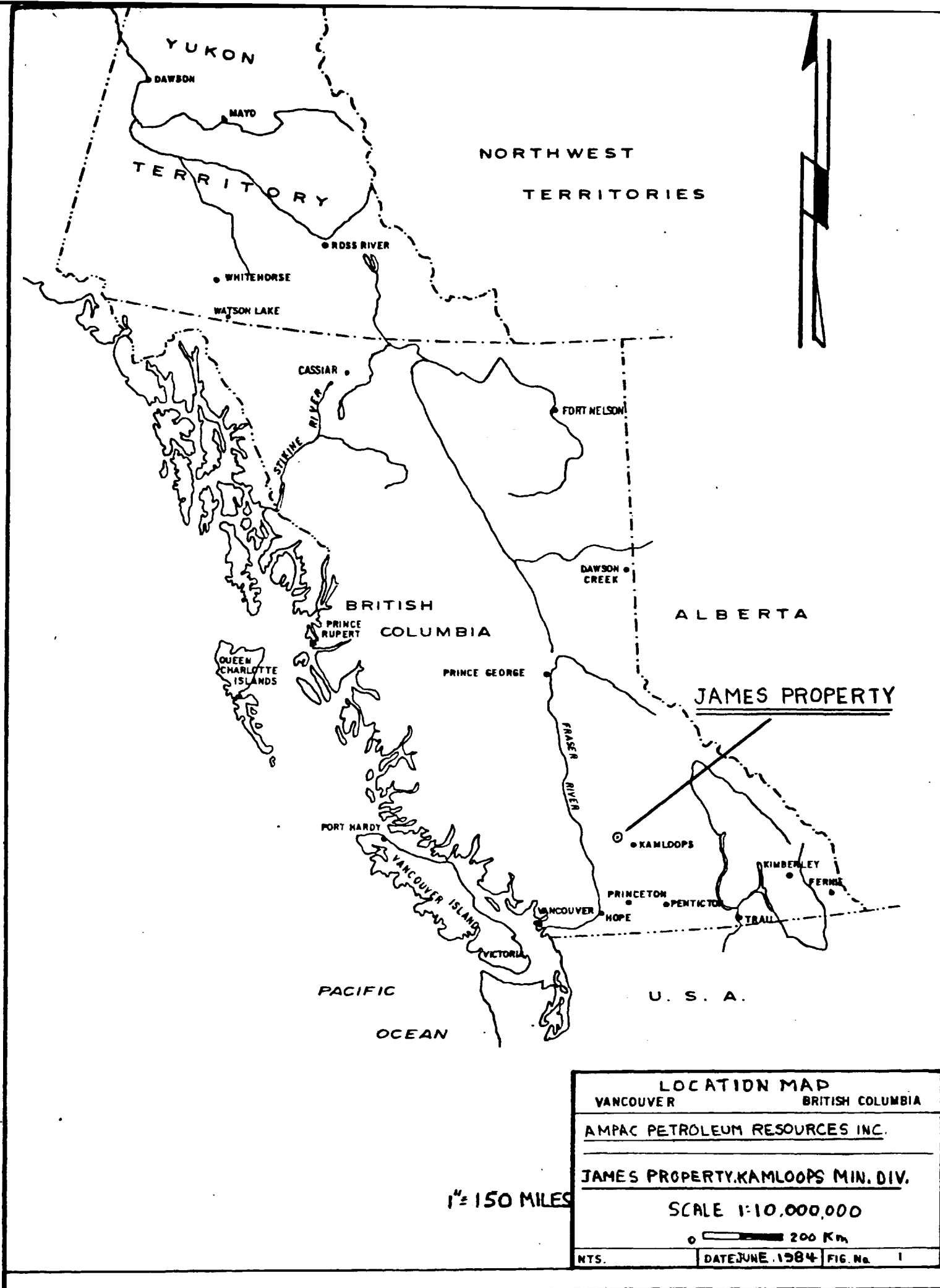
SUMMARY REPORT
on the
JAMES PROPERTY,
KAMLOOPS MINING DIVISION,
BRITISH COLUMBIA


for
AMPAC PETROLEUM RESOURCES, INC.

by
R.W. PHENDLER, P. ENG.

Vancouver, Canada

June 11, 1984



| | |
|---|---------------------------|
| LOCATION MAP | |
| VANCOUVER | BRITISH COLUMBIA |
| AMPAC PETROLEUM RESOURCES INC. | |
| JAMES PROPERTY, KAMLOOPS MIN. DIV. | |
| SCALE 1:10,000,000 | |
|  | |
| NTS. | DATE JUNE 1984 FIG. No. 1 |

1" = 150 MILES

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PART "A"

SUMMARY AND CONCLUSIONS

The James property lies immediately east and along strike from copper and silver bearing shear zones that have been known of since the 1890's. These shear zones (at least three) have been traced on surface for at least five hundred meters along strike and diamond drilling carried out in 1983 showed intersections that assayed 1.95% Cu and 0.64 oz Ag across 11.0 feet and a second zone in the same hole that assayed 2.61% Cu and 0.78 oz Ag across 10.0 feet.

The zones described above are located on the Bornite property (formerly the Tenderfoot property) which lies in central British Columbia near Kamloops and appear to be related to a series of granitic plugs known as the Copper Creek Intrusions and associated shear zones.

Recently completed geochemical surveys carried out on the Bornite property and the Edna property to the north show that elongate anomalous copper - silver soil conditions appear to trend towards the James property.

Permission has been granted from Mix Resources Ltd. to use data concerning the Bornite property and from Valclair Resources Ltd. concerning the Edna property.

It is believed that the James property is sufficiently well located to warrant a modest exploration program.

RECOMMENDATIONS

It is recommended that:

Phase I

- 1) A flagged grid be established on the property with lines spaced at 100 meters. Lines should be north - south.

- 2) A geochemical survey be carried out on the property with samples taken on 50 meter centres.

Phase II - (dependent upon favourable results from Phase I)

- 1) A VLF electromagnetic survey should be carried out over the grid.
- 2) The property should be prospected and geologically mapped.
- 3) Diamond drilling of targets should be carried out.

COST ESTIMATE - Phase I

| | |
|---|-----------------|
| 1) Establish grid | \$3,000.00 |
| 2) Geochemical survey | 3,000.00 |
| 3) Assay determination of samples | <u>3,100.00</u> |
| Total - | \$9,100.00 |
| 10% Contingencies - | <u>910.00</u> |
| Total - Phase I - | \$10,010.00 |

Phase II - dependent upon favourable results from Phase I

| | |
|--|--------------------|
| 1) VLF electromagnetic survey | \$10,000.00 |
| 2) Diamond drilling - 1,000' @ \$25/foot | 25,000.00 |
| 3) Engineering, Geology, Assays | 5,500.00 |
| 4) Travel and Accomodation | <u>5,000.00</u> |
| Total - | \$45,500.00 |
| 10% Contingencies - | <u>4,550.00</u> |
| Total - Phase II - | <u>\$50,050.00</u> |

The sum of \$10,000 should be made available at this time to carry out Phase I of the above program. If results are favourable, additional funds will be required to carry out Phase II of the program.

Respectfully submitted,


R.W. Phendler, P. Eng.

PART "B"

INTRODUCTION

At the request of the Board of Ampac Petroleum Resources Inc., the writer compiled this report on the James claim, which is located on the north shore of Kamloops Lake in central British Columbia.

The writer is familiar with the immediate vicinity of the James claim, having examined the nearby Bornite property on November 9, 1982 and recommended and supervised the exploration program thereon. The writer is also involved with the Edna claim one kilometer to the north, having written the qualifying report and supervised and interpreted the recently - completed geochemical survey.

The James claim is well located, being along strike to the east of the copper silver bearing structures on the Bornite property, which have a general east - west strike.

LOCATION AND ACCESS

The James property is located at an elevation of 400 - 600 meters about 34 kilometers west -northwest of Kamloops and 250 kilometers northeast of Vancouver in south central British Columbia.

The property is accessible by car by leaving the Trans - Canada Highway (Highway 1 or 97) between Kamloops and Cache Creek about six kilometers west of Savona. The well maintained Criss Creek - Red Lake Road is followed in a northeasterly direction for 24.3 kilometers to a poor, but passable dirt road that heads southeasterly for two kilometers past the Bornite showings to the property. A small access road crosses the Edna property, which is lo-

cated just northwest of the James property and provides access to the northeast corner of the James property.

Vegetation consists of grassy, open rangeland on moderate, southerly facing slopes, which drop off down to Kamloops Lake (see figure 2). There is no road access from the lake, although the main line of the Canadian National Railway passes along the north shore.

A number of small, intermittent streams cross the James claim, but before utilizing this supply for an exploration program, arrangements would have to be made with the holders of the water rights, as water is in somewhat short supply in the area.

PROPERTY AND OWNERSHIP

The James property consists of the 20 unit James claim which was staked on March 21, 1984 and recorded at Kamloops on April 16, 1984.

Record number is 005609.

The claim is being acquired by Ampac Petroleum Resources Inc.

HISTORY

Some splendid samples of native copper were reported by British Columbia Government agents from locations on Copper Creek as early as 1890 but it was not until 1893 when the showings on the Tenderfoot Property (presently Bornite) were mentioned. This property, which is located 700 meters east of the James property was described as the most promising copper property in the area, yielding samples of 15% copper and ten ounces of silver across a width of ten feet. A considerable amount of surface work had been carried out at that time and in the following year a fifteen foot

shaft was sunk.

In 1899 a shipment of four tons was made averaging 21.79% Cu, 0.16 oz Au and 7.5 oz Ag per ton. Work consisted of a 43 foot decline, a 30 foot long adit, a 23 foot shaft and numerous open cuts.

Development work was carried on intermittently between 1900 and 1930 with numerous hundreds of feet of underground work carried out. About 100 tons of mineralized material was shipped to a smelter at Ladysmith, Vancouver Island.

In 1969 the Bornite property was optioned to Giant Explorations Ltd. by K. Rousseau of Alberni. Work consisted of an electromagnetic survey, a magnetometer survey and the completion of two diamond drill holes (171 and 166 feet) under the principal workings. One hole reported bornite and chalcopyrite across 9.0 feet.

During late 1982 a geochemical survey and a VLF electromagnetic survey was carried out over part of the Bornite property in the vicinity of the old workings covering an area one kilometer by 700 meters. This was following an examination of the property by the writer when some significant copper - silver assays were returned from samples taken at that time.

In late 1982 and early 1983 four drill holes were put down by Mix Resources Ltd., optioner of the Bornite property. Two holes were drilled beneath the principal east-west striking mineral zone and two were drilled about 300 meters along strike to the west.

During March, 1984 a grid was established over the Edna property to the northwest of the James property and a geochemical survey was completed for copper and silver. This work was carried

out on the instructions of the writer and were part of the recommendations made in his original report on the Edna property dated February 20, 1984.

Four copper anomalies were discovered, the most significant lying in the southeast corner of the property and being open in this direction. It is expected to extend unto the James property.

The geochemical and geophysical work carried out on the Bornite property disclosed the presence of three west - northwesterly striking copper soil anomalies (Spence, Tenderfoot (Main) and Mystery Zones) that have co-incident electromagnetic response. They appear to be striking towards the James property.

GEOLOGY AND MINERALIZATION

The area in which the James property is located is underlain by mixed volcanics of Cretaceous or Tertiary Age overlying earlier sedimentary rocks to the west and with later volcanics and sediments of the Kamloops Group of Miocene Age in the east part of the property.

General strike of all formations is northwesterly with a number of small granitic plugs known as the Copper Creek Intrusions scattered throughout the area.

Mineralization on the Bornite property consists of veinlets, blebs and disseminations of bornite, chalcopyrite and malachite generally confined to a number of west-northwesterly striking shear zones. These shear zones are steeply dipping and range up to about ten feet in width and contain varying amounts of calcite and quartz gangue. Mineralization is not entirely confined to the shear zones as copper sulphides also occur well outside the zones.

in unshered rocks.

The principal mineralized shear zone on the Bornite property has been traced over a strike length of 160 meters (525 feet) by three shafts and two horizontal adits. About 1,000 feet to the east - southeast of the principal shaft a small showing containing malachite, calcite and quartz was observed by the writer during his 1982 examination. This appeared to be part of the same mineralized fracture system and contained encouraging mineralization. Host rocks are augite porphyry.

Samples taken by the writer on the Bornite property in 1982 are as follows:

| <u>Sample No.</u> | <u>Width</u> | <u>% Cu</u> | <u>oz Ag</u> | <u>oz Au</u> | <u>Location</u> |
|-------------------|--------------|-------------|--------------|--------------|--------------------|
| 17209 | 1.0 | 23.40 | 7.16 | .052 | Shaft area |
| 17210 | 3.0 | 5.24 | 1.61 | .033 | " " |
| 17211 | 3.0 | 2.69 | 0.81 | .005 | underground winze |
| 17213 | 2.5 | 1.76 | 0.48 | .009 | " " |
| 17212 | 1.0 | 0.46 | 0.12 | .006 | 1,000' to the east |

The last sample is about 500 meters east of the James property.

DIAMOND DRILLING

As an example of what kind of values can be expected on the Bornite (and possibly the James) property, drillhole number 83-1 in the Bornite shaft area intersected a mineralized zone from 59.2' to 68.0' that averaged 3.84% Cu, 0.53 oz Ag and 0.002 oz Au per ton across 8.8 feet. Additional mineralized zones intersected in the hole were as follows:

| <u>Footage</u> | <u>Width</u> | <u>% Cu</u> | <u>oz Ag</u> | <u>oz Au</u> |
|----------------|--------------|-------------|--------------|--------------|
| 77-80' | 3.0' | 1.88 | 0.48 | .001 |
| 87-90' | 3.0' | 2.84 | 0.53 | .007 |

Drill hole No. 83-2 cut two interesting zones as follows:

| <u>Footage</u> | <u>Width</u> | <u>% Cu</u> | <u>oz Ag</u> | <u>oz Au</u> |
|----------------|--------------|-------------|--------------|--------------|
| 32' - 43' | 11.0' | 1.95 | 0.64 | .001 |
| 90 - 100' | 10.0' | 2.61 | 0.78 | .005 |

GEOCHEMISTRY

Geochemical surveying for copper on the Bornite property disclosed the presence of three anomalous zones with values in excess of 90 ppm Cu, where a value of 30 ppm is considered to be background. These zones strike southeasterly and at least the northernmost two (the Mystery and the Tenderfoot) may extend intermittently unto the James property.

The geochemical survey carried out on the adjoining Edna claim showed four copper anomalies, with one (D zone) located in the southeast corner and extending unto the Jamos claim. This anomaly is three hundred meters square and has a high value of 150 ppm.

Each copper soil anomaly has a co-incident silver soil anomaly but in each case the silver anomaly is decidedly smaller. Anomaly D is considered to be one of the two strongest anomalies.

GEOPHYSICAL

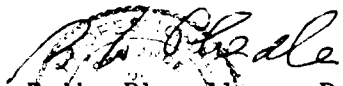
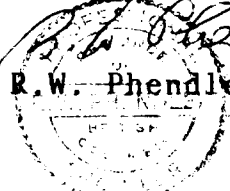
The VLF Electromagnetic survey carried out on the Bornite property gave indications of a number of small highly conductive zones. The three principal copper geochemical anomalies have co-incident EM conductors and warrant a deeper probing type of geophysical investigation - possibly Induced Polarization or Max - Min electromagnetics.

COMMENT

Although no work has yet been carried out on the James claim, the encouragement received to date on both the Bornite and the Edna property, with which the writer is closely associated, indicate that similar type mineralization may exist at least on the western part of the claim. The overlying Kamloops Group volcanics are felt to have less chance of the presence of copper - silver mineralization but should not be entirely ignored at this time.

A modest exploration program on the James property is warranted.

Respectfully submitted,


R.W. Phendler, P. Eng.


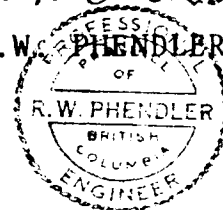
C E R T I F I C A T I O N

I, R.W. PHENDLER, P. Eng., of the Municipality of Richmond, in the Province of British Columbia, do hereby certify:

- 1) THAT I am a member of the Association of Professional Engineers of British Columbia.
- 2) THAT I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in Geology.
- 3) THAT I have practiced my profession of geologist for the past 29 years in Canada, the U.S.A., Mexico, Peru, Colombia and Chile.
- 4) THAT I have no interest in the James property nor do I hold any shares of Ampac Petroleum Resources Inc.
- 6) THAT I hereby grant permission for the use of this report in a prospectus or in a statement of material facts.
- 6) THAT the information contained in this report was compiled as a result of my examination of the adjoining Bornite property on November 9, 1982 and my familiarity with the program carried out thereon.

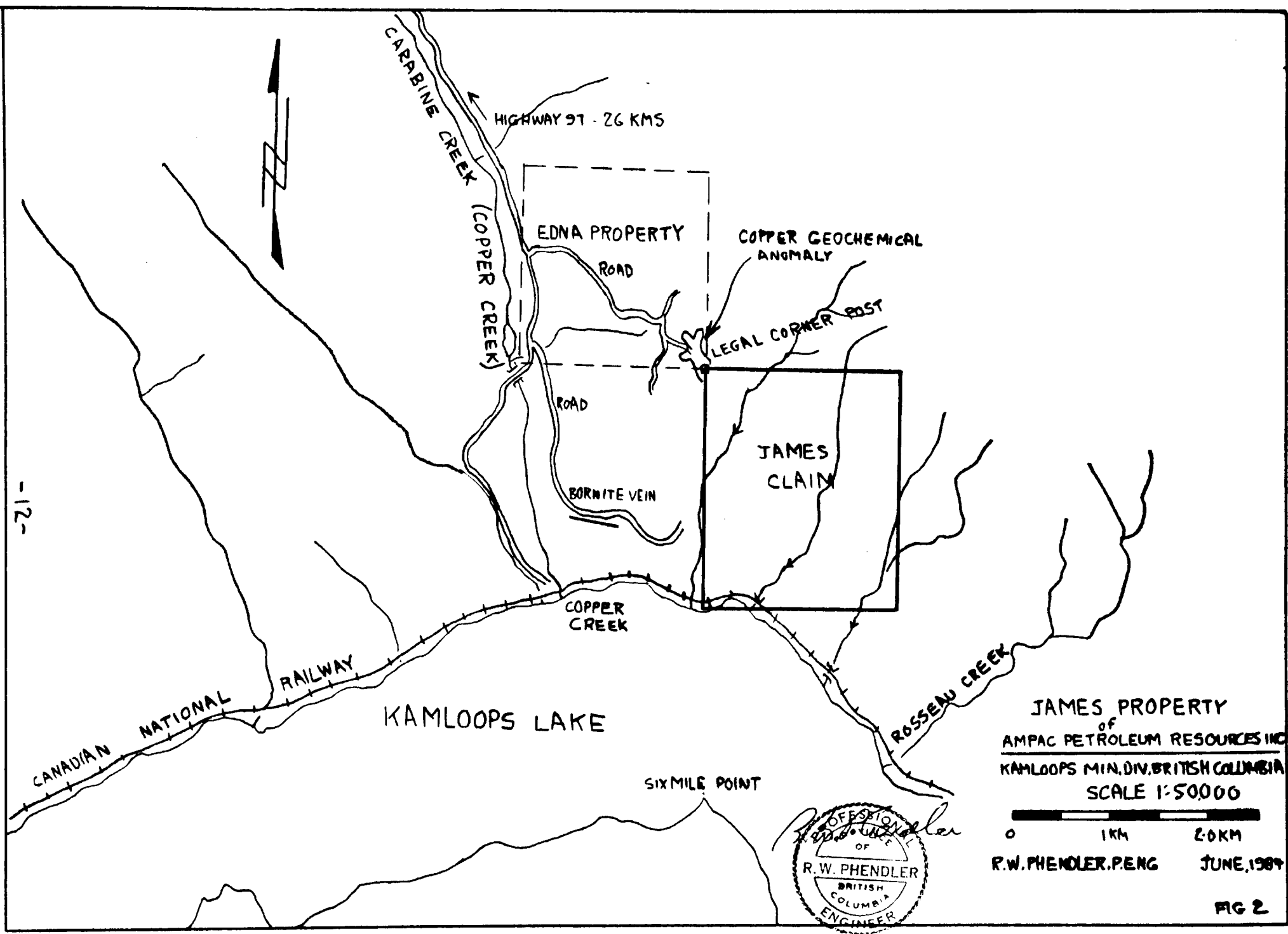
R.W. Phendler

R.W. PHENDLER, P. Eng.



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- 1) PHENDLER, R.W., P. Eng. - "Report on the Bornite property, Kamloops Mining Division, British Columbia" for Mix Resources Ltd. - November 22, 1982.
- 2) PHENDLER, R.W., P. Eng. - "Progress Report on the Bornite Property, Kamloops, B.C." - July 15, 1983.
- 3) GAME, R. - "Report on the Bornite Property, Savona, B.C." - August 26, 1983.
- 4) PHENDLER, R.W., P. Eng. - "Report on the Edna Property, Kamloops Mining Division, British Columbia" for Valclair Resources Ltd. - February 20, 1984.
- 5) PHENDLER, R.W. - "Geochemical Survey, Edna Claim, Kamloops, B.C." - April 9, 1984.



-12-

HIGHWAY 97 - 26 KMS

CARBINE CREEK
(COPPER CREEK)

EDNA PROPERTY

COPPER GEOCHEMICAL ANOMALY

ROAD

LEGAL CORNER POST

ROAD

JAMES CLAIM

BORNITE VEIN

COPPER CREEK

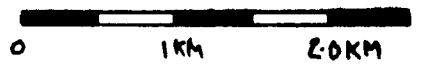
ROSSEAU CREEK

CANADIAN NATIONAL RAILWAY

KAMLOOPS LAKE

SIX MILE POINT

JAMES PROPERTY
of
AMPAC PETROLEUM RESOURCES INC
KAMLOOPS MIN. DIV. BRITISH COLUMBIA
SCALE 1:50000



R.W. PHENDLER, P. ENG JUNE, 1989

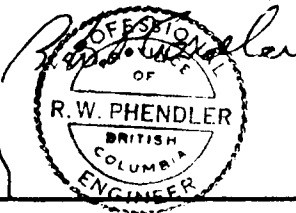


FIG 2

R. W. PHENDLER, P.Eng., GEOLOGICAL CONSULTANT,
EXPLORATION AND MINING
7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

Nov 3, 1984

Ampac Petroleum Resources, Inc.,
860 - 625 Howe St.,
Vancouver, B.C.

Attention Mr. R. Petersen

Re: Progress Report (Geochemical Survey), James Property.
Kamloops Mining Division, British Columbia

Gentlemen:

During September, 1984 a geochemical survey (copper and silver) was carried out over about four western units of the twenty-unit James property of Ampac Petroleum Resources, Inc., which is located 34 kilometers northwest of Kamloops in central British Columbia.

The property lies on the north shore of Kamloops Lake immediately east of and along strike from copper-silver bearing shear zones which are located on the adjoining Bornite property.

A flagged grid was established with one hundred meter spaced east-west lines. The grid totalled 10.5 kilometers and soil samples were taken on 50 meter centers.

Results are as follows:

COPPER

| <u>Category</u> | <u>Range</u> | <u>Number of samples</u> |
|-----------------|--------------|--------------------------|
| Background | 0 - 29 ppm | 129 |
| Threshold | 30 - 39 ppm | 45 |
| Anomalous | above 40 ppm | <u>21</u> |
| Total..... | | 195 |

The principal copper soil anomaly consists of nine anomalous samples covering an area 500 meters long (N-S) by 150 meters (E-W). It is associated with three smaller anomalies which are all enclosed by an area of threshold values measuring 800 meters (E-W) by 400 - 600 meters (N-S). This area of interest is open to the south and is located on the eastward strike extension of the Bornite vein system.

Five single anomalous values occur in the north part of the area surveyed and appear to lie within a small creek valley.

| <u>SILVER</u> | <u>Category</u> | <u>Range</u> | <u>No. of samples</u> |
|---------------|-----------------|---------------|-----------------------|
| | Background | 0 - 0.8 ppm | 185 |
| | Anomalous | 0.9 and above | <u>10</u> |
| | | <u>Total</u> | - <u>195</u> |

The ten anomalous silver values are grouped on the east limit to the area of interest described above and are undoubtedly related.

CONCLUSIONS

Phase I of the writer's original recommendations (June 11, 1984) are now completed over the favourable Nicola volcanics with sufficiently encouraging results to warrant additional work.

RECOMMENDATIONS

- Phase II
- 1) The geochemical survey should be completed with priority placed on the area south of the soil anomalies.
 - 2) An electromagnetic survey should be carried out over the geochemical anomalies.

- 3) Diamond drilling of co-incident soil anomalies and E-M conductors should be carried out.

Phase III (dependent on favourable results from Phase II)

- 1) Additional diamond drilling should be carried out.

COST ESTIMATE

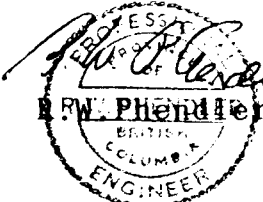
Phase II

| | |
|---|--------------|
| 1) Geochemical survey | \$4,000 |
| 2) VLF electromagnetic survey | 4,000 |
| 3) Diamond drilling - 500 feet @ \$20/foot... | 10,000 |
| 4) Engineering,Geology,Assays | 3,000 |
| 5) Travel and accomodation | <u>2,000</u> |
| Total | 23,000 |
| Contingencies (Approx 10%).. | <u>2,000</u> |
| Total,Phase II | \$25,000 |

Phase III (dependent on favourable results from Phase II)

| | |
|--|--------------|
| 1) Diamond drilling -1,000 feet @ \$20/foot. | \$20,000 |
| 2) Engineering,Geology,Assays | 2,000 |
| 3) Travel and accomodation | <u>1,000</u> |
| Total | 23,000 |
| Contingencies (Approx 10%).. | <u>2,000</u> |
| Total,Phase III... | \$25,000 |

The sum of \$25,000 should be made available at this time to carry out Phase II of the above program. Although the writer's original report (June 11,1984) recommended a \$50,000 Phase II, softer silver prices and the modest results from Phase I dictate that the \$25,000 recommended for Phase II in this progress report is more realistic.


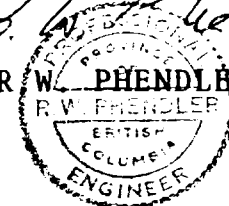


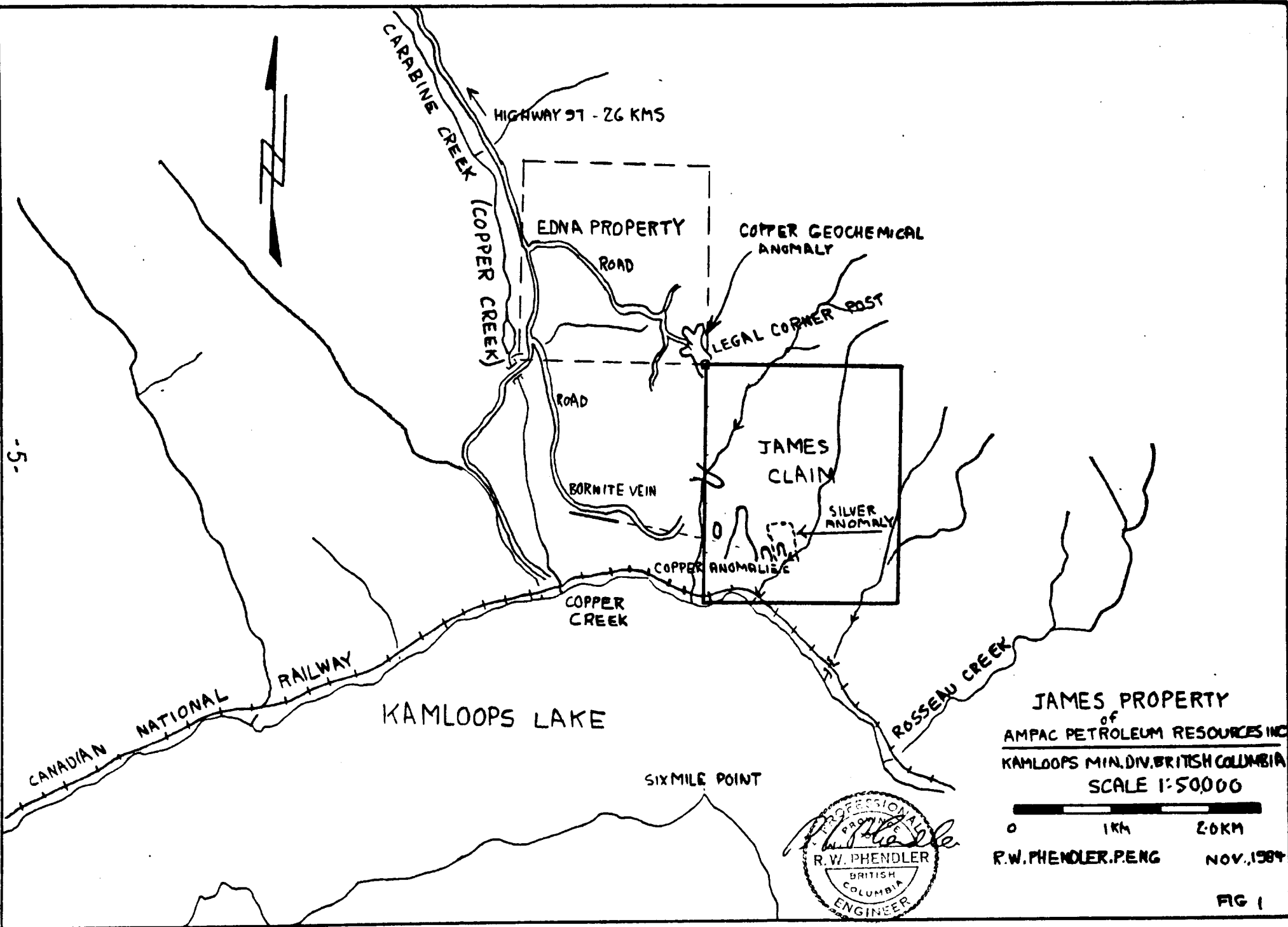
 R.W. Phendler, P.Eng.

C E R T I F I C A T I O N

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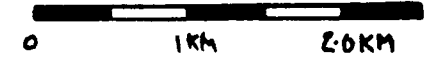
- 1) THAT I am a member of the Association of Professional Engineers of British Columbia.
- 2) THAT I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in Geology.
- 3) THAT I have practiced my profession of geologist for the past 29 years in Canada, the U.S.A., Mexico, Peru, Colombia and Chile.
- 4) THAT I have no interest in the James property nor do I hold any shares of Ampac Petroleum Resources Inc.
- 6) THAT I hereby grant permission for the use of this report in a prospectus or in a statement of material facts.
- 6) THAT the information contained in this report was compiled as a result of my examination of the adjoining Bornite property on November 9, 1982 and my familiarity with the program carried out thereon.


R. W. PHENDLER, P. Eng.




-5-

JAMES PROPERTY
 of
AMPAC PETROLEUM RESOURCES INC
 KAMLOOPS MIN. DIV. BRITISH COLUMBIA
 SCALE 1:50000



R.W. PHENDLER, P. ENG NOV., 1984

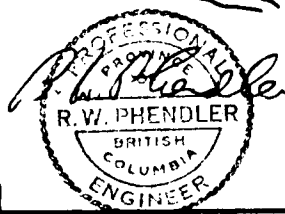


FIG 1