

ROBERT C. HEIM, Ph. D., P. Eng.

MINE GEOLOGY
EXPLORATION

740 HANDSWORTH ROAD
NORTH VANCOUVER, B.C., CANADA V7R 2A1
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860734

1985 February 13

Mr. Felix A. Reyes, President
Genoveva Resource Inc.
1907 Board of Trade Tower
1177 West Hastings Street
Vancouver, BC V6E 2S6

Taseko River Claims

Dear Mr. Reyes,

At your request I have reviewed the reports and background information on the Taseko River claims that are under the control of Genoveva Resource Inc.

The following observations are the result of my study of these reports, augmented by my previous knowledge of the area.

The properties are situated at the eastern margin of the Coast Crystalline Belt. The intrusive contact traverses the claims in a generally east-west direction. To the north are Late Cretaceous, intermediate volcanics (flows, tuffs, and coarser fragmentals; some intercalated sediments). To the south are quartz diorites and quartz monzonites. The volcanics strike generally east-west and dip 20° north. The intrusives and the volcanics have been intruded by small stocks and dikes of acidic to intermediate composition.

The numerous, strong gossans are an outstanding feature of the area. Most of the previous exploration activity took place in the late 60's and early 70's, mainly by Phelps Dodge, Quintana, Scurry Rainbow and, above all, Sumitomo. Sumitomo completed 110 miles of I.P., 120 miles of ground magnetometer surveys, took 3550 soil samples and drilled 64 percussion holes.

All the work was in search of copper-molybdenum porphyries. Very few precious metals assays are on record. The surface sampling and the drilling did outline areas with copper-molybdenum mineralization, but the grades were consistently too low to be of promise. We must discount any further porphyry potential.

It is, however, an inescapable fact that this is an area of strong and widespread alteration and mineralization, generally

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in a 300 to 1000 meters wide zone along the intrusive contact and centered in particular in the showing areas. In the volcanics, the main showing areas are the Empress and the Taylor-Windfall (the Taylor-Windfall is a former gold producer from narrow veins; it is not part of the Genoveva group of claims). The showings in the intrusives are the Buzzer, Spokane, Mohawk, Motherlode, Rowbottom, Syndicate, Massena, and Copper Zone. Only at the Spokane and the Mohawk has the precious metals potential been tested to any degree.

The alteration in the volcanics consists of pervasive chloritization of the mafics, with centers of intense silicification, sericitization, and pyritization. W.J. McMillan of BCMM also mentions "pervasive carbonate replacement" in the volcanics (Geol. Fieldwork, 1976) and K.W. Livingstone mentions quartz-alunite-kaolinite alteration in the volcanics (granite Ck Report, 1975). The alteration in the intrusives is restricted to the showing areas, producing silicification, sericite, and pyrite. Probably all the showings in the intrusives are breccia pipes.

It is my opinion that the area has a good potential for economic precious metal deposits. In this regard, the following points may be of interest:

1. The strong alteration shows a spatial relationship with the intrusive contact, suggesting a causal relationship with this Late Cretaceous intrusive event.
2. The formation of the breccia pipes in the intrusive might not be contemporaneous with (1).
3. The possible association of precious metals with sericite-pyrite in intermediate volcanics and intercalated sediments suggests a different model than that of precious metals and low temperature alteration (alunite-kaolin-carbonates); yet there is evidence of both models.
4. Very nearby, the Salal mineralization has been dated at less than 10 million years.

The above points suggest that there have been more than one, perhaps several mineralizing events, each one capable of producing precious metals deposits.

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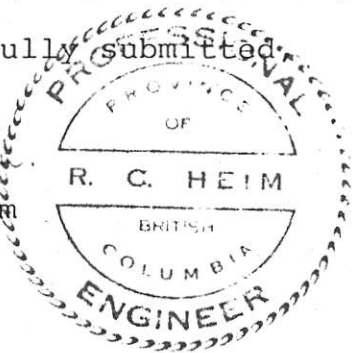
In the volcanics, alteration mapping and soil-and rock geochemistry would provide targets for core drilling.

In the intrusives, the breccia pipes are the main targets. The Spokane and the Mohawk show the best precious metals promise (on the Spokane: surface sampling by Cominco, 1926; surface sampling and drilling by Placer, 1956; drilling by Scurry-Rainbow in 1969; surface sampling by Canamax, 1984; on the Mohawk: underground sampling by Cominco, surface sampling by Placer and Phendler). The breccia pipes should be structurally mapped to determine the most efficient azimuth for new trenches and for systematic core drilling. The suggestion that there is a correlation between gold content and pyrite content (de Quadros, 1982) should be kept in mind.

Respectfully submitted,



R.C. Heim



RCH:ara

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REM RAY HOLDINGS INC.
1705 BOARD OF TRADE TOWER
1177 WEST HASTINGS STREET
VANCOUVER, B.C. CANADA
V6E 2L3

MEMORANDUM:

TO: J. D. Little

DATE: 27 May 1963

FROM: C. W. Ball

LOCATION: Vancouver, B. C.

RE: COPPER SHOWINGS - TASEKO RIVER.

Grid file: 92-0-3

Following upon examination by C. W. Ball and J. Grove from July 17 to 19, 1956 and based on their report of July 20, 1956, an agreement was entered into between Cadara Copper Syndicate and Canadian Exploration Limited on July 24, 1956. This agreement involved the optioning of 255 mineral claims from Cadara including the main showings known as the Spokane, Granite Creek and Express. One showing known as the Taseko Mohawk was optioned directly by Canadian Exploration Limited from the owner G. Beattie.

Assessment by Canex consisted of detailed mapping and sampling of the Spokane and Taseko-Mohawk showings, drilling one EX size D.D. hole on the Granite Creek showing, one on the Express and three x-ray holes on the Spokane. This work was carried out between July and October of 1956. Total expenditure including property payments of \$25,777 was approximately \$73,000.00.

Diamond drill costs included in the above totalled \$9,400.00.

GEOLOGY

The copper showings occur in grano-diorite country-rock which is intruded by dykes of quartz felspar porphyry and diabase. The larger known copper showings occur in the grano-diorite country rock.

The Taseko River follows the contact between the grano-diorite and the (?) Triassic Denain volcanics comprising flows, tuffs and agglomerates of andesitic composition. Copper showings are known in the Denain formation but these have not received the attention which they warrant. The proposal by Mr. T. Williamson refers directly to the latter formation and the writer considers that the contact between the volcanics and the grano-diorite warrants detailed testing.

SERVICES WORK

Consolidated Mining and Smelting Company carried out considerable surface trenching and tunnelling in the period 1927 to 1935 when a snow-slide swept away the camp with the loss of seven lives. A limited amount of diamond drilling was carried out by Canex between July and November 1956 on the Spokane, Express and Granite Creek showings.

DESCRIPTION OF SHOWINGS

1. Tepeko Hohauk.

Large surface cuts and a 438 foot adit were completed by CMS Coy in 1935. Surface assays in 1927 ran from 0.31 oz. gold per ton up to 1.20 ozs. gold per ton with 0.65 oz. silver per ton up to 1.06 ozs. silver per ton.

The zone strikes north-easterly and dips at 76° south-easterly. Width of the zone varies from 60 feet to 120 feet with an exposed length of 430 feet. The adit intersected a zone of mineralization 60 feet wide which is estimated to run 0.8% Cu, 0.08 ozs. gold per ton, and 1.4 ozs. silver per ton. Assays of samples taken by the writer on surface run from 0.45% Cu up to 1.33% Cu with appreciable gold and silver. (Max. 0.24 ozs. gold per ton and 2.0 ozs. silver per ton.)

The ore occurrence is interpreted as occurring in a strong shear zone in grazealized quartz monzonite porphyry. Alternatively, the structure may be a steeply dipping chimney or breccia pipe.

Mineralization consists of pyrite, chalcopyrite, galena, sphalerite and molybdenite.

2. Express

Boulders of cherty rock carry magnetite, pyrite and chalcopyrite. A number of shallow cuts and excavations occur over an area of about 300 feet by 600 feet.

One D.D. hole size EX was drilled by Canax in 1956. It was drilled at 45° West to a total depth of 457 feet. The drill core showed primarily pyrite in rhyolite tuff, only minor magnetite and very rare chalcopyrite and molybdenite. Only one sample was taken from one of the best mineralized zones and this sample over 2.5 feet ran Trace gold, 0.3 ozs. silver per ton. No assay for copper was warranted.

3. Saskets

A series of trenches were cut by CMS Co. in 1927-28. These were sampled by the writer.

Three x-ray D.D. holes completed in 1956 gave results as follows:-

| Hole No. | Angle | Azimuth | Intersection | Cu% | A S S A Y | |
|-------------------------|-------|---------|--------------|--------|----------------|------------------|
| | | | | | Gold oz/ton | Silver oz/ton |
| S-1 | - 45° | West | 120' | 0.82 | 0.01 | 0.10 |
| S-2 | - 45° | East | 75' | 1.39 | 0.01 | 0.34 |
| S-3 | - 80° | West | 29' | 1.35 | 0.13 | 0.25 |
| Total footage drilled = | | | <u>228'</u> | (3.56) | .15 | 1.69 |
| | | | | 1.19 | .05 | .23 |

The interesting part is that each hole bottomed in ore and that ore was found between the surface cuts where the surface was covered by talus.

On the basis of x-ray diamond drilling in conjunction with surface sampling, the writer estimates a potential of 1,700,000 tons of ore grading 1.2% Cu, 0.02 oz. gold per ton, and 0.2 ozs. silver per ton.

4. Granite Creek

These showings are exposed in the banks of Rainbowbottom Creek, a tributary of Granite Creek. The mineralization is estimated to occur over a zone 1,000 feet wide. Throughout the grano-diorite is mineralized with chalcopyrite and molybdenite as splashes and specks. Overall grade is estimated at 0.25% Cu. One chip sample taken by the writer over a width of 85 feet assayed 0.33% Cu, 0.1 oz. gold per ton and 0.7 oz. silver per ton. The writer estimated 0.07% MoS_2 in this sector.

Quartz felspar porphyry and felspar porphyry dykes follow the direction of sheet joints in the grano-diorite.

D.D. hole G-1 drilled at -45° West was terminated at a depth of 507 feet. The hole started in felspar porphyry but at 12.5 feet passed into grano-diorite. Pyrite and chalcopyrite are fairly uniformly disseminated throughout and rare specks of molybdenite were observed in the drill core. Drill hole G-1 averaged 0.18% Cu over 494.5' from the base of the felspar porphyry dyke to the end of the hole. No assay was made for molybdenite. Rogers Peck estimated that the hole would probably average less than 0.01% MoS_2 .

CONCLUSION

The writer concludes that further work in the nature of diamond drilling is justified on the Spokane, Taseko Mohawk, and Granite Creek showings.

Geochemical and I. P. work are recommended in order to test the contact zone between the Express and Buzzard showings on the Taseko River.

C. W. Ball

C. W. BALL.

CWB:mg

cc: E. A. Scholz
L. Adie
J. A. Mitchell
C. W. Ball ✓

ESSO MINERALS CANADA

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E. L. PEKAR
Manager - Exploration

J. A. McDONALD, Ph.D.
Chief Geologist

C. A. AIRD
Regional Exploration Manager

March 1, 1985

M.V.#: 1206
File #: 11.5.1

Mr. Felix A. Reyes,
President, Genoveva Resources Inc.
1907 Board of Trade Tower
1177 West Hastings Street
Vancouver, B.C. V6E 2S6X

Dear Sirs,

Re: Tay-Summit claims (see attached sheet)
in the Taseko River Area, Clinton M.D.

Provided that Genoveva Resources Inc. (GRI) warrants that it has sole possession and title to the above mineral claims and wishes to enter into an option agreement with Esso Minerals Canada (EMC) whereby EMC can earn an undivided interest in the above mineral claims, this letter will serve to set forth the guidelines around which EMC is willing to negotiate an agreement, as follows:

Cash Payments

20 K\$ upon execution and receipt of claims transfers to EMC
25 K\$ on or before December 31, 1985
30 K\$ on or before December 31, 1986
35 K\$ on or before December 31, 1987

Work

40 K\$ mandatory before December 31, 1985
450 K\$ additional work before December 31, 1988.

Upon completion of all of the above cash payments and work requirements, EMC will have earned a 60% undivided interest in the mineral claims, at which point a joint venture will be formed between EMC and GRI and a management committee appointed in which the operator will have the deciding vote.

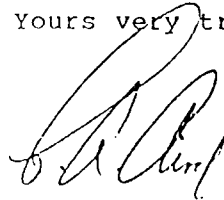
Genoveva Resources Inc.

March 1, 1985

Should either GRI or EMC fail to participate in any program proposed by the management committee, its interest will be reduced by 1% for each 10 K\$ of non-participation provided however that neither GRI nor EMC may be reduced below a 15% interest at which point its interest becomes a Net Proceeds Interest.

It is not our intention that any obligations on our part or your part will be created by this letter, by your approval of the terms described herein or by any negotiations or discussions which we may have and no binding obligations will come into effect unless and until a formal agreement is settled, executed and delivered by each of us.

Yours very truly,



C.A. Aird
Regional Exploration
Manager

cc: E.M. Berthelsen
R.M. Britten

CAA:pw
0108B

TAY-SUMMIT CLAIMS

| Claim Name (type) | Lot # (Reverted Crown Grants) | Record # (tag) |
|----------------------|-------------------------------------|-------------------|
| Tay 1 | | 1084 |
| Summit 2 | | 1466 |
| Summit 3 | | 1467 |
| Felix | | Tag 101090 |
| Flapjack 1-2 | | 9293N-9294N |
| Taseko 63-66 | | 17029K-17032K |
| Taseko 76-83 | | 17442R-17449R |
| Taseko 84-86 | | 17450K-17455K |
| Taseko 104-106 | | 17513A-17515A |
| | L3132-L3134 | 283-285 |
| | L3135 | 1082 |
| | L3136 | 1079 |
| | L3137 | 1081 |
| | L3138 | 1719 |
| | L3140 | 1080 |

All of the above claims are situated in the Clinton Mining Division.

01083