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CANNOO-TASEKO PROPERTY

SCURRY RAINBOW OIL LIMITED

1983

SUMMARY APPRAISAL REPORT

on

CANNOO-TASEKO PROPERTY

Clinton M.D., B.C.

(NTS 92-0-3)

for

Scurry-Rainbow Oil Limited

by

A. W. Dean, P. Eng.

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Summary Appraisal Report  
on  
Cannoo-Taseko Property  
Clinton M.D., B.C.

I INTRODUCTION

William Livingston of Hicroft Resources Ltd. has offered Scurry/Aberdeen a cash payment of \$10,000 and 50,000 shares of Hicroft for the Cannoo-Taseko copper property. Mr. Caldwell, Vice-President of Corporate Affairs, requested the author to assess the property by reviewing the company files and make a recommendation on the offer.

The following outlines the current status, work history, economic potential and contains conclusions and recommendations in paragraph VII.

II LOCATION (Fig. I)

The property is located on the eastern flank of the Coast Range Mountains about 120 air miles north of Vancouver, British Columbia. Vehicle access is via the Bella Colla gravel road to Davison Bridge, 100 miles from Williams Lake, followed by 50 miles of 4-wheel drive road to the property. A 5,000 foot dirt airship is located on the property suitable for fixed wing aircraft.

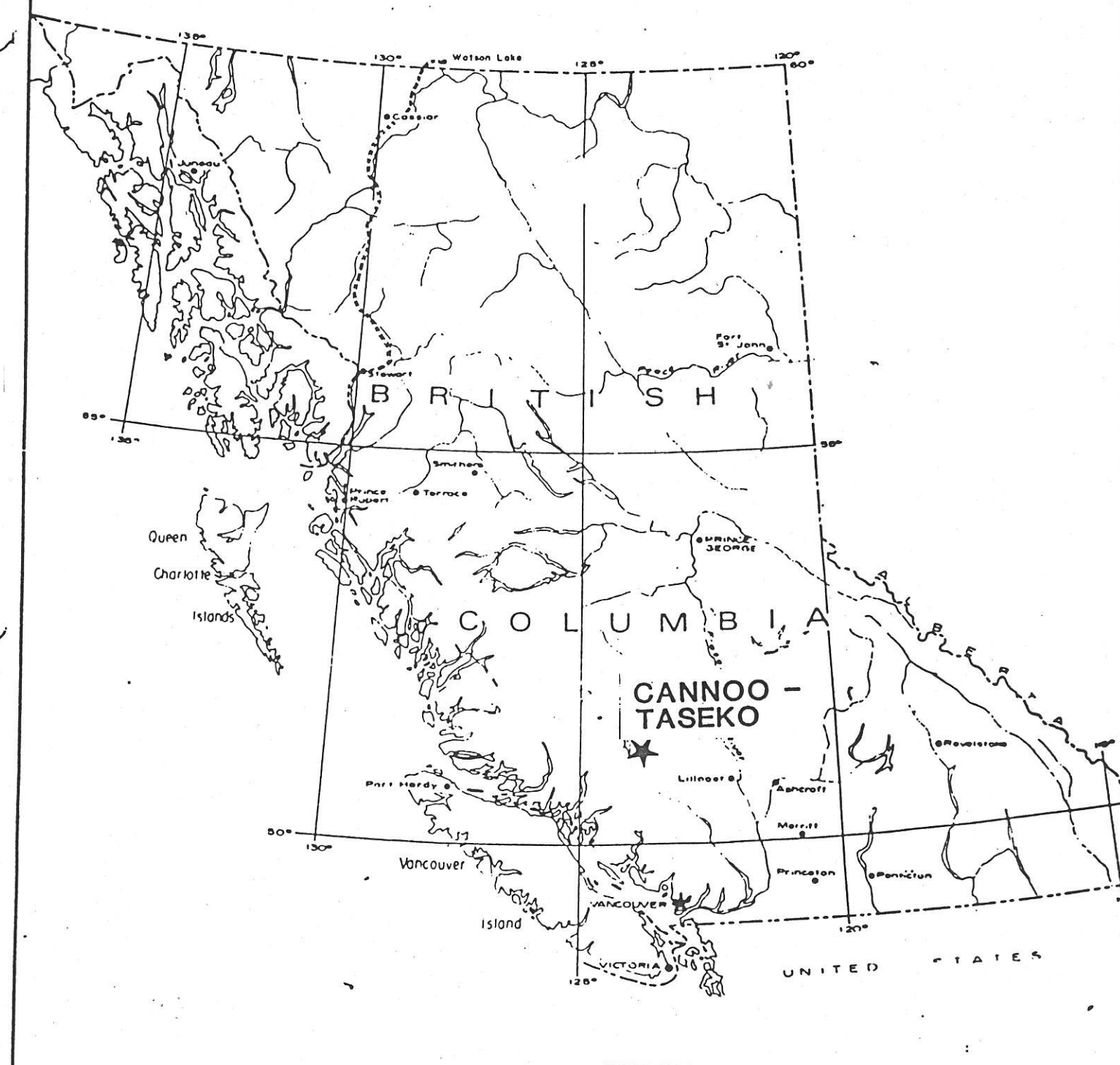
III CLAIM STATUS

Of the 192 mineral claims and four mineral leases once held in the Taseko area, Scurry/Aberdeen now control 64 claims covering 3,200 acres as shown in Fig. II. The claims have expiry dates ranging from July 29, 1985 to January 7, 1987 as outlined in the list attached as Appendix "A".

Each claim requires annual assessment work requirements of \$200 per year to maintain them in good standing beyond their respective expiry dates.

1) Property Ownership

Scurry, by expending (and having had expended on its behalf) \$500,000 prior to December 31, 1973, earned a 50 percent interest in the Cannoo-Taseko claims. This was in accordance to an agreement between Valnicia Copper Mines Ltd., Cannoo Mines Ltd. (now Aberdeen Minerals Limited) and Scurry-Rainbow Oil Limited dated February 12, 1969. The key paragraph by which the parties are now governed is paragraph 5(d) in the Agreement. Scurry and Aberdeen are equal 50 percent partners, with neither party apparently designated as the operator.



<b>CANNOO - TASEKO</b>	
<b>PROPERTY LOCATION MAP</b>	
SCALE Mile 136 <span style="display: inline-block; width: 100px; border-bottom: 1px solid black; margin: 0 10px;"></span> 0 <span style="display: inline-block; width: 100px; border-bottom: 1px solid black; margin: 0 10px;"></span> 136 Mile	
<b>A.W. DEAN</b>	

Two options to purchase agreements referred to as the "Russell Agreement" and "Holbrook Agreement" are part of the Scurry/Aberdeen Agreement dated February 12, 1969. The Home Land Department advised that the obligations of both purchase agreements, as of October 1, 1976 and December 15, 1982 respectively, have been met.

## 2) Title Registration

It is understood that Scurry is not registered as a 50 percent owner of any of the 64 claims currently in good standing. Aberdeen Minerals (successor of Valnicia and Cannoo) has attested to Scurry-Rainbow owning a 50 percent interest in the Robertson (Quintana Minerals Corp.) and Aberdeen/Scurry agreement dated September, 1975 and by letter dated October 21, 1980. In accordance to paragraph 4(d) of the February 12, 1969 agreement, Aberdeen (Valnicia/Cannoo) is obligated to convey a 50 percent interest to Scurry and should be given notice to do so.

Title to the claims covered by the "Russell" and "Holbrook" Agreements are governed by escrow arrangements with Estey Agencies Limited, #404, 510 West Hastings Street, Vancouver, British Columbia. Aberdeen (Valnicia/Cannoo) should be instructed by Scurry to give notice to Estey in accordance to paragraph 10(b) of the "Russell Agreement" and in accordance to paragraph 9(b) of the "Holbrook Agreement" to deliver Bills of Sales for the claims to Aberdeen. Aberdeen should then convey to Scurry a 50 percent interest. Only six claims covered by the escrow arrangement are currently in good standing (see Appendix "A").

## IV WORK HISTORY

The claims cover areas that have had exploration work undertaken on them since the early 1920's, primarily in the Empress and Buzzer areas.

The following highlights most of the exploration drilling undertaken to date:

<u>Period</u>	<u>Party</u>	<u>Comments</u>
1956	Canex	4 D.D. holes in the Buzzer area
1965-1966	Phelps Dodge	7 D.D. holes totalling 3,182 feet in Buzzer area
1969	Scurry	4 D.D. holes totalling some 1,575 feet in Buzzer and Empress areas

<u>Period</u>	<u>Party</u>	<u>Comments</u>
1970	Sumitomo Metals	64 percussion holes totaling 12,200 feet primarily in the Empress and Buzzer areas
1975-1976	Quintana Minerals	39 percussion holes totaling some 2,960 feet and 9 D.D. holes totalling 3,975 feet in the Empress area and vicinity

It is estimated that expenditures on the property since 1969 totals some \$885,000. *1,500,000*

#### V ECONOMIC POTENTIAL

The original property has been extensively explored intermittently by drilling programs undertaken from 1956 to 1976. The exploration objective was to outline a large tonnage disseminated copper deposit within granodiorite intrusive and adjacent pyrite-rich altered volcanic rocks.

Five separate small deposits were defined, located in breccia zones within a granodiorite intrusive, with reported tonnages ranging from 125 thousand tons (Motherlode) to 5 million tons (Buzzer). Grades are reported to range from 0.70% cu per ton (Syndicate) to 0.35% cu per ton (Buzzer). Minor amounts of molybdenum and gold are also reported occurring in the deposits. These deposits are considered too small to be of economic interest.

Sumitomo in 1970, and Quintana in 1975, drilled a total of 61 verticle percussion holes testing an area 9,600 feet long and 2,200 feet wide underlain by pyritic volcanic rocks north of the granodiorite contact. The holes form an irregular grid pattern with collar locations ranging from 400 to 600 feet apart. Low grade copper mineralization was encountered in most holes with grades for the most part averaging less than 0.10% cu per ton over lengths of 100 feet or more.

In 1976, Quintana drilled 9 diamond drill core holes in the Empress Zone. The better intersections are listed in Appendix "B".

Diamond drill hole 76-3 intersected four separate zones with copper and gold values ranging from \$42.70 to \$220 per ton (at current commodity prices). These values, with widths ranging from 10 to 46.5 feet, indicate potential for economic underground mine operation. Diamond drill holes 76-4 and 76-5 drilled 200 feet east and 200 feet north respectively of 76-3 failed to confirm the continuity of the better grade mineralization. These holes are plotted on plan Fig. III and sections Fig. IV, V and VI.

The Windfall Taylor gold prospect is located approximately 800 feet north of the northeast boundary of the property. A narrow vein (average 2.2 feet) in a northeast trending fault structure in altered volcanics was explored and mined underground. Only limited tonnage of high grade pockets were mined (200 tons?) with grades of 1.0 oz gold per ton in the 1930's (B.C. Mine Report 1935).

The claims currently held by Scurry/Aberdeen cover the Buzzer and Empress mineralized zones. Gold values associated with the Empress zone mineralization are of continued interest. Geophysical surveys (V.L.F. & E.M.) to outline steeply dipping northeast trending faults (parallel to the Windfall gold structure) in the altered pyritic rich volcanics is considered a valid exploration target. Angle hole diamond drilling is recommended to test strongly defined fault structures that may contain enriched concentrations of gold values associated with copper mineralization.

## VI OPTION TERMS

Quintana Minerals' option of 1975 was structured on the following basic terms:

- (a) Quintana by expending \$425,000 by 1980 to earn a 75 percent interest in the property
- (b) Quintana to provide financing for placing the property into production
- (c) Quintana to maintain the claims in good standing
- (d) Scurry/Aberdeen to hold basically a 25 percent net profits interest after capital cost payout.

After Quintana abandoned the property in late 1976, similar terms were offered to Craigmont Mines Limited in April, 1979 and Tech Corporation in September, 1979. Both parties declined the offer.

Hicroft's offer of a cash payment of \$10,000 and 50,000 shares of Hicroft is reasonable considering the remaining exploration potential on the property. Nonetheless, the unknown worth of the shares and the lack of work commitments on the property detracts from the offer. More acceptable terms are:

- (a) Minor minimum work commitments of say \$50,000 per year for five years
- (b) Hicroft to earn 100 percent of the property on making a production commitment prior to 1988



- (c) Scurry/Aberdeen to retain a 15 percent net profits interest after payout
- (d) Hicroft to maintain the claims in good standing

## VII CONCLUSIONS AND RECOMMENDATIONS

1. The Cannoo-Taseko property has been extensively explored for a large tonnage low grade disseminated copper deposit with negative results.

2. Five separate mineralized breccia zones located in the area occurring in granodiorite with grades ranging from 0.35% to 0.70% cu per ton and tonnages ranging from 125 thousand to 5 million tons are too small to be of economic interest.

3. Diamond drill hole 76-3 drilled in 1976 by Quintana intersected four separate zones occurring in altered volcanics with copper and gold values over widths considered to be of interest as a potential underground mine operation. Subsequent drill holes 76-4 and 76-5 spaced 200 feet north and east established that the 76-3 mineralization has limited areal extent.

4. Gold values associated with the copper mineralization in the pyritic rich altered volcanics within the Empress Zone is of exploration interest. Based on the Windfall Taylor gold prospect model, geophysical surveys are warranted in the Empress Zone area (9,600 feet by 2,200 feet) to explore for steeply deepening northeast trending faults. These structures may contain enriched concentrations of gold values associated with copper mineralization suitable for underground mine operations.

5. The Hicroft offer of \$10,000 and 50,000 shares of Hicroft for the property is reasonable considering the exploration potential of the property. Nonetheless, due to the unknown worth of the shares and the lack of work commitments on the property, it is recommended that the following counter offer be made:

- (a) Annual work commitments of \$50,000 per year for five years to 1988
- (b) Hicroft to earn 100 percent in the property subject to making a production commitment prior to 1988
- (c) Scurry/Aberdeen to retain a 15 percent net profits interest after payout
- (d) Hicroft to maintain the claims in good standing.

Cannoo-Taseko PropertyClinton M.D., B.C.

Mining Claims recommended retained by  
Scurry-Rainbow Oil Limited as of  
September 30, 1980\*

<u>Claim Name</u>	<u>Expiry Date</u>	<u>Remarks</u>
Babbling Brook No. 1	October 4, 1986	Under "Holbrook Agreement
Perfect Day No. 2	October 4, 1986	" " " " "
Old & Rare No. 3	October 4, 1986	" " " " "
Flapjack No. 1	October 9, 1986	" " " " "
Flapjack No. 2	October 9, 1986	" " " " "
Taseko 15	August 10, 1986	Under "Russell Agreement"
Taseko 32, 34, 36-41 incl.	July 29, 1985	Under "Aberdeen Agreement
Taseko 42-62 inc.	July 29, 1986	" " " " "
Taseko 63-66 incl.	August 8, 1986	" " " " "
Taseko 72-89 incl.	December 11, 1986	" " " " "
Taseko 104-106 incl.	January 7, 1986	" " " " "
Taseko 143-145	January 7, 1986	" " " " "
Taseko 144, 146	January 7, 1987	" " " " "

\* Aberdeen Minerals Limited so advised by Scurry by letter dated October 21, 1980.

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CANNOO-TASEKO PROPERTY  
Better Diamond Drill Hole  
Intersections

Appendix "B"

<u>Diamond Drill Hole</u>	<u>Core Interval (ft)</u>	<u>Core Length (ft)</u>	<u>% Cu Per Ton</u>	<u>\$Can* Per Ton</u>	<u>Oz Gold Per Ton</u>	<u>\$Can* Per Ton</u>	<u>Total Value Per Ton</u>
D.D.H. 76-1	153.2 - 197.5	44.3	0.71	14.20	0.06	30.00	44.20
D.D.H. 76-2	186 - 237.5	51.5	0.46	9.30	0.013	6.50	15.80
	338 - 377	39.0	0.76	15.10	0.021	10.50	25.60
	467.5 - 518	50.5	0.47	9.48	0.01	5.00	14.48
	568 - 608	40.0	0.73	14.60	N.A.	N.A.	-
	687 - 698	11.0	1.20	24.00	0.034	17.00	41.00
D.D.H. 76-3	88 - 123.5	35.5	0.49	9.72	0.124	62.00	71.72
	140 - 166.7	26.7	1.72	34.40	0.089	44.50	78.90
	166.7 - 186.5	19.8	0.39	7.80	0.01	5.00	12.80
	197.5 - 244	46.5	1.31	26.20	0.033	16.50	42.50
	258 - 268	10	8.00	160.00	0.12	60.00	220.00
Combined	88 - 268	180	1.20	24.06	0.06	30.00	54.06

\* Based on commodity prices of copper @ \$1.00 per lb., gold @ \$500 per troy oz.

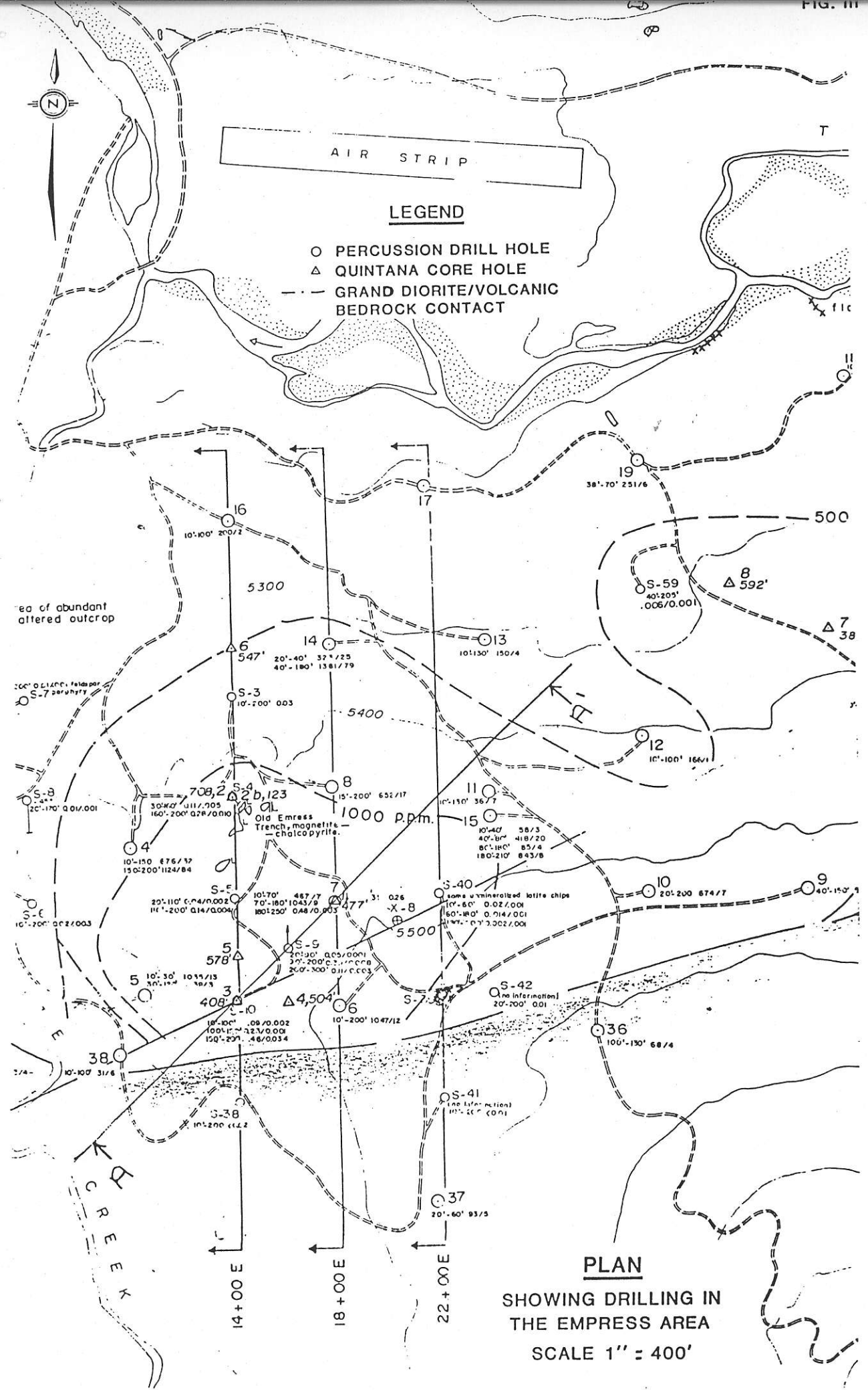
CERTIFICATE

I, Alexander W. Dean of 1327 Lake Bonavista Drive S. E., Calgary, Alberta, do hereby certify that:

1. I am a graduate of the Michigan Technological University holding a B.Sc. in Geological Engineering, 1958.
2. I am registered as a Professional Geologist of the Province of Alberta, and registered as a Professional Engineer of the Province of British Columbia.
3. I have practiced my profession for 25 years mainly in Canada and the U.S.A.
4. The accompanying report is based on my personal analysis of reports and maps made available by Scurry-Rainbow Oil Limited referred to in the text and I have made a personal examination of the property in October, 1976.

DATED at Calgary, Alberta this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
A. W. Dean, P. Eng.



AIR STRIP

LEGEND

- PERCUSSION DRILL HOLE
- △ QUINTANA CORE HOLE
- - - GRAND DIORITE/VOLCANIC BEDROCK CONTACT

area of abundant altered outcrop

some mineralized talife chips

Old Empress Trench, magnetite - Chalcopyrite.

some mineralized talife chips

PLAN

SHOWING DRILLING IN THE EMPRESS AREA

SCALE 1" = 400'