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REPORT

on the

TEL 2 MINERAL CLAIM

GREENWOOD MINING DIVISION  
BRITISH COLUMBIA

FOR

GLENDALÉ RESOURCES INC.  
307- 475 Howe Street  
Vancouver, B.C. V6C 2B3.

by

W.W. Cummings, P.Eng.  
Box 57  
New Denver, B.C.

July 17, 1986

TABLE OF CONTENTS

	Page
Summary	1
Introduction	2
Location and Access	2
Location and Property Plan	2A
Property	3
History	3
Geology and Mineralogy	4
Reccomendations	5-6
Samples and Assays	Table 1
	Appendix
References	I
Certificate	II
Plan of showings area (1" = 200 ' )	Pocket

SUMMARY

The Tel 2 Mineral Claim covers the extension south from the C.O.D. shaft of a Dentonia- type quartz vein in granodiorite. A grab sample from the vein ran 0.60 oz. Au and 3.38 oz. Ag per ton and the average of chip samples in the C.O.D. shaft over 4 feet was 0.3 oz. Au and 3 oz Ag per ton. Trenches on the Tel 2 claim have extended the vein about 900 feet, or 1100 feet from the C.O.D. shaft. The vein is roughly parallel to the Jewel (Dentonia) vein which lies 4000 feet east. The Jewel vein has been traced for about 9000 feet, and has produced over 120,000 tons at an average grade of 0.3 oz. Au and 2.5 oz Ag per ton.

Recent trenching on the strike of the C.O.D. vein exposed epithermal quartz veins which carry gold and may be the same as the C.O.D. vein. Further exploration is warranted to establish continuity and extent to Depth. This report recommends a surface program consisting of 2250 feet of diamond drilling, with geochemical and geological studies. If successful, this program should be followed by underground development.

## INTRODUCTION

The Tel 2 Mineral Claim consists of twelve units enclosing the C.O.D. Crown-granted claim south-west of Jewel Lake in the Greenwood area of B.C. Around 1900, a shaft was sunk seventy feet on a gold-bearing quartz vein on the C.O.D claim. The grade and mineralization in this vein are much like the Jewel (Dentonia) vein four thousand feet to the east, which has been traced for nine thousand feet, and has produced over 120,000 tons of ore.

The writer has examined the property following work in 1983, and following work this year which traced vein on to the Tel 2 claim. The length and gold -silver content of the vein and the discovery of other veins seems to warrant further work.

This report has been prepared at the request of Mr. W. Yahnke, a director of Glendale Resources, Inc.

## LOCATION AND ACCESS

The Tel 2 Claim is located southwest of Jewel Lake, seven miles N.E. of Greenwood, B.C. A good paved road connects Highway 3 just north of Greenwood to Jewel Lake and the access roads turn north off the Jewel lake road  $\frac{1}{2}$  mile before Jewel Lake near the Dentonia Mines road.

The property is well timbered with abundant outcrop, and all the showings are accessible by truck road. A small creek crosses the north-east corner of the claim. The elevation at the C.O.D. shaft is about 3975 feet above sea level.

TEL 3

TEL 1  
Mineral Claim

Shaft

Legal corner post

TEL 4

L. 1532  
(C.O.D.)

Shaft

Trench

Creek

Dump

S. adit

Access Road

trench

TEL 2

JEWEL LAKE ROAD

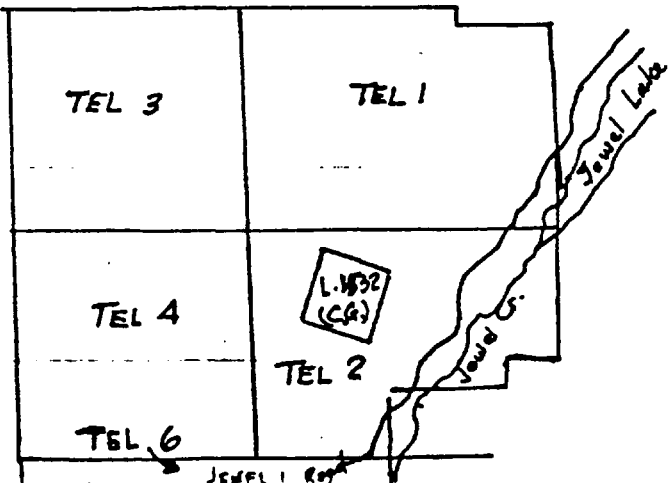
1000 m. to  
Jewel Lake

Legal post

TEL 6

LOCATION MAP.

From Mineral Titles Map B2E/2. Scale 1:50000



Locations by chain and compass

Metres 300 200 100 0 SCALE 1:12000 300 600

COAST TO COAST MINE SERVICES LTD  
 SKETCH PLAN  
 SHOWING ASSESSMENT WORK  
 TEL CLAIMS - JEWEL LAKE AREA  
 GREENWOOD MINING DIV.  
 Revised for Glendale Resources Dec/81

PROPERTY

The property consists of twelve units held by location, and currently in good standing. The claim and its relation to adjoining claims is shown on the sketch attached. Note that the sketch was made before the recent survey and the location of the C.O.D. claim and workings have changed on the recent plan.

HISTORY

Gold was discovered in the area in 1895, and the Jewel vein first produced in 1898. Further production from the Jewel vein by various operators continued during the First World War, from 1934 to 1946 and, most recently, from the Denero Grande shaft of Colt Resources (now Dentonia Mines Ltd.) Total production from The Jewel vein system was reported by E.O. Chisholm (July 1983) as 128,383 tons containing 37,992 ounces of gold and 219,429 ounces of silver.

On the C.O.D. property, a shaft was sunk 70 feet on the main vein, and other trenches in the area were opened by trenches and pits. No production was recorded. The shaft was sampled in 1904 and again in 1935, giving values from 0.50 to 0.75 oz Au per ton across the well-mineralized part of the vein. In 1935 an assay was reported from a lower tunnel which has not been found.

In 1983, the C.O.D. shaft was pumped out and sampled for a report for Glendale Resources Inc. by E.O. Chisholm, P.Eng. Two short adits were collared, roads were constructed to the showings, and some trenching was done. In June 1986, trenching was done on the C.O.D. vein strike, tracing it onto the Tel 2 claim to the south. The showings and workings were picked up with respect to the claim boundaries by a transit and chain survey.

GEOLOGY AND MINERALOGY

The property is underlain entirely by granodiorite, part of a Nelson batholith which extends south toward the Phoenix camp. Older sedimentary and volcanic rocks lie to the north-east. The granodiorite is cut by dykes ranging from pulaskite porphyry to dioritic and more basic dykes, some of which are post-ore.

The Jewel vein is a strong structure which crosses from the granodiorite into the older rocks and has been traced for about 9000 feet. The strike is north easterly, and the dip varies from 30° to 60° to the east. The width varies from 2 to 16', including splits, and the alteration envelope varies from a few inches to several feet. In the Dentonia area, the alteration bleaches the mafic minerals and shows as a greenish talc-sericite-pyrite zone. The C.O.D. vein is similar and parallel in strike, but dips steeply to the west.

The Jewel vein is mainly quartz, with some calcite and pyrite. Precious metal values increase where galena, sphalerite, chalcopryrite and tellurides are found. Mineralization in the C.O.D. shaft has been reported to be the same, and the vein in the shaft is 4 feet wide. Previous samples reported 0.5 to 0.75 oz. Au per ton over 2.5 feet, but Chisholm(1983) reports an average of 0.3 oz. Au per ton over 4 feet. This is probably a better estimate of a mining grade.

In the recent trenching on the Tel 2 claim, banded chalcedonic quartz was found, indicating epithermal vein formation. Gold values are reported from this quartz, a grab sample having assayed 0.608 oz. Au and 3.38 oz. Ag per ton. The trenches are shown on the accompanying plan. The relationship of the epithermal-type quartz to the C.O.D. vein is not known, but it is found along strike.

Old pits found northwest of the C.O.D. shaft indicate at least two parallel veins.

RECOMMENDATIONS

The C.O.D. vein as exposed in the shaft is much the same as the Jewel vein 4000 feet to the east, both in mineralization and in gold-silver grade. The Jewel vein has a long history of production and is presently developed on the Dentonia property to a depth of 500 feet below surface. The Dentonia operation is currently waiting for the next stage of financing to drive under the old Jewel workings and firm up enough reserves to do a feasibility study. Another possibility under study by Dentonia would involve setting up a small concentrator there now which could be fed by other nearby properties as well as Dentonia.

The recent work on the C.O.D. vein has shown that it contains sections which will assay about 0.3 oz Au and 2.0 oz Ag per ton, and that it can be traced on the Tel 2 claim for about 1000 feet. Therefore the objectives of the next program should be :

(1) Determine whether the epithermal-type vein near the south adit is the same as the C.O.D. vein.

(2) Check the continuity of the veins at depth and on strike.

(3) Carry out a surface program to check the possibility of both parallel veins and further extension of the C.O.D. vein.

The topography lends itself to underground development so that a trackless decline crosscut could be collared 900 feet south of the shaft and 100 feet below it, or a track-type crosscut could be driven south of the south adit- 1700 feet south of the C.O.D. shaft collar and 230 feet below it. However, it would be premature to go underground without the guidance of diamond drilling. Therefore it is recommended that the work be done as follows :

(1) Diamond drilling- five sections as shown as shown on the plan- two holes per section to intersect the vein 100 feet and 200 feet below surface.

5 x 450 feet or 2250 feet at \$30 per foot \$67500

(2) Surface program - line cutting, geochemical survey, geological mapping and surveying

\$15000




Recommendations- Continued

(3) Supervision and reporting on the program	\$ 4000
(4) allow for contingencies	<u>\$ 8500</u>
Total	<u>\$95,000</u>

This program , if successful, should allow underground work to be laid out as the next phase.

Respectfully submitted,



W. W. Cummings, P.Eng.

New Denver, B.C.

17 July 1986

Revised for Glendale Resources Inc.

Date 29 Dec. 1986

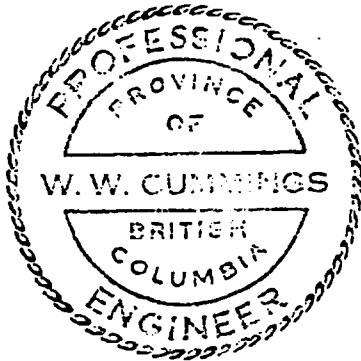


Table 1

Samples and Assays from the C.O.D. Vein System.

DATE	SAMPLED BY	DESCRIPTION	LOCATION	GOLD (oz./T.)	SILVER (oz./T)
1904	Mr. G. Guess	Not known	C.O.D. Shaft-0-17'	0.435	
"	"	"	" at 17'	1.11	
"	"	"	" at 35'	0.825	
"	"	"	" at 40'	2.91	6.0
1934	Norman L.	"	C.O.D. tunnel	1.96	22.2
1935	Armstrong Co. Prov. Assayers	20" chip	C.O.D. shaft bottom	0.76	6.6
"	"	30" chip	" " - 15' up	0.74	4.8
"	"	20" chip	" " - 20' up	1.72	17.4
"	"	Grab	" " dump	0.84	8.4
Apr. 1983	E.O. Chisholm	Grab	C.O.D. shaft dump	0.608	4.09
"	"	"	N. shaft- 4' vein	0.206	2.03
July 1983	"	Chip- 4'	C.O.D. shaft-60'down	0.365	3.36
"	"	"	" 48' "	0.660	6.56
"	"	"	" 36' "	0.034	0.38
"	"	"	" 24' "	0.170	0.93
"	"	"	" 12' "	0.290	5.04
"	"	Grab	" collar	0.231	1.60
May 1986	J. Carson	Grab	Qtz. vein in trench south of C.O.D.	0.608	3.38

Remarks: Assays reported by Guess and Norman L. Armstrong are taken from the reports by E.O.Chisholm, P. Eng. and the samples were from the mineralized section of the vein. Mr. Chisholm's samples were taken across the full width of the vein.

REFERENCES

- Chisholm, E.O. P.Eng.- Geological Report on the Jewel Lake property  
for Glendale Resources Inc. 12 Apr. 1983
- Chisholm, E.O., P.Eng.- Progress Report on the C.O.D. Jewel lake  
Property for Glendale Resources- Coast to Coast Mining Services  
7 July 1983
- Stewart, G.O.M. - Personal communication with respect to Dentonia  
Mines Ltd.

CERTIFICATE

I, W.W. Cummings of New Denver, B.C. , hereby certify that:

- (1) I am a geological engineer with office and residence at Box 57, New Denver, B.C.
- (2) I am a graduate of Queen's University, Kingston, Ontario with a B.A.Sc. in Geology and Mineralogy.
- (3) I have been practicing as a mine geologist and manager since 1949.
- (4) This report is based on personal knowledge of the property and the adjoining properties, and on published reports.
- (5) I have no direct or indirect interest in the property or securities of Glendale Resources, Inc.
- (6) I hereby consent to the use of this report by the company in connection with the prospectus or a statement of material facts relating to the raising of funds for this project.



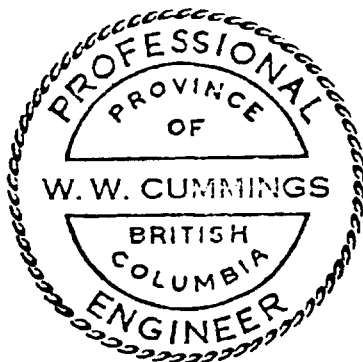
W.W. Cummings, P.Eng.

New Denver, B.C.

17 July 1986.

Revised for Glendale Resources Inc.

Date 29 Dec. 1986



W.W. Cummings, P. Eng.

Box 57

New Denver, B.C.

Mr. J.W. Carson  
Glendale Resources Inc.  
Grand Forks, B.C.

Dear Mr. Carson :

This to advise that my report on the Tel 2 property may be changed over to Glendale Resources Inc. from Cougar Resources as discussed with you, provided that the body of the report is not changed.

For descriptive purposes, the property is on N.T.S. sheet 82~~7~~ /2 and at Lat.49° 10', Long. 118° 35'.

Yours truly,



W. W. Cummings, P. Eng.