

GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

REPORT ON THE EXPLORATION PROGRAMS FOR 1965-1966

INTRODUCTION

General Resources Ltd. (N.P.L.) has carried out a heavy program of exploration throughout the year contributing to a record year of exploration for British Columbia.

STIKINE, B.C.

A joint venture initiated by General Resources Ltd. examined several claim groups in this very active area of northern B.C. The major participant, Noranda Mines, managed the venture with Vanmetals Exploration and Bralorne-Pioneer contributing. No significant discoveries were made.

PINE POINT – Northwest Territories

Your Company's staff acquired 18 claims by staking very early in the rush that developed after the Pyramid discovery. The Gen claims are now under Option to Canex Aerial Explorations Ltd., subsidiary of Placer Development Limited, who will carry out all work to production for a 50% interest. In a recent report, they stated line cutting had come to a standstill because of flooding of the muskeg. An Induced Polarization survey will be carried out as the surface freezes.

WADE GROUP – Merritt, B.C.

An NX wireline hole was drilled to a depth of 872 ft. to test a large Induced Polarization anomaly that had been known for several years on this Promontory Hill property.

With similar geology, a Craigmont-type orebody was hoped for. Heavy sulphides were encountered, mostly pyrite with minor copper values. The very large block of claims is being maintained.

SKUHUN CREEK – Highland Valley, B.C.

The Hank claims were gridded with 19,000 ft. of line and a magnetometer survey run in an attempt to extend known copper showings on adjacent claims.

CRIS GROUP – Highland Valley, B.C.

This group of Cris and Trio claims lies at 5500 ft. elevation just south of the huge Lornex Mines development. It has all the earmarks of a similar structure. Two major fault systems intersect in the middle of a large swamp. The program had to wait for the winter. Five miles of new trucking road were built and a winter camp was established. Earlier bulldozer trenching, a magnetic survey and an Induced Polarization survey indicated an anomaly underlying the swamp 2000 ft. long and 500-800 ft. wide.

Diamond drilling started in December 1965. Disseminated copper and molybdenum values were found in the first four holes which were not on the main anomaly. The key to the area was the fifth hole. A drill pad had to be bulldozed out into the swamp and allowed to freeze during the January sub-zero temperatures. Minor copper values were encountered and it was considered that the anomalies were caused by mineralized sheared clays in the faults. Six NX wireline holes were drilled totalling 2292 feet.

Work has been filed for 10 years as the area will receive continued exploration in the future.

CAL GROUP – Highland Valley, B.C.

The Cal claims located 1 mile North of the Stellako discovery were staked in the summer of 1965. They contain a shallow lake, averaging 5-6 ft. depth.

An extensive program of bulldozing around the lake following geophoto and magnetometer targets revealed four parallel copper bearing zones. Twenty-two trenches totalling 4680 ft. as deep as 33 ft. showed two main types of mineralization; — disseminated chalcopyrite largely to the East of the lake, and chalcocite, bornite and malachite in the heavily faulted and altered zones adjacent to and trending into the lake.

Following the freeze-up, lines were extended over the lake and magnetic and Induced Polarization surveys were carried out. Two anomalous zones were found. They are the main anomaly alongside and underlying the eastern edge of the lake with a length of 2500 ft. and average width of 400 ft. and the eastern anomaly — length 2000 ft., width 150 ft. with a gap between of 100-200 ft.

These anomalies coincided with magnetic lows and known copper zones found in the trenches.

Following an Agreement with Cyprus Mines Corporation, a road was extended into the property. In the Spring of 1966 a camp was built and drilling started.

Two NX wireline holes were drilled at an angle out under the lake edge to 550 ft. and 509 ft. respectively. Copper values were encountered but were of sub-economic grade.

The program was terminated and assessment filed to maintain the 12 claims in good standing.

(these claims may not be valid)

LYNX GROUP – Okanagan Falls, B.C.

In August, 1966 this group of 27 claims was optioned following a discovery in a new area. Disseminated copper had been exposed by blasting out a visually barren outcrop of syenite.

Concerted work by a six man crew during August has extended the mineralization exposed in places over a 2500 ft. by 1500 ft. area. A bulldozer has been moved in to expose lower lying zones between outcrops and a number of new trenches are being blasted out. Disseminated primary bornite in coarse syenite gave an assay of Trace Gold; 0.5 oz. Silver and 0.83% Copper over 31 ft. in the first trench sampled.

Much bulk sampling needs to be carried out in what appears to be a very large copper bearing zone.

AUSTRALIA

Negotiations have been carried on with groups interested in your Company's holdings in N.S.W.

Mitsubishi Metal Mining Company carried out a geological and geochemical survey over the Burruga copper mine previously drilled by General Resources. Tonnage indicated by this work is 700,000 tons of 1% copper available by open pit.

The old Burruga mine had produced 500,000 tons of 4% copper from underground workings.

The Cow Flat copper property, also near Bathurst, N.S.W., has been maintained as it contains a large tonnage, low grade open pit prospect.

Respectfully submitted,

R. B. Stokes, P.Eng.
Mining Engineer.

September 2, 1966.