

NO. 213 (1998)
NOVEMBER 5, 1998

93B 12 | p. 1 of 3

NO. 213 (1998)
NOVEMBER 5, 1998

UNITED GUNN RESOURCES LTD.

CONTINUED FROM PAGE ONE- To take advantage of the geological data base established between 1960

and 1975 in the 30 km by 30 km area around the mine (Placer ceased regional exploration in 1975 to concentrate on world wide gold exploration), United Gunn staked 9,775 hectares in six claim blocks. [SEE partial location map overleaf page 3] Each of these claim blocks were staked on historical results, radarsat, landsat imagery and have favourable geological copper targets. The purpose of the 1998 work was to further evaluate targets discovered during the 1960's to 1980's that were never fully tested by drilling or trenching. The blocks are named: Beedy Creek; Copper King; Copper Ace; Sheridan; Credge Creek.

Follow-up to the staking by the company has established six grids with in excess of 160 line-km, collected stream silt, soil and rock chip samples, prospecting, mapped geologically and surveyed with magnetometer and VLF electromagnetics. A number of mineralized discoveries have been made with the next step being additional sampling, trenching induced polarization surveys followed by diamond drill testing. Two of the properties have similar stratigraphy and geophysical signatures to that of the Gibraltar North porphyry style copper, zinc, silver, gold deposits.

On the Copper Ace block, the strongest of the three copper discoveries is named Bysouth, after Garry Bysouth, formerly chief geologist with Gibraltar for 20 years and now a consultant to United Gunn exploration programs, and who gets a lot of the credit for the successes to date. The Bysouth showing is 8.5 km north of the Gibraltar plant, and on trend with several of the orebodies. It is between 100 metres and 150 metres wide cut by a series of fault panels over a traced 1.6 km strike length and open. The fault panels consist of brecciated quartz diorite, quartz feldspar porphyry and skarn fragments in a quartz ilmenite matrix. A grab sample collected over 60 feet of length assayed 4.9% copper. Preliminary interpretation of an induced polarization survey indicates an anomaly over the Bysouth showing. This is a drill ready target.

The nearby Rick surface showing of foliated chlorite sericite schist discovery, 1.5 km northwest of the Gibraltar plant, has been traced with fault panels in mineralized rocks similar to those at the Gibraltar ore bodies with surface samples assaying 1.5% copper, 1% zinc. Lateral extent of the mineralization is unknown due to overburden cover. The Rick showing is located at the northern boundary of Gibraltar's mineral claims covering the Gibraltar West extension deposit. West of the Bysouth showing is a 300 metre wide weak chargeability anomaly with coincident high resistivity and disseminated copper in favourable altered quartz diorite. In the same area as the Rick showing, two km northwest of the Gibraltar plant, a new copper soil anomaly has been located trending north to northwest over 1.2 km by 800 metres wide.

The Chris showing was discovered recently through reconnaissance prospecting, located four km northeast of the Gibraltar plant, where surface sampling of sericite, chlorite schist over 150 by 45 metres assayed 0.23% copper.

The recent programs have indicated large tonnages of ore grades near-ore grades of copper mineralization plus a number of strong targets where drill targets have been established. Drill testing has been recommended for a number of these targets.

Mr. Chapman noted the program was designed and implemented by Craig Payne, P.Geo. of Crest Geological Consultants Limited, supported by Garry Bysouth, consulting geologist and himself. The Gibraltar mine staff has cooperated in sharing exploration data.

To fund these programs United Gunn, in January 1998, completed a private placement for \$1,399,999 comprising 933,333

units at \$1.50 each consisting of one share and one warrant exercisable at \$1.50 per share in year 1 and at \$1.75 in year 2, with EuroGas Inc., a U.S. public company.

Two new directors were nominated from the floor of the meeting: Paul Hinterthur and Armando Ulrich, representing EuroGas Inc. Continuing directors are: Mr. Anfield, Nadia Wakefield, Fred L. Oliver, Gerard Haeringer, John Van Duzen and Ivan Liptak.

Mr. Anfield concluded the meeting by noting that in the next few weeks additional data will be available from each of the Beaver River and the Granite Mountain copper projects.

UNITED GUNN RESOURCES LTD.

[UGR-V] 17,436,019 SHS.

TWO RESOURCE PROJECTS - NATURAL GAS AND COPPER UNDER ACTIVE AGGRESSIVE EXPLORATION

Production testing on two Beaver River gas field wells in the Peace River region of northeast B.C. with a potential for high rates of gas production and large new copper resources near the Gibraltar Mine, central B.C., were reviewed at the recent United Gunn Resources annual meeting.

S. David Anfield, president, reviewed for the meeting that United Gunn Resources is participating with Wascana Energy Inc., the operator, a wholly owned subsidiary of Canadian Occidental Petroleum Ltd., in the rehabilitation and production testing of two formerly producing gas wells in the Beaver River area. United Gunn is contributing 9% of the costs to retain a 12.5% working interest in the Phase II work program on the project. The Phase II work is a continuing effort to re-establish production of natural gas in commercial quantities. By a Dec. 1997 agreement, Wascana Energy acquired an option to earn a 50.57% working interest in the Beaver River acreage and the two recompleted wells by either achieving commercial production or by spending a total of \$17,550,000. At last report Wascana Energy has spent in excess of \$8,000,000 and United Gunn had contributed its' 9% share or \$720,000. Note: There are four additional wells in the field which were plugged and abandoned 20 years ago.

The wells drilled several years ago established proven gas in place in the Beaver River field estimated at between one and three trillion cubic feet of natural gas. Five of the original seven wells produced from a fractured dolomite formation at a depth of 12,000 feet. Some open flow tests were in excess of 100,000,000 cu.ft. of gas per day. Initial production was in excess of 200,000,000 cu. ft. per day from the five wells. During the early stages of production some wells were producing between 70,000,000 and 80,000,000 cu.ft. gas per day. For a variety of reasons the wells were produced at high rates which resulted in watering out and the termination of production. Wascana Energy, after extensive studies of the wells and recent years experience in similar fields, determined the wells are likely to be producible at the old rates by draining the water out of the formations to the point the gas can again migrate to the well bores. To this end, Wascana has: rehabilitated both well B2, and well A5; has drilled a salt water disposal well; and rehabilitated the gas gathering system to the tie-in to the main gas transmission pipeline. On the B-2 well new 4.5 inch production tubing has been set and gas lift valves have been installed. The B-2 well will be used to start dewatering and subsequent production tests, probably during the 1998/1999 winter season. Fred Oliver, a director of United Gunn and a petroleum engineer and geologist with many years experience with the redevelopment operations in the Beaver River gas field, has been asked to represent the company and to meet with Wascana to learn the details of the operators plans and probable timing for the tests. A report from Mr. Oliver and the timetable for well testing is anticipated in a few weeks.

John A. Chapman, P.Eng., reported to the meeting a review of the company's 30% interest in Cuisson Lake Mines Ltd., reserve

NEW
093B
61

093B
62

093B
63

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
604) 683-7265 FAX 683-5306

George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

COPYRIGHT
ALL REPRODUCTION
RIGHTS RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$350.00 + GST

NO. 213 (1998)
NOVEMBER 5, 1998

NO. 213 (1993)
NOVEMBER 5, 1998

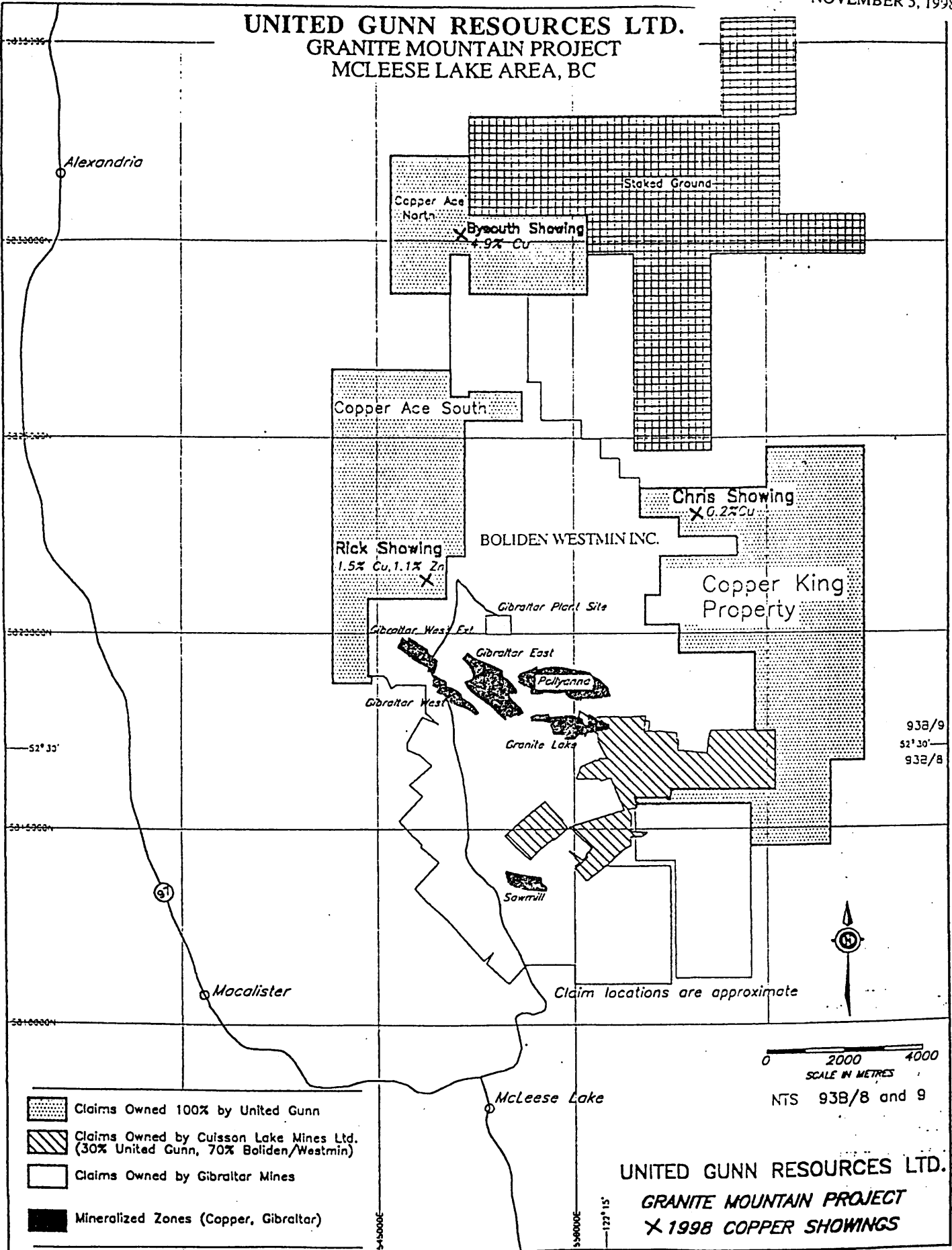
1
93B 12 p. 2 of 3





block at Granite Lake and the copper potential in the six claim blocks staked in late 1997 and since. All the lands are near the Gibraltar 40,000 ton per day capacity mine and mill, 45 km northeast of Williams Lake, B.C. The Gibraltar Mine, opened by Placer Dome in 1971, is now owned by Boliden Westmin Inc. Mr. Chapman, chief engineer and acting manager at Gibraltar for a number of years, is intimately familiar with the mine area and now is an independent consultant to United Gunn. Gibraltar production for the past 26 years has been 1,800,000,000 pounds of copper from 325,000,000 tons of ore. The geological resource in the area of the mine is 600,000,000 tons grading 0.27% copper.

-CONTINUED ON PAGE TWO-

93B12 p. 3 of 3

UNITED GUNN RESOURCES LTD. GRANITE MOUNTAIN PROJECT MCLEESE LAKE AREA, BC



-  Claims Owned 100% by United Gunn
-  Claims Owned by Cuisson Lake Mines Ltd. (30% United Gunn, 70% Boliden/Westmin)
-  Claims Owned by Gibraltar Mines
-  Mineralized Zones (Copper, Gibraltar)

0 2000 4000
SCALE IN METRES
NTS 93B/8 and 9

UNITED GUNN RESOURCES LTD.
GRANITE MOUNTAIN PROJECT
X 1998 COPPER SHOWINGS