

GUNSTEEL RESOURCES INC. (GUM-V)

PRODUCTION DECISION FORECAST - The winter program is designed to increase reserves to 100,000 tons grading 0.45 oz. gold/t which would permit a decision to build a 100-ton per day concentrator. Stan A. Endersby, president of Gunsteel Resources, has reported that the present reserves at the Nugget mine are 73,000 tons grading 0.45 oz. gold /t. The property is located along Nugget and Sheep Creeks with workings from 4,300 to 5,500 feet elevation, about 18 miles northeast of Salmo, B.C. The company holds an option to earn a 50% working interest in the claims by spending \$2,000,000 on exploration.

Underground exploration on the Nugget property is concentrating on the Fawn, Nugget and Motherlode mines where there are 12 veins which are considered important exploration targets. (SEE MAPS OVERLEAF P.1 & P.2)

The recent underground diamond drilling program on the Fawn No.1 vein extended the zone 355 feet below the lowest Fawn drift. This zone is open down dip. To reach this zone, a new crosscut is being driven 1,200 feet to the north from the No.5 level of the Nugget vein. This crosscut will provide access to the Fawn zone 550 feet below the lowest Fawn drift. This crosscut will also cut the O'Donnell vein about 350 feet north of the Nugget. The O'Donnell vein is a strong high priority structure.

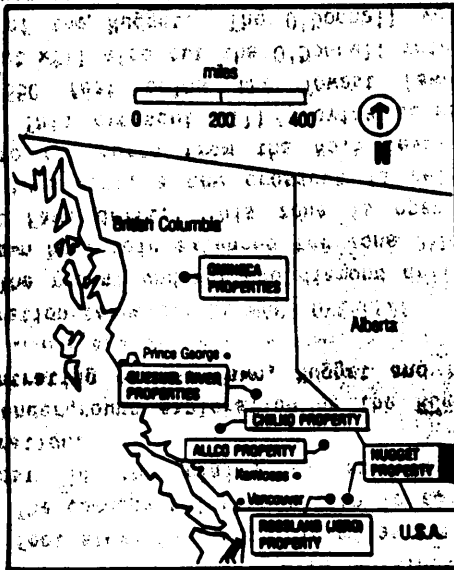
The crosscut being driven to the east on the North Motherlode vein on No.5 level has advanced 131 feet and is expected to hit the zone soon. The crosscut is also advancing to the west on the 200 sub-level of the Nugget vein and also to the east on the 200 sub-level of the Calhoun vein. The crosscut on the Nugget vein is 100 feet below the point where ore was recently found grading 1.14% oz. across 2.8 feet for a distance of 100 feet, and the crosscut on the Calhoun vein is 200 feet below two commercial grade ore zones on one of the higher levels. It is expected that these two crosscuts will be into the zone shortly.

A previously unknown vein structure has been found 200 feet north of the most northerly workings on the Fawn No.5 level. It is planned to drive a tunnel to this later in the winter. Surface diamond drilling and trenching on the Golden Belle vein south of the Motherlode structure is continuing. Approximately 1,000 tons of ore have been moved to a stockpile down in Salmo Valley perhaps for shipment to the smelter at Trail, B.C.

Field work has been completed on Gunsteel's Allco silver property at Revelstoke. Six km of access road were built and a program of geological, geophysical and geochemical surveying was done to define and extend the anomalous areas found in previous work.

Work has started on the Jero property at Rossland, B.C. to follow-up on areas of anomalous gold values.

82 FSW 39
" 40
" 41
" 43
" 55



**Gunsteel's
Mineral
Properties**

MINERAL PROPERTY

Area	Area	Grade	Quantity
Sq. Miles	Sq. Miles	Gr. Gold/Ton	Ounces of Gold

Reserve Production

Motherlode Vein	208,000	0.48	31,475
Nugget Vein	57,300	0.56	32,250
Shaw Vein	261,300	0.56	146,725
Shaw No. 1 Vein	75	1.71	130
Total To Dec. 31, 1970	427,075	0.56	230,580

Proven Reserves (1)

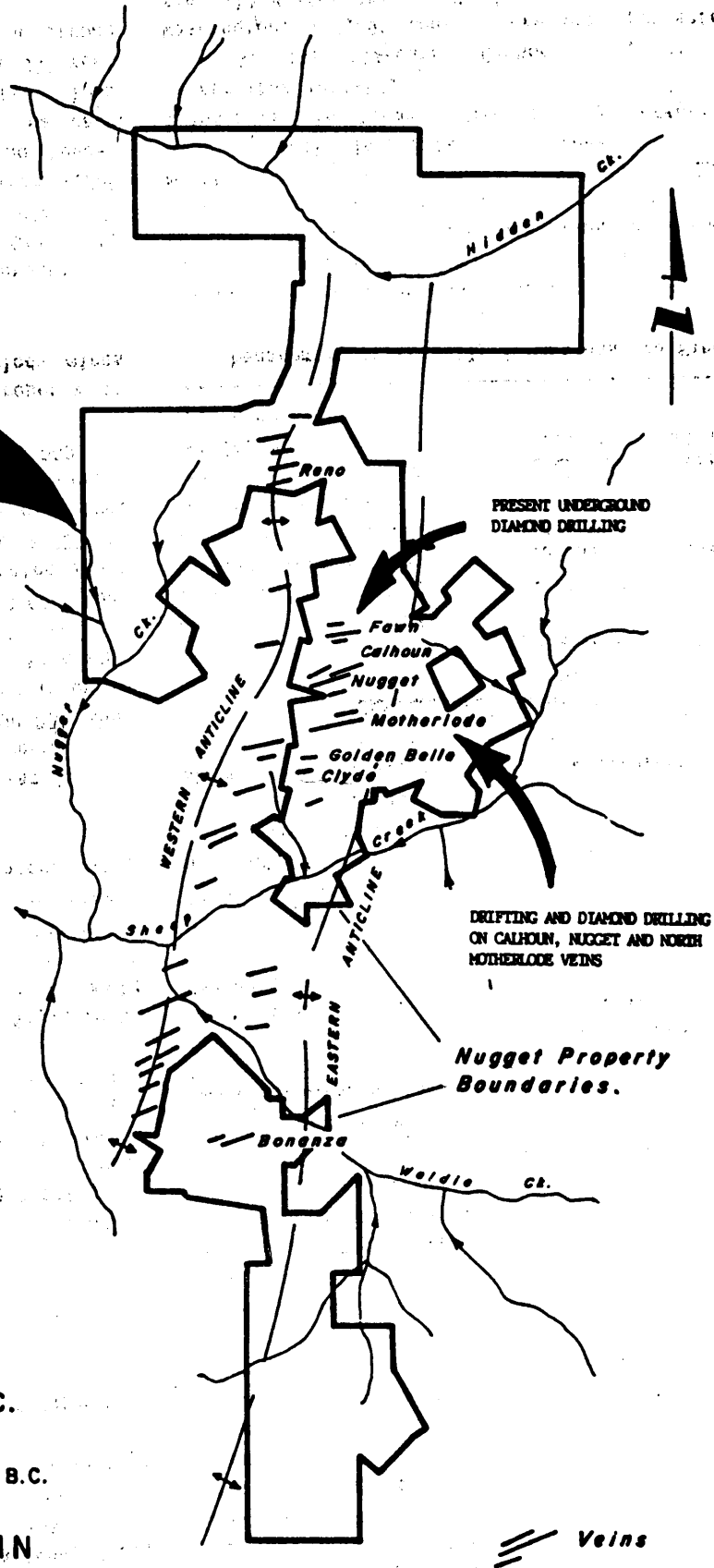
Motherlode Vein	3,475	0.35	1,216
Nugget Vein	33,171	0.47	15,734
Calhoun Vein	16,740	0.45	7,534
Shaw No. 1 Vein	4,280	0.83	3,579
Summit Vein	15,714	0.30	4,660
Total	73,380	0.44	32,723

(1) Not including low grade material or possible reserves in areas of difficult access.

Note: From the early 1900's until 1951, the Sheep Creek Gold Camp produced 1,720,000 tons of ore yielding 726,000 ounces of gold and 365,000 ounces of silver, which would be worth approximately \$470,000,000 Canadian today.

GUNSTEEL RESOURCES INC.
NUGGET PROPERTY
SHEEP CREEK GOLD CAMP - SALMO, B.C.

**PLAN SHOWING VEIN
LOCATIONS**



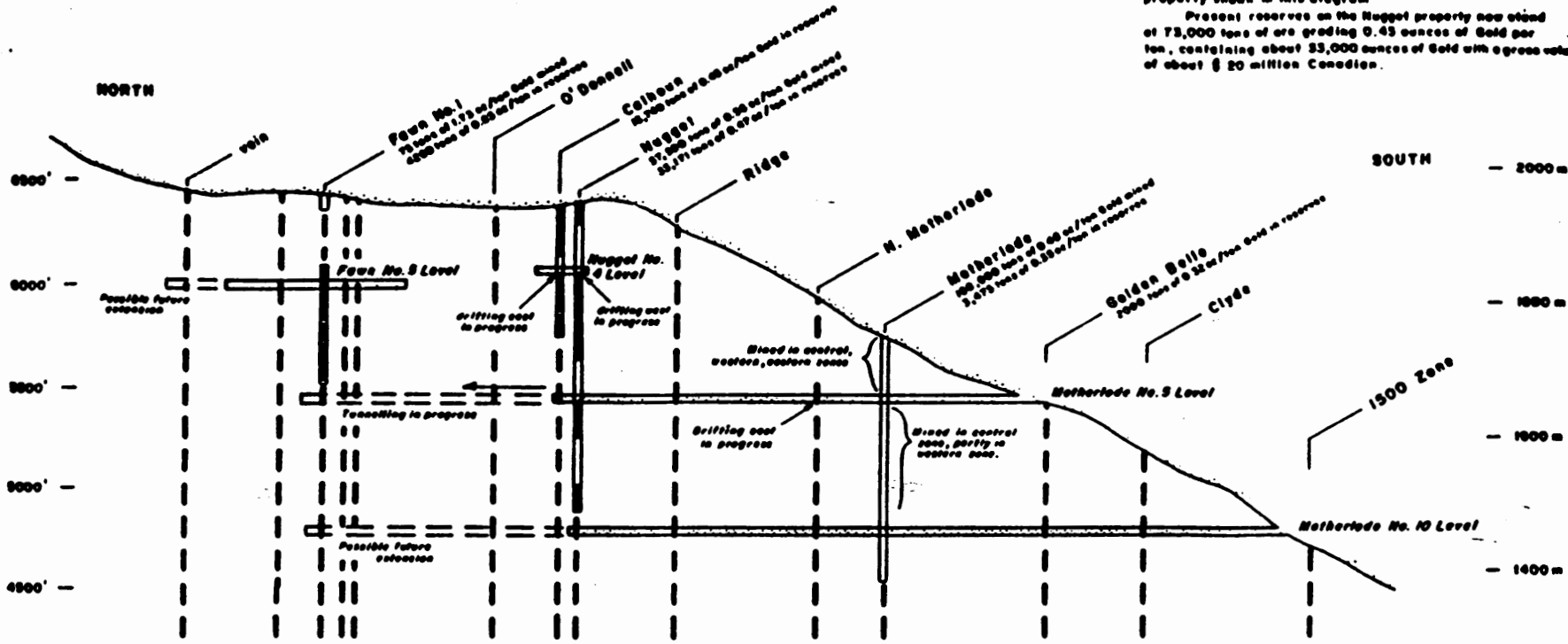
SCALE 1500 0 1500 METRES FEET
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July, 1987

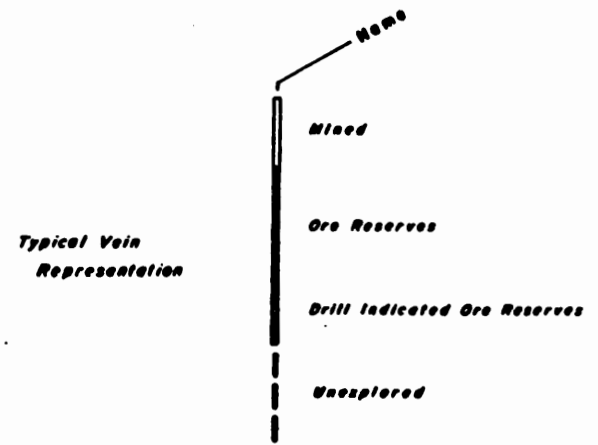
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Note: Past production up to 1980 from the Nugget property was 427,000 tons of ore grading 0.34 ounces of Gold per ton. Of this amount, 168,375 tons grading 0.91 ounces of Gold per ton came from the veins on the part of the property shown in this diagram.

Present reserves on the Nugget property are estimated at 75,000 tons of ore grading 0.45 ounces of Gold per ton, containing about 35,000 ounces of Gold with a gross value of about \$ 20 million Canadian.



Note: The Ore zones on the veins may be some distance east or west of where these existing tunnels cut across the vein, and exploration may require drifting and drifting along the veins. For example the Motherlode vein is partly mined in three ore zones within a horizontal distance of 1400 feet and a vertical distance of 1400 feet.



GUNSTEEL RESOURCES INC.
NUGGET PROPERTY
 SHEEP CREEK GOLD CAMP - SALMO, B.C.

**SCHEMATIC DIAGRAM SHOWING
 A NORTH-SOUTH VERTICAL SECTION
 ACROSS VEINS
 IN FAWN / NUGGET / MOTHERLODE AREA**



A. Geophagos

October, 1987

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BRENWEST MINING LTD. (BMM-V)

**STRONG GOLD VALUES TO BE FURTHER EXPLORED
ON NEWLY OPTIONED CLAIMS IN BLACKDOME AREA, B.C.**

Gold in, surface sampling and drill holes, as well as an induced polarization anomaly, will be further explored on property optioned by Brenwest Mining Ltd. Walter Ruck, president of Brenwest has reported the signing of an option to acquire a 100% working interest in the 15 unit Edge property 50 km southwest of the Blackdome Gold Mine. The Brenwest property is located on the west side of the Fraser River, near the Big Bar Ferry, 40 km north east of Clinton, B.C.

To exercise the option, Brenwest must spend \$350,000 on property exploration and issue 100,000 treasury shares to the vendors over three years ending October 21, 1990. The property is subject to a 3% net smelter return royalty and a 25% back-in option held by the vendors. This option is exercisable within 60 days of completion of the expenditure of the \$350,000. The vendors are also to be granted options to buy 225,000 treasury shares of Brenwest over three years at prices yet to be determined. Vendors of the property are Inspiration Resources Corp. 50% and Minorco Canada Ltd. 50% through Mingold Resources Inc., their subsidiary.

Exploration on the property has included surface sampling which yielded anomalous readings of 3,480 parts gold per billion, a diamond drill hole which cut 3 meters of 0.13 oz. gold per ton and an induced anomaly 950 meters long and open to the north. The property includes a prominent bleached zone and anomalous gold values in an untested iron stained quartz carbonate zone.

Additional exploration has been recommended.

DUKE MINERALS LTD. (DKM-V)

**PROGRESS ON GOLD PROPERTY - David H. Brett, managing
NEAR CASSIAR, B.C. REPORTED** director of Duke Minerals Ltd., announces further results from the company's Cassiar area joint venture with GULF TITANIUM LTD. (GUT-V) in which Duke holds an option to earn 51% interest. Bulldozer and backhoe trenching in area of high gold-in-soil values encountered in silicified, hydrothermally altered zone carrying low grade gold values up to 0.07 oz. gold/ton. The zone, observed in trenches and in outcrop, appears to be over 20 feet wide and was traced on surface over 475 feet.

Follow-up soil sampling has returned numerous gold anomalies over a wide area. Additional trenching is now complete. Assays are awaited. A drill program is anticipated in the near future.

CANADIAN UNITED MINERALS, INC. (CUN-V)

**POLYMETALLIC DISCOVERY - Leif Ostensoe, president, has
MADE NEAR GRANISLE, B.C.** reported work on the Fireweed property recently acquired by Canadian United Minerals 10 km west of Granisle, B.C., has indicated a polymetallic resource. Float has been found over 3 km containing significant values of copper, gold and silver. The discovery boulder yielded 1,200 ppb gold, 1.9 oz. silver, 0.87% copper and 0.30% lead. Programs of geological mapping, soil geochemistry and geophysical surveys are ongoing. A pyritic, manganiferous sandstone outcrop containing lead-zinc mineralization was sampled and returned silver values of approximately 9.0 oz./ton silver across a 9.5 metre exposure. Three hundred metres north of this area, a second exposure of the same sandstone contains lead-zinc stringer mineralization.

Canadian-United Minerals will start a trenching and sampling program on the property about 15 Nov 87. Based on the results of this work, a diamond drilling program may be launched in January, 1988.

TENQUILLE RESOURCES LTD. (TQR-V)

**GOLD RESERVES ESTIMATED - D.A. Chapman, chairman of
Tenquille Resources Ltd.,**

says the future looks bright for the Ashlu gold mine 28 miles NW of Squamish, B.C., 60 miles north of Vancouver.

Mr. Chapman notes that evaluation of the underground workings and the surface exploration were not disrupted by an injunction (dismissed by the Court in mid-August) to restrain Tenquille from working the property.

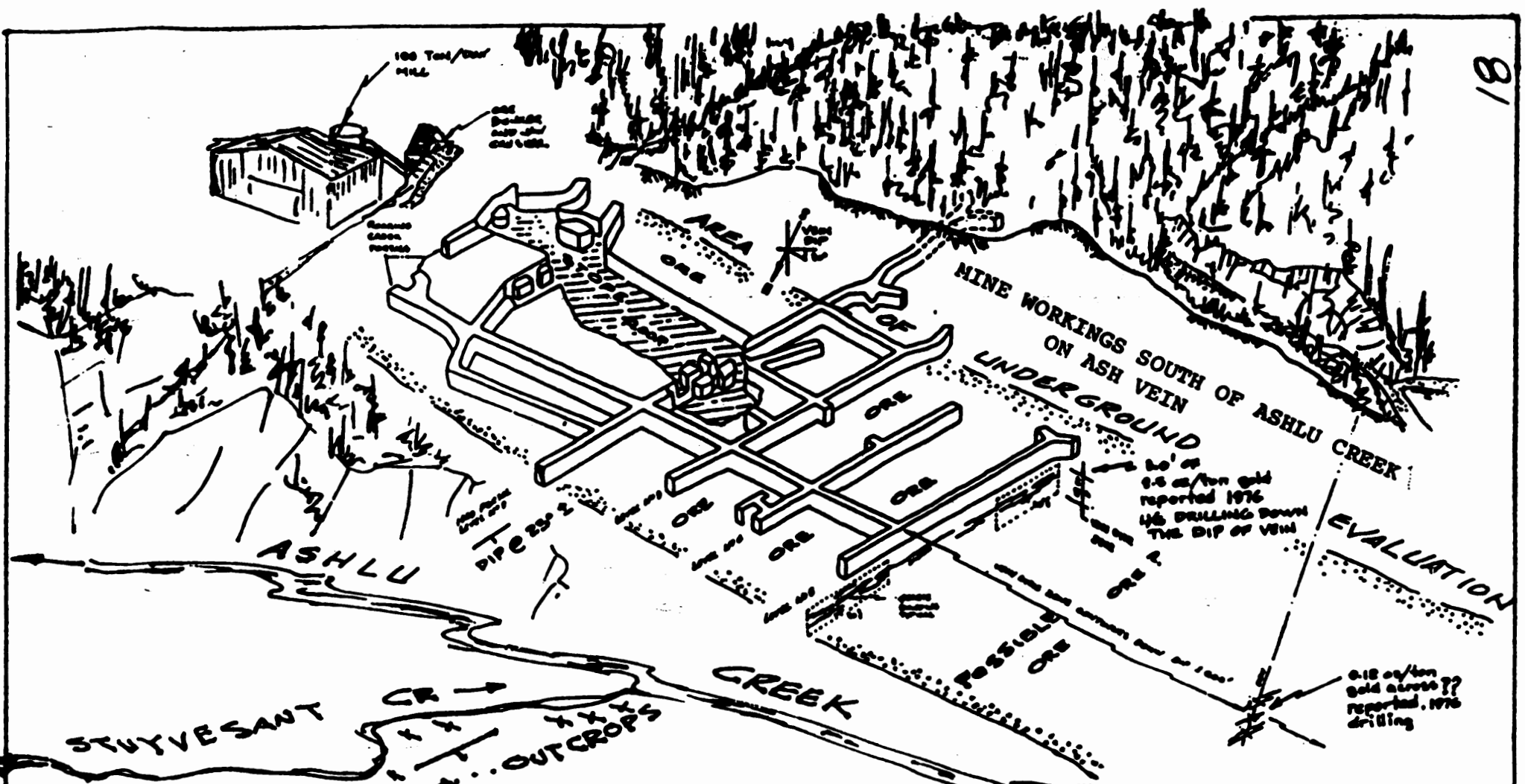
Channel sample assays, taken along the drift at the 1440 Level every 6.5 feet across the face and back for a distance of 300 feet indicate a 150-foot section along the strike of the vein with a weighted assay average of 0.632 oz/ton gold over 3 feet. Another 35-foot section averaged 0.151 oz/ton over 1 foot. These sections include high grade samples taken from the face and back of the vein (see table).

<u>STATION</u>	<u>OZ. GOLD/T</u>	<u>OZ. SILVER/T</u>	<u>CHANNEL'</u>	<u>Ore reserves</u>
40 E	2.683	1.84	3 feet	'based on recent
68 E	9.217	4.20	1.5	'exploration result
52 W	1.692	1.05	3	'are estimated at
62 W	5.13	3.12	2	'98,500 tons grading
28 W	2.377	2.19	4	'0.25 oz.gold/t.

-----'In their appraisal of the main ore shoot (SEE DRAWING OVERLEAF) Cooke Geological Consultants Ltd. used a 3.3-foot width and 0.10 oz/ton gold as cut-off grade. The estimated is based on uncut and undiluted ore. Of the total reserve, 8,500 tons are proven and contain 2,160 ounces of gold, 30,000 tons are categorized possible in the footwall and contain 7500 ounces, and 60,000 tons are categorized possible in the hanging wall and contain 15,000 ounces. At US \$460 per ounce, the total 24,660 ounces of gold estimated in all categories have a gross value of US \$11,343,000.

Mr. Chapman says it is planned to explore the tunnel and veins that outcrop along the Stuyvesant Creek zone which extends north along the same strike and dip as the Ash veins in the main workings on the south side of Ashlu Creek. (SEE DIAGRAM OVERLEAF). This could add 200,000 tons to the above estimate.

Mr. Chapman reports that the existing mill facilities could be made operational for about \$250,000 Cdn. and, along with the present access to the existing levels of the main workings, a low budget and profitable operation is considered possible at this time.



ASH VEIN

OUTCROPS & PORTAL ON ASH VEIN NORTH OF ASHLU CREEK

POTENTIAL ORE ZONE: **

OVERALL STRIKE DISTANCE OF THE ASH VEIN APPROXIMATELY 1700 FEET, DIP WEST @ ± 25° WIDTH OF VEIN-DYKE ZONE IS ABOUT 15 FEET BETWEEN HANG WALL AND FOOTWALL SHEARS.

POSSIBLE 200,000 TONS OF ADDITIONAL ORE RESERVES **

No. of Sample	Width Sampled (ft)	Gold (oz/t)	Silver (oz/t)	Copper (%)	Location of Sample
4	3.50	0.04	0.10	Trace	From the 30-foot drift on the north side of the main river,* exclusive of 16 inches of solid sulphides which assays high in gold and silver.
5	1.00	0.16	0.50	Trac	
6	4.50	0.29	0.83	0.23	
7	4.50	0.06	0.30	Trace	
8	0.66	2.52	7.90	Trace	
9	1.00	0.06	-	-	From outcrop above portal of 30-foot drift.

R TENNILLE RESOURCES LTD.
 685 - 7th WEST PENDER STREET, VANCOUVER, B.C. V6C 1H2
 TEL: (604) 684-7281

ASHLU GOLD MINE
 25 MILES NNW OF SQUAMISH, B.C.

0.18 oz/ton Gold across ?? reported, 1976 drilling

30' of 0.5 oz/ton gold reported 1976 1/2 DRILLING DOWN THE DIP OF VEIN

EVALUATION

MINE WORKINGS SOUTH OF ASHLU CREEK ON ASH VEIN UNDERGROUND

CREEK

ASHLU

STUYVESANT

OUTCROPS

100 TON/DAY MILL

SEE DRAWING EAST SIDE OF VEIN

REMOVE GADON PORTALS

AREA OF

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