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CANEX AERIAL EXPLORATION LTD.

GEOLOGY AND ORE RESERVES OF THE GIBRALTAR - POLLYANNA COPPER MOLYBDENUM DEPOSITS

VOLUME I

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CANEX AERIAL EXPLORATION LTD.

GEOLOGY AND ORE RESERVES
OF THE GIBRALTAR-POLLYANNA
COPPER-MOLYBDENUM DEPOSITS

Volume I
May 1970

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INTRODUCTION

The following report is based on work carried out on the adjoining Gibraltar and Pollyanna properties. The majority of this work was carried out by Canex Aerial Exploration's personnel between May 7, 1969 and March 15, 1970. Canex Aerial is the operator in a joint venture between Duval Corporation and Canex Aerial. Previous work was carried out on the Gibraltar property by personnel of Gibraltar and Cominco, and on the Pollyanna property by employees of Duval Corporation and Canex Aerial.

The speed and efficiency of the field work is largely due to personnel working under the direction of Mr. S.J. Tennant, ably assisted by Mr. D. McIntosh and Mr. P. Beaudoin. Mr. Tennant was given management assistance by Mr. W. S. Pentland, Project Supervisor of Canex Aerial and geological direction and assistance by Dr. A. D. Drummond. Many helpful suggestions were received from Dr. R. E. Gale of Duval Corporation's Vancouver office. Various people have contributed to different sections of this report. The major contributors are the following:

Dr. Drummond, Geology and Mineralogy
Mr. Pentland, Sampling and Assaying
Mr. Tennant, Ore Reserves on both Bench Plans and Vertical Section Geological Reserves.

Mr. Tennant worked closely on the ore reserves with Mr. M. P. Lipkewich of the Computer Section of Placer's Engineering Department.

Grateful acknowledgement is made of the valuable services rendered by the geologists, engineers and technical assistants associated with the project who are not mentioned above.

Respectfully submitted,

D. C. Rotherham

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Exploration Manager - Western Canada

DCR/ric

SUMMARY

The exploration program carried out within the last year consisted of over 124,000 feet of diamond drilling. This has shown the presence of two new zones of mineralization and has extended and upgraded the previously known Pollyanna zone. The new zones are the Gibraltar East and Granite Lake orebodies. Both are near the Pollyanna border and extend on to the Pollyanna property. The Granite Lake zone also extends on to the property of Gunn Mines Ltd. All of these orebodies occur on Granite Mountain in a similar setting within the same geological environment. The three mineralized zones occur in an area of gently rolling topography suited to open pit mining. This area is within eight miles of Highway 97, the Pacific Great Eastern Railway and the Fraser River at Marguerite. It is within six miles of a gas pipeline and within eight miles of the main power transmission line from the Peace River Project.

The following table summarizes mineable ore reserves for the various zones using a 0.25 percent Cu cut-off. The reserves as shown are limited by pit design and are therefore less than the geological reserves.

	Tons	% Cu	% MoS_2
Gibraltar East Zone			
Ultimate pit	96,600,000	0.39	0.014
1st stage pit	32,500,000	0.46	
Pollyanna Zone			
Ultimate pit	63,800,000	0.37	0.018
1st stage pit	40,500,000	0.39	
Granite Lake Zone - Gibraltar Portion (Preliminary)			
Ultimate pit	35,600,000	0.42	0.016
1st stage pit	23,700,000	0.42	

The grades used in the calculation of ore reserves have been checked for reliability by the following procedures:

1. Check assaying of pulps by other assayers;
2. Drilling of 6-inch rotary holes adjacent to the diamond drill holes;
3. Assaying the second half of the core;
4. Sludge sampling;
5. Mill testing of rotary cuttings and core rejects.

This testing for reliability has revealed several problem areas. These do, however, appear explainable and to a large extent are self-cancelling.

In summary, the grades used in ore reserve calculations are considered to be reliable and perhaps a little conservative.

LOCATION AND ACCESS

The Gibraltar-Pollyanna copper-molybdenum deposit is in the Cariboo District of B.C., some 225 air miles due north of Vancouver. It lies on the western slope of Granite Mountain, 27 air miles north of Williams Lake, B.C. Latitude and longitude are 52°30'N and 122°16'W respectively. (See Location Map, Figure 1).

The property is readily accessible by 12 miles of gravel road from McLeese Lake which is 28 miles north of Williams Lake, B.C., on Highway 97.

Topographic relief is moderate as elevations on the property range from 3300 to 4100 feet.

CLIMATE

Climate is generally dry with extreme temperature fluctuations. Temperatures recorded at Williams Lake airport (3088 feet elevation) for the last 10 years indicate a mean daily temperature of 43.5° F with a maximum of 106° F and a minimum of -43° F.

Precipitation records at the Williams Lake airport are:

1. Mean rainfall, 10.84 inches,
2. Mean snowfall, 40.9 inches,
3. Mean total precipitation, 14.93 inches, and
4. Maximum precipitation in a 24-hour period, 2.00 inches.

The months of June, July, August and September are generally frost-free. Snow generally covers the ground from the beginning of December to the end of April. Snow at the mine site will probably have a maximum depth of three to six feet.

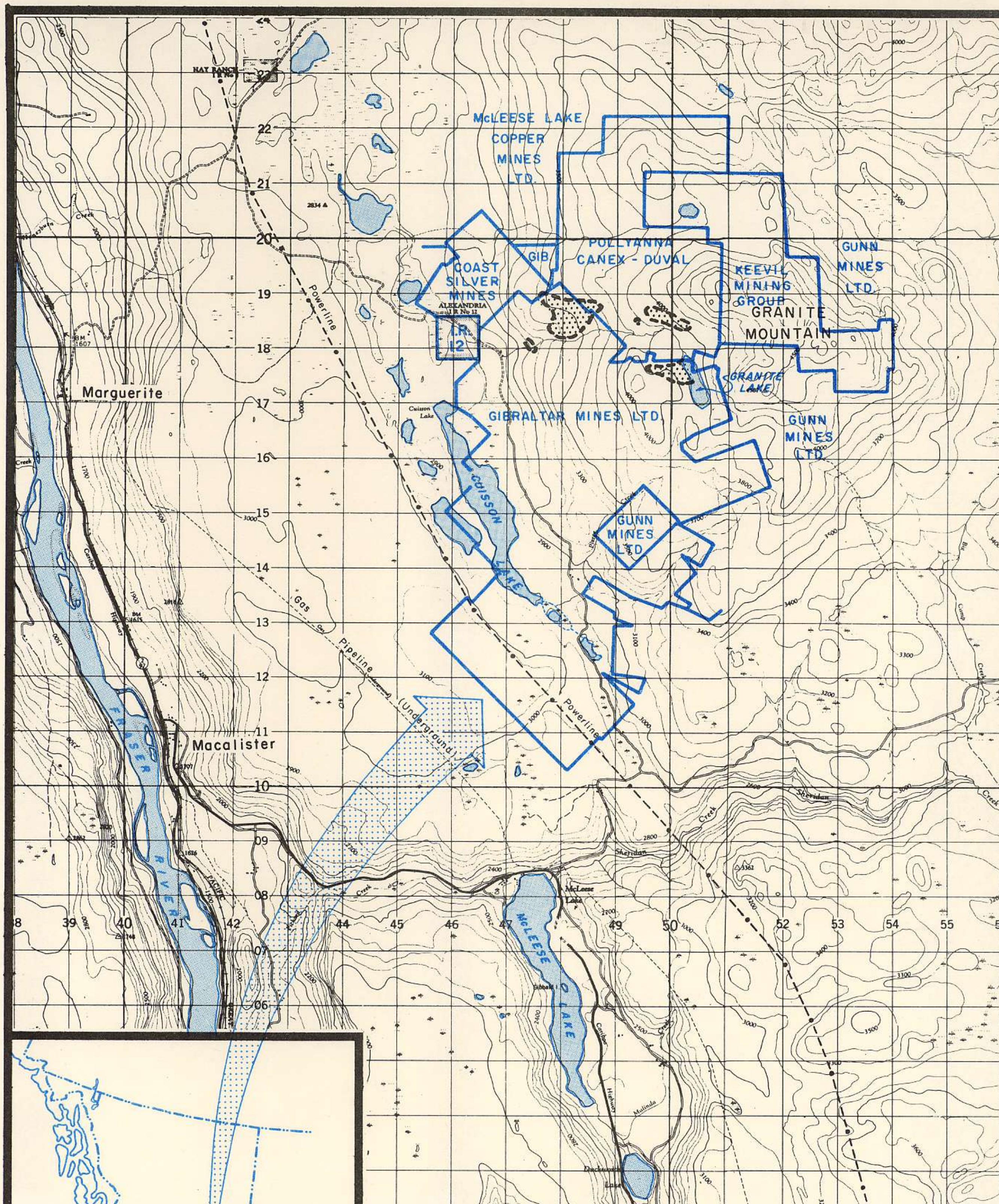

FIGURE 1

CANEX AERIAL EXPLORATION LIMITED

LOCATION MAP

SCALE: 1" = 1.6 miles   15 April 1970

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WATER AND POWER

An adequate water supply for drilling was obtained from Granite Lake and, seasonally, from Granite Creek.

A preliminary study on water supply for milling purposes is outlined by W. Allen Ker of Ker, Priestman, Keenan and Associates Ltd. The report suggests a water supply from either the Fraser River near Marguerite, B.C., or from a dam site at Ben Lake on Beedy Creek approximately eight miles east of the property.

The 230,000-volt main transmission line connecting the B.C. Hydro power grid with the Bennett Dam on the Peace River runs four miles west of the Gibraltar mine site. It is likely, however, that B.C. Hydro will not allow a connection to this line and will require power to be drawn from the 69,000-volt line eight miles west of the mine site at Marguerite.

West Coast Transmission Co. has a natural gas pipeline within six miles of the property.

HISTORY

The Gibraltar and Pollyanna properties have been developed independently since their discovery around 1920. The two properties received combined exploration programs in 1969.

Gibraltar Property

Work was initiated at Granite Creek in 1927 and was known as the Hill property (B.C.M.M. report 1928). The property was dormant until 1957 when Kimaclo Mines Ltd. (N.P.L.) drove a 110-foot adit on the mineralized shear that was reported in 1928, and which was to develop into the Gibraltar West zone. The property was then known as the Sunset showings. Drilling by Kimaclo Mines extended the mineralization in the adit to the northwest. During 1958, Kimaclo sold the property to Major Mines Ltd. (N.P.L.). Major Mines allowed the claims to lapse and the property was then staked by J. Hilton on January 1, 1962. In 1962, Keevil Mines outlined geochemically anomalous zones east of the Sunset adit. At the same time, Huntec Surveys completed induced polarization surveys in the area and suggested a northwest extension of the adit zone. During 1964, Gibraltar Mines Ltd. (N.P.L.) acquired the property from Hilton. Gibraltar Mines commenced a drilling program in 1965 to test the Keevil geochemical anomaly and the I.P. anomaly. As a consequence, Cominco optioned the property in May, 1966 and outlined the present Gibraltar West zone. Cominco and Mitsubishi Mining Co. unsuccessfully attempted to extend the Gibraltar West zone in 1967 and the option was terminated. Gibraltar Mines optioned and drilled the adjoining property (to the northwest) of Coast Silver Mines Ltd. Gibraltar Mines drilled several holes in late 1968 and early 1969 near the adjacent Pollyanna property of Canex-Duval. The results of these holes brought about an option agreement with Canex-Duval, and consequently, the development of the Gibraltar East orebody.

Pollyanna Property

The Pollyanna property was first described as the Rainbow Group in 1918 and has been known as Pollyanna since 1925 when it was reported to be a 60-foot wide shear zone within a "granodiorite" intrusive [B.C. Min. Mines reports 1918 and 1925, G.S.C. Memoir 118 (1920)]. Claims staked adjacent to the Pollyanna showing were (1) Manderfield claim, (2) Conway claim to the north, and (3) Copper Queen group to the south in 1929. Scattered copper values were found over 2000 feet along a NW-SE trend.

In 1949, the Copper King claims were staked on the former Pollyanna, Manderfield and Conway claims, and a 1000-pound shipment of 10.5 percent Cu was sent to Tacoma, Washington.

Kimaclo Mines restaked the Pollyanna showing and vicinity during 1954 to 1956, then allowed it to lapse. Mr. Robert Glen staked the property during early 1963. Keevil Mining Co. in 1963, held an option on Pollyanna during which they performed geochemical and induced polarization surveys and drilled two holes. Duval Corporation acquired the option from

R. Glen in 1964. By the end of 1966, Duval had partially defined 20 to 30 million tons of low grade copper mineralization. During 1967, Canex Aerial Exploration Ltd. and Duval Corporation participated on an equal basis to further explore the Pollyanna property which culminated in the development in 1969 of the Pollyanna orebody.

REGIONAL GEOLOGY

Geology of the Quesnel-Williams Lake area can be separated by the north-south trending Fraser River fault system. To the east of the above fault, lower Paleozoic rocks outcrop in the vicinity of Quesnel Lake. Westward from Quesnel Lake are broad bands of Triassic and Permian rocks while to the west of the Fraser fault, Tertiary volcanic rocks are abundant. The northwest trending geosynclinal rocks on the eastern side would appear to be uplifted relative to the western side of the Fraser River fault system (see Figure 2).

In the vicinity of Granite Mountain, the oldest rocks are regionally metamorphosed sedimentary and volcanic rocks of the Cache Creek group of Permian age.

Batholithic intrusives of Jurassic-Cretaceous age intruded the Cache Creek group in the Granite Mountain area. An intermittent north-south trending line of batholithic rocks outcrop from Prince George on the north to as far south as McLeese Lake. These rocks occur along the east side of the Fraser River fault system. The batholiths are composed of granodiorite, quartz diorite, diorite and gneissic varieties of the above rocks. In the immediate vicinity of Granite Mountain, a regionally foliated and metamorphosed quartz diorite occurs which has a chlorite-rich diorite margin against rocks of the Cache Creek group. Calcareous members of the latter show locally some skarn development adjacent to the diorite contact. It is within the regionally metamorphosed and foliated quartz diorite that the Gibraltar-Pollyanna copper-molybdenum deposits occur (see Figure 3).

LEGEND

9 + 8: PLEISTOCENE and RECENT

Till, gravel, sand, and clay.

7: MIOCENE + PLIOCENE

Basalt

6 + 5: EOCENE and/or OLIGOCENE

Basalt, tuff, breccia, conglomerate, shale, and sandstone.

4: PALEOCENE and/or EOCENE

Rhyolite, dacite, tuff, and breccia.

1: PERMIAN
Cache Creek Group

Chert, argillite, limestone, and greywacke.

INTRUSIONS

A: JURASSIC-CRETACEOUS

Granodiorite, diorite, quartz diorite, and related gneisses.

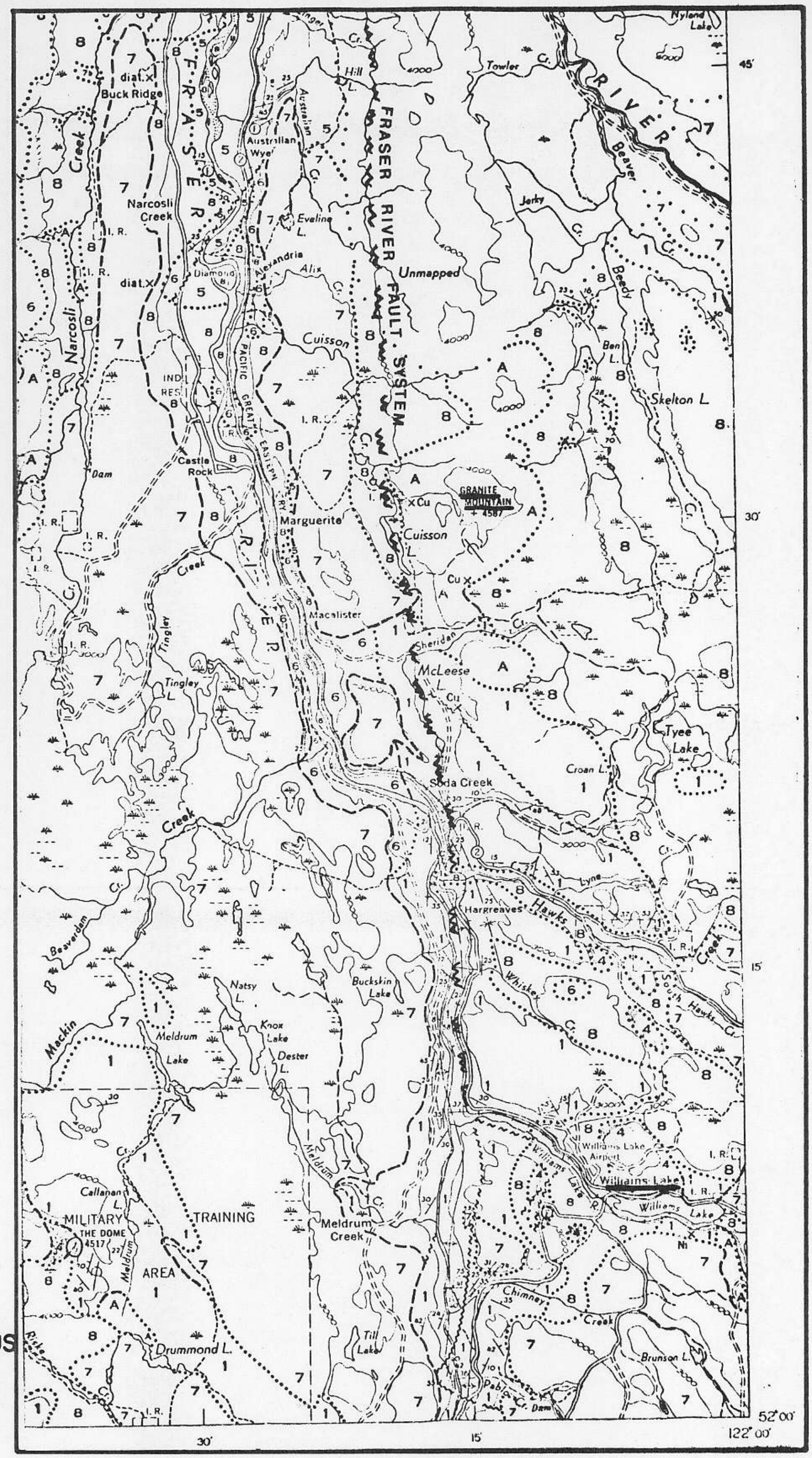

FIGURE 2

CANEX AERIAL EXPLORATION LIMITED

REGIONAL GEOLOGY

SCALE: 1" = 4.8 miles (approx.) 16 April 1970

psh

Near McLeese Lake, Eocene and/or Oligocene volcanic rocks rest unconformably on Cache Creek group rocks, and in turn are overlain by relatively undeformed plateau-type basaltic rocks. The basaltic rocks are of Miocene and possibly Pliocene age. Basaltic flows outcrop west of Cuisson Lake and trend north-south parallel to the Fraser River fault system.

Pleistocene and Recent gravels and glacial debris now cover most of the surface such that the outcrop area is locally less than 5 percent.

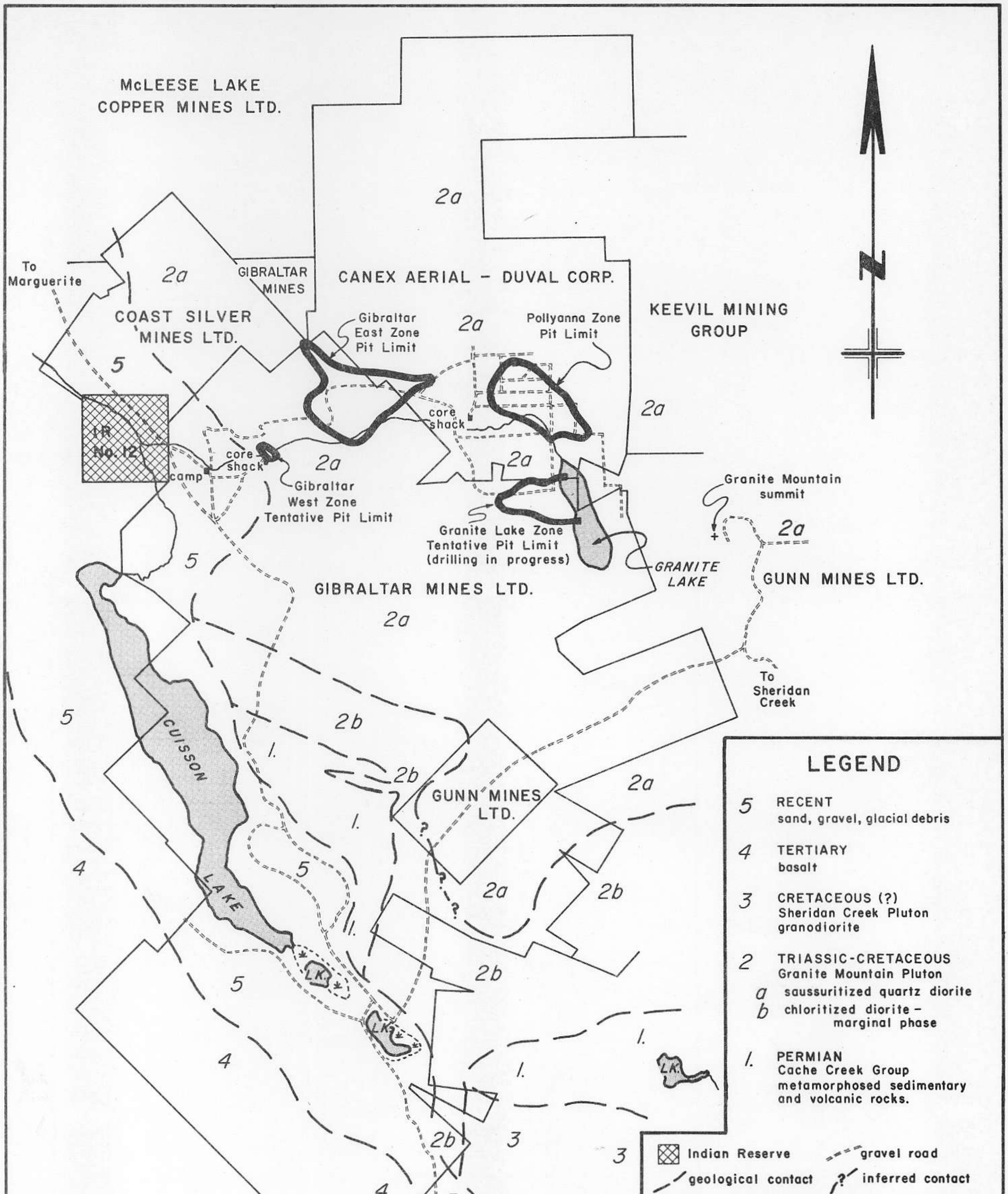

FIGURE 3

CANEX AERIAL EXPLORATION LTD.

GENERALIZED GEOLOGICAL MAP
GIBRALTAR - POLLYANNA AREA

DRAWN BY: P.S.H.   21 APRIL 1970

GEOLOGY OF THE GIBRALTAR-POLLYANNA COPPER-MOLYBDENUM DEPOSITS

The copper-molybdenum deposits of the Gibraltar East zone, the Pollyanna zone and the Granite Lake zone are entirely within a foliated and regionally metamorphosed quartz diorite which is herewith termed the Granite Mountain pluton.

Regional Metamorphism of the Granite Mountain Pluton

The quartz diorite host is extremely uniform in its mineral assemblage. The rock is composed of quartz (25 - 30%), "plagioclase" which is presently a mixture of albite-epidote-zoisite-muscovite (50 - 55%, chlorite (20%) which originally was biotite with minor hornblende and disseminated magnetite (1% or less). Grain size is generally 1 - 2 mm. This rock may be classified as a saussuritized quartz diorite. The present silicate assemblage is compatible with those of the greenschist facies of regional metamorphism.

Locally, shear zones within the above rock indicate an assemblage of quartz-feldspar-(oligoclase?)-muscovite which physically appears to be a schist in hand specimen. Another assemblage which occurs only rarely is quartz-feldspar-(oligoclase?)-garnet-chlorite.

The presence of oligoclase and garnet are not compatible with the greenschist facies but are only slightly higher in metamorphic grade. The control for these and the above mentioned assemblages is temperature and water pressure. Since the regional foliation and regional metamorphism developed simultaneously, the occurrence of a different water pressure along shear zones is sufficient to explain the metamorphic assemblages present and to explain why the latter assemblages are restricted to shear zones.

The only rocks encountered in the Granite Mountain pluton which were not regionally metamorphosed are a quartz-feldspar porphyry and an aplite. The porphyry is composed of quartz phenocrysts (2 - 4 mm.) (30%) and plagioclase phenocrysts (2 - 4 mm.) (5 - 10%) in a white aphanitic matrix (60 - 65%). The aplite has a typical sugary texture and is composed of quartz (30%), feldspar (65%) and chloritized biotite (5%). These rocks are both dykes and are intrusive into the saussuritized quartz diorite.

Regional Foliation

The major structural feature associated with the metamorphism is the foliation which strikes about 110° and dips 20 - 30° southerly. Foliation is a result of cataclastic deformation within the Granite Mountain pluton. Locally, within shear zones, the foliation becomes extremely contorted and at times completely obliterated.

Mineralization

The following mineralized veins cross-cut or locally parallel the foliation and are listed in chronological sequence (i.e., the first listed is cress-cut by the next listed feature or older features are cut by younger).

Stage 1.
- a) quartz-pyrite ± chalcopyrite WITH a sericitic envelope.
  (Sericite envelope assemblage is quartz, sericite, pyrite ± chalcopyrite with all saussuritized feldspar being made over to sericite-clay (?) mixture);
- b) quartz-chlorite-pyrite-chalcopyrite-magnetite ± carbonate WITH a chloritic envelope.
  (Chlorite envelope assemblage is quartz, chlorite, pyrite ± chalcopyrite with a pronounced absence of epidote in the saussuritized feldspar);

Stage 2.
- a) quartz-chlorite-pyrite ± magnetite;
- b) quartz-chlorite-pyrite-chalcopyrite-epidote ± magnetite;
- c) quartz-chlorite-pyrite-epidote ± magnetite;
- d) quartz-chlorite-pyrite-chalcopyrite ± magnetite;
- e) quartz-chalcopyrite-bornite ± pyrite (restricted to porphyry area between Pollyanna and Granite Lake zone) (all with ± carbonate)

Stage 3. quartz-molybdenite-chalcopyrite-pyrite $\pm$ magnetite $\pm$ carbonate;

Stage 4. bull quartz-fine grained chlorite blebs-chalcopyrite blebs.

Hydrothermal Alteration associated with Mineralization

Sericitic and chloritic envelopes which are associated with Stage 1 veins are definitely of hydrothermal origin.

A second hydrothermal feature is only observed microscopically. Under regional metamorphism of the greenschist facies, plagioclase in the original quartz diorite has been reconstituted to a mixture of ablite-epidote/zoisite-sericite (minor). A suite of rock samples across the Pollyanna and Gibraltar East zones were examined petrographically by Mr. Yale Simpson who discovered that the sericite-epidote ratio in the saussuritized feldspar increased directly with copper values across the mineralized zones.

Relationship of Mineralization to Regional Foliation

Veins outlined above are superimposed on each other as well as on the regional foliation. The above indicates the complete separation of the two geological events, that is, the foliation preceded the mineralization.

Supergene Zone

Throughout the entire mineralized area, there is a leached zone above the supergene copper zone but it is irregular in development and thickness. A weak to strong development of limonite is characteristic of this zone.

Supergene copper minerals occur throughout the entire mineralized zone to some degree. Supergene copper minerals include chalcocite with minor amounts of native copper, azurite, malachite, cuprite and traces of covellite. Occurrence of chalcocite is generally as coatings on pyrite, on chalcopyrite and pyrite or as small discrete chalcocite grains within vuggy mineralized veins near surface.

The best chalcocite development is along the northern half of the Gibraltar East zone and along the southern half of the Pollyanna zone. The better chalcocite development is probably related to a fracture pattern similar to that shown in Figure 6. Chalcocite within the Granite Lake zone is more erratically distributed such that a chalcocite-bearing zone is only weakly present.

STRUCTURE WITHIN THE GRANITE MOUNTAIN PLUTON

In order to understand the role of regional foliation, mineralization and porphyry intrusion, the following structure hypothesis is presented.

It is assumed that the important structural block in the Granite Mountain area is bounded on the west by the northerly trending Fraser River fault system, on the east by a parallel fault between Granite Mountain and Beedy Creek, on the south and north by east-west trending faults which are related to the east-west Quesnel Lake structural break.

The progressive development of the mineralized structure is outlined in the following diagrams (Figures 4, 5 and 6). Figure 4 shows the fracture pattern developed by a couple on the inferred structural block provided that the area is geologically uniform. Figure 5 shows the fracture pattern within the structural unit when the stress within the block is disrupted by a structurally more competent "core". The "core" area is defined as that area from which drill holes have intersected porphyry dykes. Note that the regional foliation precedes mineralization and that the "core" area is aligned more or less parallel to the regional foliation. Figure 6 shows the relation of the inferred structural pattern and the location of open pits.

Relationship of I.P. Response and Structure

Induced polarization surveys were used to gain some insight inte the overall scale of the imposed structural setting. Figure 7 outlines the I.P. response (PFE at n = 1 with a = 300') and indicates a broad zone trending parallel to the regional foliation across the northern

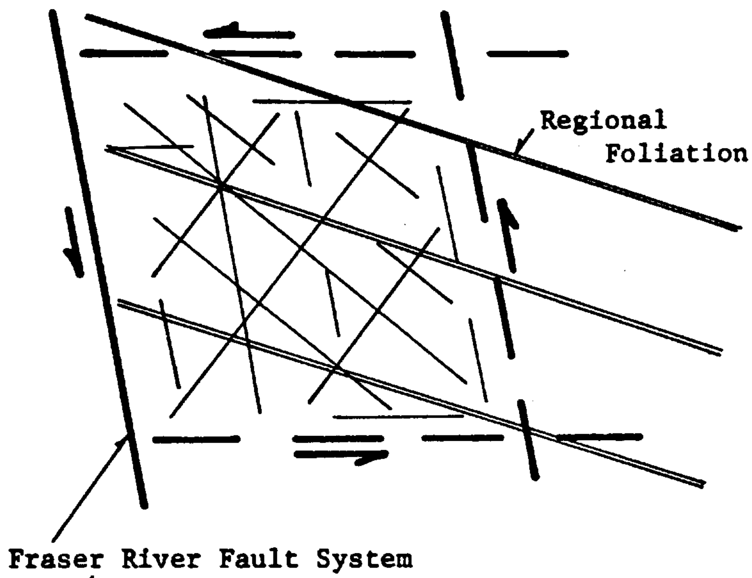

FIGURE 4: Diagram Showing Uniform Fracture Pattern Developed By A Shear Couple Acting On The Inferred Structural Unit Block. (Regional foliation is related to a larger structural block.)

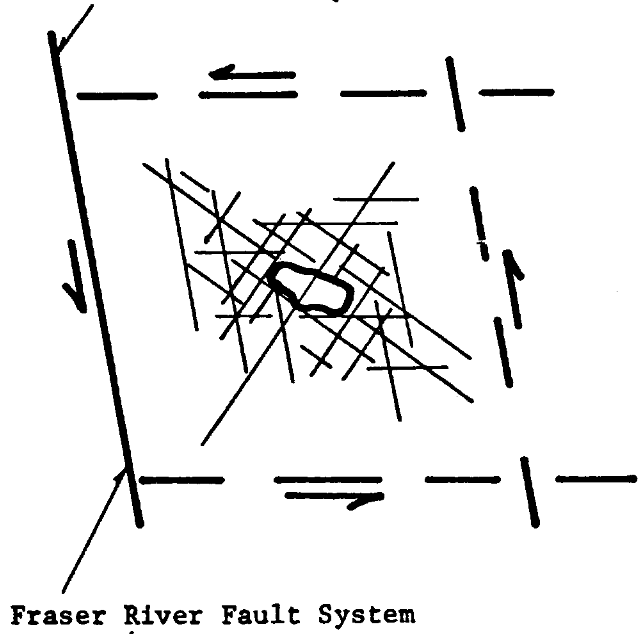

FIGURE 5: Diagram Showing Non-Uniform Fracture Pattern Developed Around A Structurally More Competent 'Core' By A Shear Couple Acting On The Inferred Structural Unit Block. ('Core' is defined as the area in which drill holes have intersected porphyry dykes.)

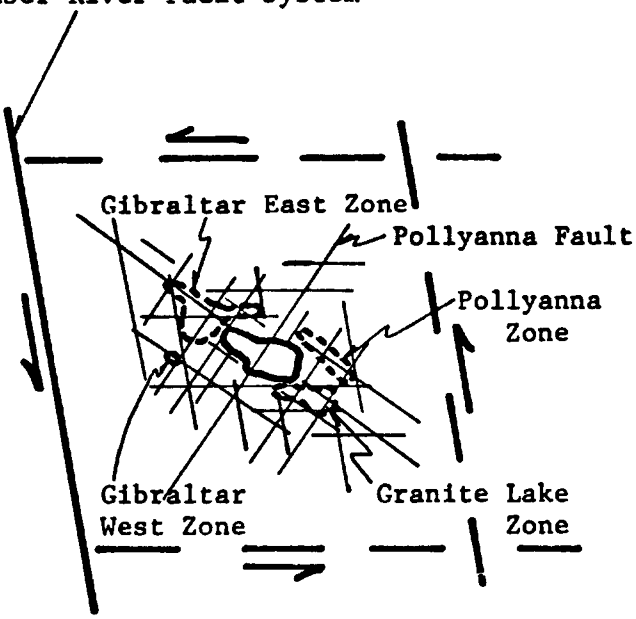

FIGURE 6: Diagram Showing The Location Of The Open Pit Copper-Molybdenum Deposits Within The Inferred Fracture Pattern Around A Structurally More Competent Core.

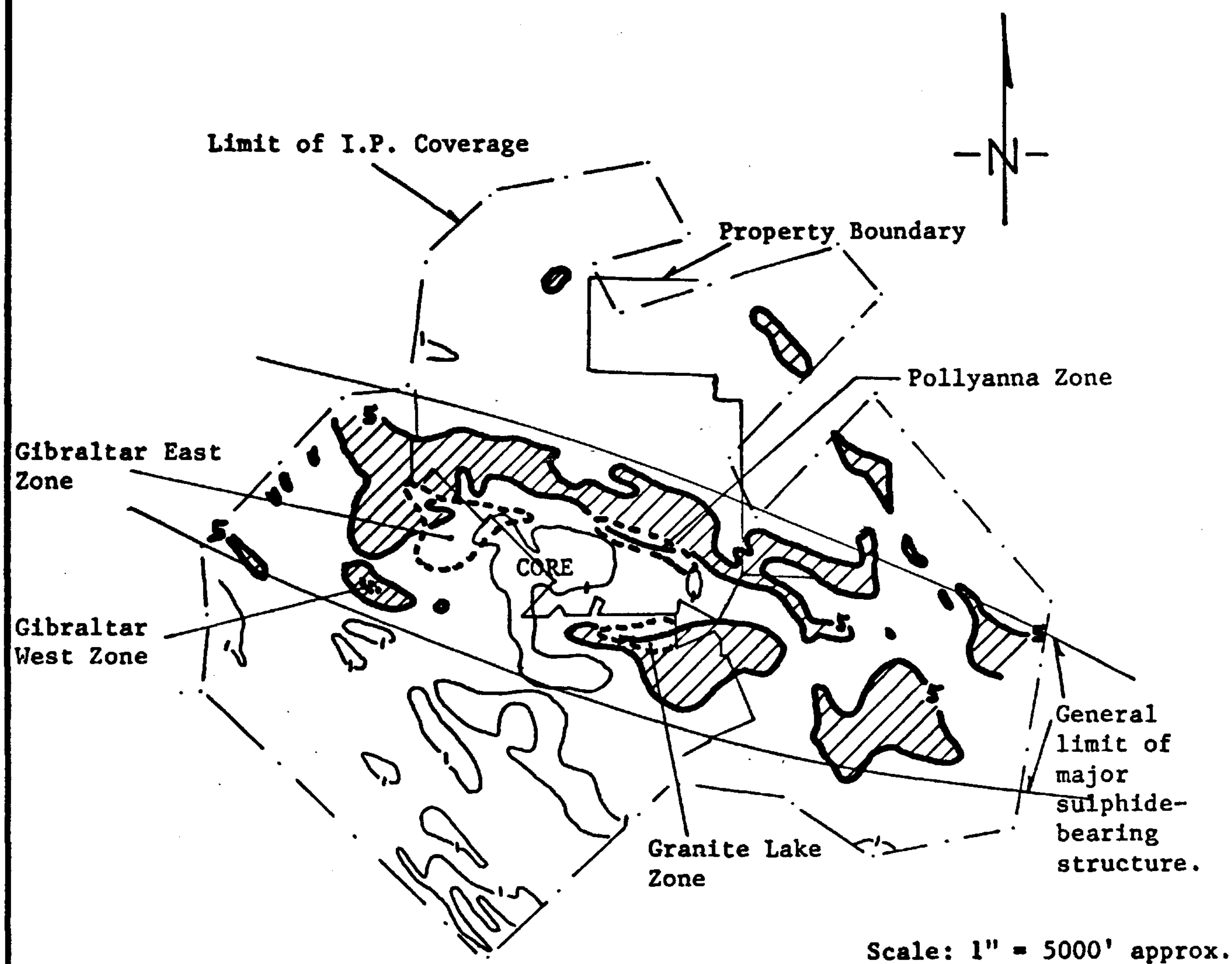

FIGURE 7: Diagram Showing Generalized Induced Polarization Map And The Relationship Of The Porphyry Core To The Limits Of The Major Sulphide-Bearing Structure. Pit Outlines For The Various Zones Are Shown. (n = 1, a = 300', 5 PFE or greater, 1 PFE or less, non-contoured area is between 1 - 5 PFE)

portion of the Gibraltar property and across the southern portion of the Pollyanna property. The zone is three to four miles long and approximately one mile wide and has an area of low I.P. response (less than 1 PFE) situated within the middle of the zone. The pattern is essentially a low I.P. centre surrounded by a higher I.P. rim (5 to 10 PFE) of rough elliptical shape which is elongated parallel to the regional foliation.

Relationship of I.P. Response, Mineral Zoning and Structure

It should be noted that the Gibraltar East zone, Pollyanna zone and Granite Lake zone are situated along the inner side of the higher I.P. response rim such that in general, the copper values are approximately between 2 to 6 PFE. This is diagrammatically shown in Figure 8. Mineral sequence outward from porphyry-bearing barren core is as follows: (1) minor chalcopyrite, minor bornite, ± minor pyrite (low sulphide area); (2) pyrite-chalcopyrite or chalcopyrite-pyrite; (3) pyrite-minor chalcopyrite. The latter is generally associated with numerous sericite envelopes such that the outer zone may equally well be termed a pyrite sericite zone. Molybdenite-bearing veins are scattered throughout the zones, but locally may show an increase with an increase in copper values.

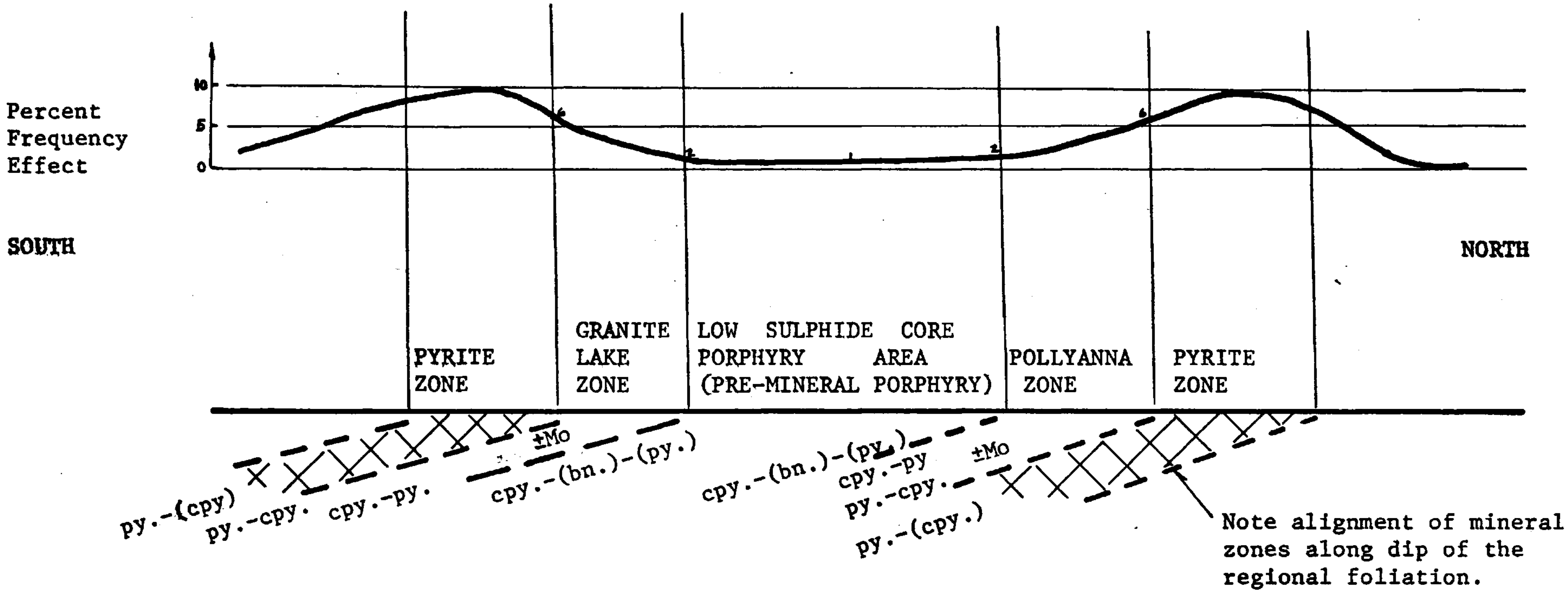

FIGURE 8: Diagrammatic North - South Cross-Section Of The Pollyanna And Granite Lake Zones Showing The Relationship Of I.P. Response, Primary Sulphide Mineral Zoning, And Location Of The Respective Open Pits. (py. = pyrite, cpy. = chalcopyrite, bn. = bornite, Mo = molybdenite, brackets indicate minor amount, if no brackets then both minerals are present in approximately equal amounts.)

GEOLOGICAL SUMMARY

The following geological events are chronologically outlined below:

1) The Granite Mountain pluton intruded Cache Creek group rocks during Jurassic-Cretaceous time.

2) Deformation of the general area has produced simultaneous development of (a) regional foliation, and (b) regional greenschist facies type of metamorphic assemblages within the quartz diorite of the Granite Mountain pluton.

3) During continued deformation, quartz-feldspar porphyry intruded the pluton which formed a structurally more competent core.

4) During further deformation, a fracture pattern developed around the structurally more competent core. This fracture system which is imposed on, and partly controlled by, the regional foliation contains a wide but regionally restricted sulphide zone. Within the sulphide zone, a chalcopyrite-secondary chalcocite-molybdenite zone occurs between the low sulphide core and a pyritic halo.

5) At some later time, movements on the Fraser River fault system have uplifted the Granite Mountain pluton. Relatively downdropped areas were filled by Tertiary volcanism. Weathering under arid conditions caused a leached zone and an underlying zone of secondary enrichment.

6) Recent glacial activity has deposited till and gravel over the entire area of the Gibraltar-Pollyanna copper-molybdenum deposits.

SURVEYING

The exact location of claim boundaries is especially important in this area due to orebodies occurring along and near property boundaries. In order to clarify the property picture, locate boundaries accurately, and assure that no open fractions existed, the firm of McElhanney Surveying and Engineering was employed to survey all claims in the vicinity of the ore zones. This survey has been done to legal standards and only the cutting of boundary lines is necessary before the claims may be brought to a lease status. This work revealed staking conflicts and it was therefore decided to extend the survey in order to determine that land title was sound for areas adjoining the orebodies. This has been done and it was found that the Pollyanna claims, and the surveyed portions of Gibraltar, were in good standing. Tape and compass surveys were carried out on adjoining ground under option, and all irregularities encountered were covered by subsequent staking. These surveys give us the knowledge that our claim ownership position in the main areas of interest is secure.

SAMPLING AND ASSAYING

During the past year, a total of 124,106 feet of drilling in 194 holes was completed on the Pollyanna-Gibraltar properties. By far the majority of this drilling was NQ wireline done by Canadian Longyear Ltd. Drilling was generally on a 400-foot grid pattern with some fill-in holes on a 200-foot grid in the areas of higher grade mineralization.

The following summary indicates the drilling on the various ore zones:

Zone	No. of Holes	Footage, 1969-70
Pollyanna	56 holes	29,414 NQWL
Gibraltar East	88 holes	63,639 NQWL
Gibraltar Option, Coast Silver	9 holes	5,369 NQWL
Granite Lake, Gibraltar Portion	41 holes	25,684 NQWL
TOTAL	194 holes	124,106

In addition to the drilling listed above, thirteen 5 7/8" rotary holes with a total footage of 3,404 feet were drilled by Becker Drilling Co. of Calgary.

It should be noted that the rotary drill employed was a reverse circulation type in which all the cuttings are blown by air up the center of the drill stem. This should result in highly reliable samples.

The purpose of using this type of drilling was to obtain bulk samples for metallurgical testing and to have an assay check against diamond drilling. These holes were drilled adjacent to diamond drill holes and located to represent mineralization typical of the two orebodies.

Sample Handling Procedure

Drill Core

On completion of logging, the core was marked into 10-foot sections and split longitudinally into two halves. One half was returned to storage in core racks on the property and the other half was shipped to a laboratory for determination of the copper and the molybdenum sulphide content.

During 1969, the majority of the core went to Loring Laboratories Limited in Calgary, Alberta.

Rotary Cuttings

All of the cuttings were collected in 45-gallon drums lined with polyethylene bags with each sample representing 10 feet of the hole. Since considerable water was produced in some holes, it was necessary to use several drums per 10-foot run to permit settling of the fines and to later decant the water.

The drums of material were then shipped to the Placer Research Laboratories in Vancouver for assaying and use in metallurgical testing.

Two samples for assaying were obtained from each sample representing a 10-foot section. The initial sample was augered from the drum and the second by coning and quartering the cuttings following drying of the sample.

RELIABILITY OF ASSAYS

The majority of all assaying has been done by Loring Laboratories Limited of Calgary, Alberta. Knowledge of the various labs available and previous experience indicated that Loring's work would be reliable.

At various times, selected samples have been sent to other laboratories for check assaying.

Copper

Check assaying for copper content has been done mainly by Canex Aerial and Coast-Eldridge. Some difficulty has been encountered in obtaining consistent checks between Canex Aerial and Loring. Further check assaying is being done in an effort to eliminate the discrepancies. A further report will be issued when the problem has been solved.

Molybdenite

Assaying for molybdenite has also been done by Loring Laboratories Ltd. with checks being run by Canex, Endako and Coast-Eldridge labs. The work by Loring has usually been on composite samples, generally in 50-foot sections.

The checks on individual samples has been only fair, but when averaged together, Loring is a little above the average of the other labs. It should be noted that Loring assays for total molybdenum on a coarse grind while other labs check for molybdenum sulphide only and use a finely pulverized material. The fine pulverizing may form additional oxide material.

The quality of the checks may be further limited by the small amounts of material for which we are assaying.

Test for Core Splitting and Sample Handling Procedure

In order to test the reliability of core splitting and sample handling, the following system was used:

1) Core split and assayed in the normal manner, with one-half of the core being placed in storage;

2) Above sample rechecked by other laboratories so that assays were obtained from Loring Laboratories Ltd., Coast-Eldridge and the Canex laboratory;

3) The half of the core remaining on the property was collected for a number of samples and assays obtained from the three above mentioned laboratories;

4) The three assays on the original half of the core were averaged and compared to the average of the three sets of assays on the remaining half of the core.

A total of 94 check samples (each sample represents 10' of core length) were assayed and of these, four samples were discarded because of suspected core loss from the half of the core which had been left in the core boxes.

The results of the test are outlined in the following comparison.

Comparison of Assay Checks between two halves of the Drill Core

Hole No.	Assay % Cu Original Half of Core Average of Three Assays	Assay % Cu Remaining Half of Core Average of Three Assays	No. of 10' Sections
G-69-102	.41	.37	9
G-69-81	.34	.31	10
G-69-50	.37	.36	10
G-69-32	.34	.31	9
G-69-34	.26	.25	10
G-69-55	.29	.26	8
DDH #112	.31	.30	8
G-69-75	.62	.57	6
DDH #42	.39	.43	10
G-69-25	.32	.33	10
	32.07	30.82	90
Weighted Average	.36	.34	

The difference between the weighted averages for 90 samples is 0.02% Cu.

In order to try to determine where this discrepancy originates, a second test involving an additional 50 samples is presently being run.

In the first test, the pulp for the original sample was prepared by Loring Laboratories and the pulp from the remaining half of the core was prepared by the Canex Laboratory.

In the second test, the pulps from both halves of the core have been prepared by Loring Laboratories in order to eliminate one variable in sampling handling.

DIAMOND DRILL CORE ASSAYS VS. ROTARY ASSAYS

Rotary drill holes were located within a few yards of diamond drill holes. In the comparison of results shown below, all of the copper assays from all the rotary holes in a selected area were compared against all the core assays within the same area.

Most of the core assays were done by Loring Laboratories while all assaying on the rotary cuttings was performed in the Canex Lab.

While results at times varied widely between the rotary cuttings and the core from the nearby diamond drill hole, the overall average copper content was quite close as shown in the assay comparison below. The combined figures for both Gibraltar East and Pollyanna orebodies indicate an increase in the copper content of approximately 6% in the rotary cuttings as compared to drill core.

Assay Comparison between Drill Core and Rotary Cuttings

Zone	Core % Cu	Rotary % Cu
Gibraltar East	0.36 (226) *	0.38 (105) *
Pollyanna	0.34 (204) *	0.37 (114) *

* Number of assays shown in brackets.

NON-SULPHIDE COPPER CONTENT

Non-sulphide copper in the form of malachite, azurite, cuprite and native copper was noted occasionally in the drill core and almost always in very minor amounts. The only substantial occurrence of this type of mineralization was noted in Rotary #2 drill hole from 170' to 230', which averaged 0.49% non-sulphide copper (mostly malachite) out of a total copper content averaging 1.02%. Diamond drill hole G-69-15, 66 feet away, did not cut any "oxide" copper.

The following statistics represent 25 diamond and rotary drill holes from the better grade zones on the Gibraltar East and Pollyanna orebodies. The sections sampled are above 300' in depth and within the ore zone containing at least some chalcocite.

Property	No. of Holes	% Total Cu	% "Oxide" Cu
Gibraltar East	12	0.567 (132)*	0.082 (128)*
Pollyanna	13	0.457 (159)*	0.032 (149)*

* Figure in brackets denotes number of assays

In the Gibraltar East zone, 24 samples of the 128 assayed contained more than 0.100% non-sulphide copper. The 24 samples assayed 0.94% total copper and 0.27% "oxide" copper. When deducted from the total figures shown above, the results for Gibraltar East are 0.485% total copper (108) and 0.038% "oxide" copper (104).

It should also be noted that 52% of the "oxide" copper contained in the 24 samples occurred in eight samples in Rotary #2 drill hole.

Only three samples containing in excess of 0.100% "oxide" copper occurred in the Pollyanna check assaying and these are of no overall significance.

The accuracy of non-sulphide copper assays is in doubt as some chalcocite is believed to go into solution and appear in the oxide assay. It would appear that the importance of the non-sulphide copper content will be determined by mill testing rather than assaying which can be only a general guide.

SLUDGE SAMPLING

Sludge samples were collected from all or parts of 17 drill holes on the Gibraltar East orebody. In general, the recoveries were poor so no combined core-sludge assay was attempted.

In general, the grade of the sludge tends to run somewhat higher than the drill core particularly in the vuggy siliceous sections of the zone of secondary chalcocite mineralization (see Figure 9).

It is apparent from an examination of the core from these sections that some chalcocite has been washed out. Similar action will have, of course, taken place in the walls of the hole. The conclusions are that the sludge from these sections has been strongly upgraded, and that the core has suffered a limited reduction in grade.

Continued washing of the hole in the chalcocite zone is believed to have contributed a minor amount of salting to the sludge assays lower in the hole.

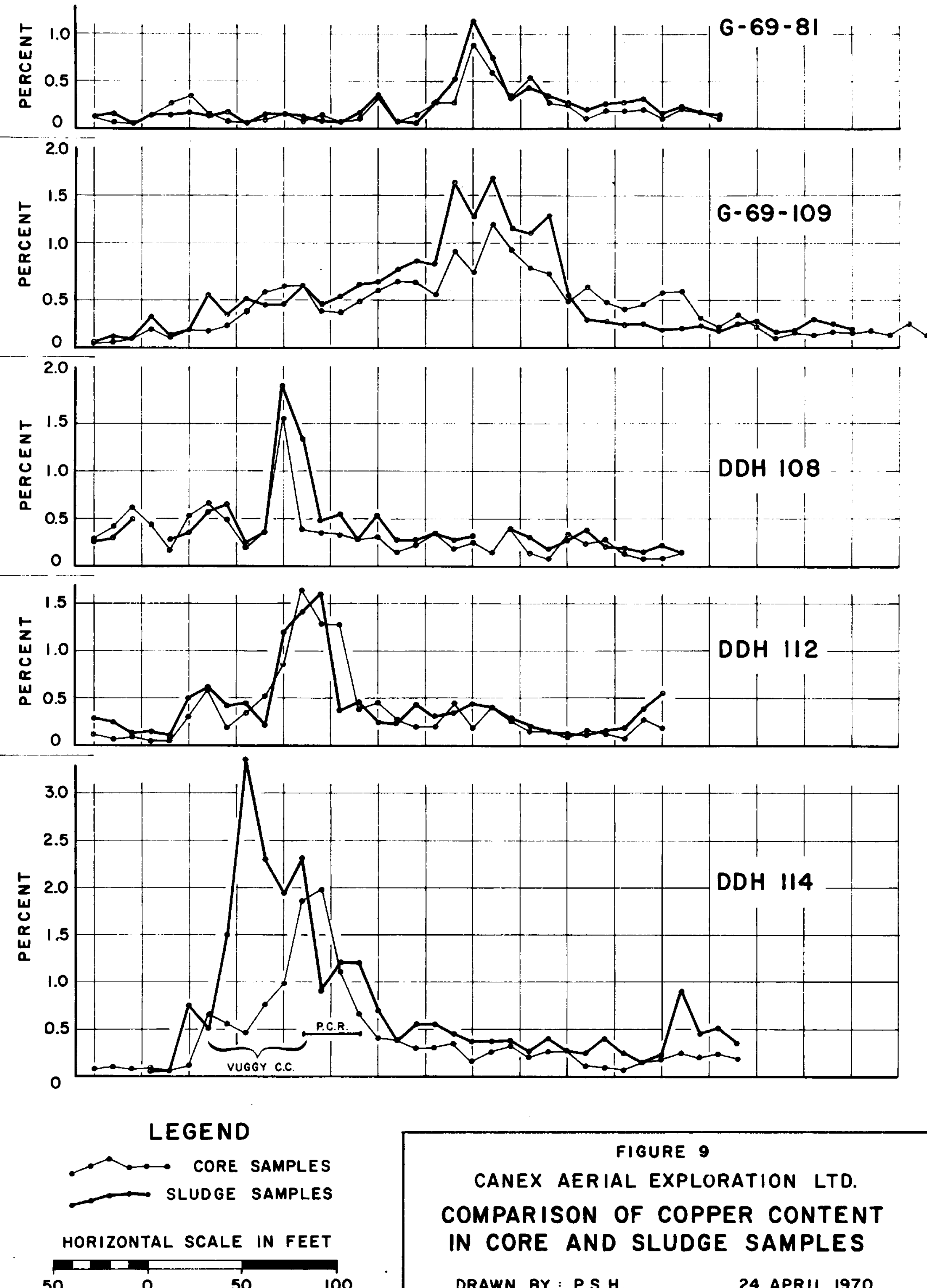

FIGURE 9

CANEX AERIAL EXPLORATION LTD.

COMPARISON OF COPPER CONTENT IN CORE AND SLUDGE SAMPLES

DRAWN BY : P.S.H.   24 APRIL 1970

ORE RESERVES

The mineable ore reserves have been completed by the Placer Computer Section in conjunction with the Exploration Department. The following summarizes the mineable ore reserves based on a 0.25% Cu cut-off and a preliminary ultimate pit configuration.

Mineable Reserves

0.25% Cu Cut-off	Tons	Grade
Gibraltar East zone	96,600,000	0.39
Pollyanna zone	63,800,000	0.37
Granite Lake zone, Gibraltar	35,600,000	0.42

The Exploration Department computed two separate geological ore reserves using vertical sections in one case and horizontal benches in the other.

The following summarizes these measured geological reserves based on a 0.25% Cu cut-off and volumes which are projected beyond the ultimate pit configuration.

Geologic Reserves

0.25% Cu Cut-off	Vertical Sections		Horizontal 50' Benches	
	Tons	Grade	Tons	Grade
Gibraltar East zone	135,018,000	.403	130,140,000	.395
Pollyanna zone	74,324,000	.374	79,520,000	.365
Granite Lake zone, Gibraltar	71,402,000	.384	59,130,000	.384

A. Calculations from Vertical Sections

Calculations were made from 100 scale vertical cross sections using 50-foot bench composites for each zone. Projections were determined by the distance between sections as well as the drill hole spacing along a section. As drilling was generally maintained on a 400-foot grid, maximum projection between drill holes was 200 feet. A frequency distribution curve and cumulative percentage frequency curve were drawn for each orebody from the 50-foot composites (see Figures 10 through 15).

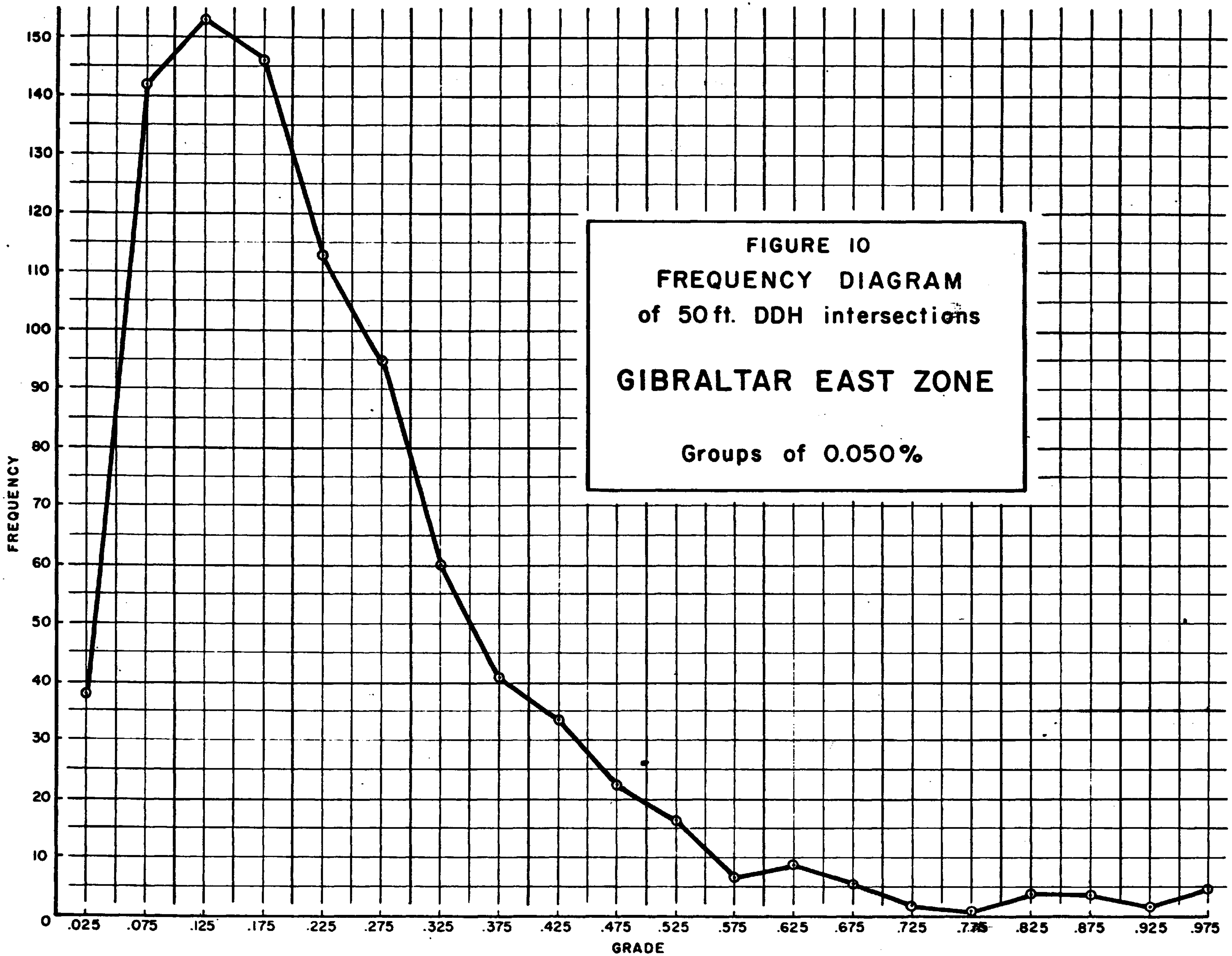

FIGURE 10
FREQUENCY DIAGRAM
of 50 ft. DDH intersections
GIBRALTAR EAST ZONE
Groups of 0.050%
FREQUENCY
0
10
20
30
40
50
60
70
80
90
100
110
120
130
140
150
.025
.075
.125
.175
.225
.275
.325
.375
.425
.475
.525
.575
.625
.675
.725
.775
.825
.875
.925
.975
GRADE

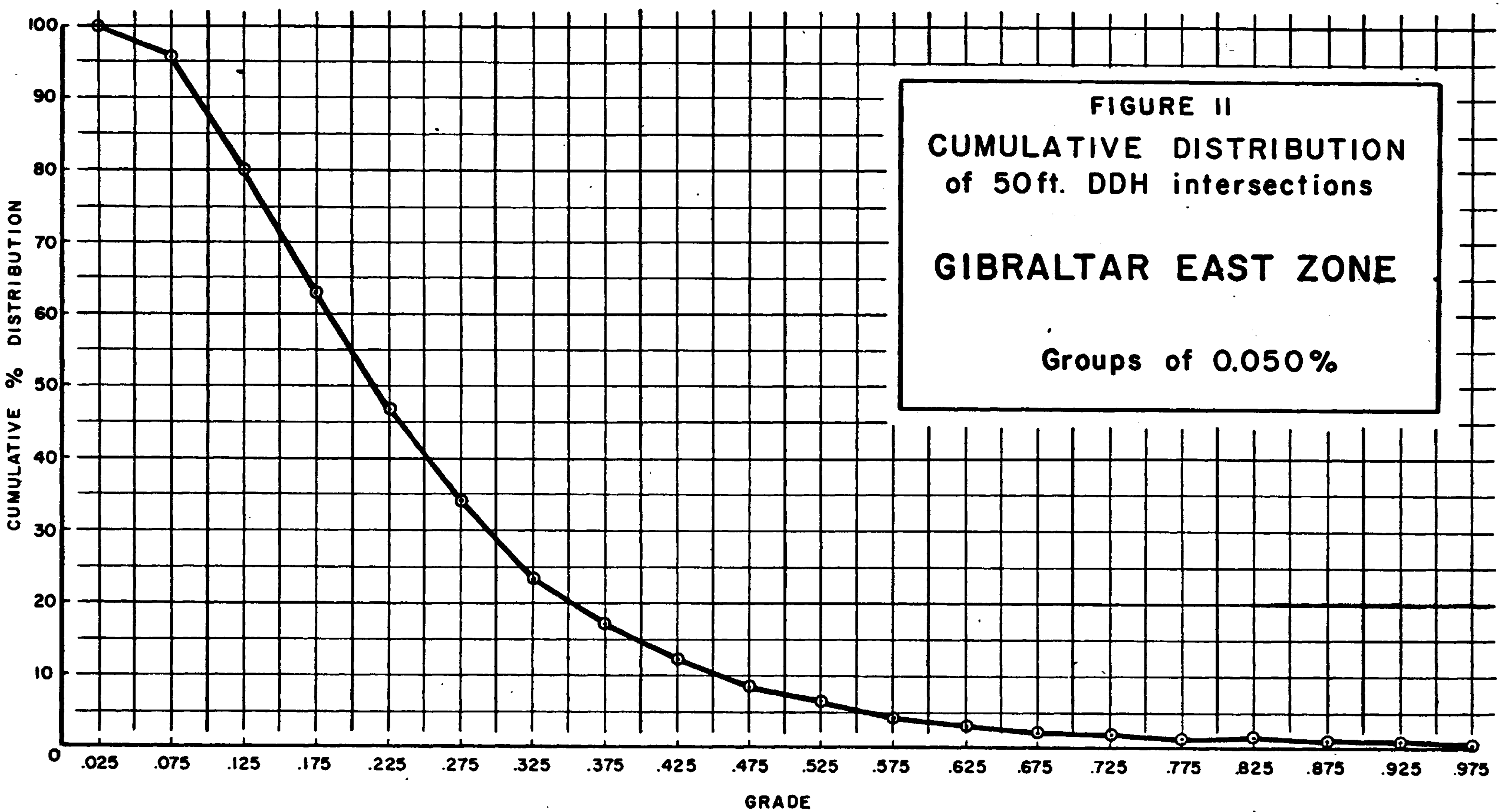
FIGURE II
CUMULATIVE DISTRIBUTION
of 50ft. DDH intersections
GIBRALTAR EAST ZONE
Groups of 0.050%
CUMULATIVE % DISTRIBUTION
100
90
80
70
60
50
40
30
20
10
0
.025
.075
.125
.175
.225
.275
.325
.375
.425
.475
.525
.575
.625
.675
.725
.775
.825
.875
.925
.975
GRADE

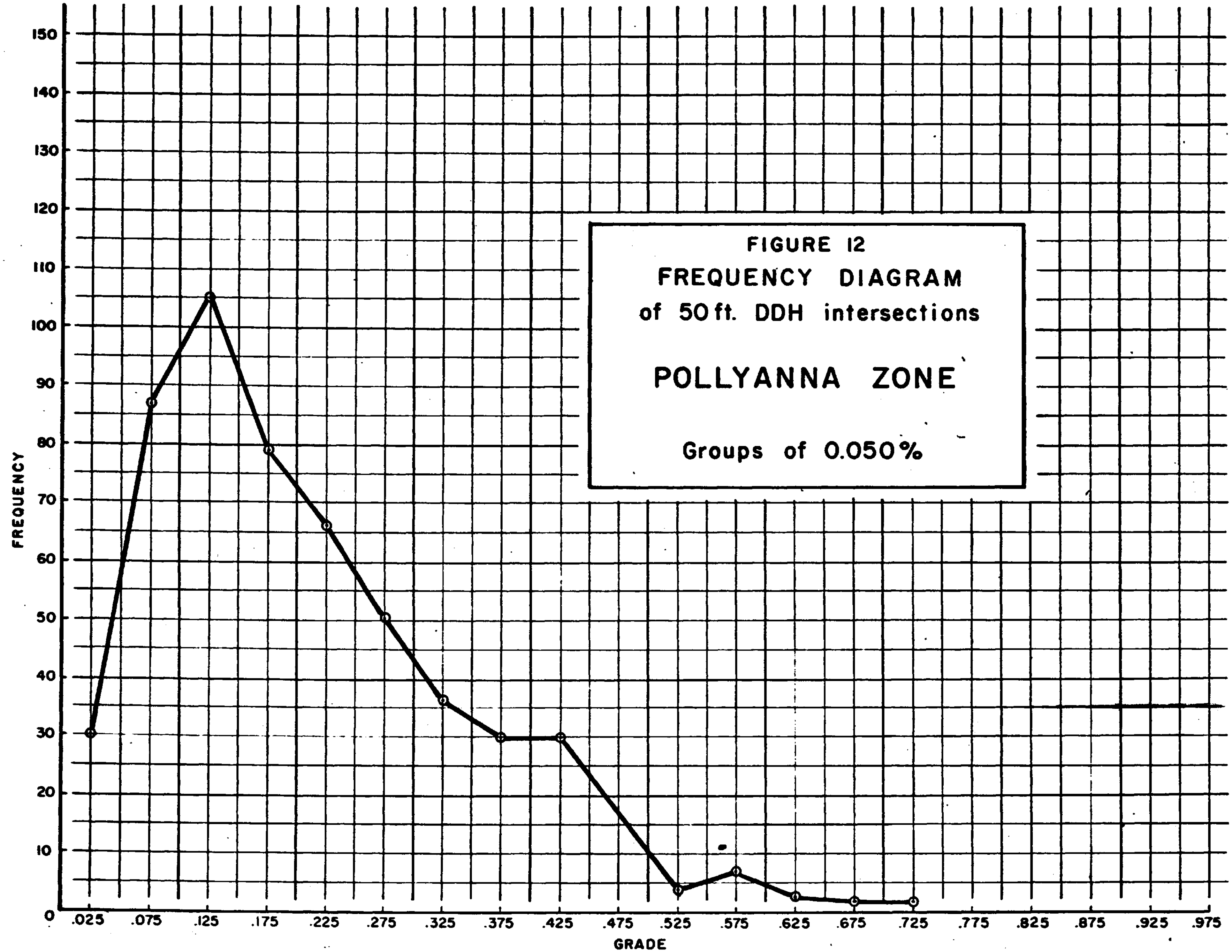
FIGURE 12
FREQUENCY DIAGRAM
of 50 ft. DDH intersections
POLLYANNA ZONE
Groups of 0.050%
FREQUENCY
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
.025
.075
.125
.175
.225
.275
.325
.375
.425
.475
.525
.575
.625
.675
.725
.775
.825
.875
.925
.975
GRADE

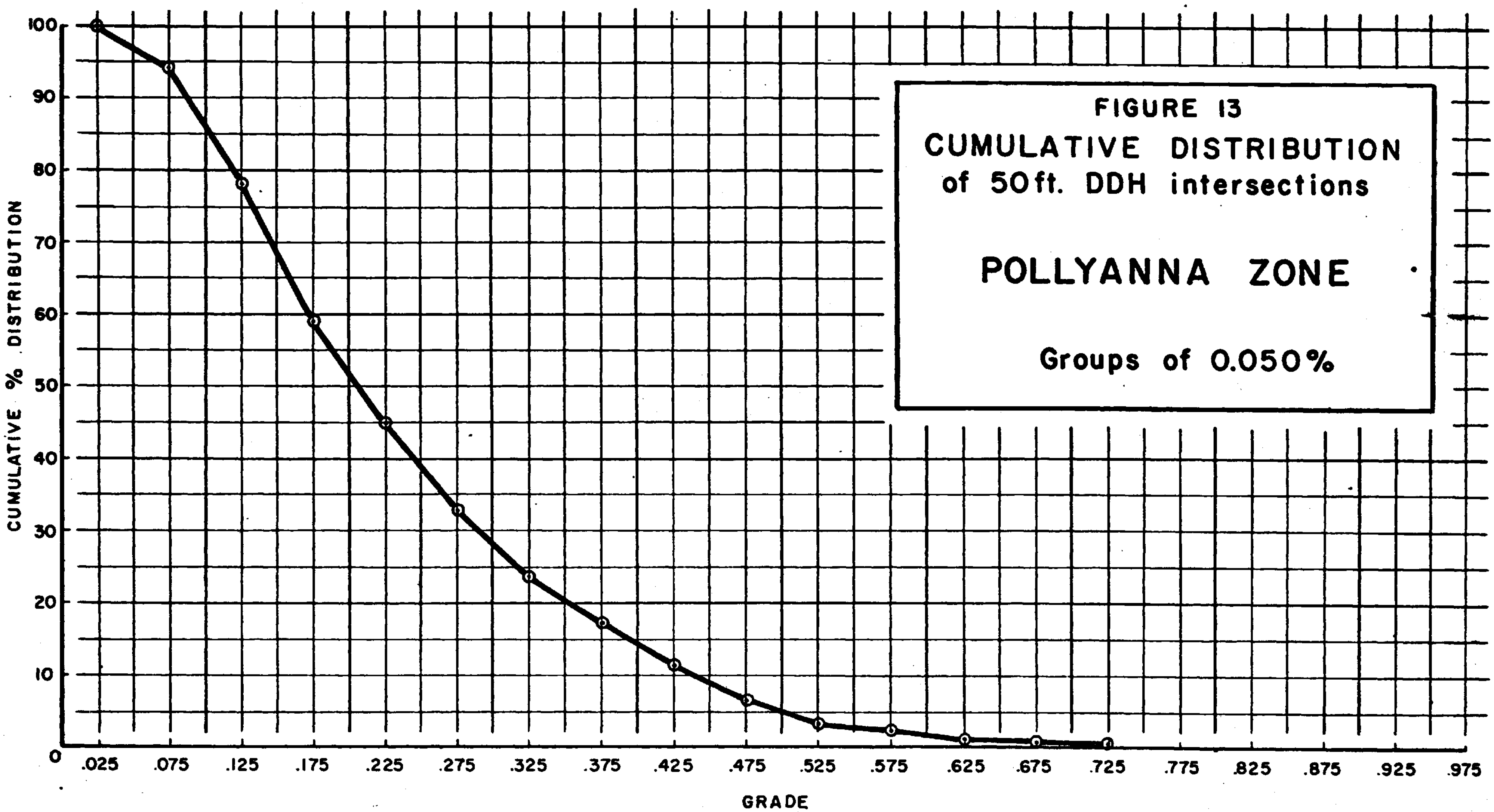
FIGURE 13
CUMULATIVE DISTRIBUTION
of 50ft. DDH intersections
POLLYANNA ZONE
Groups of 0.050%
CUMULATIVE % DISTRIBUTION
GRADE
100
90
80
70
60
50
40
30
20
10
0
.025
.075
.125
.175
.225
.275
.325
.375
.425
.475
.525
.575
.625
.675
.725
.775
.825
.875
.925
.975

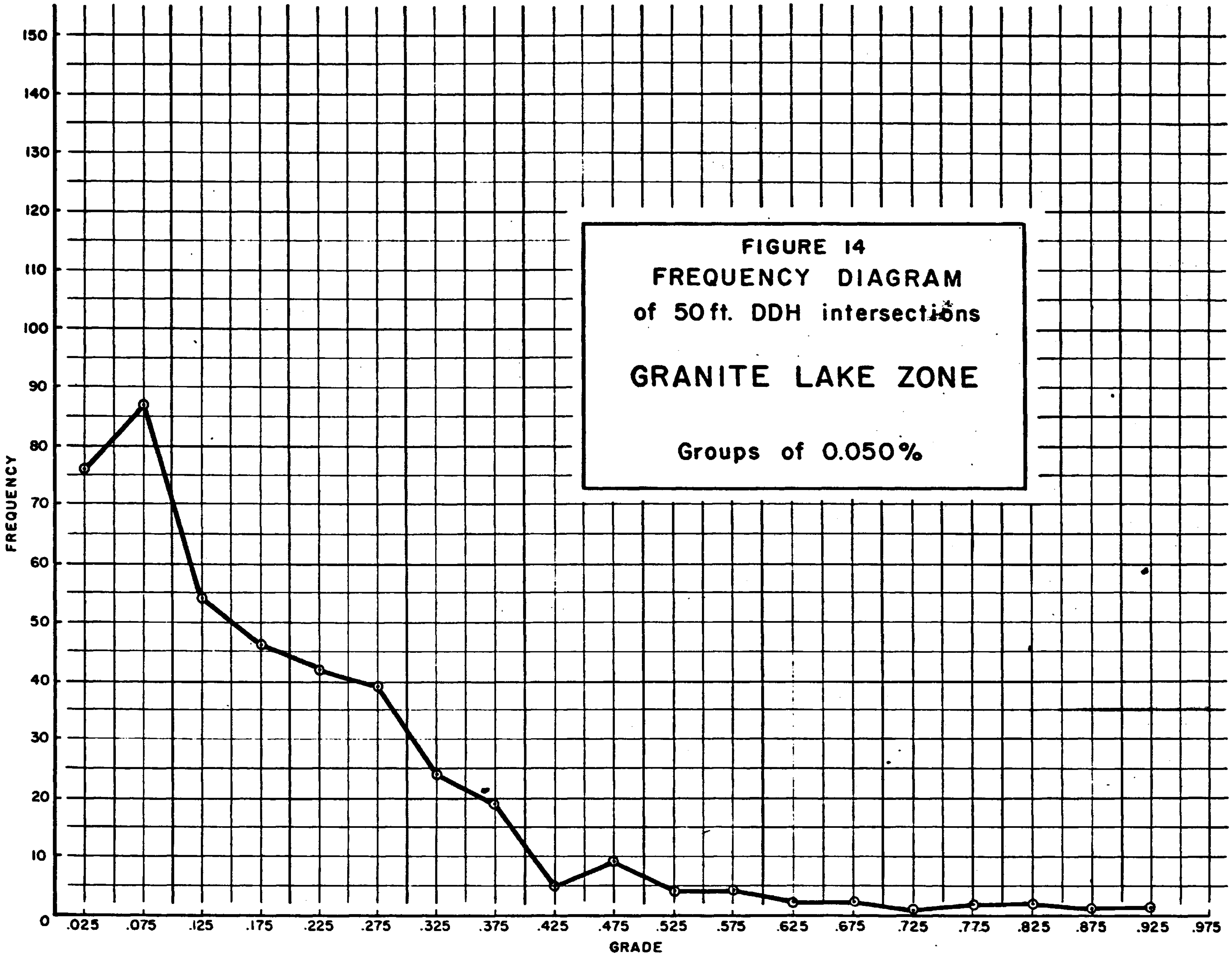
FIGURE 14
FREQUENCY DIAGRAM
of 50 ft. DDH intersections
GRANITE LAKE ZONE
Groups of 0.050%
FREQUENCY
GRADE
0
10
20
30
40
50
60
70
80
90
100
110
120
130
140
150
.025
.075
.125
.175
.225
.275
.325
.375
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.475
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.575
.625
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.775
.825
.875
.925
.975

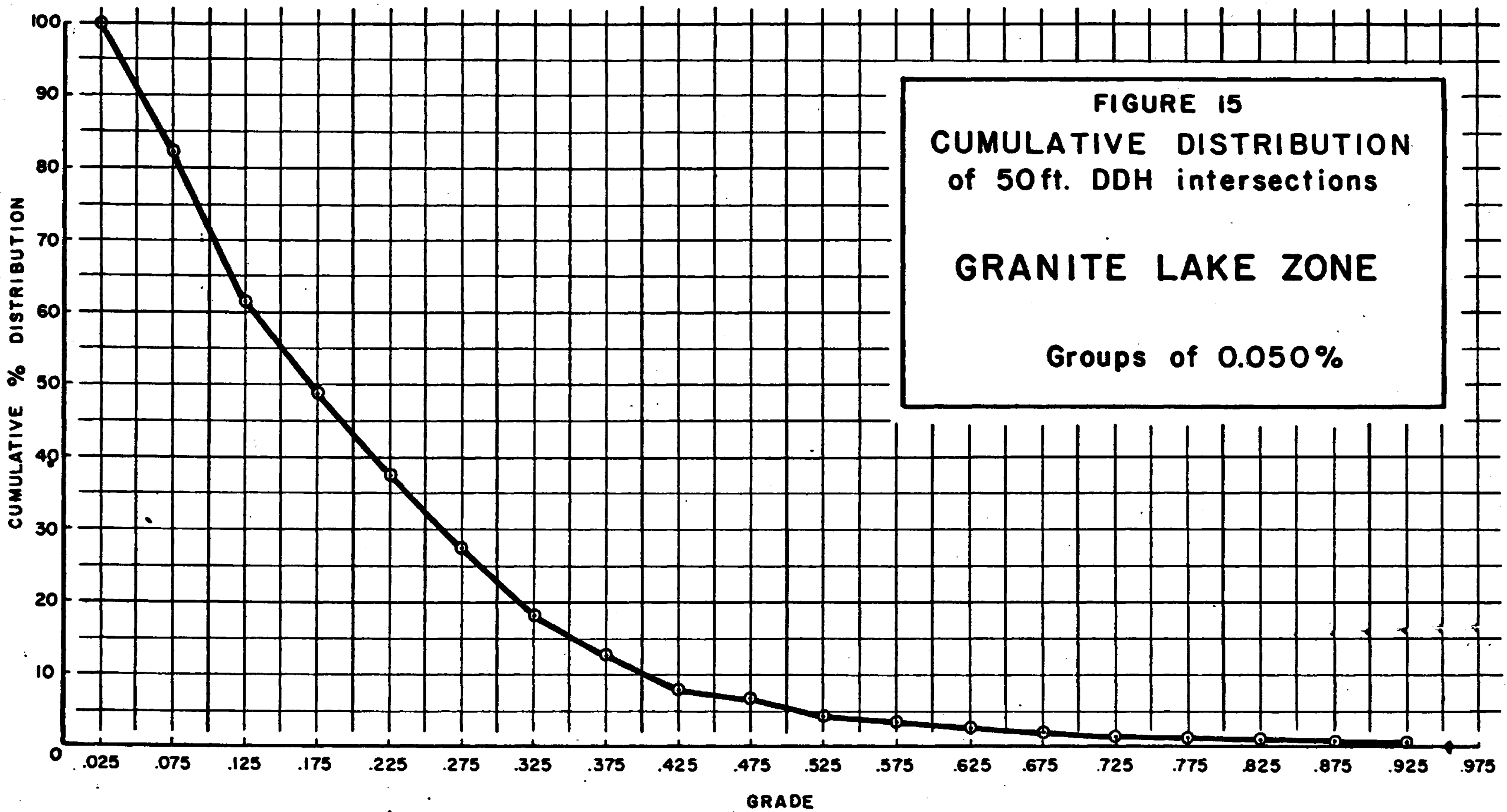


FIGURE 15
CUMULATIVE DISTRIBUTION
of 50 ft. DDH intersections
GRANITE LAKE ZONE
Groups of 0.050%
CUMULATIVE % DISTRIBUTION
GRADE
100
90
80
70
60
50
40
30
20
10
0
.025
.075
.125
.175
.225
.275
.325
.375
.425
.475
.525
.575
.625
.675
.725
.775
.825
.875
.925
.975

B. Calculations from Horizontal Benches

All diamond drill and percussion drilling was composited into 50-foot bench intervals and the bench grade estimates plotted on plan. Estimates have been divided into three ore categories: Measured, Indicated and Inferred. In defining the ore categories below, it is important to note that drill hole spacing was maintained at 400 feet and, in the case of geological reserves, all categories are subject to extension beyond the ultimate pit configuration.

(i) Measured (proven) Ore: Projections of up to 200 feet between holes within the pit area and projection of up to 100 feet between one hole in the pit and one hole outside the pit, utilizing geological guidance as to direction of extension;

(ii) Indicated (probable) Ore: Projections of up to 200 foet between one hole in the pit and one hole outside the pit utilizing geological guidance as to direction of extension;

(iii) Inferred (possible) Ore: Projections of up to 300 feet between one hole in the pit and one hole outside the pit utilizing geological guidance as to direction of extension.

RESULTS

A. Gibraltar East Zone

A summary of both vertical section and horizontal section calculations is shown on the tabulations on pages 38 and 39.

The geological reserve figures are approximately 35% higher than the calculated mineable reserve since they include material beyond the ultimate pit configuration. A 0.25% Cu cut-off and restricted distance from drill holes were the only controls used.

It is normal to expect a higher grade from a better selection technique such as the vertical section method. Tonnages will differ greatly because of variable peripheral projection distances. These will contribute the greatest amount of excess volume in the geological reserve. This is particularly evident in the Gibraltar East zone where ore exists at depth outside the present pit configuration.

The internal waste to ore ratio is estimated at 1.9 to 1.

B. Pollyanna Zone

A tabulated summary of calculations for both vertical and horizontal sections are on pages 40 and 41.

The geological reserve figures are only about 15% higher than computed mineable reserves. The difference is due to a sharper cut-off between ore and submarginal mineralization both laterally and at depth. The Pollyanna pit has limits defined by peripheral drilling which minimizes variable projections and hence decreases the volume contributed by such projections. This actually tends to be the reverse of the Gibraltar East zone.

The internal waste to ore ratio is estimated at 2.0 to 1.

C. Granite Lake Zone, Gibraltar Portion

Both horizontal and vertical sections calculations are tabulated on pages 42 and 43. The mineable reserves on the initial pit design are calculated at 35,600,000 tons at 0.42% Cu.

The reasons for the 100% increase in geological reserves are twofold. Firstly, additional drilling information, beyond that used for the mineable reserve, was used for the geological reserves as drilling has been continuing on the south side of the ore zone. Secondly, the southerly dip of the ore zone extends the mineralization at depth beyond the present preliminary pit configuration. Until the limits of the ore zone have been drilled off, geological reserves will be considerably higher than mineable reserves.

Additional drill hole data will be available shortly on all the zones, hence all ore reserve figures must be considered as conservative. Upgrading of the present ore reserves with additional drill hole data will be minimal in the Gibraltar East and Pollyanna zones. In the Granite Lake zone, upgrading may be significant since the southern limit of the ore zone has yet to be established.

TABLE 1

SUMMARY OF CALCULATIONS FROM HORIZONTAL SECTIONS ON FIFTY FOOT BENCH INTERVALS

GIBRALTAR EAST ZONE GEOLOGIC RESERVE

Bench	Measured		Indicated		Inferred	
	Tons	Grade	Tons	Grade	Tons	Grade
3600	1,490,000	.31	-	-	-	-
3550	3,620,000	.37	-	-	-	-
3500	8,450,000	.46	-	-	-	-
3450	6,510,000	.51	-	-	-	-
3400	8,500,000	.47	-	-	-	-
3350	10,990,000	.42	240,000	.42	-	-
3300	13,400,000	.36	360,000	.28	350,000	.28
3250	10,370,000	.39	530,000	.30	-	-
3200	12,800,000	.33	830,000	.31	-	-
3150	11,080,000	.37	1,240,000	.38	-	-
3100	11,970,000	.35	810,000	.31	600,000	.32
3050	8,030,000	.35	460,000	.32	390,000	.32
3000	7,480,000	.33	610,000	.34	460,000	.34
2950	4,610,000	.30	710,000	.34	710,000	.34
2900	6,270,000	.40	1,190,000	.42	1,080,000	.42
2850	4,570,000	.42	1,190,000	.42	1,080,000	.42
TOTALS	130,140,000	.39	8,170,000	.36	4,670,000	.37

TABLE 2

SUMMARY OF CALCULATIONS FROM VERTICAL CROSS SECTIONS

GIBRALTAR EAST ZONE GEOLOGIC RESERVE

Section	Tons	Grade
12W	3,870,000	.302
8W	8,231,000	.434
4W	8,710,000	.341
2W	3,230,000	.424
0 E-W	12,586,000	.383
2E	3,223,000	.425
4E	13,875,000	.382
6E	4,920,000	.453
8E	19,785,000	.422
10E	2,015,000	.582
12E	28,128,000	.405
16E	17,415,000	.351
20E	9,030,000	.343
TOTAL -	135,018,000	.403

TABLE 3

SUMMARY OF CALCULATIONS FROM HORIZONTAL SECTIONS ON FIFTY FOOT BENCH INTERVALS

POLLYANNA ZONE GEOLOGIC RESERVE

Bench	Measured		Indicated		Inferred	
	Tons	Grade	Tons	Grade	Tons	Grade
3950	1,000,000	.36	-	-	-	-
3900	1,720,000	.37	-	-	-	-
3850	4,270,000	.33	-	-	-	-
3800	7,350,000	.33	-	-	-	-
3750	7,610,000	.37	-	-	-	-
3700	9,960,000	.43	470,000	.30	-	-
3650	13,340,000	.39	-	-	-	-
3600	11,890,000	.39	460,000	.34	-	-
3550	8,020,000	.36	580,000	.37	440,000	.44
3500	4,730,000	.30	510,000	.30	-	-
3450	2,480,000	.37	180,000	.30	-	-
3400	3,390,000	.29	420,000	.25	270,000	.25
3350	2,050,000	.29	-	-	-	-
3300	1,710,000	.28	-	-	-	-
TOTALS	79,520,000	.365	2,620,000	.308	710,000	.345

TABLE 4

SUMMARY OF CALCULATIONS FROM VERTICAL CROSS SECTIONS

POLLYANNA ZONE GEOLOGIC RESERVE

Section	Tons	Grade
50,700	1,965,000	.316
50,550	1,452,000	.330
50,400	3,712,000	.349
50,200	3,553,000	.351
50,000	15,580,000	.331
49,700	8,484,000	.398
49,500	12,438,000	.398
49,400	5,239,000	.435
49,100	12,330,000	.365
48,700	7,335,000	.351
48,400	2,256,000	.395
TOTAL -	74,324,000	.374

TABLE 5

SUMMARY OF CALCULATIONS FROM HORIZONTAL SECTIONS ON FIFTY FOOT BENCH INTERVALS

GRANITE LAKE - GIBRALTAR ZONE GEOLOGIC RESERVE

Bench	Measured		Indicated		Inferred	
	Tons	Grade	Tons	Grade	Tons	Grade
3950	60,000	.301	-	-	-	-
3900	4,230,000	.419	-	-	-	-
3850	10,020,000	.375	-	-	-	-
3800	5,910,000	.420	-	-	-	-
3750	8,120,000	.378	30,000	.39		
3700	8,910,000	.393	100,000	.41	-	-
3650	7,920,000	.368	170,000	.26	-	-
3600	3,610,000	.373	770,000	.40	470,000	.40
3550	6,480,000	.356	450,000	.38	330,000	.38
3500	3,870,000	.439	370,000	.36	470,000	.36
TOTALS	59,130,000	.384	1,890,000	.374	1,270,000	.375

TABLE 6

SUMMARY OF CALCULATIONS FROM VERTICAL CROSS SECTIONS

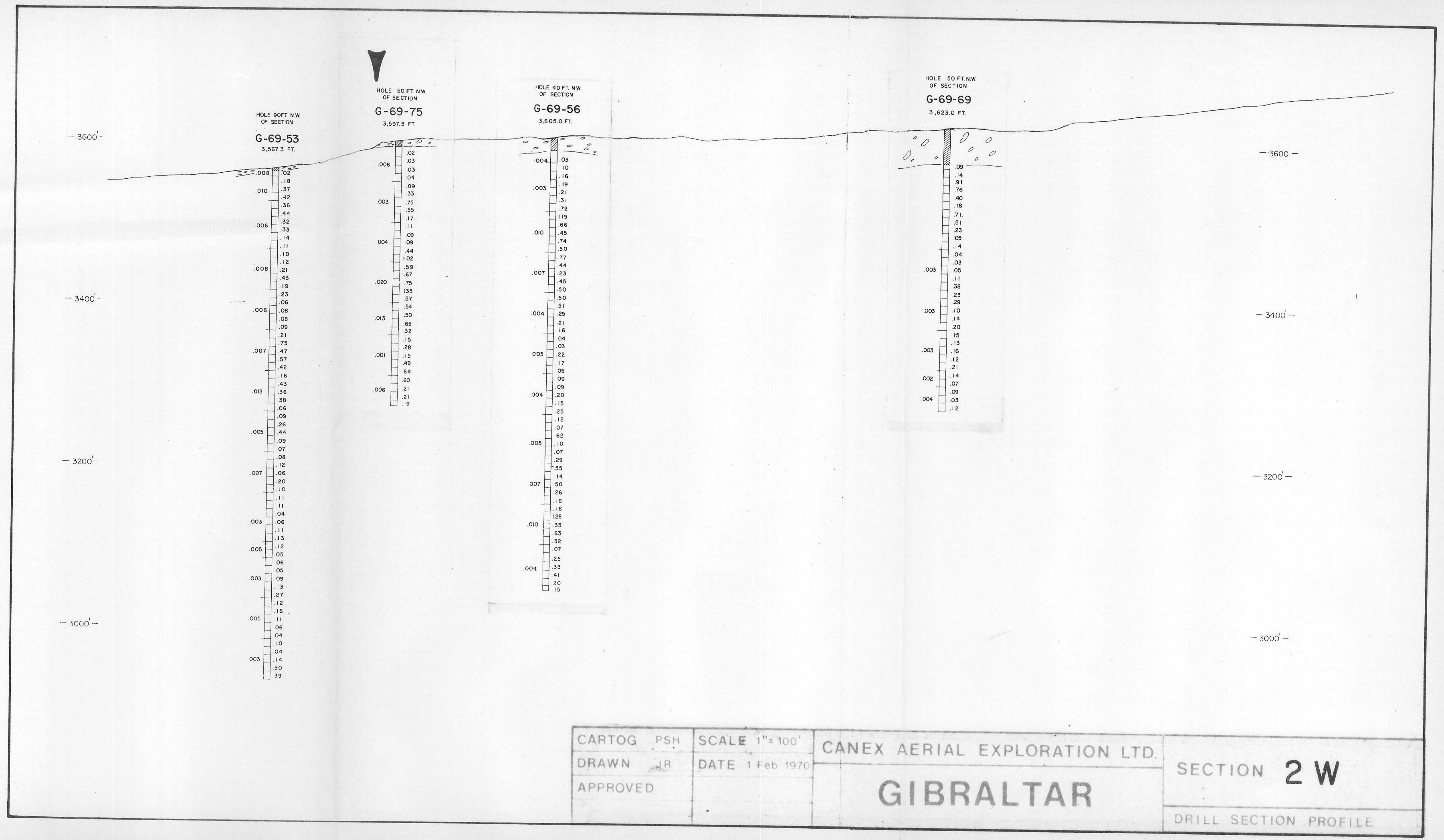
GRANITE LAKE - GIBRALTAR ZONE GEOLOGIC RESERVE

Section	Tons	Grade
50,250	1,935,000	.276
50,650	6,450,000	.339
51,050	2,580,000	.468
51,450	5,805,000	.515
51,850	7,740,000	.466
52.250	9,030,000	.433
52,650	8,385,000	.376
53,050	11,610,000	.378
53,450	5,850,000	.302
53,850	1,292,000	.329
54,250	242,000	.296
54,650	1,694,000	.373
55,050	6,450,000	.315
55,450	2,339,000	.340
TOTAL	71,402,000	.384

HOLE 90 FT. N.W. OF SECTION
DDH C 34
HOLE 90 FT. N.W. OF SECTION
G-69-47
3,5139 FT.
HOLE 40 FT. N.W. OF SECTION
G-69-34
3,610.2 FT.
3600'
3400'
3200'
3000'
2800'
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 12 W
DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 8 W
DRAWN JR	DATE 1 Feb 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION **4W**
DRAWN JR	DATE 1 Feb 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE


HOLE 60FT. N.W OF SECTION
G-69-53
3,567.3 FT.
HOLE 50 FT. N.W OF SECTION
G-69-75
3,597.3 FT.
HOLE 40 FT. N.W OF SECTION
G-69-56
3,605.0 FT.
HOLE 50 FT. N.W OF SECTION
G-69-69
3,625.0 FT.
3600'
3400'
3200'
3000'
CARTOG PSH
DRAWN JB
APPROVED
SCALE 1"=100'
DATE 1 Feb 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 2 W
DRILL SECTION PROFILE

3800
3600
3400
3200
3000
G-69-43
G-69-35
G-69-33
G-69-8
G-69-78
G-69-4
G-69-70
G-69-5
DDH 38
DDH 39
DDH 12
PDH 24
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 0E-W
DRILL SECTION PROFILE

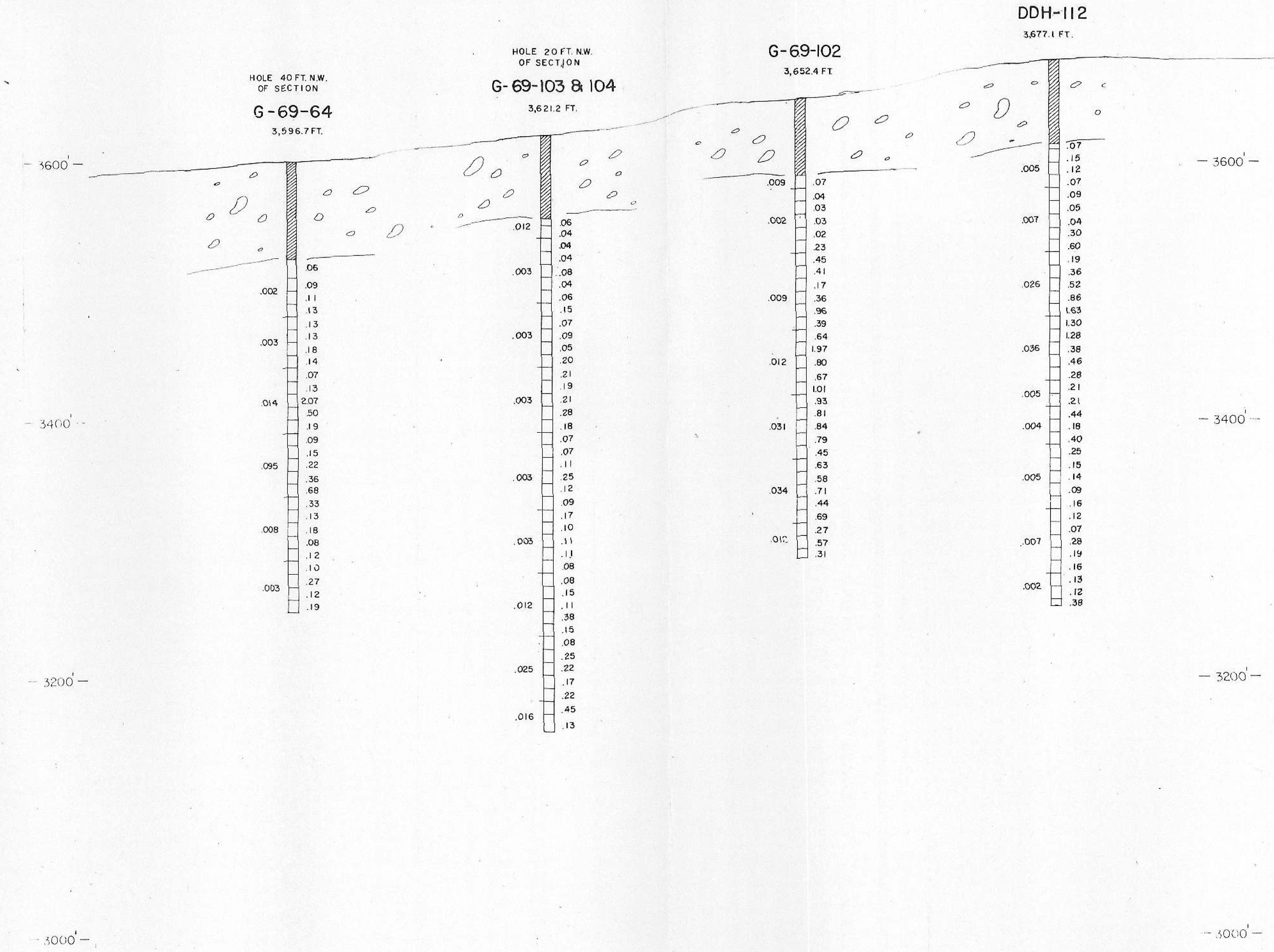
CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 2E
DRAWN JR	DATE 1 Feb 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1"= 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 4E
DRAWN JR	DATE 1 Feb. 1970	GIBRALTAR	DRILL SECTION PROFILE
APPROVED			

inches
centimetres


HOLE 85 FT. N.W. OF SECTION
PDH 25
3845.3 FT.
HOLE 40 FT. N.W. OF SECTION
DDH-108
3663.6 FT.
HOLE 50 FT. N.W. OF SECTION
G-69-80
3,632.0 FT.
HOLE 60 FT. N.W. OF SECTION
G-69-65
3601.7 FT.
HOLE 80 FT. N.W. OF SECTION
G-69-50
3,578.3 FT.
HOLE 60 FT. N.W. OF SECTION
G-69-51
3,528.7 FT.
3800'
3600'
3400'
3200'
CARTOG P.S.H.
DRAWN J.R.
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 6 E
DRILL SECTION PROFILE

3600
3400
3200
3000
2800
G-69-45
G-68-5
G-69-16
G-69-11
G-69-2
G-69-72
G-69-25
G-69-101
G-69-100
DDH 36
DDH 110
DDH 41
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 8E
DRILL SECTION PROFILE

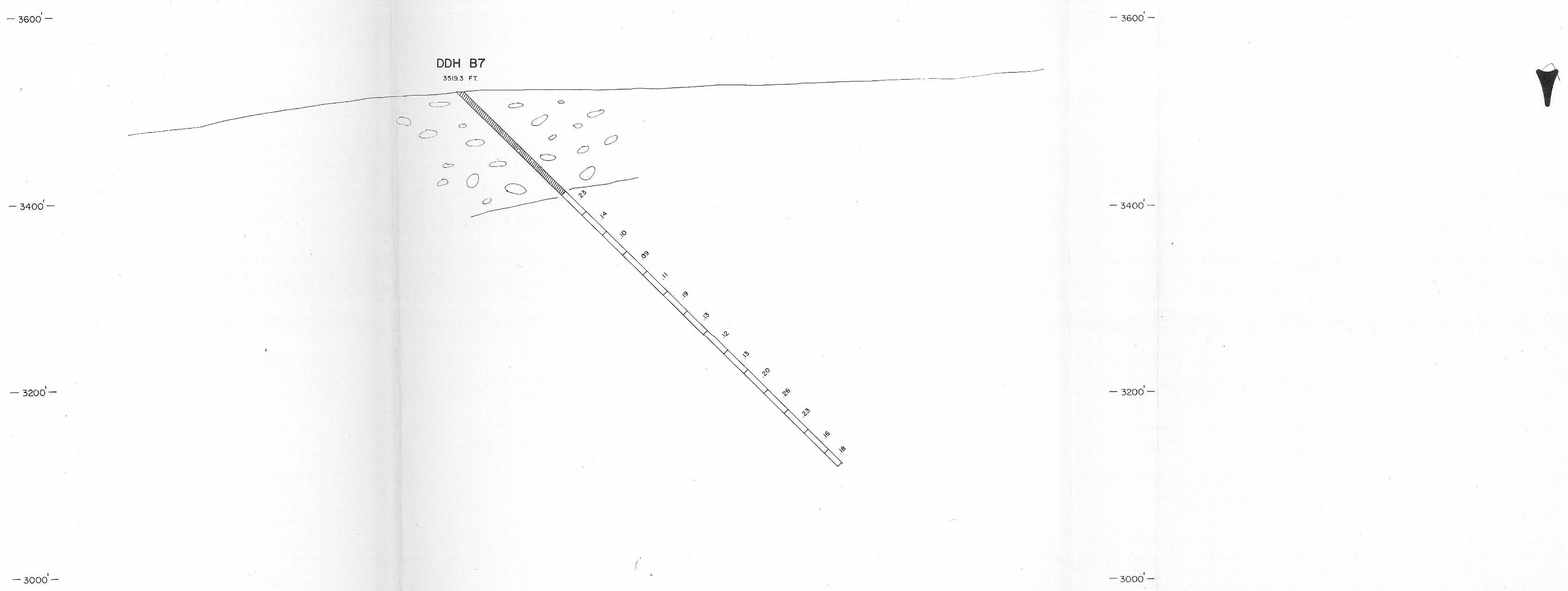


CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 10 E
DRAWN JR	DATE 1 Feb. 1970	GIBRALTAR	DRILL SECTION PROFILE
APPROVED			

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 12E
DRAWN JR	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION **16E**
DRAWN JR	DATE 1 Feb 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

HOLE 50 FT. S.E. OF SECTION
DDH B1
3,436.7 FT.
HOLE 150 FT. N.W. OF SECTION
G-69-88
3,451.2 FT.
HOLE 50 FT. N.W. OF SECTION
DDH B2
3,496.0 FT.
HOLE 150 FT. N.W. OF SECTION
G-69-59
3,492.1 FT.
HOLE 140 FT. N.W. OF SECTION
DDH B13
3,510.6 FT.
HOLE 80 FT. N.W. OF SECTION
DDH B10
3,516.0 FT.
HOLE 10 FT. N.W. OF SECTION
G-69-28
3,548.5 FT.
HOLE 10 FT. S.E. OF SECTION
G-69-29
3,583.0 FT.
HOLE 40 FT. N.W. OF SECTION
G-69-21
3,633.4 FT.
HOLE 10 FT. S.E. OF SECTION
G-69-18
3,674.3 FT.
HOLE 40 FT. S.E. OF SECTION
DDH 44
3,723.2 FT.
HOLE 40 FT. S.E. OF SECTION
DDH 47
3,784.1 FT.
HOLE 60 FT. S.E. OF SECTION
DDH 56
3,848.9 FT.
HOLE 80 FT. S.E. OF SECTION
DDH 15
3,901.0 FT.
HOLE 60 FT. S.E. OF SECTION
DDH 14
3,925.8 FT.
3800'
3600'
3400'
3200'
3000'
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
GIBRALTAR
SECTION 20E
DRILL SECTION PROFILE



CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 21 E
DRAWN JR	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 22 E
DRAWN JR	DATE 1 Feb. 1970	GIBRALTAR	DRILL SECTION PROFILE
APPROVED			

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 47,900
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	DRILL SECTION PROFILE
APPROVED			

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 48,400
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	DRILL SECTION PROFILE
APPROVED			

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 48,700
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	DRILL SECTION PROFILE
APPROVED			


DDH 81
3,885.4 FT
HOLE 20 FT. N. OF SECTION
DDH 74
3,921.0 FT.
HOLE 80 FT. N. OF SECTION
DDH 70
3,924.8 FT.
HOLE 20 FT. N. OF SECTION
DDH 69
3960.4 FT.
HOLE 20 FT. S. OF SECTION
DDH 17
3994.7 FT.
HOLE 80 FT. N. OF SECTION
DDH 80
4012.1 FT.
HOLE 10 FT. S. OF SECTION
DDH 85
4040.2 FT.
3800'
3600'
3400'
3200'
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
POLLYANNA
SECTION 49,100
DRILL SECTION PROFILE

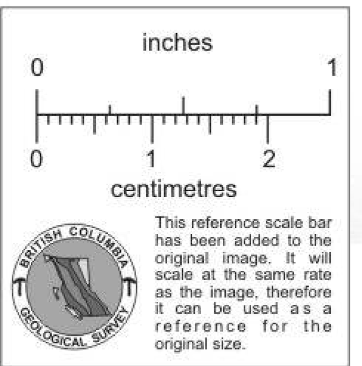

HOLE 80 FT. N. OF SECTION
DDH 99
3,905.7 FT.
HOLE 40 FT. N. OF SECTION
DDH 98
3,895.4 FT.
HOLE 30 FT. N. OF SECTION
DDH 97
3,921.6 FT.
HOLE 20 FT. N. OF SECTION
DDH 95
3,912.7 FT.
HOLE 25 FT. N. OF SECTION
DDH 94
3,948.3 FT.
HOLE 30 FT. N. OF SECTION
DDH. 93
3977.2 FT.
3800'
3600'
3400'
3200'
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1"= 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
POLLYANNA
SECTION 49,400
DRILL SECTION PROFILE

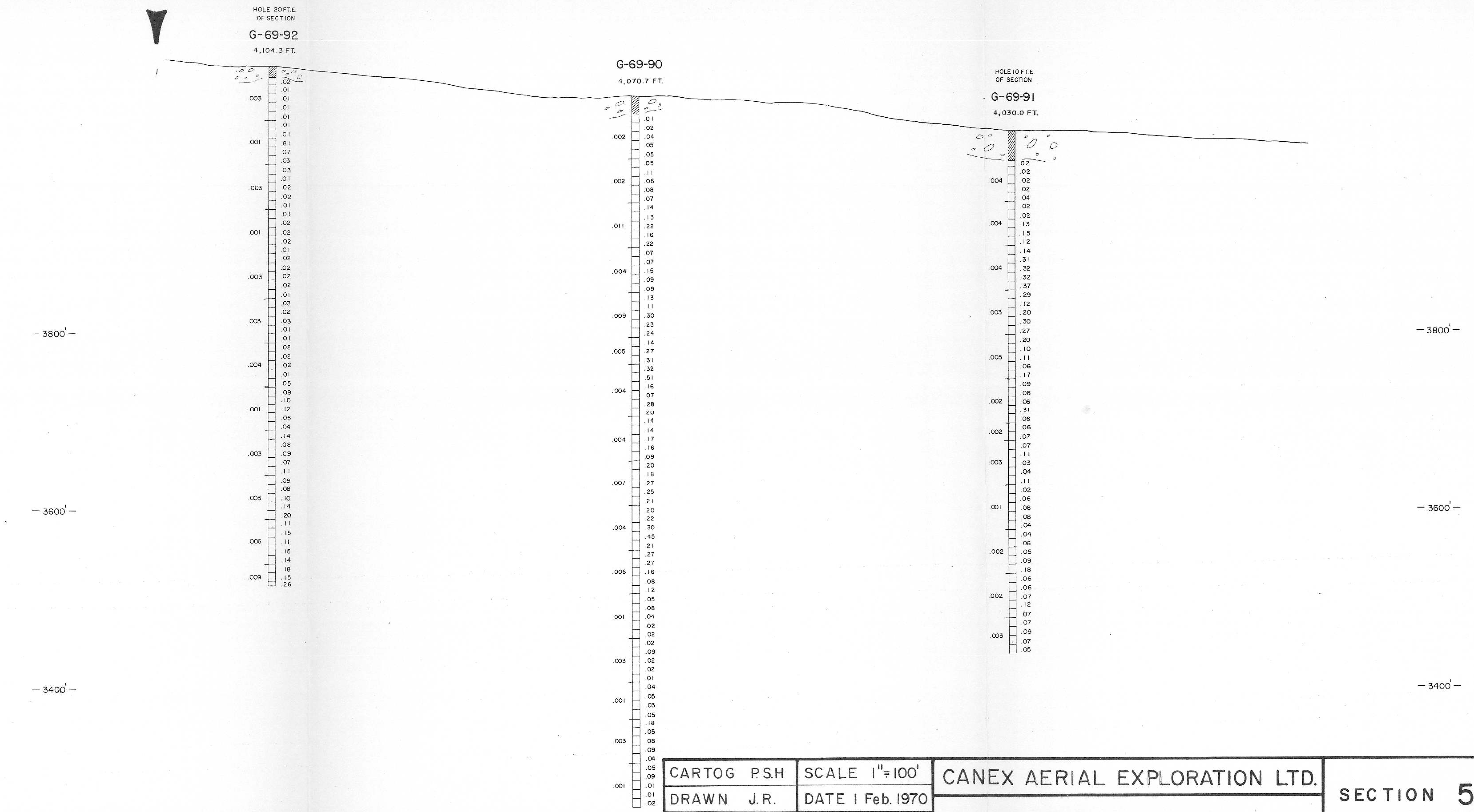

DDH 51
DDH 60
DDH 61
DDH 103
PDH 19
DDH 71
PDH 27
DDH62
DDH 73
PDH 26
DDH 75
DDH 11
DDH 109
DDH 16
DDH 83
PDH 23
3800
3600
3400
3200
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1"= 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
POLLYANNA
SECTION 49,500
DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 49.700
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,000
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	
APPROVED			DRILL SECTION PROFILE

CARTOG PSH	SCALE 1"= 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,200
DRAWN JR	DATE 1 Feb. 1970	POLLYANNA	
APPROVED			DRILL SECTION PROFILE



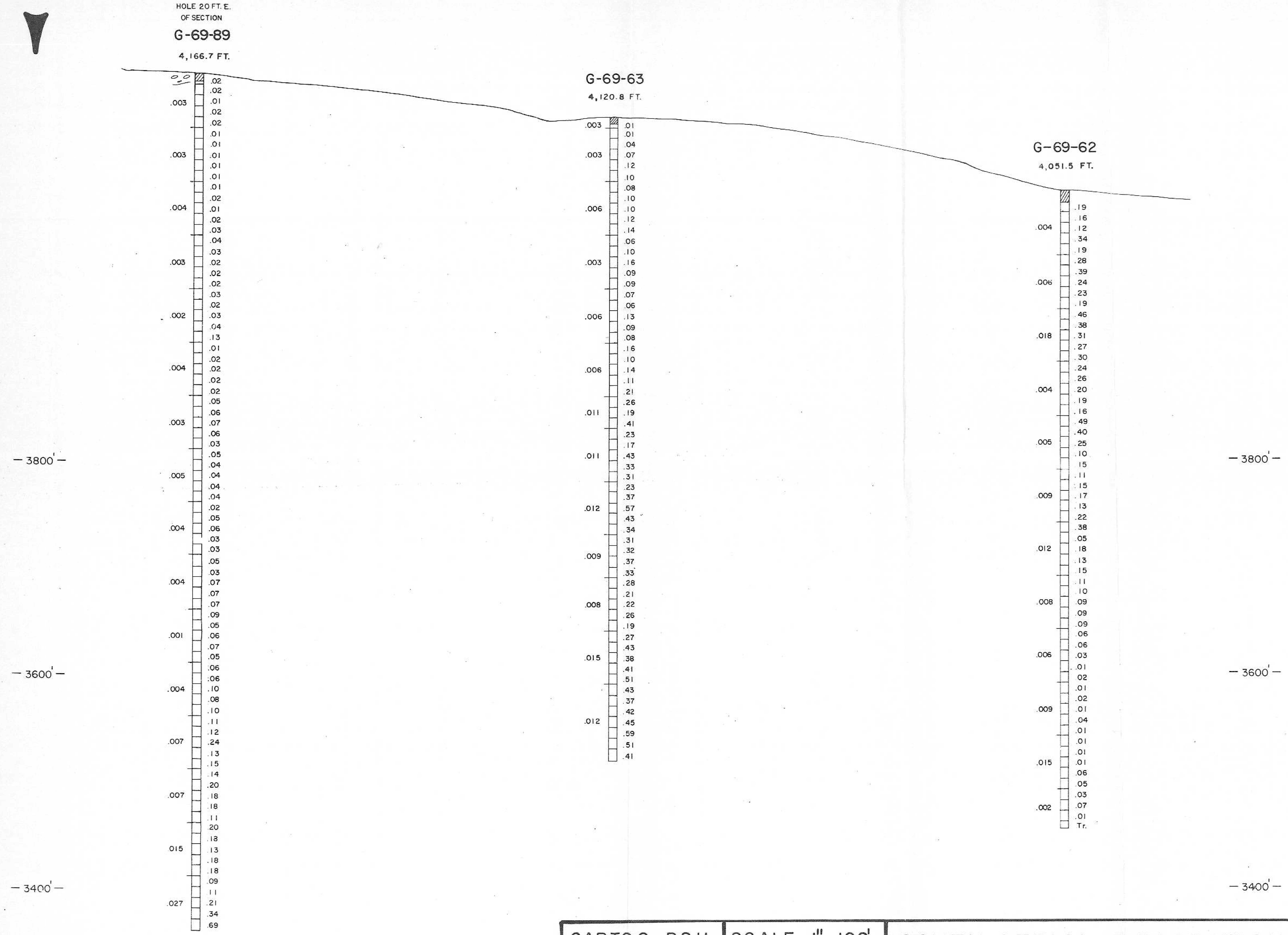


CARTOG P.S.H	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,250
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

HOLE 10 FT. S. OF SECTION
DDH 49
3,910.6 FT.
HOLE 50 FT. S. OF SECTION
DDH 82
3,976.6 FT.
HOLE 70 FT. S. OF SECTION
PDH 31
3987.7 FT.
HOLE 70 FT. S. OF SECTION
DDH 107
3,981.5 FT.
Cu.
Mo.
HOLE 40 FT. S. OF SECTION
DDH 88
4,004.0 FT.
PDH 30
SAME POSITION AS DDH 88
HOLE 85 FT. S. OF SECTION
DDH 90
4,026.5 FT.
HOLE 85 FT. S. OF SECTION
PDH 29
4028.9 FT.
HOLE 80 FT. S. OF SECTION
DDH 9
4,062.4 FT.
3800'
3600'
3400'
3200'
CARTOG PSH
DRAWN JR
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
POLLYANNA
SECTION 50,400
DRILL SECTION PROFILE
inches
centimetres

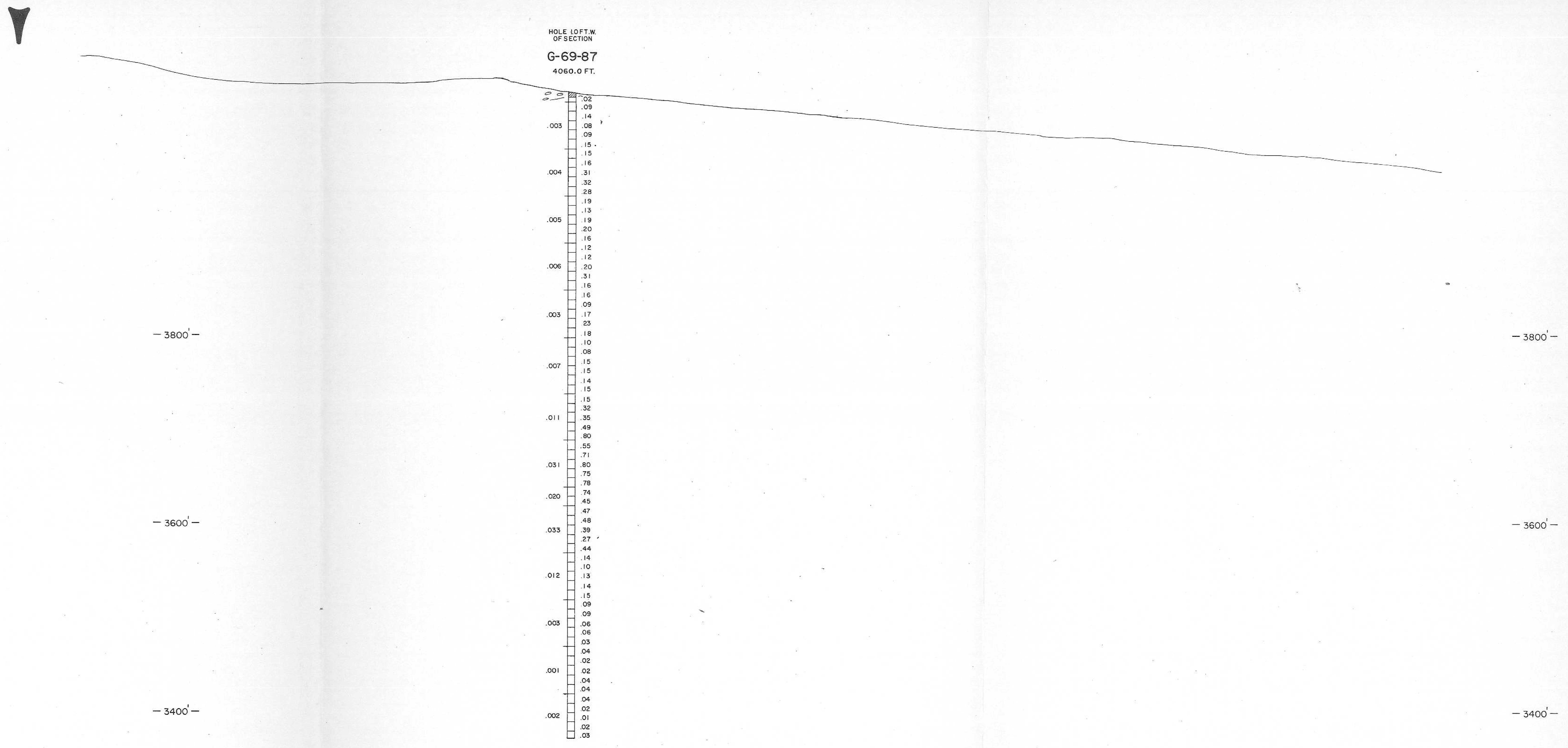
CARTOG PSH	SCALE 1"= 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,550
DRAWN JR	DATE 1 Feb, 1970	POLLYANNA	
APPROVED			DRILL SECTION PROFILE

inches
0 1
0 1 2
centimetres

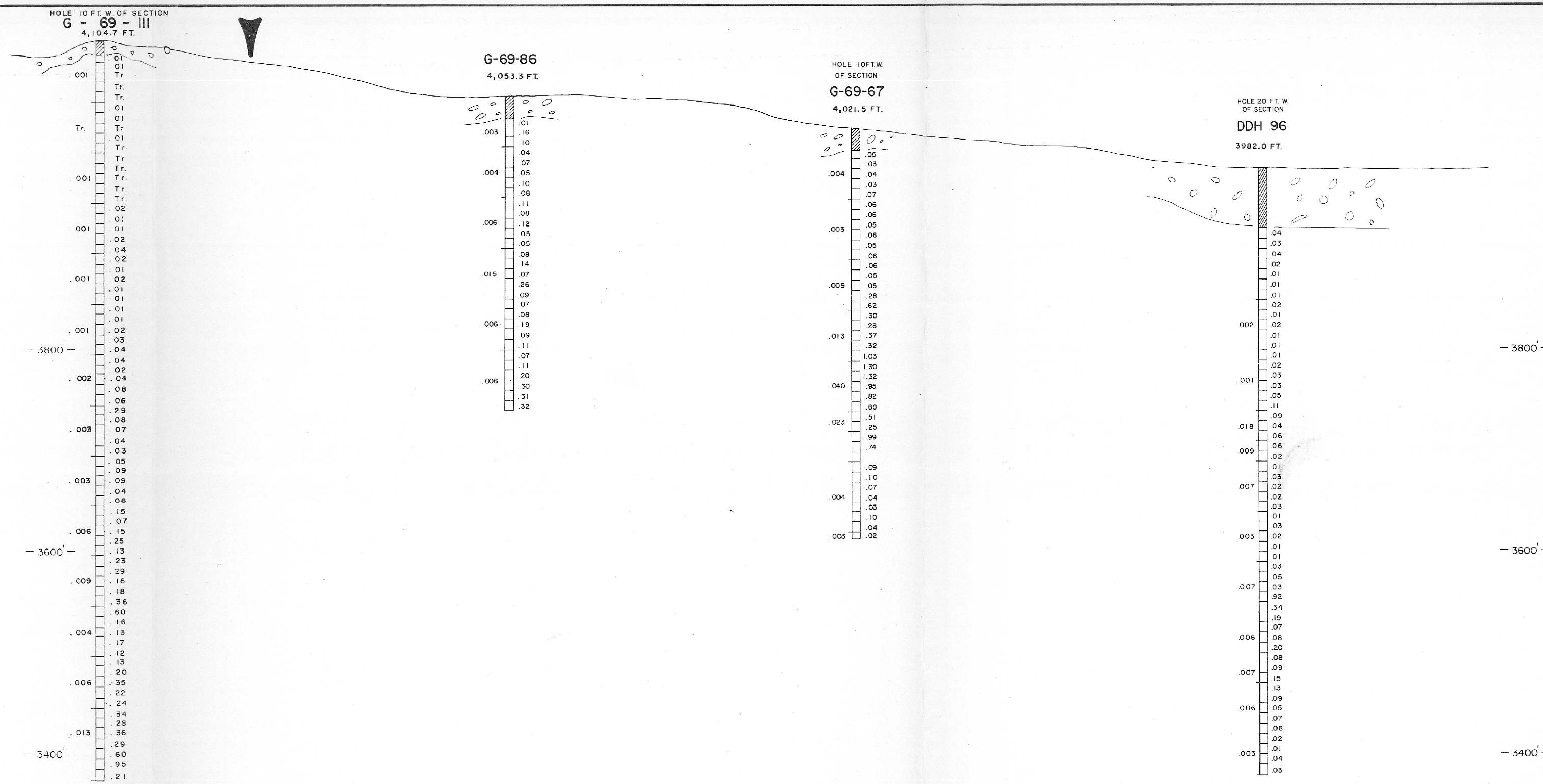


CARTOG P.S.H.	SCALE 1"= 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,650
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

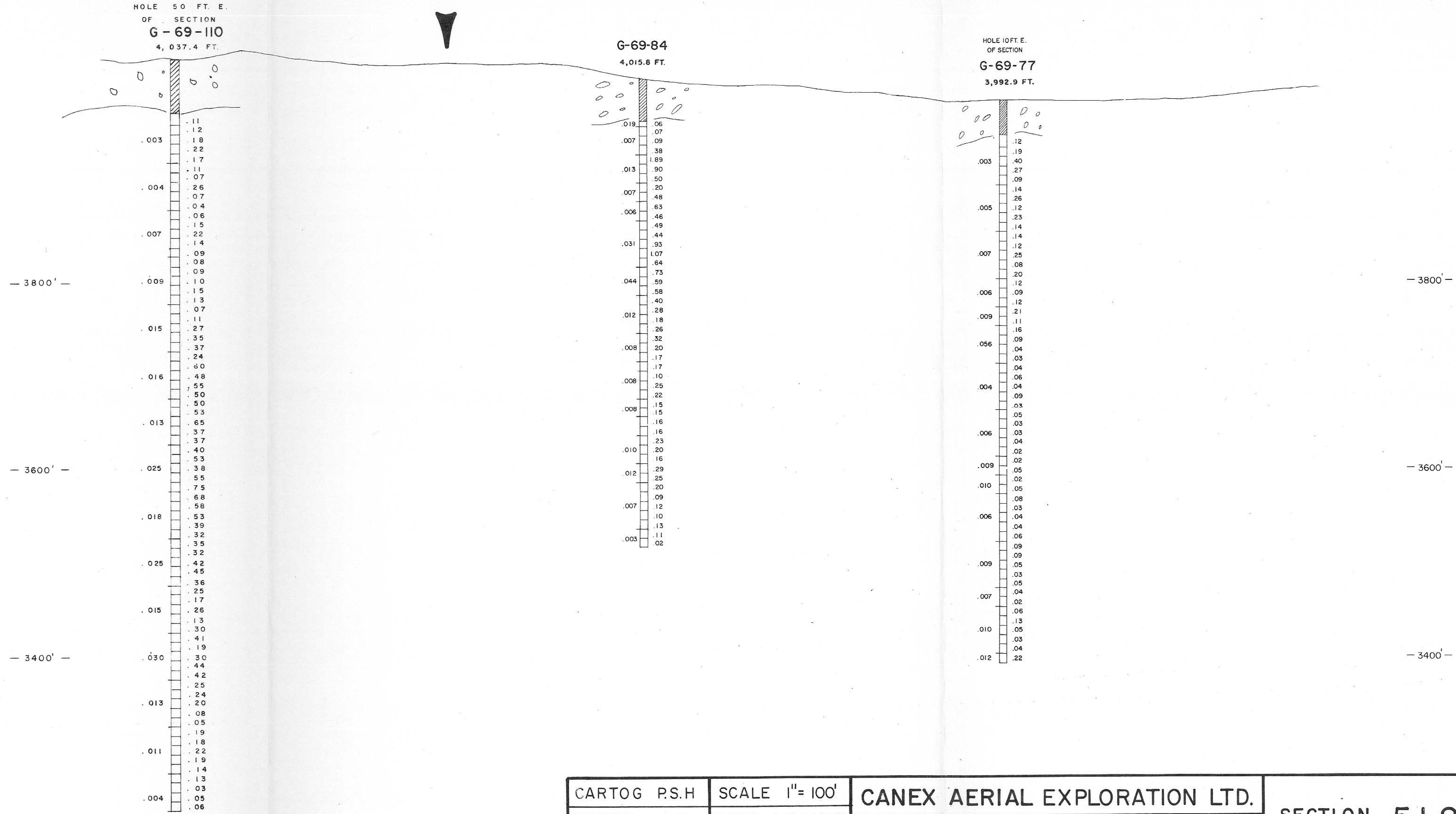
CARTOG PSH	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 50,700
DRAWN JR	DATE 1 Feb 1970	POLLYANNA	
APPROVED			DRILL SECTION PROFILE



CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 51,050
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

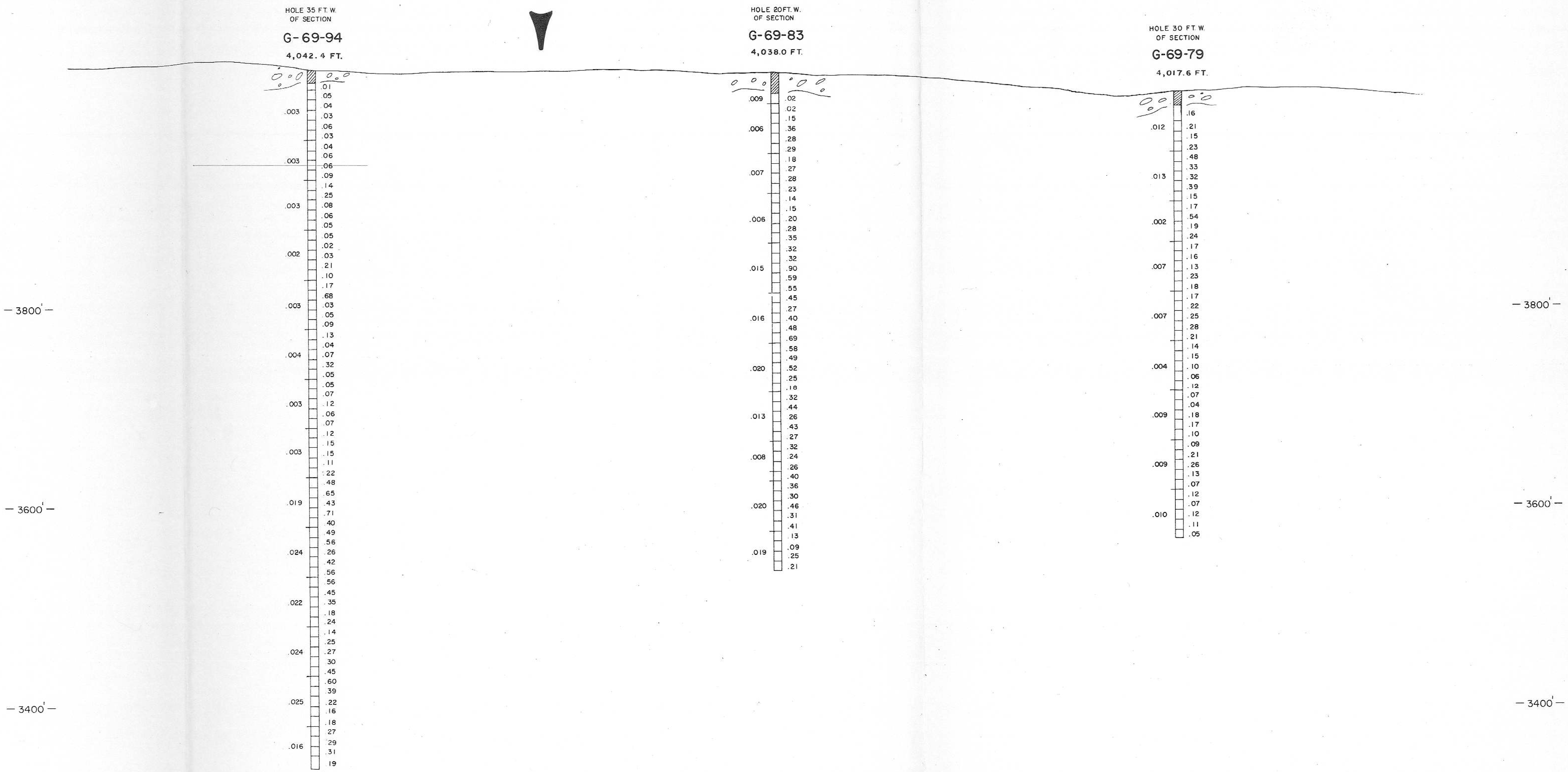


CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 51,450
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE



CARTOG P.S.H	SCALE 1"= 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 51,850
DRAWN J.R.	DATE 1 Feb.1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 52,250
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

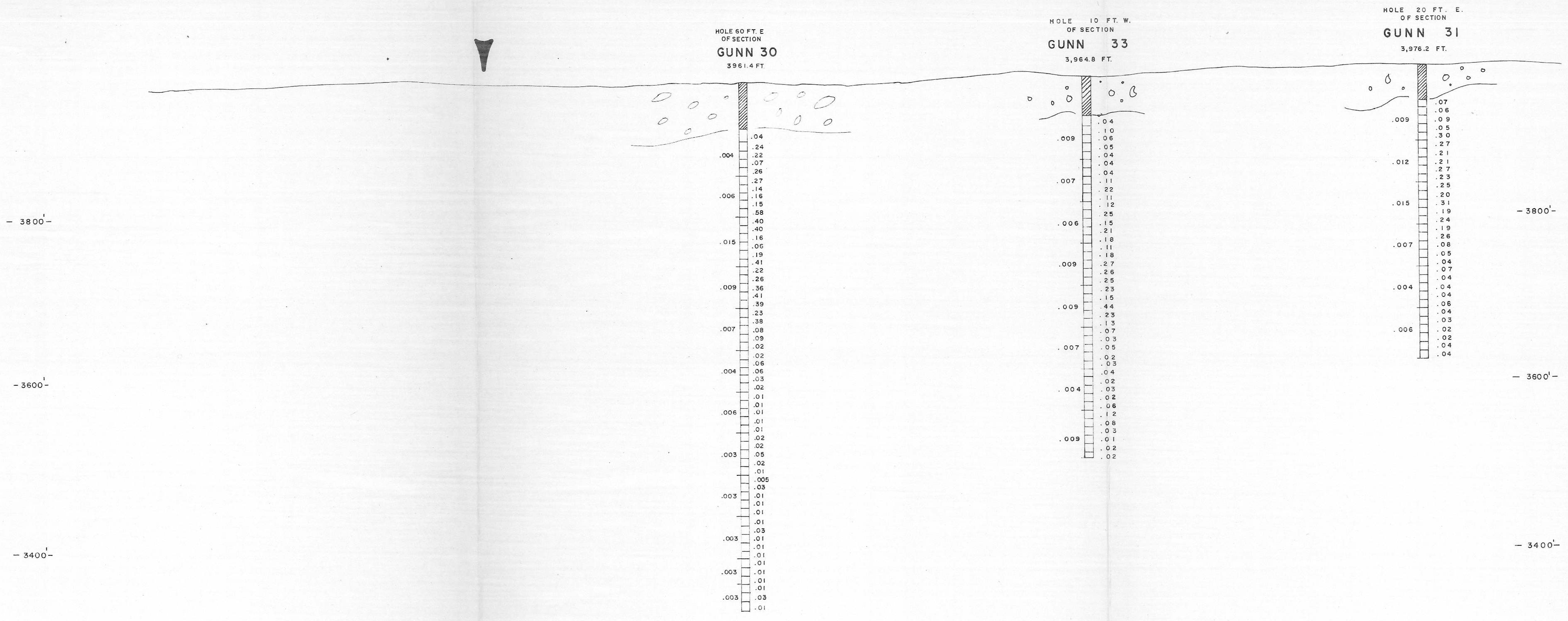


CARTOG P.S.H	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 52,650
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG P.S.H	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 53,050
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 53,450
DRAWN J.R.	DATE 1 Feb.1970	GIBRALTAR	
APPROVED			DRILL SECTION PROFILE

CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 53,850
DRAWN J.R.	DATE 1 Feb. 1970	GIBRALTAR	DRILL SECTION PROFILE
APPROVED			

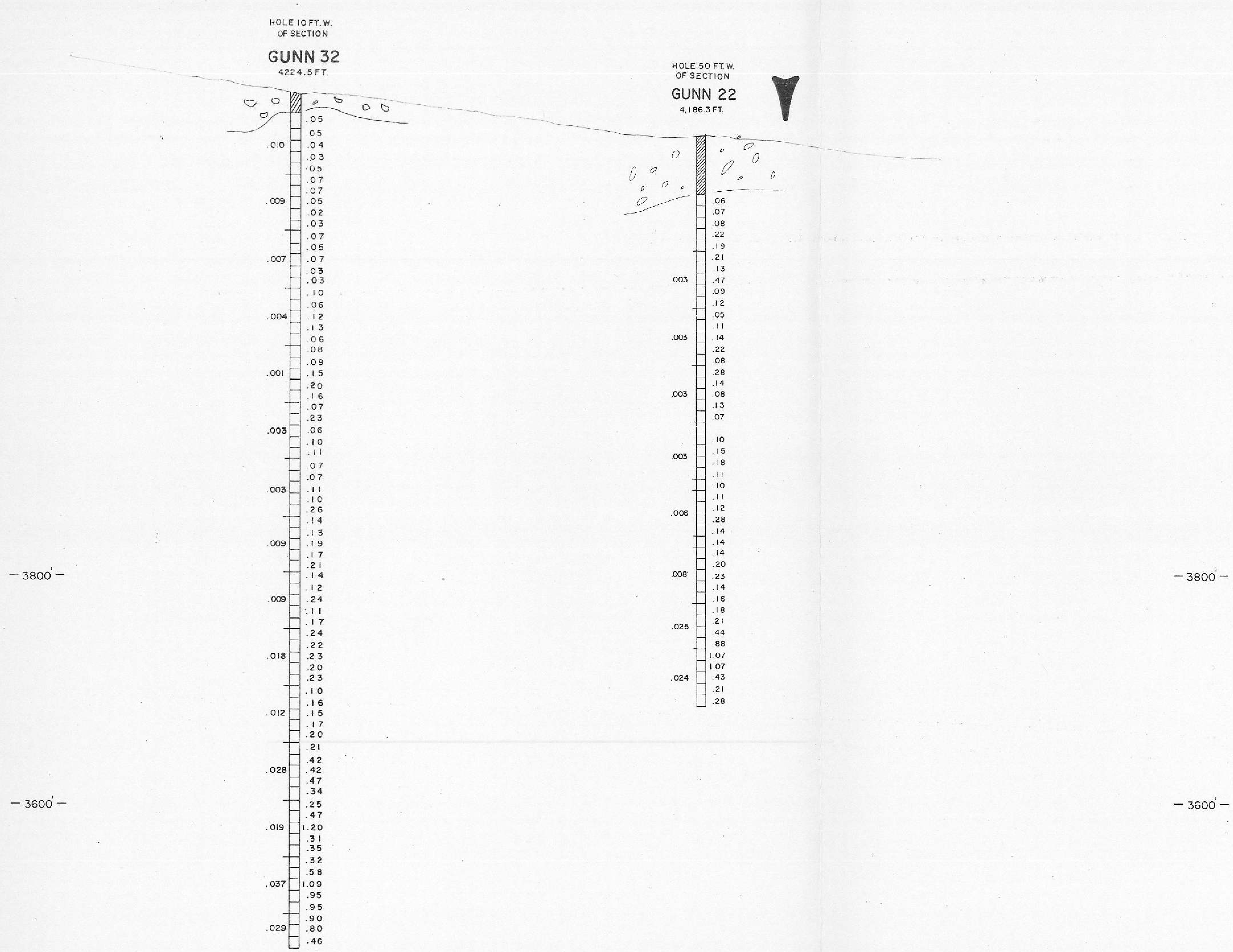


CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 54,250
DRAWN J. R.	DATE 1 Feb. 1970	GUNN	
APPROVED			DRILL SECTION PROFILE

HOLE 70 FT. E. OF SECTION
G-69-105
3,964.1 FT.
HOLE 85 FT. E. OF SECTION
GUNN 26
3,992.1 FT.
HOLE 30 FT. E. OF SECTION.
GUNN 27
4,006.6
GUNN 13
4,018.5 FT.
HOLE 20 FT. E. OF SECTION
GUNN 20
4022.2 FT.
3800'
3600'
3400'
CARTOG P.S.H.
DRAWN J.R.
APPROVED
SCALE 1" = 100'
DATE 1 Feb. 1970
CANEX AERIAL EXPLORATION LTD.
GUNN
SECTION 54,650
DRILL SECTION PROFILE

CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 55,050
DRAWN J.R.	DATE 1 Feb. 1970		
APPROVED		GUNN	DRILL SECTION PROFILE

CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 55,450
DRAWN J.R.	DATE 1 Feb. 1970	GUNN	DRILL SECTION PROFILE
APPROVED			



CARTOG P.S.H.	SCALE 1" = 100'	CANEX AERIAL EXPLORATION LTD.	SECTION 55,850
DRAWN J.R.	DATE 1 Feb. 1970	GUNN	
APPROVED			DRILL SECTION PROFILE