

CORPORATION FALCONBRIDGE COPPER

FILE

082L/4E MEMORANDUM

DATE: February 26, 1987
TO: D. H. Watkins
COPIES TO: L. D. Pirie
DE FROM: A. J. Davidson
SUJET SUBJECT: Huntington Resources Brett Property

825370

The Brett property is a Tertiary gold prospect located near Vernon, B.C. Presently held 100% by Huntington Resources the property hosts several N-S trending shear zones containing gold bearing quartz veins.

Two main zones have been identified to date and are referred to as the GOSSAN and DISCOVERY Zones. The GOSSAN zone is located at a granitic-Tertiary volcanic contact and although only sporadic values have been returned from this zone the theory is that this zone represents the "barren cap" of an epithermal system (Ho Hum).

The DISCOVERY zone contains at least two vein/shear zones. The zone has been traced for 350m and significant gold values (+0.1 oz/ton Au) have been found over a strike length of about 150m. Values of up to 2.05 oz/ton/7.9 feet have been returned. The vein/shear has been drill tested over a strike length of 100m but only to shallow depths.

Ian Pirie first investigated the property and met with Werner Gruenwald (Huntington geologist) in Kamloops to review the data. Ian's report is appended.

I later met with Sterling McIlveen and Roger McGinness (Huntington president and director) to discuss terms. Street talk was that these guys wanted outrageous terms and were very hard to deal with. They want someone to spend \$250,000/year for 2 years and cap that with a \$250,000 payment at the end of two years. This would earn a 50% interest. Huntington wishes to operate.

I would be prepared to meet their terms provided that (a) at least \$200,000 of the \$250,000 payment at the end of Year 2 be directed for exploration on the property in the following year, (b) CFC operates and (c) these terms earn us a 75% interest in the property. All of this would be contingent upon a property examination.

The property appears to be of the type our Tertiary gold program is designed to find, the values are good and have been verified by other

companies. Inco and HBED have made offers that apparently have been turned down. Our work committment of \$250,000 in the first year could be funded from the Maggie budget and would be directed mainly towards trenching and drilling. The first year's work will greatly help is defining & delineating both the strike & dip extent of the vein and shear.

I propose to send an offer containing the terms outlined above and contingent upon a favourable property examination.

A. J. Davidson

AJD/ik

CORPORATION FALCONBRIDGE COPPER

MEMORANDUM

DATE: February 6, 1987
A
TO: A. J. Davidson
COPIES A
COPIES TO:
DE
FROM: L. D. Pirie
SUJET
SUBJECT: Brett Property, Huntington Resources

I met with Werner Gruenwald (geologist) on February 2nd in Kamloops to review data on Huntington's Brett Property near Vernon. Gruenwald is the geologist responsible for almost all the work carried out on the property and is a director of Huntington.

The property is underlain by Miocene Granite and Tertiary volcanics. It hosts several N-S trending shear zones at least two of which contain auriferous quartz veins and quartz vein breccias. A third is overlain by a large gossan zone with sporadic anomalous gold, silver and mercury. Mineralization is believed to be Tertiary and epithermal. A more complete summary is given in the accompanying report.

My overall impression was of a well run, well organized project with definite potential. Gold values, although erratic, are locally spectacular and typical of a coarse gold situation of this type. The "Discovery Zone" is a bonanza type prospect with potential for a smallish tonnage, high-grade deposit while the "Gossan Zone" may be a higher level system with a potential not limited by erosion level. Numerous untested gold-in-soils anomalies are present and a large part of the property is unexplored.

Huntington has expended approximately \$250,000 on the property to date and is looking at ways of funding further work. One possibility is by raising their own funds by flow-through financing. A second is to JV the property with the partner spending \$250,000 this year to earn 50% then 50/50. Huntington wish to operate.

On the face of it this would seem to be quite a cheap deal for a reasonably advanced project. Numerous other companies have reviewed the data and/or looked at the property and at least one "good" offer has been made. It will be necessary to be innovative and competitive if we are to become involved.

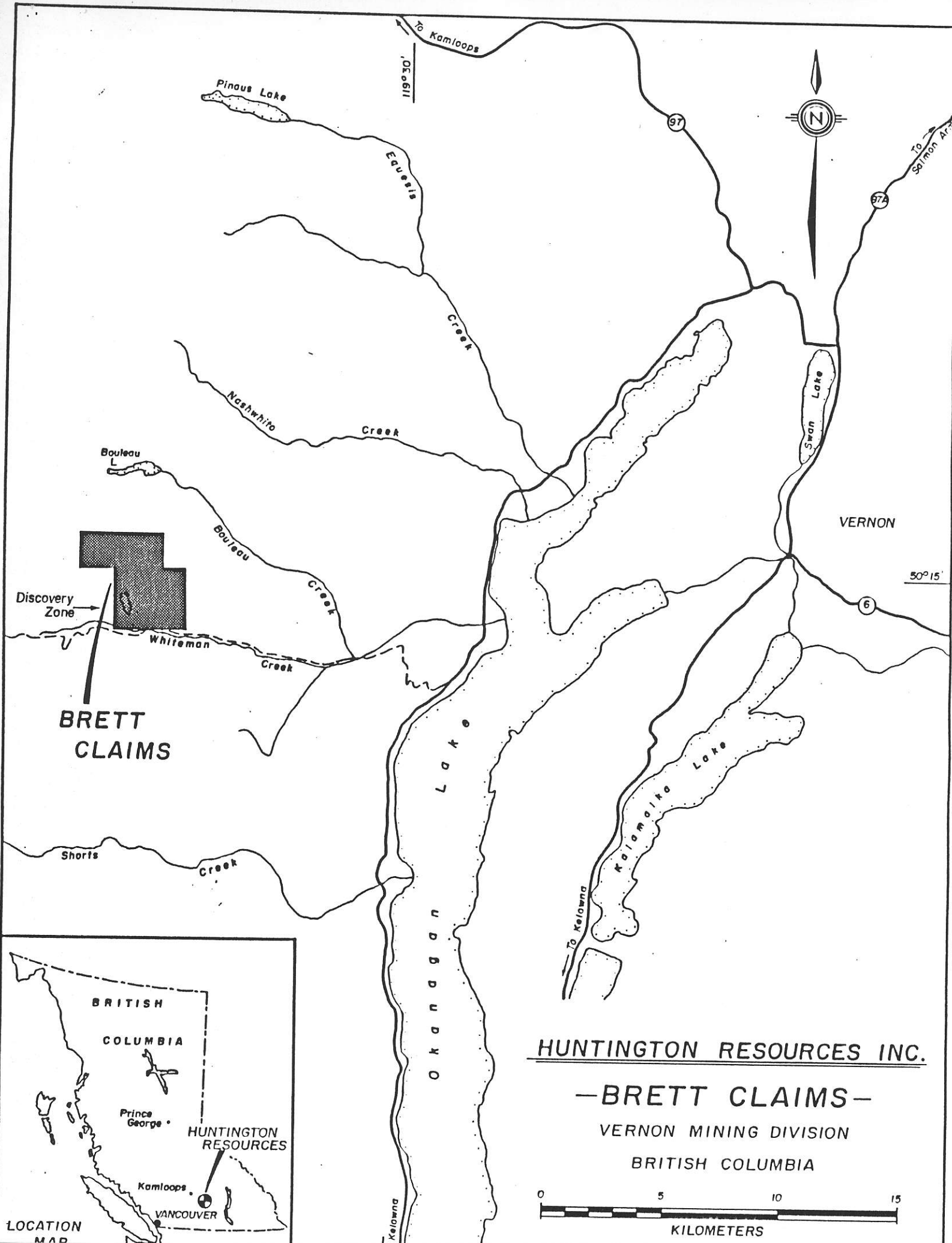
I was favourably impressed with what I saw and believe we should take further action, albeit contingent upon a property examination. I don't

think a \$250,000 programme this year is unreasonable as most of it would be drilling and trenching producing direct results. An offer involving payments down-the-road or to spend more than \$250,000 to earn the interest (say \$250,000 this year and \$250,000 next year) may attract them. It would also give us some time and additional data to fully assess the potential.

As I am going on vacation, may I also recommend that you contact Werner Gruenwald and/or Huntington's non-mining executive to confirm our interest and initiate discussions.

Ian D. Pirie

IDP/ik



**BRETT
CLAIMS**

HUNTINGTON RESOURCES INC.

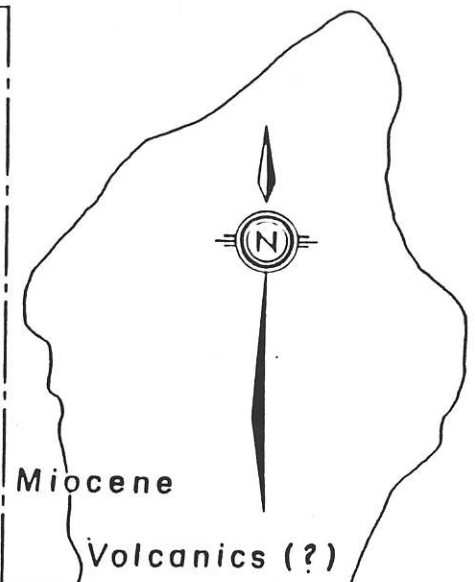
—BRETT CLAIMS—

VERNON MINING DIVISION

BRITISH COLUMBIA



BRETT 4 (3N x 3W)
BRETT 3 (3N x 4E)



Miocene
Volcanics (?)

SW corner of
Brett 4 = 1,100m
L.C.P.

BRETT 1 (3W x 5N)

BRETT 2 (3E x 5N)

Tertiary
Volcanics

"GOSSAN ZONE"
Large epithermal feature
with sporadic anomalous
GOLD-SILVER-MERCURY
values.

"DISCOVERY ZONE" (1985)
Highly anomalous GOLD-SILVER values
in soil and rock. Zone open to N-S.

Staked

Granitic
Terrain

Fig No. 3

UNTESTED
ANOMALIES

Contact
Fault

VEIN No. 2
VEIN No. 1

VEIN (Oct 1984)

4x4 Road

Whiteman
Creek

To Vernon

Topographic Linear
(Fault)

Staked

HUNTINGTON RESOURCES INC.

- BRETT CLAIMS -

GEOCHEMISTRY - MINERALIZED ZONES
GENERAL GEOLOGY

Gold geochemical anomaly (soil)
(> 75 ppb Au)



11/2/84



'RW' VEIN

Length: 300' + (Open to North)
Width: 1' - 4.6'
Depth: 200' + (Open)

DRILL TESTED STRIKE LENGTH
~ 350'

MAIN SHEAR ZONE

Length: 1150' (Open to North/South)
Width: 6' - 49'
Depth: 300' + (Open to depth)

DISCOVERY - OCT. 1986
SHEAR ZONE 13.8' + WIDE
CONTAINING 7.9' @ 2.052, 1.80 *

Shear Zone 49' wide
containing 7.9' @
0.107, 0.61

Shear Zone (8')
180 ppb Au

Qtz from shear (selected)
6.2' @ 1.37, 1.72
Wallrock (3.6' @ 0.39, 0.3)

1985 Discovery
4.6' @ 1.84, 3.20 *

4.6' @ 0.41, 0.35 *

TRENCH I ZONE

TR-24

TR-21

TR-22

TR-23

LEGEND

- 86-5 Diamond drill hole (1986) and surface projection
- 7.9' @ 0.107, 0.61 Surface sample length and assay for GOLD/SILVER in oz/ton
- * Indicates sample containing VISIBLE GOLD
- 75° Dip or inclination of shear/vein

TR-21 Trench

To Vernon

HUNTINGTON RESOURCES INC.
SURFACE PLAN - DDH LOCATIONS

BRETT CLAIMS

VERNON MINING DIVISION, BRITISH COLUMBIA.

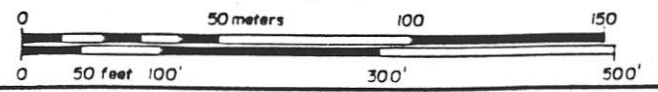


Fig. No. 4

