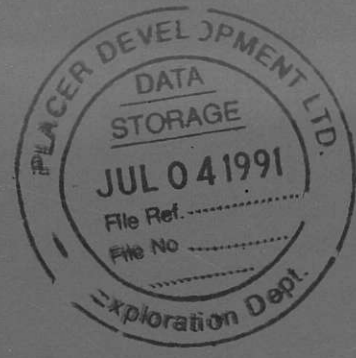


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PROGRESS REPORT
FISH LAKE PROJECT
1974 Work

Distribution: 2 copies to Tucson

TABLE OF CONTENTS

	<u>Page No.</u>
SUMMARY AND CONCLUSIONS	1
INTRODUCTION	1
RESULTS OF 1974 WORK	2
GEOLOGY, ALTERATION AND MINERALIZATION	3
RECOMMENDATIONS	4

APPENDIXES

- I Logs - 1974
- II Assay correlation sheets - 1974
- III Drill Cost summary - 1974
- IV Financial outcome analysis, Nov. 1974

LIST OF ILLUSTRATIONS

SUMMARY AND CONCLUSIONS

Quintana and Taseko have drilled some 20,000 feet of core hole on this property, in addition to the original 12 Taseko percussion holes which were instrumental in the discovery. A porphyry copper gold deposit of marginal economics has been outlined. Further drilling on the known system may well make small but significant improvements to the economics, but it would be unreasonable to anticipate dramatic changes. Quintana's future actions regarding this deposit must be based on a projection of the future real price of copper and gold and on an assessment of the politico-economic future of B.C. and of Canada.

Interesting alteration and weak copper mineralization in a largely overburden covered area east of the known deposit should be tested by percussion drilling in 1975.

Grade and tonnage of rock presently carried in the inferred category should be confirmed.

INTRODUCTION

This report deals with 1974 work which included 2768' of H.Q. coring, 2020' of N.Q. coring, and 902' of triconing in overburden. For a detailed discussion of the physical and geological setting of the deposit, reference should be made to the 1973 progress report.

Core recovery, a problem in 1973, was good to excellent in 1974. The improvement was due to the use of H.Q. size equipment in difficult ground, and to a keen, skilled, well supervised Longyear crew.

Collar locations and elevations of most 1974 and earlier holes were determined from a transit survey.

RESULT OF 1974 WORK

Trial pits calculated following the 1973 field season contained the following mineral reserves:

	<u>Tons</u>	<u>Grade</u>		<u>Waste/Ore Ratio</u>
		<u>Cu</u>	<u>Au</u>	
<u>0.25 Cutoff</u>	32.9 x 10 ⁶	.304	.016	2.87 / 1
<u>0.20 Cutoff</u>	108.6 x 10 ⁶	.250	.013	1.62 / 1
<u>0.15 Cutoff</u>	320 x 10 ⁶	.209	.011	1.05 / 1
or				
<u>0.27 Cutoff</u>	43.4 x 10 ⁶	.30	.017	2.08 / 1

In 1974 a total of 9 holes from 500 to 600 feet deep were drilled, located so as to confirm and extend the better grade material. Trial pits calculated following the 1974 field season contain the following mineral reserves.

		<u>Tons</u>	<u>Grade</u>		<u>Waste/Ore Ratio</u>
			<u>Cu</u>	<u>Au</u>	
Measured	.22% Cutoff	48.1 x 10 ⁶	.304	.017	1.3 / 1
Measured and indicated	.18% Cutoff	105.8 x 10 ⁶	.264	.014	1.35 / 1
Measured, indicated and inferred	.18% Cutoff	155.8 x 10 ⁶	.251	.014	1.59 / 1

Cash flows calculated as shown in Appendix IV yields the following DCFROR's.

Cu price	DCFROR
\$0.80	
\$1.00	
\$1.20	

A separate calculation of grade in the core of the deposit, within the trial pit outlines, using grade assigned for the previous calculations shows the following results.

<u>Level</u>	<u>Cutoff</u>	<u>Tons</u>	<u>Grade</u>
4100' to 4500' (400')	.22	34 x 10 ⁶	.30% Cu
Much drill information	.18	39 x 10 ⁶	.29%
3700' to 4100' (400')	.22	30 x 10 ⁶	.25%
Little drill information	.18	37 x 10 ⁶	.24%

These two slabs are geologically similar, stacked one above the other in the core of the deposit. The upper block contains part or all of some 11 core holes. The lower block has only DDH-73-10 within it. The grade of the lower block is derived largely from assigned or estimated grades in the inferred category. It appears that these estimates were probably too conservative. Increasing the grade of the lower slab to equal the grade of the measured slab should increase the DCFROR by about ~~0.0~~ percentage points to about 00.0%.

1 to 1.5 MPA

GEOLOGY, ALTERATION AND MINERALIZATION

1974 work served to confirm and refine the geological concepts developed during 1972 and 1973. A porphyry type alteration system is centered on an east or slightly north east trending quartz feldspar (quartz diorite) porphyry dike swarm with steep but uncertain dip. Copper, occurring as chalcopyrite with minor bornite together with accessory gold is concentrated in the strong sericite and/or biotite alteration facies. The system is almost completely closed off in plan, but is still open at depth. DDH-73-10, bottom at 1420' (el 3350') is still in interesting alteration and mineralization although there is some suggestion of decreasing copper grade.

Along strike to the east and west, pervasive sericite facies alteration has not been delimited, but copper grades drop to about 0.2% in the more easterly and westerly holes. Some 2500' - 3000' further east, Livingstone has identified interesting alteration and copper mineralization of a few hundred

ppm in partly leached outcrop. These exposures, in a largely covered area, could be a lead to a second hydro-thermal system on the property.

RECOMMENDATIONS

Reserves in the lower part of the core zone should be confirmed. This can be done by deepening existing holes. Untested ground, lying north of 74-7, carried in the reserve calculation as inferred waste, should be tested. Both objectives can be met by drilling about 4000' of NQ hole at an estimated \$20/ft.

Percussion drilling should be used to test a target 2500' east of the known deposit. 8 to 15 holes, at a maximum cost of \$18,000 will be required.

Provision should be made for the \$100,000 payment due July, 1975.

APPENDIX III

DRILL COST SUMMARY, 1974

Hole	Direct Ovb.			Direct rock			Indirect			Total	
	Feet	\$	\$/Ft.	Feet	\$	\$/Ft.	\$	\$/Ft.	Feet	\$	\$/Ft.
74-1	100	2132.12	21.32	650	10343.62	15.91	2833	4.36	750	15308.74	20.41
74-2	230	3162.27	13.75	456	8785.22	19.27	2591	5.68	686	14538.49	21.19
74-3	201	3755.73	18.64	299	3806.80	12.73	1889	6.32	500	9451.53	18.90
74-4	60	779.34	12.99	741	12951.26	17.48	3044	4.11	801	16774.60	20.94
74-5	61	1137.39	18.65	474	8695.50	18.34	2021	4.26	535	11853.89	22.16
74-6	120	1818.89	15.16	681	11512.37	16.91	3025	4.44	801	16356.26	20.42
74-7	30	862.26	28.74	767	12911.87	16.83	3010	3.92	797	16784.13	21.06
74-8	40	685.76	17.14	362	4526.45	12.50	1517	4.19	402	6729.21	16.74
74-9	60	769.24	12.82	347	4338.89	12.50	1537	4.43	407	6645.13	16.33
Total	902			4777					5679	114,442	20.15