



## **Historical Information**

**The following report is of a historical nature and was compiled in 1984 prior to the implementation of National Instrument 43-101 reporting standards.**

**This report was written by L.A. Bayrock in 1984 for Stellar Resources. This report is not N.I. 43-101 compliant. The Company has not performed any work to confirm the information contained therein and therefore this report should not be relied upon.**

United Kingdom Energy Inc. July 9. 1984  
Stellar Resources  
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RE: Phase 1 Completion Drilling Report Rosebud Property

The Phase I drilling project was completed On June 24. 1984. A total of eight holes have been drilled with a cumulative length of 1,553 feet. The shortest hole measured 106 feet and the longest 301 feet. The drill cores were described and split core samples were taken for assays. Sixty-nine core samples were submitted to Min-Em Laboratories Ltd. for analysis for gold and silver. The assay results were received on the 9th of July, 1984.

The Rosebud mine, as shown in the report of April 16. 1984, effectively ran out of ore in the northwestern direction at the 100 and the 250 foot levels and both in the east and the west veins. The Phase 1 drilling program was intended to confirm the postulate that the two vein systems continue to the northwest as seen in outcrops on the surface. Secondly, the drilling program was aimed to prospect for new ore deposits in the northwestern direction from the mine workings for a distance of 200 feet.

Two new mineralized zones of ore grade material were discovered by drilling. The first was encountered in drill hole 5 at a depth of 160 feet below the surface. The mineralization zone is 31 inches in true width and has average assay of 0.125 ounces of gold and 2.06 ounces of silver per ton. The second mineralized zone is present in hole 6 at about 55 feet below the surface. This zone is 41 inches in true width and averages 0.261 ounces of gold and 0.777 ounces of silver per ton. The mineralization in drill hole 5 occurs in the west vein and in drill hole 6 in the east vein. Thus they belong to two separate mineralization zones.

The investigation of the underground workings of the Rosebud mine as shown - in the April 16. 1984 report indicate that mineralized zones follow or belong to ore shoots which have limited lateral extent but a very deep vertical extent. The chances are good that the two mineralized zones discovered during the completed drilling program are two separate ore shoots. This will have to be ascertained by further drilling.

The drilling confirms the presence of the postulated ore shoot, as shown on section on the northwest portion of the east vein in the April 16 report, of a grade which may be a little richer than shown. (Possible ore block EL.) The drill hole 5 mineralized zone is in ore block WF as shown on the section of the northwest portion of the west vein. Present indications are that this ore shoot may be smaller than shown in the April 16 report.

Surface indications of the northwestern extension of the mineralized shear zones to the northwest of the mine workings indicate that a number of larger and better mineralized ore shoots are present. cursory examination of the extension of the shear zones beyond the mapped area, are shown in the April 16 report indicates

that for at least 600 feet beyond the map area, additional large ore shoots are present.

A future program of exploration should be based on the exploration of the shear zones and veins in the northwestern direction for a distance of 1,100 feet to the northwest from the end of the Phase I drilling.

Approximately 1,000 feet of drilling will be required to 100 foot horizontal extension of the shear zones. Thus, a total of 11,000 feet of diamond drilling will be required to complete the next phase of drilling. The drilling costs are approximately \$30.00 per foot, thus \$330,000.00 will be required. An additional expenditure of about \$10,000.00 to \$15,000.00 will be needed to construct 3 roads for the drill rig.

The extension of the shear zones to the northwest of the map area of the April 16 report may more than double the postulated ore reserves of the Rosebud property. The new possible ore reserves may be close to 1/2 million tons. The phase II drilling program is aimed at proving the above.

Yours truly,

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