



ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT 2008 geophysical exploration of the Red project area, Lac La Hache, Clinton Mining Division, B.C.

TOTAL COST \$31054.00

AUTHOR(S) David G. Bailey

SIGNATURE(S)

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) MX-3-192 May 15 – June 5, 2008 STATEMENT OF WORK EVENT NUMBER(S)/DATE(S) 4243418 October 27, 2008 YEAR OF WORK 2008 PROPERTY NAME RED CLAIM NAME(S) (on which work was done) CORA M.C. (208311), 512578, 512580

COMMODITIES SOUGHT Copper, gold

MINERAL INVENTORY MINFILE NUMBER(S),IF KNOWN MINING DIVISION Clinton NTS / BCGS 094P/14 LATITUDE ______o ____' ____" LONGITUDE ______o ____' ____" (at centre of work) UTM Zone 10 U EASTING 610500 NORTHING 5758985

OWNER(S) David E. Blann MAILING ADDRESS 38151 Clarke Drive, Squamish, BC, V8B 0B3

OPERATOR(S) [who paid for the work] GWR Resources Inc. MAILING ADDRESS 650 St. Annes Road, Armstrong, BC, V0E 1B5

REPORT KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude **do not use abbreviations or codes**) Triassic, basalt, sandstone, siltstone, Nicola Group, propylitic, chalcopyrite, disseminated, fracture filling, occurrence.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS 18589, 18590, 20915, 22203, 24391, 25434, 25844, 26825



BC Geological Survey Assessment Report 30457

2008 GEOPHYSICAL EXPLORATION OF THE RED PROJECT AREA, LAC LA HACHE REGION CLINTON MINING DIVISION Mineral Tenure No's. 208311, 512578, 512580 UTM ZONE 10U 610500mE, 5758985mN NTS MAP SHEET 92P/14W Event No. 4243418

> TENEMENT HOLDERS: 1. 512578, 512580 David E. Blann 38151 Clarke Drive Squamish BC V8B 0B3

2. 208311 GWR Resources Inc. (80%) 650 St. Annes Road Armstrong BC V0E 1B5

Peach Lake Resources Inc. (20%) 3437 - 156A Street Surrey BC V3S 0K4

OPERATOR: GWR RESOURCES INC.

Prepared By

David G. Bailey BAILEY GEOLOGICAL CONSULTANTS (CANADA) LTD. 2695 Mountain Highway North Vancouver. B.C., Canada V7J 2N4

January 18, 2009

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1. SUMMARY

The Red project area is located about 20 kilometres northeast of the village of Lac La Hache on Highway 97 of south central British Columbia. The project area lies within the southern part of the Cariboo Plateau at an average altitude of about 1,250, ASL, a region that is characterized by moderate to heavy amounts of precipitation (500-100mm annually) of which most is in the form of winter snow. Vegetation is typical of the wet interior climatic zone with conifer forest dominated by spruce, fir and pine in unlogged areas and alder and poplar as second growth over logged areas. The project area is serviced by a number of all-weather roads of which most were built to facilitate logging operations.

The Red mineral tenures totaling 1,951.9 ha in area that, for the most part, overlie Upper Triassic volcanic strata and associated epiclastic and volcaniclastic sedimentary strata. Copper mineralization within the project area occurs as chalcopyrite disseminations and fracture-fillings within basalt flows and breccia.

During the period May 30 - June 5, 2008, GWR Resources Inc., the optionee, carried out an induced polarization and magnetic survey covering 11 line kilometres over an area in which basalt-hosted chalcopyrite occurs to determine whether potential exists for a substantial body of mineralization within the area. Results suggest that copper mineralization within the area surveyed is not significantly concentrated to record a positive chargeability anomaly. High chargeability in the southeastern part of the survey grid is attributable to pyrite within fine grained epiclastic sedimentary strata and appears to be unrelated to copper mineralization exposed in outcrop.

2. INTRODUCTION

2.1 General Statement

In the period ending July 5, 2007, GWR Resources Inc. undertook a programme of induced polarization and magnetic surveying on its optioned Red claims in south central British Columbia held by Mr. David Blann of Squamish, B.C. to determine whether potential exists for a body of copper mineralization of which minor amounts occur in exposed basaltic bedrock.

2.2 Location, Access and Physiography

The Red project area is located within the Clinton Mining Division and is about 20 kilometres northeast of the village of Lac La Hache on British Columbia Provincial Highway 97 (Figure 1). The project area, centred at about 610500mE, 5758985mN (Zone 10U, NAD83), is reached via the Spout Lake and Timothy Mountain all weather roads from the Timothy Lake road (Figure 2). Within the project area a network of roads built for timber access and log hauling allow four-wheel-drive access to most parts of the project area.

The project lies within the southern Cariboo plateau of southcentral British Columbia, an upland region, characterized by mixed coniferous forest comprising pine and fir varieties along with birch, poplar and alder in cleared areas. The topography is subdued with an average elevation of about 1,300 metres above sea level (Figure 3). The climate of the area is typical for the southern Cariboo region with most precipitation falling in the winter months but rarely exceeding 1,000 mm annually.

Exploration activities can usually be carried out throughout the year although water supply for drilling purposes may be limited during the coldest winter months (December and January).

2.3 Exploration History

Evidence of early placer gold prospecting activities within the project area suggests that initial exploration of the area probably occurred during the late 1800's during the Cariboo gold rush. However, the first modern exploration within the claim group area was in 1989, carrried out on behalf of Tide Resources Ltd. (White, 1989). This was preceded by an airborne magnetic and VLF-EM survey (Woods, 1988) that was interpreted by Seyward (1990) The work outlined areas of anomalous geophysics and geochemistry that subsequent work enlarged upon (White, 1992, 1993). Subsequent exploration included additional geochemistry, limited geological

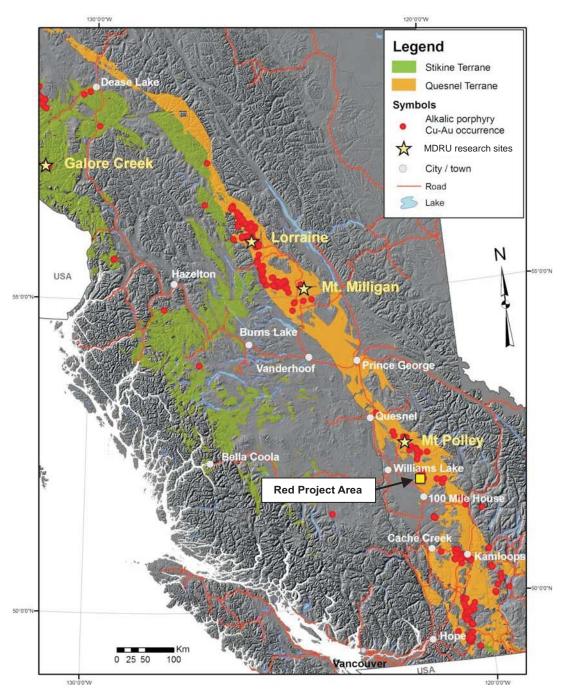
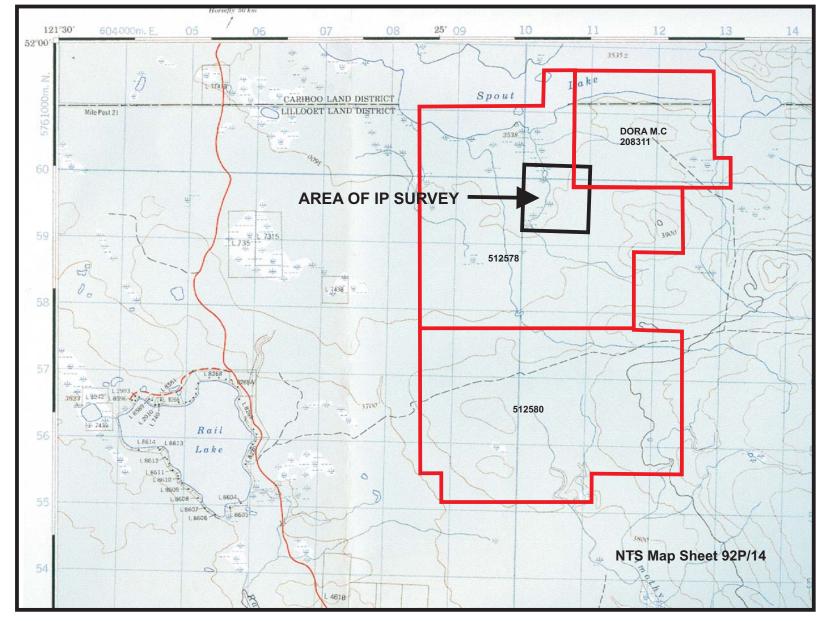


Figure 1. Distribution of the Quesnel Terrane (Quesnellia) in British Columbia, the location of alkalic copper-gold porphyry deposits within the terrane and the location of the Red project. Deposits denoted by stars are currently being researched by the Mineral Deposits Research Unit of the University of British Columbia.



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mapping and geophysics (Blann, 1996, 1997, 1999 and 2006). The area, previously covered by the Club claims, was restaked as the Hen claims in 1997. A listing of all assessment reports that include work over the Red project area is given in Section 6.

2.4 Mineral Tenements

The Red project area is covered by mineral tenures totaling 1,951.9 hectares and which are listed in Table 1. During the period covered by this report all work was carried out on Mineral Tenures numbers 512578 and 512580 with limited extent (about 10%) of the induced polarization survey on to Mineral Tenure 208311 (DORA M.C.)

Figure 3 is a plan of mineral tenements of the Red project area.

Table 1Hen project mineral tenures

Tenure Number	Claim Name	Issue Date	Good to Date (Prior to this report)	Area (ha)
208311*	DORA M.C.	Sept. 18, 1987	Sept. 30, 2017	500.00
512578		May 14, 2005	Nov. 02, 2008	955.75
512580		May 14, 2005	Nov. 02, 2008	996.13

 \ast Dora M.C. is held by GWR Resources Inc. (80%) and Peach Lake Resources Inc. (20%)

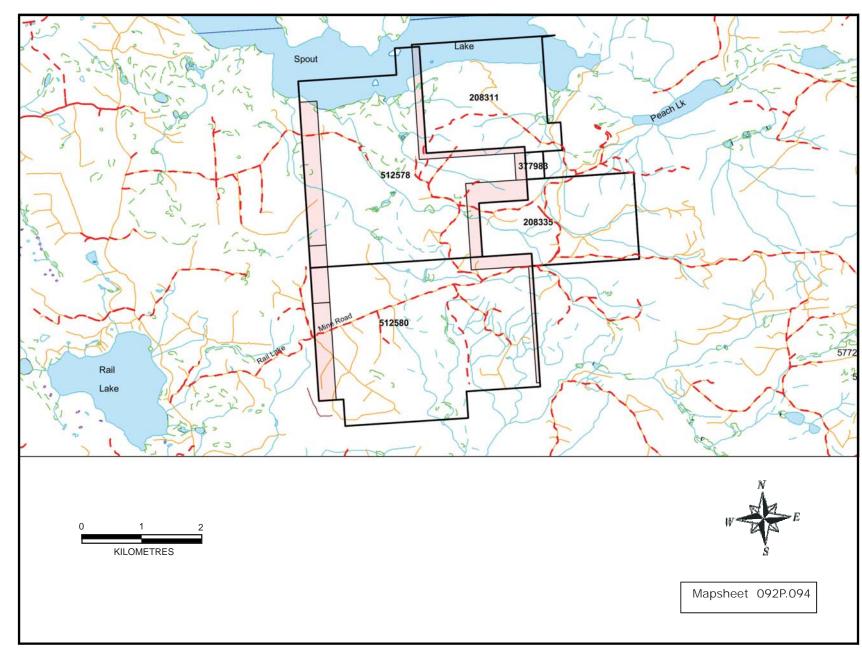


Figure 2. Disposition of the Red project mineral tenures.

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3. GEOLOGY

3.1 Regional Geology

The geology of the region in which the Lac La Hache project is located has ben mapped and described by Schiarizza and Bligh (2008) from which Figure 4 is taken. Oldest rocks of the region are those of the Upper Triassic Nicola Group which consists of a alkalic volcanic arc succession into which intermediate to felsic stocks have been emplaced. The Nicola Group volcanic stratigraphy in the region has ben divided into three major units, a lower basaltic unit consisting of pyroxene-phyric basaltic breccia with volcaniclastic, epiclastic and calcareous strata, a polylithic breccia unit with clasts of both basalt and intermediate to felsic intrusive rocks and a maroon and red volcaniclastic unit with local basalt and basaltic breccia. In gross nature, this stratigraphic succession mimics that described by Panteleyev *et al.* (1996) in the Horsefly-Likely region to the north.

Nicola Group rocks are overlain by the Skull Hill Formation of the Eocene Kamloops Group, an assemblage of basalt, andesite, dacite and, locally, rhyodacite, with associated epiclastic sediments, and minor amounts of olivine basalt of the Miocene Chilcotin Group. Quaternary glacial and fluvioglacial deposits obscure much of the bedrock geology to the west of the project area and within parts of the project area itself.

The western part of the region in which the Red project is located is underlain dominantly by granodiorite of the Upper Triassic - Lower Jurassic Takomkane Batholith. Intrusive rocks of alkalic composition and consisting of diorite, monzodiorite and monzonite and which are coeval with (but unrelated genetically), or slightly younger than, Nicola Group volcanic rocks.

3.2 Geology of the Red Project Area

3.2.1 Lithologies

The Red project area is underlain almost entirely by Upper Triassic - Lower Jurassic rocks of the Nicola Group. Oldest rocks within the project area consist of alkalic olivine-pyroxene and pyroxene basalt, generally as pillow breccia and autobrecciated flows with lesser amounts of hyaloclastite, tuff and tuff breccia. The unit is characterized by the lack of compositions other than basalt. Overlying this unit is polylithic breccia that is differentiated from the older basaltic unit by the presence of felsic clasts, commonly of monzonitic or monzodioritic composition. Clasts of basaltic composition, derived from underlying rocks are common while the matrix to this breccia is generally tuffaceous and feldspathic. Tuffaceous sandstone and siltstone occur as probable lenses within the unit while reworked breccia is common. Reworked volcaniclastic sedimentary rocks, represented as sandstone and well bedded siltstone, underlie the southern and eastern part of the Red project area.

3.2.2 Structural Geology

Within the project area bedding attitudes are difficult to obtain but, from the few observation made, it appears that the supracrustal rocks strike to the west or northwest and dip moderately to the north or northeast. All deformation is of a brittle nature and, apart from in fault zones where penetrative fabrics are sometimes developed, a discrete conjugate fracture system is present throughout the property. These fractures generally strike to the northwest and northeast and are steeply dipping.

3.2.3 Metamorphism

Regional metamorphic grade of the rocks of the Red project area is probably of zeolite facies in that zeolite minerals occur within basalt at some distance from pluton boundaries. A greenschist facies assemblage in basaltic rocks (chlorite albite - epidote - magnetite - calcite) is probably the result of later hydrothermal activity and is not thought to be a regional metamorphic phenomenon.

3.2.4 Alteration and Mineralization

The project area hosts minor amounts of copper mineralization is basaltic outcrop. Skarn mineralization of the WC showing occurs within the northeastern part of the DORA M.C. tenure. Mineralization occurs within volcanic and volcaniclastic rocks that had undergone strong carbonate alteration, probably related to carbonate-rich fluids from a rising monzonitic magma. The skarn is dominated by magnetite with garnet, epidote, diopside and scapolite. Chalcopyrite and bornite occur as lenses, stringers and irregular masses within magnetite-rich rocks.

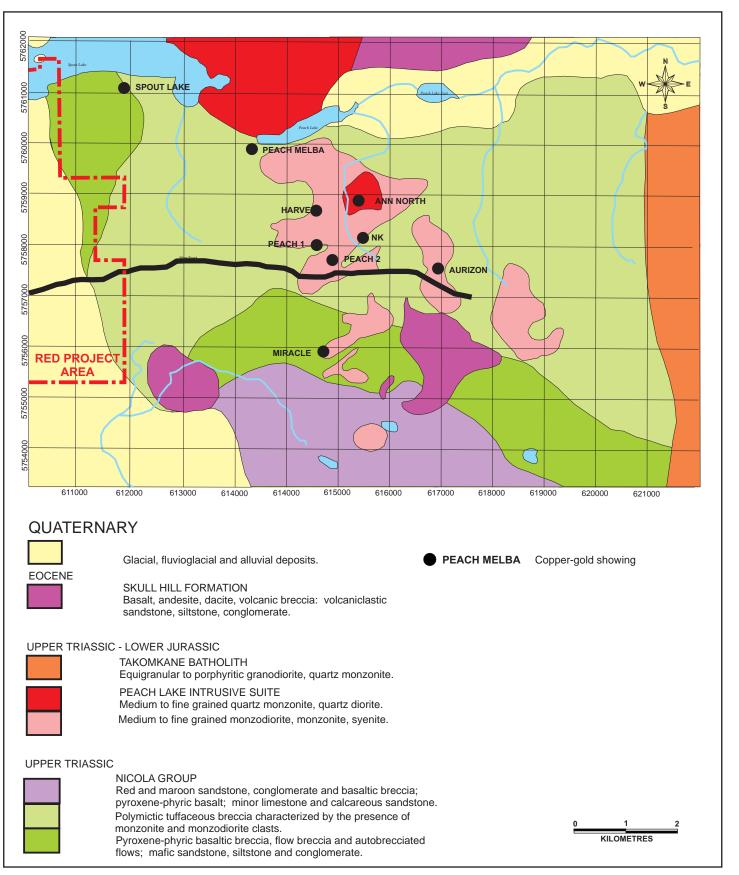


Figure 4. Geology of the area about the Red project. The western part of the Red project area is covered by *Quaternary glacial and fluvioglacial deposits.*.

4. 2008 EXPLORATION

Exploration of the Red project area consisted of 11 line kilometres of induced polarization (poledipole) surveying on lines one kilometre long and spaced 100 metres apart. Lines were oriented eastwest and surveying was carried out from east to west. Electrode spacing was 50 metres at n = 5.

The induced polarization survey was carried out, for the most part, over an area underlain by pyroxene basalt within which prospecting had discovered minor amounts of fracture-controlled and disseminated chalcopyrite. The purpose of the survey was to determine whether the copper mineralization in basalt may indicate the presence of a near surface monzonite pluton that might host alkalic porphyry-style copper-gold mineralization.

Results of the survey are included as Appendix 1.

5. DISCUSSION OF RESULTS

Induced polarization survey results suggest that, for the most part, the area surveyed is unlikely to host significant copper-gold mineralization. An area of anomalously high chargeability, up to about 10mV/V, or about four times the background value of about 2.5mV/V, may represent pyrite within sedimentary rocks that border the basaltic unit. Although sedimentary strata are not exposed within the survey area, pyritic sandstone occurs to the east over which previous induced polarization surveying had been undertaken (White, 1992) and from which similar results to the survey described herein were obtained.

Copper minerals in Nicola Group basalt are not uncommon, such as at near Morehead Lake northwest of Mount Polley where copper occurs as the native species, near Mount Milligan where chalcocite within basalt has been identified and southeast of the QR deposit east of Quesnel where minor chalcopyrite occurs within basaltic pillow breccia (observations by the writer, 1975, 1986). In addition, there are several locations where copper silicate minerals, commonly chrysacolla, occur within the lower basaltic units of the Nicola Group.

It is concluded, therefore, that while chalcopyrite within basaltic rocks of the Red project area may be related to monzonite-associated copper mineralization that is manifested to the east of the Red project area, the induced polarization results suggest that, if this the case within the Red project area, then the lack of an IP detectable possible source would suggest a source at a depth of greater than 100m.

6. REFERENCES AND BIBLIOGRAPHY

Blann, D.E., 1996: Assessment report on the Club1 and 2 claims, Lac La Hache, British Columbia. *Assessment Report 24391.*

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Schiarizza, P. and Bligh, J.S., 2008: Geology and mineral occurrences of the Timothy Lake area, south central British Columbia (NTS092P/14). *BC Ministry of Mines and Petroleum Resources, Geological Fieldwork 2007, p. 191-212.*

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White, Glen E., 1989: Geochemical, geophysical report Club 1, 2, 6 and 7 claims, Clinton Mining Division, Lac La Hache, B.C. *Assessment Report 18589*.

White, Glen E., 1992: Induced polarization report, Club 1, 2, 6 and 7 claims, Clinton Mining Division, Lac La Hache area, B.C. *Assessment Report 22203*.

White, Glen E., 1993: Report on a total field magnetometer survey, Club 1, 2, 6 and 7 claims, Clinton Mining Division, Lac La Hache area. *Assessment Report 23310*.

Woods, Dennis V., 1988: Geophysical report on an airborne magnetic and VLF-EM survey, Club 3 - 5, 8 - 14, 16, Nolan 1 - 5 and Gordon 2 - 7 claims, Clinton Mining Division. *Assessment Report 18590*.

7. EXPENDITURE STATEMENT

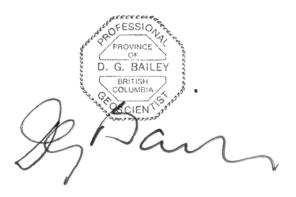
Induced polarization/magnetometer suveying:			
11 line km. @ \$2,273/line km. (includes food and accomodation)	25,003.00		
Project management/supervision:			
4 mandays @ \$800/day	3,200.00		
Vehicle hire, fuel	451.00		
Report preparation:			
3 days @ \$800/day	2,400.00		
Total	31,054.00		

8. CERTIFICATE

I, David Gerard Bailey of 2695 Mountain Highway, North Vancouver, British Columbia, hereby certify that:

- 1. I am a geological consultant and Principal of Bailey Geological Consultants (Canada) Ltd., with offices at the above address;
- 2. I hold degrees in geology from Victoria University of Wellington, New Zealand (B.Sc.(Hons.), 1973) and Queen's University, Kingston, Ontario (Ph.D., 1978);
- 3. I have practised the profession of geologist continuously since graduation;
- 4. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia;
- I hold memberships in the Society of Economic Geologists, the Geological Association of Canada, the Association of Exploration Geochemists, the Geological Society of America, the Canadian Institute of Mining and Metallurgy and the Australasian Institute of Mining and Metallurgy;
- 6. I supervised the work described in this report.

Dated at North Vancouver this 18th day of January, 2009.



David G. Bailey, Ph.D., P.Geo

APPENDIX 1

GEOPHYSICAL SURVEY

LOGISTICAL REPORT

INDUCED POLARIZATION AND MAGNETOMETER SURVEYS

RED CLAIMS, LAC LA HACHE AREA, B.C.

on behalf of

GWR RESOURCES INC. 650 St Anne's Road Armstrong, B.C. V0E 1B5

Surveys performed: May 30 to June 5, 2008

by

Alan Scott, Geophysicist SCOTT GEOPHYSICS LTD. 4013 West 14th Avenue Vancouver, B.C. V6R 2X3

June 11, 2008

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Listing of GPS derived UTM coordinates	rear of report

Accompanying Maps

	map pocket
Chargeability/Resistivity Pseudosections with Magnetometer Profiles	
Lines 59200N, 59300N, 59400N, and 59500N	1
Lines 59600N, 59700N, 59800N, and 59900N	1
Lines 60000N, 60100N, and 60200N	1
Chargeability contour plan – Triangular Filtered Values	2
Resistivity contour plan – Triangular Filtered Values	2
Magnetometer profiles	3
Magnetometer data posting	3
Accompanying Data Files	
One (1) compact disk with all survey data and maps	4

1. INTRODUCTION

Induced polarization (IP) and magnetometer surveys were performed at the Red Claims, Lac La Hache Area, B.C., within the period May 30 to June 5, 2008.

The surveys were performed by Scott Geophysics Ltd. on behalf of GWR Resources Inc. This report describes the instrumentation and procedures, and presents the results of the surveys.

2. SURVEY COVERAGE AND PROCEDURES

A total of 11 km of IP and magnetometer survey were performed at the Red Claims. The pole dipole array was used for the IP survey with an "a" spacing of 50 metres and "n" separations of 1 to 5. The on line current electrode was located to the east of the potential electrodes on all survey lines.

The chargeability and resistivity data are presented on the accompanying pseudosections and contour plan maps. The magnetometer survey results are presented as profiles at the top of the pseudosections, and as data posting and stacked profile plans.

3. PERSONNEL

Gordon Stewart was the crew chief on the survey on behalf of Scott Geophysics Ltd. David Bailey was the representative on behalf of GWR Resources Inc.

4. INSTRUMENTATION

A Scintrex IPR12 receiver and GDD TxII transmitter were used for the IP survey. Readings were taken in the time domain using a 2 second on/2 second off alternating square wave. The chargeability values plotted on the accompanying pseudosections and plan maps is for the interval 690 to 1050 msecs after shutoff.

A Scintrex ENVI was used for the magnetometer survey. All data was corrected for diurnal drift with reference to a Scintrex ENVI base station cycling at 10 second intervals.

Respectfully Submitted,

Alan Scott, Geophysicist

Statement of Qualifications

for

Alan Scott, Geophysicist

of

4013 West 14th Avenue Vancouver, B.C. V6R 2X3

I hereby certify the following statements regarding my qualifications and involvement in the program of work conducted on behalf of GWR Resources Inc., Lac La Hache Area, B.C., and as presented in this report of June 11, 2008.

The work was performed by individuals sufficiently trained and qualified for its performance.

I have no material interest in the property under consideration in this report.

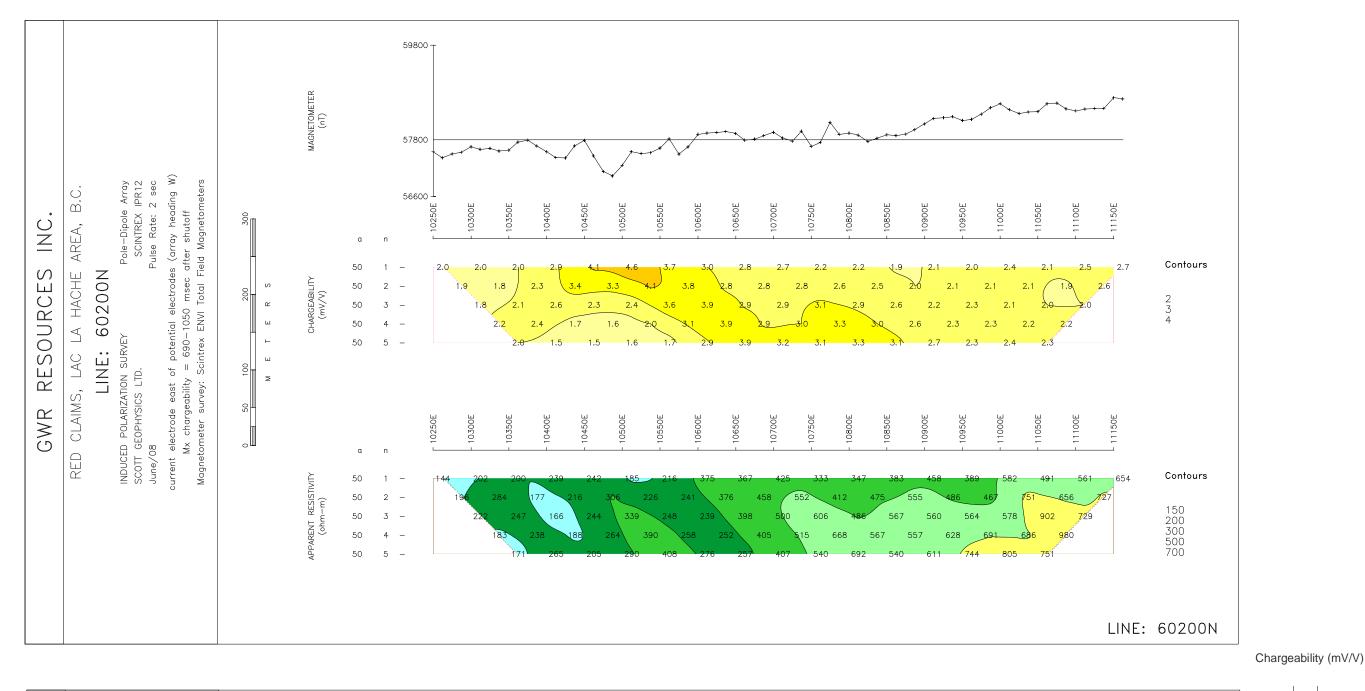
I graduated from the University of British Columbia with a Bachelor of Science degree (Geophysics) in 1970 and with a Master of Business Administration in 1982.

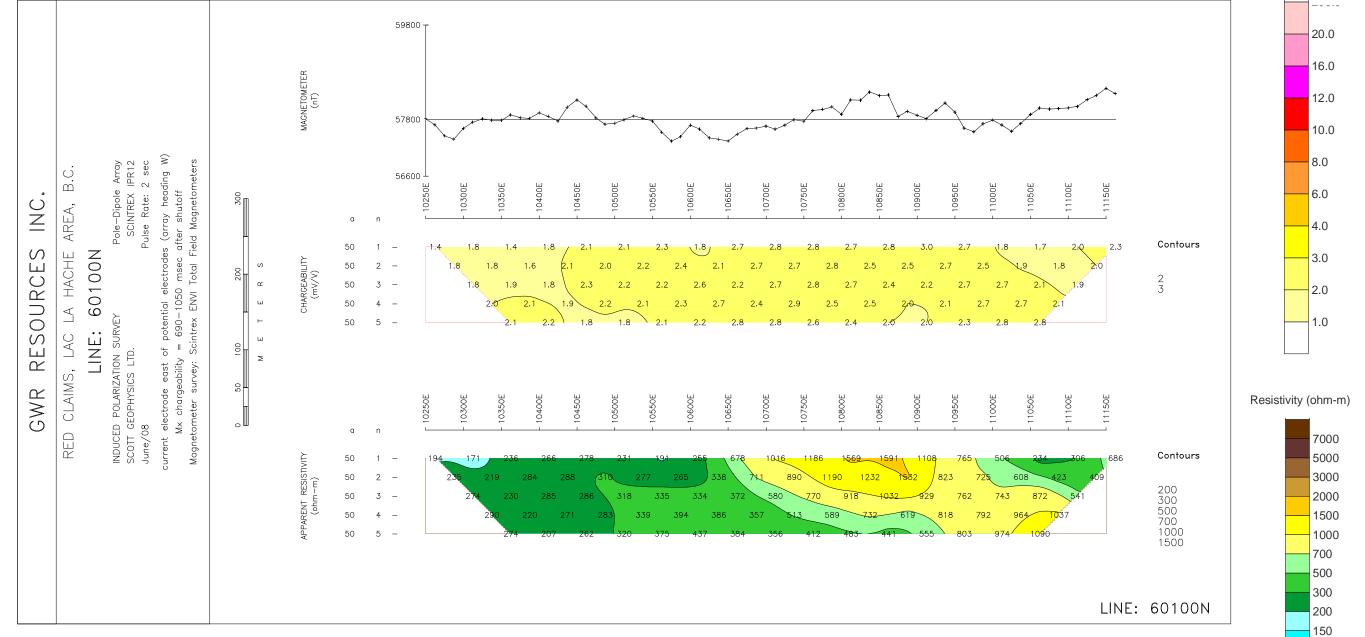
I am a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

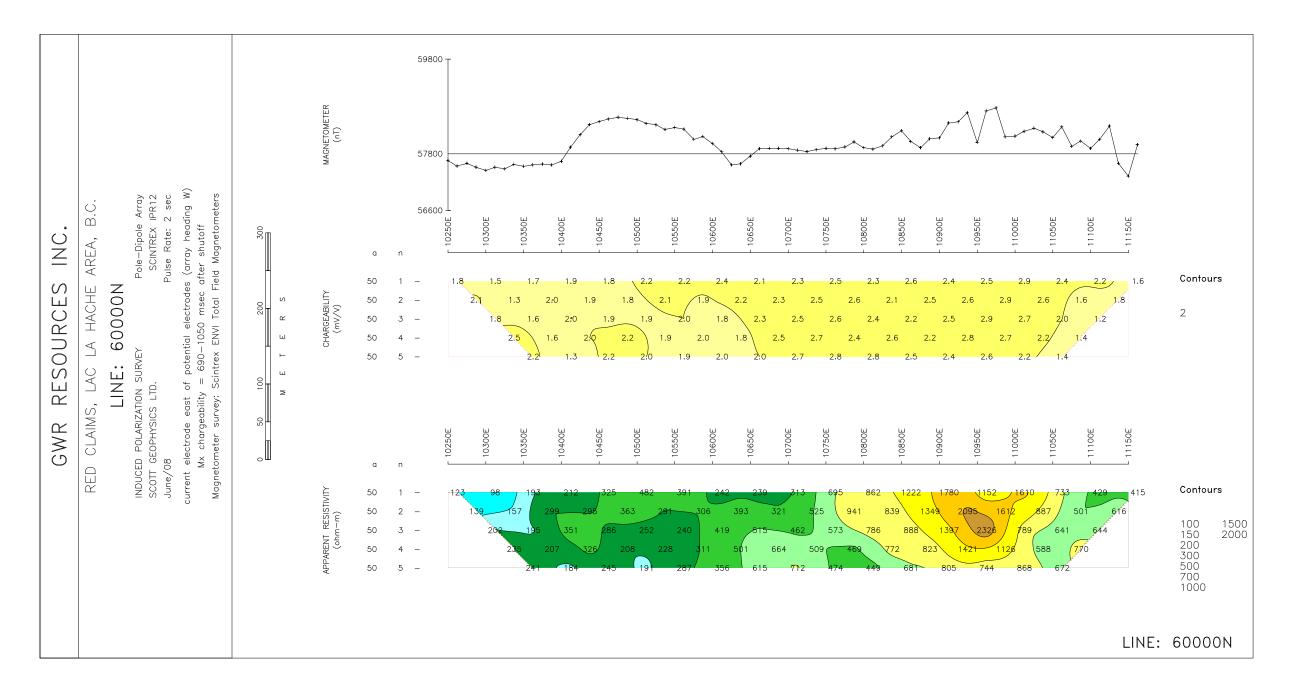
I have been practicing my profession as a Geophysicist in the field of Mineral Exploration since 1970.

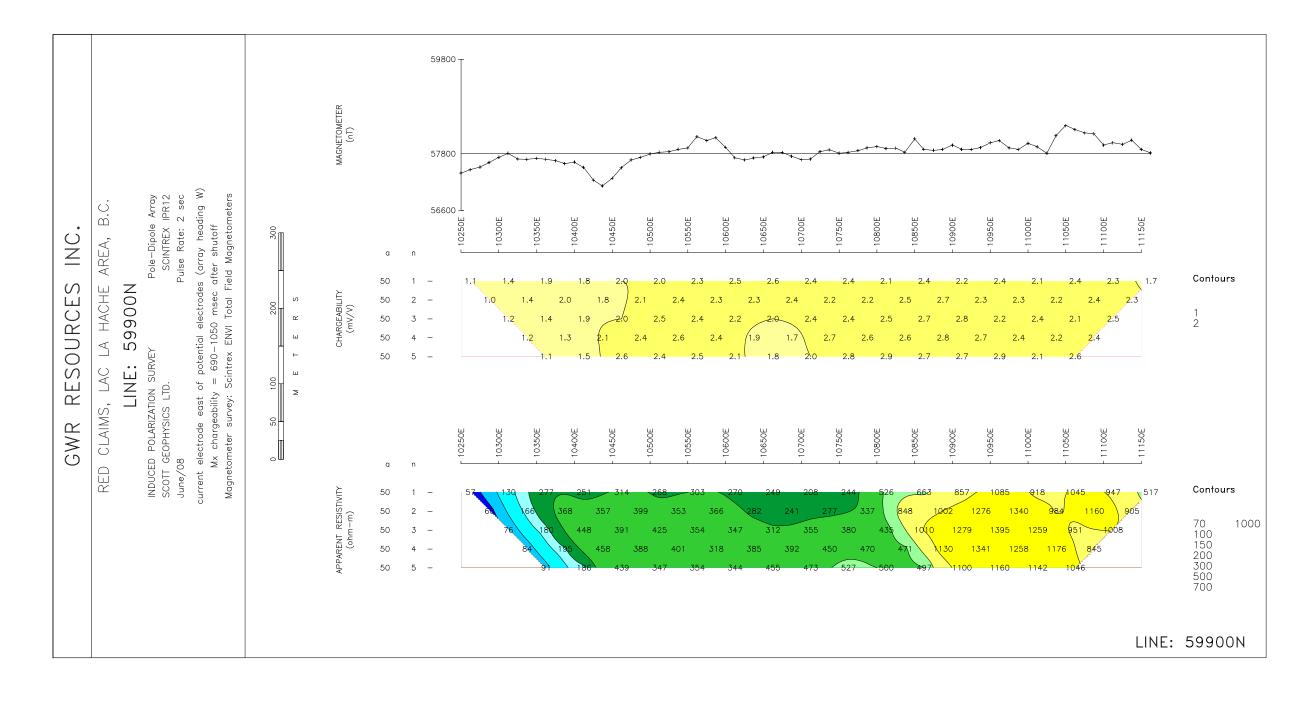
Respectfully submitted,

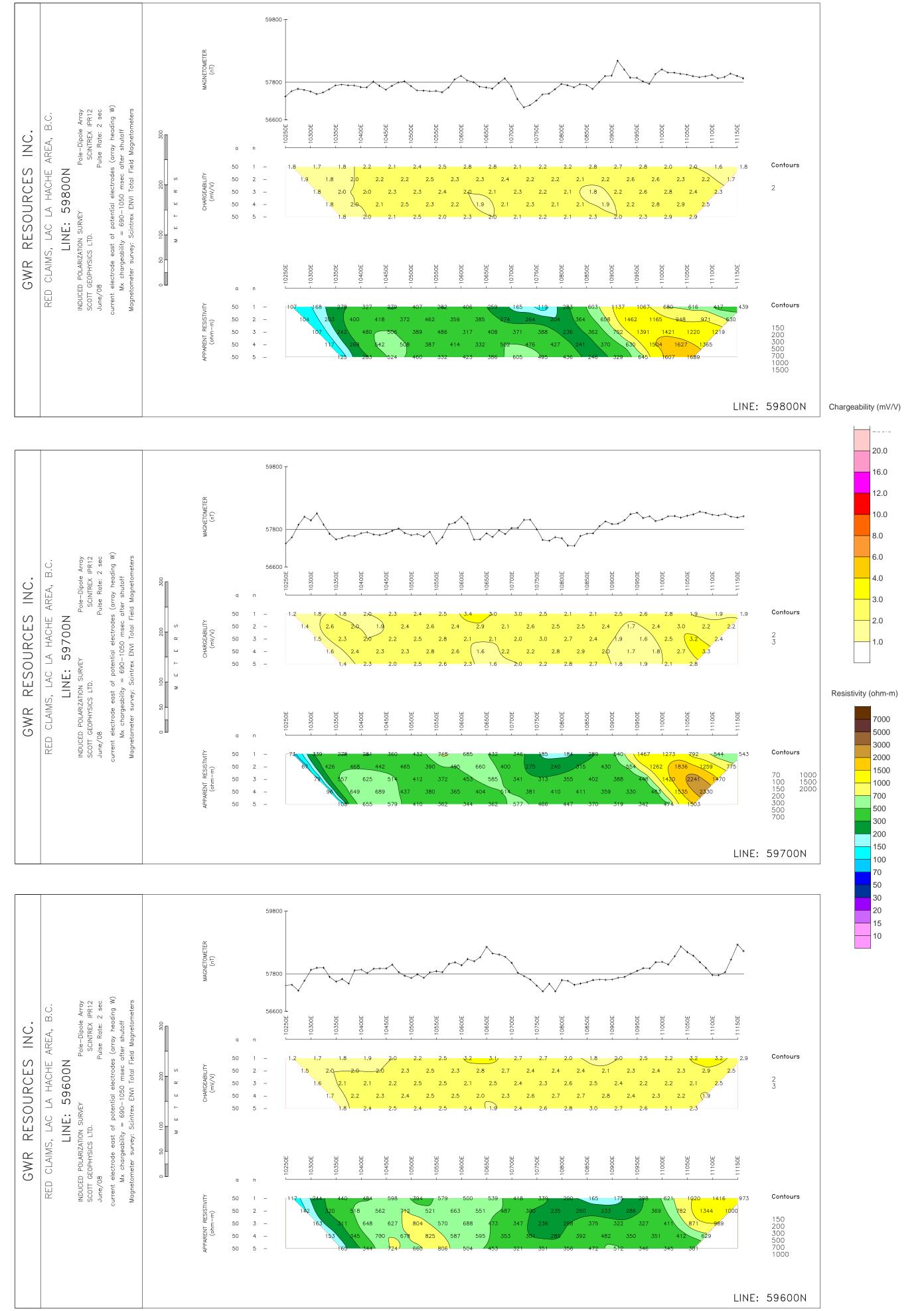
Alan Scott, P.Geo.

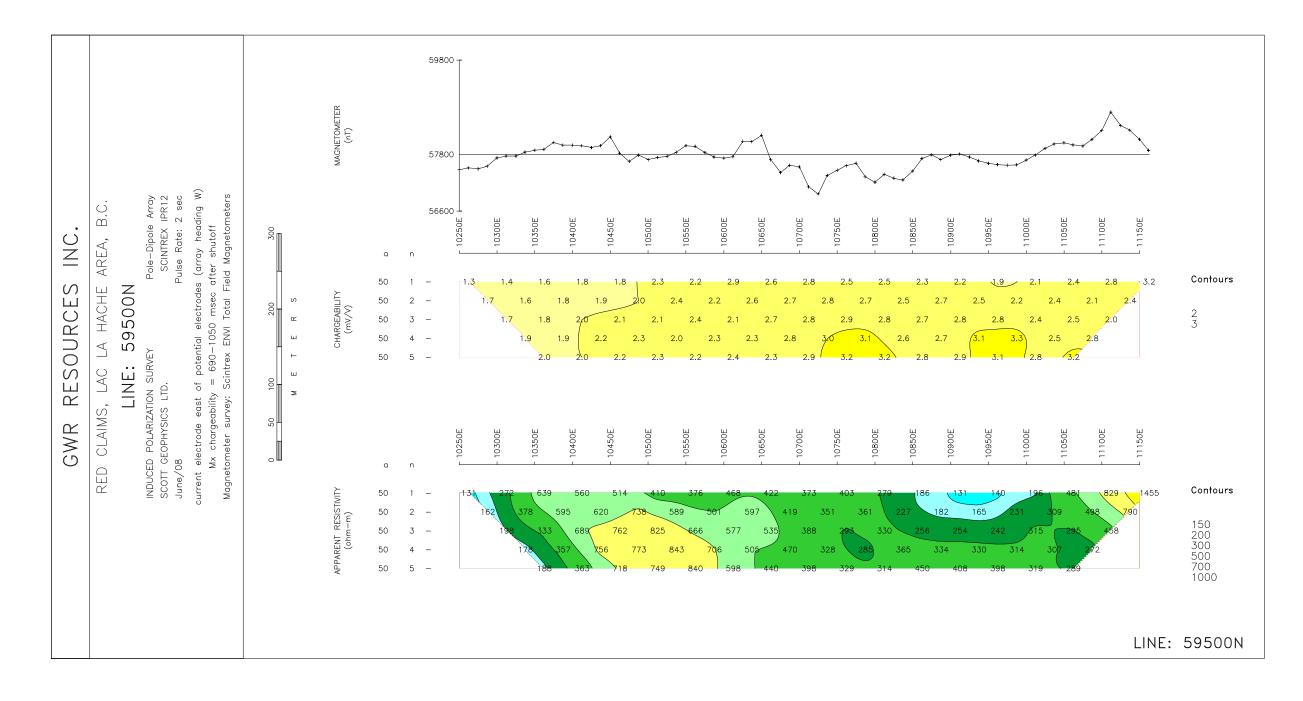


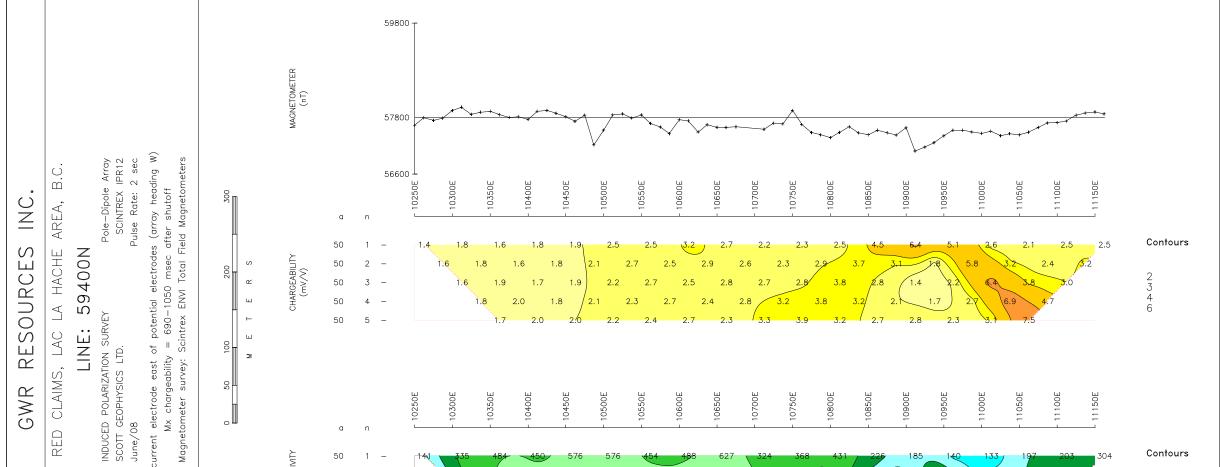












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	LINE: 59400N	Chargeability (mV/V)
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