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VICTOR 82G/11W (082GNW004)
DEB 921/6E (0921SW008)

VICTOR MINING CORPORATION LTD. (N.P.L.)

Incorporated Under the Laws of
the Province of British Columbia

RECEIVED
FEB 17 1971
BRITISH COLUMBIA
SECURITIES COMMISSION

SECOND PROSPECTUS

DATE: January 15th, 1971

NEW ISSUE

300,000

COMMON SHARES

	Price to Public	Commission	Proceeds to Issuer If All the Shares are sold
Per Unit	50¢	12.5¢	37.5¢
TOTAL	\$150,000.00	\$37,500.00	\$112,500.00

THERE IS NO EXISTING MARKET FOR THE COMPANY'S SECURITIES.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. IF ALL THE SHARES OFFERED UNDER THIS PROSPECTUS ARE SOLD, THEN THE INSIDERS OF THE COMPANY WILL HOLD 43.9% OF THE SHARES, 44.5% WILL HAVE BEEN ISSUED FOR PROPERTY AND HELD SUBJECT TO ESCROW RESTRICTIONS AND 55.5% WILL HAVE BEEN SOLD FOR CASH.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S LOCATED MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

PROPERTY FILE

82GNW004 - 05

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NAME AND INCORPORATION OF ISSUER

The name of the Company is VICTOR MINING CORPORATION LTD. (N.P.L.). The address of the Company's head office is suite 818 - 510 West Hastings Street, Vancouver, British Columbia. The address of the registered office of the Company is suite 534 - 789 West Pender Street, Vancouver, British Columbia. The Company was incorporated under the laws of the Province of British Columbia on the 13th day of December, 1968 by Memorandum and Articles of Association as Victor Mining Ltd. (N.P.L.). Its name was changed to Victor Mining Corporation Ltd. on January 6th, 1969. The Company was incorporated as a Private Company and converted to a Public Company on the 14th day of October, 1969.

PLAN OF DISTRIBUTION

The Company offers by this Prospectus 300,000 shares of its capital stock at 50¢ per share. Shares of this issue will be sold through salesmen or companies registered under the Securities Act, 1967, and they will be paid a commission of up to 25% or 12.5¢ per share for each share sold. The Company may also sell its shares directly to the public through trading directors registered under the Securities Act, 1967, in which case it may allow a commission of up to 25% or 12.5% per share for each share subscribed for. Trading directors of the Company will not be paid any commission for shares sold under this prospectus.

DIRECTORS AND OFFICERS

<u>Names and Addresses</u>	<u>Principal Occupation For Past Five Years</u>	<u>Office</u>
Ralph Andrew Sostad 1025 Wildwood Lane West Vancouver, B.C.	Mining Executive with Canzac Mines Ltd. (NPL), Burlington Mines Ltd. (NPL) and Premier Mining Corporation Ltd.	President and Director
Cecil Alfred White 894 - 17th Street West Vancouver, B.C.	Accountant for Domtar Chevals Ltd. until 1965. Presently employed with Canzac Mines Ltd. (NPL), Burlington Mines Ltd. (NPL) and Premier Mining Corporation Ltd.	Secretary and Director

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized To Issue</u>	<u>Amount out-standing at Oct. 31, 1970 Balance Sheet</u>	<u>Amount out-standing at January 15, 1971</u>	<u>Amount out-standing if all securities being issued are sold</u>
Common Shares No Par Value	5,000,000	1,386,250	1,386,250	1,686,250

Particulars of shares sold for cash are as follows:

<u>Number Sold</u>	<u>Price</u>	<u>Net Cash Received</u>	<u>Commission Paid</u>
220,000	10¢	\$ 22,000.00	Nil
91,250	20¢	\$ 18,250.00	Nil
325,000	35¢	\$ 91,000.00	\$22,386.00

Particulars of shares sold for cash within the last

12 months:

<u>Number Sold</u>	<u>Price</u>	<u>Net Cash Received</u>	<u>Commission Paid</u>
325,000	35¢	\$ 91,000.00	\$22,386.00

DESCRIPTION OF SHARE CAPITAL STRUCTURE

The share capital of the Company is divided into one class of shares only. All shares issued by the Company rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. There are no agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights.

USE OF PROCEEDS TO ISSUER

The estimated net proceeds to be derived by the Issuer from the sale of the securities offered hereby is \$112,500.00

The net proceeds from the sale of the securities will be expended as follows:

- Conduct a portion of Stage 1 of the exploration programme recommended by D. Arscott, P. Eng., and W. Meyer, B. Sc., dated October 14, 1970, on the Taseko Lake Claims (NW, Bill and Mom claims) and addendum dated December 10, 1970, particulars of which are as follows:

Stage 1

Geological	\$ 12,000.00	
Induced Polarization Survey 20 mi. @ \$500/mi.	10,000.00	
Bulldozer (access road & drill-site preparation) 400 hr. @ \$35/hr.	14,000.00	
Diamond Drilling 2,500 ft. @ \$15/ft.	<u>37,500.00</u>	
Total	\$ 73,500.00	\$ 73,500.00

2. Conduct the amended exploration programme recommended by George L. Mill, P. Eng., dated August 17, 1970 on the Maus Creek (Victor) claims, particulars of which are as follows:

Drill 3 holes not exceeding total footage of 600 feet	\$ 12,000.00
3. Exploration and development contingencies including field supervision, engineering fees and miscellaneous staking	12,000.00
4. Office administration, legal and audit fees, printing, Transfer Agency costs, office wages and general expenses and contingencies	<u>15,000.00</u>
GRAND TOTAL	<u><u>\$112,500.00</u></u>

If the proceeds realized from the sale of the securities are insufficient to satisfy all the payments of the above expenditures, then the programme recommended in the report of D. Arscott, P. Eng., and W. Meyer, B. Sc., dated October 14, 1970, on the Taseko Lake claims, will take priority.

The Company may, pursuant to the written recommendations of an independent qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses the work programme recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus although the Company has no present plans in this regard. If any such event occurs during the primary distribution of the securities offered by this Prospectus, approval by the shareholders must be obtained and disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus, and if a substantial portion of the Company's property is abandoned or sold after primary distribution the shareholders will be notified.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval

by the shareholders must be obtained and disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The business of the Company is the acquisition, exploration and development of mineral claims and properties. It has carried on this business since its incorporation.

Taseko Lake Claims

The Company acquired legal and beneficial ownership of 24 located mineral claims situate approximately 11 air miles southeast of Taseko Lake in the Clinton Mining Division, in the southwestern part of British Columbia, and more particularly known and described as:

<u>Claim Name</u>	<u>Record Number</u>
Bill 1 - 12	17822 - 17833
N.W. 5 - 10	16577 - 16582
N.W. 17 - 22	16589 - 16594

The Bill and N.W. claims were acquired by the Company from William F. McLaren, a Prospector and a director of the Company, of 979 Columbia Street, Kamloops, British Columbia, and Ralph Andrew Sostad, Mining Executive and a director of the Company, of 1025 Wildwood Lane, West Vancouver, British Columbia by agreement dated May 8th, 1969. The Company paid Messrs. McLaren and Sostad \$10,000.00 and issued 25,000 shares to Ernest North, Prospector, of 610 - 810 West Hastings Street, Vancouver, British Columbia and 25,000 shares to George Leech, Prospector, of 610 - 810 West Hastings Street, Vancouver, British Columbia, all of which are fully paid and subject to escrow restrictions. The claims were acquired by Mr. Sostad and Mr. McLaren by staking at a cost of \$1,323.00. In addition, Mr. Sostad did \$1,200.00 worth of assessment work on the claims. The Company re-staked the aforementioned 24 claims and also staked an additional 138 claims contiguous to the initial 24 claims. The Company now holds the following claims in the area:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
NW 1 - 18	21719 - 21736	July 28, 1971
Bill 1 - 18	21737 - 21754	July 28, 1971
Mom 1 - 6	22177 - 23182	September 8, 1971
Mom 7 - 14	22183 - 22190	September 8, 1971
Mom 15 - 28	22191 - 22204	September 8, 1971
GR 1 - 62	22381 - 22442	September 18, 1971
GR 65 - 100	22443 - 22478	September 18, 1971

(hereinafter referred to as the "Taseko Lake claims")

The Taseko Lake claims are located approximately 11 air miles southeast of Taseko Lake. Taseko Lake is approximately 100 air miles west of Clinton, British Columbia.

The claims may be reached by travelling west by gravelled road from Williams Lake to Hanceville for approximately 60 miles and then proceeding south by a road which requires a 4-wheel drive vehicle to the claims for approximately 120 miles.

In 1964 one hole was drilled to a depth of 190 feet.

There has been no underground exploration or development on the claims and there is no underground plant or equipment on the property.

There is no surface plant or equipment on the claims.

In the summer of 1970 the Company carried out several miles of road building, further trenching and did 815 feet of diamond drilling. Copper mineralization was encountered (see October 14, 1970, a copy of which is attached hereto and forms part of this prospectus, for details).

There is no known commercial body of ore on the Taseko Lake claims and the proposed programme is an exploratory search for ore.

Maus Creek (Victor) Claims

The Company is the legal and beneficial owner, subject to the provisions of the Mineral Act, of 8 located mineral claims

situate approximately 9 miles east of the Village of Ft. Steele in southeastern British Columbia, in the Ft. Steele Mining Division, and more particularly known and described as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Victor 1 - 8 (hereinafter referred to as the "Victor claims") The Victor claims were acquired by the Company from	13357 - 13364	November 13, 1971

Ralph A. Sostad, Mining Executive and a director of the Company, of 1025 Wildwood Lane, West Vancouver, British Columbia, and Jack Moore, Businessman, of 1023 Calverhall Street, North Vancouver, British Columbia, by agreement dated May 1, 1969. The Company issued 525,000 shares to Mr. Sostad and 175,000 shares to Mr. Moore, all of which are fully paid and subject to escrow restrictions as consideration for the Victor claims. The claims were acquired by Mr. Moore and Mr. Sostad by staking at a cost of \$274.00.

The Victor claims are located approximately 9 miles east of the Village of Ft. Steele. Ft. Steele is situate on a paved highway approximately 10 miles north of Cranbrook, British Columbia. An old road requiring rehabilitation extends from Ft. Steele to the claims and it is only passable by foot at this time.

The property was discovered at the turn of the century and worked intermittently until 1922. Three adits have been tunnelled on the property totalling depths of 1,099 feet. A small concentrator was installed on the property in 1921 and two small shipments of ore were shipped from the site by the Victor-Silver Leaf Mining Company of Spokane, Washington.

There is no underground or surface plant or equipment on the property at this time.

The Company has not done any work on the claims and has no information of previous surface exploration.

Gold, silver, lead and zinc and copper were present in the ore shipped from the claims. The Company employed George L. Mill to write a report which was subsequently amended by letter dated August 17, 1970. Both the letter and the report are attached

hereto and form part of this prospectus.

There is no known commercial body of ore on the Victor claims and the proposed programme is an exploratory search for ore.

Deb Claims

The Company is the legal and beneficial owner, subject to the provisions of the Mineral Act of 24 located mineral claims situate in the Kamloops Mining Division and located approximately 21 road miles south of Savona in the Province of British Columbia and more particularly known and described as:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Deb 1 - 24	75175 - 75198	December 18, 1972

(hereinafter referred to as the "Deb claims")

The Company acquired the Deb claims from Ralph Sostad, Mining Executive and director of the Company, of 1025 Wildwood Lane, West Vancouver, British Columbia, and Jack Moore, Businessman, of 1023 Calverhall Street, North Vancouver, British Columbia, pursuant to an agreement made May 1st, 1969. The Company paid Messrs. Sostad and Moore \$10,000.00 as consideration for the claims. The claims were staked by Messrs. Moore and Sostad at a cost of \$490.00.

The Company does not intend to expend any of the funds derived from the sale of securities hereunder on the Deb claims.

PROMOTERS

The promoter of the Company is Ralph Andrew Sostad, Mr. Sostad received 525,000 shares of the Company, all of which were subject to escrow restrictions, as consideration for his interest in the Victor claims. 52,500 of the said shares have been released from escrow. Mr. Sostad was paid \$10,000.00 as consideration for his interest in the Deb claims and the Taseko Lake claims (see caption "Remuneration of Directors and Senior Officers" for details of wages paid to Mr. Sostad). William McLaren, a former director of the Company, has been a promoter within the last five years. Mr. McLaren, who is no longer associated with the Company, received \$5,000.00 as consideration for his interest in the Taseko Lake claims.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The Company has paid Cecil Alfred White \$3,153.00 for maintaining company records and for general accounting services since October 9, 1969. The Company has paid Ralph Andrew Sostad

\$5,000.00 for field supervision since October 9, 1969. (Reference is made to the captions "Promoters" and "Description of Business and Property of Issuer" for the shares received by the directors and senior officers). The Company intends to pay Mr. White approximately \$2,400.00 for accounting services and Mr. Sostad \$7,800.00 for field supervision during the current fiscal year.

ESCROWED SHARES

Certificates representing 675,000 shares referred to below are held in escrow by National Trust Company, Limited of 510 Burrard Street, Vancouver, British Columbia, subject to release only with the written consent of the Superintendent of Brokers for the Province of British Columbia. The shares may not be traded in or dealt with in any manner without the consent of the Superintendent of Brokers and in the event of the Company losing or not obtaining a good and marketable title to, or abandoning or discontinuing development of the property for which such shares were issued, the Superintendent of Brokers may require all or any part of the escrowed shares to be surrendered to the Company.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow as at January 15, 1971</u>	<u>Percentage of Class</u>
Common Shares	675,000 **	* 48.7%

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the Company only the following persons own directly or indirectly more than 10% of the shares of the Company:

<u>Name</u>	<u>Nature of Ownership</u>	<u>Number of Shares Owned as at January 15, 1971</u>	<u>Percentage of Class</u>
Ralph Andrew Sostad	Recorded & Beneficial	575,000	* 41.5%
R. Jack Moore	Beneficial	225,000 ***	* 16.2%

* Calculated on the basis of there being 1,386,250 shares issued and outstanding.

** 75,000 shares originally subject to escrow restrictions have been released.

*** The 225,000 shares owned by R. Jack Moore have been transferred to Keith A. Christofferson as Voting Trustee. All other benefits accruing to the said shares will be for the benefit of Mr. Moore.

The following table shows the respective percentage of shares of the Company beneficially owned directly or indirectly by the Directors and Senior Officers of the Issuer as a group:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares 580,000	* 41.8%

* calculated on the basis of there being 1,386,250 shares issued and outstanding.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "Description of Business and Property of Issuer" for material transactions with the Directors and shareholders holding more than 10% of the shares of the Company. Alwin Rattray received 100,000 shares of the Company from Ralph A. Sostad as a bonus for causing 300,000 shares of the Company to be sold under its first prospectus.

DIVIDEND RECORD

The Company has no dividend record.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditor of the Company is J.M. Ross and Company, Chartered Accountants, 3039 Granville Street, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHTS OF RESCISSION

Section 61 and 62 of the Securities Act, 1967 (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus together with Financial Statements and Reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities.

Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation but no action shall be commenced after the expiration of three (3) months from the date of service of such notice.

- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.


OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed under the foregoing captions.

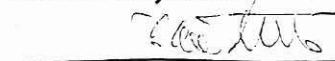
CERTIFICATE

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus, as required by Part VII of the "Securities Act", 1967 and the regulations thereunder.

DATED at Vancouver, British Columbia, this 15th day of January, 1971.



Director and Promoter



Director

The Shareholders,
Victor Mining Corporation Ltd. (N.P.L.),
Vancouver, B. C.

We have examined the balance sheet of Victor Mining Corporation Ltd. (N.P.L.) as at October 31, 1970, and the statements of deferred exploration, development and administration expenditures and source and application of funds for the period ended on that date and the year ended April 30, 1970. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given us, and as shown by the books of the company, the accompanying balance sheet and the statements of deferred exploration, development and administration expenditures and source and application of funds present fairly the financial position of the company as at October 31, 1970 and the results of its operations for the period ended on that date and the year ended April 30, 1970, in accordance with generally accepted accounting principles applied on a consistent basis.

J. M. Ross & Co.
CHARTERED ACCOUNTANTS.

Vancouver, B. C.
November 19, 1970.

VICTOR MINING CORPORATION LTD. (N.P.L.)

BALANCE SHEET

AS AT OCTOBER 31, 1970

ASSETS

Current Assets:

Cash on hand and in bank \$ 5,718.72

Machinery and Equipment - at cost 925.00

Mining Claims - at cost: (Note 1)

Including the stated value of
750,000 shares issued therefor 28,500.00

Deferred Expenditures:

Exploration and development \$ 72,973.24
Administration 31,983.19
Incorporation 1,611.22 106,567.65

\$ 141,711.37

LIABILITIES AND CAPITAL

Current Liabilities:

Accounts payable - trade \$ 2,597.37

Capital Stock:

Authorized:

5,000,000 shares - no par value



Issued: (Note 2)

	<u>Shares</u>		
For cash	636,250	\$ 154,000.00	
Less: Commissions		<u>22,386.00</u>	
		\$ 131,614.00	
For mining claims	<u>750,000</u>	<u>7,500.00</u>	
	<u>1,386,250</u>		<u>139,114.00</u>

\$ 141,711.37

The attached notes are an integral part of these financial statements.

Approved on behalf of the Board:

 Director
 Director

This is the balance sheet referred to in our report dated November 19, 1970.


CHARTERED ACCOUNTANTS.

VICTOR MINING CORPORATION LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

AS AT OCTOBER 31, 1970

1. The company's mining claims consist of the following:

<u>Claims</u>	<u>Mining Div.</u>	<u>Shares</u>		<u>Cash</u>	<u>Total</u>
		<u>Number</u>	<u>Amount</u>		
Bill 1 - 18)	Clinton	50,000	\$ 500.00	\$ 11,000.00	\$ 11,500.00
NW 1 - 18)					
Deb 1 - 24	Kamloops			10,000.00	10,000.00
Victor 1 - 8	Ft. Steele	700,000	7,000.00		7,000.00
Mom 1 - 28	Clinton		-	-	-
GR 1-62, 65 - 100	Clinton		-	-	-
		<u>750,000</u>	<u>\$ 7,500.00</u>	<u>\$ 21,000.00</u>	<u>\$ 28,500.00</u>

2. Of the issued shares, 750,000 shares are held in escrow by the National Trust Co., subject to release by the Superintendent of Brokers.
3. The amounts shown for machinery and equipment, mining claims and deferred expenditures represent costs to date less amounts written off and are not intended to reflect present or future values.

VICTOR MINING CORPORATION LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

FOR THE SIX MONTHS ENDED OCTOBER 31, 1970

(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED APRIL 30, 1970)

	<u>October</u> <u>31, 1970</u>	<u>April</u> <u>30, 1970</u>
Stripping and trenching	\$ 15,836.00	\$ -
Diamond drilling	12,468.25	
Prospecting	5,499.20	1,307.50
Claim staking and expenses	4,403.13	2,084.32
Camp expense	4,132.46	530.53
Auto and truck	3,668.39	1,372.11
Roads	3,542.00	
Travel	2,358.54	2,201.80
Engineering	1,971.24	1,380.75
Assays, maps and blueprints	1,917.88	78.67
Employee benefits	1,138.44	
Geophysical and geochemical	1,034.28	
Line cutting	1,000.00	
Radio telephone	302.75	
Free miner's license	205.00	400.00
Fees in lieu of assessment work	60.00	2,400.00
Loss on disposal of truck	<u>1,680.00</u>	
Exploration and Development for the Period	\$ 61,217.56	\$ 11,755.68
Exploration and Development at Beginning of Period	<u>11,755.68</u>	<u>-</u>
Exploration and Development at End of Period	<u>\$ 72,973.24</u>	<u>\$ 11,755.68</u>

STATEMENT OF DEFERRED ADMINISTRATION EXPENDITURES

Accounting and office salaries	\$ 1,639.00	\$ 4,445.20
Legal and audit	1,390.64	2,511.92
Telephone	1,077.62	1,978.23
Office rent	1,064.48	2,969.78
Trust company fees	1,047.27	250.00
Office supplies and stationery	458.92	2,067.66
Office expense	351.73	825.46
Promotion and advertising	179.90	390.60
Auto expense	130.35	460.31
Licenses and permits	110.88	350.00
Employee benefits	35.10	420.65
Bank charges	31.86	27.46
Management fees	2,900.00	4,320.00
Prospectus printing		<u>1,735.30</u>
	<u>\$ 10,417.75</u>	<u>\$ 22,752.57</u>
Deduct: Interest income	<u>1,187.13</u>	<u>-</u>
Administration for the Period	\$ 9,230.62	\$ 22,752.57
Administration at Beginning of Period	<u>22,752.57</u>	<u>-</u>
Administration at End of Period	<u>\$ 31,983.19</u>	<u>\$ 22,752.57</u>

VICTOR MINING CORPORATION LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE SIX MONTHS ENDED OCTOBER 31, 1970

(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED APRIL 30, 1970)

	<u>October</u> <u>31, 1970</u>	<u>April</u> <u>30, 1970</u>
<u>Source of Funds:</u>		
Sale of capital stock	\$ -	\$ 161,500.00
Less: Not including cash receipt:		
Shares issued for mining claims	-	7,500.00
	<u>\$ -</u>	<u>\$ 154,000.00</u>
Proceeds on disposal of truck	525.00	-
	<u>\$ 525.00</u>	<u>\$ 154,000.00</u>
<u>Application of Funds:</u>		
Purchase of mining claims	\$ 1,000.00	\$ 27,500.00
Less: Not requiring cash outlay:		
Shares issued for mining claims	-	7,500.00
	<u>\$ 1,000.00</u>	<u>\$ 20,000.00</u>
Purchase of machinery and equipment	925.00	2,205.00
Commissions paid	-	22,386.00
Deferred Expenditures:		
Exploration and development	61,217.56	11,755.68
Less: Not requiring cash outlay:		
Loss on disposal of truck	(1,680.00)	-
Administration	9,230.62	22,752.57
Incorporation	-	1,611.22
	<u>\$ 70,693.18</u>	<u>\$ 80,710.47</u>
Increase (Decrease) In Working Capital	\$ (70,168.18)	\$ 73,289.53
Working Capital at Beginning of Period	<u>73,289.53</u>	<u>-</u>
Working Capital at End of Period	<u>\$ 3,121.35</u>	<u>\$ 73,289.53</u>
<u>Represented By:</u>		
Current Assets	\$ 5,718.72	\$ 78,848.03
Less: Current Liabilities	<u>2,597.37</u>	<u>5,558.50</u>
Working Capital as above	<u>\$ 3,121.35</u>	<u>\$ 73,289.53</u>

X

REPORT

on

"Bill", "GR", "Mom", and "NW" Claims
123° 51' S E

for

VICTOR MINING CORPORATION LTD. (N.P.L.)

BY

D. Arscott, P. Eng

W. Meyer, B. Sc.

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SUMMARY

The Victor Mining Corporation Ltd. (N.P.L.) Granite Creek property comprises 162 full sized, contiguous claims. Widespread, consistent low grade copper-molybdenite mineralization occurs over an area 5000 feet by 1800' in the central claim area. Some higher grade sections of unknown extent associated with intense shearing occur within the zone. The two drill holes spaced 3700' apart drilled in the 1970 field season returned significant values.

A further extensive exploration programme is warranted.

INTRODUCTION

An examination of the central claims was carried out by the writers on 1st October 1970. This report is based on that examination and on geological information supplied by Mr. Meyer who has been familiar with the property since 1964.

CLAIMS

The group of claims under consideration and owned by Victor Mining Corporation Ltd. (N.P.L.) are the following: (Record numbers are not available at the time of writing.)

<u>Claim Names</u>	<u>Tag Numbers</u>	<u>Recording Date</u>
NW #1	928778	
NW #2	928779	
NW #3 to #16	96385M to 96398M	
NW #17	94611M	
NW #18	94612M	July 8, 1970 (restaking)
Bill #1	96399M	
Bill #2	96400M	
Bill #3 to #12	94601M to 94610M	
Bill #13 to #18	94613M to 94618M	
Mom #1 to #6	94623M to 94628M	
Mom #7 to #14	94629M to 94636M	
Mom #15 to #28	94637M to 94659M	September 8, 1970

GR #1 to #62

195601M to 195662M

September 18, 1970

GR #65 to #100

195665M to 195700M

(The original Bill & NW claims staked in 1969 were abandoned and restaked in 1970.)

LOCATION AND ACCESS

The claims are situated on Granite Creek, a tributary of the Taseko River, 125 miles north of Vancouver, B. C. (see Fig. 1)

Road access is via Williams Lake, Hanceville and Taseko Lakes, a distance of 170 miles (7 hours driving) from Williams Lake to the property campsite.

Alternate access is by helicopter from Alta Lake, a 1 hour flight time each way.

HISTORY

The main showings were located by Phelps-Dodge Corporation of Canada Ltd. in August 1964, and held for two years. Work consisted of several trenches and one short diamond drill hole. This hole, in disseminated mineralization, averaged 0.12% copper over 190 feet.

In February 1968 the property was staked by the American Smelting and Refining Company. Little or no work was performed.

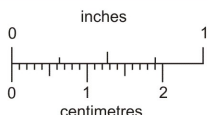
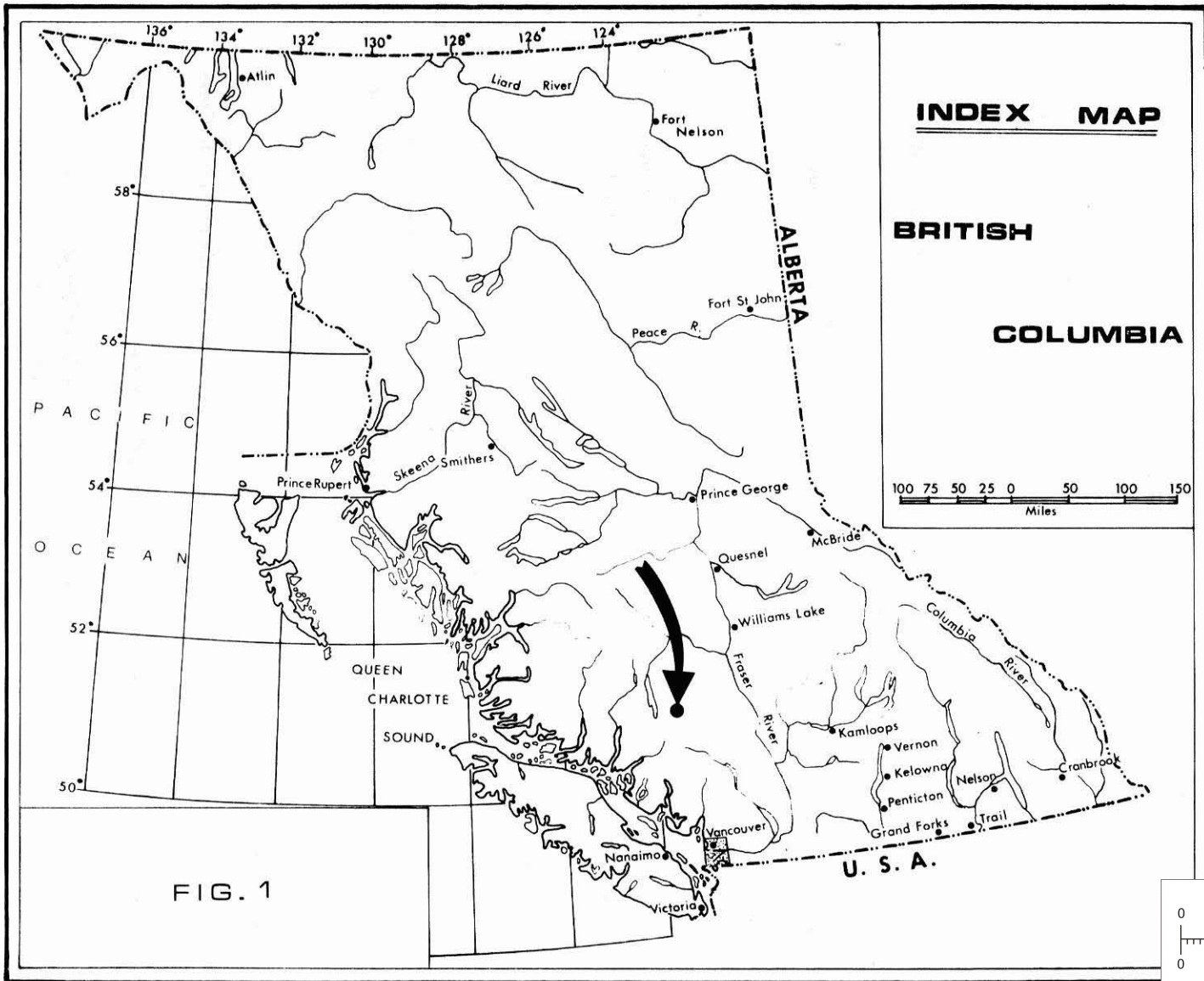
The present owner, Victor Mining Corporation Ltd. (N.P.L.), aquired the property in February 1969, and had carried out several miles of road building, further trenching, and 815 feet of diamond drilling in two holes.

GEOGRAPHY

The main showing lie in a large cirque shaped basin on the eastern side of Granite Creek.

The more pertinent information may be summarized as follows:

Physiographic Region	- Coast Range
Altitude (campsite)	- 6000 feet
Relief	- 2500 feet
Climate	- cool, moderate precipitation



BRITISH COLUMBIA GEOLOGICAL SURVEY

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Snow free period	- 4 to 5 months
Permafrost	- Minimum depth, October 1st 4" on N. facing slope

GEOLOGY

Regional Reference: Dolmage, W., Gun Creek Map Area, G. S. C. Summary Report 1928 - Part A

The property lies on the east flank of the Coast Crystalline Belt, characterized by massive batholithic granitic intrusions of post Lower Cretaceous age, which are in turn intruded by post Upper Cretaceous granitic stocks and dykes. A major contact with Late Lower or Early Upper Cretaceous volcanics lies 4 miles NE of the showings. (Fig. 2)

Major structures include a strong and very persistent linament running from Bralone and along the Taseko River.

The property is mainly underlain by hornblende quartz diorite, intruded by substantial quantities of feldspar porphyry and quartz feldspar porphyry dykes parallel to the major fracture systems.

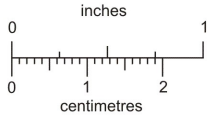
In the vicinity of the showings there is widespread and strong fracturing with a pre-dominating strike N 20 W and steep dips.

MINERALIZATION

1.

Pyrite in quantities up to 6%, chalcopyrite up to 1 or 2% and minor molybdenite occur as fracture fillings and fine disseminations replacing mafics in both the quartz diorite and the porphyry dykes. There appears to be a direct correlation between the quantity of mineralization and weak chlorite alteration. This is typified by drill hole #A-1, a better section of which yielded 0.23% copper and 0.011% molybdenite over 330'. Secondary chalcocite replacing pyrite occurs through the part of the zone tested by DDH A-1.

The areal extent of this mineralization is considerable, having a width of at least 1800 feet. It's main characteristics are pervasiveness and consistency.



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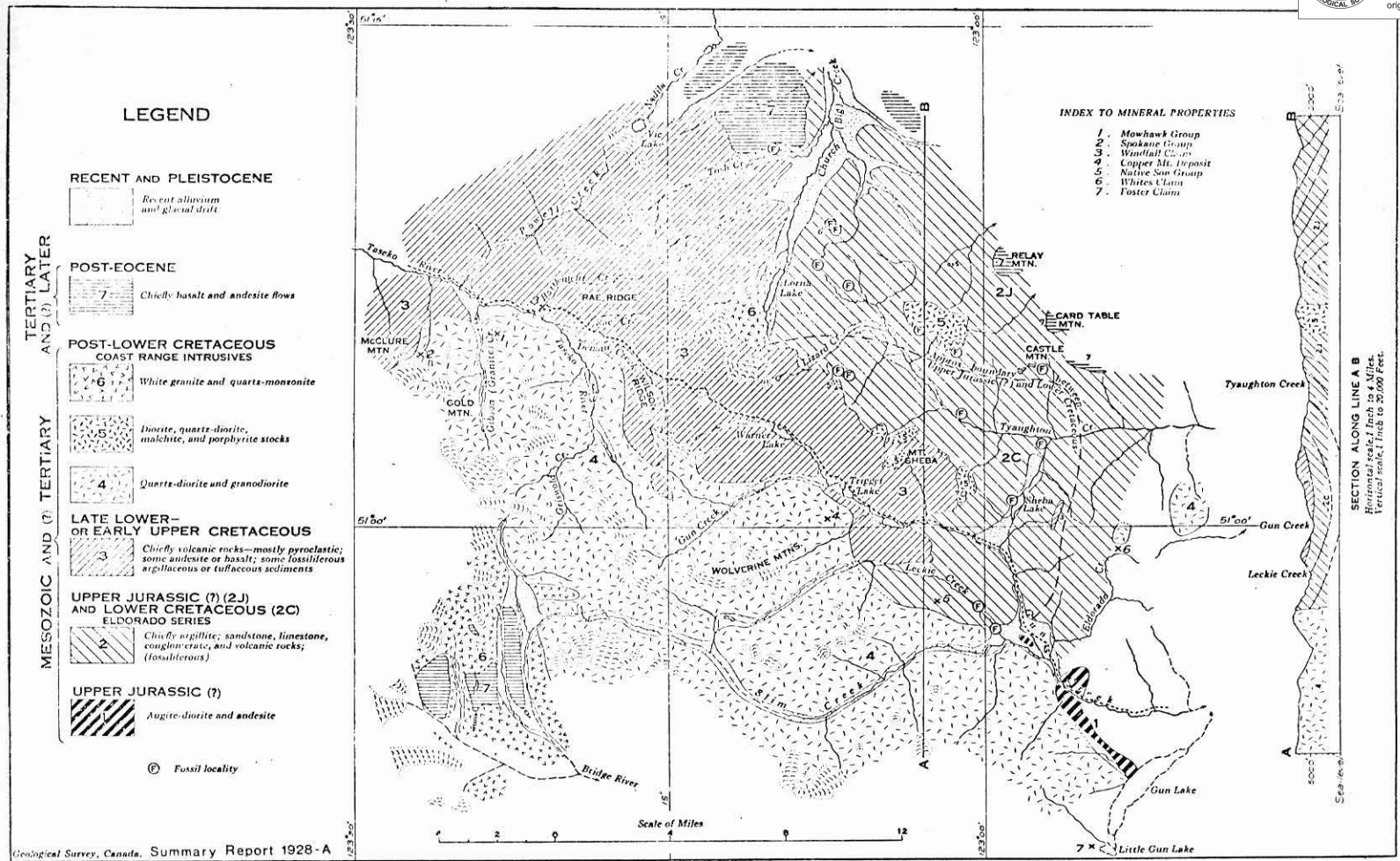


Figure 2. Gun Creek area, Lillooet district, B.C.

2.

1500 feet west of DDH A-1 lies mineralization of slightly different character. Here chalcopyrite, pyrite and molybdenite occur on quartz rich fractures up to an $\frac{1}{4}$ " in width. Truly disseminated sulphides are more sparse, and the enclosing quartz diorite is essentially unaltered. Drill hole A-2 lies in this area, with 360 feet of 0.12% copper, and 0.007% molybdenum sulphide. The areal extent of this mineralization is uncertain, but again considerable.

3.

Higher grade sulphides occur in the vicinity of shear zones and porphyry dykes. Secondary chalcocite and malachite are fairly common. Leaching would be expected to outweigh the effects of any surface enrichment. The best representative assay so far encountered, from a trench 900 feet SW of DDH A-1, was 1.19% copper over 5'.

DIAMOND DRILLING

Due to the availability of a diamond drill in the area during the season for negligible mobilization costs and no minimum footage contract, it was decided to drill two AW diamond drill holes to test part of the potential area.

DDH A-1 was collared near the head of the cirque (see Fig. 3) to drill S 45° E at -45° . The object of the hole was to test the grade and extent of mineralization beneath the large prominent gossan and to determine the depth of oxidation. The hole was drilled to 400 feet.

The hole encountered continuous copper mineralization with minor MoS_2 from the collar to the bottom of the hole. Although the mineralization varied in the pyrite-chalcopyrite ratio, the better grades occurred near the tip of the hole where trace amounts of secondary chalcocite were noted. The results of the hole are tabulated below.

DDH A-2 was collared near the creek 3700' west of #A-1 to drill N 30° E at -45° . The object of the hole was to drill across the E-W fault which parallels the creek and to test the mineralization on the northside of the creek. The hole was lower in grade (and total sulphides) than #A-1, averaging 0.12% Cu with minor MoS_2 .

The drill hole "PDH" shown on the plan map 400' west of DDH #A-2 was a hole drilled by Phelps Dodge in 1964. The hole averaged 0.12% Cu over its 190 foot length.

The following table gives the pertinent information for present and past drilling:

<u>Hole</u>	<u>Bearing</u>	<u>Dip</u>	<u>Depth</u>	<u>From</u>	<u>To</u>	<u>Inter- section</u>	<u>Grade</u>	
							<u>% Cu</u>	<u>% MoS₂</u>
PDH	N 30° E(?)	-45°	190'	0	190	190'	0.12	
DDH A - 1	S 45° E	-45°	400'	50	380	330'	0.23	.011
				50	200	150'	0.27	
DDH A - 2	N 30° E	-45°	415'	40	400	360'	0.12	.007

CONCLUSIONS AND RECOMMENDATIONS

A very extensive area (5000' X 1800') of marginal to sub-marginal copper molybdenum mineralization is present, and there is good evidence of higher grade zones which could well raise the overall grade. Emphasis in exploration policy, then, should be on the delineation and sampling of these zones.

Geological mapping, with attention to alteration, fracture orientation and density, and to scree as well as outcrop, is obviously necessary. The presence of some 5% total disseminated sulphides where grades are marginal, makes the use of Induced Polarization favourable. Finally, diamond drilling will be the only way to provide precise evaluations of grade. In the more sheared areas, sludge as well as core should be assayed. BQ drilling is suggested.

The estimate cost of this programme which should be completed in the 1971 season is as follows:

STAGE 1

- 1) Geological Mapping - 2 months
(includes Geologist, Assistant, camp & cookery, field tools and hardware, vehicles, assaying, travel & communication, Eng. & drafting) 12,000.00
- 2) Induced Polarization Survey
20 Miles @ \$500/mile 10,000.00

- | | | |
|----|--|-----------|
| 3) | Bulldozer (access road & drillsite preparation)
400 hours @ \$35/hour | 14,000.00 |
| 4) | 5000 feet of diamond drilling on 800' centres to a depth of 500'
@ \$15/foot (includes direct costs, supervision,
consulting, assays, mobilization, camps, cookery
etc. | 75,000.00 |

STAGE 2

5000 feet drilling on 400' centres or as required. @ \$15/foot (direct and indirect costs)	75,000.00
	186,000.00
Contingency	<u>14,000.00</u>
	200,000.00

Respectively submitted,

D. Arscott
D. Arscott, P. Eng

W. Meyer
W. Meyer, B. Sc.

CERTIFICATE

I, David Philip Arscott, with business address in Vancouver, am a Professional Engineer registered in the Province of British Columbia.

I have a B. Eng (Mining) and an M. Sc applied (Mineral Exploration) from McGill University, and have been employed in exploration in British Columbia since 1967.

I have no interest, direct or indirect, in the properties or securities of the Victor Mining Corporation (N.P.L.).

The claims on this property are staked, to the best of my knowledge, in complete accordance with the requirements of the Mineral Act.

David Arscott

David Arscott

October 14, 1970

CERTIFICATE

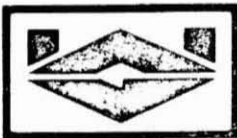
I, William Meyer, do hereby certify that:

1. I am a geologist with residence at 555 Cochrane Avenue, Coquitlam, B. C.
2. I am a graduate of the University of British Columbia (B. Sc., Physics & Geology 1962)
3. Since Graduation, I have been employed as a geologist with Phelps Dodge Corporation of Canada (4 years), Gibraltar Mines Ltd. (1½ years), Associated Geological Services (1½ year) and Western Geological Services Ltd. (from April 1968 to the present).
4. During 1964 I carried out geological mapping and directed a prospecting programme on behalf of a major company in the area covered by this report. Since being acquired by Victor Mining Corporation Ltd. (N.P.L.) I have visited the property a number of times.
5. I have not received, nor do I expect to receive, any interest directly or indirectly in the properties or securities of Victor Mining Corporation Ltd. (N.P.L.)

Wm Meyer

Wm. Meyer

October 14, 1970



WESTERN GEOLOGICAL SERVICES LTD.

SUITE 1015 - 470 GRANVILLE ST., VANCOUVER 2, B.C.

TELEPHONE (604) 688-2305

December 10, 1970

B. C. Securities
Victoria, British Columbia

re: Victor Mining Corporation Ltd. (N.P.L.) and our report of October 14, 1970

Dear Sirs:

We confirm that in our opinion, an expenditure of \$73,500 is a sufficient amount to commence the exploration programme as recommended in our report on "Bill, GR, Mom, and NW Claims" for Victor Mining Corporation Ltd. (N.P.L.) dated October 14, 1970.

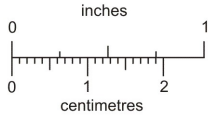
An expenditure of this lesser amount in Stage 1 should not jeopardize the total programme.

Respectfully submitted,

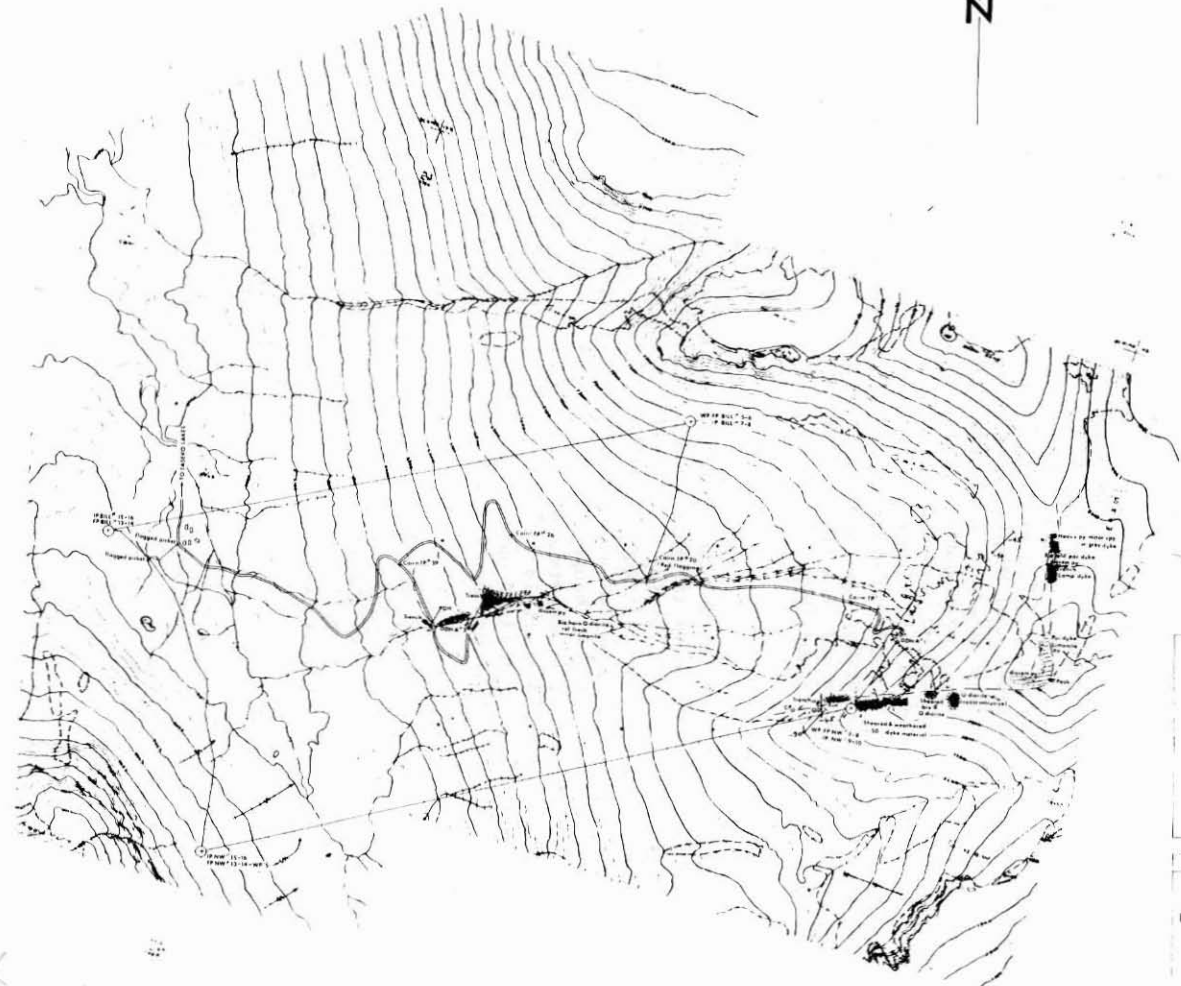
D. Arscott, P. Eng.

Wm. Meyer, B. Sc.

WM/keb



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LEGEND

- QUARTZ DIORITE
- LATE BASALT
- FAULT
- IDENTITY
- DRILLING DRILL HOLE
- ROAD
- QUARTZ DIORITE
- ★ PROPOSED DRILL HOLE

VICTOR MINING CORPORATION LTD

GEOLOGY & DRILL HOLES

GRANITE CREEK CLAIMS

SCALE

MSL 5401-1015

X

THE VICTOR GROUP
MAUS CREEK
FORT STEELE MINING DIVISION
BRITISH COLUMBIA

November 30, 1968

George L. Mill, P.Eng.

INTRODUCTION

This report, written at the request of Messrs. J.R. Moore and Ralph Sostad, both of West Vancouver, British Columbia, has reference to a group of mineral claims located in the Ft. Steele Mining Division of British Columbia. The area contained within the boundaries of the group comprises the major portion of the old Victor Mine holdings, formerly owned and operated by the Victor-Silver Leaf Mining Company. As these claims were staked and recorded during the current month, snow conditions rendered surface examination and access to underground workings impractical at the time. The writer has therefore no personal knowledge of the property and the information contained in this report has been derived from an unsigned report dated December 1, 1951, in which the author recommends an exploration programme, from various maps showing the surface and underground workings of the Victor Mine and from the British Columbia Minister of Mines Reports for the years 1918 and 1921.

SUMMARY

As an initial stage in the investigation of the potential of the Victor Group - formerly the Victor Mine - the writer recommends a programme calling for a capital outlay of \$25,000.00. Essentially, this programme involves 150 feet of drifting and 800 feet of diamond drilling. Available information pertaining to the work done by the former operators is very limited in scope and although, in 1921, ore reserves were considered sufficient to warrant construction of a small concentrator, milling operations were suspended within a few months. Judging from underground maps, the undertaking of milling operations was premature as the only underground work of any consequence consisted of drifting along the vein on two horizons.

The writer bases his recommendations on the strength and continuity of the vein where exposed - though it admittedly varies as to width and grade - on the complete lack of exploratory or development work between levels and on the extent of the "backs" - approximately 1,000 feet - lying above the No. 1 or 6,880 foot level.

PROPERTY

The property comprises a group of eight contiguous mineral claims held by right of location. These claims were recorded in the Government Office,

Cranbrook, British Columbia and can be identified as follows:

<u>Claim Name</u>	<u>Record Nos.</u>	<u>Date of Record</u>
Victor Nos. 1 to 8	13357 - 64	November 13, 1968

LOCATION AND ACCESSIBILITY

The claim group is located in the Ft. Steele Mining Division, close to the headwaters of Maus Creek which is a tributary of the Kootenay River. It lies approximately nine miles east of the Village of Ft. Steele and is accessible from that point via the road constructed to service the former Victor Mine operation. The writer is advised that this road would require rehabilitation at several locations to provide access to the property by 4-wheel drive vehicles.

PHYSICAL FEATURES

As indicated on the enclosed claim map, the underground workings of the old Victor Mine are located on the present Victor No. 3 mineral claim. The three existing adits are collared on the face of a bluff at elevations between 6,600 and 6,900 feet above sea level. Heavy snowfall conditions can therefore be anticipated but climatic conditions should not be unduly severe. Ample timber is available for all purposes and the Maus Creek water supply is more than adequate for an exploration programme.

HISTORY OF THE VICTOR MINE

The property, which later became known as the Victor Mine, was discovered at the turn of the century and was worked intermittently until the year 1922. During that period a vertical quartz vein, cutting a narrow ridge south of Maus Creek and exposed along the face of a precipitous rock bluff, was explored by drifting along its strike at three different horizons with all three portals located in the face of the bluff. With reference to these adits, the following data have been gathered by the writer from old plans made available to him:

<u>Adit Number</u>	<u>Portal Elevation</u>	<u>Length of Advance</u>
1	6,880'	387'
2	6,785'	427'
3	6,670'	285'

The portal of No. 3 Adit is located at the foot of the rock bluff and that of No. 1 Adit is estimated to lie approximately 1,000 feet vertically below the top of the ridge. Records indicate that the two upper levels were driven prior to 1918 and the lower level in 1920. During the latter

years of activity the property was owned by the Victor-Silver Leaf Mining Company with headquarters in Spokane, Washington. This company constructed a small gravity concentrator in 1921 but its operating life was presumably very short. In fact, records show only two small shipments from the property, one of crude ore and the other of concentrate. Both shipments were made to the Bunker Hill Smelter at Kellogg, Idaho in October, 1921 and the following data were obtained from that smelter's files:

<u>Lot Number</u>	<u>Dry Weight</u> (Lbs.)	<u>Gold</u> (oz/ton)	<u>Silver</u> (oz/ton)	<u>%</u> <u>Lead</u>	<u>%</u> <u>Zinc</u>	<u>%</u> <u>Copper</u>
1 - Concentrate	3,578	.13	30.6	61.0	8.7	0.4
2 - Crude	10,648	.11	22.0	31.2	8.7	0.6

It is interesting to note that the only upgrading of any consequence from crude to concentrate reported in the lead content. In all probability the crude ore was hand-sorted prior to shipment which would account for the general similarity in metal content between the two shipments.

Available underground maps show only two areas in which stoping operations were carried out and the total tonnage extracted could not have exceeded 50 tons. Any other production would have come from drifting on the vein. In the B.C. Minister of Mines Report for the year 1921, A.G. Langley, P.Eng. states that, at the time of his visit to the property in July of that year, the workings were not connected and that no raising or sinking on the vein had been attempted.

GEOLOGY AND MINERALIZATION

The vein, which is of the fissure type, lies in the Creston formation. In the Minister of Mines Report for the year 1921, A.G. Langley states:

"The vein is massive quartz varying in width from a few inches to five feet. The general direction of the strike is S 15 degrees W and the dip vertical. The country rock consists of shale, the strike of which is north and south and the dip 70 degrees. The metallic contents of the vein are argentiferous galena and zinblende associated with iron pyrite in a quartz gangue; the mineralization occurs in small lenticular shoots and thin streaks along the footwall, also occasionally disseminated through the quartz and although persistent for the length of the vein at present exposed, has only workable thickness in places. The ore is complex and although a fairly clean galena and zinc product can be obtained by careful sorting a large percentage of the ore consists of an intimate mixture of galena and zinblende. A sample taken across a 34-inch width of vein in the upper tunnel (No. 1 drift) gave the following results:

Gold - 0.06 oz/ton, Silver - 14.3 oz/ton, Lead - 16%, Zinc - 8%.

Another sample taken across a 4-inch streak at the face of the upper tunnel gave:

Silver - 7 oz/ton, Lead - 12%, Zinc - 3%.

Most of the recent work has been confined to the lower tunnel (No. 2) where the ore shows greater continuity than in the upper tunnel and the values appear to be more concentrated. A sample across a 16-inch width of the vein gave the following returns:

Gold - 0.02 oz/ton, Silver - 13.2 oz/ton, Lead - 27%, Zinc - 17%."

Following his 1921 visit to the property, Langley states that other samples taken in the two upper tunnels would indicate the value to average about as follows:

Gold - 0.05 oz/ton, Silver - 10.5 oz/ton, Lead - 14%, Zinc - 9%.

A surface plan of the Victor Mine vein indicates that, at the top of the bluff, the vein encounters a fault zone striking east-west and dipping 70 degrees southerly. At this point the vein shows an eastward displacement of approximately 70 feet. This fault zone was intersected on No. 1 level. A cross-cut from the drift along the footwall of this fault zone, shows an advance of only 40 feet - 30 feet short of its objective assuming that the vein maintained its vertical attitude at that horizon.

CONCLUSIONS AND RECOMMENDATIONS

While the vein shows continuity over its explored length on two horizons it apparently shows wide variations in width and grade. As normally expected the wider the vein the lower the grade. However, it should be emphasized that all the work done to date has been concentrated along these specific horizons with no information available relative to what lies in the 95-foot vertical area existing between these horizons. In the case of No. 3 level drift, which lies 115-feet vertically below No. 2 level drift and which was being driven at the time of his July, 1921 visit, Langley states that "no ore of commercial importance has yet been encountered". There are discrepancies in the information available relative to the overall attitude of the vein. If it exists at this horizon, (6,670') and if it maintains its vertical attitude, as indicated between No. 1 and No. 2 levels, then the No. 3 level drift lies west of its vertical plane. Furthermore, it has not been advanced far enough southerly to reach the down-dip projection of the more favourable zones reported on No. 2 level. All the above comments assume the accuracy of the plans showing the underground workings.

In considering these points, together with the fact that the No. 3 level horizon is the logical one for the provision of haulageway facilities, the writer concludes that this drift, if not on the vein, should be advanced, with a 5 degree eastward correction, until it intersects the vein. In any event, it should be continued for a minimum distance of 150 feet to bring it beyond the down-dip projection of the ore exposed on No. 2 level. This advance should be on the same vertical plane as the No. 2 level drift. If the vein is not encountered in the course of this advance, its location and attitude can be checked by lateral drill holes. Provision for such lateral holes has been made in the attached cost estimates.

So far as the eastward displacement of the vein south of the fault is concerned, its potential in this area has not been investigated. The writer suggests that a minimum of 3 holes be drilled eastward from the face of No. 1 level drift to intersect the vein at its new location. This will provide information - though limited in extent - for future planning if the results of the initial programme as recommended for No. 3 level so warrant.

In his recommendations for a limited exploration programme as outlined below, the writer has included a resurvey of all underground workings. This will call for the re-opening of each of the three levels to the following extent:

<u>No. 1 Level:</u>	To provide access for diamond drilling, surveying and sampling.
<u>No. 2 Level:</u>	To provide access for surveying and sampling.
<u>No. 3 Level:</u>	Rehabilitation to permit minimum 150 foot advance of headings.

Should the condition of the two upper levels be such that too great a capital outlay is required to provide the necessary access, alterations in the recommended programme will have to be considered. The writer is given to understand, however, that they were still readily accessible thirty years after the suspension of operations.

An initial exploration programme as outlined below is recommended:

1. Repair the road to a sufficient extent to permit transportation of equipment.
2. Reopen all three levels - if economically feasible - to the extent indicated previously.
3. Re-survey all workings.
4. Carry out sampling programme.

5. Drill a minimum of three holes eastward from the face of No. 1 level drift to intersect vein at its indicated new location.
6. Advance No. 3 level drift a minimum of 150 feet.

Should the results of this initial programme call for a more extensive investigation of the potential of the property, a substantially higher capital outlay than that appearing in the attached cost estimates would be required.

Respectfully submitted,

"George L. Mill"

George L. Mill, P.Eng.

COST ESTIMATES

Road Repairs		\$ 1,500.00
Re-opening of workings		2,000.00
Re-survey of workings		750.00
Sampling		750.00
Diamond Drilling - 800 ft. @ \$5.00/ft.		4,000.00
Equipment Requirements:		
Compressor and Drill Rentals	\$1,500.00	
Rail, pipe, etc.	<u>3,000.00</u>	4,500.00
No. 3 level advance - 150 feet at \$50.00/ft.		7,500.00
Administration and engineering		2,000.00
Contingencies		<u>2,000.00</u>
	TOTAL	<u>\$25,000.00</u>

REFERENCES

REPORT on Victor Mine - December 1951 - Author unknown.

PROFILE and LEVEL plans of Victor Mine - Undated - presumably 1951
British Columbia Minister of Mines Reports for the
years 1918 and 1921.

CERTIFICATE

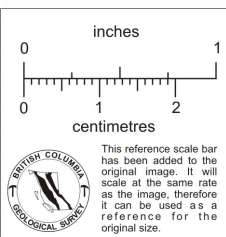
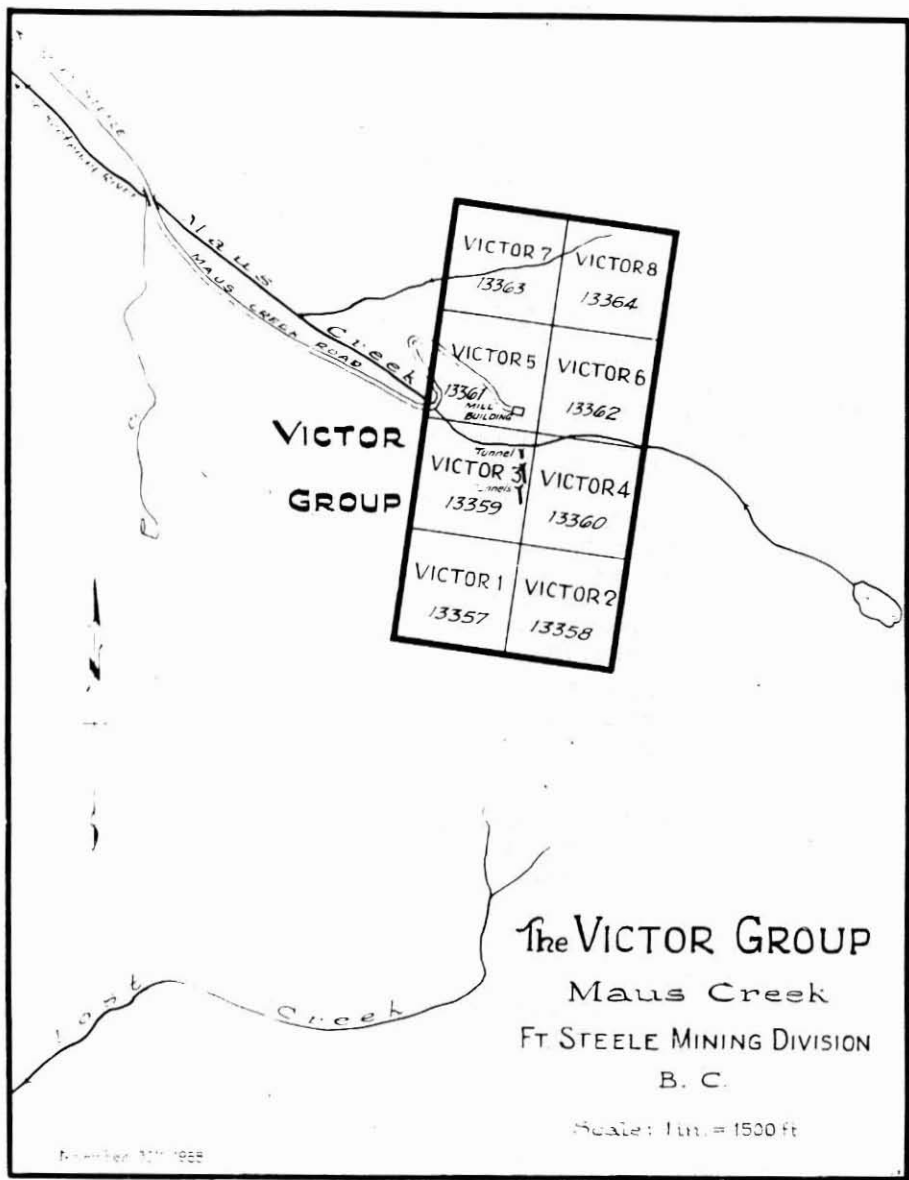
I, GEORGE L. MILL, hereby certify:

1. That I am a mining and metallurgical engineer, residing at 1802 - 1616 Pendrell Street, Vancouver 5, British Columbia.
2. That I am a graduate of Queen's University, B.Sc., and a registered member of the Association of Professional Engineers of the Province of British Columbia.
3. That I have practised my profession for 36 years.
4. That I have no financial interest, direct or indirect, in the subject property nor in the securities of any company with which Messrs. Moore and Sostad are associated and that I do not expect to obtain any such interest.
5. That the information contained in this report has been derived from an unsigned report relating to the old Victor Mine, together with a number of maps showing its surface and underground workings - both provided me by Mr. Sostad - and from data published in the British Columbia Minister of Mines Reports for the years 1918 and 1921.

"George L. Mill"

George L. Mill, P.Eng.

To accompany report on Victor
Group, Ft. Steele Mining Division
November 30, 1968



Mr. Ralph Sostad, President,
Victor Mining Corporation Ltd. (N.P.L.)
818-510 West Hastings St.,
Vancouver 2, B.C.

Re: The Victor Group
Fort Steele Mining Division
British Columbia.

Dear Mr. Sostad:-

Under date of November 30, 1968 the writer prepared a report, requested by you and your associates, covering a group of eight mineral claims located in the Maus Creek area of the Fort Steele Mining Division of British Columbia. This group of contiguous claims contains within its boundaries the underground workings of the former Victor Mine which was operated, intermittently until 1922, by the Victor-Silverleaf Mining Company, with headquarters in Spokane, Washington. When this report was written snow conditions did not permit a personal examination of the property and the recommendations contained therein were based on information appearing in the British Columbia Minister of Mines Reports for the years 1918 and 1921 and on reports and maps prepared by engineers in the employ of the operators.

On June 10th. of the current year the writer carried out an examination of the property. At that time the portal of No.3 level (elevation 6670') was still below the snow line in the Maus Creek Valley and the portal of No.2 level inaccessible due to a combination of rock and snow slides. Access to No.1 level was readily gained through-out its total length (approximately 400 ft.). This level is a drift along the vertical vein which shows strength through-out the advance but pinches and swells to a varying degree.

Following his personal examination the writer concludes that:

1 - The No.3 level advance definitely appears to lie westerly of the strike of the vein as indicated on No.1 and No.2 levels.

2 - The re-opening of No.3 level might prove rather costly as it appears to be collared in a slide area and might require as much as 100 feet of re-timbering over its reported 285 feet length to provide safe access.

3 - It is apparent that waste rock from this No.3 level drive was utilized to construct a dam across Maus Creek to provide a water storage area for milling operations.

Because of the terrain the No.3 level (or 6670 foot horizon) must be recognized as of major economic

(2)

importance relative to a production feasibility study. If the vein system carries on down-dip at least to this horizon and still maintains its potential - both as to width and average grade - then the investigation of its up-dip potential is fully warranted.

It is suggested, therefore, that, prior to the initiation of the program recommended in the writer's report of November 30, 1968, the following reconnaissance program be adopted:

1 - Drill three holes collared at least 75 feet west of the apparent strike of the vein as indicated on the No.1 and No.2 level horizons.

2 - The first hole should be collared just south of the portal of No.2 level, the second midway between No.2 and No.3 levels portals and the third in close proximity to the portal of No.3 level.

3 - All three holes should be drilled on a bearing of 105 deg. azimuth and at a maximum dip of minus 45 degrees, if site locations permit.

Completion of these three holes should not exceed a total footage of 600 feet. Inclusive of the use of a gas "plugger" for site preparation, mobilization costs and contingencies the capital cost outlay should not exceed \$12,000.00

The outcome of this preliminary investigation would undoubtedly call for a revision of the cost estimates outlined in the writer's report under date of November 30, 1968.

Respectfully submitted,

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