October 31st 1975

Consolidated Columbia River Mines Ltd.,
73 Water Street,
VANCOUVER, B.C. V6B 1A1

Dear Sirs:

This letter is to confirm the recent telephone message that the public hearing in Golden, intended to present information on the proposed development of the Ruth Vermont mine, is cancelled.

If production from the mine is to continue beyond December 15th 1975, or is to be resumed after closing for the winter, please let me know at an early date so that we may arrange for the necessary production approvals.

Yours sincerely,

JAMES T. FYLES
Associate Deputy Minister

JTF:bg

c.c. Mr. Gordon H. McDougall
J.S. Poyen
E. J. Bowles

MEMORANDUM FROM JURGEN ROHWEDDER

TO Mr. J. S. Poyen, Director
Mineral Development Division

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE October 17/75

RE: CONSOLIDATED COLUMBIA RIVER MINES
RUTH-VERMONT MINE

On September 25, 1975, E. W. Grove, G. Addie, J. B. Lang and myself visited the Ruth-Vermont mine and had discussion with Jack Learmonth (mine manager), George Kerr (mine geologist), the mining engineer, and the mill foreman, after a tour of the property.

A. Background

The Ruth-Vermont mine is located about 23 miles south of Golden at an elevation of 5600 feet in the Purcell Mountain range and is accessible via a 35-mile gravel road from Parson, British Columbia. The mine site is at the head of the Vermont Creek Valley. The valley slopes are steep and avalanches are very common during the winter. Because of avalanches it can be dangerous to operate the mine during the winter and it is probably necessary to close the mine for four months during the year. On January 12, 1974, an avalanche destroyed the power plant and other buildings.

The mine operated for 10 months from September 1970 to June 1971. During this period, 94,000 tons of ore were milled. During the period October to December, 1973, 26,000 tons were milled.

Although the mill is rated at 600 tons per day the highest monthly average so far obtained was 352 tons per day.

The 30,000-ton test run started October 2.

B. Analysis

1. Financial

The company, Consolidated Columbia River Mines Ltd., is financially very weak. Although the 1974 financial statement shows assets of $7 million, the market value of these assets is probably less than $1 million. The current ratio (current assets/current liabilities) was 0.13 as of July 31, 1975.

The company would be unable to withstand any major cost overruns.

. . . 2

ore

The cash flow projections are only estimates and only very crude projections. Production cost estimates are based on the actually incurred 1973 cost and an inflation factor of 30%. The production cost estimate of $27.30 per ton of ore milled seems high and could be an over-estimate but because of the small scale of operation it could be too low also. The company plans to employ 45 to 50 people. If the rule that material cost equals manpower cost is applied, the production cost per ton milled would be around $18.00 per ton, hence, there seems to be a safety margin in the cost estimate. That is, if the mine is able to run the mill at 300 tons of ore per day.

Incremental royalties are overstated by $11.00 per ton milled and amount only to around $1.00 at the estimated prices.

The metal price estimates of $4.70 per ounce for silver and 37.8¢ per pound for zinc are high and a projection on a price of $4.00 for silver, 34.0¢ per pound for zinc and 11.0¢ per pound for lead would have been worthwhile. At these lower prices the net smelter return would be $31.00 per ton of ore milled. This would be sufficient to cover operating costs of $27.30 per ton.

2. Operation

The mining method could be improved on. Mining the Pine Tree vein could be more expensive than expected. The company should be discouraged from trying to cut development cost like reducing the number of raises as mining cost could escalate and ore delivery to the mill could fall short of feed needs. It could be advisable that the company hire a consultant mining engineer to do the mining and development planning.

Bacon, Donaldson and Associates, the consultant metallurgists, believe that a metal recovery of 80% is feasible. During the 1973 operating period the recovery was very low, around 70% for silver and lead, and only around 45% for zinc. These recovery percentages agree very well with a sample taken from the tailings pond which contained 2 ounces of silver per ton and 4.0% zinc. Mine management intends to re-mill the tailings and it should be encouraged that this is done.

3. Management

It seems that management is not of the highest quality but to hire better qualified management, higher salaries would have to be paid. Another deterrent is the uncertainty associated with the mine life, it could be only 3 months (length of test run) or 10 years (all classes of ore reserves including speculative ones). It is probably best to supplement mine management with qualified consultants. It seems to be that Bacon, Donaldson and Associates are doing a good job in the mill, a consultant for mine planning is lacking.

4. Environmental Cost

There appears to be no problems with tailings disposal and reclamation. The biggest environmental danger could be caused by snow slides damaging the tailings dams. Since the cost of safe guarding against this danger would be very high, it has to be accepted. Disturbance of fish and wildlife is minimal and the total environmental cost could be estimated to be less than $50,000 per year.

5. Economic Benefits to the Province

The mine will employ from 45 to 50 people. The proven ore reserves are only sufficient for 2 years. Employment benefits during this period are considerable as unemployment is presently very high. Besides employing people, the company will pay sales taxes on goods purchased.

It is doubtful that the mine will ever pay federal and provincial income taxes or mining taxes as the write-offs are substantially over $7 million. The probable ore reserves would have to be proven and mined before any profit taxes would be payable.

Under the assumed metal prices of the company and present legislation, the province would receive around $2.70 per ton of ore in mineral royalties. At the estimated proven reserves of 300,000 tons, total royalty receipts would be $810,000. Since these revenues are substantially greater than the cost, it is advantageous for the province that the ore will be mined.

C. Conclusions and Recommendations

- The mine was reopened by the company to recover the investment previously expended on the property.

- The company is short of funds.

- It is very unlikely that the company will pay any taxes based on profits as the company has over $7 million in deferred charges and fixed assets on their books.

- Royalty payments under present legislation would probably be around $800,000.

- The mine will employ around 45 to 50 people.

- It is difficult and dangerous to run the mine during the winter due to snow slide danger and insufficient water supply.

- The mining method could be improved and it is advisable for the mine to hire a consultant or ask the mine inspector for advice in planning and operation.

. . . 4

- Very little environmental damage will be caused by the mine.

- I do not feel it is necessary to hold a public hearing.

- The plans and information submitted are sufficient for approval to go into production.

J. Rohwedder

Jurgen Rohwedder

JR:ps

MEMORANDUM FROM Pat Grove, Editor

TO J. S. Poyen,
Director,
Mineral Development Division

OCT 3 - 1975

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE Oct. 2, 1975

The public hearing concerning the grant of Ministerial approval for the re-opening of the Ruth Vermont underground silver-lead-zinc mine has been re-scheduled for Wednesday, November 19th at 7:30 p.m. in the Golden Arms Hotel, Station Avenue, Golden.

P. Grove

Pat Grove, Departmental Editor,
OPERATIONS BRANCH.

PG/lm

JR
Please note and
reports & data be
for this required
nov 1/75

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

ROUTE SLIP

PRODUCTION LEASE ☐ ~~TED PRODUCTION PERMIT ☐ ON 71 ☑ SECTION 72 ☑

MINERAL ACT ☑ COAL ACT ☐ PLACER MINING ACT ☐

APPLICANT Consolidated Columbia River Mines Ltd.
ADDRESS 73 Water St, Vancouver. BC

MINING DIVISION Golden
LAND DISTRICT Kootenay
PROPERTY LOCATION 23 Miles South of Golden (Ruth Vermont Mine)

FILE NO.
MAP NO. 82K/15W

File should be passed to next in order except where specified to be returned to File Room.

	Initials	Date
C.C. of map attached C.C. of lease M.76, and records of m/c attached. 1. CENTRAL RECORDS	[initials]	5/9/75
2. DEPUTY CHIEF GOLD COMMISSIONER	[initials]	5/9/75
3. ASSOC. DEP. MINISTER - MINERAL RESOURCES RETURN TO FILE ROOM - NOTED J.S.	[initials]	5/9/75
4. ~~ASSOC. DEP. MINISTER - OPERATIONS~~ ~~RETURN TO FILE ROOM~~		
5. ~~DEPUTY MINISTER~~ ~~RETURN TO FILE ROOM~~		
6. ASSOC. DEP. MINISTER - MINERAL RESOURCES Geological? Inspection? When available. We could provide overview!	[initials]	10/22/75
7. CHIEF GOLD COMMISSIONER		
8. CENTRAL RECORDS RETURN TO FILE ROOM		
9. DEPUTY MINISTER		
10. MINISTER		
11. DEPUTY MINISTER		
12. CENTRAL RECORDS		
13. CLERK i/c FILE ROOM		

TELEPHONE (604) 689-1631
TELEX 04-55461

For info contact

W. D. WOLF ENGINEERING & CONSTRUCTION CO. LTD.
DIVISION OF
Ambassador Development Corporation ~~of Canada~~ Ltd.

W. DEGEMANN
PRESIDENT

3RD FLOOR, 73 WATER ST.
VANCOUVER, B.C. V6B 1A1

MEMORANDUM FROM E. W. Grove, Sr. Geologist,
Geological Division,
Mineral Resources Branch

TO J. T. Fyles,
Associate Deputy Minister,
Mineral Resources Branch

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE Oct. 15th, 1975

RE: Ruth Vermont Mine.

On your instruction an ad hoc inspection team visited the Ruth Vermont mine September 2nd, 1975, in regard to mine production. The team included Mr. Bruce Lang, Inspector, Mr. George Addie, District Geologist, Mr. Jurgen Rowedder, Research Officer, and myself. The investigation included mine geology, ore reserves, mine methods, mine development, mine economics, and milling. All phases of the investigation suffered from a scarcity of available documented information particularly in regard to mine costs.

A separate report has been submitted previously by Mr. Lang.

A geological/general appraisal is appended for your information.

Report No. 106

EWG/crd

E. Grove

11423

REFERRED TO		DATE	INITIAL
D.M.	/		
ADM (M)	/	21/10	JTF
ADM (O)			
ADM (P)			
C.G.C.			
C.P.R.			
DCGS			
G.C.			
ACCTS.			
GEOL.			
INSP.			
M. REV.			
M. DEV			
FILE NO.			
FILING CLERK			

MEMORANDUM FROM Pat Grove, Editor

TO W. G. Mundell,
Mining Recorder,
Box 39, Courthouse,
Golden, B.C.
V0H 1H0

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE Oct. 17, 1975

RE: Public Hearing -
Ruth Vermont mine

The public hearing which had been scheduled for November 19th is cancelled and will not be rescheduled.

Could you please cancel the reservation for the meeting room at the Golden Arms Hotel. I thank you for your kind assistance in this matter and regret any inconvenience this may have caused.

Many thanks for your assistance.

Pat Grove, Departmental Editor.

PG/lm

c.c. Dr. J. T. Fyles, A.D.M. ✓
J. S. Poyen, Director of Mineral Development
J.B.C. Lang, Inspector
R. W. Lewis, Inspector
J. G. Addie, District Geologist
H. Horn, Chairman, Coal Task Force

P. G. Says you offered to notify the company

Mc Dougall 652 3851 advised 20/10/75

DEPARTMENT OF MINES AND PETROLEUM RESOURCES

Date:

From:

To: ADM

INSTRUCTIONS

- ☐ For your approval.
- ☐ For your information.
- ☐ For necessary action.
- ☐ Send me copy of reply.
- ☐ For your comments.
- ☐ Prepare reply for my signature.
- ☐ Prepare draft of reply.
- ☐ Return to me.
- ☐ Return to file.
- ☐ For signature.
- ☐ Wish to discuss.

REMARKS:

Jim is there any need for a public hearing prior to our recommendation to minister on this? S

10M (100)-874-8498 (4)

Notice of Public Hearing

The Honourable Gary Lauk, Minister of Mines and Petroleum Resources hereby announces the holding of a hearing concerning the grant of Ministerial approval for the re-opening of the Ruth Vermont underground silver-lead-zinc mine near Golden. The reclamation and pollution control permits are still valid for this recommencement of production. All interested public are cordially invited to attend for familiarization and expression of views. The meeting is scheduled for 7:30 p.m., Wednesday, November 19th, 1975, at the Golden Arms Hotel, Station Avenue, Golden.

THE BRITISH COLUMBIA GOVERNMENT DEPARTMENT OF

MINES AND PETROLEUM RESOURCES

The Honourable Gary Lauk, Minister

#2

Ad No. 47-36

Newspaper ☐ Magazine ☐

Size 3 COLS x 4 INCHES

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THE BRITISH COLUMBIA GOVERNMENT DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
The Honourable Gary Lauk, Minister

#1

Ad No. 49-36
Newspaper ☐ Magazine ☐
Size 3 COLS X 4 INCHES

Palmer Jarvis & Associates Advertising Limited 736 Richards Street, Vancouver, B.C. V6B3A4 687-7911

Palmer Jarvis &

October 8th, 1975

Government of British Columbia
Department of Mines & Petroleum Resources
Mineral Revenue Division
Room 445 Douglas Building
Victoria, B. C.

ATTENTION: Ms. Pat Grove

Dear Pat:

Enclosed are copies of the two ads for "Notice of Public Hearing - Ruth Vermont".

I will wait for your approval before sending out to papers.

Regards,

Suzanne

Suzanne Fong

Ad cancelled by Pat Grove

SF:

ENCLOSURE

Brenda please cancel add if pat grove ko'nnot

MEMORANDUM FROM Pat Grove, Editor

TO J. T. Fyles,
Associate Deputy Minister,
Mineral Resources Branch.

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE Oct. 2, 1975

11041

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Pat Grove

Pat Grove, Departmental Editor,
OPERATIONS BRANCH.

PG/lm

REFERRED TO	DATE	INITIAL
D.M.		
ADM (M)		
ADM (C)		
ADM (P)		
C.G.C.		
C.P.R.		
DCCC		
G.C.		
ACCTS.		
GEOL.		
INSP.		
M. REV.		
M. DEV		
FILE NO.		
FILING CLERK		

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

OCT 2 '75 PM

DEPT. OF MINES
AND PETROLEUM RESOURCES

Date Sep

Send to

JTF

To be returned to ~~your file~~

Perth Vermont

- Cons Columbia

River file

per

Signed HH

Mailed

Expressed

Delivered

Date

Initial

/ cc for files

MEMORANDUM FROM E.W. Grove

TO Dr. J.T. Fyles,
Associate Deputy Minister.

SEP 10 '75 AM

THE DEPARTMENT OF
MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DEPT. OF MINES
AND PETROLEUM RESOURCES

DATE Sept. 9/75

RE: RUTH VERMONT 10176

At your request (September 6th, 1975) I have examined the report submitted by Columbia River Mines Ltd. on the Ruth Vermont mine with regard to sections 71 and 72. I have limited my report here to a very brief critique of the ore reserve resumé.

(1) The ore reserves presented are based on the submission of T.R. Tough and Associates Ltd., to Columbia River. The designation of reserves in this report does not conform to standard acceptable practise and there is no accompanying explanation. That is, the terms Proven, Probable, and Inferred, are not justified with adequate explanation.

(2) The ore reserves are presented without adequate documentation. The drill hole results are included without survey location and are not shown on the ore reserve sections. In addition, the vein or zone terminology used in the ore reserve sections (compiled by Manning and Associates) does not agree with the Tough report. The Manning ore reserve sections are also incomplete as they lack an accompanying ore reserve calculation list or summary.

(3) My very crude calculation of the Pinetree Vein, based upon the Manning section suggests a possible total of about 30,000 tons of "ore" with measured ore category. The Tough report by contrast lists 60,000 tons as Proven, and a total of 259,400 Proven, Probable and Inferred.

Summary

Without going into detail, the ore reserve presentation is inadequate, probably misleading, and most certainly incomplete by my standards.

E.W. Grove

E.W. GROVE,
Senior Geologist, Geological Division,
Mineral Resources Branch.

EWG/jr

DEPARTMENT OF MINES AND PETROLEUM RESOURCES

Date: 9/8/75

From: H.H.

To: J. T. Fyles A.D.M. Min Resources

INSTRUCTIONS

- [ ] For your approval.
- [ ] Prepare reply for my signature.
- [ ] For your information.
- [ ] Prepare draft of reply.
- [x] For necessary action.
- [ ] Return to me.
- [ ] Send me copy of reply.
- [ ] Return to file.
- [ ] For your comments.
- [ ] For signature.
- [ ] Wish to discuss.

REMARKS: I would recommend support; a letter should be written - signed by the Minister - approving this prod'n for testing; needed for bank

The application for ministerial approval ~~will~~ of commercial production will be supported by a public hearing in Golden appr. Oct 14.

H. Hoh

15M (100)-675-8293 (4)

MINISTER OF MINES AND PETROLEUM RESOURCES
PROVINCE OF
BRITISH COLUMBIA

VICTORIA
V8V 4S2

September 11th 1975

Consolidated Columbia River Mines Ltd.,
73 Water Street,
VANCOUVER, B.C. V6B 1A1

Dear Sirs:

Under authority of Section 72 of the Mineral Act permission is hereby granted for Consolidated Columbia River Mines Ltd., to produce, market, and sell minerals mined on Mineral Lease M-16 Golden Mining Division, during the test period from September 15th 1975 to December 15th 1975.

Yours sincerely,

Leo T. Nimsick

Leo T. Nimsick
MINISTER

c.c. Mr. Gordon H. McDougall

file Ruth Vermont
Cons Columbia Riv.
mines

Gordon H. McDougall, P.Eng. B.C. & Ont.

MINING CONSULTANT

1551 Hovey Road
R.R. #2 Saanichton, B.C.
VOS IMO

Sept. 6, 1975

Mr. Hart Horn
Associate Deputy Minister of
Mines & Petroleum Resources of Operations
Douglas Building
Victoria, B.C.

Dear Sir:

RE:- Section 15 - Mineral Act

On behalf of Consolidated Columbia River Mines Ltd., - (Ruth Vermont) Property, of 73 Water Street, Vancouver, B.C. V6B IAI. We respectfully request permission to test minerals in the ore for the purpose of bringing the mine into production at the rate of 500 T.P.D., during May of 1976. The test period would extend from Sept. 15, 1975 - Dec. 15, 1975.

The ore will be extracted from claims of Mineral Lease M-16 located in the Golden Mining Division of the Cranbrook Land District. The Mineral Lease - M-16 consists of reverted Crown Grant claims as listed below:

MINERAL LEASE M-16 - 295.77 acres.

CLAIM NAME	LOT OR RECORD NO.	NUMBER OF CLAIMS
CHARLOTTE	405	1
RUTH	418	1
MINNIE	419	1
CLEOPATRA	8122	1
VERMONT	8123	1
SHEBA	8124	1
RUTH FRACTION	8125	1
	Sub.	7

Yours truly,

Gordon H. McDougall P. Eng.
Consultant

MINISTER OF MINES AND PETROLEUM RESOURCES
PROVINCE OF BRITISH COLUMBIA

VICTORIA
V8V 4S2

September 11th 1975

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73 Water Street,
VANCOUVER, B.C. V6B 1A1

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Yours sincerely,

Leo T. Nimsick

Leo T. Nimsick
MINISTER

c.c. Mr. Gordon H. McDougall

File Rock Vermont - Cons Columbia R. Mines

Gordon H. McDougall, P.Eng. B.C. & Ont.
MINING CONSULTANT

1551 Hovey Road
R.R. #2 Saanichton, B.C.
VOS IMO

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Associate Deputy Minister of
Mines & Petroleum Resources of Operations
Douglas Building
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Gordon H. McDougall P. Eng.
Consultant

Bowles y Colta

Gordon H. McDougall, P.Eng. B.C. & Ont.

MINING CONSULTANT

1551 Hovey Road
R.R. #2, Saanichton, B.C.
VOS IMO

Sept. 6, 1975

Mr. E.J. Bowles,
Chief Gold Commissioner
Department of Mines & Petroleum Resources
Room 409, Douglas Building
Victoria, B.C.

Dear Sir:

RE:- Section 72 - 64 - Mineral Act

On behalf of Consolidated Columbia River Mines of 73 Water Street, Vancouver, B.C., V6B IAI. We wish this letter to be attached to and become a part of the Application Report on Proposed Production for the above mine submitted August 25, 1975 by the writer.

We wish the application to apply to the Mineral Lease M-16 only consisting of reverted Crown Grant claims listed below:

MINERAL LEASE M-16 - 295.77 acres.

CLAIM NAME	LOT OR RECORD NO.	NUMBER OF CLAIMS
CHARLOTTE	405	1
RUTH	418	1
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CLEOPATRA	8122	1
VERMONT	8123	1
SHEBA	8124	1
RUTH FRACTION	8125	1
	Sub.	7

Yours truly,

G. McDougall

Gordon H. McDougall - P. Eng.
Consultant

1 cc for files

MEMORANDUM FROM E.W. Grove

TO Dr. J.T. Fyles,
Associate Deputy Minister.

SEP 10 '75 AM

THE DEPARTMENT OF MINES AND PETROLEUM RESOURCES
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DEPT. OF MINES
AND PETROLEUM RESOURCES

DATE Sept. 9/75

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Summary

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E.W. Grove

E.W. GROVE,
Senior Geologist, Geological Division,
Mineral Resources Branch.

EWG/jr

SEP 19 1975
522
OPERATIONS BRANCH

Returned original to G.T. Sept 19 – file Ruth Vermont (Columbia River Mines)

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

SILVER. 6.80 OZ. LEAD 4.90% ZINC 5.63%

CUM. NSR.	= \$ 49.62	49.62
BASIC ROYALTY 4% =	1.98	
	\$ 47.64	
EXCESS ROYALTY	11.06	
	\$ 36.58	
OPERATING COST.	27.30	27.30
OPERATING PROFIT	\$ 9.28	\$ 22.32
x 9000		x 9000
= \$ 83.520		= \$ 200,880

SILVER 5.02 OZ. LEAD 3.69 ZINC 5.08

CUM. NSR	\$ 40.24	\$ 40.24
BASIC ROYALTY 4%	1.61	
	\$ 38,63	
EXCESS ROYALTY	8,97	
	\$ 29.66	
OPERATING COST	27,30	\$ 27.30
OPERATING PROFIT	\$ 2.36	\$ 12,94
x 9.000		x 9.000

CONSOLIDATED
COLUMBIA RIVER MINES
LTD. (N.P.L.)

3rd Floor, 73 Water Street, Vancouver, B.C. V6B 1A1 Telephone 689-8534

August 25, 1975

Ruth Vermont Mine

Re: Information Section 72 & Section 64 of the Mineral Act

1. Consolidated Columbia River Mines Ltd.(NPL) was incorporated under the Companies Act of British Columbia on November 15, 1963.

2. Consolidated Columbia River Mines Ltd.(NPL) is a public Company with approximately 4,000 shareholders. The company is trading on the Vancouver, British Columbia, and Calgary, Alberta Stock Exchanges.

3. The Head Office of the Company is at 3rd Floor, 73 Water St., Vancouver, B.C. It's registered office is located at 1650-777 Hornby Street, Vancouver, B.C.

4. The Corporate solicitor is Mr. Pat Hogan of Hogan, Webber & Woodliffe of 1650 - 777 Hornby St., Vancouver, B.C.

5. The financial auditors, as appointed by the shareholders, are Goodman & Company of 470 Granville ST., Vancouver, B.C.

6. The Officers of the Company are:

		Occupation
Melan Michael Pardek 820 Lilloet St. Vancouver B.C.	- President	Prospector & Managing Director
Dr. Roger Paris 1703 Cedar Crescent Vancouver, B.C.	- Secretary- Treasurer	Podiatrist

7. The Directors of the Company are:

Melan Michael Pardek	as above	
Dr. Roger Paris	as above	
Thomas Robert Tough 558 Gibbons Drive Richmond, B.C.	Director	Consulting Geological- Engineer

....../2

CONSOLIDATED
COLUMBIA RIVER MINES
LTD. (N.P.L.)

689-8534
3rd Floor, 73 Water Street, Vancouver, B.C. V6B 1A1 Telephone 681-3311

7. (Cont.)

Robert C. Stibor 56-44 South Jamaica Way Inglewood, Colorado,U.S.A.	Director	Insurance Underwriter
Allan B. Girdler 214 - 355 Holdom Ave. Burnaby, B.C.	Director	Owner/Manager of Glenburn Electric Ltd.
Jan Hava North Vancouver, B.C.	Director	Financial Consultant & Economist

8. The Company has a authorized Share Capital:

Common Shares	5,000,000	no par value
Preference Class A	140,000	" "
" " B	20,000	" "
" " C	700,000	" "

Share Capital Issued:

Common Shares	4,256,246	$ 5,011,325.88
Preference Class A	19,925	216,743.85
B	19,481	194,810.00
C	558,449	558,449.00
		$ 5,981,328.73

9. The Owner and Operator of the Ruth Vermont Mine is:

Consolidated Columbia River Mines Ltd.

The following are the Management and Personnel:

1.	President & General Manager	M.M. Pardek
2.	Senior Mine Consultant	G.H. McDougall, P. Eng.
3.	Geological Consultant	T.R. Tough, P. Eng.
4.	Metallurgical Consultant	Bacon & Donaldson & Assoc.
5.	General Mine Manager	Jack Learmonth, P. Eng.
6.	Mine Engineer	John Stard, P. Eng.
7.	Mine Geologist	George Keir, P. Eng.
8.	Mine Metallurgist	Alex Findlayson, P. Eng.
9.	Mill Superintendent	Ed Berrington
10.	Mine Superintendent	Al. Callaghan

...../3

CONSOLIDATED
COLUMBIA RIVER MINES
LTD. (N.P.L.)

3rd Floor, 73 Water Street, Vancouver, B.C. V6B 1A1 Telephone 689-8534

10. Profit Participation:

By Agreement dated July 21, 1971, the profits out of operating the Ruth Vermont Mine are to be divided subject to the following:

a) Consolidated Columbia River Mines shall recover all its development and preproduction expenditures. Thereafter profits to be divided as follows:

b) Consolidated Columbia River Mines as to 55%
Muva Management & Development Corporation of Canada Ltd. as to 30%
Copperline Mines as to 15%

British Columbia Development Corporation

October 1, 1975

Consolidated Columbia River
  Mines Ltd. (N.P.L.)
73 Water Street
Vancouver, B.C. V6B 1A1

Attention: Mr. M. Pardek, President

Dear Sirs:

We are pleased to advise you that British Columbia Development Corporation has approved in principle an application by you for our assistance in financing by means of a guarantee of 50% of a $600,000 working capital loan from the Royal Bank of Canada.

The actual granting of the guarantee must rest on the outcome of your negotiations with this company and the following is set forth as an outline of the terms upon which the negotiations will commence.

The Corporation will require:

1. a legal opinion from the solicitors of the Royal Bank of Canada stating that they have reviewed the proposed application of funds to be borrowed and have made such other inquiries as they have deemed appropriate and are of the opinion that the proposed borrowing is for "the usual purposes of the company's business" as stipulated in the trust deed pursuant to which your first mortgage bonds have been issued or alternatively, a certified copy of the resolution of your debenture holders subordinating their charge in favour of security to be granted to the British Columbia Development Corporation in support of the guarantee.

2. a letter from the Minister of Mines of the Province of British Columbia in a form acceptable to our Counsel deferring all royalty payments from production of the mine to a period after 30th July 1976.

272 Granville Square, 200 Granville Street, Vancouver, British Columbia, V6C 1S4 / Telephone: 689-8411

3. a letter of offer, or equivalent memorandum in writing from the Royal Bank of Canada setting forth the terms and conditions of the proposed $600,000 loan in a form acceptable to us.

4. Any security documents or charging instruments must restrict your company's activities as follows:

   i. you shall not be at liberty to raise further funds by issuance of debt or equity instruments without our prior written consent.

   ii. you shall not transfer any assets without our written consent.

   iii. you shall provide us with financial statements on a monthly basis 15 days after the end of every month together with such audited statements as may be required of you under the provisions of the Companies Act or the Securities Act together with the report of the auditors thereon

   iv. We shall have the right at any time during normal business hours but without notice to examine books and records of the company including documents of original entry and you shall undertake to keep the same in places to be designated to us from time to time in writing.

   v. You shall not pay any dividends, or interest on any other securities except in respect of the Royal Bank loan without our written consent.

   vi. Salary levels of all employees shall be approved by us, and you shall not be at liberty to pay any salaries, directors' fees, bonuses, or provide expenses other than in a manner approved by us.

The remainder of the documentation shall be drawn in such form as our Counsel may advise, and you shall be liable for all legal fees and disbursements incurred in and about the preparation of the documents which are necessary to give effect to this transaction.

I look forward to meeting with you and settling the forms of the documents at your earliest convenience.

Yours truly,

J. Jackson
Financial Analyst

Gordon H. McDougall, P.Eng. B.C. & Ont.

MINING CONSULTANT

1551 Hovey Rd.
R.R. #2
Saanichton, B.C.
V0S 1M0

August 25, 1975

Mr. E.J. Bowles
Chief Gold Commission
Department of Mines &
Petroleum Resources
Douglas Building
Victoria, B.C.

Dear Sir:

Further to our recent discussion, enclosed please find the proposed production plans submitted under Section 72 and 64 of the Mineral Act.

This report is submitted for Consolidated Columbia River Mines Ltd.(N.P.L.) located at the 3rd Floor, 73 Water Street Vancouver, B.C. V6B 1A1.

The writer co-ordinated this submission and should there be any questions please contact me at 1551 Hovey Rd., R.R.#2, Saanichton, B.C. V0S1M0, telephone: 652-3851.

It should be noted under the "Forecast" N.S.R.'s are shown in the month the concentrates are shipped. In reality the returns would follow over a period of four months.

Yours very truly,

Gordon H. McDougall, P. Eng.

GHMc:rl
encl.

NOTICE

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SECTIONS 72 and 64 - MINERAL ACT

For purposes of evaluation of mineral lease applications and proposed production plans, the Minister of Mines and Petroleum Resources requires a standard feasibility study prepared either by your organization or a recognized consultant. Any report submitted should contain the following information:

- pre-production expenses and summary of pre-production work, history of exploration
- the corporate structure or similar information regarding the owners and operators of the project
- method and terms of financing, timing
- location of orebodies, mill and tailings pond; maps of scales large enough to give an overview (200-400 feet to the inch) showing claims - general geology - ore zones - producing area - plant - dumps - tailings pond - roads:- reserves in those orebodies; tonnage and grade; location of potential orebodies
- mineral tenure, terms and conditions
- land tenure, terms and conditions
- past production statistics, if any
- mining method and details of the mining operation including anticipated mining costs
- milling procedures
- grade of concentrate, tailings, and recovery data for all constituent metals; capital and operating costs of the mill.
- material shipped, how? where? transportation agreements if any, transportation costs
- smelter contract or sales agreement.
- labour statistics; how many employees, labour contract, communities in which employees live, on-site facilities for employees
- reclamation procedures and any anticipated environmental hazards
- short range and long range plans in general terms.
- energy requirements and sources and costs of electrical energy
- access roads required

If a reclamation report has been submitted, or an application has been made for a road grant, reference should be made to that effect.

Applicants must conform to the requirements of the Mines Regulation Act, particularly Sections 10 and 11.

Department of Mines and Petroleum Resources
Mining Titles Division

August 1974

Gordon H. McDougall, P.Eng. B.C. & Ont.

MINING CONSULTANT

1551 Hovey Road
R.R. #2 Saanichton, B.C.
VOS IMO

Sept. 6, 1975

Mr. Hart Horn
Associate Deputy Minister of
Mines & Petroleum Resources of Operations
Douglas Building
Victoria, B.C.

Dear Sir:

RE:- Section 15 - Mineral Act

On behalf of Consolidated Columbia River Mines Ltd., - (Ruth Vermont) Property, of 73 Water Street, Vancouver, B.C. V6B IAI. We respectfully request permission to test minerals in the ore for the purpose of bringing the mine into production at the rate of 500 T.P.D., during May of 1976. The test period would extend from Sept. 15, 1975 - Dec. 15, 1975.

The ore will be extracted from claims of Mineral Lease M-16 located in the Golden Mining Division of the Cranbrook Land District. The Mineral Lease - M-16 consists of reverted Crown Grant claims as listed below:

MINERAL LEASE M-16 - 295.77 acres.

CLAIM NAME	LOT OR RECORD NO.	NUMBER OF CLAIMS
CHARLOTTE	405	1
RUTH	418	1
MINNIE	419	1
CLEOPATRA	8122	1
VERMONT	8123	1
SHEBA	8124	1
RUTH FRACTION	8125	1
	Sub.	7

Sept 8/75
cc to Tyles for action
support letter of approval
HH.

Yours truly,

G. H. McDougall

Gordon H. McDougall P. Eng.
Consultant

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MINISTER OF MINES AND PETROLEUM RESOURCES

PROVINCE OF BRITISH COLUMBIA

VICTORIA
V8V 4S2

August 6th, 1975.

Mr. M. M. Pardek,
President,
Consolidated Columbia River Mines Ltd.(N.P.L.),
3rd Floor, 73 Water Street,
VANCOUVER, B.C.
V6B 1A1

Dear Mr. Pardek:

I am writing in reply to your letter dated July 30th regarding your intention of opening the Ruth Vermont Mine.

If you intend to open the mine by September 1st you would have to act very quickly in order that we might be able to process a production lease. Mr. McMynn wrote to Mr. Hava and informed him that a more detailed report of the mine and your proposal would have to be made to give us some opportunity to consider the matter before we had a meeting with you. Nevertheless, I am willing to meet with you at any time it is mutually convenient to discuss matters pertaining to the opening of the mine.

Hoping the above meets with your approval,

Yours sincerely,

Leo T. Nimsick

Leo T. Nimsick,
MINISTER.

cc: J. E. McMynn.
SILENT COPY TO K. HORN

cc: JSP (Aug 13/75).

AUG 07 1975

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March 20th 1974

Mr. W. Degeman,
President,
W. D. Wolf Engineering & Construction Co. Ltd.,
301-302 Westminster Building,
713 Columbia Street,
NEW WESTMINSTER, B. C.

Dear Mr. Degeman:

Re: RUTH VERMONT MINE

I have reviewed the reports you left with John McMynn at the time of your recent visit here.

I cannot recommend that the Government become involved with the financing of this project either on a participating basis anticipating returns from production, or on an interim basis until insurance claims are settled.

Your reports will be kept on file but can be returned if you require them.

Yours very truly,

JAMES T. FYLES Ph.D., P. Eng.,
Associate Deputy Minister of Mines

JTF:bg

c.c. J.E.M.

RETURN TO

DEPARTMENT OF MINES AND PETROLEUM RESOURCES

VICTORIA, BRITISH COLUMBIA

VICTORIA BRITISH COLUMBIA 1974 MAR 21

CANADA .08 POSTES 54032 METER-COMPT

RETURN TO

Mr. [illegible]
President,
W. D. Wolf Engineering & Construction Co. Ltd.,
301-302 Westminster Building,
713 Columbia Street,
NEW WESMINSTER, B. C.

Remailed to 11320 - 136A St North Surrey BC

TTF

BACON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers
117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

File No. 750
July 23, 1975

Consolidated Columbia River Mines Ltd.,
3rd Floor - 73 Water Street,
Vancouver, B.C.

ATTENTION: Mr. Mel Pardek

Dear Mr. Pardek:

Re: Consolidated Columbia River Mines Concentrator.

On July 10, 1975 we visited your concentrator in order to assess the improvements and repairs required to make the plant suitable for operation with the Ruth-Vermont ore.

Although some physical damage to the concentrator building was observed this damage will not be discussed in this report. It is assumed that all damage to the head of the circuit, i.e. cyclone support tower, would be repaired to make the plant operational.

Since liberation of the sulphides is not a problem, the regrind mill presently located in the mill is not required.

The lead filter appeared to be quite small for the throughput desired. There is room for one extra leaf on the filter however and this may be sufficient to give the desired capacity. Installation of the extra leaf is not a major undertaking.

In general the mill appeared to be adequate for operation with the Ruth-Vermont ore. We would recommend starting the mill at 300 - 350 TPD and then increasing the throughput while maintaining steady operation.

The main improvement required to ensure stable operation of the mill would be to improve reagent mixing facilities and increase the number of reagent feeders, both wet and dry. Assuming you have one single Clarkson observed in your plant plus one double Clarkson and one dry feeder at Purcell, you would require three dry feeders, three single Clarksons and two double Clarksons.

We estimate the cost requirements for the mill additions to be as follows:

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1.	Clarkson Feeders 3 - E 1 2 - E 2	$ 3,000.00
2.	Dry Feeders	2,500.00
3.	Lightening Mixers (4)	2,000.00
4.	Weightometer	2,500.00
5.	Immersion heater (for dissolving 610)	200.00
	TOTAL	$ 10,200.00

These prices are based on approximate quotes from Nelson Machinery Ltd.

In addition to the above requirements, in order to operate for one month and treat 9,000 tons, we estimate that 4½ tons of two inch and three inch balls would be required as well as the following reagents:

Sodium Carbonate	9,000 lbs.
Sodium Cyanide	3,600 lbs.
Zinc Sulphate	8,100 lbs.
Sodium Ethyl Xanthate	180 lbs.
Aerofloat 242	180 lbs.
610 Depressant	630 lbs.
Copper Sulphate	10,800 lbs.
Z-200	360 lbs.
MIBC	1 barrel
Lime (hydrated)	9,000 lbs.

All the reagents are available from Van Waters and Rogers except the lime which can be obtained from Domtar.

The costs are as follows:

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1. Grinding Balls

4.5 tons @ $ 350.00 per ton	-	$ 1,575.00

2. Reagents

(Based on purchasing the quantities stated)	-	10,000.00
TOTAL		$11,575.00

The total cost of grinding balls, reagents and improvements - $ 21,775.

Yours truly,

BACON, DONALDSON & ASSOCIATES LTD.

M. Vreugde

M.J.A. Vreugde, P. Eng.

W.G. Bacon

W.G. Bacon, P. Eng.

BACON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers

117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

File No. 750
July 23, 1975

Consolidated Columbia River Mines Ltd.,
3rd Floor - 73 Water Street,
Vancouver, B.C.

ATTENTION: Mr. Mel Pardek

Dear Mr. Pardek:

Re: Purcell Development Concentrator

We have carried out a plant test at the Purcell Development concentrator with ore from your Ruth-Vermont property.

We arrived at the plant site on July 5, 1975 to carry out the test but were delayed due to the state of the mill. At our initial meeting with Dunwoody & Co. on May 27, 1975 we were told that the mill was in good shape requiring only minor work to make it operative. The mill superintendent, Mr. Ed Barrington, was to be provided with a helper and they estimated that it would take ten days to prepare the mill. In addition, the unit cell was to be installed on the ball mill discharge in order to increase the mill capacity.

Prior to our leaving Vancouver for the test we contacted Mr. Harvey Carrol of Dunwoody & Co. who ensured us that the mill was prepared with the exception of the unit cell which would be installed within one or two days.

When we arrived at the site we found that Mr. Barrington had not been provided with a helper and was in fact himself only being retained as watchman and not being paid to upgrade the mill. The specific problems with the mill when we arrived were as follows:

1. Cone crusher was inoperative and had to be assembled.
2. Water lines within the mill had to be changed to give adequate pressure to the launders.
3. The tailings line had been partially dismantled and had to be re-assembled.
4. There was no front end loader on the property and no arrangements had been made to obtain one.
5. The inspection door was off the ball mill.

....2

6. The mill required operating clean-up including all reagent feeders.

7. The unit cell had not been installed.

8. There were insufficient batteries to run both generators so that crushing and operating of the mill could not be carried out at the same time.

We spent two days preparing the mill for operation. We did not spend the time to install the unit cell and were restricted to one generator during the entire test.

After running the Purcell ore that was left in the bins and a portion of Columbia River ore through the mill as a final clean-up, one and a half days were spent running Columbia River ore as a test.

It was found that a coarse grind (50-60 % -200 mesh) had to be maintained in order to keep the pyrite depressed. To achieve this, the ball mill discharge was kept to 65 percent solids and the cyclone overflow to 30 - 33 percent solids. Although the ball mill liners are heavily worn and have only a limited life, they performed satisfactorily during the test. The grinding capacity of the mill greatly exceeded the flotation capacity with this ore. For the test, a throughput of 175 TPD was maintained and at times the capacity of the lead circuit was exceeding with some lead carrying into the zinc circuit.

There was an acute shortage of reagent feeders (wet and dry) in the plant and a number of improvised drip pails were employed. This gave insufficient control for some reagents and caused problems, particularly with lead concentrate grade.

The tailings pump was incapable of dealing with the high density tailings resulting from the high pyrite content of the ore. The tailings pump box was overflowing almost steadily with tailings accumulating on the floor.

Shortly after the test was commenced, problems developed with the filter vaccuum system requiring the filters to be shut down. The problem with the vaccuum system resulted from a leak in the zinc filter which has caused problems even when Purcell was running. The leak permits solids into the vaccuum system and results in destruction of the filtrate pump. The system was running without a filtrate pump, only a drainage valve, at the start of the test. The solids built up in the receiving tank and the entire system became blocked. For the duration of the test, the concentrate was permitted to overflow the concentrate pumps and accumulated on the floor.

If it was desired to operate this concentrator on a continued basis, several improvements would have to be made:

1. For short term operation, several damaged sections of ball mill liner would have to be replaced.

2. A new filtrate pump must be provided to the vaccuum system and the problem with the zinc filter must be corrected.

3. The tailings pump performance must be improved. This could possibly be achieved by speeding up the tailing pump and diluting the tails.

4. Adequate reagent feeders must be provided throughout the mill.

5. The chute from the feed belt to the ball mill must be improved.

6. It would be worthwhile to install the unit cell and determine if mill capacity could be increased.

With the present mill set-up we would not recommend running greater than 150 TPD as problems maintaining capacity would be encountered.

Yours truly,

BACON, DONALDSON & ASSOCIATES LTD.

M. Vreugde

M.J.A. Vreugde, P. Eng.

W.G. Bacon

W.G. Bacon, P. Eng.

BACON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers
117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

File No. 750
July 23, 1975

Consolidated Columbia River Mines Ltd.,
3rd Floor - 73 Water Street,
Vancouver, B.C.

ATTENTION: Mr. Mel Pardek

Dear Mr. Pardek:

Re: Plant Test on Consolidated Columbia River Mines Ore.

We have carried out a plant test on your ore at the Purcell Development concentrator. The purpose of the test was to evaluate the performance of the Purcell concentrator as well as to test the reagent balance developed in our testwork.

The evaluation of the Purcell concentrator is presented in a separate report.

A composite head sample taken over several hours from the feed belt assayed 2.86 percent lead and 4.36 percent zinc.

The lead concentrate grade achieved in the test was 56.80 percent lead and 85 ounces per ton silver. The recovery of lead in the lead circuit alone was 83.9 percent. It is expected that the lead concentrate grade to be achieved in continued operation of your plant will exceed that obtained in this test. The use of improvised reagent feeders in the lead circuit resulted in insufficient control to keep the pyrite depressed. Also, since there was no ethyl xanthate available at the site, isopropyl xanthate was used instead of a combination of ethyl and cyanamid 242. This could have resulted in lowered selectivity and for plant operation it would be preferable to use the ethyl-242 combination since superior metallurgy was achieved in the testwork with this combination.

A zinc concentrate grade of 60.53 percent zinc was achieved during the test at a recovery of 79.2 percent. It should be possible to increase the zinc recovery by adding 1.2 pounds per ton of $CuSO_4$ instead of the 1.0 pounds per ton $CuSO_4$ used in the test. It was apparent during the test that at times the copper sulphate addition was too low. The zinc concentrate was also assayed for tin and was found to contain 0.26 percent Tin. If any problems are encountered with zinc concentrate grade in plant operation we recommend that the zinc cleaner tailings are sent directly to final tailings instead of returning them to the zinc roughers.

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As a result of the plant test we are confident that the metallurgy we achieved in Test No. 9 of our report dated February 18, 1974 should be readily attained in plant operation. The flow sheet we recommend for your operation is enclosed with this report.

Yours truly,

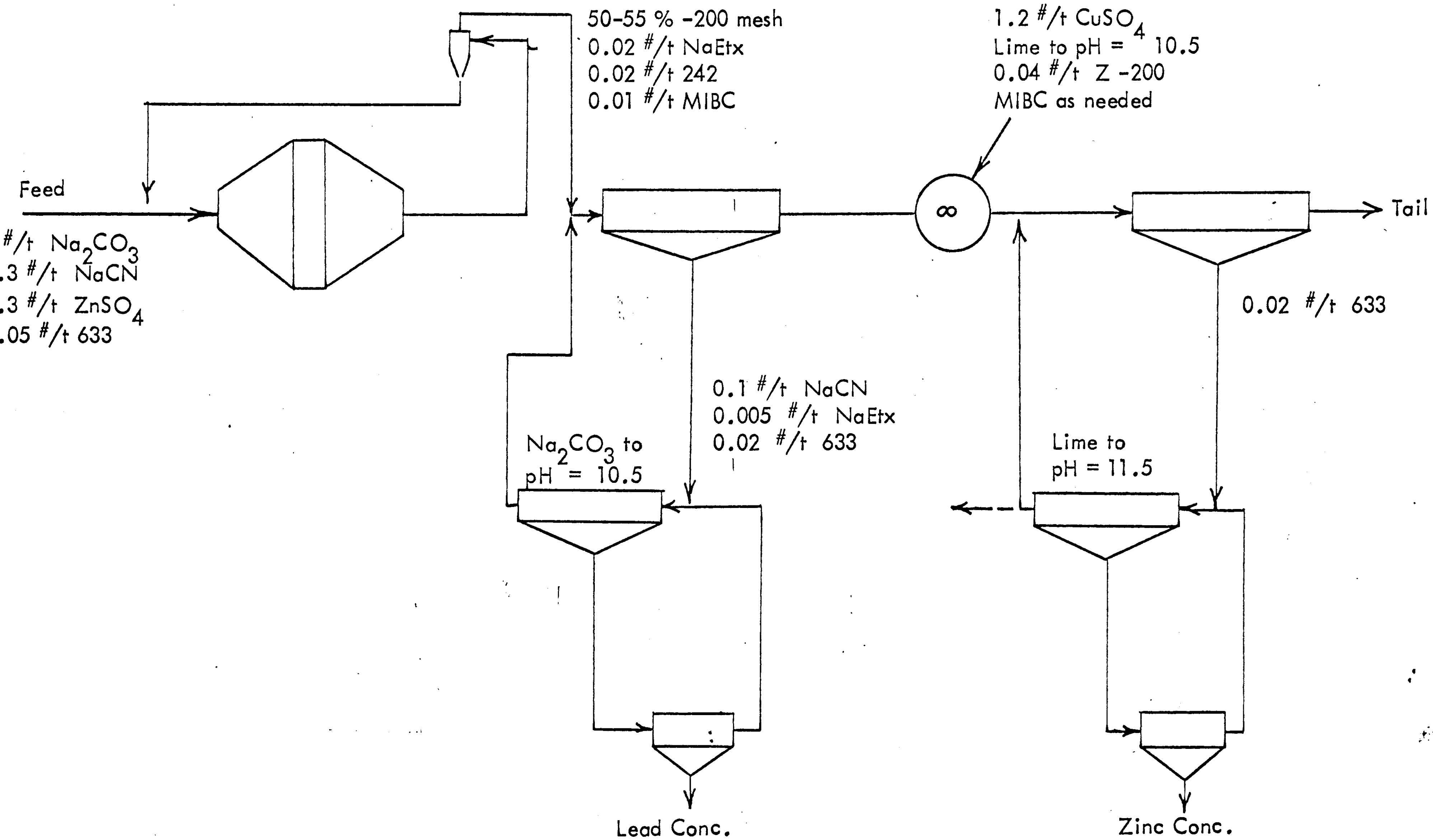
BACON, DONALDSON & ASSOCIATES LTD.

M. Vreugde

M.J.A. Vreugde, P. Eng.

W. G. Bacon

W.G. Bacon, P. Eng.



CONSOLIDATED COLUMBIA RIVER MINES

BACON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers

117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

File No. 750
July 23, 1975

Consolidated Columbia River Mines Ltd.
3rd Floor, 73 Water Street,
Vancouver, B.C.

ATTENTION: Mr. Mel Pardek

Dear Mr. Pardek:

Re: Smelter Returns

We have calculated the net smelter return for your property based on current prices and smelter contracts. The value reported for each case is the net payment after transportation, agency fees and royalties. The concentrate assays assumed for the calculations are presented as a table preceding the calculations. The recovery of lead and zinc in their respective concentrates is assumed to be 80 percent. We believe all values used to be conservative but realistic.

We have based the royalty calculations on the assumption that concentrates are being sold to Cominco so that the basic royalty is 4 percent of NSR.

CASE I. Based on reserve grade

Heads = 5.02 oz. Ag
3.69 % Pb
5.08 % Zn

Net Payment = $ 29.07 per SDT milled

CASE II. Based on upgraded material

Heads = 10 oz. Ag
6 % Pb
6 % Zn

Net Payment = $ 43.63 per SDT milled

Yours truly,

BACON, DONALDSON & ASSOCIATES LTD.

M. Vreugde

M.J.A. Vreugde, P. Eng.

BACON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers

117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

ASSUMED CONCENTRATE ANALYSES

	Lead Conc.	Zinc Conc.
Pb	62.0	1.20
Zn	6.0	58.0
Ag	89.24 oz.	3.53 oz.
Cu	0.85	-
Fe	4.00	2.85
As	0.23	-
Al_2O_3	0.25	-
SiO_2	1.80	-
CaO	0.81	-
Cd	-	0.46

AMC

AMALGAMET CANADA LIMITED
P.O. BOX 95
COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1C9

Telephone:
416-366-3954
Cables:
Brimetacor Toronto
Telex: 06-217718
06-217726

June 18, 1975

Mr. M. M. Pardek, President,
Cons. Columbia River Mines,
3rd Floor,
73 Water Street,
VANCOUVER, B.C.
V6B 1A1.

<u>LEAD CONCENTRATES - BT-CR-016</u>
<u>ZINC CONCENTRATES - BT-CR-017</u>

Dear Mel,

Further to our letter of May 27th, we are pleased to enclose herewith a duly executed copy of each of the above-noted contracts covering the sale of your concentrates to COMINCO at Trail, B.C. We also enclose an additional unsigned copy for your convenience.

We trust that you will keep us advised of the progress made to re-open the mine together with your latest start-up target date. In this connection please remember that COMINCO will shut down its lead and zinc production facilities for most of August and that delivery and/or stockpiling arrangements will have to be worked out.

Sincerely,

Vice President

G. A. Paradis:ag

<u>Encls:</u>

THIS AGREEMENT made this 26th day of May 1975,

BETWEEN: COMINCO LIMITED of Trail, Province of British Columbia, Canada (hereinafter called the "Buyer"),

OF THE FIRST PART

AND: AMALGAMET CANADA LIMITED of Suite 2860, Commerce Court West, Toronto, Province of Ontario, Canada, as Agent for CONSOLIDATED COLUMBIA RIVER MINES LIMITED (N.P.L.) (hereinafter called the "Seller"),

OF THE SECOND PART

WHEREBY the Buyer agrees to buy and the Seller agrees to sell on the terms and conditions hereinafter contained :

1. MATERIAL: Flotation Lead Concentrates (hereinafter referred to as the "material") as produced at the mill of the Seller at his Ruth-Vermont property near Golden, Province of British Columbia, Canada, of the same smelting quality as that of previous production shipped to the Buyer and assaying approximately as follows :

Pb	=	59.20%	Au	=	0.036 oz./S.T.			
Zn	=	3.21%	Ag	=	59.70 ozs./S.T.			
Cu	=	0.40%	Fe	=	8.03%	Si02	=	3.28%
Cd	=	0.03%	Sn	=	0.01%	Al203	=	0.75%
As	=	0.23%	Se	=	0.005% *	Ca0	=	1.05%
Sb	=	0.80%	Te	=	0.005% *	Mg0	=	0.41%
Cl	=	0.01%	Hg	=	1 PPM *	F	=	0.001%

* Less than

2. QUANTITY AND DURATION: Seller's total production of material from July 1, 1975 to be delivered at a rate of about 300 tons per month until the Agreement is terminated by either party on 30-day's notice which may be served at any time. Production in excess of that specified above shall be accepted at Buyer's option.

3. BUYER'S TERMS OF PURCHASE: The Buyer shall accept deliveries from the Seller on the basis of the Buyer's "Schedule of Terms for the Purchase of Lead Concentrates F.O.B. Tadanac effective January 1, 1975", copy of which is attached hereto as "APPENDIX A", or as this Schedule may be amended from time to time.

Cont'd...../2.

4. ASSAYS:

The Buyer and the Seller shall exchange assays by crossing mails. Reference to Loring Laboratory in Calgary, Alta. (or to any other mutually acceptable umpire analyst) shall be made if the results exceed the following limits :

Ag	=	1% of Buyer Assay	Bi	=	0.1%
Au	=	0.01 oz./S.T.	As	=	0.1%
Pb	=	0.5%	Al_2O_3	=	0.3%
Zn	=	0.2%	SiO_2	=	0.3%
Cu	=	0.03%	CaO	=	0.3%
Fe	=	0.3%			

Settlements shall be governed by the terms contained in the Buyer's "Schedule of Terms".

5. DIVERSION:

Buyer shall have the right to divert shipments to other destinations and in such cases any freight differential from that of shipments to Tadanac, B.C. shall be for Buyer's account.

6. FORCE MAJEURE:

The production, shipment and receipt of the material to be delivered hereunder shall be subject to power shortage, strikes, fires, floods, wars, delays or interruption of transportation, government regulations and all other disabling causes or contingencies beyond control of either party hereto whether of the nature of subject herein enumerated or not, and, upon written notice to the other party, either party shall have the right to suspend deliveries and/or shipments hereunder so long as any such causes prevail. Any such suspension shall not apply to any material already loaded on railcars/trucks at Seller's mill and/or in transit prior to receipt by Seller of notice from Buyer.

In the event that a "FORCE MAJEURE" condition having been declared by the Buyer and that the disabling cause or contingency shall continue for a period of 60 days or more, the Seller shall have the right, upon giving written notice to the Buyer, to exclude from this Agreement and dispose at his sole discretion any material produced and unshipped during the period of suspension. If the period of suspension is less than 60 days or if the aforesaid right of cancellation is not exercised, the material accumulated during the period of suspension shall, on removal of the cause of suspension, be shipped concurrently with current production, subject to the availability of transportation facilities and the rate at which the Buyer is capable to receive the accumulated tonnage.

PB

Cont'd...../3.

7. NOTICES: All notices required to be given to the Seller shall be addressed to Amalgamet Canada Limited, P. O. Box 95, Commerce Court West, Toronto, Ontario, Canada and all notices to be given to the Buyer shall be in accordance with the provisions of his "Schedule of Terms".

8. JURISDICTION: This Agreement shall be interpreted in accordance with and be governed by the laws of the Province of British Columbia.

9. ASSIGNS: This Agreement shall enure to the benefit of and be binding upon the Successors and Assigns of the parties hereto.

IN WITNESS HEREOF the parties hereto have caused these presents to be signed on their respective behalves the day and year indicated below :

COMINCO LIMITED

Date Jun 10/75

AMALGAMET CANADA LIMITED
(as Agent for Consolidated Columbia River Mines Ltd. (N.P.L.)

(G.A. PARADIS) Vice President

Date May 26, 1975

(R.B. GREENE) Secretary and Treasurer

APPENDIX "A"

COMINCO LTD.
TRAIL, B. C.

SCHEDULE OF
TERMS FOR THE PURCHASE OF LEAD CONCENTRATES F.O.B. TADANAC

Effective January 1, 1975

QUALITY, QUANTITY & ACCEPTANCE

Shippers from new properties shall deliver to Cominco for the attention of the Ore Buyer, a ten pound sample, representative of the concentrates to be shipped, for examination and tests. The analysis of the original and subsequent shipments shall conform generally to that of the sample submitted. If at any time impurities are present in the concentrates in excess of amounts acceptable to Cominco further shipments may be rejected on written notice to that effect. Title to the concentrates must be established and shippers must await consent of the Ore Buyer before making shipment. The quantity to be shipped must be agreed upon in advance of first shipment and is subject to review and/or adjustment at any time.

NOTICES AND CORRESPONDENCE

Notice of the first shipment, preferably by a copy of the Bill of Lading, must reach Cominco's Ore Buyer in advance of the shipment. Subsequent notices and correspondence should be forwarded to the Accounting Supervisor, Ores Purchasing. Demurrage resulting from failure to notify of shipment arrival shall be for the shipper's account. Shippers must provide complete written instructions for payment, deductions for royalty, trucking, milling, etc.

FREIGHT

Freight charges are for shipper's account, preferably to be prepaid, otherwise to be paid by Cominco and deducted from Settlement.

REPRESENTATION

The shipper is expected to arrange to be present or to have a representative present while his shipment is being weighed and sampled. If the shipper has not done so Cominco reserves the right to appoint a suitable person to act as shipper's representative and at shipper's expense.

PRICING, QUOTATIONAL PERIOD

Metal prices used to determine the settlement value of a lot will be the average of the prices for the calendar month following month of arrival at Tadanac, B. C., determined in the manner hereinafter set out.

Terms of settlement will be those of the schedule in effect for the month following month of arrival. When two or more schedules are in effect in any one calendar month, the weighted average prices, deductions and charges will be used.

United States quotations, where used for settlement price, will be converted into Canadian dollars at the average noon rate for buying and selling United States dollars during the quotational period, as established by the Bank of Canada.

Sterling quotations, where used for a settlement price, will first be converted to United States funds at the noon buying rate for cable transfers as certified by the Federal Reserve Bank of New York as published in Metals Week and then the United States funds converted to Canadian funds as identified above.

PAYMENTS

Lead: Deduct 0.8 units lead per unit contained copper over 0.5% and pay for 92% of the balance (minimum deduction 20 lbs.) at a weighted average composite price calculated as 50% of the official Cominco price for lead sales in Canada, 30% of the official Cominco price for lead sales in U.S.A. and 20% of the four official London Metal Exchange quotations for lead. The deduction from the calculated price shall be 3.50¢ per pound plus 0.25¢ for each 1.0¢ the calculated price exceeds 14.5¢.

Zinc: 60% contained zinc (minimum deduction 20 lbs.) at the average quotation for G.O.B. zinc producer basis, as published in Metals Week, less 12.5¢ per pound.

Silver: 93% contained silver (minimum deduction 1.0 troy oz.) based on commercial fire assay at the average Handy and Harman quotation for unrefined silver as published in Metals Week less 7.0¢ per troy oz.

Gold: 93% contained gold (minimum deduction 0.03 troy oz.) based on commercial fire assay at the average London Gold Final quotation as published in Metals Week less $3.00 per troy oz.

Bismuth: Deduct 2.0 lbs. and pay for 60% of the balance at the average quotation for bismuth in ton lots as published in Metals Week less 40¢ per pound.

Copper: 30% of contained copper (minimum deduction 10 lbs.) at the quotation for copper basis f.o.b. Atlantic Seaboard Refinery, as published in Metals Week, less 15.0¢ per pound.

DEDUCTIONS

Basic Treatment Charge:	\$27.85 per dry ton for bulk shipments. Minimum basic treatment charge for any one lot will be \$300.00.
Iron Content:	Increase the treatment charge 70¢ per unit the total units iron exceed total units zinc.
Arsenic Content:	Increase the treatment charge \$1.00 per unit over 0.1%. If arsenic content is greater than 2.5 times the antimony content, an additional charge may be made.
Alumina Content:	Increase the treatment charge 25¢ per unit over 0.5 units.
Moisture:	Increase the treatment charge 30¢ per unit over 8%.
Silica Content:	Decrease the treatment charge equivalent to (0.3 x % SiO_2) cents per unit SiO_2 when SiO_2 content is 2.0% or higher.
Lime Content:	Decrease the treatment charge equivalent to 5.0¢ per unit CaO when CaO content is 2.0% or higher.
Labour Wage Rate:	Increase the treatment charge 10.0¢ for each 1.0¢ the hourly wage rate exceeds \$5.90 (Wage Grade 7).
Truck Shipments:	Concentrate shipments comprising a single truck lot must be delivered between 7 a.m. and 2 p.m. The basic treatment charge for this service will be increased \$4.00 per s.d.t. Concentrate shipments comprising more than a single truck lot will be unloaded to a rail car. The additional charge for this service will be \$85.00 per rail car loaded plus the actual rail car rental for each car day the shipper requires to complete the car loading.
Unusual Conditions:	Any unusual or abnormal receiving procedures not otherwise identified will be charged to the shipper.

WEIGHING AND SAMPLING

Weighing, sampling and moisture determination shall be done by Cominco at Company expense in accordance with established practice.

The sample of each lot shall be divided into three equal parts: one for the shipper, one for Cominco, one to be sealed and retained for umpire purposes for a period of 30 days after settlement. Failure of shipper to take his portion of sample for analysis and to exchange assays shall constitute waiver of assay exchange and the Cominco assay will then be used for settlement.

All accepted shipments shall be released for treatment as soon as sampled.

LOTTING AND DATING

The date of arrival at Tadanac of the car or truck containing the shipment or of the last car or truck load in a shipment will be date of arrival of the shipment or lot.

A lot of concentrate will be not over four cars.

ASSAYS AND UMPIRES

If a shipper has elected to receive and assay his portion of sample and exchange assays, then assay exchange shall be in crossing mails.

The Company's assay shall be taken as settlement assay, provided that in case of disagreement on assay, an umpire may be selected in rotation from a list mutually agreed upon, whose assays shall be final if between the assays of the two parties, and if not, the assay of the party nearer to the umpire shall be used.

The party whose assay result is farther from the umpire assay shall pay the cost of umpire but should the umpire assay be the exact mean of the shipper and Cominco assays then cost of umpire shall be split equally.

SETTLEMENT

75% of estimated value of a shipment will be paid when weights and assays are available.

Final settlement for a shipment will be made promptly following the receipt of all necessary information.

DEFINITIONS

Ton	-	2,000 pounds avoirdupois.
Metric Ton	-	2204.6 pounds avoirdupois.
Ounce	-	troy ounce.
Unit	-	one percent or 20 pounds avoirdupois.

TERMINATION

This schedule may be altered or cancelled by the Company at any time.

This schedule may be considered as a basis of settlement for lead concentrates but in no way is to be interpreted as a contract.

THIS AGREEMENT made this 26th day of May 1975,

BETWEEN: COMINCO LIMITED of Trail, Province of British Columbia, Canada (hereinafter called the "Buyer")

OF THE FIRST PART

AND: AMALGAMET CANADA LIMITED of Suite 2860, Commerce Court West, Toronto, Province of Ontario, Canada, as Agent for CONSOLIDATED COLUMBIA RIVER MINES LIMITED (N.P.L.) (hereinafter called the "Seller"),

OF THE SECOND PART

WHEREBY the Buyer agrees to buy and the Seller agrees to sell on the terms and conditions hereinafter contained :

1. MATERIAL: Flotation Zinc Concentrates (hereinafter referred to as the "material") as produced at the mill of the Seller at his Ruth-Vermont property near Golden, Province of British Columbia, Canada, of the same smelting quality as that of previous production shipped to the Buyer and assaying approximately as follows :-

Zn	=	57.46%	Au	=	0.026 oz./S.T.			
Pb	=	1.95%	Ag	=	6.02 ozs./S.T.			
Cu	=	0.33%	Fe	=	4.10%	SiO_2	=	1.70%
Cd	=	0.43%	Sn	=	0.10%	Al_2O_3	=	0.48%
As	=	0.09%	Se	=	0.005% *	CaO	=	0.25%
Sb	=	0.05%	Te	=	0.005% *	MgO	=	0.16%
Cl	=	0.009%	Hg	=	2 PPM *	F	=	0.001%

* Less than

2. QUANTITY AND DURATION: Seller's total production of material from July 1, 1975 to be delivered at a rate of about 450 tons per month until the Agreement is terminated by either party on 30-day's notice which may be served at any time. Production in excess of that specified above shall be accepted at Buyer's option.

3. BUYER'S TERMS OF PURCHASE: The Buyer shall accept deliveries from the Seller on the basis of the Buyer's "Schedule of Terms for the Purchase of Zinc Concentrates, F.O.B. Tadanac, effective January 1, 1975", copy of which is attached hereto as "APPENDIX A", or as this Schedule may be amended from time to time.

Cont'd.../2.

4. ASSAYS:

The Buyer and the Seller shall exchange assays by crossing mails. Reference to Loring Laboratory in Calgary, Alta. (or to any other mutually acceptable umpire analyst) shall be made if the results exceed the following limits :-

Ag = 0.3 oz./S.T.	Pb = 0.2%
Au = 0.01 oz./S.T.	Cd = 0.03%
Zn = 0.5%	Fe = 0.2%

Settlements shall be governed by the terms contained in the Buyer's "Schedule of Terms".

5. DIVERSION:

Buyer shall have the right to divert shipments to other destinations and in such cases any freight differential from that of shipments to Tadanac, B.C. shall be for Buyer's account.

6. FORCE MAJEURE:

The production, shipment and receipt of the material to be delivered hereunder shall be subject to power shortage, strikes, fires, floods, wars, delays or interruption of transportation, government regulations and all other disabling causes or contingencies beyond control of either party hereto whether of the nature of subject herein enumerated or not, and, upon written notice to the other party, either party shall have the right to suspend deliveries and/or shipments hereunder so long as any such causes prevail. Any such suspension shall not apply to any material already loaded on railcars/trucks at Seller's mill and/or in transit prior to receipt by Seller of notice from Buyer.

In the event that a "FORCE MAJEURE" condition having been declared by the Buyer and that the disabling cause or contingency shall continue for a period of 60 days or more, the Seller shall have the right, upon giving written notice to the Buyer, to exclude from this Agreement and dispose at his sole discretion any material produced and unshipped during the period of suspension. If the period of suspension is less than 60 days or if the aforesaid right of cancellation is not exercised, the material accumulated during the period of suspension shall, on removal of the cause of suspension, be shipped concurrently with current production, subject to the availability of transportation facilities and the rate at which the Buyer is capable to receive the accumulated tonnage.

Cont'd.../3.

7. <u>NOTICES:</u> All notices required to be given to the Seller shall be addressed to Amalgamet Canada Limited, P. O. Box 95, Commerce Court West, Toronto, Ontario, Canada and all notices to be given to the Buyer shall be in accordance with the provisions of his "Schedule of Terms".

8. <u>JURISDICTION:</u> This Agreement shall be interpreted in accordance with and be governed by the laws of the Province of British Columbia.

9. <u>ASSIGNS:</u> This Agreement shall enure to the benefit of and be binding upon the Successors and Assigns of the parties hereto.

IN WITNESS HEREOF the parties hereto have caused these presents to be signed on their respective behalves the day year indicated below :

COMINCO LIMITED

Date June 10/75

AMALGAMET CANADA LIMITED
(as Agent for Consolidated Columbia River Mines Limited (N.P.L.)

(G. A. PARADIS) Vice President

Date May 26, 1975

(R. B. GREENE) Secretary and Treasurer

COMINCO LTD.
TRAIL, B. C.

SCHEDULE OF
TERMS FOR THE PURCHASE OF ZINC CONCENTRATES F.O.B. TADANAC

Effective January 1, 1975

QUALITY, QUANTITY & ACCEPTANCE

Shippers from new properties shall deliver to Cominco for the attention of the Ore Buyer, a ten pound sample, representative of the concentrates to be shipped, for examination and tests. The analysis of the original and subsequent shipments shall conform generally to that of the sample submitted. If at any time impurities are present in concentrates in excess of amounts acceptable to Cominco further shipments may be rejected on written notice to that effect. Title to concentrates must be established and shippers must await consent of the Ore Buyer before making shipment. The quantity to be shipped must be agreed upon in advance of first shipment and is subject to review and/or adjustment at any time. This schedule is applicable to zinc concentrates only, containing not less than 40% zinc.

NOTICES AND CORRESPONDENCE

Notice of the first shipment, preferably by a copy of the Bill of Lading, must reach Cominco's Ore Buyer in advance of the shipment. Subsequent notices and correspondence should be forwarded to the Accounting Supervisor, Ores Purchasing. Demurrage resulting from failure to notify of shipment arrival shall be for the shipper's account. Shippers must provide complete written instructions for payment, deductions for royalty, trucking, milling, etc.

FREIGHT

Freight charges are for shipper's account, preferably to be prepaid, otherwise to be paid by Cominco and deducted from Settlement.

REPRESENTATION

The shipper is expected to arrange to be present or to have a representative present while his shipment is being weighed and sampled. If the shipper has not done so Cominco reserve the right to appoint a suitable person to act as shipper's representative and at shipper's expense.

PRICING, QUOTATIONAL PERIOD

Metal prices used to determine the settlement value of a lot will be the average of the prices for the calendar month following month of arrival at Tadanac, B. C., determined in the manner hereinafter set out.

Terms of settlement will be those of the schedule in effect for the month following month of arrival. When two or more schedules are in effect in any one calendar month, the weighted average prices, deductions and charges will be used.

United States quotations, where used for settlement price, will be converted into Canadian dollars at the average noon rate for buying and selling United States dollars during the quotational period, as established by the Bank of Canada.

Sterling quotations, where used for a settlement price, will first be converted to United States funds at the noon buying rate for cable transfers as certified by the Federal Reserve Bank of New York as published in Metals Week and then the United States funds converted to Canadian funds as identified above.

PAYMENTS

Lead: 85% of the contained lead (minimum deduction 20 pounds) at the average of the four official London Metal Exchange quotations as published in Metals Week less 4.5¢ per pound.

Zinc: Deduct 0.1 units of zinc for each unit of contained iron over 0.1% and pay for 85% of the balance (minimum deduction 20 lbs.) at a weighted average composite price calculated as 35% of the official Cominco price for zinc sales in Canada, 45% of the official Cominco price for zinc sales in U.S.A. and 20% of the G.O.B. quotation for zinc producer basis.

Silver: 93% of the contained silver (minimum deduction 1.0 troy oz.) based on commercial fire assay at the average Handy and Harman quotation for unrefined silver as published in Metals Week less 7.0¢ per troy oz.

Gold: 93% of the contained gold (minimum deduction 0.03 troy oz.) based on commercial fire assay at the average London Gold Final quotation as published in Metals Week less $3.00 per troy oz.

Cadmium: Deduct 3.0 pounds and pay for 60% of the balance at the average quotation for ton lots as published in Metals Week less 50.0¢ per pound.

DEDUCTIONS

Treatment Charge: Basic $14.50 per dry ton of concentrates plus an additional charge calculated as 33-1/3% of the zinc payment. Minimum treatment charge for any one lot will be $200.00.

Iron Content: Increase the treatment charge 70.0¢ per unit contained iron over 0.1%

ND

DEDUCTIONS (Cont'd)

Moisture Content:	Increase treatment charge 30.0¢ per unit over 6.0%.
Truck Shipments:	Concentrates delivered by truck will be unloaded to a rail car. The additional charge for this service will be $85.00 per rail car loaded, plus the actual rail car rental for each car day the shipper requires to complete the car loading.
Unusual Conditions:	Any unusual or abnormal receiving charges not otherwise identified will be charged to the shipper.

WEIGHING AND SAMPLING

Weighing, sampling and moisture determination shall be done by Cominco at Company expense in accordance with established practice.

The sample of each lot shall be divided into three equal parts: one for the shipper, one for Cominco, one to be sealed and retained for umpire purposes for a period of 30 days after settlement. Failure of shipper to take his portion of sample for analysis and to exchange assays shall constitute waiver of assay exchange and the Cominco assay will then be used for settlement.

All accepted shipments shall be released for treatment as soon as sampled.

LOTTING AND DATING

The date of arrival at Tadanac of the car or truck containing the shipment or of the last car or truck load in a shipment will be date of arrival of the shipment or lot.

A lot of concentrate will be not over four cars.

ASSAYS AND UMPIRES

If a shipper has elected to receive and assay his portion of sample and exchange assays, then assay exchange shall be in crossing mails.

The Company's assay shall be taken as settlement assay, provided that in case of disagreement on assay, an umpire may be selected in rotation from a list mutually agreed upon, whose assays shall be final if between the assays of the two parties, and if not, the assay of the party nearer to the umpire shall be used.

The party whose assay result is farther from the umpire assay shall pay the cost of umpire but should the umpire assay be the exact mean of the shipper and Cominco assays then cost of umpire shall be split equally.

SETTLEMENT

75% of estimated value of a shipment will be paid when weights and assays are available.

Final settlement for a shipment will be made promptly following the receipt of all necessary information.

DEFINITIONS

Ton	-	2,000 pounds avoirdupois
Metric Ton	-	2204.6 pounds avoirdupois
Ounce	-	troy ounce
Unit	-	one percent or 20 pounds avoirdupois

TERMINATION

This schedule may be altered or cancelled by the Company at any time.

This schedule may be considered as a basis of settlement for zinc concentrates but in no way is to be interpreted as a contract.

FORM 12

Effective Date !arch 10, 1975

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

SECURITIES ACT, 1967

Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)
(Full name of company.)

Head Office: Third Floor, 73 Water Street, Vancouver, B.C.
Registered Office: 1650 - 777 Hornby Street, Vancouver, B.C.
(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	SEE SCHEDULE ATTACHED
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	SEE SCHEDULE ATTACHED
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	SEE SCHEDULE ATTACHED
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	SEE SCHEDULE ATTACHED
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	Incorporated under the Companies Act of the Province of British Columbia on November 15, 1963.
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	SEE SCHEDULE ATTACHED
7. State the share capitalization of the issuer showing authorized and issued capital.	SEE SCHEDULE ATTACHED
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	SEE SCHEDULE ATTACHED
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	SEE SCHEDULE ATTACHED

10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.	SEE SCHEDULE ATTACHED
11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.	NIL
12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.	SEE SCHEDULE ATTACHED
13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.	SEE SCHEDULE ATTACHED
14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.	SEE SCHEDULE ATTACHED
15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.	NIL
16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.	SEE SCHEDULE ATTACHED
17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (*a*) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (*b*) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.	N/A
18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.	NIL
19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.	SEE SCHEDULE ATTACHED
20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.	SEE SCHEDULE ATTACHED

SCHEDULE ATTACHED TO AND FORMING PART OF STATEMENT OF MATERIAL FACTS OF CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.) DATED THE 18TH DAY OF FEBRUARY, 1975

ITEMS 1, 2, 3, 9 and 10

By an Underwriting Agreement dated the 18th day of February, 1975, between the Company and Canarim Investment Corporation Ltd. of 424 Burrard Street, Vancouver, B.C., that Company as Underwriter agreed to the firm purchase of 200,000 Shares of the Company at 20 Cents per share and was given the option to purchase a further 200,000 shares at 25 Cents per share, sixty days from the effective date and a further 200,000 shares at 35 Cents per share one hundred and twenty days from the effective date.

The net proceeds from the firm Underwriting is $40,000.00

The net proceeds from the Underwriting if Options are exercised is $160,000.00.

There are no sub-Underwriting Agreements. To the knowledge of the signatories only the contracting Underwriters have any interest, direct or indirect. in the underwritten and optioned shares.

The shares underwritten will be distributed to the public through the facilities of the Vancouver Stock Exchange at market prices from time to time prevailing.

There are no underwriting discounts or commissions.

The range of the market prices for the previous 90 days was:

High:	30 Cents
Low:	5 Cents

The only persons who own directly or indirectly in excess of 5% of each class of the issued shares of Canarim Investment Corporation Ltd. are as follows:-

Name and Address	Number of Shares	Percentage Held
Harold H. Hemsworth, 424 Burrard Street, Vancouver, B.C.	14,086 Common	31%
Alfred E. Turton, 1177 Holiday Tower North, Winnipeg, Manitoba.	24,119 Common	54%
Peter MacL. Brown, 424 Burrard Street, Vancouver, B.C.	6,751 Common	15%

ITEM 4

The principal purpose for which the proceeds of the shares sold pursuant to the firm Underwriting herein will be as follows:

(a)	To conduct a limited diamond drilling programme underground -	$20,000.00
(b)	General corporate purposes -	$20,000.00
	Total:	$40,000.00

It is anticipated that the proceeds of an insurance settlement currently being negotiated in the approximate amount of $300,000.00 will be applied to discharge accounts payable.

The net proceeds of the Options, if exercised, will be applied to general corporate purposes.

ITEM 6

Name and Address	Occupation for Past 5 Years
Melan Michael Pardek, 820 Lilloet Street, Vancouver, B.C.	Prospector Managing Director
Dr. Roger Paris, 1703 Cedar Crescent, Vancouver, B.C.	Podiatrist Director
Thomas Robert Tough, P.Eng., 558 Gibbons Drive, Richmond, B.C.	Consulting Geological Engineer Director
Robert C. Stibor, 56 - 44 South Jamaica Way, Inglewood, Colorado, U.S.A.	Insurance Underwriter Director
Allan B. Girdler, 214 - 355 Holdom Avenue, Burnaby, B.C.	Owner/Manager of Glenburn Electric Ltd. - Director

ITEM 7

Authorized Capital:

(i) that the capital of the Company consists of 5,860,000 shares without par value, divided into:

(a) 5,000,000 Common Shares with no par value;
(b) 140,000 Class "A" Preference Shares with no par value;
(c) 20,000 Class "B" Preference Shares with no par value;
(d) 700,000 Class "C" Preference Shares with no par value.

Issued:

(ii) that the issued shares of the Company are as follows:

(a) 3,285,080 Common Shares;
(b) 25,150 Class "A" Preference Shares;
(c) 19,481 Class "B" Preference Shares;
(d) 558,449 Class "C" Preference Shares.

ITEM 8

Copperline Bonds: The Company has assumed $614,200.00 of the bonds of Copperline Mines Ltd. (N.P.L.).

Consolidated Columbia River Bonds: The Company has created a bond secured by Trust Deed ranking pari passu with the Copperline Bonds and the amount outstanding under this issue is $529,620.00.

ITEMS 12, 13, 14 and 24

Trail Property : The Company is the registered and beneficial owner of five mineral claims in the Trail Creek Mining Division of the Province of British Columbia, subject to a contingent liability to WD Mining Co. Ltd., payable only out of and at the rate of 7½% net smelter return. The Company does not intend to develop these properties at the present time, but do intend to keep them in good standing.

Ruth Vermont Properties: The Company is the beneficial owner of 55% interest in the following mineral claims situate in the Golden Mining Division of the Province of British Columbia.

These properties consist of the following:

(a) Seven reverted Crown Grants held under a Mineral Lease M 16 and include the following:

	Lot No. or Record No.
Minnie	419
Charlotte	405
Ruth	418
Sheba	8124
Vermont	8123
Cleopatra	8122
Ruth Fraction	8125

(b) Mineral Claims held by location as follows:-

Name	Lot No. or Record No.
DIANE	3302
MARGARET	3303
DEBBIE	3326
ANNA	3327
MAUREEN	3328
CAROL	3329
CAROL ANNA 1	3484
CAROL ANNA 2 - 6	3485-89
BONGO 1 - 12 inclusive	4016-4027 inclusive
DIPSEY 1 - 6 inclusive	4028-4033 inclusive
DIPSEY 9	4036
DIPSEY 11 & 13	4037
LYNN No. 1 - 3 Fractions	14036 - 14038 inclusive

By an Agreement made the 6th day of June, 1969, Melan M. Pardek became entitled to be paid a total of $500,000.00 from the proceeds of production from the Ruth-Vermont property and by the same Agreement John F. McIntyre became entitled to be paid $100,000.00 from the proceeds of production of this property, all such payments being subordinated to the prior payment of all costs of production and the creditors of Columbia.

The Company's present plans are to finance the securing of the Ruth-Vermont property for production. In this connection the Company's present proven reserves of ore stand at 291,384 tons, which, according to the Report of L.J. Manning, P.Eng., are made up as follows:-

6.62 oz. silver per ton
4.7% lead and
5.65% zinc

Work commenced in June of 1973 at the Ruth Vermont mine after a closure of nearly 2 years. This was the result of a financial collapse of Copperline Mines, the major partner in the project at that time.

During the closure from June, 1971 to June, 1973, Consolidated Columbia River Mines Ltd. (N.P.L.) formerly Columbia River Mines Ltd. (N.P.L.) retired and re-scheduled debts totalling some 2.8 million dollars. In order to do so it became necessary for the Company to recapitalize its structure to include 3 classes of Preferred Shares as well as consolidation of its common shares on a 1 for 5 basis.

Pre-production expenses totalling some $580,000.00 were incurred to prepare the mine for production.

Mining and milling commenced in early October and continued until mid-December. During that time some 28,000 tons of ore were broken and some 29,000 tons trammed to the ore bins.

The closure was caused by adverse weather conditions resulting in the depleting of the mines' water supply.

During the above period 26,957 tons of ore were milled grading 5.02 oz. Ag; 3.69 Pb; and 5.08 Zn. Concentrate production resulted in 1,161.64 tons of lead concentrate and 1,150.13 tons of zinc concentrate for a total production of 2,311.77 tons of combined lead-zinc concentrate.

During mid-January unexpected avalanches caused heavy damage to some of the mine's facilities. Total insurable loss is impossible to determine at this time but an insurance settlement of $300,000.00 is presently being negotiated.

Mining at the Ruth Vermont mine at the present time is done entirely by trackless methods resulting in cheaper mining costs although conventional methods may be used in the near future to mine out the narrower high grade zones.

FUTURE PLANS

It is expected that crews can be dispatched in April to commence necessary repairs and prepare the mine for production. A limited diamond-drilling programme will precede this stage and it is felt that the earliest date the mine could be placed in operation would be July or August of this year.

The cost to re-open the mine is estimated at $350,000.00.

The portable power and air equipment may be considered in order to enable the mine to commence operation on schedule as an alternative to conventional stationary power.

ITEM 16

Promoters: Melan M. Pardek is the promoter of this Company, and the original Vendor of the Ruth-Vermont properties, by Agreement whereunder he received 500,000 Vendors Shares and will earn $500,000.00 out of production (the aforesaid 500,000 shares were included in the consolidation of capital of the Company).

ITEM 19

The following are the shareholdings of persons holding more than 5% interest in the issued shares of the Company, according to the Company's records as of this 1st day of February, 1975:-

Common - total issued: 3,285,080 Shares

Name	Number of Shares	Percentage
ROYCAN & CO., P.O. Box 6007, c/o Royal Bank of Canada, Montreal, Que.	1,203,385	36.6%
* ROYTOR & CO., Account No. 1, c/o Safekeeping Dept., Royal Bank of Canada, 20 King Street West, Toronto, Ontario.	803,340	24.4%

(* Recorded Owner only, Beneficial Owners unknown.)

ITEM 20

There are no known legal proceedings to which the issuer or any subsidiary is a party or involving its property, nor are such proceedings contemplated, other than actions started by several creditors, which will be satisfied out of the proceeds of the insurance coverage.

ITEM 21

A salary of $10,200.00 was paid to one officer during the past year. No directors fees were paid.

ITEM 22

There are no outstanding options to purchase securities of the issuer outstanding other than the exchangeability rights held by the Class "A" Preference Shares as follows:-

Any holder of fully paid Class "A" Preference Shares shall be entitled at his option at any time after the date set out in the following schedule and up to and including the day preceding the date fixed for their redemption to have all or any of the fully paid Class "A" Preference Shares held by him exchanged for fully paid common shares as the same shall be constituted at the time of the exchange, upon the basis set out in the said Schedule:

(a) October 31st, 1974 - 10 Common Shares for one Class "A" Preference Share;

(b) October 31st, 1975 - 5 Common Shares for one Class "A" Preference Share;

(c) October 31st, 1976 - 2 Common Shares for one Class "A" Preference Share.

ITEM 24

A Contract for the sale of the Company's concentrates with British Metals Corporation of Toronto, Ontario, has been negotiated with delivery of the concentrates to be made at the Cominco Smelter at Trail, B.C.

ITEM 26

Copperline Mines Ltd. (N.P.L.) - 50,000 Shares at a cost of $100,000.00 acquired in 1969, which have been re-valued to the valuation date price of 19 Cents per share - $9,500.00.

Northern Valley Mines Ltd. (N.P.L.) - 50,000 Shares costing $7,500.00. These shares now trade on the Vancouver Curb Exchange in the 10 Cent to 15 Cent range.

PURCHASER'S RIGHT OF RESCISSION

Section 61 of the Securities Act, 1967 contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract where:

(a) Section 60 has not been complied with;

(b) Written notice of intention to commence an action for rescission of the contract is served upon the person who contracted to sell the securities within 60 days of the date of delivery of the written confirmation of the sale of the securities; and

(c) The Purchaser is still the owner of the security.

This Statement of the Purchaser's right or rescission is indicative only and not intended to be comprehensive. For complete details, reference is made to the sections of the Act.

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	SEE SCHEDULE ATTACHED
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a *pro rata* basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	SEE SCHEDULE ATTACHED
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	NIL
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	SEE SCHEDULE ATTACHED
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	NIL
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	SEE SCHEDULE ATTACHED

27.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated 18th February, 1975.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

W. W. Vardale

per: Thomas R. Joseph
Robert Stibor by his attorney
W. W. Vardale

Roger B. Rais

[signature]

[Corporate Seal.]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts. Dated 17th February, 1975.

CANARIM INVESTMENT CORPORATION LTD.

P. K. Brown

CECIL J. GOODMAN, C.G.A.

GOODMAN & CO.

CERTIFIED GENERAL ACCOUNTANTS

222 ROGERS BUILDING — 470 GRANVILLE STREET — VANCOUVER 2, B.C. — TELEPHONE 681-9395

AUDITOR'S REPORT

The Shareholders,
Consolidated Columbia River Mines Ltd. (N.P.L.).

We have examined the Balance Sheet of Consolidated Columbia River Mines Ltd. (N.P.L.) as at April 30, 1974, and the Schedule of Deferred Exploration, Development and Administration Expenditures and Statement of Source and Application of Funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet, Schedule of Deferred Exploration, Development and Administration Expenditures and Statement of Source and Application of Funds present fairly the financial position of the company as at April 30, 1974, and costs of its deferred expenditures for the period ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent in application with that of the previous period.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants

Vancouver, B.C.
October 1, 1974.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at April 30, 1974

(with comparative figures as at October 31, 1973)

	April 30, 1974	October 31, 1973
ASSETS		
Current Assets:		
Cash	$ 173.81	$ 60.00
Accounts Receivable	23,906.80	117,354.80
Inventories	17,990.04	93,184.20
	$ 42,070.65	$ 210,599.00
Investments: (Note 2)	$ 10,000.00	$ 17,000.00
Fixed Assets: (Notes 3,4,5)		
Mineral claims at cost	$ 1,259,220.00	$ 1,259,220.00
Equipment and buildings, at cost	498,232.85	447,911.47
	$ 1,757,452.85	$ 1,707,131.47
Less: Sale of interest in property	90,000.00	90,000.00
	$ 1,667,452.85	$ 1,617,131.47
Assets due from Trustee of Copperline Mines Ltd. (N.P.L.): (Note 6)	$ 2,684,359.80	$ 2,644,971.80
Deferred Charges:		
Exploration, Development and Administration - Schedule 1	$ 3,110,902.75	$ 2,985,855.83
Prepaid Insurance	10,432.73	16,369.29
Deferred Finance Charges	12,300.76	8,279.70
Incorporation	8,160.35	8,160.35
	$ 3,141,796.59	$ 3,018,665.17
Totals	$ 7,545,679.89	$ 7,508,367.44

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at April 30, 1974

(with comparative figures as at October 31, 1973)

	April 30, 1974	October 31, 1973
LIABILITIES		
Current Liabilities:		
Bank loan and overdraft	$ 93,188.25	$ 78,323.64
Other loans	10,000.00	81,000.00
Accounts payable	258,079.69	236,366.02
Salaries payable	21,226.88	50,404.81
Bond Interest	23,624.13	17,914.15
Finance Contracts - Secured	87,433.90	60,336.00
	$ 493,552.85	$ 524,344.62
Advances from and due to Muva Management and Development Corp. Ltd.	$ 568,999.89	$ 515,895.67
Special Creditors of Copperline Mines Ltd. (N.P.L.): (Note 6)	$ 50,000.00	$ 50,000.00
Agreement Payable-Pardek and McIntyre: (Note 6)	$ 45,000.00	$ 30,000.00
Dividends Payable: (Note 6)	$ 171,251.25	$ 112,420.45
Debenture Payable-on demand: (note 6)	$ 614,200.00	$ 614,200.00
Share Capital: (Note 10)	$ 5,781,328.73	$ 5,781,328.73
Deficit: (Note 10)	(178,652.83)	(119,822.03)
	$ 5,602,675.90	$ 5,661,506.70
Totals	$ 7,545,679.89	$ 7,508,367.44

Signed on behalf of the Board of Directors.

M. M. Pardek

Director

Roger B. Davis

Director

This is the Balance Sheet referred to in our report dated October 1, 1974.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of April 30, 1974

Note 1:

On June 27, 1973, the name of the company was changed from Columbia River Mines Ltd. (N.P.L.) to Consolidated Columbia River Mines Ltd. (N.P.L.).

Note 2: - Investments

(a) Copperline Mines Ltd. (N.P.L.).
50,000 shares costing $100,000.00 acquired in 1969 have been revalued to the current price of 5¢ per share or $2500.00.

(b) Northern Valley Mines Ltd. (N.P.L.).
50,000 shares at cost of $7,500.00 which is the approximate current market value.

Note 3: - Trail Property

Claims are all in good standing but no work has been done thereon during this period. A contingent liability to W.D. Mining Company Ltd., exists in the amount of $99,432.16, being the balance of the consideration for the acquisition of the property, and is payable only out of, and at the rate of 7½% of net smelter returns.

Note 4: - Schaft Creek Property

Claims are all in good standing.

Note 5: - Ruth Vermont Property

Claims are all in good standing.

In January 1974, snow slides destroyed certain surface installations and equipment. The amount of the loss has not yet been determined and consequently the insurance claim is not complete.

Note 6: - Due from Trustee

By an agreement dated April 20, 1965, Melan M. Pardek granted Columbia River Mines Ltd. (N.P.L.) the sole and exclusive option to purchase the mining claims and leases known as the Ruth Vermont Mine.

By an assignment dated June 5, 1969, Columbia River assigned to Copperline Mines Limited (N.P.L.) a 60% interest in the above option.

Note 6: - Continued

By an agreement dated June 6, 1969, between Columbia, Copperline and Pardek; Copperline agreed to advance sufficient monies for the purpose of developing and equipping the Ruth Vermont mine for production. By the terms of this agreement, Pardek became entitled to be paid the sum of $40,000.00 in each year up to a total amount of $500,000.00 from the proceeds of production from the mine and John F. McIntyre also became entitled to be paid the sum of $20,000.00 in each year up to a total amount of $100,000.00 from the proceeds of production from the mine.

Copperline was granted the right to encumber the mining claims and leases for the purpose of financing the equipping and developing of the mine and did on November 29, 1969, grant Guaranty Trust Co. a first fixed and specific mortgage on the mining claims and leases together with a floating charge on all of the other assets of Copperline at the Ruth Vermont mine to secure a bond loan of $1,400,000.00.

By July 21, 1971, Copperline had encountered financial difficulties and was unable to meet its obligations and made application to the Supreme Court of British Columbia, and the Court made an order under the provisions of the Company Creditors Arrangement Act appointing a trustee, Evans E. Wasson, Q.C., and approving an arrangement between Copperline and its creditors.

Muva Management & Development Corporation of Canada Ltd. agreed to advance $600,000.00 to Copperline in order that principal and interest payments on the bond loan could be met and to assist in retiring other obligations, and to prepare the property for production. This advance was secured by a Debenture bearing interest at 10% per annum and became a second fixed and floating charge on the assets of Copperline and was repayable in full on December 15, 1971. A condition of this advance was that Pardek, McIntyre and all unsecured creditors of Copperline, other than creditors preferred by statute, would postpone their claims for payment. Additional advances by Muva totalling $230,000.00 were covered by a further Debenture bearing interest at 10% per annum and is payable on demand and ranks pari-passu with the previous Debenture for $600,000.00. Three payments totalling $785,800.00 were made on account of the Copperline bonded indebtedness leaving a balance of $614,200.00 outstanding thereon.

By an agreement dated March 28, 1972, between Copperline, Columbia, Pardek, McIntyre, Muva, Evans Wasson, Trustee, and Special Creditors, and ratified by the unsecured creditors of Copperline; Columbia River agreed to assume all indebtedness of Copperline in connection with the operation of the Ruth Vermont mine, except certain liabilities to principals of Copperline and related companies.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of April 30, 1974

Note 6: - Continued

Columbia agreed to create 140,000 Preferred Class A shares, 20,000 Preferred Class B shares and 700,000 Preferred Class C shares. The parties to the agreement agreed that the value of the two debentures including accrued interest held by Muva be $1,000,000.00.

Of the authorized 140,000 Preferred Class A shares, 40,000 shares were sold and 100,000 shares valued at $10.00 per share were issued to Muva in settlement of the above two debentures.

Of the authorized 20,000 Preferred Class B shares, 19,481 shares valued at $10.00 per share were issued to special creditors of Copperline leaving a balance of $50,000.00 to be paid within one year of the commencement of production at the Ruth Vermont mine and secured by the placement in trust of 100,000 common shares of Columbia River and 85,000 common shares of Copperline to be sold on a pro-rata basis if the payment is not made. If, after having sold sufficient shares to satisfy the payment, any excess of shares are to be returned to the respective companies for cancellation. If all shares are sold and do not realize sufficient funds to retire the indebtedness, then sufficient Preferred Class B shares are to be issued to make up the deficiency.

Of the 700,000 Preferred Class C shares authorized, 558,449 shares were issued to unsecured creditors of Copperline.

Preferred Class A shares earn dividends at the rate of 75¢ per annum and accrue from March 15, 1972 or date of issue and are payable on the first days of January, April, July and October in each year, the first payment became due April 1, 1973. These payments have not been made and have been accumulated. The Class A shares may be redeemed at the option of the company at any time. Commencing October 31, 1973, holders of Class A shares may convert their shares to common shares of Columbia. No conversion has taken place.

Preferred Class B shares earn dividends at the rate of 70¢ per annum and accrue from March 28, 1972 or date of issue and are payable in January, April, July and October in each year, the first accrual was made in January, 1973. Dividends on Class B shares are not to be paid in cash while any Class A redeemable preference shares are outstanding, but are to accumulate. On redemption of the Class A shares, holders of Class B shares become entitled to one additional prior year's dividend. Upon the Company having redeemed the Class A shares, the company may then proceed to redeem the Class B shares.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of April 30, 1974

Note 6: - Continued

Preferred Class C shares may be entitled to non cumulative dividends at the rate of 6¢ per share but such dividend is not payable in cash, while any Class A or Class B shares are outstanding. Class C shares are redeemable after Class A and Class B shares have been redeemed.

The approximate total indebtedness of Copperline assumed by Columbia amounted to $2,684,359.80, of which an amount of $30,000.00 is due Pardek under the terms of the agreement dated June 6, 1969, from prior production. Title to any and all assets is vested in the Trustee for Copperline and such title is transferable to Columbia upon court approval of the trustee's current application for discharge.

Note 7:

By an agreement dated August 9, 1973, the company agreed to pay Muva Management & Development Corporation of Canada Ltd. the sum of $1.00 per ton on all ore milled at the mine site for services.

Note 8:

A liability exists in favour of Evans Ernest Wasson, Q.C. for payments of $1,000.00 per month to be paid only from proceeds of production until the Ruth Vermont mine is worked out. This represents partial payment for the trustee's services.

Note 9:

Preproduction Expenses - the company as at April 30, 1974 had not declared the Ruth Vermont Mine to be in production according to the terms of the Income Tax Act. Accordingly, production costs, net of concentrate revenue are included in exploration and development expenses.

Note 10: - Share Capital

The common shares were consolidated on the basis of 1 new share for every 5 old shares. The authorized common share capital was thereafter increased to 5,000,000 shares, no par value.

Authorized:
Common Shares 5,000,000 shares, no par value.
Preference Class "A" shares 140,000 shares, no par value.
Preference Class "B" shares 20,000 shares, no par value.
Preference Class "C" shares 700,000 shares, no par value.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of April 30, 1974

Note 10: - Continued

Issued:		
Common shares		
For properties	250,000 shares	$1,250,000.00
For cash and other considerations	738,080 shares	2,255,151.73
Preference Class "A" shares	140,000 shares	1,522,918.00
Preference Class "B" shares	19,481 shares	194,810.00
Preference Class "C" shares	558,449 shares	558,449.00
		$5,781,328.73

Deficit:	
Balance October 31, 1973	$ 119,822.03
Add dividends Class A shares	52,068.49
dividends Class B shares	6,762.31
	$ 178,652.83

Note 11: Remuneration of Officers and Directors

A salary of $7200.00 was paid to one officer during the period. No directors fees were paid.

Schedule 1

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Deferred Exploration, Development and Administration Expense

for the period ended April 30, 1974

(with comparative figures for the year ended October 31, 1973)

	April 30, 1974	October 31, 1973
Exploration and Development Expense:		
Ruth Vermont development expenses	$ -	$ 34,443.95
Ruth Vermont rehabilitation expenses	43,858.36	481,773.82
Excess of production costs over revenue	-	76,259.84
Deduct excess of revenue over production costs	68,393.67	-
Total for the period (credit)	$ (24,535.31)	$ 592,477.61
Total to end of previous year	2,031,170.02	1,438,692.41
Total to end of each period	$ 2,006,634.71	$ 2,031,170.02
Administration Expenses:		
Advertising and promotion	$ 726.66	$ 718.86
Legal and audit	16,845.09	9,606.04
Printing, office supplies and general	6,511.47	8,206.63
Rent	4,329.51	4,125.24
Salaries, benefits, directors' fees	20,148.64	17,111.02
Telephone	4,284.51	4,167.36
Transfer Agent's fees	3,152.54	3,297.39
Travelling and auto	7,109.45	5,162.54
Management services	13,988.86	15,984.88
Loss on investments	7,000.00	-
Bond and other interest	65,485.50	89,119.30
Total for the period	$ 149,582.23	$ 157,499.26
Total to end of previous year	954,685.81	797,186.55
Total to end of each period	$ 1,104,268.04	$ 954,685.81
Total Exploration, Development and Administration Expense to end of each period	$ 3,110,902.75	$ 2,985,855.83

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Statement of Source and Application of Funds

for the period ended April 30, 1974

(with comparative figures for the year ended October 31, 1973)

	April 30, 1974	October 31, 1973
Funds were derived from:		
Sale of shares	$ -	$ 476,398.00
Advances by Muva Development Corp. Ltd.	53,104.22	462,834.76
	$ 53,104.22	$ 939,232.76
Funds were applied to:		
Exploration, development and administration expense, less interest	$ 125,046.92	$ 749,976.87
Less non current agreement payable installments	15,000.00	-
Less investment write off	7,000.00	-
	$ 103,046.92	$ 749,976.87
Purchase of equipment	50,321.38	155,905.46
Advances to trustee of Copperline Mines Ltd. (N.P.L.)	39,388.00	-
Bond principal and interest being part of liabilities of Copperline Mines Ltd. (N.P.L.)	-	261,060.22
Deferred charges	(1,915.50)	24,648.99
	$ 190,840.80	$ 1,191,591.54
Decrease in Working Capital	$ 137,736.58	$ 252,358.78
Working Capital at beginning of year	(313,745.62)	(61,386.84)
Working Capital at end of period	$ 451,482.20	$ (313,745.62)
Represented by:		
Current Assets	$ 42,070.65	$ 210,599.00
Current Liabilities	493,552.85	524,344.62
Deficit	$ 451,482.20	$ (313,745.62)

CECIL J. GOOD /C.G.A.

GOODMAN & CO.

CERTIFIED GENERAL ACCOUNTANTS

222 ROGERS BUILDING – 470 GRANVILLE STREET – VANCOUVER 2, B.C. – TELEPHONE 681-9395

ACCOUNTANT'S COMMENTS

The Shareholders,
Consolidated Columbia River Mines Ltd. (N.P.L.)

We have prepared the accompanying Balance Sheet, Statement of Deferred Exploration, Development and Administration Expense and Statement of Source and Application of Funds related to the period ended December 31, 1974 from the books and records of Consolidated Columbia River Mines Ltd. (N.P.L.) and from information given to us.

Under the terms of our engagement, we did not perform an audit of the accounts and accordingly do not express an opinion on the financial statements.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants.

Vancouver, B.C.
February 18, 1975.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at December 31, 1974

(with comparative figures as at April 30, 1974)

	December 31, 1974	April 30, 1974
ASSETS		
Current Assets:		
Cash	$ 173.81	$ 173.81
Accounts Receivable	16,829.57	23,906.80
Inventories	18,445.52	17,990.04
	$ 35,448.90	$ 42,070.65
Investments: (Note 2)	$ 10,000.00	$ 10,000.00
Fixed Assets: (Notes, 3, 4, & 5)		
Mineral claims at cost	$ 1,259,220.00	$ 1,259,220.00
Equipment and buildings, at cost	488,282.85	498,232.85
	$ 1,747,502.85	$ 1,757,452.85
Less: Sale of interest in property	90,000.00	90,000.00
	$ 1,657,502.85	$ 1,667,452.85
Assets due from Trustee of Copperline Mines Ltd. (N.P.L.): (Note 6)	$ 2,679,476.80	$ 2,684,359.80
Deferred Charges:		
Exploration, Development and Administration - Schedule 1	$ 3,361,191.15	$ 3,110,902.75
Prepaid Insurance	152.01	10,432.73
Deferred Finance Charges	12,300.76	12,300.76
Incorporation	8,160.35	8,160.35
	$ 3,381,804.27	$ 3,141,796.59
Total	$ 7,764,232.82	$ 7,545,679.89

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at December 31, 1974

(with comparative figures as at April 30, 1974)

	December 31, 1974	April 30, 1974
LIABILITIES		
Current Liabilities:		
Bank Loan and Overdraft	$ 147,175.34	$ 93,188.25
Other Loans	38,309.48	10,000.00
Accounts Payable	146,124.21	258,079.69
Salaries Payable	22,605.81	21,226.88
Bond Interest	58,860.77	23,624.13
Finance Contracts - Secured	87,433.90	87,433.90
	$ 500,509.51	$ 493,552.85
Advances from and due to Muva Management and Development Corp. Ltd.	$ 256,856.16	$ 568,999.89
Special Creditors of Copperline Mines Ltd. (N.P.L.): (Note 6)	$ 50,000.00	$ 50,000.00
Agreement Payable - Pardek and McIntyre: (Note 6)	$ 45,000.00	$ 45,000.00
Dividends Payable: (Note 6)	$ 214,777.14	$ 171,251.25
Debenture Payable-on demand: (Note 6)	$ 614,200.00	$ 614,200.00
10% 1st Mortgage Bonds: (Note 6A)	$ 523,740.00	$ -
Share Capital: (Note 10)	$ 5,781,328.73	$ 5,781,328.73
Deficit: (Note 10)	(222,178.72)	(178,652.83)
	$ 5,559,150.01	$ 5,602,675.90
Total	$ 7,764,232.82	$ 7,545,679.89

Signed on behalf of the Board of Directors.

[signature] Director

Roger B. Davis Director

This is the Balance Sheet referred to in our comments dated February 18, 1975.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of December 31, 1974

Note 1:

On June 27, 1973, the name of the company was changed from Columbia River Mines Ltd. (N.P.L.) to Consolidated Columbia River Mines Ltd. (N.P.L.).

Note 2: - Investments

(a) Copperline Mines Ltd. (N.P.L.)
50,000 shares costing $100,000.00 acquired in 1969 have been revalued to the current price of 5¢ per share or $2,500.00.

(b) Northern Valley Mines Ltd. (N.P.L.)
50,000 shares at cost of $7,500.00 which is the approximate current market value.

Note 3: - Trail Property

Claims are all in good standing but no work has been done thereon during this period. A contingent liability to W.D. Mining Company Ltd., exists in the amount of $99,432.16, being the balance of the consideration for the acquisition of the property, and is payable only out of, and at the rate of 7½% of the net smelter returns.

Note 4: - Schaft Creek Property

Claims are all in good standing.

Note 5: - Ruth Vermont Property

Claims are all in good standing.

In January 1974, snow slides destroyed certain surface installations and equipment. The amount of the loss has not yet been determined and consequently the insurance claim is not complete.

Note 6: - Due from Trustee

By an agreement dated April 20, 1965, Melan M. Pardek granted Columbia River Mines Ltd. (N.P.L.) the sole and exclusive option to purchase the mining claims and leases known as the Ruth Vermont Mine.

By an assignment dated June 5, 1969, Columbia River assigned to Copperline Mines Limited (N.P.L.) a 60% interest in the above option.

Note 6: - Continued

By an agreement dated June 6, 1969, between Columbia, Copperline and Pardek; Copperline agreed to advance sufficient monies for the purpose of developing and equipping the Ruth Vermont mine for production. By the terms of this agreement, Pardek became entitled to be paid the sum of $40,000.00 in each year up to a total amount of $500,000.00 from the proceeds of production from the mine and John F. McIntyre also became entitled to be paid the sum of $20,000.00 in each year up to a total amount of $100,000.00 from the proceeds of production from the mine.

Copperline was granted the right to encumber the mining claims and leases for the purpose of financing the equipping and developing of the mine and did on November 29, 1969, grant Guaranty Trust Co. a first fixed and specific mortgage on the mining claims and leases together with a floating charge on all of the other assets of Copperline at the Ruth Vermont mine to secure a bond loan of $1,400,000.00.

By July 21, 1971, Copperline had encountered financial difficulties and was unable to meet its obligations and made application to the Supreme Court of British Columbia, and the Court made an order under the provisions of the Company Creditors Arrangement Act appointing a trustee, Evans E. Wasson, Q.C., and approving an arrangement between Copperline and its creditors.

Muva Management & Development Corporation of Canada Ltd. agreed to advance $600,000.00 to Copperline in order that principal and interest payments on the bond loan could be met and to assist in retiring other obligations, and to prepare the property for production. This advance was secured by a Debenture bearing interest at 10% per annum and became a second fixed and floating charge on the assets of Copperline and was repayable in full on December 15, 1971. A condition of this advance was that Pardek, McIntyre and all unsecured creditors of Copperline, other than creditors preferred by statute, would postpone their claims for payment. Additional advances by Muva totalling $230,000.00 were covered by a further Debenture bearing interest at 10% per annum and is payable on demand and ranks pari-passu with the previous Debenture for $600,000.00. Three payments totalling $785,800.00 were made on account of the Copperline bonded indebtedness leaving a balance of $614,200.00 outstanding thereon.

By an agreement dated March 28, 1972, between Copperline, Columbia, Pardek, McIntyre, Muva, Evans Wasson, Trustee, and Special Creditors, and ratified by the unsecured creditors of Copperline; Columbia River agreed to assume all indebtedness of Copperline in connection with the operation of the Ruth Vermont mine, except certain liabilities to principals of Copperline and related companies.

Note 6: - Continued

Columbia agreed to create 140,000 Preferred Class A shares, 20,000 Preferred Class B shares and 700,000 Preferred Class C shares. The parties to the agreement agreed that the value of the two debentures including accrued interest held by Muva be $1,000,000.00.

Of the authorized 140,000 Preferred Class A shares, 40,000 shares were sold and 100,000 shares valued at $10.00 per share were issued to Muva in settlement of the above two debentures.

Of the authorized 20,000 Preferred Class B shares, 19,481 shares valued at $10.00 per share were issued to special creditors of Copperline leaving a balance of $50,000.00 to be paid within one year of the commencement of production at the Ruth Vermont mine and secured by the placement in trust of 100,000 common shares of Columbia River and 85,000 common shares of Copperline to be sold on a pro-rata basis if the payment is not made. If, after having sold sufficient shares to satisfy the payment, any excess of shares are to be returned to the respective companies for cancellation. If all shares are sold and do not realize sufficient funds to retire the indebtedness, then sufficient Preferred Class B shares are to be issued to make up the deficiency.

Of the 700,000 Preferred Class C shares authorized, 558,449 shares were issued to unsecured creditors of Copperline.

Preferred Class A shares earn dividends at the rate of 75¢ per annum and accrue from March 15, 1972 or date of issue and are payable on the first days of January, Arpil, July and October in each year, the first payment became due April 1, 1973. These payments have not been made and have been accumulated. The Class A shares may be redeemed at the option of the company at any time. Commencing October 31, 1973, holders of Class A shares may convert their shares to common shares of Columbia. During the eight months ended December 31, 1974, 114,850 Class A shares had been converted to common shares.

Preferred Class B shares earn dividends at the rate of 70¢ per annum and accrue from March 28, 1972 or date of issue and are payable in January, April, July and October in each year, the first accrual was made in January, 1973. Dividends on Class B shares are not to be paid in cash while any Class A redeemable preference shares are outstanding, but are to accumulate. On redemption of the Class A shares, holders of Class B shares become entitled to have one additional prior year's dividend. Upon the Company having redeemed the Class A shares, the company may then proceed to redeem the Class B shares.

Note 6: - Continued

Preferred Class C shares may be entitled to non cumulative dividends at the rate of 6¢ per share but such dividend is not payable in cash, while any Class A or Class B shares are outstanding. Class C shares are redeemable after Class A and Class B shares have been redeemed.

The approximate total indebtedness of Copperline assumed by Columbia amounted to $2,684,359.80, of which an amount of $30,000.00 is due to Pardek under the terms of the agreement dated June 6, 1969, from prior production. Title to any and all assets is vested in the Trustee for Copperline and such title is transferable to Columbia upon court approval of the trustee's current application for discharge.

Note 6A:

By Resolution dated July 15, 1974 and secured by Trust Deed the company created an issue of 10% 1st mortgage Bonds, the principal amount is limited to $2,200,000.00. The indebtedness of certain trade creditors and partly of Muva Management & Development Corporation Ltd. was discharged by issue of $523,740.00 of such bonds up to December 31, 1974.

The repayment schedule of the Bonds with accrued interest is as follows:

- 25% of the principal amount together with accrued interest on July 15th, 1976;
- 25% of the principal amount together with accrued interest on July 15th, 1977;
- the balance of principal amount together with accrued interest on July 15th, 1978.

Note 7:

By an agreement dated August 9, 1973, the company agreed to pay Muva Management & Development Corporation of Canada Ltd. the sum of $1.00 per ton on all ore milled at the mine site for services.

Note 8:

A liability exists in favour of Evans Ernest Wasson, Q.C. for payment of $1,000.00 per month to be paid only from proceeds of production until the Ruth Vermont mine is worked out. This represents partial payment for the trustee's services.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of December 31, 1974

Note 9:

Preproduction Expenses - the company as at April 30, 1974 had not declared the Ruth Vermont Mine to be in production according to the terms of the Income Tax Act. Accordingly, production costs, net of concentrate revenue are included in exploration and development expenses.

Note 10: - Share Capital

The common shares were consolidated on the basis of 1 new share for every 5 old shares. The authorized common share capital was thereafter increased to 5,000,000 shares, no par value. Pursuant to Note 6, 114,850 Preferred Class A shares were converted to Common shares on the basis of 20 Common shares for 1 Preferred share. Common shares so issued amounted to 2,297,000 shares. Preferred Class A shares remaining outstanding were 25,150 shares.

Authorized:

Common Shares 5,000,000 shares, no par value.
Preference Class "A" shares 140,000 shares, no par value.
Preference Class "B" shares 20,000 shares, no par value.
Preference Class "C" shares 700,000 shares, no par value.

Issued:

Common shares		
For properties	250,000 shares	$ 1,250,000.00
For cash and other considerations	3,035,080 shares	3,504,488.39
Preference Class "A" shares	25,150 shares	273,581.34
Preference Class "B" shares	19,481 shares	194,810.00
Preference Class "C" shares	558,449 shares	558,449.00
		$ 5,781,328.73

Deficit:

Balance April 30, 1974	$ 178,652.83
Add dividends Class A shares	34,372.49
dividends Class B shares	9,153.40
	$ 222,178.72

Note 11: - Remuneration of Officers and Directors

A salary of $10,200.00 was paid to one officer during the period. No directors fees were paid.

Schedule 1

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Deferred Exploration, Development and Administration Expense

for the period ended December 31, 1974

(with comparative figures for the year ended April 30, 1974)

	December 30, 1974	April 30, 1974
Exploration and Development Expense:		
Ruth Vermont rehabilitation expenses	$ 71,073.90	$ 43,858.36
Deduct excess of revenue over production costs	-	68,393.67
Total for the period (credit)	$ 71,073.90	$ (24,535.31)
Total to end of previous year	2,006,634.71	2,031,170.02
Total to end of each period	$ 2,077,708.61	$ 2,006,634.71
Administration Expenses:		
Advertising and promotion	$ 47.00	$ 726.66
Legal and audit	5,129.00	16,845.09
Printing, office supplies and general	9,287.49	6,511.47
Rent	5,994.92	4,329.51
Salaries, benefits, director's fees	10,200.00	20,148.64
Telephone	3,424.63	4,284.51
Transfer Agent's fees	3,623.98	3,152.54
Travelling and auto	4,084.03	7,109.45
Management services	8,428.42	13,988.86
Loss on investments	-	7,000.00
Bond and other interest	102,189.88	65,485.50
Bonus	10,086.82	-
Taxes and licences	16,718.33	-
Total for the period	$ 179,214.50	$ 149,582.23
Total to end of previous year	1,104,268.04	954,685.81
Total to end of each period	$ 1,283,482.54	$ 1,104,268.04
Total Exploration, Development and Administration Expense to end of each period	$ 3,361,191.15	$ 3,110,902.75

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Statement of Source and Application of Funds

for the period ended December 31, 1974

(with comparative figures for the year ended April 30, 1974)

		December 31, 1974		April 30, 1974
Funds were derived from:				
Sale of equipment	$	9,950.00	$	-
Advances by Muva Development Corp. Ltd.		(312,143.73)		53,104.22
Issue of 10% 1st Mortgage Bond		523,740.00		-
	$	221,546.27	$	53,104.22
Funds were applied to:				
Exploration, development and administration expense, less interest	$	250,288.40	$	125,046.92
Less non current agreement payable installments		-		15,000.00
Less investment write off		-		7,000.00
	$	250,288.40	$	103,046.92
Purchase of equipment		-		50,321.38
Advances to trustee of Copperline Mines Ltd. (N.P.L.)		(4,883.00)		39,388.00
Deferred charges		(10,280.72)		(1,915.50)
	$	235,124.68	$	190,840.80
Decrease in Working Capital	$	13,578.41	$	137,736.58
Working Capital at beginning of year		(451,482.20)		(313,745.62)
Working Capital at end of period	$	465,060.61	$	451,482.20
Represented by:				
Current Assets	$	35,448.90	$	42,070.65
Current Liabilities		500,509.51		493,552.85
Deficit	$	465,060.61	$	451,482.20

RUTH-VERMONT - FORECAST - 1974

March - 1974

(a) BASIC ASSUMPTIONS

1. Assume - Sufficient insurance coverage for avalanche damage.
2. " - Sufficient finances to cover preproduction expense.
3. " - Sufficient finances for working capital.
4. " - Mill upgraded to average 13000 tons/month thruput.
5. " - Mill to operate 8 months/year with 4 winter months closure.
6. " - Total cost/operating ton to include any alternative power and camp units.
7. " - Metallurgy as contained in Bacon, Donaldson & Associates Ltd. reports.
8. " - Government costs to be estimated 1.00/ton milled.
9. " - Power units to be portable. Available.
10. " - Ore Reserves - 291,384 tons

Ore Reserves	-	291,384 tons
Grade	-	5.02 oz. ag./ton
	-	3.69 % Pb/ton
	-	5.08 % Zn/ton
Concentrates	=	62 % Pb.
		80 % Recovery
		59 % Zn.
		80 % Recovery
Prices - Cominco Contract	-	$5.00/oz Ag.
	-	22.67¢/lb Pb.
	-	31.93¢/lb Zn.

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BASIC ASSUMPTIONS Page 1 (cont.)

11. Assume - Calculation Forecast

	Sales Revenue	Smelter	N.S.Return	Production Costs	Profit
Pb Conc.	$ 3,010,416	588,261	15,097,673	2,664,821	5,268,770
& Ag.	5,511,396		3,428,270		
Total	8,521,812				
Zn Conc. with others	6,575,861	2,840,009		3,453,757	282,095
Total	$15,097,673	3,428,270	11,669,403	6,118,578	5,550,865

RUTH-VERMONT ESTIMATED COSTS

b) MINING & MILLING COSTS

Mining	$ 5.75/ton milled		
Development	1.75/"	"	
General Underground	0.50/"	"	- $ 8.00
Milling	5.50/"	"	- 5.50
Camp Operating	1.30/"	"	
General Overhead	1.50/"	"	
Service & Supply	1.45/"	"	
Government (est.) Basic Tax	1.00/"	"	
Head Office	1.80/"	"	- 7.05
	$ 20.55/"	"	
Contingency	0.45/"	"	- 0.45
	$ 21.00/"	"	$21.00/ton milled

PUTH-VERMONT - PREPRODUCTION FORECAST ESTIMATE - 1974

	March 15	April	May	June	July	August	September	October	November	December
Upgrade Mill, Crusher etc. from prior forecast	$5,000	15,000	15,000	15,000						
Equipment repairs etc.		5,000	5,000	5,000						
Tailings				5,000	5,000					
Fuel	700	1,500	2,000	3,000						
Reagents				30,000						
Catering	2,500	5,000	10,000	10,000						
Roads			5,000	5,000						
Underground				5,000						
Power Lines				5,000						
Shop Supplies			10,000	10,000						
Water Supplies			5,000	15,000						
	$8,200	26,500	52,000	98,000	5,000					
Contingency	820	2,650	5,200	9,800	500					
	$9,020	29,150	57,200	107,800	5,500					

RUTH-VERMONT - 1974 - FORECAST ESTIMATE OF CONCENTRATES

March, 1974

Assume Average Month Thruput 13,000 tons	Tonnage / R.OFC	=	Quantity S.D.T.	x 40% = Pb x 60% = Zn
	13,000 / 8.5	=	1,529 S.D.T.	x 40% = 611.6 tons Pb Conc. x 60% = 917.4 " Zn "
12,000 Tons per Month	12,000 / 8.5	=	1,412 S.D.T.	x 40% = 564.8 tons Pb Conc. x 60% = 847.2 " Zn "
6,000 Tons per Month	6,000 / 8.5	=	706 S.D.T.	x 40% = 282.4 tons Pb Conc. x 60% = 423.6 tons Zn "

1974	Pb Conc. Tons	Zn Conc. Tons	Average Year	Tons Milled	Pb Conc. Tons	Zn Conc. Tons
July	564.8	847.2	April 15	6,000	282.4	423.6
August	611.6	917.4	May	13,000	611.6	917.4
September	611.6	917.4	June	13,000	611.6	917.4
October	611.6	917.4	July	13,000	611.6	917.4
November	611.6	917.4	August	13,000	611.6	917.4
December 15	282.4	423.6	September	13,000	611.6	917.4
			October	13,000	611.6	917.4
	3,293.6	4,940.4	November	13,000	611.6	917.4
			December 15	6,000	282.4	426.6
				103,000	4,346.0	7,272.0

March-1974

RUTH-VERMONT - OPERATING FORECAST ESTIMATE - 1974 - 1975

ITEM	March	April	May	June	July	August	September
ns Milled					12,000	13,000	13,000
m. Tons Milled						25,000	38,000
eproduction Expense	9,020	29,150	57,200	113,300			
m. Preproduction Expense		38,170	95,370	208,670			
. Costs @ $21.00/Tons Milled					252,000	273,000	273,000
m. Op. Costs @ $21.00/T. Milled						525,000	798,000
.S.R. @ $41.16/Ton Milled					493,920	535,080	535,080
S.R. " " Cum.						1,029,000	1,564,080
perating Profit					241,920	262,080	262,080
erating Profit Cum.						504,080	766,160

RUTH-VERMONT - OPERATING FORECAST ESTIMATE - 1974 - 1975

March-1974

ITEM	October	November	December 15	December 30	January 1975	February
Tons Milled	13,000	13,000	6,000			
Cum. Tons Milled	51,000	64,000	70,000			
Preproduction Expense						
Cum. Preproduction Expense						
Operating Costs. @ $21.00/T. Milled	273,000	273,000	150,000	(Est.) 15,000	30,000	30,000
Cum. Operating Costs " " "	1,071,000	1,344,000	1,494,000	1,509,000	1,539,000	1,569,000
N.S.R. @ $41.16/ton Milled	535,080	535,080	246,960			
N.S.R. " " " Cum.	2,099,160	2,634,240	2,881,200	2,881,200	2,881,200	2,881,200
Operating Profit	262,080	262,080	96,960			
Operating Profit Cum.	1,028,160	1,290,240	1,387,200	1,372,200	1,342,200	1,312,200

RUTH-VERMONT - OPERATING FORECAST ESTIMATE - 1975

March-1974

ITEM	March	April 15	April 30	May	June	July
led			6,000	13,000	13,000	13,000
illed Cum.			76,000	89,000	102,000	115,000
oduction Expense						
oduction Expense Cum.						
ting Cost @ $21.00/Tons Milled	30,000	15,000	150,000	273,000	273,000	273,000
ting Cost " " Cum.	1,599,000	1,614,000	1,764,000	2,037,000	2,310,000	2,583,000
. @ $41.16/Tons Milled			246,960	535,080	535,080	535,080
. " " " Cum.	2,881,200	2,881,200	3,128,160	3,663,240	4,198,320	4,733,400
ting Profit			96,960	262,080	262,080	262,080
ting Profit Cum.	1,282,200	1,267,200	1,364,160	1,626,240	1,888,320	2,150,400

March-1974

RUTH-VERMONT - OPERATING FORECAST ESTIMATE - 1975

ITEM	August	September	October	November	December 15	December
Tons Milled	13,000	13,000	13,000	13,000	6,000	
Tons Milled Cum.	128,000	141,000	154,000	167,000	173,000	
Preproduction Expense						
Preproduction Expense Cum.						
Operating Costs @ $21.00/Tons Milled	273,000	273,000	273,000	273,000	150,000	15,00
Operating Costs " " " Cum.	2,856,000	3,129,000	3,402,000	3,675,000	3,825,000	3,840,00
N.S.R. @ $41.16/Tons Milled	535,080	535,080	535,080	535,080	246,960	
N.S.R. " " " " Cum.	5,268,480	5,803,560	6,338,640	6,873,720	7,120,680	7,120,68
Operating Profit	262,080	262,080	262,080	262,080	96,960	
Operating Profit Cum.	2,412,480	2,674,560	2,936,640	3,198,720	3,295,680	3,280,68

Respectfully submitted,

G.H. McDougall, P. Eng.

March 15,1974

Gordon H. McDougall, P.Eng. B.C. & Ont.
MINING CONSULTANT

CERTIFICATE

I, Gordon H. McDougall, of the District of Central Saanich, in the Province of British Columbia, do hereby certify:

1. I am a graduate of the University of Saskatchewan (1938) and hold a B.Sc. degree in Geology.

2. I have been practising in my profession since 1945.

3. I am registered with the Association of Professional Engineers of British Columbia.

4. The information obtained for this estimated forecast is from the feasability study by L.J. Manning & Associates April, 1972. Metal prices and estimated costs based on the prices of metals and costs existing as of the date of this forecast and metallurgy as contained in the Bacon, Donaldson & Associates Ltd. report. Burdens of Bill 31, not complete at time of calculation, were omitted from the forecast.

5. I have no direct or indirect interest whatsoever in the mine and do not expect to receive any interest therein.

Gordon H. McDougall, P. Eng.
Minining Consultant

March 15, 1974

ON, DONALDSON & ASSOCIATES LTD.
Consulting Engineers

117 East 4th Avenue · Vancouver, B.C. V5T 1G4 · Telephone 876-2023

August 21, 1975

Consolidated Columbia River Mines Ltd.,
3rd Floor, 73 Water Street,
Vancouver, B.C.

ATTENTION: Mr. G.H. McDougall

Dear Sir:

We have calculated the net smelter return for your Ruth-Vermont property to be as follows:

1.	Net smelter return per short dry ton milled with no royalties	-	$ 49.62
2.	Net smelter return per short dry ton milled with basic royalties only	-	$ 47.64
3.	Net smelter return per short dry ton milled with basic and excess royalties deducted	-	$ 36.58

In each case the cost of concentrate transportation and agency fees have been deducted.

The head grade of the ore was based on values contained in the T.R. Tough & Associates Ltd. report of August 19, 1975. It has been assumed that the ore will be treated at the rate of 180 tons per day from the Nelson ore body and 120 tons per day from the Pine Tree vein. These figures were supplied by Mr. W. Degeman of Columbia River Mines. The head grade arrived at for this mill feed is:

6.80 oz. per ton Ag

4.90 % Pb

5.63 % Zn

The net smelter return calculations are based on the current Cominco agreement for the sale of lead and zinc concentrates. Metal prices used were current prices as stipulated in the Cominco agreement.

Concentrate assays assumed for the calculations were those previously obtained in laboratory tests and subsequently verified by plant trials.

Yours respectfully,

BACON, DONALDSON & ASSOCIATES LTD.

M. Vreugde

M.J.A. Vreugde, P. Eng.

NET RETURN PER TON ORE

CASE II. Based on Pinetree vein material used to upgrade heads

Heads	=	10 oz./ton Ag	
	=	6 % Pb	
	=	6 % Zn	
Concentrate	=	62 % Pb @ 80 % recovery	
	=	59 % Zn @ 80 % recovery	
Lead Concentrate	=	0.0774 SDT/ SDT Milled	
Zinc Concentrate	=	0.0814 SDT/ SDT Milled	

Net Return

Lead	=	0.0774 x 446.0927	= 34.5276
Zinc	=	0.0814 x 111.779	= 9.0987
			= 43.6263
			= 43.63 $ U.S.

NET RETURN PER TON CONCENTRATE

Lead	NSR	511.6064	
	Royalties	65.5137	
	Net Return		446.0927 $ U.S.
Zinc	NSR	181.7014	
	Royalties	114.8608	
	Net Return		111.7779 $ U.S.

NET RETURN PER TON ORE

CASE I. Based on ore reserves

Heads	=	5.02 oz. Ag
		3.69 % Pb
		5.08 % Zn
Concentrate	=	62 % Pb @ 80 % Recovery
	=	59 % Zn @ 80 % Recovery
Lead Concentrate	=	0.0476 SDT/ SDT Milled
Zinc Concentrate	=	0.0701 SDT/ SDT Milled

Net Return

Lead	=	0.0476 x 446.0927	=	21.2340
Zinc	=	0.0701 x 111.779	=	9.0987
			=	29.0696
			=	29.07 $ U.S.
				11.17
				40.24

ROYALTIES TO BE PAID

Basic royalty is assumed to be 4 % of NSR since concentrates are smelted in the Province.

LEAD CONCENTRATE

1,135.65 Lbs. Pb @	.77 ¢/lb.	=	$ 8.7445		
72.0 Lbs. Zn @	10.715 ¢/lb.	=	7.7148		
82.99 Oz. Ag @	34.45 ¢/oz	=	28.5901		
	Excess Royalty			$	45.0494
Basic Royalty =	0.04 x $ 511.6064	=			20.4643
	TOTAL			$	65.5137

ZINC CONCENTRATE

4.0 Lbs. Pb @	.05¢/ lb.	=	$ .002		
981.3250 Lbs. Zn @	10.875 ¢/lb.	=	106.7191		
2.53 Oz. Ag @	34.45 ¢/oz.	=	.8716		
	Excess Royalty	=		$	107.5927
Basic Royalty =	0.04 x $ 181.7014	=			7.2681
	TOTAL			$	114.8608

COST OF ROYALTY PER SDT MILLED

CASE I.	0.0476 x 65.51	=	3.12
	0.0701 x 114.86	=	8.05
			11.17 $ U.S.
CASE II.	0.0774 x 65.51	=	5.07
	0.0814 x 114.86	=	9.35
			14.42 $ U.S.

SUMMARY - LEAD CONCENTRATE

Lead		162.8522	14¢/lb.	
Zinc		18.0000		
Silver		384.8246		
Gold		Nil		
Bismuth		Nil		
Copper		2.2950		
	Sub Total		567.9718	
	Treatment	27.85		
	Iron penalty	Nil		
	Arsenic penalty	0.13		
	Alumina penalty	Nil		
	Moisture penalty	0.60		
Silica		Nil		
Lime		Nil		
	Truck shipment	1.70		
	Sub Total		30.28	
	Total Payment		537.6918	
	Agency Commission 1.5 %			8.0654
	Freight			18,02

Estimated Value per SDT f.o.b. Tadanac - 511.6064 $ U.S.

Consolidated Columbia River Mines
Fil No. 750

SUMMARY - ZINC CONCENTRATE

Lead	.5204	37.80/lb	
Zinc	371.1371		
Silver	11.7316		
Gold	Nil		
Cadmium	9.3000		
Sub Total		392.6891	
Treatment	138.2124		
Iron Penalty	1.9250		
Moisture Penalty	1.2000		
Truck Shipment	1.70		
Sub Total		143.0374	
Total Payment		249.6517	
Agency Commission 2 %			4.993
Freight			18.02

Estimated Value per SDT, f.o.b. Tadanac - 226.6387 $ U.S.

ROYALTIES

LEAD CONCENTRATE

	Basic Price	Payment	Royalty
Lead	.14512	.1895	.0077 $/Lb.
Zinc	.13396	.375	.1071 $/Lb.
Silver	3.34896	4.707	.3445 $/Oz.

ZINC CONCENTRATE

	Basic Price	Payment	Royalty
Lead	.14512	.1751	.0050 $/Lb.
Zinc	.13396	.3782	.1087 $/Lb.
Silver	3.34896	4.707	.3445 $/Oz.

LEAD CONCENTRATE

Lead

Cu penalty
(.85 - .5) = .35 x 0.8 = 0.28 units

Lead payment
(62.0 - .28) x .92 x 20 = 1,135.65 lbs.

62 x 20 =	1,240.0 lbs.
Minimum deduction=	20.0 lbs.
	1,220.0 lbs.

(18.95 - 3.50 - 1.11) 1,135.65 = 162.8522 $ U.S.

Zinc

6.0 x .60 x 20 = 72.0 lbs.

6 x 20 =	120 lbs.
Minimum deduction=	20 lbs.
	100 lbs.

(37.5 - 12.5) x 72.0 = 18.0000 $ U.S.

Silver

89.24 x .93 = 82.99 oz.

(470.7 - 7) x 82.99 = 384.8246 $ U.S.

Gold - Nil

Bismuth - Nil

Copper

.85 x 0.30 x 20 = 5.1 lbs.

.85 x 20	= 17.0 lbs.
Minimum deduction	= 10.0 lbs.
	7.0 lbs.

(60.0 - 15.0) x 5.1 = 2.2950 $ U.S.

LEAD CONCENTRATE - Cont'd

Deductions

Treatment charge	-	27.85
Iron penalty	-	Nil
Arsenic penalty (.23 -0.1) 1.00¢	-	0.13
Alumina penalty	-	Nil
Moisture penalty (10-8) 30¢	-	.60

Credits

Silica	-	Nil
Lime	-	Nil

Truck Shipments

$ 85.00 per 50 SDT	-	1.70

ZINC CONCENTRATE

Lead

1.20 x .85 x 20		=	20.4 lbs.
1.20 x 20	=	24 lbs.	
Minimum deduction	=	20 lbs.	
		4 lbs.	
(17.51 - 4.5) x 4	=	0.5204 $ U.S.	

Zinc

Iron penalty
(2.85 - 0.1) = 2.75 x 0.1 = 0.275 units

Zinc payment
(58.0 - 0.275) x .85 x 20 = 981.3250 lbs.

58.0 x 20	=	1,160 lbs.
Minimum deduction	=	20 lbs.
		1,140 lbs.
37.82 x 981.3250	=	371.1371 $ U.S.

Silver

3.53 x 0.93	=	3.28 oz.
	3.53 oz.	
minimum deduction	1.0	
	2.53 oz.	
(470.7 - 7) 2.53 =		11.7316 $ U.S.

Gold - Nil

Cadmium

.46 x 20	=	9.20 lbs.
(9.20 - 3.0) x 0.6	=	3.72 lbs.
(300 - 50) 3.72	=	9.3000 $ U.S.

ZINC CONCENTRATE - Cont'd

Deductions

Treatment	=	14.50
33-1/3 % of 371.1371	=	123.7124
		138.2124
Iron Penalty		
(2.85 - 0.1) 70	=	1.9250
Moisture Penalty		
(10-6) 30	=	1.2000
Truck Shipment		
$ 85.00 per 50 SDT	=	1.70

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

MINE OFFICE
BOX 160, GOLDEN, B.C.

302 - 475 Howe Street, Vancouver 1, British Columbia, Telephone 688 - 5915

February 7, 1974

The Honerable Mr. Gary Lauk
Minister of Trade and Commerce
Parliament Buildings
Victoria, B.C.

Dear Sir:

On the advice of The Honerable Minister Gordon Dowding, this letter is directed to you.

Consolidated Columbia River Mines operates a 500 ton per day silver, lead - zinc mine located 50 miles S.W. of Golden B.C. On or about mid January, a most severe winter storm brought a series of devastating avalanches down onto the Company's mining installations causing heavy financial damage to the power house, mill, shops and dormitories. A preliminary estimate of the damage caused would be in the neighbourhood of \$500,000 to \$600,000. Fortunately there were no injuries.

The amount of coverage by insurance will not be possible to determine for several months due to the heavy snow cover.

Approximately 70 men were employed in the operation which commenced production October 1, 1973.

As a result of the avalanche damage, there will be a considerable delay in re-opening the mine and re-employing the above men due to the financial burden this natural catastrophe has caused the Company.

We are therefore appealing to the Honerable Minister and request whatever assistance may be granted in re-establishing operations as soon as possible.

We plan to commence clean-up about March 15th in an attempt to resume operations during the summer. Plans are now underway to relocate certain damaged buildings and to construct the necessary safeguards. In this respect the Company has asked for assistance from the National Research Council located at Glacier B.C. in the Roger Pass area with their regional station located in Vancouver.

....../2

The Honerable Mr. Gary Lauk
Minister of Trade and Commerce
Page 2
February 7, 1974

We believe that our mine can make a considerable contribution to the economy of this depressed area of the Province, but now require assistance in order to do so.

We are very anxious to discuss our situation with your department and will make ourselves available at your convenience.

Yours very truly,

CONSOLIDATED COLUMBIA RIVER MINES LTD.

M. M. Pardek

M. M. Pardek, President

MMP:rl

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

FINANCIAL STATEMENTS

OCTOBER 31, 1973

Goodman & Co.
Certified General Accountants
Vancouver, B.C.

CECIL J. GOODMAN, C.G.A.

GOODMAN & CO.

CERTIFIED GENERAL ACCOUNTANTS

222 ROGERS BUILDING — 470 GRANVILLE STREET — VANCOUVER 2, B.C. — TELEPHONE 681-9395

ACCOUNTANT'S COMMENTS

The Shareholders,
Consolidated Columbia River
Mines Ltd. (N.P.L.).

The accompanying balance sheet of Consolidated Columbia River Mines Ltd. (N.P.L.) as of October 31, 1973, and the statements of deferred exploration, development and administrative costs and source and application of funds for the year then ended have been prepared by us from the books and records of the company and from information given to us. We did not perform an audit of the accounts and accordingly are not in a position to express an opinion on these financial statements.

GOODMAN & CO.
Goodman & Co
Certified General Accountants.

Vancouver, B.C.
February 25, 1974.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at October 31, 1973

(with comparative figures as at October 31, 1972)

	October 31, 1973	October 31, 1972
ASSETS		
Current Assets:		
Cash	$ 60.00	$ 124.83
Accounts Receivable	117,354.80	22,471.54
Inventories	93,184.20	-
	$ 210,599.00	$ 22,596.37
Investments: (Note 2)	$ 17,000.00	$ 17,000.00
Fixed Assets: (Notes 3,4,5)		
Mineral claims at cost	$ 1,259,220.00	$ 1,259,220.00
Equipment and buildings, at cost	447,911.47	292,006.01
	$ 1,707,131.47	$ 1,551,226.01
Less: Sale of interest in property	90,000.00	90,000.00
	$ 1,617,131.47	$ 1,461,226.01
Assets due from Trustee of Copperline Mines Ltd. (N.P.L.): (Note 6)	$ 2,644,971.80	$ 2,692,308.86
Deferred Charges:		
Exploration, Development and Administration - Schedule 1	$ 2,985,855.83	$ 2,235,878.96
Prepaid Insurance	16,369.29	-
Deferred Finance Charges	8,279.70	-
Incorporation	8,160.35	8,160.35
	$ 3,018,665.17	$ 2,244,039.31
Totals	$ 7,508,367.44	$ 6,437,170.55

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at October 31, 1973

(with comparative figures as at October 31, 1972)

	October 31, 1973	October 31, 1972
LIABILITIES		
Current Liabilities:		
Bank loan and overdraft	$ 78,323.64	$ 21,883.02
Other loans	81,000.00	-
Accounts payable	296,702.02	54,700.19
Salaries payable	50,404.81	7,400.00
Bond Interest	17,914.15	-
	$ 524,344.62	$ 83,983.21
Advances from and due to Muva Management and Development Corp. Ltd.	$ 515,895.67	$ 53,060.91
Assumption of Copperline Mines Ltd. (N.P.L.) Liabilities	$ 80,000.00	$ 1,561,046.28
Dividends Payable	$ 112,420.45	672.50
Debenture Payable-on demand	$ 614,200.00	-
Share Capital: (Note 7)	$ 5,781,328.73	$ 4,746,481.73
Deficit	(119,822.03)	(8,074.08)
	$ 5,661,506.70	$ 4,738,407.65
Totals	$ 7,508,367.44	$ 6,437,170.55

Signed on behalf of the Board of Directors.

Director

Director

This is the Balance Sheet referred to in our comments dated February 25, 1974.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of October 31, 1973

Note 1:

On June 27, 1973, the name of the company was changed from Columbia River Mines Ltd. (N.P.L.) to Consolidated Columbia River Mines Ltd. (N.P.L.).

Note 2: - Investments

(a) Copperline Mines Ltd. (N.P.L.).
50,000 shares costing $100,000.00 acquired in 1969 have been revalued to the Valuation Day price of 19¢ per share or $9,500.00.

(b) Northern Valley Mines Ltd. (N.P.L.).
50,000 shares at cost of $7,500.00. The shares of this company were offered to the public at 50¢ per share through a prospectus but have not yet been called for trading.

Note 3: - Trail Property

Claims are all in good standing but no work has been done thereon during this period. A contingent liability to W.D. Mining Company Ltd., exists in the amount of $99,432.16, being the balance of the consideration for the acquisition of the property, and is payable only out of, and at the rate of 7½% of net smelter returns.

Note 4: - Schaft Creek Property

Claims are all in good standing.

Note 5: - Ruth Vermont Property

Claims are all in good standing.

Note 6: - Due from Trustee

By an agreement dated April 20, 1965, Melan M. Pardek granted Columbia River Mines Ltd. (N.P.L.) the sole and exclusive option to purchase the mining claims and leases known as the Ruth Vermont Mine.

By an assignment dated June 5, 1969, Columbia River assigned to Copperline Mines Limited (N.P.L.) a 60% interest in the above option.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of October 31, 1973

Note 6: - Continued

By an agreement dated June 6, 1969, between Columbia, Copperline and Pardek; Copperline agreed to advance sufficient monies for the purpose of developing and equipping the Ruth Vermont mine for production. By the terms of this agreement, Pardek became entitled to be paid the sum of $40,000.00 in each year up to a total amount of $500,000.00 from the proceeds of production from the mine and John F. McIntyre also became entitled to be paid the sum of $20,000.00 in each year up to a total amount of $100,000.00 from the proceeds of production from the mine.

Copperline was granted the right to encumber the mining claims and leases for the purpose of financing the equipping and developing of the mine and did on November 29, 1969, grant Guaranty Trust Co. a first fixed and specific mortgage on the mining claims and leases together with a floating charge on all of the other assets of Copperline at the Ruth Vermont mine to secure a bond loan of $1,400,000.00.

By July 21, 1971, Copperline had encountered financial difficulties and was unable to meet its obligations and made application to the Supreme Court of British Columbia, and the Court made an order under the provisions of the Company Creditors Arrangement Act appointing a trustee and approving an arrangement between Copperline and its creditors.

Muva Management & Development Corporation of Canada Ltd. agreed to advance $600,000.00 to Copperline in order that principal and interest payments on the bond loan could be met and to assist in retiring other obligations, and to prepare the property for production. This advance was secured by a Debenture bearing interest at 10% per annum and became a second fixed and floating charge on the assets of Copperline and was repayable in full on December 15, 1971. A condition of this advance was that Pardek, McIntyre and all unsecured creditors of Copperline, other than creditors preferred by statute, would postpone their claims for payment. Additional advances by Muva totalling $230,000.00 were covered by a further Debenture bearing interest at 10% per annum and is payable on demand and ranks pari-passu with the previous Debenture for $600,000.00. Three payments totalling $785,800.00 were made on account of the Copperline bonded indebtedness leaving a balance of $614,200.00 outstanding thereon.

Note 6: - Continued

By an agreement dated March 28, 1972, between Copperline, Columbia, Pardek, McIntyre, Muva, Evans Wasson, Trustee, and Special Creditors, and ratified by the unsecured creditors of Copperline; Columbia River agreed to assume all indebtedness of Copperline in connection with the operation of the Ruth Vermont mine, except certain liabilities to principals of Copperline and related companies. Columbia agreed to create 140,000 Preferred Class A shares, 20,000 Preferred Class B shares and 700,000 Preferred Class C shares. The parties to the agreement agreed that the value of the two debentures including accrued interest held by Muva be $1,000,000.00.

Of the authorized 140,000 Preferred Class A shares, 40,000 shares were sold and 100,000 shares valued at $10.00 per share were issued to Muva in settlement of the above two debentures.

Of the authorized 20,000 Preferred Class B shares, 19,481 shares valued at $10.00 per share were issued to special creditors of Copperline leaving a balance of $50,000.00 to be paid within one year of the commencement of production at the Ruth Vermont mine and secured by the placement in trust of 100,000 common shares of Columbia River and 85,000 common shares of Copperline to be sold on a pro-rata basis if the payment is not made. If, after having sold sufficient shares to satisfy the payment, any excess of shares are to be returned to the respective companies for cancellation. If all shares are sold and do not realize sufficient funds to retire the indebtedness, then sufficient Preferred Class B shares are to be issued to make up the deficiency.

Of the 700,000 Preferred Class C shares authorized, 558,449 shares were issued to unsecured creditors of Copperline.

Preferred Class A shares earn dividends at the rate of 75¢ per annum and accrue from March 15, 1972 or date of issue and are payable on the first days of January, April, July and October in each year, the first payment becoming due April 1, 1973. These payments have not been made and have been accumulated. The Class A shares may be redeemed at the option of the company at any time. Commencing October 31, 1973, holders of Class A shares may convert their shares to common shares of Columbia.

Note 6: - Continued

Preferred Class B shares earn dividends at the rate of 70¢ per annum and accrue from March 28, 1972 or date of issue and are payable in January, April, July and October in each year, the first accrual was made in January, 1973. Dividends on Class B shares are not to be paid in cash while any Class A redeemable preference shares are outstanding, but are to accumulate. On redemption of the Class A shares, holders of Class B shares become entitled to one additional prior year's dividend. Upon the Company having redeemed the Class A shares, the company may then proceed to redeem the Class B shares.

Preferred Class C shares may be entitled to non cumulative dividends at the rate of 6¢ per share but such dividend is not payable in cash, while any Class A or Class B shares are outstanding. Class C shares are redeemable after Class A and Class B shares have been redeemed.

The approximate total indebtedness of Copperline assumed by Columbia at March 28, 1972, amounted to $2,563,896.00, of which an amount of $30,000.00 is due Pardek under the terms of the agreement dated June 6, 1969, from prior production. Title to any and all assets is vested in the Trustee for Copperline and such title is transferable to Columbia upon court approval of the trustee's current application for discharge.

Note 8:

By an agreement dated August 9, 1973, the company agreed to pay Muva Management & Development Corporation of Canada Ltd. the sum of $1.00 per ton on all ore milled at the mine site for services.

Note 9:

Preproduction Expenses - the company as at October 31, 1973 had not declared the Ruth-Vermont Mine to be in production according to the terms of the Income Tax Act. Accordingly, production costs, net of concentrate revenue are included in exploration and development expenses.

Note 7: - Share Capital

The common shares were consolidated on the basis of 1 new share for every 5 old shares. The authorized common share capital was thereafter increased to 5,000,000 shares, no par value.

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of October 31, 1973

Note 7: - Continued

Authorized:

Common Shares 5,000,000 shares, no par value.
Preference Class "A" shares 140,000 shares, no par value.
Preference Class "B" shares 20,000 shares, no par value.
Preference Class "C" shares 700,000 shares, no par value.

Issued:

Common shares			
For properties	250,000 shares	$50.00	$1,250,000.00
For cash and other considerations	738,080 shares	$30.51	2,255,151.73
Preference Class "A" shares	140,000 shares		1,522,918.00
Preference Class "B" shares	19,481 shares		194,810.00
Preference Class "C" shares	558,449 shares		558,449.00
			$5,781,328.73

Deficit:

Balance October 31, 1972	$ 8,074.08
Add dividends Class A shares	98,111.25
dividends Class B shares	13,636.70
	$119,822.03

Note 10: Remuneration of Officers and Directors

A salary of $11,933.33 was paid or credited to one officer as Managing Director. Directors fees amounting $160.00 were paid.

Schedule 1

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Deferred Exploration, Development and Administration Expense

for the year ended October 31, 1973

(with comparative figures for the year ended October 31, 1972)

	October 31, 1973	October 31, 1972
Exploration and Development Expense:		
Ruth Vermont development expenses	$ 34,443.95	$ 94,415.38
Ruth Vermont rehabilitation expenses	481,773.82	-
Excess of production costs over concentrate revenue-initial production	76,259.84	-
Total for the year	$ 592,477.61	$ 94,415.38
Total to end of previous year	1,438,692.41	1,344,277.03
Total to end of each year	$ 2,031,170.02	$ 1,438,692.41
Administration Expenses:		
Advertising and promotion	$ 718.86	$ 1,594.92
Legal and audit	9,606.04	12,895.21
Printing, office supplies and general	8,206.63	12,956.13
Rent	4,125.24	3,836.57
Salaries, benefits, directors' fees	17,111.02	21,762.41
Telephone	4,167.36	8,647.43
Transfer Agent's fees	3,297.39	7,776.91
Travelling and auto	5,162.54	5,941.03
Management services	15,984.88	15,238.55
Loss on investments	-	90,500.00
Bad debts	-	10,748.28
Bond and debenture interest	89,119.30	85,277.72
Premium on debentures	-	127,336.99
	$ 157,499.26	$ 404,512.15
Deduct: Interest earned on short term investments	-	971.66
Option received on Schaft Creek property	-	5,000.00
Total for the year	$ 157,499.26	$ 398,540.49
Total to end of previous year	797,186.55	398,646.06
Total to end of each year	$ 954,685.81	$ 797,186.55
Total Exploration, Development and Administration Expense to end of each year	$ 2,985,855.83	$ 2,235,878.96

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Statement of Source and Application of Funds

for the year ended October 31, 1973

(with comparative figures for the year ended October 31, 1972)

	October 31, 1973	October 31, 1972
Funds were derived from:		
Sale of shares	$ 476,398.00	$ 140,520.00
Advances by Muva Development Corp. Ltd.	462,834.76	18,814.33
Insurance claim	-	9,631.68
	$ 939,232.76	$ 168,966.01
Funds were applied to:		
Exploration, development and administration expense, less interest	$ 749,976.87	$ 208,323.38
Purchase of equipment	155,905.46	1,833.30
Advances to trustee of Copperline Mines Ltd. (N.P.L.)	-	72,074.50
Bond principal and interest being part of liabilities of Copperline Mines Ltd. (N.P.L.)	261,060.22	-
Deferred charges	24,648.99	-
	$ 1,191,591.54	$ 282,231.18
Decrease in Working Capital	$ 252,358.78	$ 113,265.17
Working Capital at beginning of year	(61,386.84)	51,878.33
Working Capital at end of year	$ (313,745.62)	$ (61,386.84)
Represented by:		
Current Assets	$ 210,599.00	$ 22,596.37
Current Liabilities	524,344.62	83,983.21
Deficit	$ (313,745.62)	$ (61,386.84)

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

FINANCIAL STATEMENTS

JULY 31, 1975

Goodman & Co.
Certified General Accountants
Vancouver, B.C.

These properties consist of the following:

(a) Seven reverted Crown Grants held under a Mineral Lease M 16 and include the following:

	Lot No. or Record No.
Minnie	419
Charlotte	405
Ruth	418
Sheba	8124
Vermont	8123
Cleopatra	8122
Ruth Fraction	8125

(b) Mineral Claims held by location as follows:-

Name	Lot No. or Record No.
DIANE	3302
MARGARET	3303
DEBBIE	3326
ANNA	3327
MAUREEN	3328
CAROL	3329
CAROL ANNA 1	3484
CAROL ANNA 2 - 6	3485-89
BONGO 1 - 12 inclusive	4016-4027 inclusive
DIPSEY 1 - 6 inclusive	4028-4033 inclusive
DIPSEY 9	4036
DIPSEY 11 & 13	4037
LYNN No. 1 - 3 Fractions	14036 - 14038 inclusive

CECIL J. GOODMAN, C.G.A.

GOODMAN & CO.

CERTIFIED GENERAL ACCOUNTANTS

222 ROGERS BUILDING — 470 GRANVILLE STREET — VANCOUVER, B.C. V6C 1V5 — TELEPHONE 681-9395

ACCOUNTANT'S COMMENTS

The Shareholders,
Consolidated Columbia River Mines Ltd. (N.P.L.)

We have prepared the accompanying Balance Sheet, Statement of Deferred Exploration, Development and Administration Expense and Statement of Source and Application of Funds related to the period ended July 31, 1975 from the books and records of Consolidated Columbia River Mines Ltd. (N.P.L.) and from information given to us.

Under the terms of our engagement, we did not perform an audit of the accounts and accordingly do not express an opinion on the financial statements.

GOODMAN & CO.

Goodman & Co.

Certified General Accountants.

Vancouver, B.C.
August 28, 1975

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at July 31, 1975

(with comparative figures as at December 31, 1974)

	July 31, 1975	December 31, 1974
ASSETS		
Current Assets:		
Cash	$ 14,263.23	$ 173.81
Accounts Receivable	16,829.57	16,829.57
Inventories	18,445.52	18,445.52
	$ 49,538.32	$ 35,448.90
Investments: (Note 1)	$ 10,000.00	$ 10,000.00
Fixed Assets: (Note 2)		
Mineral claims at cost	$ 506,000.00	$ 1,259,220.00
Equipment and buildings, at cost	2,012,664.08	2,299,685.75
	$ 2,518,664.08	$ 3,558,905.75
Deferred Charges:		
Exploration, Development and Administration - Schedule 1	$ 4,442,001.55	$ 4,213,111.81
Prepaid Insurance	--	152.01
Deferred Finance Charges	658.72	12,300.76
Incorporation	8,160.35	8,160.35
	$ 4,450,820.62	$ 4,223,724.93
Total	$ 7,029,023.02	$ 7,838,079.58

Memo to Note 9 - Preproduction Expenses

It is anticipated that another $300,000.00 may be added to the figure shown in the report.

(Prepared Without Audit)

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Balance Sheet

at July 31, 1975

(with comparative figures as at December 31, 1974)

	July 31, 1975	December 31, 1974
LIABILITIES		
Current Liabilities:		
Bank Loan and Overdraft	$ --	$ 147,175.34
Other Loans	--	38,309.48
Accounts Payable	92,733.86	146,124.21
Salaries Payable	10,907.90	22,605.81
Bond Interest	--	58,860.77
Finance Contracts - Secured	2,689.46	87,433.90
	$ 106,331.22	$ 500,509.51
Advances from and due to Muva Management and Development Corporation Ltd.	$ 207,085.57	$ 240,702.92
Deferred Liabilities:		
Special Creditors - (Note 3)	$ 50,000.00	$ 50,000.00
Deferred Salaries (Pardek)	8,400.00	--
Agreement Payable - McIntyre (Note 4)	5,000.00	45,000.00
	$ 63,400.00	$ 95,000.00
Dividends Payable - (Note 5)	$ 231,756.41	$ 214,777.14
Debentures, 10% 1st mortgage Bonds and Accrued Interest - (Note 6)	$ 1,341,499.08	$ 1,137,940.00
Share Capital - (Note 7)	$ 5,981,328.73	$ 5,781,328.73
Deficit - (Note 8)	$ (902,377.99)	$ (132,178.72)
	$ 5,078,950.74	$ 5,649,150.01
Total	$ 7,029,023.02	$ 7,838,079.58

Signed on behalf of the Board of Directors.

[signature] Director

Director

This is the Balance Sheet referred to in our comments dated August 28,1975.

GOODMAN & CO.

[signature]

Certified General Accountants.

(Prepared Without Audit)

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Notes to Balance Sheet of July 31, 1975

Note 1: - Investments

(a) Copperline Mines Ltd. (N.P.L.)
50,000 shares costing $100,000.00 acquired in 1969 have been revalued to the approximate current price of 5¢ per share or $2,500.00.

(b) Northern Valley Mines Ltd. (N.P.L.)
50,000 shares at cost of $7,500.00 which is the approximate current market value.

Note 2:

Both the Trail and Schaft Creek properties have been dropped and the costs of acquisition amounting to $753,220.00 have been written off to Deficit. The Ruth Vermont claims are all in good standing.

During the period $269,820.00 was received from insurance companies in settlement of claims for avalanche damage. This amount has been credited to the buildings and equipment accounts and reconstruction costs have been charged thereto.

Note 3:

Special creditors are to be paid within one year of the commencement of production at the Ruth Vermont mine and are secured by the placement in trust of 100,000 common shares of Columbia and 85,000 common shares of Copperline Mines Ltd. (N.P.L.) to be sold on a pro-rata basis if the payment is not made. After having sold sufficient shares to satisfy the payment, any excess of shares are to be returned to the respective companies for cancellation. If all shares are sold and do not realize sufficient funds to retire the indebtedness, then sufficient Preferred Class B shares are to be issued to make up the deficiency.

Note 4:

By an agreement dated June 6, 1969 M.M. Pardek became entitled to receive from the proceeds of production from the mine the sum of $40,000.00 in each year up to a total amount of $500,000.00 and J. F. McIntyre similarly became entitled to $20,000.00 per year up to a total amount of $100,000.00. These payments are to be made only in accordance with scheduled priorities detailed by agreement.

Note 5:

Preferred Class A shares earn dividends at the rate of 75¢ per annum and have accrued from March 15, 1972 or date of issue and are payable on the first days of January, April, July and October in each year, the first payment become due April 1, 1973.

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These payments have not been made and have been accumulated. The Class A shares may be redeemed at the option of the company at any time. As from October 31, 1973, holders of Class A shares may convert their shares to common shares of Columbia. During the seven months ended July 31, 1975, 5,225 Class A shares had been converted to common shares.

Preferred Class B shares earn dividends at the rate of 70¢ per annum and have accrued from March 28, 1972 or date of issue and are payable in January, April, July and October in each year, the first accrual was made in January, 1973. Dividends on Class B shares are not to be paid in cash while any Class A redeemable preference shares are outstanding, but are to accumulate. On redemption of the Class A shares, holders of Class B shares become entitled to have one additional prior year's dividend. Upon the Company having redeemed the Class A shares, the company may then proceed to redeem the Class B shares.

Preferred Class C shares may be entitled to non cumulative dividends at the rate of 6¢ per share but such dividend is not payable in cash, while any Class A or Class B shares are outstanding. Class C shares are redeemable after Class A and Class B shares have been redeemed.

Note 6: - Debenture and 10% 1st Mortgage Bonds

Become due and payable as follows:

25% of the principal together with accrued interest on July 15, 1976, 25% of the principal together with accured interest on July 15, 1977 and the balance of the principal together with accrued interest on July 15, 1978.

Note 7: - Share Capital

The common shares were consolidated on the basis of 1 new share for every 5 old shares. The authorized common share capital was thereafter increased to 5,000,000 shares, no par value. Pursuant to Note 5, 5,225 Preferred Class A shares were converted during the period to Common shares on the basis of 20 Common shares for 1 Preferred share. Common shares so issued amounted to 104,500 shares. Preferred Class A shares remaining outstanding were 19,925 shares.

Authorized:

Common Shares 5,000,000 shares, no par value.
Preference Class "A" shares 140,000 shares, no par value
Preference Class "B" shares 20,000 shares, no par value.
Preference Class "C" shares 700,000 shares, no par value.

- Share Capital continued

Issued:

Common shares			
For properties	250,000	shares	$1,250,000.00
For cash and other considerations	4,006,246	shares	3,761,325.88
Preference Class "A" shares	19,925	shares	216,743.85
Preference Class "B" shares	19,481	shares	194,810.00
Preference Class "C" shares	558,449	shares	558,449.00
			$5,981,328.73

Note 8:

Deficit:

Balance December 31, 1974	$ 132,178.72
Add dividends Class A shares	9,058.77
dividends Class B shares	7,920.50
Write off of Trail and Schaft Creek properties	753,220.00
	$ 902,377.99

Note 9:

Preproduction Expenses - the company as at July 31, 1975 had not declared the Ruth Vermont Mine to be in production according to the terms of the Income Tax Act. Accordingly, production costs, net of concentrate revenue are included in exploration and development expenses.

Note 10:

By an agreement dated July 21, 1971 and subsequently amended, after specified payments out of the proceeds from production Muva Management & Development Corporation of Canada Ltd. became entitled to 30% of the remainder, Copperline Mines Ltd. (N.P.L.) 15% with Columbia retaining the balance of 55%.

Note 11:

By an agreement dated August 9, 1973, the company agreed to pay Muva Management & Development Corporation of Canada Ltd. the sum of $1.00 per ton on all ore milled at the mine site for services.

Note 12:

A liability exists in favour of Evans Ernest Wasson, Q.C. for payment of $1,000.00 per month to be paid only from proceeds of production until the Ruth Vermont mine is worked out. This represents partial payment for the trustee's services.

Note 13: - Remuneration of Officers and Directors

A salary of $8,400.00 was paid to one officer during the period. No directors fees were paid.

(Prepared Without Audit)

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Deferred Exploration, Development and Administration Expenses

for the period ended July 31, 1975

(with comparative figures for the period ended December 31, 1974)

	July 31, 1975	December 31, 1974
Exploration and Development Expense:		
Ruth Vermont rehabilitation expenses	$ 54,835.62	$ 12,574.00
Total for the period	$ 54,835.62	$ 12,574.00
Total to end of previous year	2,019,208.71	2,006,634.71
Total to end of each period	$ 2,074,044.33	$ 2,019,208.71
Administration Expenses:		
Advertisng and promotion	$ 977.99	$ 47.00
Legal and audit	12,215.43	5,040.00
Printing, office supplies and general	1,218.11	9,131.83
Rent	2,582.50	5,994.92
Salaries, benefits, director's fee	8,509.00	10,200.00
Telephone	2,632.38	2,996.77
Transfer Agent's fees	4,501.32	3,623.98
Travelling and auto	2,533.31	4,084.03
Management services	3,871.07	8,428.42
Bond and other interest	119,299.80	86,709.16
Bonus	2,388.67	10,086.82
Taxes and licences	13,324.54	16,718.33
Total for the period	$ 174,054.12	$ 163,061.26
Total to end of previous period	1,267,329.30	1,104,268.04
Total to end of each period	$ 1,441,383.42	$ 1,267,329.30
Add: Copperline Mines Ltd. (N.P.L.) Preproduction Expenses	$ 926,573.80	$ 926,573.80
Total Exploration, Development and Administration Expense to end of each period	$ 4,442,001.55	$ 4,213,111.81

(Prepared Without Audit)

CONSOLIDATED COLUMBIA RIVER MINES LTD. (N.P.L.)

Statement of Source and Application of Funds

for the period ended July 31, 1975

(with comparative figures for the period ended December 31, 1974)

	July 31, 1975	December 31, 1974
Funds were derived from:		
Sale of common shares	$ 160,000.00	$ --
Insurance claim proceeds	269,820.00	--
Disposition of equipment	43,050.00	9,950.00
Issue of 10% 1st Mortgage Bond	51,360.00	523,740.00
Transfers to non-current liabilities	160,599.08	--
Miscellaneous income	1,839.63	--
	$ 686,668.71	$ 533,690.00
Funds were applied to:		
Exploration, development and administration expense	$ 230,729.37	$ 175,635.26
Repayments of advances by Muva Dev. Corp. Ltd.	33,617.35	328,296.97
Avalanche reconstruction expenses	25,848.33	58,499.90
Advances to trustee of Copperline Mines Ltd. (N.P.L.)	--	(4,883.00)
Deferred charges	(11,794.05)	(10,280.72)
	$ 278,401.00	$ 547,268.41
Decrease in Working Capital	$ 408,267.71	$ 13,578.41
Working Capital at beginning of period	(465,060.61)	(451,482.20)
Working Capital at end of period	$ (56,792.90)	$ (465,060.61)
Represented by:		
Current Assets	$ 49,538.32	$ 35,448.90
Current Liabilities	106,331.22	500,509.51
Deficit	$ 56,792.90	$ 465,060.61

(Prepared Without Audit)