

W.A. NO.

PROSPECTUS

NAME

SUBJECT

SILVER CUP

82KNW027-05
PROPERTY FILE

003825

**VANCOUVER CURB
EXCHANGE LISTING**



EFFECTIVE DATE: JUNE 11, 1976.

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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

C.T. EXPLORANDA LTD.

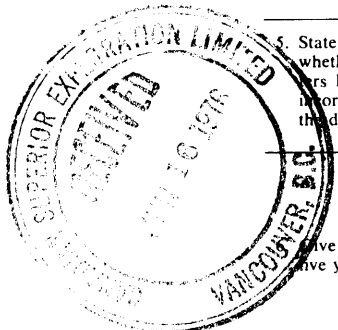
(Full name of company.)

Head Office: #404 - 890 West Pender Street, Vancouver, B. C.
Registered Office: #202 - 900 West Pender Street, Vancouver, B. C.
(Address of head office and registered office of company.)

Statement of Material Facts

*Silver-leaf
London R.*

<p>1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.</p>	<p>See Item 1 attached schedule</p>
<p>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.</p>	<p>See Item 1 attached schedule</p>
<p>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.</p>	<p>See Item 1 attached schedule</p>
<p>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.</p>	<p>See Item 4 attached schedule</p>
<p>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.</p>	<p>Incorporated by Memorandum a Specially Limited Company under Laws of the Province of British Columbia, July 15, 1969. Converted to Limited Company June 1, 1973, and changed its name to its present name March 25, 1976.</p>
<p>6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.</p>	<p>See Item 6 attached schedule</p>
<p>7. State the share capitalization of the issuer showing authorized and issued capital.</p>	<p>Authorized to issue 5,000,000 shares without par value. Issued and outstanding 349,456.</p>
<p>8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.</p>	<p>Nil</p>
<p>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.</p>	<p>See Item 1 attached schedule</p>



PROPERTY FILE

<p>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.</p>	<p>See Item 10 attached schedule</p>
<p>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.</p>	<p style="text-align: center;">VANCOUVER CURB EXCHANGE LISTING</p> <p>Nil</p>
<p>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.</p>	<p>See Item 12 attached schedule</p>
<p>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.</p>	<p>See Item 12 attached schedule</p>
<p>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.</p>	<p>See Item 12 attached schedule</p>
<p>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.</p>	<p>See Item 15 attached schedule</p>
<p>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.</p>	<p>The Directors of the Company acting in their capacity as such may be considered the promoters of the Company.</p>
<p>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.</p>	<p>See Item 12 attached schedule</p>
<p>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.</p>	<p>See Item 18 attached schedule</p>
<p>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.</p>	<p>See Item 19 attached schedule</p>
<p>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.</p>	<p>To the knowledge of the signatories there are no legal proceedings.</p>

SCHEDULE TO THE STATEMENT OF MATERIAL FACTS

C. T. EXPLORANDA LTD.

DATED MAY 20, 1976.

ITEMS 1, 2, 3 and 9.

A. Underwriting Agreement dated May 20, 1976.

Brink Hudson & Lefever Ltd.,
717 - 837 West Hastings Street,
Vancouver, British Columbia.
(as to 100%)

**VANCOUVER STOCK
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Underwriting: 200,000 shares at 85¢ per share payable
forthwith upon the approval date of the
Agreement by the Vancouver Stock Exchange
("the effective date").

Option: 200,000 shares at 95¢ per share exercisable
ninety (90) days from the effective date.

Shares underwritten will be sold 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.

Net proceeds from the underwriting \$ 170,000.00

Net proceeds from the underwriting
if the option is exercised in full \$ 360,000.00

The market prices established in the last 90 days is as follows:

Prior to the consolidation of the company shares on a 1 for 4 basis, the high
was 25¢ and the low 18¢ for the preceding 60 day period. Trading commenced on
a consolidated basis on April 26, 1976 and since that date the high has been
\$1.08 and the low 99¢.

The Underwriter, subject to the by-laws of the Vancouver Stock Exchange,
may also make purchases and sales of shares of the Company for the purpose
of maintaining an orderly market for the shares of the Company and to assist
in the distribution of the offered shares.

No shares are being qualified on behalf of a selling shareholder under this
Statement of Material Facts.

B. Property Agreements

1. RAMBLER HILL PROPERTY

By an Agreement dated December 10, 1975 John Strebchuk of 1621
Duncan Avenue, Penticton, British Columbia, granted an option
to Susan Hillier, 63 Wellesley Street East, Toronto, Ontario,
Ron Bregoliss, Box 620, Kamloops, British Columbia, Thomas A.
Derbyshire, 479 Wintergreen Avenue, Richmond, B.C. and Scotchvest
Holdings, 2063 Lakeshore Blvd. West, Toronto, Ontario, an option
to acquire nineteen (19) located Mineral Claims situate in the
Mayo Mining Division, Yukon Territories, being the Irene 1 - 6,
Irene Fr. 1 - 3, Creek 1 & 2 and Lead 1 - 8 mineral claim for
\$300,000.00 payable as to \$10,000.00 upon the execution of the
Agreement (paid) \$15,000.00 November 1, 1976 and \$12,500.00 on
the 1st of May, 1977 and the 1st of November and May in each year
thereafter until the total payment of \$300,000.00 has been received.

By an Agreement dated March 19, 1976 the optionees assigned all their right, title and interest under the December 10, 1975 Agreement to the Company for 130,000 shares, being 30,000 shares upon approval of the Agreement by the regulatory authorities and 30,000 shares every 90 days thereafter, again, subject to the approval of the regulatory authorities. The first 30,000 shares are to be issued to Susan Hillier, the next 30,000 shares to Ron Bregoliss and out of the next 30,000 shares 10,000 are to be issued to Scotchvest Holdings and 20,000 to Thomas A. Derbyshire and out of the next 30,000 shares, 10,000 shares to Thomas A. Derbyshire and 20,000 shares to Susan Hillier and the remaining 10,000 shares to Susan Hillier. In regards to the 60,000 shares to be issued to Messrs. Bregoliss and Derbyshire if and when these shares are issued, they are to be placed in a voluntary pool, subject to release only upon the approval of the Vancouver Curb Exchange and the Office of the Superintendent of Brokers.

By virtue of the Assignment of the Option Agreement to the Company, the Optionor, has the right to convert all or a portion of the 1976, 1977 and May 1978 option payments into common shares of the company the conversion price to be determined by taking the average closing market price of the shares of the company as quoted on the Vancouver Curb Exchange for the 15 days immediately preceding the option payment date and the purchase price of the shares shall be deducted from the amount of the option payments. In addition the Optionor is entitled to receive 5% of the net smelter returns if the mineral claims are placed into production.

2. SILVER CUP PROPERTY

By an Agreement dated February 4, 1976 Standard Anchor Investments Ltd., 485 East 44th Avenue, Vancouver, B.C., acquired from True Blue Explorations Ltd. (N.P.L.), 305 - 525 West Georgia Street, Vancouver, an option to purchase certain Crown Granted and located mineral claims situate in the Revelstoke Mining Division in the Province of British Columbia and known generally as the "Silver Cup and Towser" group of claims. This group of properties consists of 12 Crown Granted and 27 located mineral claims and 2 mineral leases situate at the headwaters of Landon Creek, Revelstoke Mining Division, Province of British Columbia. See the report of Egil Livgard, P.Eng., attached hereto and forming part of this Statement of Material Facts. The total purchase price under the Option Agreement is \$2,400,000.00 payable as to \$45,000.00 on or before June 15, 1976, being approximately \$26,790 to John Hedden, accountant, to pay out the Porter Estate \$23,000.00 plus interest from October 1974 and the balance to the Optionor, \$45,000.00 December 1, 1976 and \$75,000.00 on December 31st in each year thereafter in addition to 5% of the net smelter returns. A total of \$700,000.00 is payable from the 5% net smelter returns to Silver Dawn Mines Ltd. (N.P.L.), Pandora Management Ltd., and Milton Daniel Oliver. After these monies have been paid all of the 5% of the net smelter returns shall be paid to the Optionor. If the 5% of the net smelter returns is not equal to \$75,000.00 annually there shall be paid to the Optionor sufficient money so that the 5% net smelter returns together with the cash payment equals in the aggregate \$75,000.00.

By an Agreement dated March 3, 1976 Standard Anchor Investments Ltd., assigned all its interest under the February 24, 1976 Agreement to the Company for the sum of \$1.00.

The mineral properties in question are subject to a lien in favour of Stuart Lake Contracting in the sum of \$44,000.00 and the Company has agreed to pay the same.

The greater than 5% shareholders of True Blue Explorations Ltd., are Silver Dawn Mines Ltd., Aileen Marie Shepherd, Milton D. Oliver, Steve Turock, Columbia River Investments Ltd., Felgren Holdings Ltd., Sandra Jackson, Sylvia Lee and Wilfred Holdings Ltd.

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EXCHANGE LISTING**

ITEM 4.

The principal purposes for which the sale of the shares sold pursuant to the Underwriting Agreement will be used as follows:

- (a) To pay the June 15, 1976 payment due under the "Silver Cup" Agreement \$45,000.00
- (b) To pay the companys accounts payable (see list attached hereto and forming part of this Statement of Material Facts) \$47,528.75
- (c) To carry out items 1, 2, 3, 4, 5, 6, and 11 of the First Stage of the exploration and development programme on the Silver Cup property as recommended by Egil Livgard P.Eng., in his report of March 2, 1976 which is attached hereto and forms part of this Statement of Material Facts, namely:
 - 1. Photo-Interpretation \$ 500.00
 - 2. Topographic Map \$ 1500.00
 - 3. Grid System \$ 3000.00
 - 4. Rehabilitation - Silver Cup & Towser
6 men - 2 months \$ 35000.00
 - 5. Surveying \$ 2500.00
 - 6. Geological Mapping & Sampling \$ 4000.00
 - 11. Mapping & Sampling, Camp and Supplies, Supervision, Admin. Travel, Assaying and Contingencies - 10% \$ 12500.00 \$59,000.00
- (d) To provide additional working capital and to meet corporate expenses. \$18,471.25

TOTAL\$170,000.00

No part of the proceeds from the sale of shares sold pursuant to the Underwriting Agreement will be spent on exploring or developing other mineral properties owned or acquired by the Company without first having accepted for filing the appropriate engineering reports with the Vancouver Curb Exchange.

ITEM 6.

Names and addresses and chief occupations for the past five years of the officers and directors of the company are:

NAME AND ADDRESS

OCCUPATIONS

RICHARD F. J. NEWSOM
440 - 890 West Pender Street,
Vancouver, B. C.
PRESIDENT/DIRECTOR

Rancher - Businessman

BRIAN J. HAGAN
1003 - East Toledo Street,
Bellingham, Washington
DIRECTOR

Chemical Engineer

RON W. BREGOLISS
Box 620,
Kamloops, B. C.
DIRECTOR

**VANCOUVER CURB
EXCHANGE LISTING**

President - Bregoliss
Construction Ltd.

THOMAS A. DERBYSHIRE,
479 Wintergreen,
Richmond, B.C.
SECRETARY

Businessman

ITEM 10.

The beneficial shareholders of Brink, Hudson & Lefever Ltd., are:

<u>NAME AND ADDRESS</u>	<u>NO. and CLASS</u>	<u>% of CLASS of SHARES HELD</u>
Harold W. Lefever 4212 Cypress Street, Vancouver, B. C.	3271 common	18.3%
Francis A. Lefever 8421 Oak Street, Vancouver, B. C.	2606 common	14.6%
Lorne C. Aggett #2410 - 1644 Nelson Street, Vancouver, B. C.	1519 common	8.5%
Donald H. Byers 1308 West 37th Avenue, Vancouver, B. C.	2374 common	13.3%
Brian D. Graves, #1901 - 1816 Haro Street, Vancouver, B. C.	2606 common	14.6%
G. Douglas MacDonald 6090 Blenheim Street, Vancouver, B. C.	1182 common	6.6%

ITEMS 12, 13, 14 & 17.

MUGWUMP ET AL MINERAL CLAIMS (YMIR GROUP)

By an Agreement dated September 3, 1975, the Company acquired from Issa Fahel of 328 Decaire Street, Coquitlam, B.C., an option to acquire seven (7) Crown granted mineral claims (Lots 1708 - 1711 inclusive and Lots 2301 - 2303 inclusive) and the surface rights of a five (5) acre portion known as "Millsite" all being known as Sublot 50 of Lot 1242, District of Kootenay, Province of British Columbia, Plan X-59 together with Sublot 46 of Lot 1242, Plan X-59 in the District of Kootenay. The said Agreement being by way of an Assignment of an Agreement dated July 14, 1975. Mr. Fahel subsequently assigned all his rights under the Agreement to Mr. Thomas Derbyshire, an Officer of the Company. Mr. Fahel had acquired his right to purchase the properties from Murray Zulps of West Vancouver, Michael Syniuk of North Vancouver, and Clarence Mannix of Sooke, all in the Province of British Columbia. Total consideration to be paid for the property if the property is financed for commercial production will be 5% of the net smelter returns together with 310,000 shares and \$66,700.00 to be issued and paid as follows:

- i) \$8,700.00 upon execution (paid) being \$5,000.00 to Fahel and \$3,700.00 to Messrs. Zulps, Syniuk and Mannix;
- ii) \$5,000.00 (paid) to Fahel and 10,000 shares of the Company to Derbyshire on December 7, 1975;
- iii) \$3,000.00 (paid) on December 1, 1975 to Messrs. Zulps, Syniuk and Mannix;
- iv) 25,000 shares of the Company to Derbyshire by March 5, 1976;
- v) 25,000 shares of the Company to Derbyshire by June 5, 1976;

**VANCOUVER CURB
EXCHANGE LISTING**

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- vi) 100,000 shares of the Company to Derbyshire upon completion of a \$100,000.00 exploration program provided that at the time an Engineer's report satisfactory to the Vancouver Curb Exchange is filed, which recommends a further work program on the property of at least \$100,000.00;
- vii) \$50,000.00 be paid to Messrs. Zulps, Syniuk and Mannix and 150,000 shares of the Company to be issued to Messrs. Zulps, Syniuk and Mannix (being 76,500 shares to Mannix, 43,500 shares to Zulps, and 30,000 shares to Syniuk), at the time a decision is made to put the property into commercial production and the necessary financing is obtained for such purposes.

The company has not to date issued any shares under this Agreement and the Company and Derbyshire have agreed to amend the Agreement to provide that no application for the allotment of shares will be made to the regulatory authorities until a further exploration program is carried out on the property.

Subsequent to the Agreement, the Company's shares were consolidated on a one for four basis.

In addition to the allotment of shares, Mr. Derbyshire would receive 5% of the net smelter returns received by the Company for all minerals produced from the property.

The property does not have a known body of commercial ore.

Save and except for Mr. Derbyshire in regards to the Mugwump property and Mr. Derbyshire and Mr. Bregoliss in regards to the Rambler Hill property, and save as disclosed under Item 19 none of the directors and officers of the Company have any beneficial interest in any property being acquired by the Company or in the consideration to be received and to the knowledge of the signatories hereto no Insider of the Company has any such beneficial interest save and except as disclosed herein.

ITEM 15.

PROPERTY ACQUIRED BY THE COMPANY WITHIN THE PREVIOUS THREE YEARS

A. IRON CLAD MINERAL CLAIMS

The Company was the registered owner of the Ioan Prospector and Iron Clad Mineral Claims situate in the Kamloops Division, Yale District, these claims being subject to a Mortgage in favour of Grace MacGregor, the payments under the Mortgage being made by Mr. & Mrs. Hans Krauseneck. The Company has agreed to sell the claims to Mr. Krauseneck for the sum of \$1,000.00.

B. CVO MINERAL CLAIMS

The Company acquired the CVO 17 - 32 mineral claims situate in the Mayo Mining District, Yukon Territories from Norman Newsom, P.O. 3 - 485 East 44th Avenue, Vancouver and Rudolf Bader, 101 - 325 Howe Street, Vancouver, B. C. for \$8,000.00 and 100,000 shares of the Company (being 16,000 shares to Mr. Newsom and 84,000 shares to Mr. Bader). These claims have now been abandoned.

C. BOX MINERAL CLAIMS

The Company held an Option from D. H. Waugh & Associates Ltd., Room 10 Airport Terminal Building, Whitehorse Yukon Territories to acquire the Box 1 - 21 Mineral Claims, Mayo Mining Division, Yukon Territories which it acquired for \$11,500.00 and the issue and allotment of 30,000 shares. The Company carried out geological mapping, prospecting, and geochemical soil sampling on these claims. As the results were not encouraging the Option has been dropped.

D. NESO MINERAL CLAIMS

By Agreement dated October 27, 1975 the Company acquired from Giovanni Camporese an Option to acquire an undivided 70% interest in the Neso 23 - 34 mineral claims Whitehorse Mining Division, Yukon Territories for \$12,000.00. During the year the Company carried an diamond drilling program and surface mapping of these claims at an approximate cost of \$50,000.00. As the results were not encouraging, the Option has been allowed to elapse.

ITEM 18.

At an Extraordinary Meeting of the Shareholders of the Company on March 12, 1976 a Resolution was passed cancelling the 730,000 escrow shares of the Company which are to be surrendered to the Company by way of gifts for cancellation. The property for which they were issued having been abandoned. At the same meeting a Resolution was passed approving the issue and allotment of 750,000 escrow shares in consideration of the Company acquiring a group of mineral claims being "Cindy" Fr. 1 & 2, "Sandy" 6 - 9 and "Cindy" 7 & 8 situate in the Revelstoke Mining Division of the Province of British Columbia and adjoining the "Silver Cup" group of claims. The escrow shares are to be issued as follows:

<u>NAME OF SHAREHOLDER</u>	<u>NUMBER OF SHARES</u>
Sea to Sea Investments Ltd. #202 - 900 West Pender Street, VANCOUVER, B. C.	332,500
Ron Bregoliss Box 620, KAMLOOPS, B. C.	15,000
Thomas A. Derbyshire 479 Wintergreen Avenue, RICHMOND, B. C.	332,500
Scotchvest Holdings, 2063 Lakeshore Blvd. West, TORONTO, Ontario.	10,000
Brian Hagan 1003 East Toledo Street, BELLINGHAM, Washington	15,000
Ivan Thompson 302 - 3420 Aeuchinachie, DUNCAN, B. C.	15,000
Murray Zulps 1375 Cottonwood Crescent NORTH VANCOUVER, B. C.	15,000
John Strebchuk 1621 Duncan Avenue, PENTICTON, B. C.	15,000
VANCOUVER CURB EXCHANGE LISTING	
The family of - Richard Newsom, the President of the Company, is the controlling shareholder of Sea to Sea Investments Ltd.	

The Company has made application to the regulatory authorities for permission to issue and allot the escrow shares as set out above.

ITEM 19.

As the escrow shares have not been issued and allotted the only greater than 5% shareholders of the company are as follows:

<u>NAME AND ADDRESS</u>	<u>NUMBER OF SHARES</u>
Canarim Investments Ltd. 424 Burrard Street, Vancouver, B. C.	44,750
Vancouver Stock Exchange, 536 Howe Street, Vancouver, B. C.	200,000

ITEM 23.

The prices at which shares of the company have been issued for cash during the past year are as follows:

	<u>No. of Shares</u>	<u>Amount</u>
October 1975	189,500	24 ¢
	9,000	25 ¢
	1,500	30 ¢
November 1975	47,000	25 ¢
	8,500	25½¢
	22,000	26 ¢
	27,500	27 ¢
	100,000	27½¢
	2,000	28 ¢
	500	30 ¢
February 1976	56,500	25 ¢
	8,000	26 ¢

ITEM 25 The above sales were prior to the consolidation of the company's shares on a one for four basis.

Pursuant to a Special Resolution passed at an Extraordinary General Meeting of the Shareholders of the Company on March 12, 1976 the Company consolidated its issued and unissued shares on a one for four basis and increased its authorized capital to 5,000,000 shares without par value. Pursuant to a certificate of the Registrar of Companies dated March 25, 1976 the Company changed its name from Junex Resources Ltd. to C. T. Exploranda Ltd.

PURCHASERS RIGHT OF RESCISSION

Sections 61 and 62 of the Securities Act contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase in certain events. The purchaser may rescind when:

- (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 of Rescission is indicative only and not intended to be comprehensive. For complete details, reference should be made to the sections of the Act.

This Statement of Material Facts shall be deemed conclusively to be received in the ordinary course of mail by the person or company to whom it is addressed.

**VANCOUVER CURB
EXCHANGE LISTING**

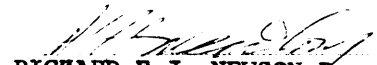

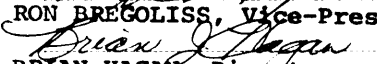
21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	\$4,000.00 was paid to Directors and senior officers and \$6,200.00 in management fees and office rental services to companies controlled by directors.
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 <i>pro rata</i> 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.	None save as disclosed in Item 1
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.	See item 23 attached schedule.
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.	There are no other material contracts entered into by the company and not disclosed in the foregoing.
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	See item 25 attached schedule
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.	Nil

27.

CERTIFICATE OF THE COMPANY

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

Dated MAY 20, 1976.


 RICHARD F.J. NEWSON, President/Director

 "RON BREGOLISS"
 RON BREGOLISS, Vice-President/Director

 BRIAN HAGAN, Director

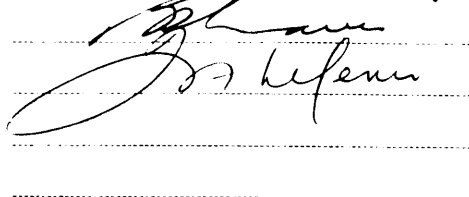
[Corporate Seal.]

CERTIFICATE OF UNDERWRITER ~~XEROX COPY~~

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 the Statement of Material Facts.

Dated MAY 21, 1976.

BRINK, HUDSON AND LEFEBVER LTD.,



C.T. EXPLORANDA LTD.

ACCOUNTS PAYABLE

FEBRUARY, 1976.

ACTIVE MANAGEMENT LTD.	\$ 153.11
STENOGRAPHIC & OFFICE SERVICES LTD.	33.00
ARCTIC DIAMOND DRILLING	27,250.81
YUKON AIR	306.25
TERR AIR	9,064.20
TRANSNORTH TURBO AIR	2,771.25
MACGILLIVRAY & CO.	3,000.00
NATIONAL TRUST	227.00
DUMOULIN BRAZIER	1,535.40
EVERGREEN PRESS	554.93
VANCOUVER STOCK EXCHANGE	400.00
RUSSELL & DUMOULIN	692.80
STANDARD ANCHOR INVESTMENTS LTD.	800.00
SEA TO SEA INVESTMENTS LTD.	750.00

REPORT ON THE SILVER CUP MINE
and
OTHER SHOWINGS ALONG THE SILVER CUP ANTICLINE
for
JUNEA RESOURCES LTD.

LIVGARD CONSULTANTS LTD.
Egil Livgard, B.Sc., P.Eng.,
Coquitlam, B.C.
March 2nd, 1976.

INTRODUCTION

The writer visited the property on August 15th, 1975 accompanied by Mr. Murray Zulps, and Mr. J.J. Oberbillig.

Only the surface was examined as the adits were partly sloughed in or caved, but a large number of reports are available on the property and this report is based on published information, and private reports. These are listed in the references.

This report is written for Junex Resources Limited,
705 - 900 West Hastings St., Vancouver. B.C.

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RESULTS

SUMMARY

The property is located at the head waters of Lardeau Creek in the Revelstoke Mining Division. It covers the steep north slopes of Triune Mountain, crosses Cup and Sharon Creek, and extends into Lardeau Creek Valley. It consists of 10 Crown Grants, 24 Staked Claims and a mineral lease.

The property was located early in the eighteen nineties and development and shipments of hand picked highgrade continued from the Silver Cup for approximately 25 years. A mill was constructed in 1903 but the process did not work successfully and it was closed.

No comprehensive exploration or development has taken place in the last 60 years. The favourable structure follows the crest of the Silver Cup anticline, a fold in the Triune formation for a distance of $3\frac{1}{2}$ miles on the claim ground.

Four ore bodies were worked on the Silver Cup and one on the Towser. A total of 9,600 tons of highgrade was shipped assaying about 150 oz. silver, 0.3 oz. gold and 30% lead per ton. About 10,000 tons were milled.

Examinations of the underground in the past suggests that ore still remains in the mine even above #7 level.

Some 40 to 90 thousand tons of broken backfill is in the mine. This material may be of economic grade if an acceptable mining method can be worked out. The probability of finding further ore in the Silver Cup mine is considered to be high. Some of these ore possibilities are on the main shoots below #7 level and other ore shoots parallel to or in line with known ore bodies. Fracture zones between the Blind and Silver Cup ore bodies may possibly be of economic grade and considerable size. Numerous other mineral showings have in the past been found on the property all along the crest of the Silver Cup anticline from Triune Mountain, and Northwest to Lardeau river, a distance of $3\frac{1}{2}$ miles. Another parallel structure is mentioned in old reports as laying East of the Silver Cup mine.

CONCLUSIONS

The claim group here assembled covers some of the most favourable ground for silver deposits in B.C. About $3\frac{1}{2}$ miles of the Silver Cup structure is within the claim ground. The ore indications based on past mining and surface showings are many and the writer feels that the probability of establishing an economic mining operation is high and the probability of finding sufficient Ore to set up a relatively large operation is good.

RECOMMENDATIONS

First Stage

1. Carry out Photo-Interpretation.
2. Construct a topographic map from aerial photographs.
3. Establish a Grid system.
4. Rehabilitate all adit levels and accessible internal workings.
5. Survey portals and underground workings.
6. Geological mapping and sampling of all underground and surface showings, map outcrops, features and dumps.
7. Geochemical survey.
8. Pump out the old mine workings.
9. Rehabilitate lower levels.
10. Survey " "
11. map and Sample " "

Second Stage

Second stage work is dependent on favourable results in Stage 1. Diamond Drilling will be required to follow up leads indicated in Stage 1. It is recommended that generally short holes be drilled. Three Thousand feet of drilling is recommended. The Ore indicated in the Towser adit and on surface below the adit should be examined, drilled and developed by drifting. It is recommended that 500 feet of drifting be carried out following the mineralization discovered on surface below the Towser adit. Five hundred feet of drifting will advance the heading to a point ahead of the face in the Towser Adit. One hundred feet of Raising will connect the two levels. This work should outline a high grade Ore body.

For for this type of work rental of a Scoop Tram will be the most economic procedure.

ESTIMATED COSTSFirst Stage:

1.	Photo- Interpretation	\$ 500.
2.	Topographic Map	1,500.
3.	Grid System	3,000.
4.	Rehabilitation - Silver Cup & Towser 6 men - 2 months	35,000.
5.	Surveying	2,500.
6.	Geological Mapping & Sampling	4,000.
7.	Geochemical Survey	2,500.
8.	Pumping out Lower Levels - Silver Cup	5,000.
9.	Rehabilitation 4 men - 2 months	25,000.
10.	Survey	2,000.
11.	Mapping & Sampling	3,000.
	Camp and Supplies	16,000.
	Supervision	8,000.
	Admin. Travel, Assaying	14,000.
	Contingencies - 10%	12,000.
		<u>\$134,000</u>

Second Stage:

Diamond Drilling 3,000' @ \$18.-/ft.		
on Towser - Yuill surface and Underground		
	Silver Cup	54,000.
	Drifting - 500' @ \$100.-/ft.	50,000.
	Raising - 100' @ 100.-/ft.	10,000.
	Supervision	4,000.
	Geology, Mapping, Core Logging, Sampling	2,000.
	Camp - 2 months	7,000.
	Administration, Travel and Assaying	6,000.
	Contingencies - 10%	14,000.
		<u>\$147,000</u>

G E O G R A P H Y

PROPERTY

The property consists of a contiguous group of 10 Crown Grants and 24 Staked Claims, and 1 separate Mineral Lease.

The Crown Grants are:

Silver Cup	Lot 768
Gold Seeker Fr.	" 1104
Sunshine	" 1564
Towser	" 1565
Excelsior	" 2621
Silver Cup Fr.	" 2622
Excelsior Fr.	" 2625
Mountain	" 2626
Mountain Fr.	" 3052
Gold Bug Fr.	" 3053

The Staked Claims are:

			Work Filed to.
Yuill	Rec. No.	86M	Sept. 19/78
Diamond Jubilee Fr.	"	189H	July, 14/78
Daisy Fr.	"	190H	"
Duke #1-6	"	10219N - 10224N	Oct. 22/78
Cindy #1-2, 5-6	"	10213N - 10214N, 10217N-10218N	"
Sandy #1-5	"	10243P - 10247P	Nov. 12/78
Sandy Fr. #1-2	"	10353H - 10354H	July 9/78
Cindy #9-12	"	10355H - 10358H	"

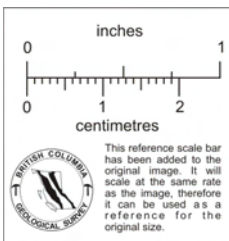
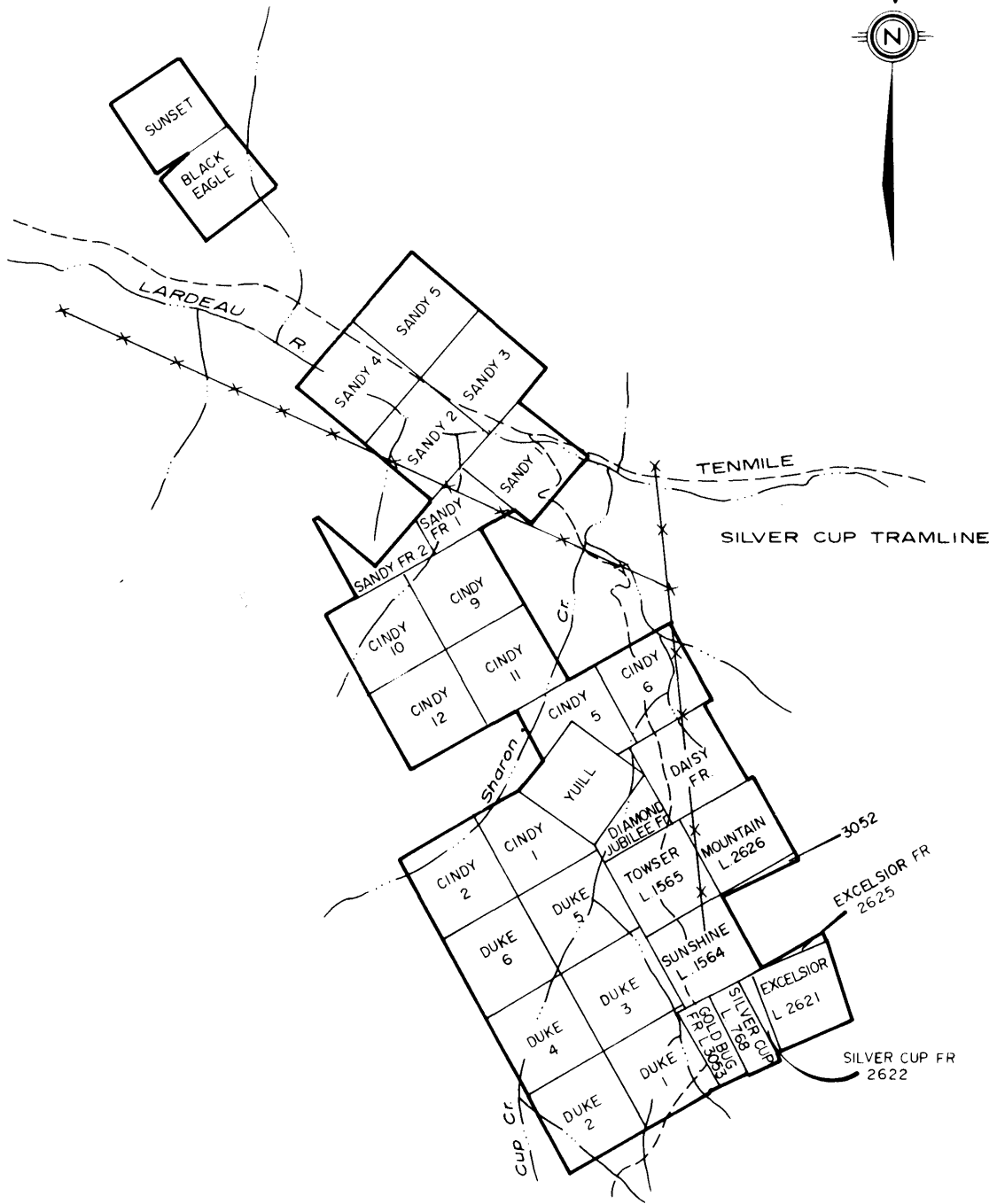
The rental has been paid on all claims till 1976.

A Mineral Lease M66, consisting of Black Eagle Lot 4735 and Sunset Lot 4736, lies on the North-east end of the property and is part of this group but separated from it by about 1,500 feet.

The writer has not examined the claims in the field, but of course the Crown Grants have been surveyed and their location is not in doubt.

The writer examined the recorded ownership at the Mining Recorder and this is listed as True Blue Exploration Ltd., with an agreement registered April 1st, 1974 with Chandler, Murphy Resources & Development Inc. The ownership of most of the Crown Grants is listed as 19/20 and 1/20 to Oliver Milton Daniels.

The writer has not examined any past or present agreements concerning the claims.



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CLAIM MAP

LOCATION AND ACCESS

The claims are located in the Revelstoke Mining Division, near the headwater of Lardeau Creek, on the north slope of Triune mountain. The claims can be reached by road from Trout Lake, a distance of about 12 miles. The first 4 miles of the road is a good all weather dirt road. The next 6 miles are also good but not kept open in winter. The last 2 miles on to the Towser Crown Grant claim are steep and only passable to 4 wheel drive vehicles. The road on the claim ground is in bad shape and requires work.

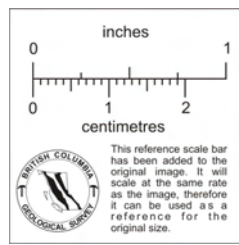
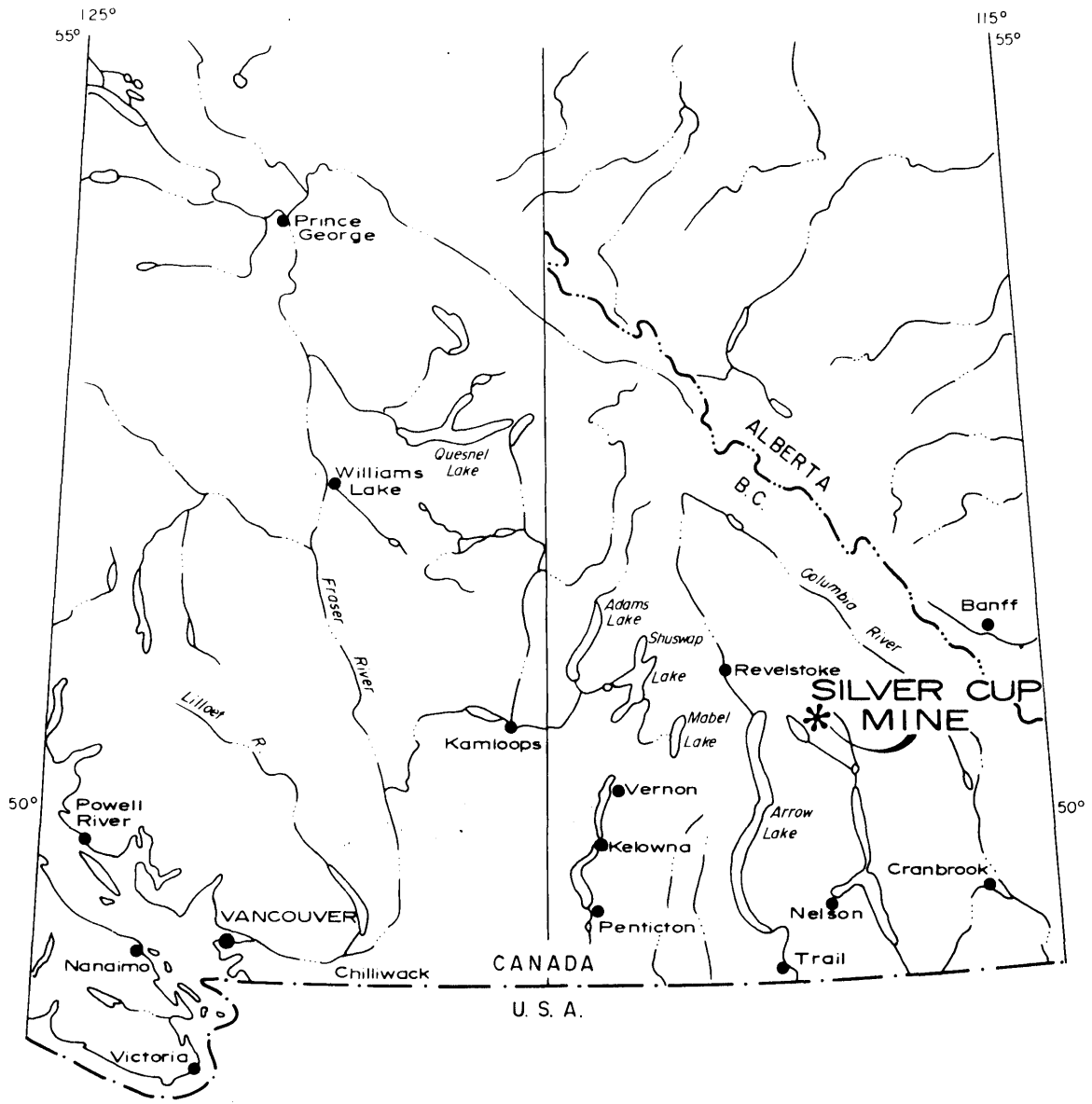
TOPOGRAPHY

The Silver Cup Mine is located on a steep north-facing slope. The lower adit level of the mine is known as #8 adit and is located on the Sunshine Crown Grant. This is at an elevation of 6,050 ft. The top of the mine is at about 6,900 feet where a stope has broken through to surface. The Towser adit lies at an elevation of 5360 feet. Cup Creek traverses the claim ground and Yuill straddles the Creek. The Claim ground continues northward across Sharon Creek and down to and across Lardeau River.

The internal shaft of the Silver Cup Mine has been extended down 482 feet below #7 adit. To reach this level by adit drifting would require collaring an adit on the Towser Crown Grant, and drifting approximately 2,200' to intersect the shaft. To open the ground 500' below the lowest mine workings would require drifting from the creek level for about 3,500'. The topography is very favourable for development of the mines to depth by adit levels.

CLIMATE

The area has a relatively high annual precipitation and the snow may reach 15 to 20' in depth. It covers the ground from mid - October until about April - June depending on elevation. The summers are relatively warm and dry.



LOCATION MAP

HISTORY

PROPERTY FILE

PAST PRODUCTION

Total production from the Silver Cup Mine is reported as 22,544 tons giving 4,978 ozs. Au., 1,419,339 ozs. Ag., 5,684,204 lbs. Pb., or an average grade of 0.22 ozs. Au., 12.6% Pb., and 63.0 ozs. Ag. The extremely low milling recovery has pulled the average grade down.

Production in 1903 for example was:

	Tons	Au oz./T	Ag oz./T	%Pb	%Zn
Jan.	242.2	.72	187.6	24	12.5
Feb.	82.9	.46	175.2	23	13.0
May	240.95	.46	167.1	25.4	13.0
June	183.87	.82	156.6	23.5	14.0
Oct.	109.35	.40	155	28	15.0
Nov.	61.19	.44	153	27.8	14.0
Dec.	55.59	.47	174.7	32	13.0

CHRONOLOGICAL HISTORY

- 1890 The mineral showings were discovered.
- 1892 On Davie (now Sandy #2) a 35' tunnel was driven. The Ore is on the Hanging Wall in small quantities.
- 1893 The Silver Cup Mine was being developed - ore assaying 600 to 1,500 ozs. per ton was discovered.
- 1894 Highgrade ore assaying 150 to 1,200 ozs. Ag. per ton over 18 to 24 inches is reported from the Silver Cup.
- 1896 20 tons were shipped to Tacoma, averaging 400 oz. Ag. per ton - the shaft was sunk to 110 feet, and a 400 foot cross-cut to the vein was put in.
- 1897 The Silver Cup shaft was down to 183 feet and cross-cuts totaling 660 feet were driven during which the Blind vein was discovered laying 60 feet from the Silver Cup vein. Cross-cutting was also done on the Sunshine claim. Shipments averaged 196 ozs. Ag. per ton. Cross-cutting was started on the Towser.
- 1898 2,000 feet of development was done. Cross-cutting cut the Blind vein at 250' and continued to the Silver Cup vein and also "another vein beyond it" ?
650 tons were shipped averaging \$150.-/per ton.
84 feet of cross-cutting and drifting was done on the Black Eagle. Some very good ore is found in a pay streak of 6 inches on the wall.
- 1899 Development totaled 1,300', 150 tons averageing \$148.-/per ton was shipped (60¢ per oz.) from the Silver Cup. The Towser Development totalled 145 feet. Stripping uncovered a strong vein assaying 200 oz. Ag./per ton.
- 1900 Development continued. 265 tons averaging 145 to 150 ozs. Ag., 35% lead and 0.2oz. Au. were shipped from the Silver Cup. Development on the Towser consisted of raising and winz work on the ore. Cross-cutting was done on the Gold Bug. A well mineralized vein 5 feet wide was discovered on the Sunshine by stripping.

- 1901 Development totalled 550' on the Silver Cup. 386 tons were mined and 192 tons shipped which averaged 202 ozs. Ag., 33% lead and 0.4ozs. Au. On the Sunset the vein was drifted on for 70 feet. Concentrate ore was located.
- 1902 Development totaled 500'. 765 tons were mined, 277 tons were shipped from the Silver Cup which averaged 182 ozs. silver.
- 1903 A mill was under construction. Development continued on the Silver Cup and Blind veins. Quartz stringers with some pods of ore were discovered crossing between the veins and also other lenses parallel and close to the veins were discovered.
- Three classes of ore were as follows:
- | | |
|----------------------|-------------------------------------------------|
| Direct Shipping Ore: | 150ozs. Ag., 20% Pb. \$10.-/Au,
12 - 15% Zn. |
| Milling Ore: | 50ozs. Ag., 4% Pb. \$ 8.-/Au,
20% Zn. |
| Stock Pile Ore: | 30ozs. Ag., 3.5% Pb. \$3.5 Au.,
4.5% Zn. |
- 1904 The mill operated from January to June, 10,000 tons were treated giving 615 tons of concentrate, with 37,120 oz. Ag., plus bullion, (this is only 60 oz. Ag., per ton of concentrate, or 1/3 of that in shipping ore).
- 1906 Development totalled 2,065 feet.
700 tons were shipped from the Silver Cup.
Stripping on the Yuill Claim uncovered a strong 4-5' vein.
- 1908 Development totalled 1632 feet on the Silver Cup.
1,593 tons were shipped.
The mine was opened up to a depth of 1,150 feet.
- 1910 Silver Cup development totalled 150 feet. 459 tons were shipped. Two pumps were working to keep the lower levels free of water. When one pump failed the mine gradually flooded to the 700 foot level.
- 1911 The lower workings were pumped out and mining continued.

- 1912 Silver Cup development totalled 460 feet. 320 tons were shipped, averaging 0.14oz.Au., 73ozs.Ag., and 25% Pb.
- 1913 Difficulties pumping the water was encountered, and the lower levels were again flooded. The upper levels were leased out.
- 1914 Leasing on Silver Cup.
To this time a total of 12,000 feet of development had been completed. 9,600 tons of hand picked ore had been shipped. This averaged 150 ozs. Ag., 30% Pb and 0.30ozs. Au per ton.
10,000 tons of ore, mainly stockpiled ore had been milled. Leasing continued for several years.
- 1915 Considerable work was done on the Yuill Claim.
- 1917 Two car-loads were shipped from the Towser. One 25 ton shipment contained 1,400 ozs. of silver.
- 1918 8 men were employed on the Towser and 81 tons of ore were shipped.
- 1937 A 35 ton per day flotation mill was constructed and a 1,700 foot tramway was built.
209 tons of concentrate was produced, averaging 1.1 oz., Au., 112 ozs., Ag., 17% Pb and 16% Zn.
- 1941 The mill operated for sometime, but was shut down when known high grade ore on dumps and in the mine above #7 level were presumably exhausted.
Metal prices were depressed and the company decided not to acquire mining and pumping equipment to open the lower levels of the mine.
- 1952 The property was optioned to Yellowknife Bear Mines who in turn made option with Granby Mining Co.
Roadwork was carried out and #7 level was re-habilitated 1200 feet to the shaft, water was pumped out to below #9 level. Some mapping and sampling was carried out, and some ore grade samples were obtained. Diamond drill holes 200 - 250' long spaced at 300 feet were drilled on #7 level looing for parallel structures. The results were not spectacular, but some mineralized structures were intersected.

During the Christmas holiday the mine flooded and the option was dropped.

1965 A company called Silver Dawn Mines Ltd., acquired the property.

In the early 1970's a company called True Blue Explorations Ltd., leased the property, carried out minor rehabilitation, treated some dump material, and did some stripping.

G E O L O G Y

REGIONAL GEOLOGY

The area contains a thick sequence of highly deformed sedimentary and volcanic rocks, which have been irregularly intruded by widely scattered small masses of Diorite. The rocks have undergone only low grade regional metamorphism. The regional structure consists of a series of tight isoclinal folds trending N 30° 40° W. The axial planes dip steeply and plunges about 5° N W. Dragfold patterns indicate over-thrusting with the south-west limb tending to ride over the north-east limb. The Cup Creek anticline and the complementary syncline to the north-east are major folds in the district. They are separated by a major strike fault. The Cup Creek fault zone which strikes N 30° - 40° W and dips 75° - 80° N E. It is from 50 to 100 feet wide. The north-east side has moved down but the magnitude or displacement is unknown. The mineralization in the district is contained in three belts which trend parallel to the fold axis and the main strike fault pattern. These belts are:

1. The Northern Belt, north of Lardeau River.
2. The Central Belt, coinciding with the Cup Creek anticline and fault. This has been the major producer in the area.
3. Is the south-west belt north of Trout Lake.

The Central Belt ore occurs as replacement and quartz - sulphide vein zones in the sheared, black, silicious argillite of the Triune formation. The mineralization consists of quartz, siderite, pyrite, galena, sphalerite, tetrahedrite and chalcopyrite. The ratio of silver to other minerals is high.

PROPERTY GEOLOGY

The showings are at or near the multiple crested zone of the Silver Cup anticline. No strong faults are identified but a few small cross faults have been seen underground. In the mineralized zone the Triuene formation shows considerable warping, pinching, swelling and drag folding.

Four ore bodies were developed in the Silver Cup mine, the Silver Cup vein, the Blind vein, the Sunshine vein, and the Sunshine cross vein. The three first seem to be an echelon and subparallel bodies in the sheared zone. The ore zones are 50 to 250 feet long, 1 to 10 feet wide averaging 5 feet, and extend as much as 1200 feet vertically and an additional unknown depth below the bottom of the mine. To the north-west the Towser vein lies just outside the mineralized zone, and has a more northerly strike. It is similar to the Silver Cup ore bodies but has not been explored fully along strike or in depth. It is exposed in an adit 175 feet long which shows intermittent mineralization over a 5 foot width. The vein has been traced on surface down to 100 feet vertically below the Towser adit where the vein is reported to be 1 foot to 18 inches of massive galena.

The Silver Cup zone can be traced for several miles, $3\frac{1}{2}$ miles on the claim ground. It is about 50' wide with disseminated mineralization across the full width reported in several places. High grade is frequently found on the foot or hanging wall.

MINERALIZATION AND GRADE

The mineralization consists of galena, sphalerite, freibergite, and pyrite. Minor ruby silver has been reported in the upper level of the Silver Cup Mine. Minor chalcopyrite and arsenopyrite is also present. Gold is associated mainly with pyrite. By far the most important metal in the deposits is silver, which is found in the freibergite. Assays up to 1,300 ozs., Ag per ton have been obtained. Average grade of the better ore of the mine assayed 30 to 50 ozs., Ag per ton.

The average grade of all mining is very uncertain, due to extensive hand cobbing, but a rough calculation indicates 25 ozs. Ag per ton.

ORE CONTROLS

The existence of cross veins of structures are suggested by a pattern of branching drifts from the main ore shoots on several levels. These drifts branch out at about 20° south-east from the main drift. The configuration of the two main ore shoots in the Silver Cup suggest structural control and the cross veins may represent this control. Cross vein or veins are also noted at the Sunshine ore body and the Towser workings are on a cross vein about 200 feet from the favourable Silver Cup structure. The intersection 200 feet ahead of the Towser thus becomes a highly favourable exploration target.

Folding and warping along the main structure may also be a controlling factor in the ore emplacement. The influence of rock alteration on the ore emplacement is not known, nor is the influence of more competent carbonatious beds in the vicinity of the ore. It is highly important that the question of ore control be further investigated.

SILVER CUP MINE

The mine has been developed on 12 levels. The level interval averages 100 feet. Levels 1, 3, 4 and 7 are adit levels while the others are internal levels. An internal shaft connects the #7 level 480 feet down to the #12 level. The total mine depth is 1,200 feet. The adit cross-cuts have the following distance:

#3 adit level goes about 450 feet to reach ore.

#4 level cross-cuts about 700 feet.

#7 is about 1,400 feet, cross-cutting and drifting.

#8 goes in about 900 feet and passes the sunshine ore body but does not reach the main underground levels.

It is not understood whether the Sunshine ore body has been intersected on #8 level.

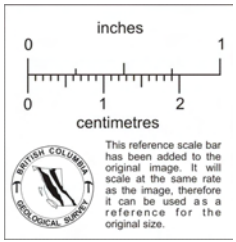
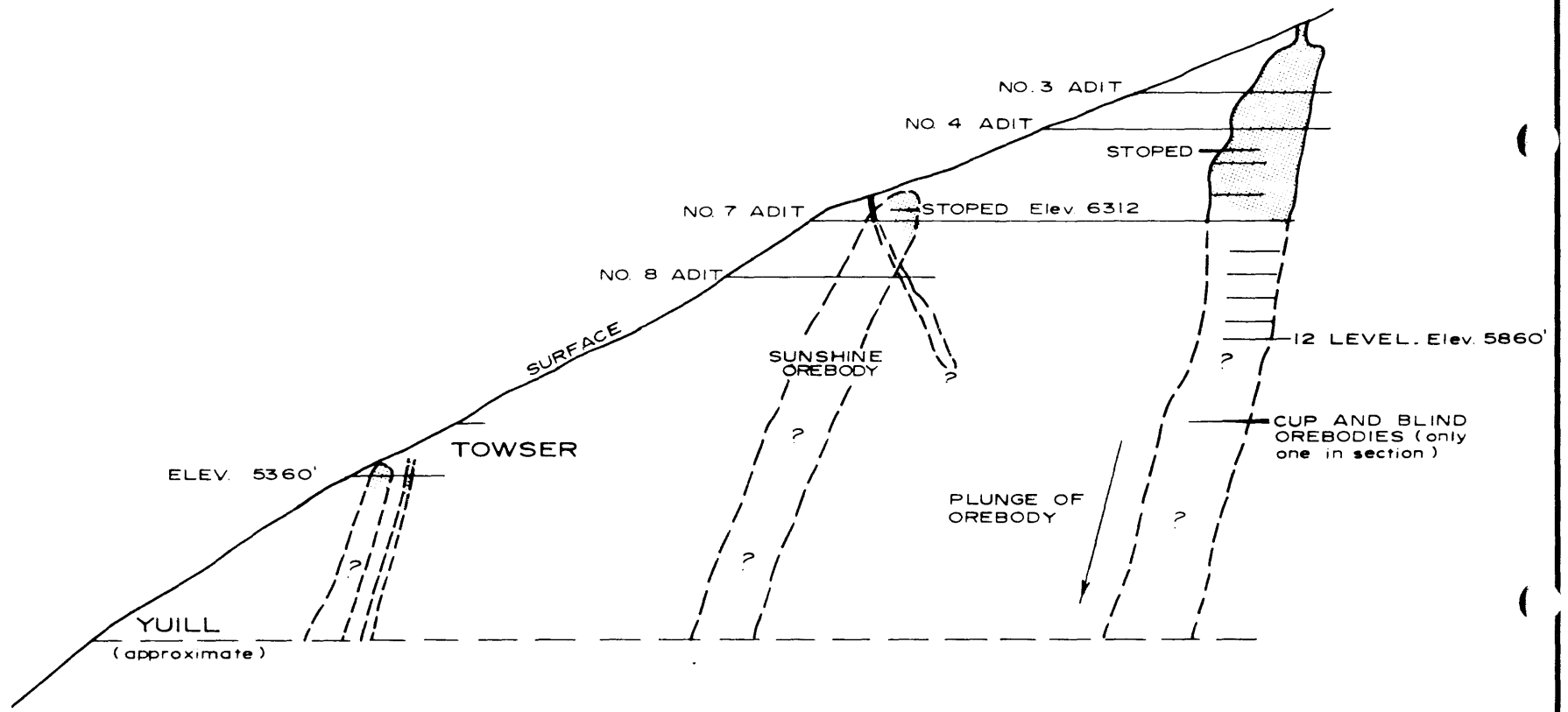
The following details are by W. Hamilton P.Eng., 1951.

On the #1 level the Blind vein has been stoped for about 340 feet. The Silver Cup vein has been stoped two places 60 feet apart. The vein gave the following values between the stopes:

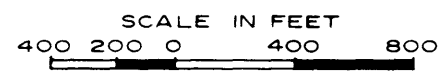
Width	oz Au/T	oz Ag/T	%Pb	%Zn
5'	.20	40.3	9.7	1.2
2.5'	.03	.4	2.3	1.2
3.5'	.44	23.5	1.2	1.2
3.5'	.01	.2	.8	1.1
3'	.10	4.4	1.2	1.6
3.5'	.30	.4	1.2	.06

On the #3 (?) level (The Morgan Cross-cut) the Blind vein was stoped for 200 feet followed by 70 feet where the drift back averaged. 0.05 oz Au, 2.3 oz Ag, 1.1% Pb and 2.0% Zn across 3 feet. This was followed by another short stoppe which is 20 feet high. The back of the stoppe assayed as follows:

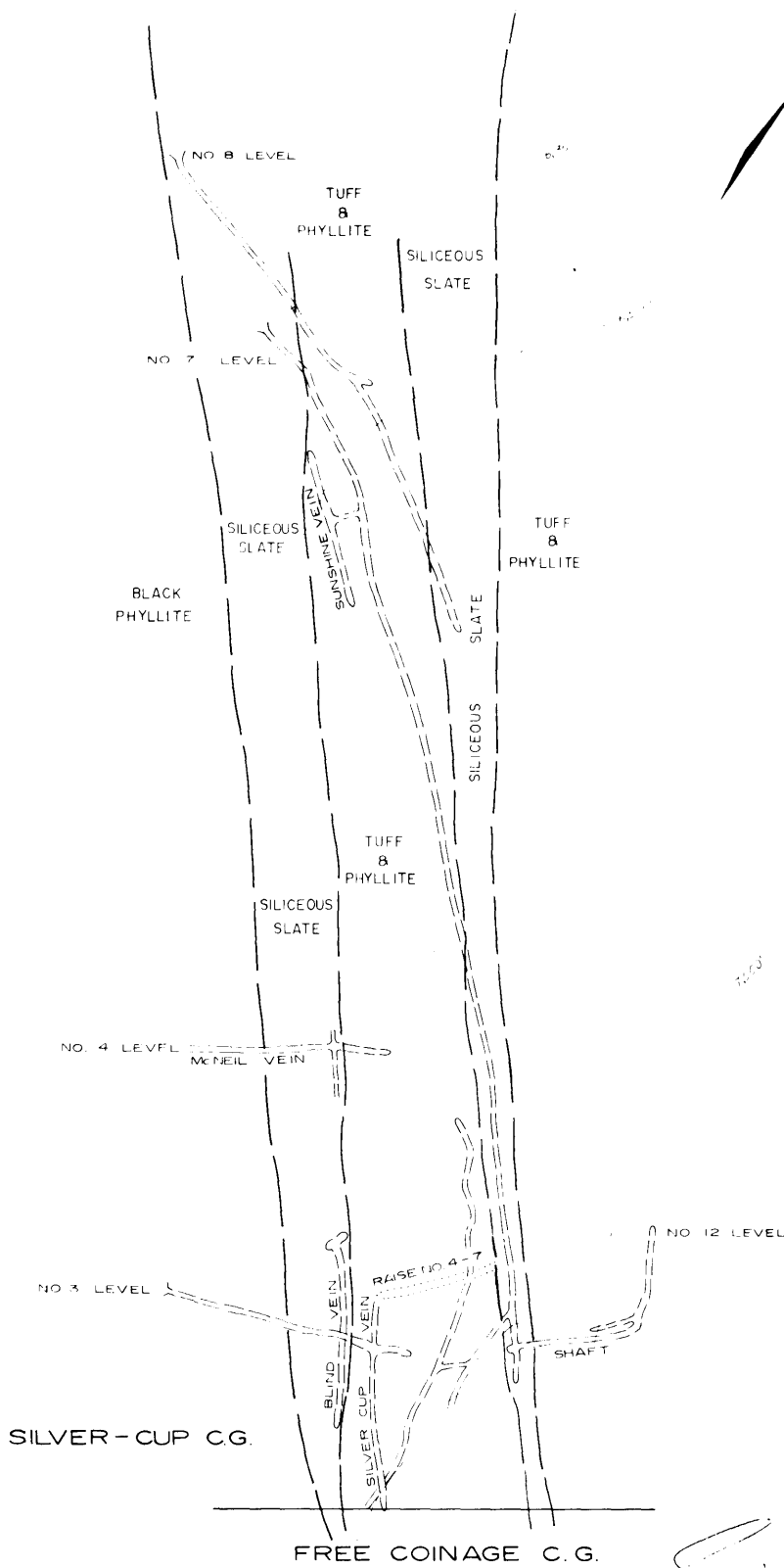
Width	oz Au/T	oz Ag/T	%Pb	%Zn
2.5'	.02	.10	.8	3.0
3.5'	.16	18.0	5.4	6.2
3.5'	.17	19.4	3.1	7.1
4.5'	.16	22.0	1.6	.8



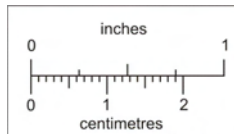
SILVER CUP-TOWSER
MINE AREA
LONGITUDINAL SECTION



SILVER CUP STRUCTURE

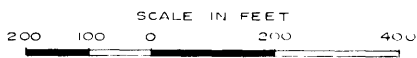


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SILVER CUP MINE
COMPOSITE PLAN



Further on in the south-east end of the drift a 15 foot raise assayed .14 oz. Au, 10.0 oz. Ag, 0.8% Pb, and 2.0% Zn. The Silver Cup lead was stoped for 200 feet. The north-west end shows low but encouraging values.

On the #7 level (Sunshine Cross-cut) carbonatization in Greenstone (Dyke?) is found 240 feet from the portal. It is mineralized with stringers running generally northerly. A sample assayed .03 oz Au, 4.0 oz. Ag, 0.9% Pb and 8.2% Zn across 3 feet. Another carbonate zone assayed .12 oz. Au, 4.4 oz. Ag, 2.7% Pb and 3.1% Zn across 3 feet. On the north-west side of the Sunshine raise good ore can be seen up the raise. The only accessible part at the bottom assayed .08 oz. Au, 6.0 oz. Ag, 2.8% Pb and 10.7% Zn across 3 feet. The Silver Cup vein has been stoped and timbered. Stoping has also been carried out on a cross vein. The Blind vein has also been stoped and timbered. It is not accessible as an underhand stope is full of water but a 5 foot quartz vein well mineralized can be seen.

THE TOWSER MINE

The cross-cut is 180 feet long. The vein has been drifted on for 175 feet and is about 5 feet wide but mineralized over widths of from 2 to 5 feet. The drift then followed wrongly the schistosity for 100 feet. A raise has been driven to surface and some stoping has been done. Records show 25 tons shipped containing 1,400 oz. Ag, and 81 tons of unknown metal content. Sampling in 1972 (A. Mackenzie, P.Eng) assayed 8.67 oz. Ag, 22.0% Pb and 6.3% Zn at the Towser raise and 22.0 oz. Ag, 34.48% Pb and 1.15% Zn on the vein at an undisclosed location.

THE YUILL CLAIM

An adit of unknown length has followed one of three veins located. Recent trenching has again opened a zone, probably the main Silver Cup structure. It shows mineralization across 40 feet and high grade (Ag - Pb) across 14 inches.

Angus MacKenzie P. Eng., took a sample of the schist in the Silver Cup structure on the Yuill in 1972. It assayed .017 oz. Au, 3.68 oz. Ag, 3.39% Pb and 0.21% Zn, and another 7.06 oz. Ag, 8.45% Pb. The vein was also sampled in 1912 by J. V. Richards and shows surprisingly high gold values. The assays were:

1.04 oz. Au, 33 oz. Ag, and 26.5% Pb

0.6 oz. Au, 9.4 oz. Ag, and 9.6% Pb

0.8 oz. Au, 57 oz. Ag, and 34% Pb - Picked High grade.

Mr. K. Christie, P. Eng., took samples in the same area which assayed .78 oz. Au, and 1.4 oz. Ag, across 14 inches.

SHOWINGS IN LOWER SHARON CREEK (OLD RELIABLE & SHARON)

The vein has been exposed in several places on surface and consisted of 3 feet of "concentrating ore". A cross-cut was started. It is not known if it reached the vein.

Other showings higher up Sharon Creek (North Star) indicate that two parallel zones exist. This either strengthens the case for another zone parallel to the Silver Cup or the lower zone could be the northern extension of the cross-cutting Towser vein.

In the Lardeau River Valley on the old Parsborro claim a cross-cut was started in 1919. It reached the vein below surface showings and "a nice showing of ore" is reported.

On the Black Eagle, L4735, the zone is about 60 feet wide. The vein is 14 inches wide and averages 100 oz. Ag/Ton.

On the Sunset L 4736 a drift was driven on the vein for about 70 feet. "Concentrating ore was met within the workings". These showings are scattered along a length of $3\frac{1}{2}$ miles.

UNDERGROUND BROKEN ORESILVER CUP:

The only stope outline available is of the Blind vein above #7 level. This indicates some 50 to 60 thousand tons were mined. The same amount may have been mined from the Silver Cup vein. Smaller amounts were mined from below #7 level and on the Sunshine and Sunshine cross-cut ore bodies. A total amount of about 120 to 160 thousand tons were probably mined. 20 thousand tons were shipped or treated, 50 to 60 thousand tons are found on dumps, therefore somewhere between 40 and 90 thousand tons remain in the stopes as backfill. The grade of this material is unknown. At the time the mines were producing, zinc carried a penalty at the smelter so any muck high in zinc would be sorted out first in the stopes. The zinc carries silver values. All development and stope preparation muck necessarily went out on the dumps as development started from the top. The backfill is therefore sorted stoping muck and may be higher in grade than the dumps.

The underground must be surveyed and the amount of backfill calculated. Wherever it is accessible it should be sampled. It is probable that this material will contain sufficient minerals that it can be treated at a profit, providing a reasonable extraction method can be found. The material may come out easily but some blasting will probably be necessary to shake it loose. Oxidation will have penetrated the fragment to some extent, but reportedly some testing has been carried out showing that reasonable recoveries can be obtained.

TOWSER MUCK:

Mr. K. Christie reports that about 500 tons lies in the Towser stope. A sample he took of this muck assayed .26 oz. Au, 16.8 oz. Ag, and 4.26 lb.

(Dept. of Mines Ottawa)

Sample Assay:

Au	.011	oz./Ton
Ag	11.46	"
Pb	3.23%	
Zn	3.68	
Fe	7.77	
S	7.38	
As	0.04	

	<u>Weight %</u>	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
Pb - Conc.	13.67	.51 oz/T	69.62 oz/T	21.49%	5.48%
% Recov.		63.95	79.08	87.5	20.57
Zn - Conc.	12.90	.29 oz/T	11.66 oz/T	.86%	21.08%
% Recov.		22.67	12.50	3.31	74.60
Total Recov.	26.57	86.62%	91.58%	90.81%	95.17%

The concentrates are an average of the lead concentrate and the lead middling and the zinc concentrate and the zinc middling. The total recoveries are satisfactory but the concentration ratio and concentrate grade could be improved by further cleaning at some cost in recovery.

FURTHER ORE POSSIBILITIES

The primary areas where further ore may be located are :

1. Development of known ore shoot on the Towser.
2. On the main ore shoots below #7 level at Silver Cup
3. Lower grade on the main shoots above #7 level
4. Extensions of present veins north or south
5. New ore shoots parallel to the present ore shoots in the hanging wall or foot wall.
6. Cross cutting ore shoots between the present ore shoots or outside of them.
7. Fracture zones and low grade ore surrounding present ore shoots or between the Silver Cup and Blind ore shoot.
8. Extensions below the present ore shoots.
9. Replacement ore in limestone beds or carbonated dykes.

DISCUSSION OF ORE POSSIBILITIES

1. The known ore shoot in the Towser adit and on surface below the adit should be opened up and evaluated by drifting.
2. There is very little doubt that considerable ore of good and very high grade remains on the main ore shoots below #7 level. The shaft was deepened in 1908 and about 2,000 tons were shipped in 1908 and 1909. In 1910 the lower levels flooded. They were pumped out again in 1911 but flooded again in 1913. Active mining was being carried out at the time and 320 tons were shipped in 1912. In the three or four years the lower levels were open only since 2,500 tons were shipped and this was not all from the lower levels. As a means of speculating on amount of ore below the level the following calculations can be made. Silver Cup and Blind veins ore was about 250 feet long and probably averaged some 5 feet wide on #7 level. This gives 250 tons per vertical foot. The ore on one of these shoots at least, is known to go down

to the bottom level. If it is assumed that the ore from #7 level down to the bottom level 480 feet lower decreases uniformly from 250 tons per vertical foot to zero tons per vertical foot then the speculative tonnage may be -

$$\frac{250 + 0}{2} \times 480 = 60,000 \text{ tons}$$

not a particularly large tonnage but it must be kept in mind that this speculative material may grade very high in silver.

3. Some lower grade has been left on the upper level surrounding the mined out high grade core. It may however be difficult to mine due to already mined openings.
4. The known ore structures should be carefully investigated north and south. The structures extend $3\frac{1}{2}$ miles to the boundaries of the present property. In the south end washed schist mineralized across 2 feet is found near the boundary to the Free Coinage Crown Grant. And a government report considers this very favourable. The probability of finding other ore shoots along the known structures is considered high, as a number of showings are known to the north.
5. Parallel structures may be found on the hanging wall or foot wall side of the ore bodies. The structural controls which placed two ore bodies side by side may have given rise to a third or a second ore body may be found parallel to the Sunshine ore body. Until a fuller understanding of the ore controls is obtained precise exploration targets for this type of ore can't be outlined. Indications in the old reports may suggest that other parallel zones were known, i.e. the minister of mines report 1898 has the wording " at 250' cut the Blind vein and continued the cross-cut to the Silver Cup vein and another beyond it."

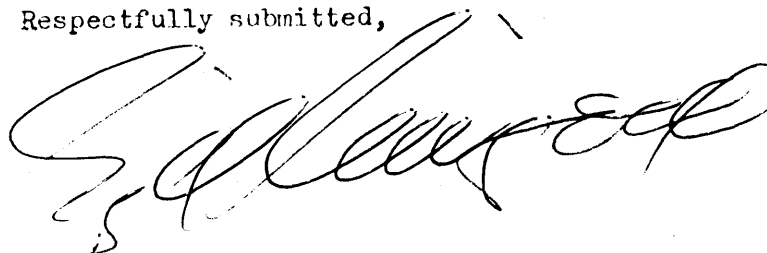
Drift development (below #7? not clear from the reports) outside the Blind and Silver Cup veins suggest that other ore was known. The probability that parallel ore shoots will be found is considered to be good.

6. Two cross-cutting ore shoots are known. One strikes $N60^{\circ}E$ and dips steeply south-east. It is located near the Sunshine ore body about 200 feet from the #7 portal. It is exposed on surface and a sample over 1 foot assayed 4.0oz. silver. Old reports mention that it widened out to 7 feet. The Towser vein is also a cross-cutting structure striking northerly. The intersection of this structure with the Silver Cup zone is a primary exploration target. A number of cross-cutting structures are found between the Blind and Silver Cup ore bodies and some of these have been of ore size and grade. B.C. Bulletin 45 1962 mentions development work on the lower levels on many cross-cutting structures. The probability of finding further small ore shoots on cross-cutting structures is considered good.
7. In connection with the exploration of the cross-cutting structures the possibility of the existence of a sufficient stock work of parallel and crossing mineralization between the Blind and Silver Cup to form a 25 to 60 foot wide mineable ore zone should be investigated. B.C. memoir 161 1929 mentions that at a point where the structures are 25 feet apart the intervening material is all quartz sparingly mineralized with sulphides. The probability of finding such an ore body is however, considered to be low.
8. The main ore shoots are deep. The Silver Cup ore body was developed over a vertical distance of 1,200 feet. Stoping was carried out on #12, the bottom level, and the probability is high that it will extend at least a small distance below the level. The Blind ore body was developed to level #10. This could be the bottom of the ore shoot or it may simply not have been developed on #11 and #12 levels.

The Sunshine, and Sunshine cross-out ore bodies have apparently not been developed below # 7 level and the probability is very high that they extend below the level. The vertical continuity of the ore bodies are remarkable.

9. Where veins cross carbonate dykes the dykes have been replaced in part by sulphides. Limestone beds would be equally or more susceptible to replacement. The probabilities of finding such ore in significant quantity may be low but if the right type of structure and rock type should be found in conjunction a very significant ore body may exist. The ore possibilities are numerous and a comprehensive exploration program should be carried out.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Egil Livgard', written in a cursive style.

EGIL LIVGARD, BSc., P.Eng.

REPORT
ON
THE SURFACE DUMPS
AT THE SILVER CUP MINE

LIVGARD CONSULTANTS LTD.
E. Livgard, B.Sc., P.Eng.
Coquitlam, B.C.
Feb. 16th, 1976.

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INTRODUCTION

The writer examined the surface at the Silver Cup Mine on Aug. 15th, 1975 accompanied by Mr. Murry Zulps and Mr. J.J. Oberbillig, and at the same time examined the dumps for sulphide content at various levels. The writer took no samples as considerable time and effort has been expended by other engineers in the past in an attempt to obtain representative results.

This report is based on reports as listed in the references.

The report is written for Standard Anchor Investments Ltd., of 705- 900 West Hastings St., Vancouver. B.C.

SUMMARY

Not less than four reports give estimates of the dumps.
All reports agree on about 40,000 tons being recoverable
from the mine dumps.

The grade estimates based on sample assays are as follows:

	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
E. H. Lovitt	0.06 ozs.	5.1 ozs.	1.3%	0.8% #3 dump only.
W. Hamilton P. Eng.	0.08 "	6.7 "	1.7%	1.5%
E. R. White	0.117 "	38.36 "	6.7%	12.7%
A. H. Manifold. P. Eng.	Tr.	5.67 "	1.31%	0.64% not dump #4

The writer feels that the sampling by Lovitt, Hamilton and H. Manifold, being in fair agreement, are probably of high accuracy, and the sampling has no doubt been carried out competently and conscientiously. Mr. E. Lovitt sampled #3 dump only and Mr. A. Manifold did not sample #4 dump.

The results from these three reports give the following averages

No. 1.	3,000 Tons	.075 oz. Au,	10.98 oz. Ag,	1.78 % Pb,	and 2.28% Zn.
" 2.	3,000 Tons	.055 oz. Au,	12.61 oz. Ag,	2.15% Pb,	and 1.03% Zn.
" 3.	20,000 Tons	.05 oz. Au,	4.51 oz. Ag,	1.36% Pb,	and 1.18% Zn.
" 4.	15,000 Tons	.09 oz. Au,	7.0 oz. Ag,	2.0% Pb,	and 1.6% Zn.

For a total of:

41,000 Tons grading:

.07 oz. Au, 6.52 oz. Ag, 1.68% Pb, 1.40% Zn per ton.

The net Smelter Return on this material may be about \$30.-/Ton.

No. 1 and No. 2 dumps show a net Smelter Return of about \$14.-
and Dump No. 4 \$35.-/per Ton.

Dump No. 3 gives about \$22.-/ per ton.

RECOMMENDATIONS

It is recommended that check sampling be done on the dumps using a Power Auger and a Front End Loader.

The sampling should have the following objectives:

- a. Check over all grade of the dumps.
- b. Check the grade of various size fractions, with a view to upgrading the material by screening.
- c. Sample rejects can be used for concentration testing.

The dumps should be measured and tonnages recalculated.

Negotiations should be carried out with portable mill owners regarding costs of treating the dumps.

ESTIMATED COSTS OF RECOMMENDATIONS

1.	Sampling, screening, measuring, and assaying	\$4,500.
2.	Concentration Testing	1,500.
		<hr/>
		\$6,000.
	Contingencies	1,000.
		<hr/>
		<u>\$7,000.</u>

VALUE OF THE DUMPS

metallurgical tests indicate that recoveries may be as high as 90% which is surprising in view of the oxidized surface look of the material. If it is assumed that 20% is lost in milling and another 20% is lost during smelting and in smelter charges the net smelter return of these dumps at present prices (\$4.00.-/oz. Ag., \$150.-/Au., 18c/lb Pb, 35c/lb Zn) will be \$30.62 per ton, or a total of 1.25 million dollars for the 41,000 tons. It seems very probable that a good net profit could be realized from treating the dumps.

TREATMENT

If the dump material is treated in conjunction with mine ore in an eventual mill on the property, then the indicated metal content should give a good profit as milling and moving costs should not exceed \$20.- per ton.

If the dumps were to be treated separately in a small (50 T/D) portable mill, then certainly dump #1, 2, and 4 should be treated first as dump #1 and 2 have a net smelter return value of \$44.-/T and dump #4 \$34.- per ton. The costs would probably run to \$30.- per ton and dump #3 may not be economically treatable.

PAST REPORTSReport by E. H. Lovitt, Sept. 26th, 1943.

No. 7 level dump tonnage is probably in the neighborhood of 40,000 tons with accessible tonnage not in excess of 20,000 tons.

Preliminary sampling indicates a grade of .06 oz. Au, 5.1 oz. Ag, 1.3% Pb and 0.8% Zn.

A limited quantity of high grade material, a product of the sorting sheds, is found on the #7 level. It is probably less than 1,000 tons and preliminary samples grade .24 oz. Au, 25.0 oz. Ag, 7% Pb and 12% Zn.

Report by W. S. Hamilton P. Eng., Oct. 25th, 1951.

Very conservative estimates were made of dump tonnages. Pits were dug down 2 - 3 feet deep spotted throughout the dump areas at regular intervals.

#1 Dump - 3,000 Tons

Average of 24 samples:

.15 oz. Au, 14.85 oz. Ag, 2.5% Pb and 3.4% Zn.

#2 Dump - 3,000 Tons

14 Samples were taken.

Among these was a high silver assay of 123.6 ozs. An average was first worked out, then this average was substituted for the high assay, and the average again worked out. A cut value of .11 oz. Au, 11.80% Ag, 1.5% Pb and 1.7% Zn was obtained.

#3 Dump (#7 Sunshine Level)

Calculations were made on the easily available dump and these closely checked Lovitt's 20,000 Tons and this figure was accepted. Below this dump 10,000 tons can be retrieved by scraper operation.

Nine samples were taken and averaged .09 oz. Au, 3.86 oz. Ag, 1.6% Pb and 2.15% Zn.

#4 Dump - At the terminal of the "tram-line."

A very conservative tonnage of 15,000 tons was calculated.

Ten samples were taken and averaged:

.09 oz. Au, 7.0 oz. Ag, 2.0% Pb and 1.6% Zn.

Mr. W. Hamilton comes up with a total of 41,000 tons, without considering dumps that need be scraped, with an average grade of .08 oz. Au, 6.7 oz. Ag, 1.7% Pb, and 1.5% Zn.

Report by E. R. White, June 2nd - July 15th, 1965.

The dumps were measured and tonnages calculated. A 6" Power Auger was used to obtain samples. 5 were taken from #1 dump, 5 from #2, 11 from #3 (#7 level), 10 from #4 (Terminal of tram-line).

The tonnages arrived at were:

#1	3,000 Tons
#2	3,000 "
#3	20,000 "
#4	15,000 "

The composite average of the 31 samples is given as:

.17 oz. Au, 38.36 oz. Ag, 6.75% Pb, and 12.75% Zn.

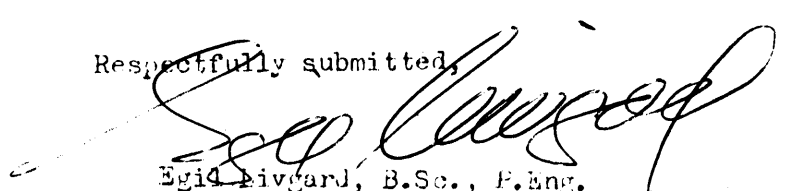
Report by A. E. Lanifold, Sept 26th, 1969.

	<u>Estimated Tonnage</u>	<u>Ag. oz./T</u>	<u>Au. oz./T</u>	<u>Pb%</u>	<u>Zn%</u>
#1.	3,000	7.11	Tr	1.05	1.15
#2.	3,000	13.42	Tr	2.80	.36
#3	30,000	4.75	Tr	1.19	.60
Total:	36,000	5.67	Tr	1.31	0.64

Report by E. J. Christie, Nov. 25th, 1972.

"There is therefore a very large tonnage as backfill and dumps which contains approximately .3 oz. Au, 25- 35 oz. Ag, 4.5% Pb, and some zinc".

Respectfully submitted,


Egil Livgard, B.Sc., P.Eng.

REFERENCES

Report on the Silver Cup Mine

E. P. Lovitt, Sept. 26th, 1943.

Silver Cup Mine Preliminary Report

W. S. Hamilton, Oct. 25th, 1951.

Silver Cup Mine

E. A. White, June 2nd - July 15th, 1965.

Silver Dawn Mines Ltd., Ferguson Property

A. H. Canifold, P.Eng., Sept. 26th, 1969.

Report on the Silver Cup, Towser, Yuill, and Related Properties

K. J. Christie, P.Eng. Nov. 25th, 1972.

LIVGARD CONSULTANTS LTD.

1990 King Albert Ave.

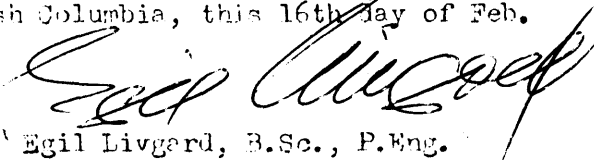
Coquitlam, B.C.

CERTIFICATE

I, EGIL LIVGARD, with business and residential address in Coquitlam, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, B.Sc., 1960, Geological Sciences.
3. I am a Member of the Association of Professional Engineers of the Province of British Columbia.
4. From 1960 to 1970, I was engaged in mining and exploration geology in Canada and Norway.
5. I have practiced as a Consultant in Vancouver since 1970.
6. I have not, directly or indirectly received, nor do I expect to receive, any interest, directly or indirectly, in the properties described herein, or in any company which has an interest in these properties, or any affiliate, and I do not beneficially own, directly or indirectly, any securities in any such company.

DATED at Coquitlam, British Columbia, this 16th day of Feb. 1976.


Egil Livgard, B.Sc., P.Eng.
Coquitlam, British Columbia

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd.)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

FEBRUARY 28, 1976

MacGillivray & Co.
Chartered Accountants

MacGillivray & Co.

Chartered Accountants

101 - 626 West Pender Street
Vancouver V6B 4J1 Canada
(604) 684-0384 Cable "Charts"

International:
Leidesdorf MacGillivray & Co.
Moore MacGillivray & Co.

Vancouver
Edmonton
Calgary
Winnipeg
Listowel
Port Colborne
St. Catharines
Brampton
Hamilton
Toronto
Montreal

AUDITORS' REPORT

To the Shareholders
of C.T. Exploranda Ltd. (formerly Junex Resources Ltd.)

We have examined the balance sheet of C.T. Exploranda Ltd. (formerly Junex Resources Ltd.) as at February 28, 1976 and the statements of deficit, changes in financial position, deferred exploration and development costs and deferred administration costs for the year then ended. 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 these financial statements present fairly the financial position of the company as at February 28, 1976, the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The comparative figures for 1975 were reported on by other auditors.

MacGillivray & Co.

Vancouver, Canada
March 25, 1976

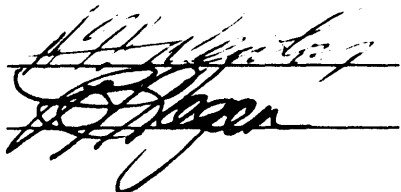
CHARTERED ACCOUNTANTS

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

BALANCE SHEET AS AT FEBRUARY 28, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
ASSETS		
CURRENT		
Cash	\$ 3,532	\$ 1,860
Advance on mineral property option (Note 6b)	10,000	-
Expense advances (Note 2)	2,127	-
Accounts receivable	-	100
	<u>15,659</u>	<u>1,960</u>
 MINERAL PROPERTIES, at cost (Notes 1b and 3a)	 <u>16,700</u>	 <u>113,100</u>
 FIXED (Note 1c)		
Office equipment, at cost	795	-
Less - Accumulated depreciation	<u>265</u>	<u>-</u>
	<u>530</u>	<u>-</u>
 DEFERRED COSTS (Notes 1a and 1b)		
Exploration and development	3,979	17,552
Administration	3,967	33,175
Incorporation	<u>1,410</u>	<u>1,410</u>
	<u>9,356</u>	<u>52,137</u>
	<u>\$ 42,245</u>	<u>\$ 167,197</u>
 LIABILITIES		
CURRENT		
Accounts payable	\$ <u>47,539</u>	\$ <u>150</u>
 CAPITAL STOCK AND DEFICIT		
CAPITAL STOCK (Notes 4 and 6b)		
Authorized 3,000,000 shares of no par value		
Issued and fully paid 2,127,825 shares (1975 - 1,655,825 shares)	324,918	214,162
 DEFICIT	 <u>(330,212)</u>	 <u>(47,115)</u>
	<u>(5,294)</u>	<u>167,047</u>
	<u>\$ 42,245</u>	<u>\$ 167,197</u>

APPROVED BY THE DIRECTORS



C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

STATEMENT OF DEFICIT

FOR THE YEAR ENDED FEBRUARY 28, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
MINERAL PROPERTIES ABANDONED DURING THE YEAR (Note 3b)		
Cost of claims	\$125,100	\$ -
Related deferred exploration and development costs	71,267	-
Related administration costs	<u>86,730</u>	<u>-</u>
INCREASE IN DEFICIT FOR THE YEAR	283,097	-
DEFICIT - BEGINNING OF THE YEAR	<u>47,115</u>	<u>47,115</u>
DEFICIT - END OF THE YEAR	<u><u>\$330,212</u></u>	<u><u>\$47,115</u></u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED FEBRUARY 28, 1976
 (with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
SOURCE OF WORKING CAPITAL		
Proceeds from issue of capital stock for		
- Cash (net of commissions) (Note 4b)	\$110,756	\$55,000
- Mineral properties	<u>-</u>	<u>18,600</u>
	<u>110,756</u>	<u>73,600</u>
APPLICATION OF WORKING CAPITAL		
Acquisition of mineral properties for		
- Cash	28,700	19,500
- Capital stock	<u>-</u>	<u>18,600</u>
	<u>28,700</u>	<u>38,100</u>
Acquisition of fixed assets	<u>795</u>	<u>-</u>
Deferred exploration and development costs	<u>57,694</u>	<u>9,622</u>
Deferred administration costs	57,522	25,142
Depreciation, an item not affecting working capital	<u>265</u>	<u>-</u>
	<u>57,257</u>	<u>25,142</u>
	<u>144,446</u>	<u>72,864</u>
(DECREASE) INCREASE IN WORKING CAPITAL FOR THE YEAR	(33,690)	736
WORKING CAPITAL - BEGINNING OF THE YEAR	<u>1,810</u>	<u>1,074</u>
WORKING CAPITAL (DEFICIENCY) - END OF THE YEAR	<u><u>\$(31,880)</u></u>	<u><u>\$ 1,810</u></u>

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

FOR THE YEAR ENDED FEBRUARY 28, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
KOOTENAY MINING DIVISION, BRITISH COLUMBIA (Note 3a)		
EXPENDITURES		
Consulting and engineering	\$ 3,488	\$ -
Taxes and fees	186	-
Travel and accommodation	<u>306</u>	<u>-</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS FOR THE YEAR AND AT THE END OF THE YEAR	<u>3,980</u>	<u>-</u>
WHITEHORSE MINING DIVISION, YUKON (Note 3b)		
EXPENDITURES		
Assays	303	-
Consulting and engineering	27,817	-
Helicopter rentals	20,142	-
Supervision	<u>3,000</u>	<u>-</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS FOR THE YEAR	51,262	-
WRITTEN OFF TO DEFICIT DURING THE YEAR	<u>51,262</u>	<u>-</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - END OF THE YEAR	<u>-</u>	<u>-</u>
MAYO MINING DIVISION, YUKON AND KAMLOOPS MINING DIVISION, BRITISH COLUMBIA (Note 3b)		
EXPENDITURES		
Consulting and engineering	2,400	9,082
Taxes and fees	<u>52</u>	<u>540</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS FOR THE YEAR	2,452	9,622
DEFERRED EXPLORATION AND DEVELOPMENTS COSTS - BEGINNING OF THE YEAR	<u>17,552</u>	<u>7,930</u>
WRITTEN OFF TO DEFICIT DURING THE YEAR	20,004	17,552
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - END OF THE YEAR	<u>20,004</u>	<u>-</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - END OF THE YEAR	<u>-</u>	<u>-</u>

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

FOR THE YEAR ENDED FEBRUARY 28, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
TOTAL		
DEFERRED EXPLORATION AND DEVELOPMENT COSTS FOR THE YEAR	\$57,694	\$ 9,622
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - BEGINNING OF THE YEAR	<u>17,552</u>	<u>7,930</u>
	75,246	17,552
WRITTEN OFF TO DEFICIT DURING THE YEAR (Note 3b)	<u>71,267</u>	<u>-</u>
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - END OF THE YEAR	<u>\$ 3,979</u>	<u>\$17,552</u>

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

STATEMENT OF DEFERRED ADMINISTRATION COSTS

FOR THE YEAR ENDED FEBRUARY 28, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
EXPENDITURES		
Audit	\$ 2,613	\$ 805
Accounting and office services	3,525	-
Bank charges and interest	560	200
Depreciation	265	-
Dues and subscriptions	200	102
Legal	13,481	6,162
Licenses and filing fees	2,900	4,800
Management and consulting fees	8,650	5,850
Office rent	5,405	-
Office supplies	525	582
Printing	2,042	2,362
Promotion and entertaining	7,805	2,111
Registrar and transfer fees	1,564	1,557
Telephone and telex	2,601	-
Travel and accommodation	4,386	611
Wages	<u>1,000</u>	<u>-</u>
DEFERRED ADMINISTRATION COSTS FOR THE YEAR	57,522	25,142
DEFERRED ADMINISTRATION COSTS - BEGINNING OF THE YEAR	<u>33,175</u>	<u>8,033</u>
	90,697	33,175
WRITTEN OFF TO DEFICIT DURING THE YEAR (Note 3b)	<u>86,730</u>	<u>-</u>
DEFERRED ADMINISTRATION COSTS - END OF THE YEAR	<u>\$ 3,967</u>	<u>\$33,175</u>

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd. - Note 6a)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 1976

1. SIGNIFICANT ACCOUNTING POLICIES

a. Deferred Costs

The company is in the development stage and has established a policy of deferring all costs relating to exploration projects, including related administration costs, until such time as the projects are put into commercial production, abandoned or sold.

b. Values

The amounts shown for mineral properties and deferred costs represent costs to date and do not necessarily reflect present or future values.

c. Depreciation

Depreciation of fixed assets is calculated at 33 1/3% per annum on the straight-line method.

2. ADVANCES

Advances to an officer of the company for future expenses amounted to \$275 at February 28, 1976.

3. MINERAL PROPERTIES, at cost

a. By an agreement dated September 3, 1975 the company acquired an assignment of an agreement to purchase 7 crown granted mineral claims in the Kootenay Mining Division, British Columbia, together with five acres of land for the following consideration:

Cash - paid during the year	\$16,700	<u>\$16,700</u>
- upon financing the claims into commercial production	<u>50,000</u>	
	\$66,700	
		<u>Number of Shares</u>
Shares - by December 7, 1975	10,000	
- by March 5, 1976	25,000	
- by June 5, 1976	25,000	
- upon completion by the company of exploration expenditures totalling \$100,000 and approval by the appropriate regulatory authority of an engineer's report recommending a further work programme of a minimum of \$100,000	100,000	
- upon financing the claims into commercial production	<u>150,000</u>	
	310,000	

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 1976

3. MINERAL PROPERTIES, at cost (continued)

Shares (continued)

The issue of the shares is subject to the receipt by the appropriate regulatory authorities of satisfactory progress reports on work on the property. No such reports have yet been received, therefore the 10,000 shares due to be issued on December 7, 1975 and the 25,000 shares due to be issued on March 5, 1976 have not been issued.

Royalty - 5% of net smelter returns received by the company for all minerals produced from the property.

b. The company abandoned the following mineral claims during the year:

- (i) 2 crown granted mineral claims in the Kamloops Mining Division, British Columbia, acquired by the issue of 750,000 shares of the company at 10¢ per share \$ 75,000
- (ii) 37 mineral claims in the Mayo Mining Division, Yukon, acquired for 130,000 shares of the company, with an attributed value of \$18,600, and \$19,500 cash 38,100
- (iii) An undivided 70% interest in 12 mineral claims in the Whitehorse Mining Division, Yukon, which were acquired under option during the year

After the first option payment of \$12,000 cash had been made by the company the option was allowed to lapse 12,000

\$125,100

The original cost of these properties together with related deferred exploration and development and administration costs have been written off to deficit during the year.

4. CAPITAL STOCK

a. The company's issued share capital is summarized as follows:

	<u>1976</u>		<u>1975</u>	
	<u>Number of</u> <u>Shares</u>	<u>Share</u> <u>Capital</u>	<u>Number of</u> <u>Shares</u>	<u>Share</u> <u>Capital</u>
For cash (net of commissions)	1,247,825	\$231,318	775,825	\$120,562
For mineral properties	<u>880,000</u>	<u>93,600</u>	<u>880,000</u>	<u>93,600</u>
	<u>2,127,825</u>	<u>\$324,918</u>	<u>1,655,825</u>	<u>\$214,162</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 1976

4. CAPITAL STOCK (continued)

- b. During the year the company issued 472,000 shares for \$110,756 cash (net of commissions of \$16,302) by underwriting agreements.
- c. At an extraordinary general meeting of the shareholders of the company held on February 27, 1976 the following resolutions were passed:
 - (i) that 730,000 outstanding shares of the company be cancelled.
 - (ii) that the 1,397,825 issued shares remaining after the cancellation be consolidated on the basis that 1 new share be issued for 4 old shares thereby reducing the number of issued shares to 349,456.
 - (iii) that the number of authorized shares be increased to 5,000,000.

All of the above actions are subject to approval by the appropriate regulatory authorities.

- d. At the extraordinary general meeting of the shareholders of the company held on February 27, 1976 it was further resolved that the company issue and allot 750,000 escrow shares of the company in consideration for certain mineral properties, the acquisition of which is dependent upon approval of the purchase agreement by the appropriate regulatory authorities.
- e. After the occurrence of the events described in Note 4c above and on the completion of an underwriting, the directors and officers of the company may be given an option to purchase not more than 80,000 shares of the company at \$1 per share, the said option to expire 3 years from the date that the option is approved by the appropriate regulatory authorities.
- f. In addition to the foregoing the company may also be required to issue a further 440,000 shares for mineral properties (Notes 3a and 6b).

5. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Direct remuneration paid or payable to directors and senior officers of the company (as defined by the British Columbia Companies Act) during the year amounted to \$4,000. Companies controlled by directors received \$6,200 in management fees and office rentals and services during the year.

6. SUBSEQUENT EVENTS AND COMMITMENTS

- a. At an extraordinary general meeting of the shareholders of the company held on February 27, 1976 a special resolution was passed to change the name of the company from "Junex Resources Ltd." to "C.T. Exploranda Ltd." The change of name became effective as of March 25, 1976.

C. T. EXPLORANDA LTD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 1976

6. SUBSEQUENT EVENTS AND COMMITMENTS (continued)

- b. By an agreement dated March 19, 1976 the company as assignee acquired all of the assignor's rights and obligations as optionee under an option agreement to acquire an undivided 100% interest in 19 mineral claims in the Mayo Mining Division, Yukon.

The consideration to the assignor is as follows.

130,000 shares of the company to be issued in specified numbers over a period of 360 days after approval of the agreement by the appropriate regulatory authorities.

The consideration to the optionor amounts to \$300,000 and is to be discharged as follows:

Cash - paid during the year	\$ 10,000
- on November 1, 1976	15,000
- \$12,500 on May 1 and November 1 of each year thereafter until November 1, 1987	<u>275,000</u>
	<u>\$300,000</u>

The optionor may convert all or part of the payments due in 1976, 1977 and May 1978 into common shares of the company.

If the mineral claims are placed into production before November 1, 1987 then 5% of the net smelter returns will be paid against the total option consideration.

The agreement is subject to approval by the appropriate regulatory authorities.

- c. By an agreement dated March 3, 1976 the company acquired an option to purchase an undivided 100% interest in 12 crown granted mineral claims, 2 mineral leases and 27 located mineral claims for a total cash consideration of \$2,400,000 payable as follows:

On or before May 15, 1976	\$ 45,000
On or before December 1, 1976	45,000
Annual instalments of the greater of \$75,000 or 5% of net smelter returns	<u>2,310,000</u>
	<u>\$2,400,000</u>

The agreement is subject to approval by the appropriate regulatory authorities.

- d. Subsequent to February 28, 1976 the company obtained a bank loan in the amount of \$20,000. This loan is secured by a personal guarantee of a director.