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Black warrior

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Pend D'oreille

JOPEC RESOURCES LTD.

VSE: JPR

ANNUAL REPORT TO SHAREHOLDERS

1992

REPORT TO SHAREHOLDER

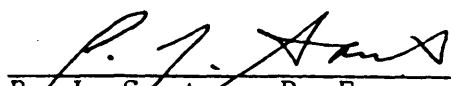
Dear Subscriber:

Your Company was launched with a lot of enthusiasm in 1992 which turned out to be a very difficult year for the industry but we survived and indeed ended our first year as a public company with our mineral assets enhanced and our enthusiasm still intact. A summary of the events in 1992 are as follows:

- (a) Jopec obtained listing on the Vancouver Stock Exchange and succeeded in selling it's IPO.
- (b) The initial work phases in the Pend D'Oreille and Snow Creek projects were completed with very encouraging results.
- (c) Jopec acquired the Black Warrior property and completed preliminary evaluation work with excellent results.
- (d) The major funding being arranged through a company in San Francisco did not materialize since the terms were not acceptable to Jopec. Small private placements were put in place instead.
- (e) Jopec made a successful presentation at the NWMA Convention in Spokane as a result of which several major companies have offered to participate in joint venture with our projects.
- (f) The goals Jopec set out to do with its various projects were completed and ended the year with a sound Treasury.
- (g) Jopec continues its aggressive acquisition of promising and exciting mineral properties with several of these properties under negotiation.

Jopec survived 1992, a recessive year, but 1993 promises to be an exciting year. The Board of Directors gratefully acknowledges your enduring support.

On Behalf of the Board:



P. J. Santos, P. Eng.
President

January 11, 1993

OPERATIONS REVIEW

Pend D'Oreille Project - Nelson Mining Division, British Columbia, Canada

The Pend D'Oreille Project is located in the Salmo Area of Southeastern British Columbia, 28 miles east of the smelter in Trail, in the Kootenay Arc of British Columbia. The project has a land area of 55 units, approximately 2780 acres.

Ore concentrates from Kootenay Arc-type mineral deposits, such as from the Pend D'Oreille Projects's Big John mine, are pivotal to the economic viability of the smelter operations in Trail. Concentrates from such mineral deposits are used for blending purposes to smelt profitably the concentrates coming from the Red Dog mine in Alaska.

The 1992 program at the Pend D'Oreille Project consisted of mine rehabilitation, underground sampling, mapping, roto-hammer drilling and sampling, and diamond drilling and surface roto-hammer drilling and sampling, geochemical soil sampling and road access repairs. This work has confirmed the high grade zone to have an average thickness of 8 feet with a weighted average grade of 6.13% Pb, 11.71% Zn, .015% Cd, and 3.38 oz per ton Ag. A tonnage of 23,000 tons is indicated. With milling ore included, the average thickness is 20 feet, a tonnage of 57,000 tons is indicated with a grade of 4.59% Pb, 8.53% Zn, .05% Cd and 2.55 oz per ton Ag. The zone is still open at depth and along strike. These exploration activities in 1992 gave a better picture of the structural control of the high grade mineralization. The Big John high grade zone has a geochemical signature that can be traced for several hundred meters and are segmented mirroring the image of the Reeves MacDonald's geology with one important difference. Jopec's Pend D'Oreille Project is considerably higher in elevation so that it will not have the same magnitude of water problems that they had at the Reeves MacDonald Mine. There are several other geochemical zones which parallel the main anomalies which are also prime exploration targets. Mines in the Kootenay Arc usually range from 6 million tons to 10 million tons. The project is now ready for the next phase of exploration and development which consists of the following:

- (a) Continuation of the underground diamond drilling which will require some underground drill site preparations.
- (b) Continuation of the diamond drilling from surface using the geochemical data from the 1992 program as a guide.
- (c) Continuation of the geochemical soil sampling to the east and west of the area soil sampled in 1992.

The objective of this exploration phase is to seek the down-dip and on-strike extensions of the high grade mineralization and to explore other promising geochemical anomalies. We are budgeting \$250,000 for this next exploration phase and for this we are seeking a joint venture partner.

Snow Creek Project - Slocan Mining Division, British Columbia
Canada

The Snow Creek Project is located in the Tillicum Mountain area of southeastern British Columbia with a land area of approximately 10,000 acres which includes ground acquired in 1992.

The 1992 program consisted of soil sampling grid preparation, geochemical soil, silt and rock sampling, and mapping. Westar (now Pope and Talbot) has conveniently continued their active road-building program and added several more kilometres of all-weather roads within the property. Logging is in progress at this time and road access to the property will be maintained all winter.

The Snow Creek gold mineralization is a strata-bound, syngenetic gold deposit modified and enriched by skarn-type gold mineralization with excellent open pit potential. Tests show that the gold is cyanidable. Previous preliminary geochemical and geophysical data suggested that the gold mineralization occur over the entire length of the property. The 1992 program has confirmed that the gold mineralization do occur along this strike length and that these are parallel, multiple zones. Exposed at higher elevations are gold mineralization along the same trend that ranged from .021 oz per ton gold to 1.025 oz per ton gold. The 1992 program focused on exploring this trend and successfully located these zones at lower elevations. Further exploration of these anomalies are the prime 1993 exploration targets.

The next phase of the exploration program will consist of the following:

- (a) Initial testing by wide-spaced diamond drilling the anomalies found in the 1992 program.
- (b) Production reverse-circulation drilling for ore reserve tonnage determination on targets defined by the diamond drilling.
- (c) Continue the soil sampling grid for the remainder of the property north of Snow Creek.
- (d) Conduct reconnaissance contour geochemical soil sampling of the area south of Snow Creek.

The objective of this exploration phase is to begin building up ore reserves for an open pit operation and continue exploring the remainder of the property. We are budgeting \$500,000 for this next phase of exploration.

Black Warrior Project - Revelstoke Mining Division, British Columbia, Canada

The Black Warrior Project is located in the Ferguson area of the Revelstoke Mining Division of British Columbia 9 kilometres north of Ferguson, in the northern part of the Kootenay Arc of British Columbia. The property consists of 140 units with a land area of approximately 10,000 acres after staking more claims in April, 1992.

This is another Kootenay Arc-type mineralization, and as in the Pend D'Oreille Project, concentrates from this type of deposit are essential to the economic viability of the smelter operations in Trail.

Although most of the mineral discoveries in this area of British Columbia were made during the turn of this century, hardly any mining has been done due to poor accessibility. But as time goes on access roads are continuously being built. There are two roads now that reach the border of the property.

Preliminary work on the property in 1992 showed excellent mineral potential typical of Mississippi Valley-type containing lead, zinc, cadmium, silver, and some copper. Several mineralized belts occur in the property, one of which was traced for nearly a mile. The tonnage potential for this property is expected to be many times more than the normal 10 million tons of one Kootenay Arc belt. Lead assays range from .79% to 27.72%, zinc assays range from .82% to 28.47%, cadmium assays range from .002% to .065% and silver assays range from .043 oz per ton to 3.75 oz per ton. Outcroppings of these massive sulfides provide excellent drilling targets.

The Black Warrior Property also hosts vein-type mineralization wherein the intersections of a system of horizontal and vertical veins constitute excellent potential for mother-lode type deposits. The veins are high grade lead, silver, zinc, copper, and cadmium deposits which have moderate tonnage potential. The lead assays ranged from .35% to 8.53%, zinc ranged from .13% to 16.3%, silver ranged from 1.61 to 114.05 oz per ton, copper ranged from 10% to 22.47% and cadmium ranged from .011% to .141%.

The first phase of exploration on the property consists of the following:

- (a) Construction of a cabin to provide a more durable shelter for the exploration crew.
- (b) Diamond drilling of outcroppings of massive sulfides.
- (c) Conduct geochemical exploration on certain parts of the property.
- (d) Pioneer the extension of the access road from Ferguson into the Ellsmere Mine.

We are budgeting \$250,000 for this initial phase of exploration on the Black Warrior Project.

JOPEC RESOURCES LTD. (VSE - JPR)

A resource company actively exploring for precious and base metals. Solid technical expertise, over 139 years combined experience. Three projects now in progress in British Columbia.

Pend D'Oreille Project

Kootenay Arc - Nelson Mining District

Mississippi Valley-type massive sulfides in carbonates containing lead, zinc, silver, and cadmium. Ten million tons potential.

Snow Creek Project -

Tillicum Area - Slocan Mining District

Carlin-type, bulk mineable gold and silver deposits mineable by open pit. 50 - 100 million tons potential.

Black Warrior Project -

Kootenay Arc - Revelstoke Mining District

Mississippi Valley-type massive sulfides in carbonates containing lead, zinc, silver, copper, and gold. More than 10 million tons potential

For more information

JOPEC RESOURCES LTD. (JPR)

295 Columbia Ave., Castlegar, BC V1N 1G3

Tel. (604) 365-3078 Fax (604) 365-7877

DOUG WATSON, Director of Marketing
Tel./Fax 604-743-4134