

PROSPECTUS

004523

FIRST PUBLIC OFFERING

250,000 SHARES

KING GRAYBARR MINES LTD. (N.P.L.)

Incorporated in British Columbia

REGISTERED OFFICE:

149 East 15th Street
North Vancouver, B.C.

REGISTRAR AND TRANSFER AGENT:

Canada Permanent Trust Company
455 Granville Street,
Vancouver, B.C.

SOLICITORS:

FORREST, GRAY & MUNRO
149 East 15th Street
North Vancouver, B.C.

AUDITORS:

COLLINS & COLLINS, Chartered Accountants
3129 - 30th Avenue
Vernon, B.C.

The Company by this Prospectus offers to sell 250,000 of its shares at the price of 55¢ per share subject to a commission not to exceed 13¼¢ per share.

	Price to Public	Discounts or Commissions	Proceeds to Company
Per Unit	\$.55	Commission of \$.1375 No discount	\$.4125
Total	\$137,500.00	Maximum commission of \$34,375.00	\$103,125.00

THERE IS PRESENTLY NO EXISTING MARKET FOR THE SHARES OF THE COMPANY.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROPERTIES ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY.

NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF AND THE AREA OF SUCH PROPERTY COULD BE IN DOUBT.

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF SHARES FOR SALE IN THE UNITED STATES OF AMERICA, OR IN ANY OF THE TERRITORIES OR POSSESSIONS THEREOF, OR IN ANY PROVINCE OF CANADA OTHER THAN THE PROVINCE OF BRITISH COLUMBIA.

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

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN IN CONNECTION WITH THE ISSUE AND SALE OF THE SHARES OFFERED HEREUNDER. IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION CANNOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

REFERENCE SHOULD BE MADE TO THE PARAGRAPHS "PROMOTERS" AND "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS AND DIRECTORS OF THE COMPANY FOR CASH AND PROPERTIES WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

PROPERTY FILE

82LSW008-05
VERNON HILL

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INCORPORATION

King Graybarr Mines Ltd. (N.P.L.), herein called "the Company", was incorporated on December 3rd, 1968 as a private company by Memorandum of Association under the Companies Act of the Province of British Columbia. The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each.

The Company was converted into a public company on May 13th, 1970.

The head office of the Company is at 2811 - 30th Street, Vernon, British Columbia and the registered office of the Company is at 149 East 15th Street, North Vancouver, British Columbia.

MANAGEMENT

<u>Name and Address</u>	<u>Office Held</u>	<u>Occupation</u>
David Calvin King 4004 - 20th Street Vernon, B.C.	President and Director	Managing Director of the Company since January, 1969; Prospector between October, 1968 and January, 1969; Manufacturer's agent between August, 1966 and October 1968; and prior thereto, mutual fund manager.
Reinhold Valentine Schmidt 2406 - 34A Street Vernon, B.C.	Vice-President and Director	Manager-owner of sawmill in Vernon.
Kenneth Leyden Christensen 4, 3109-32nd Avenue Vernon, B.C.	Secretary and Director	Partner in the law firm of Davidson & Company, Vernon, B.C.
Paul Joseph DuMont Shantz Road Vernon, B.C.	Director	President & Manager of Hoover Sawmill Ltd. in Vernon, B.C.

REMUNERATION

During the period from the date of incorporation of the Company up to the date of this Prospectus, the Company has paid the sum of \$9,000.00 to David C. King (President and Director) for his services as General Manager; the sum of \$2,000.00 to Reinhold V. Schmidt (Vice-President and Director) for his services as Field Supervisor; and the sum of \$1,500.00 to Kenneth L. Christensen (Secretary and Director) for administrative services. Kenneth L. Christensen is a partner in the law firm of Davidson & Company and that law firm has been paid reasonable fees for legal services rendered to the Company. No other moneys have been paid to the directors and senior officers for management services or directors fees. David C. King controls Murray Ranking Developments which carried out contract drilling for the Company and received \$7,900.00 for its drilling services. The Company has paid Murray Ranking Developments the sum of \$7,100.00 on the purchase of a D4 Caterpillar Tractor. The Company has paid R.V. Schmidt & Sons Lumber Ltd. (controlled by Reinhold V. Schmidt, Vice-President and Director of the Company) the sum of \$30,000.00 for trenching and ditching services performed by it and for lumber cut and supplied to the Company. No decision as to future remuneration of directors and officers of the Company has been made. If any director or senior officer is hired by the Company in any capacity, it is intended that he will be paid remuneration commensurate with his responsibilities.

PROMOTERS

Under the definition of "Promoters" contained in Section 2 of the Securities Act, 1967 of British Columbia, the directors of the Company acting in their capacity as such may be regarded as the promoters of the Company. No shares have been issued or are to be issued and no cash has been paid or is to be paid by the Company to the directors for promotional services.

The Company allotted 720,000 escrow shares to David C. King (of which 27,273 are being gifted back to the Company's treasury) and 10,000 shares to each of Reinhold V. Schmidt, Kenneth L. Christensen and Paul J. DuMont on the acquisition of mineral claims described in item (a) under the heading "Business and Mining

Properties" herein. The directors and senior officers hold or control the following shares of the Company purchased for cash or allotted for mining properties:

<u>Name</u>	<u>Number of Shares Issued for Cash</u>	<u>Number of Shares Allotted for Mining Properties</u>
David C. King	10,001 shares at at 15¢ per share	720,000 shares (of which 27,273 are being gifted back to the Company's treasury)
Murray Ranking Developments (controlled by David C. King)	100,000 shares at 15¢ per share	Nil
Reinhold V. Schmidt	20,001 shares at 15¢ per share	10,000 shares
R.V. Schmidt & Sons Lumber Ltd. (controlled by Reinhold V. Schmidt)	100,000 shares at 15¢ per share	
Kenneth L. Christensen	30,001 shares at 15¢ per share	10,000 shares
Paul J. DuMont	16,666 shares at 15¢ per share	10,000 shares

AUDITORS

Messrs. Collins & Collins, Chartered Accountants, 3129 - 30th Avenue, Vernon, B.C.

SHARE CAPITAL

The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares, all of one class, with a nominal or par value of 50¢ each, of which 1,455,008 shares have been issued as fully paid and non-assessable. All issued shares rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and the shares of the Company are not subject to any provisions for redemption, purchase for cancellation or surrender, or sinking or purchase fund arrangements. The rights attached and the provisions relating to the shares of the Company can only be modified under the relevant provisions of the Companies Act and the Articles of Association of the Company.

<u>Designation of Security</u>	<u>Authorized Capital</u>	<u>Amount Outstanding as of March 1, 1970 and as of the date of this Prospectus</u>	<u>Amount to be outstanding on the completion of this offering</u>
Common Shares	\$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each	1,455,008	1,705,008

ESCROWED SHARES

Certificates representing 722,727 shares of the Company (after deducting 27,273 shares being gifted back to the Company's treasury) issued for the mining properties referred to in item (a) under the heading "Business and Mining Properties" (and representing 42.38% of the total number of shares which will have been issued on completion of the present offering) are held in escrow by Canada Permanent Trust Company, 455 Granville Street, Vancouver, British Columbia. These shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia ("the Superintendent of Brokers") and are also subject to conditions that if the Company loses or does not obtain good marketable title

to, or abandons or discontinue development on, any of the properties which were or formed part of the consideration for any of the shares so held in escrow, or in the event of any such properties not being as represented, the holders of such shares have agreed to advise the Superintendent of Brokers and, if so required, to surrender by way of gift to the Company for cancellation such number of such escrowed shares as the Superintendent of Brokers may deem fair and equitable.

<u>Designation</u>	<u>Number of Shares Held in Escrow as at Date of this Prospectus</u>	<u>Percentage of Class (upon completion of this offering)</u>
Common Shares	750,000 (of which 27,273 are being gifted back to the Company's treasury)	42.38% (after deducting the 27,273 shares being gifted back)

POOLED SHARES

All of the 705,008 shares of the Company issued prior to the date of this Prospectus in consideration of cash subscriptions received by the Company have been pooled until thirty days after completion of the sale of all the shares offered under this Prospectus, such shares not to be released from the pool without the prior written consent of the Superintendent of Brokers.

SHARES SOLD FOR CASH

Prior to the date of this Prospectus, 705,008 shares were issued for cash as fully paid and non-assessable as follows:

<u>Date</u>	<u>Number of Shares</u>	<u>Price paid per share</u>	<u>Total cash received</u>	<u>Discount per share</u>	<u>Commission</u>
March, 1969	340,673	15¢	\$ 51,100.95	35¢	Nil
April 1st, 1969 to December 31st, 1969	305,335 59,000	15¢ 50¢	\$ 45,800.25 \$ 29,500.00	35¢ Nil	Nil Nil
TOTALS	705,008		\$126,401.20		

PRINCIPAL HOLDERS OF SECURITIES (As of the date of this Prospectus)

As of the date of this Prospectus, the following persons held more than 10% of the total issued shares of the Company:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership (restrictions)</u>	<u>Number of Shares Owned</u>	<u>Percentage of Class</u>
David C. King 4004-20th Street Vernon, B.C.	Common	Escrow	692,727 (after deducting the 27,273 shares being gifted back)	45.58%
David C. King 4004-20th Street Vernon, B.C.	Common	Pooled	10,001	0.69%
Murray Ranking Developments (controlled by David C. King)	Common	Pooled	100,000	6.87%
TOTALS			802,728	53.14%

The percentage of shares owned, directly or indirectly, by all the directors and senior officers of the Company, as a group, is as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	68.6%

SHARE OFFERING

<u>Number of Shares Offered</u>	<u>Price per Share</u>	<u>Commission</u>	<u>Net Amount to be Received by the Company</u>
250,000	\$55	Not exceeding \$13.75 per share	\$103,125.00

The Company by this Prospectus offers to sell 250,000 of its shares as fully paid and non-assessable at the price of 55¢ per share subject to payment at the discretion of the Company's directors of a commission in respect of some or all of the shares not exceeding 13¾¢ per share. The Company reserves the right to accept applications for these shares in whole or in part and to reject any application and withdraw this offer at any time without notice. Subject as aforesaid, the Company intends to allot and issue the said shares from time to time as applications are received until the issue becomes fully subscribed.

The Company proposes to sell the shares offered hereunder directly to the public without commission or, alternatively, to sell these shares through the facilities of persons and companies registered for trading in securities within the Province of British Columbia, in which case a commission will be paid or allowed not exceeding 13¾¢ per share. No commission or other remuneration will be payable to the trading directors of the Company in connection with this offering of shares.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice;
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make a statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

BUSINESS AND MINING PROPERTIES

The Company carries on the business of mining exploration and holds mining properties, the particulars whereof are as follows:

(a) The DCK mineral claims

The Company is the recorded and beneficial owner, free from encumbrances, of the following located mineral claims situate in the Vernon Mining Division, British Columbia:

<u>Name of Claim</u>	<u>Record Number</u>
DCK 1 to DCK 6 inclusive	11681N to 11686N
DCK 20 to DCK 23 inclusive	11774N to 11777N
DCK 24 to DCK 32 inclusive	11751N to 11759N
DCK 33 to DCK 43 inclusive	11822P to 11832P
DCK 49 to DCK 51 inclusive	11833P to 11835P
DCK 54 to DCK 59 inclusive	11847P to 11852P
DCK 61	11853P
DCK 100	11980A
DCK 101	11981A

There is an apparent contravention of Section 12(1) of the "Mineral Act" in respect of mineral claims DCK 3, DCK 54 to DCK 59, inclusive, and DCK 61.

By Agreement dated January 31st, 1970 made between David C. King (President and a director of the Company), as vendor, and the Company, as purchaser, David C. King sold the DCK mineral claims to the Company in consideration of the allotment of 750,000 escrow shares in the capital stock of the Company as fully paid and non-assessable, as follows:

David C. King	720,000 shares (of which 27,273 are being gifted back to the Company's treasury)
Reinhold V. Schmidt	10,000 shares
Kenneth L. Christensen	10,000 shares
Paul Joseph DuMont	10,000 shares

The Company also agreed to pay David C. King 3% of net smelter returns from all ore, concentrates and minerals hereafter produced from the DCK mineral claims. David C. King supplied his labour and expended about \$2,000 in staking and recording the DCK mineral claims.

(b) The Vernon mineral claims

The Company is the recorded owner of an option to purchase the following mineral claims situate in the Vernon Mining Division, British Columbia:

<u>Name of Claim</u>	<u>Record Number</u>
DAKOTA 992	7588
GOLD 652169	8765
GOLD 652170	8766
SILVER STREAK No. 1	8726
SILVER STREAK 511570	8754
SILVER STREAK 511544	8749
SILVER STREAK 652147	8750
SILVER STREAK 652149	8751
SILVER STREAK 652146	8752
SILVER STREAK 652148	8753
SILVER STREAK 511569	8755
SILVER STREAK 652141	8756
SILVER STREAK 652142	8757
SILVER STREAK 652143	8758
SILVER STREAK 652144	8759
SILVER STREAK 652145	8760
SILVER STREAK 652150	8761
SILVER STREAK 652151	8762
SILVER STREAK 652152	8763
SILVER STREAK 652153	8764
COPPER 652171	8767
COPPER 652172	8768
COPPER 652154	8815
COPPER 652155	8816
COPPER 652156	8817
COPPER 652157	8818
COPPER 652158	8819
COPPER 652159	8820
COPPER 652160	8821
COPPER 652173	8822
COPPER 652174	8823
COPPER 652175	8824
COPPER 652178	8827
COPPER 652179	8828

<u>Name of Claim (cont.)</u>	<u>Record Number (cont.)</u>
COPPER 652180	8829
COPPER 652181	8830
COPPER 652182	8831
COPPER 652183	8832
COPPER 652184	8833
COPPER 652185	8834
COPPER 652188	8953
COPPER 652189	8954
COPPER 652190	8855
COPPER 652191	8856
COPPER 738827	9009
COPPER 738826	9008
COPPER 738828	9010
COPPER 738829	9011
COPPER 652186	8835
COPPER 652187	8836
DENYSE 1 to 10 inclusive	9162 to 9171 inclusive

The Vernon mineral claims are held by the Company under an Agreement dated February 4th, 1970 made between Vernon Copper Limited (N.P.L.), as optionor, and the Company, as optionee. The Company paid the optionor the sum of \$7,500.00 upon the execution and delivery of the Option Agreement. In order to maintain the option in good standing the Company must pay the optionor, in each calendar year commencing with the year 1971, the greater of (a) 10% of net revenue derived from the optioned mineral claims in each calendar year, or (b) \$5,000.00 in respect of the calendar year 1971 or \$10,000.00 in respect of each succeeding calendar year. If, however, the royalties of 10% of net revenue are less than \$5,000.00 (in the year 1971) or \$10,000.00 (in any succeeding year), the deficiency shall be paid to the Optionor on the 31st day of December of the calendar year in question. These payments will cease once \$75,000.00 in the aggregate has been paid. To maintain the option in good standing, the Company must make expenditures on the Vernon mineral claims in the total sum of \$150,000.00 by December 31st, 1971.

(c) The Rotar mineral claims

The Company is the recorded and beneficial owner, free from encumbrances, of the following located mineral claims situate in the Vernon Mining Division, British Columbia:

<u>Name of Claim</u>	<u>Record Number</u>
WCR 4	11778N
WCR 5	11680N
XI	10482

The Company acquired these claims from William C. Rotar in January, 1970, for \$5,000.00, which has been paid in full.

(d) The Anne mineral claims

The Company is the recorded and beneficial owner, free from encumbrances, of the following located mineral claims situate in the Vernon Mining Division, British Columbia:

<u>Name of Claim</u>	<u>Record Number</u>
Anne No. 1 and Anne No. 2	10573 and 10574
Anne No. 3 to Anne No. 7	10865 to 10869

The Company acquired these claims from James Mykytiw in January, 1970, for \$5,750.00, which has been paid in full.

The DCK mineral claims, the Vernon mineral claims, the Rotar mineral claims and the Anne mineral claims cover the area of Vernon Hill and some of the adjacent territory, about three miles north-easterly from Vernon, British Columbia. The mineral claims lie within the Osoyoos Division of the Yale Land District and partially

within the Aberdeen Mountain Provincial Forest. Paved roads extend to within two miles of the mineral claims and numerous logging roads criss-crossing the area give access to the claims. During winter months it would be necessary to maintain a bulldozer to keep the roads clear by plowing.

Known history of the claims as a mineral project is not extensive. The area was originally homesteaded but the commercial timber stands were the main interest. The original mineral discovery was on the Silver Streak No. 1 claim which was staked by Vern Proctor. Under the present management, the Company has carried out stripping, trenching and diamond drilling on the claims and has also conducted a soil sampling survey and an electromagnetic ground survey. In April, 1969, the Company retained Geo-X Surveys of Vancouver, British Columbia, to conduct an airborne magnetometer survey of the claims. This survey was carried out. To the knowledge of the signatories hereto, there is no underground or surface plant or equipment on the claims. The Company has expended a total of \$68,492.94 in the exploration and development of its mineral claims.

Particulars of the mineral showings on the claims, including the identity of their principal metallic or other constituents are contained in the report of Walter E. Selnes, P. Eng., dated November 28th, 1969, a copy of which accompanies and forms part of this Prospectus.

In his report dated November 28th, 1969, Walter E. Selnes, P. Eng., has recommended that the Company carry out the following program on the mineral claims:

“RECOMMENDATIONS:

In view of the favorable geology of the claims area and the prevalence of silver, lead, zinc, copper and molybdenum revealed by the limited development work done so far, it is recommended that a further intensive program of exploration and development be conducted. This program is to consist of geological study and mapping, trenching, diamond drilling and sampling.

When each phase of the program is completed, the results should be correlated. This would permit a determination of the extent and cost of the next phase.

For the purposes of financing the immediate program King Graybarr Mines Ltd. (N.P.L.) should provide the sum of \$100,000.00.

ESTIMATED COST OF PROPOSED PROGRAM

(1) Development and Improvement of Access Roads	\$ 8,000.00
(2) Mapping and Geological Study	5,000.00
(3) Trenching, Development of Known Veins and Stripping to Expose New Areas	25,000.00
(4) Diamond Drilling, 2000' at \$15/ft.	30,000.00
(5) Bulk Sampling	7,000.00
(6) Engineering	5,000.00
(7) Camp Establishment	8,000.00
(8) Travel and Administration	8,000.00
(9) Contingencies	4,000.00
	<hr/>
	\$100,000.00”

The said mineral claims have not yet been surveyed and, accordingly, the position, size and existence of the said mineral claims on the ground must be regarded as subject to adjustment on survey.

The said mineral claims are without a known body of commercial ore and the exploration program outlined herein is an exploratory search for ore.

USE OF PROCEEDS AND FINANCIAL

The net proceeds to be derived from the sale of the shares offered hereunder amount to \$103,125.00. The Company proposes to use the net proceeds to be derived from the sale of the shares offered hereunder, together with any funds presently in the Company's treasury, as follows:

(a) To defray normal business and administrative expenses and legal and accounting services with respect to the Company's operations and the preparation and filing of this Prospectus.

(b) To explore and develop the said mineral claims in accordance with the recommendations made from time to time by its consulting engineers and, in particular, to carry out the program recommended by Walter E. Selnes, P. Eng. in his report dated November 28th, 1969, a copy of which accompanies and forms part of this Prospectus.

The proposed exploration and development program is an exploratory search and it may be varied as the results of each step in the program are obtained. If the actual net proceeds received from the sale of the shares offered hereunder prove insufficient to carry out the entire program recommended in the said report of Walter E. Selnes, P.Eng., then the Company will apply the proceeds to the exploration and development of the said mineral claims in the order of priority recommended by its consulting engineers from time to time. As the proceeds are received from the sale of shares, they will be used in carrying out the program recommended by the said Walter E. Selnes, P. Eng.

If moneys become available for use by the Company due to the abandonment of the said mineral claims or variations in the work program in accordance with recommendations made by the Company's consulting engineers from time to time, then any moneys so available may be used by the Company for the purpose of acquiring, staking, examining, exploring or developing other mining properties although the Company has no present plan in that connection. If the securities of the Company are in the course of primary distribution to the public, no moneys will be expended by the Company on any new mining properties which may be acquired by it until an amendment to this Prospectus has been accepted for filing by the British Columbia Securities Commission.

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

No dividends have been paid by the Company. There are no agreements, existing or proposed, limiting the payment of dividends.

TRANSFER AGENT AND REGISTRAR

Canada Permanent Trust Company

455 Granville Street,
Vancouver, B.C.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The interest of the directors in material transactions is set out under the headings "Promoters" and "Business and Mining Properties".

MATERIAL CONTRACTS AND OTHER MATERIAL FACTS

The only material contracts which may be considered outside the normal course of business are those in connection with the acquisition of the said mineral claims and these contracts may be inspected at the registered office of the Company during normal business hours while primary distribution of the shares offered hereunder is in progress.

There are no other facts believed by the signatories hereto to be material to this public offering which are not disclosed by the foregoing and accompanying reports.

CERTIFICATE

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

DATED at Vancouver, British Columbia, this 14th day of May, 1970.

"K. L. CHRISTENSEN"

Kenneth L. Christensen, Director and Promoter

"DAVID C. KING"

David Calvin King, Director and Promoter

"PAUL DuMONT"

Paul Joseph DuMont, Director and Promoter

"R. V. SCHMIDT"

Reinhold Valentine Schmidt, Director and Promoter

COLLINS & COLLINS
CHARTERED ACCOUNTANTS
3129 30TH AVENUE
VERNON, B.C.

AUDITORS' REPORT

To the Shareholders of
KING GRAYBARR MINES LTD. (N.P.L.)

We have examined the balance sheet of KING GRAYBARR MINES LTD. (N.P.L.) as at January 31, 1970 and the statements of deferred expenses and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the 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 January 31, 1970 and the results of its operations and source and application of its funds for the year then ended, in accordance with generally accepted accounting principles.

“COLLINS & COLLINS”

Chartered Accountants

February 23, 1970
Vernon, B.C.

KING GRAYBARR MINES LTD. (N.P.L.)

BALANCE SHEET
As at January 31, 1970

ASSETS

Current assets:		
Cash	\$ 30.01	
Accounts receivable	1,368.92	
Lumber supplies	5,486.83	
	<u> </u>	\$ 6,885.76
Fixed assets, at cost: (note 1)		
Equipment	11,840.00	
Service vehicles	5,611.90	
Building	683.06	
	<u> </u>	18,134.96
Mineral Claims, at cost: (note 2)		40,750.00
Deferred expenses:		
Exploration and development	68,492.94	
Administrative	26,507.59	
Incorporation costs	400.00	
	<u> </u>	95,400.53
		<u> </u>
		<u> </u>
		\$161,171.25

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable		\$ 4,861.55
Long term debt: (note 3)		6,409.00
Advances from shareholders:		2,000.70
Shareholders' equity:		
Share capital:		
Authorized –		
5,000,000 common shares of a par value of \$.50 each		
Issued –		
1,455,008 shares (note 5)	\$148,900.00	
Less – unpaid subscription	1,000.00	
	<u> </u>	147,900.00
		<u> </u>
		<u> </u>
		\$161,171.25

APPROVED ON BEHALF OF THE BOARD:

“KENNETH L. CHRISTENSEN” _____ Director
“DAVID C. KING” _____ Director

This is the balance sheet referred to in the auditors' report of Collins & Collins, Chartered Accountants dated February 23, 1970.

KING GRAYBARR MINES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

January 31, 1970

1) Depreciation:

No depreciation has been provided on fixed assets to January 31, 1970.

2) Mineral claims:

The company has purchased and fully paid for the following claims:

	<u>Name of Claim</u>	<u>Vendor</u>	<u>Consideration</u>
a)	Anne 1 - 7	James Mykytiw	\$5,750.00
	WRC 4 - 5)	William C. Rotor	5,000.00
	X 1)		
b)	DCK - 42 claims	David King	750,000 escrowed shares or such lesser number of shares as the Superintendent of Brokers may approve plus 3% of the net smelter returns from ore, concentrates and minerals produced from the said mineral claims.
c)	Pursuant to an agreement dated January 10, 1969, with Vernon Copper Ltd. the company has taken an option to purchase 60 mineral claims for a total consideration of \$82,500.00. A down payment of \$7,500 has been made on the option and to maintain the option in good standing King Graybarr Mines Ltd. shall pay the optionor, commencing in 1971 the greater of:		
	1. an amount equal to 10% of the net revenue derived from these claims in each calendar year, or,		
	2. \$5,000 in 1971 and \$10,000 in respect of each succeeding calendar year.		
	said payments to cease when the aggregate of payments referred to in 1 and 2 above is \$75,000.00. Deficiency payments, should 2 be the greater, are due on December 31, of the year in question. Further to the above terms, King Graybarr Mines Ltd. shall make expenditures on the said claims of \$150,000 by December 31, 1971.		

3) Long term debt:

Long term debt includes the following:

Traders Group Ltd. - finance contract payable in monthly instalments of \$159.00 including interest	\$3,509.00
Enderby Credit Union, repayable in monthly instalments of \$100.00 plus interest	<u>2,900.00</u>
	<u>\$6,409.00</u>

4) Directors Remuneration:

A total of \$12,500.00 has been paid to directors for remuneration as employees of the company.

5) Share Capital:

During the year capital stock was issued for the following consideration:

	<u>No. of shares</u>	<u>Par Value</u>	<u>Discount</u>	<u>Net</u>
For cash	705,008	\$352,504	\$226,104	\$126,400
For mineral claims	<u>750,000</u>	<u>375,000</u>	<u>352,500</u>	<u>22,500</u>
	<u>1,455,008</u>	<u>\$727,504</u>	<u>\$578,604</u>	<u>\$148,900</u>

The 750,000 shares issued for mineral claims are held in escrow subject to the order of the British Columbia Superintendent of Brokers.

KING GRAYBARR MINES LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPENSES

For the year ended January 31, 1970

Exploration and development:

Assessments and licences	\$ 1,259.50	
Bulk sampling	4,576.71	
Claims and staking	936.73	
Diamond drilling	21,896.39	
Engineering tests and assays	4,265.33	
Equipment rental	1,637.00	
Geological mapping	466.50	
Logging	1,303.08	
Roads and trails	4,566.51	
Topographic survey and control	4,176.00	
Trenching and ditching	23,409.19	
		<u>\$ 68,492.94</u>

Administrative:

Accounting and secretarial	\$ 1,500.00	
Bank charges and finance charges	1,072.18	
Employee benefits	613.06	
Insurance	184.60	
Office, printing and stationery	1,145.20	
Salaries — management	9,000.00	
— general administration	1,500.00	
Telephone	1,070.20	
Travel	5,722.77	
Water rights, prepaid	27.00	
Wages — casual	37.58	
Rent	550.00	
Legal and audit	4,735.00	
	27,157.59	
Deduct — gain on sale of fixed asset	650.00	
		<u>\$ 26,507.59</u>

KING GRAYBARR MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended January 31, 1970

Funds were provided by:

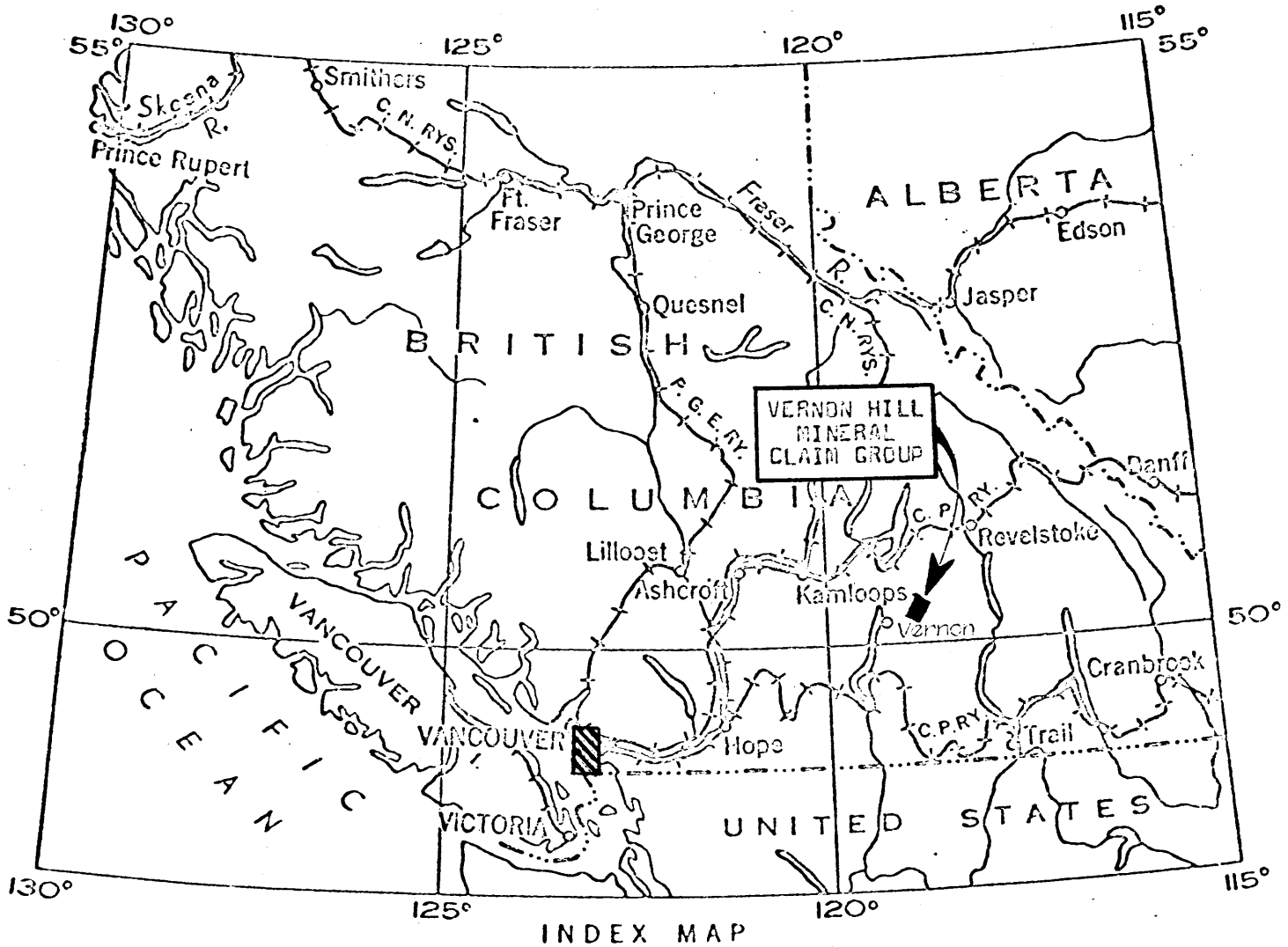
Proceeds from sale of shares	— for cash	\$ 125,400.00	
	— for properties	22,500.00	
Long term debt		7,681.00	
Loan from a shareholder		<u>2,000.70</u>	
			\$ 157,581.70

Funds were applied to:

Purchase of fixed assets		18,134.96	
Acquisition of mineral claims		40,750.00	
Reduction in long term debt		1,272.00	
Exploration, development and administrative expenses		<u>95,400.53</u>	
			<u>155,557.49</u>

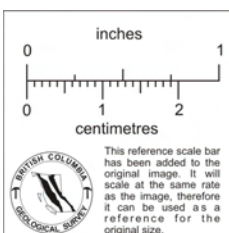
Excess of funds provided over funds applied
and working capital as at January 31, 1970:

\$ 2,024.21



LOCATION

KING GRAYBARR MINES LTD. (NPL)
VERNON HILL MINERAL CLAIMS GROUP
VERNON MINING DIVISION
BRITISH COLUMBIA



KING GRAYBARR MINES LTD. (N.P.L.)

Preliminary Report on the

VERNON HILL GROUP OF MINERAL CLAIMS

VERNON MINING DIVISION

British Columbia

by

W.E. Selnes, P. Eng.

2515 McBain Avenue, Vancouver 8, British Columbia

November 28, 1969

1. INTRODUCTION:

The writer spent November 15, 1969 accompanied by Peter Murray; and on November 16, 1969 accompanied by W.C. Rotar examining the surface workings of King Graybarr Mines Ltd. (N.P.L.), near Vernon, British Columbia.

2. PROPERTY DESCRIPTION:

The holdings of King Graybarr Mines Ltd. (N.P.L.) consist of 112 claims held by location, all in good standing with respect to assessment work. The property is comprised of two groups of claims – the first 60 claims under option from Vernon Copper Ltd. (N.P.L.) and the King Graybarr Group of 52 claims located by Messrs. King, Rotar and Mykytiw. Annex: A-1, 2, 3 lists the designated names, the staking numbers of the claims and the expiry dates. Figures: 2 & 3 show the relative positions of the claims and their approximate location. Annex: AA relates to the conformity of the staking to the requirements of the Province of British Columbia.

The location lines of the claims run in a general north-south direction. A perimeter survey of a portion of the Vernon Copper Group was carried out in 1966-1967 by S.R. Leggett and Associates, British Columbia Land Surveyors. Forty miles of grid lines have been cut and a 9200 foot base line established, with hub stations at 400 foot intervals (see Figure: 4).

There is no equipment on the property. A bulldozer has been obtained on a rental basis to do necessary stripping and trenching.

There are no buildings on the property other than a small shack on Silver Streak 1 and a small building previously used as a powder house.

Workings consist of numerous logging roads and several trenches, 10 – 20 feet in depth, and several hundred feet in length.

3. LOCATION:

The King Graybarr Mines Ltd. (N.P.L.) property is situated in the Vernon Mining Division of British Columbia. It covers the area of Vernon Hill and some of the adjacent territory, about 3 miles north-easterly from Vernon, British Columbia. The geographic reference is latitude 50°16' North and longitude 119°10' West.

The claims lie within the Osoyoos Division of the Yale Land District and partially within the Aberdeen Mountain Provincial Forest (see Figures: 2 & 3).

4. ACCESSIBILITY:

Paved roads extend to within 2 miles of the claims and numerous logging roads which criss-cross the area give access to the claims. Some improvements would be required to put the required logging roads in to good condition. During winter months it would be necessary to maintain a bulldozer to keep the roads clear by ploughing. However, this would be no real hindrance toward year-round operation.

5. HISTORY:

Known history of the property as a mineral project is not extensive. The area was originally homesteaded but the motivating interest undoubtedly was the good stands of commercial timber, which were fully exploited. King Graybarr now has rights to the timber on the claims, under a Forestry Permit.

The original mineral discovery was on the Silver Streak 1 Claim which was staked by Vern Proctor who

worked the property in the 1950's. The Claims were permitted to lapse and were subsequently staked by W.C. Rotar of Enderby, British Columbia in June 1966 and later sold to the Vernon Copper Company.

Messrs. D.C. King, W.C. Rotar and James Mykytiw staked a group of 52 claims from September 1967 to October 1968 adjoining the Vernon Copper Group. Subsequently the King Graybarr Mines Ltd. was incorporated.

King Graybarr obtained an option on the Vernon Hill Copper Group in 1969 and now controls the Vernon Copper and the King Graybarr Groups.

Development work conducted on the property consists principally of stripping and trenching.

6. PRODUCTION:

Mineral production to date consists of three shipments of silver, gold, lead and zinc ore – the first of 4.243 tons of Consolidated Mining & Smelting Company at Trail, British Columbia in November 1966. It has a gross value of \$320.10 which, at today's metal prices would approximate \$500.00 (Annex: B).

Another shipment of 5 tons was reportedly made to Bunker Hill and Sullivan in Kellogg, Idaho but the returns are not available.

The third shipment of 8.4265 tons to Cominco, September 1969, had a gross value of \$335.88. (Annex: C).

7. GEOCHEMICAL AND GEOPHYSICAL SURVEYS:

On the recommendation of Stuart S. Gilmour, P. Eng., in 1965, Consultant to Vernon Copper Ltd. a soil sampling survey was conducted, with the purpose of obtaining information to enable exploration to be carried on in the most favorable areas.

An electromagnetic ground survey was also conducted. The results of these studies were embodied in two reports dated January 1966 and February 1967 by E.S. Asano, B.Sc., who conducted the programs.

Various anomalies were revealed by these two surveys with drilling recommended.

It is difficult to attempt to relate the results of the geochemical survey to that of the geophysical survey as the grids used for each survey are not tied into nor related to the other.

April 1, 1969 Geo-X Surveys of 627 Hornby Street, Vancouver, British Columbia conducted an Airborne Magnetometer Survey of the property, the results of which are shown in Figure: 9. Several anomalies were indicated and these must be probed by trenching. Some of this work has already been done. The trenching must be supplemented by thorough sampling and a subsequent diamond drilling program as warranted by results.

8. PHYSIOGRAPHY:

The claims are situated on the slopes of Vernon Hill, a part of the Interior Plateau of British Columbia. The area has been extensively glaciated and eroded and the gently rolling hills and the valleys are covered to a considerable depth by overburden.

Drainage is to the west into Okanagan Lake and is along Coldstream River and the B.X. Creek which are fed by short tributary streams. In places the walls of the streams are precipitous and it appears that the stream beds follow lines of weakness on the north-south trending faults. The elevations range from 200 to 4600 feet above sea level (see Figure: 3).

Overburden varies from a few feet to several feet in depth and rock outcrops are scarce.

9. CLIMATE:

The climate in the Vernon area is that typical of Central South British Columbia – hot, dry summers with temperatures up to 103°F and cool winters with temperatures to -18°F and with moderate snowfall. The mean recorded temperature is 46°F; average rainfall 16 inches and average snowfall 50 inches.

10. LOCAL RESOURCES:

The claims area is heavily wooded with second growth timber, consisting of fir, pine, spruce, hemlock, cedar and some deciduous trees. The timber is ample for any mining requirements.

Water supply is a problem and two dams were built near the headwaters of B.X. Creek. This work was started by Vernon Copper Limited and completed by King Graybarr Mines.

Power is readily available from transmission lines on the outskirts of Vernon.

Labour is available in Vernon and vicinity. Minor supplies can be obtained locally and major supplies and equipment are available from Vancouver, Calgary and Spokane.

With the close proximity of the claims to Vernon, it will not be necessary to provide accommodation for

workmen. The only construction would be buildings necessary to house equipment and stores.

11. GEOLOGY:

A. General:

The geology of the area is covered by Memoir 296, Vernon Map-Area of British Columbia by A.G. Jones of the Geological Survey of Canada, 1959. Figure: 6 is a reproduction of a part of the map accompanying the report. It indicates that basically the formations are Jurassic and/or Cretaceous Coast Intrusions of granite or granodiorite into highly metamorphosed calcareous slates, limestones, andesites, argillites, quartzites and tuffs. The granitic types, too, have been highly metamorphosed with gneisses and shearing present.

The name Shuswap Terrane is applied to the series of highly metamorphosed rocks which underlay the Vernon Area. It is the Monashee Group, the lowest member of the Shuswap Terrane which underlies the eastern half of the Vernon Area.

The principal minerals are quartz, feldspars, biotite, muscovite, hornblende, pyroxene, sillimanite and garnet. Biotite is the most common dark mineral in the gneisses.

Two major north-south trending faults cut the claims area (Figure: 7), conforming in strike with the bedding of the rock, which is normally north-south and dipping at 45° to 65° to the east. Near the northern part of the claims group and also near the southern portion, fairly prominent cross-faults, running southeast are possibly cut by the major faults. Lying between the north-south and east-west faults is undoubtedly a highly fractured and metamorphosed zone which could be host to considerable favorable mineralization.

It appears that the mineral found in the Vernon area is related to the fracturing and that mineral occurrences are likely to be found along contacts or along and near faults and the tension fractures between them.

Narrow shears are exposed in some of the trenches and andesitic dykes varying in width from 2 to 10 feet are exposed in some trenches. A hornblende dyke about 10 feet wide was noted near one of the roads.

B. Mineral Zones:

Three mineral zones have been exposed on the claims. They are the Proctor, the Rotar and the King Zones (see Figure: 8). The original mineral discovery was made on the Silver Streak No. 1 Claim. High grade lead, zinc and silver occurred in a 2 foot wide quartz vein cutting metamorphosed quartzites and argillites. The strike of the vein is 290° (magnetic) and dips 35° to 45° north easterly. The extension of this vein can be traced 25 feet southeasterly into the bank of the open pit and extends beneath the overburden.

Stripping has uncovered other parallel quartz veins in the area and a few hundred feet to the south east several short parallel stringers carrying gold, silver, lead, zinc and minor values in copper and molybdenum are exposed (see Figure: 8). This is known as the Rotar Zone and is undoubtedly the south-easterly extension of some of the Proctor veins.

This mineralized fracture zone should be further developed by a program of stripping and trenching to uncover and trace the veins and to determine whether a commercial mineral zone can be developed.

About four hundred feet easterly, beyond the Rotar Zone, is a trench known as the King Zone (Figure: 8). It carries silver, copper and appreciable molybdenite values and is locally known as the Molybdenum Zone. This trench was first worked by the Vernon Copper and samples taken by Gilmour, P. Eng. assayed:—

Ag. — 0.60 ozs; Pb. — 0.01%; Cu. — 0.81%;
Molybdenite. — 0.38%

12. SAMPLING RESULTS:

Grab samples taken by W.C. Rotar on behalf of D. King gave the following values (see Annex: D):—

Sample No.	Ag.ozs/ton	Cu.%	MoS ₂ .%
11694	0.24	0.10	0.62
11695	0.18	0.45	0.55
11714	21.10	3.90	—
11716	—	—	3.77

A sample at the south end of the trench taken by Gilmour assayed:—

<u>Au.ozs</u>	<u>Ag.ozs</u>	<u>Pb.%</u>	<u>Zn.%</u>	<u>Cu.%</u>	<u>MoS₂.%</u>
0.01	0.07	0.10	0.10	0.25	0.33

Samples taken by W.J. Weymark and E.S. Asano, February 1 and 2, 1969 are plotted on Figure: 8 and indicate the presence of silver, copper and molybdenite. The assay certificate covering these samples is shown in Annex: E-1.

The arithmetic average value of ten samples gives the following interesting results:—

<u>Ag.ozs</u>	<u>Cu.%</u>	<u>MoS₂.%</u>
0.569	0.248	0.093

Brenda Mines Limited developing for production a large tonnage low-grade copper molybdenum body 20 miles northwest of Peachland, British Columbia reports ore reserves of 177,000,000 tons averaging:

<u>Copper</u>	<u>MoS₂</u>
0.183%	0.049%

A sample taken by the writer in the David trench, November 15, 1969 gave the following results:—

<u>Sample No.</u>	<u>Width</u>	<u>Ag.ozs</u>	<u>Cu.%</u>	<u>Mo.%</u>
78751	8'	0.49	0.18	0.17

13. EXPLORATION AND DEVELOPMENT:

A. General:

Work done to date on the King Graybarr Group of claims to explore and develop the potential of the property consists of geochemical and geophysical surveys, road development, stripping and trenching, sampling, surveying and diamond drilling.

The major portion of the expenditure has been on trenching. Several thousand feet of trenching has been done, resulting in the Proctor, Rotar, King and William Zones. Figure: 4 shows the location of several of the long trenches and indicates the geology and the assay values of the areas opened.

B. Trenching:

The following is a listing of the major trenches showing their designation, location and length:—

<u>Zone</u>	<u>Designation</u>	<u>Length</u>
Proctor	AA	250'
Rotar	BB	310'
King	CC	580'
King	DD	700'
William	EE	1100'
Not Named	FF	410'
	Total	4100'

C. Diamond Drilling:

Five diamond drill holes have been drilled, totalling 1154'. The geology and assay values are shown in Figure: 5.

The following is a tabulation of the diamond drilling:—

<u>Hole No.</u>	<u>Size Core</u>	<u>Length</u>	<u>Zone</u>
1	X-Ray	85'	Proctor
1A	AXT	550'	William
2	Pack Sack	174'	Proctor
3	X-Ray	170'	King
4	X-Ray	175'	David
	Total	1154'	

14. CONCLUSIONS:

The diamond drilling and trenching have indicated mineralization, some of it of commercial value. Trenching on the Silver Streak Claim in the Proctor and Rotar Zones has uncovered a series of parallel quartz veins, some carrying good values in silver, lead and zinc (see Figure: 8). It appears that the Rotar Zone is a continuation of some of the veins in the Proctor Zone. This area should be further explored by extensive stripping and trenching in the two zones to uncover any further veins that may exist, and by careful sampling determine whether a commercial zone of mineralization can be established.

The King trench has revealed some good commercial values in copper and molybdenum.

Values in silver, lead, zinc, copper and molybdenum occur in these three zones and an extensive program of further trenching should be initiated to confirm the presence of mineralization and to materially expand the area of the possible zone of mineralization. Comprehensive sampling must be done in the existing trenches and extended areas of trenching. The object is to outline a possible large body of low-grade ore. The topography of the claims (see Figure: 3) is such that a large open pit could be operated at very low cost.

The sampling should be followed by a further program of trenching to prove the areas between the existing trenches and to further increase the possible mineral zone. Promising areas revealed by surface work must be diamond drilled to determine possibilities at depth and to give information on tonnage possibilities.

Structurally, with its main north-south major faults and its east-west minor faults, the King Graybarr claims offer a large, highly fractured zone of argillites, quartzites, gneisses, etc., which would provide suitable hosts for the mineralization accompanying the movements and intrusions into the rocks of the area.

It is indicated that mineralization occurs near formational contacts and extends into fracture zones accompanying faulting and other tectonic movements.

Mineralization exposed to date on the Proctor, Rotar, King and William Zones consists of silver, galena, sphalerite, pyrite, pyrrhotite, chalcopyrite and molybdenite. Some of the lead, zinc, copper and molybdenum are commercial in value.

The results achieved by the trenching of such a limited portion of the property and the anomalies indicated by the aerial magnetometer survey warrant further intensive work. When the results from the whole property are obtained and can be correlated, they could reveal a large low-grade body with values that, with today's low open-pit costs and high metal prices could be commercial.

15. RECOMMENDATIONS:

In view of the favorable geology of the claims area and the prevalence of silver, lead, zinc, copper and molybdenum revealed by the limited development work done so far, it is recommended that a further intensive program of exploration and development be conducted. This program is to consist of geological study and mapping, trenching, diamond drilling and sampling.

When each phase of the program is completed, the results should be correlated. This would permit a determination of the extent and cost of the next phase.

For the purpose of financing the immediate proposed program, King Graybarr Mines Ltd. (N.P.L.) should provide the sum of \$100,000.00.

16. ESTIMATED COST OF PROPOSED PROGRAM:

(1)	Development and improvement of Access Roads	\$ 8,000.00
(2)	Mapping and Geological Study	5,000.00
(3)	Trenching, Development of Known Veins and Stripping to Expose New Areas	25,000.00
(4)	Diamond Drilling, 2000' at \$15/ft.	30,000.00
(5)	Bulk Sampling	7,000.00
(6)	Engineering	5,000.00
(7)	Camp Establishment	8,000.00
(8)	Travel and Administration	8,000.00
(9)	Contingencies	4,000.00
		<u>\$100,000.00</u>

“WALTER E. SELNES”
Walter E. Selnes, P.Eng.

Vancouver, British Columbia.
28 November 1969.

17. BIBLIOGRAPHY:

- (1) Memoir No. 296 by A.G. Jones, Geological Survey of Canada, 1958.
- (2) Preliminary Report on Vernon Hill Mineral Claims Group, Vernon Mining Division, British Columbia, Weymark Engineering Ltd., February 28, 1969.
- (3) Geochemistry Survey of Vernon Copper Ltd. (N.P.L.) by E.S. Asano, B.Sc., January 1966.
- (4) A Report on the Geophysics of Vernon Copper Ltd. (N.P.L.) by E.S. Asano, B.Sc., February 1967.
- (5) Geophysical Report on an Airborne Magnetometer Survey on behalf of King Graybarr Mines Ltd. (N.P.L.) by Geo-X Surveys Ltd., Vancouver, British Columbia.
- (6) Prospectus of Vernon Copper Ltd. (N.P.L.) dated 1966.
- (7) Lead Settlement Sheets – January 16, 1967 and October 22, 1969, Consolidated Mining & Smelting Company Ltd., Trail, British Columbia.
- (8) Assay Certificates – January 4, 1969, January 13, 1969 and January 27, 1969, Spectrographic Analysis January 27, 1969 – Okanagan Assayers and Geochemists, Summerland, British Columbia.
- (9) Assay Certificate No. V-5377, 7 February 1969 and Spectrographic Analysis No. V-5377, 13 February 1969, Assay Certificate No. V-4515, February 1969 – T.S.L. Laboratories Ltd. Vancouver, British Columbia.
- (10) Assay Certificate – 24 February 1969 and March 1969 Okanagan Assayers and Geochemists, Summerland, British Columbia.

18. CERTIFICATE OF QUALIFICATIONS:

I, Walter E. Selnes, do declare that:

- (1) I reside at 2515 McBain Avenue, Vancouver 8, British Columbia.
- (2) I am a graduate of the University of Alberta with the degree of Bachelor of Arts and Bachelor of Science in Mining Engineering.
- (3) I am a member of the Association of Professional Engineers of British Columbia and of Ontario.
- (4) I have been practising my profession for the past thirty years in the capacities of Geologist, Exploration Engineer and Mining Executive.
- (5) This report is based on a personal examination of the property on November 15 and 16, 1969 and a review and study of information embodied in reports on the property by several Professional Engineers (see: Section 17, Bibliography).
- (6) I have not directly not indirectly received, nor do I expect to receive any interest, direct or indirect in the property of King Graybarr Mines Ltd. (N.P.L.) or any affiliate, nor do I beneficially own, directly or indirectly, any securities of the company or any affiliate.

“WALTER E. SELNES”

Walter E. Selnes, P.Eng.

Vancouver, British Columbia.

November 28, 1969.

DOMINION OF CANADA:

PROVINCE OF BRITISH COLUMBIA:

In the Matter of

KING GRAYBARR MINES LTD. (N.P.L.)
Box 904, Vernon, British Columbia.

To Wit:

Statement of Verification of conformity with the Regulations of the Mineral Act of the Province of British Columbia with respect to the staking of Mineral Claims Nos: DCK 1-6; DCK 20-43; DCK 49-51; DCK 54-59; DCK 61; DCK 100-101; ANNE 1-7; WCR 4-5; X-1; DAKOTA 992; GOLD 652169-652170; SILVER STREAK #1; SILVER STREAK 511544; SILVER STREAK 652141-652153; SILVER STREAK 511569-511570; COPPER 652154-652160; COPPER 652171-652175; COPPER 652178-652191; COPPER 738826 to 738829 and DENYSE 1-10, Vernon Mining Division in the Province of British Columbia.

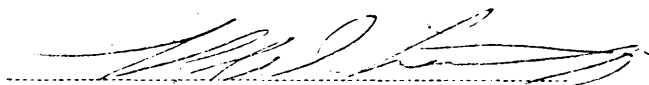
I.

I, William C. Rotar, Prospector of Vernon, British Columbia, do solemnly declare that I have personally examined the location lines, posts and tags involved with the location and staking of Mineral Claims Nos: DCK 1-6; DCK 20-43; DCK 49-51; DCK 54-59; DCK 61; DCK 100-101; ANNE 1-7; WCR 4-5; X-1; DAKOTA 992; GOLD 652169-652170; SILVER STREAK #1; in the Province of British Columbia, do solemnly declare that SILVER STREAK 511544; SILVER STREAK 652141-652153; SILVER STREAK 511569-511570; COPPER 652154-652160; COPPER 652171-652175; COPPER 652178-652191; COPPER 738826-738829 and DENYSE 1-10, situated on Vernon Hill near the city of Vernon, Vernon Mining Division of British Columbia and have found them to be in order and conformity with the regulations of the Mineral Act of the Province of British Columbia.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the City
of Vernon, in the
Province of British Columbia, this 10
day of December 1969, A.D.


WILLIAM C. ROTAR



A Commissioner for taking Affidavits for British Columbia or
A Notary Public in and for the Province of British Columbia.

★ 0

"A" - VERNON COPPER RECORDED CLAIMS

CLAIM NAME	RECORD No:	DATE OF RECORD	TAG No:	STAKED BY	STAKING DATE	EXPIRY DATE
DAKOTA 992	7588	9 Aug/65	517011	Wm. C. Rotar	8 Aug/65	9 Aug/71
GOLD 652169	8765	2 Jun/66	652169	Wm. C. Rotar	1 Jun/66	2 Jun/71
GOLD 652170	8766	2 Jun/66	652170	Wm. C. Rotar	1 Jun/66	2 Jun/71
SILVER STREAK #1	8726	26 May/66	606801	James Mykytiw	24 May/66	26 May/71
SILVER STREAK:						
511544	8749	2 Jun/66	511544	Wm. C. Rotar	26 May/66	2 Jun/71
652147	8750	2 Jun/66	652147	Wm. C. Rotar	30 May/66	2 Jun/71
652149	8751	2 Jun/66	652149	Wm. C. Rotar	30 May/66	2 Jun/71
652146	8752	2 Jun/66	652146	Wm. C. Rotar	30 May/66	2 Jun/71
652148	8753	2 Jun/66	652148	Wm. C. Rotar	30 May/66	2 Jun/71
511570	8754	2 Jun/66	511570	Wm. C. Rotar	30 May/66	2 Jun/71
511569	8755	2 Jun/66	511569	Wm. C. Rotar	30 May/66	2 Jun/71
652141	8756	2 Jun/66	652141	Wm. C. Rotar	30 May/66	2 Jun/71
652142	8757	2 Jun/66	652142	Wm. C. Rotar	30 May/66	2 Jun/71
652143	8758	2 Jun/66	652143	Wm. C. Rotar	30 May/66	2 Jun/71
652144	8759	2 Jun/66	652144	Wm. C. Rotar	30 May/66	2 Jun/71
652145	8760	2 Jun/66	652145	Wm. C. Rotar	30 May/66	2 Jun/71
652150	8761	2 Jun/66	652150	Wm. C. Rotar	30 May/66	2 Jun/71
652151	8762	2 Jun/66	652151	Wm. C. Rotar	31 May/66	2 Jun/71
652152	8763	2 Jun/66	652152	Wm. C. Rotar	31 May/66	2 Jun/71
652153	8764	2 Jun/66	652153	Wm. C. Rotar	31 May/66	2 Jun/71
COPPER 652171	8767	2 Jun/66	652171	Wm. C. Rotar	1 Jun/66	2 Jun/71
COPPER 652172	8768	2 Jun/66	652172	Wm. C. Rotar	1 Jun/66	2 Jun/71
COPPER 652154	8815	2 Jun/66	652154	Wm. C. Rotar	1 Jun/66	2 Jun/71
COPPER 652155	8816	8 Jun/66	652155	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652156	8817	8 Jun/66	652156	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652157	8818	8 Jun/66	652157	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652158	8819	8 Jun/66	652158	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652159	8820	8 Jun/66	652159	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652160	8821	8 /66	652160	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652173	8822	8 Jun/66	652173	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652174	8823	8 Jun/66	652174	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652175	8824	8 Jun/66	652175	Wm. C. Rotar	2 Jun/66	8 Jun/71
COPPER 652178	8827	8 Jun/66	652178	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652179	8828	8 Jun/66	652179	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652180	8829	8 Jun/66	652180	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652181	8830	8 Jun/66	652181	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652182	8831	8 Jun/66	652182	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652183	8832	8 Jun/66	652183	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652184	8833	8 Jun/66	652184	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652185	8834	8 Jun/66	652185	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652188	8953	28 Jun/66	652188	Wm. C. Rotar	13 Jun/66	28 Jun/71
COPPER 652189	8954	28 Jun/66	652189	Wm. C. Rotar	13 Jun/66	28 Jun/71
COPPER 652190	8855	28 Jun/66	652190	Wm. C. Rotar	13 Jun/66	28 Jun/71
COPPER 652191	8856	28 Jun/66	652191	Wm. C. Rotar	13 Jun/66	28 Jun/71
COPPER 738826	9008	7 Jul/66	738826	Wm. C. Rotar	30 Jun/66	7 Jul/71
COPPER 738827	9009	7 Jul/66	738827	Wm. C. Rotar	30 Jun/66	7 Jul/71
COPPER 738828	9010	7 Jul/66	738828	Wm. C. Rotar	30 Jun/66	7 Jul/71
COPPER 738829	9011	7 Jul/66	738829	Wm. C. Rotar	30 Jun/66	7 Jul/71
COPPER 852188	8833	8 Jun/66	652186	Wm. C. Rotar	3 Jun/66	8 Jun/71
COPPER 652187	8836	8 Jun/66	652187	Wm. C. Rotar	3 Jun/66	8 Jun/71

(continued on next page)

"A" - VERNON COPPER RECORDED CLAIMS (continued)

CLAIM NAME	RECORD No:	DATE OF RECORD	TAG No:	STAKED BY	STAKING DATE	EXPIRY DATE
DENYSE #1	9162	10 Aug/66	738981	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #2	9163	10 Aug/66	738982	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #3	9164	10 Aug/66	738983	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #4	9165	10 Aug/66	738984	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #5	9166	10 Aug/66	738985	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #6	9167	10 Aug/66	738986	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #7	9168	10 Aug/66	738987	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #8	9169	10 Aug/66	738988	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #9	9170	10 Aug/66	738989	Wayne Smith	28 Jul/66	10 Aug/71
DENYSE #10	9171	10 Aug/66	738990	Wayne Smith	28 Jul/66	10 Aug/71

"B" - KING, ROTAR, MYKYTIW RECORDED CLAIMS

CLAIM NAME	RECORD No:	DATE OF RECORD	TAG No:	STAKED BY	STAKING DATE	EXPIRY DATE
DCK-1	11681N	11 Oct/68	952056	David C.King	4 Oct/68	11 Oct/71
DCK-2	11682N	11 Oct/68	952057	David C.King	4 Oct/68	11 Oct/71
DCK-3	11683N	11 Oct/68	952064	David C.King	4 Oct/68	11 Oct/71
DCK-4	11684N	11 Oct/68	952065	David C.King	4 Oct/68	11 Oct/71
DCK-5	11685N	11 Oct/68	952058	David C.King	4 Oct/68	11 Oct/71
DCK-6	11686N	11 Oct/68	952059	David C.King	4 Oct/68	11 Oct/71
DCK-20	11774N	21 Oct/68	952075	David C.King	19 Oct/68	21 Oct/71
DCK-21	11775N	21 Oct/68	952201	David C.King	19 Oct/68	21 Oct/71
DCK-22	11776N	21 Oct/68	952202	David C.King	19 Oct/68	21 Oct/71
DCK-23	11777N	21 Oct/68	952203	David C.King	19 Oct/68	21 Oct/71
DCK-24	11751N	22 Oct/68	952213	David C.King	21 Oct/68	22 Oct/71
DCK-25	11752N	22 Oct/68	952214	David C.King	21 Oct/68	22 Oct/70
DCK-26	11753N	22 Oct/68	952215	David C.King	21 Oct/68	22 Oct/70
DCK-27	11754N	22 Oct/68	952216	David C.King	21 Oct/68	22 Oct/70
DCK-28	11755N	22 Oct/68	952217	David C.King	21 Oct/68	22 Oct/70
DCK-29	11756N	22 Oct/68	862082	David C.King	21 Oct/68	22 Oct/70
DCK-30	11757N	22 Oct/68	862083	David C.King	21 Oct/68	22 Oct/70
DCK-31	11758N	22 Oct/68	834756	David C.King	21 Oct/68	22 Oct/70
DCK-32	11759N	22 Oct/68	862084	David C.King	21 Oct/68	22 Oct/70
DCK-33	11822P	6 Nov/68	952218	David C.King	28 Oct/68	6 Nov/70
DCK-34	11823P	6 Nov/68	952219	David C.King	28 Oct/68	6 Nov/70
DCK-35	11824P	6 Nov/68	952220	David C.King	28 Oct/68	6 Nov/70
DCK-36	11825P	6 Nov/68	952221	David C.King	28 Oct/68	6 Nov/70
DCK-37	11826P	6 Nov/68	952222	David C.King	28 Oct/68	6 Nov/70
DCK-38	11827P	6 Nov/68	952223	David C.King	28 Oct/68	6 Nov/70
DCK-39	11828P	6 Nov/68	952224	David C.King	28 Oct/68	6 Nov/70
DCK-40	11829P	6 Nov/68	952225	David C.King	28 Oct/68	6 Nov/70
DCK-41	11830P	6 Nov/68	952226	David C.King	28 Oct/68	6 Nov/70
DCK-42	11831P	6 Nov/68	952227	David C.King	28 Oct/68	6 Nov/70
DCK-43	11832P	6 Nov/68	952233	David C.King	30 Oct/68	6 Nov/70
DCK-49	11833P	6 Nov/68	952234	David C.King	30 Oct/68	6 Nov/70
DCK-50	11834P	6 Nov/68	952235	David C.King	30 Oct/68	6 Nov/70
DCK-51	11835P	6 Nov/68	952236	David C.King	30 Oct/68	6 Nov/70
DCK-54	11847P	8 Nov/68	952168	David C.King	5 Nov/68	8 Nov/70
DCK-55	11848P	8 Nov/68	952169	David C.King	5 Nov/68	8 Nov/70
DCK-56	11849P	8 Nov/68	952170	David C.King	5 Nov/68	8 Nov/70
DCK-57	11850P	8 Nov/68	952171	David C.King	5 Nov/68	8 Nov/70
DCK-58	11851P	8 Nov/68	952172	David C.King	5 Nov/68	8 Nov/70
DCK-59	11852P	8 Nov/68	952173	David C.King	8 Nov/68	8 Nov/70
DCK-61	11853P	8 Nov/68	952175	David C.King	8 Nov/68	8 Nov/70
DCK-100	11980A	21 Jan/69	880129	David C.King	17 Jan/69	21 Jan/71
DCK-101	11981A	21 Jan/69	880130	David C.King	17 Jan/69	21 Jan/71
ANNE #1	10573	11 Oct/67	844721	James Mykytiw	26 Sep/67	11 Oct/70
ANNE #2	10574	11 Oct/67	844722	James Mykytiw	26 Sep/67	11 Oct/70
ANNE #3	10865	11 Apr/68	437743	James Mykytiw	1 Apr/68	11 Apr/70
ANNE #4	10866	11 Apr/68	437744	James Mykytiw	1 Apr/68	11 Apr/70
ANNE #5	10867	11 Apr/68	437745	James Mykytiw	1 Apr/68	11 Apr/70
ANNE #6	10868	11 Apr/68	437746	James Mykytiw	1 Apr/68	11 Apr/70
ANNE #7	10869	11 Apr/68	437747	James Mykytiw	1 Apr/68	11 Apr/70
WCR-4	11778H	21 Oct/68	553493	Wm.C.Rotar	13 Oct/68	21 Oct/71
WCR-5	11680	11 Oct/68	553494	Wm.C.Rotar	3 Oct/68	11 Oct/71
X-1	10482	21 Aug/67	862081	Wm.C.Rotar	21 Aug/68	21 Aug/71

MINING LTD. THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

OUR SERIAL NO. 4730=C

LEAD SETTLEMENT

FINAL

Trail, B.C.

January 16, 1967

In Account With W.C. Rotar,
Box 263,
ENDERBY, B.C.

Lot No. 1

Car No. by truck Received Nov. 25th

For Lead Ore

Freight Value \$
Freight Rate \$

SCALE WEIGHT			WEIGHT OF SHIPMENT						1.1	%H ₂ O	Net Dry Wt.	Dry Tons
Gross	Tare	Net	Gross	No. Sacks	Wt. of Sacks	Net Wet Wt.						
lb.	lb.	lb.	lb.		lb.	lb.		lb.	lb.			
						8,580		94	8,486	4.243		

ASSAYS

Gold	Silver	Wet Lead	Zinc	Sulphur	Silica	Iron	Lime	Arsenic	Antimony
oz. per dry ton	oz. per dry ton	%	%	%	%	%	%	%	%
.037	38.0	11.7	4.3	11.2	44.1	9.0	5.6	.1	.2

AVERAGE QUOTATIONS

Month of	December 1966	Exchange			
GOLD	\$ 35.00	8.3125%	Less \$1.25	Net \$	36.65938 oz.
SILVER	New York price \$ 1.293	"		Net \$	1.38048 oz.
LEAD	New York price 10.830		Less .6	Net	10.230 c.lb.
ZINC "P.W."	St. Louis price 12.231		Less 5.5	Net	6.731 c.lb.

CONTENTS AND VALUE

CONTENTS	CONTENTS PAID FOR	NET QUOTATION	VALUE
.157 ozs. GOLD	.149 ozs. @ \$	36.65938 oz.	\$ 5.46
161.23 ozs. SILVER	153.17 ozs. @ \$	1.38048 oz.	153.00 \$ 211.45
993 lbs. LEAD	908 lbs. @	10.230 c.lb.	30.00 \$ 92.89
365 lbs. ZINC	153 lbs. @	6.731 c.lb.	\$ 10.30

TOTAL GROSS VALUE \$	320.10
(Details below)	50.00
\$	270.10
Less: Trucking \$	
Switching	
Freight 37	
\$	270.10
\$	
\$	270.10
ADVANCED-	200.00
BALANCE-	70.10

TREATMENT RATE

Base Charge	\$ 15.00
Iron Zinc Penalty	
Arsenic Antimony	
Moisture	
EXPENSIVE Truck	.75
Lead @ 18.3 @ .10	1.83
Silica Lime credit 49.7 @ .14	6.96 cr.
TOTAL TREATMENT PER DRY TON	\$ 10.62

Not applicable

Lead Settlement - Preliminary



ANNEX: C

Our Serial No. 9682-C
 In Account With King Graybarr Mines Ltd.
 2811-30th St.
 Vernon, B.C.

Trail, B.C.

Oct. 22,

19 69

For Lead ore

Lot No. 2

Car No. 2 TRUCK

Received Sept. 30/69

Freight Value \$

Freight Rate \$

Scale Weight

Weight of Shipment

Gross	Tare	Net	Gross	No. Sacks	Wt. of Sacks	Net Wet Wt.	2.1 % H ₂ O	Net Dry Wt.	Dry Tons
lbs.	lbs.	lbs.	lbs.		lbs.	lbs.	lbs.	lbs.	
						17,215	362	16,853	8.4265

Assays		Wet Lead	Zinc	Sulphur	Silica	Iron	Lime	Al	Arsenic	Antimony
Gold	.047	11.9	7.5	2.2	7.3	60.4	6.5	2.5	6.1	.1
oz. per dry ton		oz. per dry ton	%	%	%	%	%	%	%	%

Quotations

Au Ag	Oct. 10, 19 69	Pb	Tadanac Realized Prices	Ave. Sept., 19 69	Exchange	Less \$1.25	Net \$	42.70022 oz.
Gold	\$40.73	U.S.			@ 7.90625			
Silver	New York Price \$ 1.845	U.S.			"	Less \$.02	Net \$ 1.97087	oz.
Lead	13.276	C. lb. Can.				Less .6 ¢	Net 12.676	C. lb.
Zinc "PW"		C. lb. Can.				Less	Net	C. lb.

Contents and Value

Contents	Contents Paid for	Net Quotation	Value
.396 Oz. Gold	95 % .376	ozs. @ \$ 42.70022 /oz.	\$ 16.06
100.28 Oz. Silver	8.43 oz% MD 91.85	ozs. @ \$ 1.97087 /oz.	181.02
1,264 Lbs. Lead	169 #% MD 1,095	lbs. @ 12.676 C./lb.	138.80
Lbs. Zinc	%	lbs. @ C./lb.	

Less:	Total Gross Value	\$ 335.88
Treatment @ \$	8.44	71.12
Details Below		\$ 264.76
Trucking		
Switching		
Freight		
		\$ 264.76
		\$ 264.76

Less % Royalty on \$ to

Treatment Rate

Base Charge	\$ 15.00
Iron Zinc Penalty	
Arsenic Antimony	
Moisture	
Extra handling	
Lead credit/debit 22.5 @ \$.10	2.25
Silica Lime credit 62.9 @ \$.14	8.81
	\$ 8.44

TOTAL TREATMENT PER DRY TON

Advance \$ 190.00

SUBMITTER: MR. KING,
King Graybarr Mines Ltd. (NPL),
P.O. Box 904, Vernon, B.C.
 Date 4th January 1969

Certificate of Analysis

OKANAGAN ASSAYERS & GEO-CHEMISTS
 CHEMISTS & PROVINCIAL ASSAYERS
 S. LAKESHORE DRIVE — PHONE 494-4566
 SUMMERLAND, B.C.

DESCRIPTION	No.	Ag oz	Cu %	MoS ₂ %	
451 S-1	11694	.24	.1	.62	<i>Values per lot</i>
452 S-2	11695	.18	.45	.55	

Analyst

SUBMITTER: King Graybarr Mines Ltd. (NPL),
P.O. Box 904,
Vernon B.C.
 Date 13 th January 1969

Certificate of Analysis

OKANAGAN ASSAYERS & GEO-CHEMISTS
 CHEMISTS & PROVINCIAL ASSAYERS
 S. LAKESHORE DRIVE — PHONE 494-4566
 SUMMERLAND, B.C.

DESCRIPTION	No.	Ag oz	Cu %		
2453/ S 3	11714	21.10	3.9		

Analyst

SUBMITTER: Mr. P. F. Falkowski,
Penticton, B.C.
 Date 23th January 1969

Certificate of Analysis

OKANAGAN ASSAYERS & GEO-CHEMISTS
 CHEMISTS & PROVINCIAL ASSAYERS
 S. LAKESHORE DRIVE — PHONE 494-4566
 SUMMERLAND, B.C.

DESCRIPTION	No.	MoS ₂ %			
grab sample	11716	3.77			

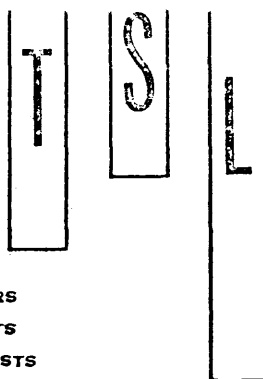
Analyst

SUBMITTER: Mr. Falkowski,
Penticton B.C.
 Date 27th January 1969

Spectrographic Analysis

OKANAGAN ASSAYERS & GEO-CHEMISTS
 CHEMISTS & PROVINCIAL ASSAYERS
 S. LAKESHORE DRIVE — PHONE 494-4566
 SUMMERLAND, B.C.

	%		%		%		%	
Alumina	8.0	Calcium	4.0	Manganese	.1	Tin	-.01	Symbols - less than ND = not detected.
Arsenic	ND	Chromium	.01	Molybdenum	ND	Titanium	.1	
Antimony	ND	Copper	.03	Nickel	-.01	Tungsten	ND	
Barium	-.01	Cobalt	-.01	Potassium	1.0	Vanadium	.03	
Bismuth	ND	Iron	5.0	Silica	60.0	Zinc	.03	
Boron	-.01	Lead	.02	Silver	- 1 oz	Zirconium		
Cadmium	ND	Magnesium	1.0	Sodium	.5			



Laboratories Limited

325 HOWE STREET - VANCOUVER 1, B.C.

TELEPHONE 688-3504

ASSAYERS
CHEMISTS
GEOCHEMISTS

CERTIFICATE OF ANALYSIS

SAMPLE(S) FROM KING GRAYBALL/MR. W.J. WEYMARK

REPORT NO.

V-5377

SAMPLE(S) OF ROCK Submitted on February 5, 1969.

Sample No.	Gold (Au)oz:ton	Silver (Ag)oz:ton	Copper (Cu)%	Lead (Pb)%	Molybdenum (MoS ₂)%
10185	trace	trace	0.16	----	0.03
10186	0.01	1.28	1.12	----	0.11
10187	0.02	trace	0.14	----	0.03
10188	trace	0.85	0.02	0.29	----
10189	trace	1.30	0.04	0.39	----
10190	trace	0.62	[0.34]	0.03	0.22
10191	trace	0.26	0.13	----	0.04
10192	0.05	0.60	0.26	----	0.19
10193	----	0.15	0.08	----	0.03
10194	0.03	0.63	0.19	----	0.28

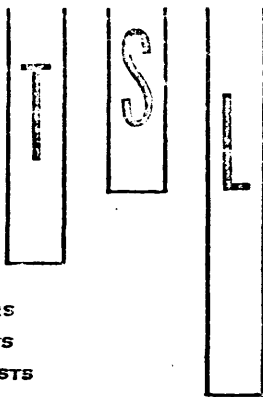
oz:ton - Troy ounces per 2,000 lbs.

DATE February 7, 1969.

SIGNED Ernest K. Basteman

PULP AND REJECTS DISCARDED AFTER 3 MONTHS

DIVISION OF TECHNICAL SERVICE LABORATORIE



Laboratories Limited

325 HOWE STREET - VANCOUVER 1, B.C.

TELEPHONE 688-3504

ASSAYERS
CHEMISTS
GEOCHEMISTS

CERTIFICATE OF ANALYSIS

Semiquantitative Spectrographic

SAMPLE(S) FROM MR. W.J. WEYMARK
KING GRAYBALL

REPORT NO. V-5377

SAMPLE(S) OF ROCK Submitted on February 6, 1969.
COMPOSITE 10192 - 10194

	Sample	Sample	Sample		Sample	Sample	Sample
Antimony	-			Phosphorus	-		
Arsenic	-			Platinum	-		
Barium	.05%			Rhenium	X		
Beryllium (BeO)	-			Rhodium	-		
Bismuth	.003%			Rubidium	X		
Boron	-			Ruthenium	-		
Cadmium	-			Silver	.2 oz t		
Cerium (CeO ₂)	-			Strontium	.05%		
Caesium	X			Tantalum (Ta ₂ O ₅)	-		
Chromium	.03%			Tellurium	-		
Cobalt	.01%			Thallium	-		
Columbium (Cb ₂ O ₅)	-			Thorium (ThO ₂)	-		
Copper	.2%			Tin	.003%		
Gallium	.001%			Titanium	.2%		
Germanium	-			Tungsten	-		
Gold	-			Uranium (U ₂ O ₅)	-		
Hafnium	-			Vanadium	.01%		
Indium	-			Yttrium (Y ₂ O ₃)	.002%		
Iridium	-			Zinc	-		
Lanthanum (La ₂ O ₃)	-			Zirconium (ZrO ₂)	.01%		
Lead	.02%			ROCK FORMING METALS			
Lithium (Li ₂ O)	-			Aluminum (Al ₂ O ₃)	M		
Manganese	.01%			Calcium (CaO)	1%		
Mercury	-			Iron (Fe)	MH		
Molybdenum	.2%			Magnesium (MgO)	LM		
Neodymium (Nd ₂ O ₃)	-			Silica (SiO ₂)	H		
Nickel	.003%			Sodium (Na ₂ O)	1%		
Palladium	-			Potassium (K ₂ O)	-		

Figures are approximate:

C O D E

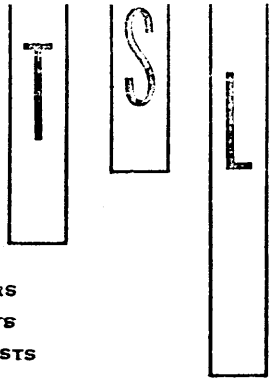
H — High — 10 — 100% approx.
MH — Medium High — 5 — 50% approx.
M — Medium — 1 — 10% approx.

LM — Low Medium — .5 — 5% approx.
L — Low — .1 — 1% approx.
TL — Trace Low — .05 — .5% approx.
T — Trace — .01 — .1% approx.

FT — Faint Trace — approx. less than .01%.
PT — Possible Trace — Presence not certain.
— — Not Detected — Elements looked for but not found.
X — Not looked for

DATE February 13, 1969.

SIGNED *Ernest H. O'Brien*



Laboratories Limited

325 HOWE STREET - VANCOUVER 1, B.C.

TELEPHONE 688-3504

CERTIFICATE OF ANALYSIS

ASSAYERS
CHEMISTS
GEOCHEMISTS

SAMPLE(S) FROM

MR. W.J. WEYMARK - GRAYBALL

REPORT NO.

V-5415

SAMPLE(S) OF

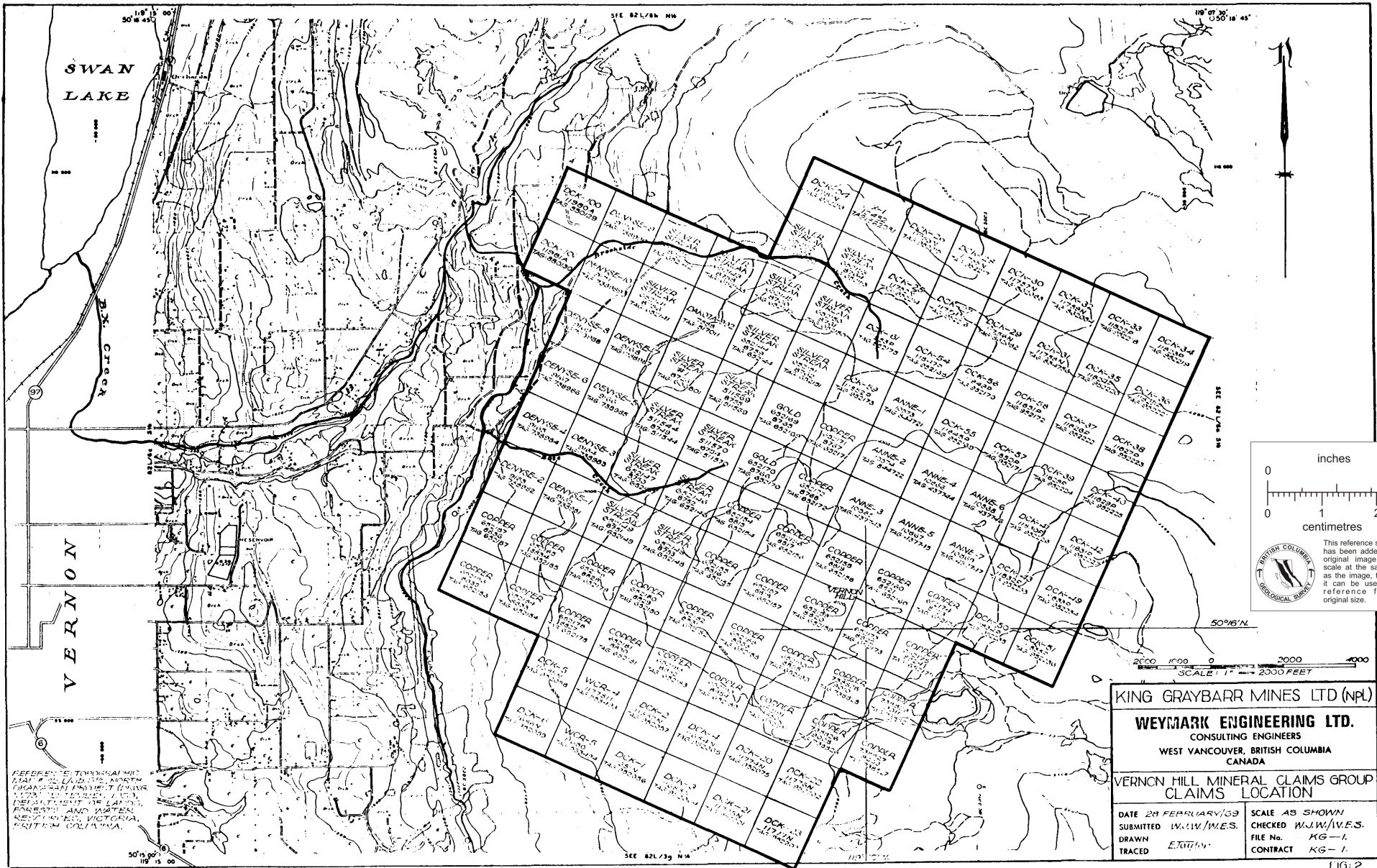
ROCK Submitted on February 24, 1969.

Sample No.	Gold (Au) oz:ton	Silver (Ag) oz:ton	Copper (Cu) %	Lead (Pb) %	Zinc (Zn) %
10682	0.03	38.10	0.03	19.82	5.60
10683	0.05	6.20	0.15	8.32	0.53

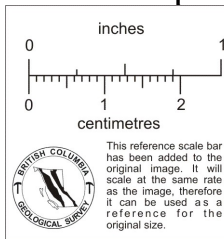
oz:ton - Troy ounces per 2,000 lbs.

DATE February 27, 1969.

SIGNED *E. J. Chesterton*



REFER TO TOWNSHIP MAPS OF THE LANDS AND MINES DEPARTMENT FOR A COMPLETE LIST OF CLAIMS AND WATER RIGHTS IN THE AREA. BRITISH COLUMBIA.



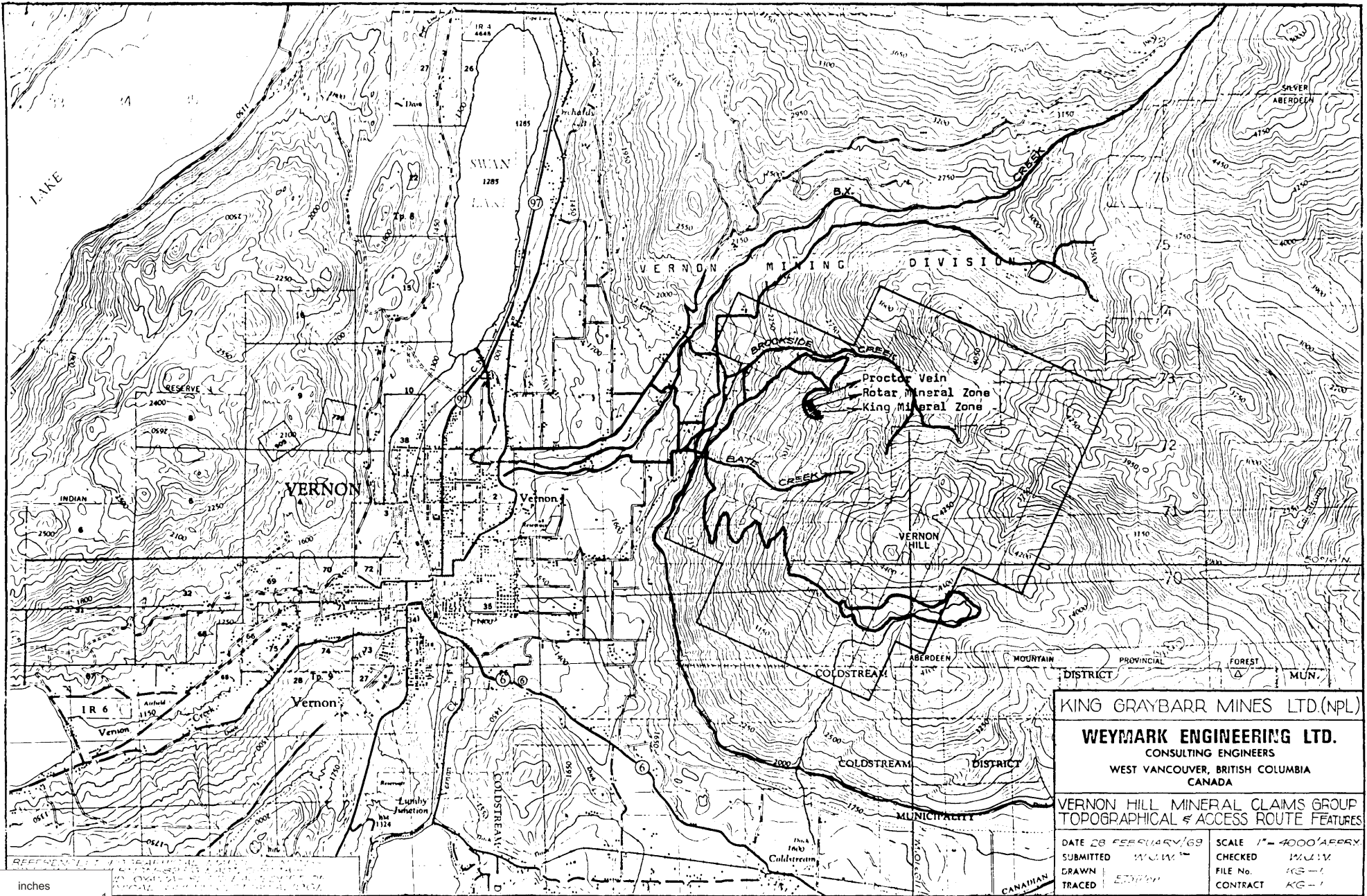
KING GRAYBARR MINES LTD (NPL)

WEYMARK ENGINEERING LTD.
CONSULTING ENGINEERS
WEST VANCOUVER, BRITISH COLUMBIA
CANADA

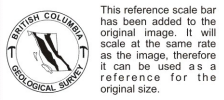
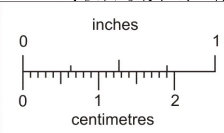
VERNON HILL MINERAL CLAIMS GROUP CLAIMS LOCATION

DATE 28 FEBRUARY/83	SCALE AS SHOWN
SUBMITTED W.J.W./M.E.S.	CHECKED W.J.W./M.E.S.
DRAWN E.T.G./M.E.S.	FILE No. KG-1.
TRACED E.T.G./M.E.S.	CONTRACT KG-1.

FIG. 2

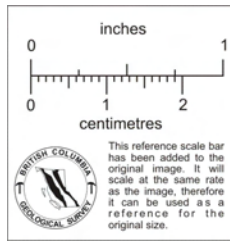
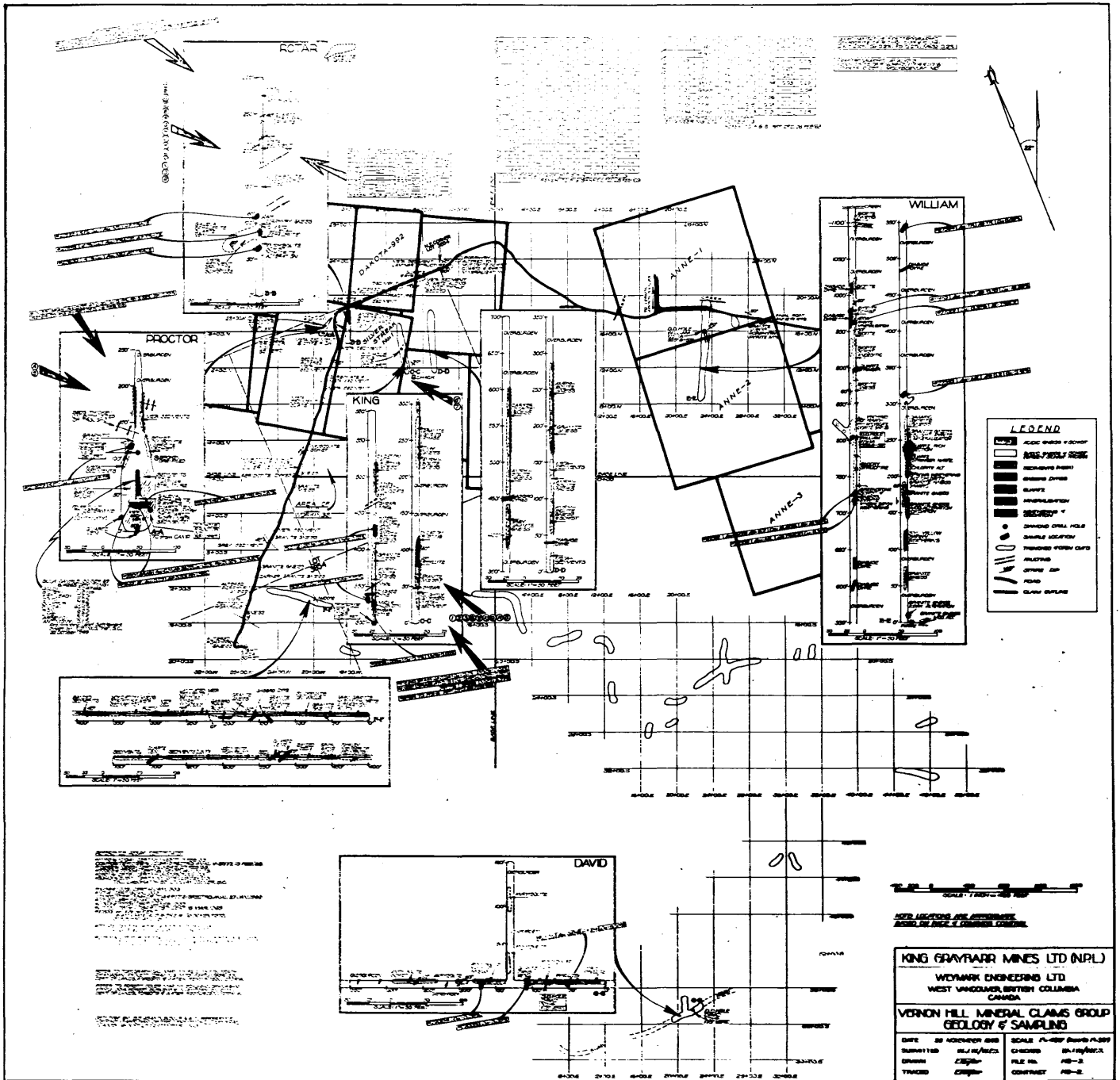


KING GRAYBARR MINES LTD.(NPL)	
WEYMARK ENGINEERING LTD. CONSULTING ENGINEERS WEST VANCOUVER, BRITISH COLUMBIA CANADA	
VERNON HILL MINERAL CLAIMS GROUP TOPOGRAPHICAL & ACCESS ROUTE FEATURES	
DATE 28 FEBRUARY 1969	SCALE 1" = 4000' APPROX
SUBMITTED W.G.W.	CHECKED W.G.W.
DRAWN	FILE No. KG-1
TRACED E.D.P.	CONTRACT KG-1



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

FIG-3



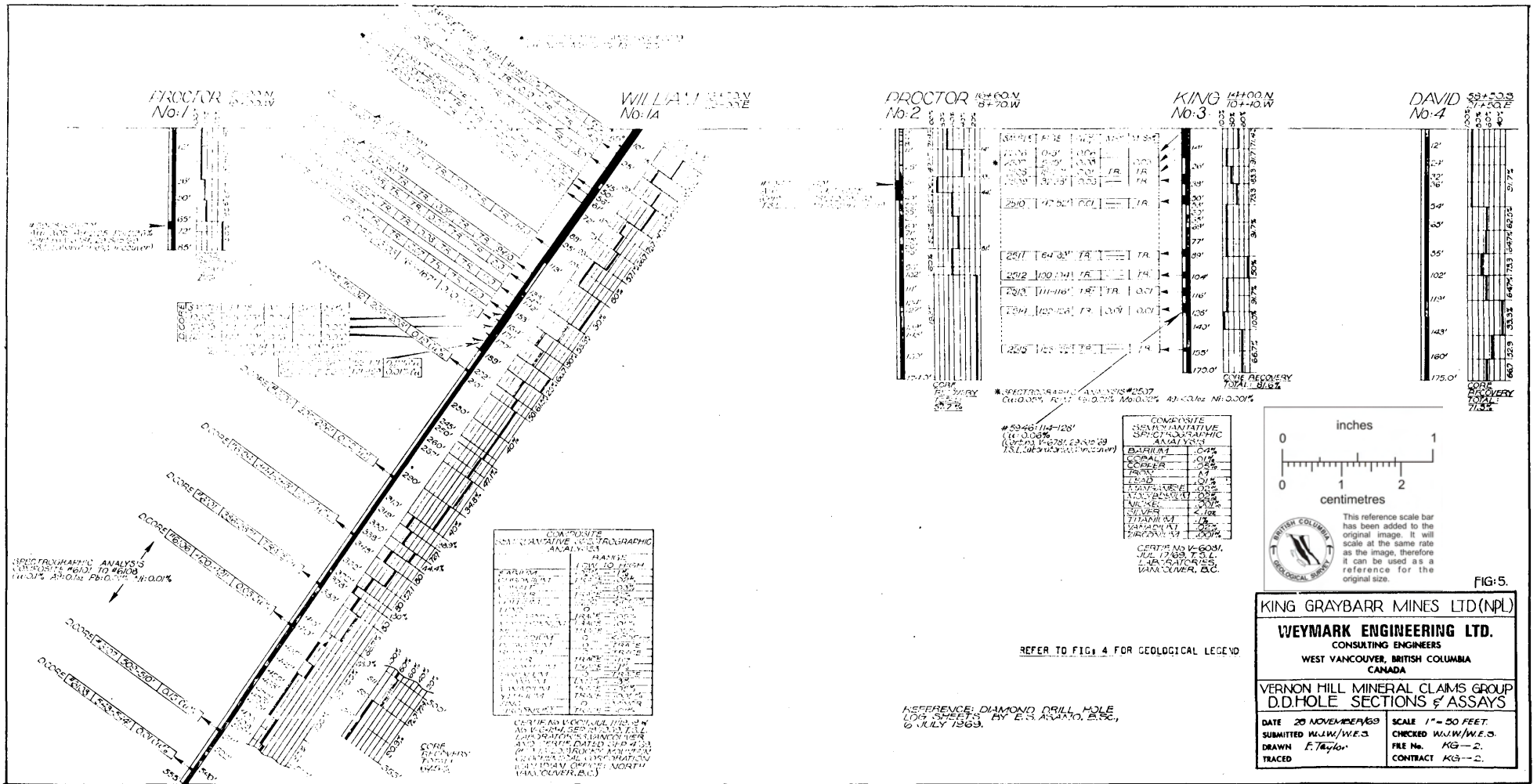


FIG. 5.

KING GRAYBARR MINES LTD (NPL)

WEYMARK ENGINEERING LTD.
 CONSULTING ENGINEERS
 WEST VANCOUVER, BRITISH COLUMBIA
 CANADA

VERNON HILL MINERAL CLAIMS GROUP
D.D.HOLE SECTIONS & ASSAYS

DATE: 20 NOVEMBER 1963
 SUBMITTED: W.J.W./W.E.S.
 DRAWN: E. Taylor
 TRACED

SCALE: 1" = 50 FEET
 CHECKED: W.J.W./W.E.S.
 FILE No.: KG-2
 CONTRACT: KG-2.

REFER TO FIG. 4 FOR GEOLOGICAL LEGEND

REFERENCE: DIAMOND DRILL HOLE LOG SHEETS BY E.S. ADAMO, B.S.C., 6 JULY 1963.

CENOZOIC:

QUATERNARY:
 Pleistocene & Recent:
 Glacial, lacustrine & fluvial
 gravel, sand, silt & clay.

TERTIARY:

OLIGOCENE or MIOCENE:
 KANLOROS GROUP: Basaltic
 lava & flow breccia, minor rhyo-
 litic lava & breccia, local sand-
 stone, shale, conglomerate, coal.

PALEOZOIC:

CARBONIFEROUS (?) & PERMIAN:
 Mainly andesitic lava &
 tuff, minor argillite, quartz-
 ite & limestone.

Mainly argillite.

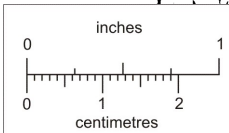
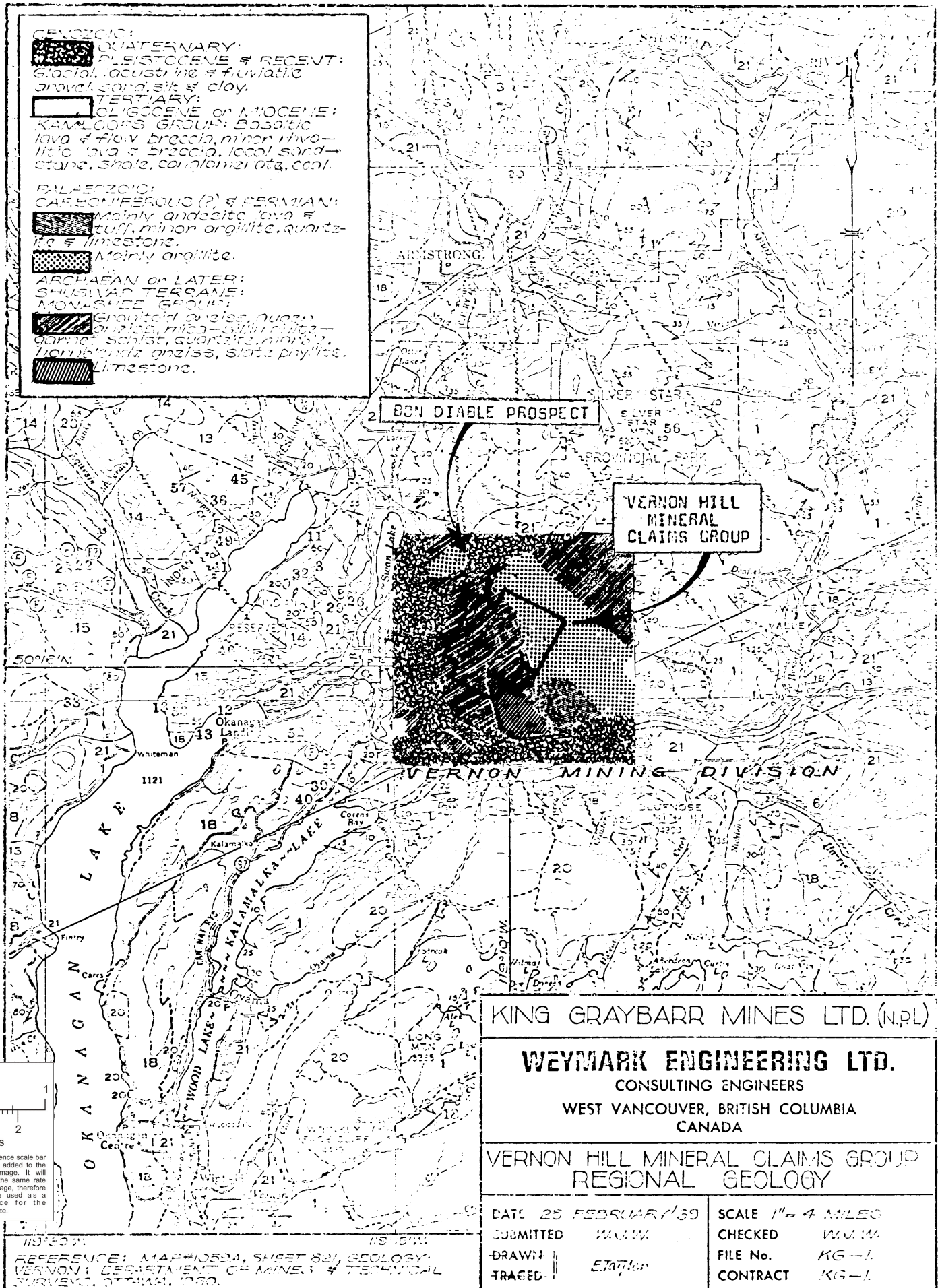
ARCHAIC or LATER:

SHUSWAP TERRANE:

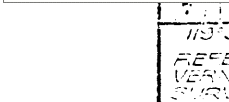
MONASHEE GROUP:

Granitic gneiss, quartz-
 gneiss, mica-quartzite -
 gneiss, schist, quartzite, mica-
 schist, quartz gneiss, slate, phyllite.

Limestone.



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



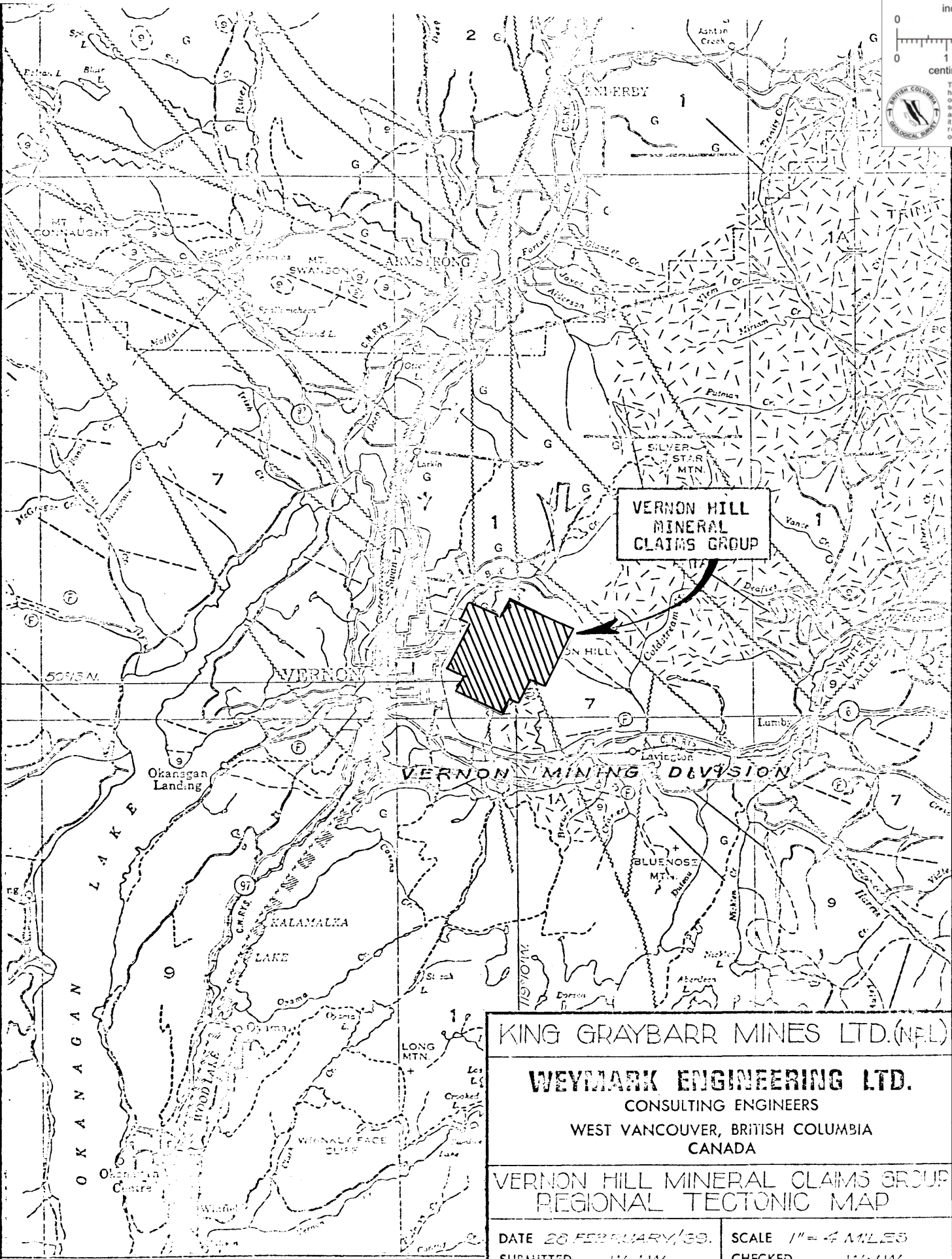
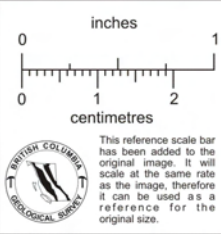
KING GRAYBARR MINES LTD. (N.P.L.)

WEYMARK ENGINEERING LTD.
 CONSULTING ENGINEERS
 WEST VANCOUVER, BRITISH COLUMBIA
 CANADA

VERNON HILL MINERAL CLAIMS GROUP
 REGIONAL GEOLOGY

DATE	25 FEBRUARY '59	SCALE	1" = 4 MILES
SUBMITTED	W.W.M.	CHECKED	W.W.M.
DRAWN	E. Taylor	FILE No.	KG-1
TRACED		CONTRACT	KG-1

REFERENCE: MAP 1059A, SHEET 62, GEOLOGY, VERNON, DEPARTMENT OF MINES & TECHNICAL SURVEYS, OTTAWA, 1950.



KING GRAYBARR MINES LTD.(N.F.L.)

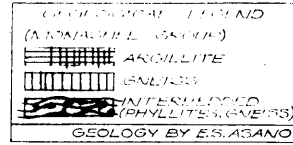
WEYMARK ENGINEERING LTD.
 CONSULTING ENGINEERS
 WEST VANCOUVER, BRITISH COLUMBIA
 CANADA

VERNON HILL MINERAL CLAIMS GROUP
 REGIONAL TECTONIC MAP

DATE	28 FEBRUARY, '69.	SCALE	1" = 4 MILES
SUBMITTED	W.G.W.	CHECKED	W.G.W.
DRAWN	ET/7/69	FILE No.	KG-1
TRACED		CONTRACT	KG-1

115°55'W. 115°15'W.
 REFERENCED TECTONIC MAP OF VERNON AREA
 PREPARED BY DEPARTMENT OF MINES AND
 TECHNICAL SERVICES, VERNON, B.C.

DAKOTA 992
7558
TAG: 517011



NO.	DEPTH	ASSAY	AG	CU	PB	MO	ZN
10185	10' 1ft.	TR.	TR.	0.16	---	---	0.03
10186	15' 1ft.	0.01	1.28	1.12	---	---	0.11
10187	12"	0.02	TR.	0.14	---	---	0.03
10188	15"	TR.	0.85	0.02	0.29	---	---
10189	12"	TR.	1.30	0.04	0.39	---	---
10190	GRAB	TR.	0.62	0.34	0.03	0.22	---
10191	GRAB	TR.	0.26	0.13	---	0.04	---
10192	25' 1ft.	0.05	0.60	0.26	---	0.19	---
10193	25' 1ft.	---	0.15	0.08	---	0.03	---
10194	25' 1ft.	0.03	0.63	0.19	---	0.28	---

SAMPLE	AU	AG	CU	PB	MO	ZN
11769	0.05	34.53	0.03	0.2	0.1	---
11770	0.01	14.5	0.01	0.5	0.3	---
11771	---	70.34	---	41.1	---	---
11772	---	71.36	---	55.6	7.1	---
11773	---	108.56	---	53.9	---	---
11774	0.005	22.50	0.19	33.9	---	---
11775	---	1.89	---	0.3	---	---
11777	---	12.74	---	7.6	---	---

SEMIGUANTATIVE SPECTROGRAPHIC (COMPOSITE OF #10192, #10193 & #10194)

ASSAY	AG	CU	PB	MO
---	0.2	0.2	0.02	0.2

SAMPLE	FOOTAGE	AU	AG	CU	PB	MO
10185	10' 1ft.	TR.	TR.	0.16	---	0.03
10186	15' 1ft.	0.01	1.28	1.12	---	0.11
10187	12"	0.02	TR.	0.14	---	0.03
10188	15"	TR.	0.85	0.02	0.29	---
10189	12"	TR.	1.30	0.04	0.39	---
10190	GRAB	TR.	0.62	0.34	0.03	0.22
10191	GRAB	TR.	0.26	0.13	---	0.04
10192	25' 1ft.	0.05	0.60	0.26	---	0.19
10193	25' 1ft.	---	0.15	0.08	---	0.03
10194	25' 1ft.	0.03	0.63	0.19	---	0.28

SPECTROGRAPHIC ANALYSIS (COMPOSITE OF #11694-5, #11714 & #11716)
 COPPER: 0.03% MOLYBDENUM: N.D.

#10653: GRAB-Au: 0.05 Ag: 6.20 Cu: 0.15% Pb: 8.32% Zn: 0.53%

#11714: Ag: 21.10 Cu: 3.9%

#10682: GRAB-Au: 0.03 Ag: 38.10 Cu: 0.03% Pb: 19.82 Zn: 5.60%

#11695: GRAB-Ag: 0.18 Cu: 0.45% MoS2: 0.55%

#11694: GRAB-Ag: 0.24 Cu: 0.1% MoS2: 0.62%

#11716: GRAB-- MoS2: 3.77%

ASSAYS Nos: 11769/70. CERT. DTD. 04 FEB '69;
 ASSAYS Nos: 11773, 11781/84, 11787. CERT.
 DTD. 18 MAR '69. OKANAGAN ASSAYERS
 AND GEO-CHEMISTS, SUMMERLAND, B.C.

ASSAYS Nos: 11694-5. CERT. DTD. 4 JAN/1969;
 ASSAY No: 11714. CERT. DTD. 18 JAN/1969;
 ASSAY No: 11716. CERT. DTD. 28 JAN/1969;
 SPECTROGRAPHIC ANALYSIS, CERT. 27 JAN/1969;
 OKANAGAN ASSAYERS & GEO-CHEMISTS,
 SUMMERLAND, B.C.

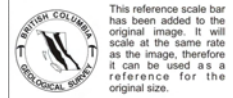
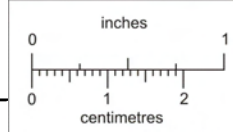
ASSAYS Nos: 10682-3. CERT. No: V-5877,
 FEBRUARY 7, 1969.
 SEMIQUANTATIVE SPECTROGRAPHIC - CERT.
 No: V-5877, FEBRUARY 15, 1969.
 ASSAYS Nos: 10653-3. CERT. No: V-5-115,
 27 FEBRUARY 1969.
 T.S.L. LABORATORIES LTD. VANCOUVER, B.C.

KING GRAYBARR MINES LTD (NPL)

WEYMARK ENGINEERING LTD.
 CONSULTING ENGINEERS
 WEST VANCOUVER, BRITISH COLUMBIA
 CANADA

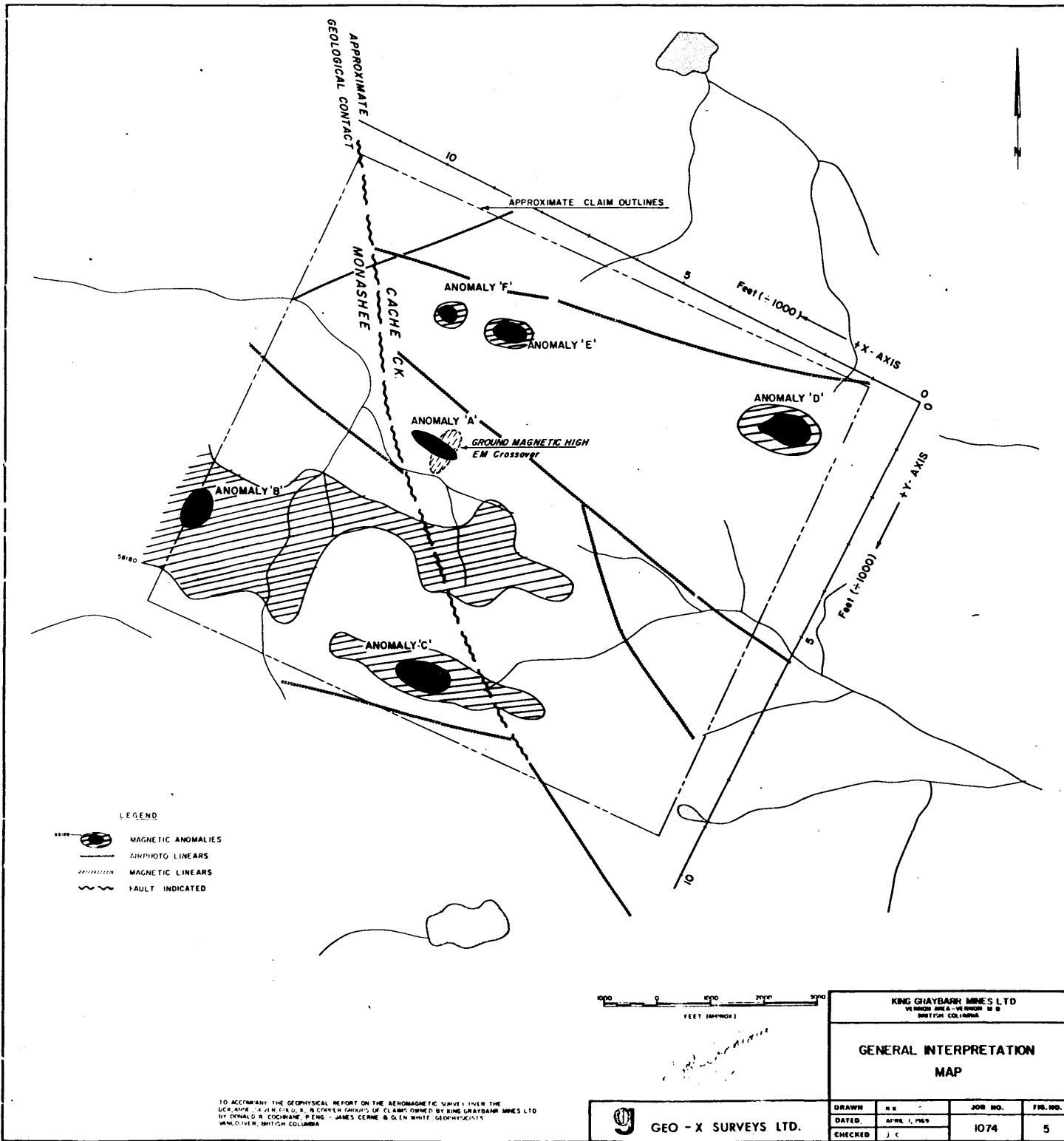
VERNON HILL MINERAL CLAIMS GROUP
 SAMPLING & ASSAYS

DATE 28 FEBRUARY '69. SCALE 1" = 100 FEET
 SUBMITTED W.J.W./W.E.S. CHECKED W.J.W./W.E.S.
 DRAWN E.Taylor FILE No. KG-1.
 TRACED E.Taylor CONTRACT KG-1



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FIG. 8.



TO ACCOMPANY THE GEOPHYSICAL REPORT ON THE REMAGNETIC SURVEY OVER THE
 U.S. CLAIMS IN AREA VEHOCH 22 B, BRITISH COLUMBIA, OWNED BY KING GRAYBARRE MINES LTD.
 BY DONALD R. COCHRANE, B.Sc. - JAMES CERNE & GLEN WHITE, GEOPHYSICISTS
 VANCOUVER, BRITISH COLUMBIA

FIG. 9.