

Scott + Rip Claims

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Form 12

Securities Act

Date Accepted
For Filing October 26,
1976

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
VANCOUVER CURB EXCHANGE

File

STATEMENT OF MATERIAL FACTS



VANCOUVER CURB EXCHANGE

Name of Exchange

CAPRICE RESOURCES INC. (formerly "Geor Mine & Oil Ltd.")

Name of Issuer

202-850 West Hastings Street, Vancouver, British Columbia

Address - Head Office of Issuer

#711-475 Howe Street, Vancouver, British Columbia

Address of Registered Office of Issuer

#711-475 Howe Street, Vancouver, British Columbia

Address of Records Office (Section 38 - Companies Act)

Yorkshire Trust Company, 900 West Pender St., Vancouver, B.C.

Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

PROPERTY FILE

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange/Vancouver Curb Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES.

Pursuant to an Underwriting Agreement dated October 8, 1976 CANARIM INVESTMENT CORPORATION LTD. (the "Underwriter") of 424 Burrard Street, Vancouver, B.C., agreed to underwrite 300,000 shares of CAPRICE RESOURCES INC., formerly "Geor Mine & Oil Ltd.", (the "Issuer") at 15¢ per share to net the Issuer \$45,000.00, and was granted an option to purchase 100,000 shares of the Issuer at 20¢ per share exercisable 90 days after acceptance of this Statement of Material Facts by the Vancouver Curb Exchange. The option, if exercised, will net the Issuer an additional sum of \$20,000.00. The shares underwritten and acquired pursuant to the option will be for primary distribution to the public in British Columbia at the market price at the time of offering through the facilities of the Vancouver Curb Exchange.

The range of the market price of the shares of the Issuer and the volume of sales for each of the four weeks immediately preceding the date of the certificates to this Statement of Material Facts, on the Vancouver Curb Exchange, is as follows:

<u>Week</u>	<u>Market Range</u>	<u>Volume</u>
Sep. 20-24	14¢ - 14¢	10,000
Sep. 27-Oct.1	12¢ - 15¢	7,500
Oct. 4 -Oct.8	14¢ - 17¢	17,500
Oct.12-Oct.15	17¢ - 17¢	4,000

The Issuer has granted to the Underwriter a first right of refusal to provide financing during the twelve months following the date of acceptance of this Statement of Material Facts. No shares are being offered for the account of a selling shareholder. There are no subunderwriting agreements. To the knowledge of the Issuer, only the contracting underwriter has any interest, direct or indirect, in the underwritten and optioned shares. The underwriter, subject to the By-Laws of the Vancouver Stock Exchange, may also make purchases and sales of any shares of the Issuer for the purpose of maintaining an orderly market for the shares of the Issuer and to assist in the distribution of the offered shares.

The following beneficially own, directly or indirectly, in excess of 5% of each class of issued shares of the Underwriter:

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Percentage</u>
ALFRED E. TURTON 225 One Lakeview Square Winnipeg, Man.	24,119	54%
PETER M. BROWN 1667 West 40th Avenue Vancouver, B.C.	15,212	34%
BRIAN D. HARWOOD 203-2180 Argyle Street W. Vancouver, B.C.	5,625	12%

The Underwriter may be considered the "market maker" of the Issuer during the period immediately preceding and during the underwriting.

The number of and percentage of the issued and outstanding securities of each class of the Issuer beneficially owned, directly or indirectly, by promoters, directors, senior officers and persons holding 10% or more of the issued shares, as a group, is 600,000 and 42.41%.

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED.

The properties of the Issuer on which the proceeds from the sale of securities offered by this Statement of Material Facts are to be spent are without a known body of commercial ore and the proposed program is an exploratory search for ore.

The shares of the Issuer must be considered speculative securities as the Issuer's mining properties are in the exploration and development stage.

No survey has been made of the Issuer's located mineral claims and therefore in accordance with the mining laws of the jurisdiction in which such claims are situate their existence and area could be in doubt.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER.

(A) By Agreement dated September 20, 1976, between Thomas D. McMahon of 704-2222 Bellevue, West Vancouver, B.C. and the Issuer, the Issuer acquired an option to purchase an undivided 100% interest in the Scott & Rip Claims located immediately to the N.E. of the East end of North Barriere Lake, Kamloops Mining Division, for the following consideration:

- (a) \$10,000.00 to be paid by the Issuer to Thomas McMahon upon acceptance of the Agreement by the Vancouver Curb Exchange;
- (b) 200,000 fully paid and non-assessable shares of the Issuer to be allotted as follows:
 - (i) 50,000 shares upon acceptance of the Agreement by the Vancouver Curb Exchange;
 - (ii) 50,000 shares not before 90 days of the date upon which the Agreement is accepted by the Vancouver Curb Exchange;
 - (iii) 50,000 shares not before 180 days of the date upon which the Agreement is accepted by the Vancouver Curb Exchange;
 - (iv) 50,000 shares not before 270 days of the date upon which the Agreement is accepted by the Vancouver Curb Exchange;

The issue and allotment of these shares are subject to filing acceptable engineering reports recommending further work with the Vancouver Curb Exchange, and upon receipt from the Superintendent of Brokers of a ruling under Section 56 of the Securities Act determining that the issue of 200,000 shares will not constitute a primary distribution of securities to the public.

(B) Pursuant to the special resolutions of shareholders passed at the Extraordinary General Meeting held on August 23, 1976 and by Certificate issued by the Registrar of Companies on September 17, 1976, the name of the Issuer was changed from "Geor Mine & Oil Ltd." to "CAPRICE RESOURCES INC.".

(C) Pursuant to the resolutions of shareholders passed at the said Extraordinary General Meeting, the escrow shares standing in the name of Rudolf Bader and William H. Boender and issued for the Victoria Lake Group of Claims on Vancouver Island (these claims have lapsed) were surrendered to the Issuer by way of gift; and the Issuer acquired the View Group of Claims situated in the Kamloops Mining Division, Province of British Columbia, for the issuance of 724,000 escrow shares as follows:-

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Percentage</u>
DA HOLDINGS LTD. 202-850 W. Hastings St. Vancouver, B.C.	220,000	30.39%
TDM HOLDINGS LTD. 202-850 W. Hastings St. Vancouver, B.C.	340,000	46.96%
SHIRLEY HOLM 7486 148th Street Surrey, B.C.	20,000	2.76%
H. BOUWMAN 202-850 W. Hastings St. Vancouver, B.C.	20,000	2.76%
L.R. BROWN 807 Cumberland Street New Westminster, B.C.	20,000	2.76%
STEVE MIECZNICK 2928 West 43rd Avenue Vancouver, B.C.	20,000	2.76%
BRIAN BOCKING 202-850 W. Hastings St. Vancouver, B.C.	20,000	2.76%
RUDOLF BADER 404-1139 Barclay Street Vancouver, B.C.	40,000	5.52%
WILLIAM H. BOENDER 2104-1155 Beach Avenue Vancouver, B.C.	24,000	3.31%

The equity share of DA Holdings Ltd. are held by Arlene Price of 1131 Millstream, West Vancouver, B.C.; and the equity shares of TDM Holdings Ltd. are held equally by Jerry Satchwell of 5385 8"A" Avenue, Delta, B.C. and Arlene Price.

Rudolf Bader received the sum of \$6,600.00 for agreeing to have his escrow shares surrendered to the Issuer by way of gift.

(D) By Special resolution, the following three directors were removed:-

LARRY SEYMOUR
GORDON ELLIOTT
ELAINE CALDER.

(E) By Directors' resolution on August 23, 1976, the following were appointed additional directors of the Company and William Garrison and Nick Kravariotis resigned as Directors and Officers of the Issuer:-

<u>Name and Address</u>	<u>Position Held</u>
LESLIE P. PRICE 1131 Millstream West Vancouver, B.C.	President & Director
JERRY SATCHWELL 5385 8"A" Avenue Delta, B.C.	Secretary-Treasurer and Director
L.R. BROWN 807 Cumberland Street New Westminster, B.C.	Director
STEPHEN MIECZNICK 2928 West 43rd Avenue Vancouver, B.C.	Director

4. THE ESTIMATED NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

The principal purposes for which the estimated net proceeds from the sale of the securities offered by this Statement of Material Facts are to be spent are as follows:

To acquire Scott and Rip Claims	\$ 10,000.00
To carry out part of the exploration program recommended by C.T. Pasiaka, P.Eng., in his report of August 9, 1976, on the Scott and Rip Claims, attached hereto, consisting of:	
Line cutting 14 miles @ 110.00	1,540
Geophysical Survey 14 miles @ 240	3,360
Induced Polarization 14 miles @ 500	7,000
Bulldozer stripping 100 HRS @ 50	5,000
Engineering Supervision & consulting	2,000
Contingency @ 15%	<u>2,835</u>
	\$ 21,735.00
To provide general working capital	13,265.00
Total proceeds	<u>\$45,000.00</u>

Any funds received from the exercise of the option hereof will be added to the general working capital of the Issuer.

5. SENIOR OFFICERS AND DIRECTORS OF THE COMPANY

<u>Name and Address</u>	<u>Chief Occupation for Last 5 Years</u>	<u>No. of Shares Beneficially Owned</u>
LESLIE P. PRICE 1131 Millstream West Vancouver, B.C. (President & Director)	Chartered Accountant	Nil
JERRY SATCHWELL 5385 8"A" Avenue Delta, B.C. (Secretary-Treasurer and Director)	Mining Executive	170,000
L.R. BROWN 807 Cumberland Street New Westminster, B.C. (Director)	National Advertis- ing Manager, Columbian Newspaper	20,000
STEPHEN MIECZNICK 2928 West 43rd Avenue Vancouver, B.C. (Director)	Supervisor, B.C. Tel	20,000

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER.

The Issuer was incorporated in British Columbia on July 21, 1972, by Memorandum and Articles.

The last annual report was filed with the Registrar of Companies of British Columbia on July 21, 1976. All filings required to be made by the Issuer under the Securities Act and Companies Act of British Columbia are up-to-date.

The latest audited financial statements of the Issuer were dated July 31, 1975, and were placed before the members of the Issuer at the Annual General Meeting held on December 8, 1975.

There is no business which the Issuer is restricted from carrying on, however the Issuer is primarily engaged in the business of acquiring and developing natural resources properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER.

The authorized capital of the Issuer consists of 10,000,000 shares without par value, of which 1,414,752 have been issued as fully paid.

8. PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR.

Nil

9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, MORTGAGES, CHARGES, LIENS, OR HYPOTHECATIONS OF THE ISSUER.

None.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED HELD UNDER OPTION OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF.

Kamloops Mining Division, British Columbia

The Issuer owns a 100% interest in the View Claim, consisting of 8 units, with record number 138(11), situated on the north shore of Kamloops Lake immediately west of Frederick Siding in the Kamloops Mining Division, British Columbia. A Report by C.T. Pasioka dated August 9 1976 is included in this Statement of Material Facts.

No exploration or development work has been carried out on the claim during the past year.

North Barriere Lake Area, Kamloops, British Columbia

The Issuer has an option to acquire 100% interest in the Scott and Rip Claims of 6 units each, with record numbers 411(6) and 430(6) respectively, located in the North Barriere Lake Area, Kamloops Mining Division, British Columbia.

No exploration or development work has been carried out on the claims during the past year.

A Property Report on these claims by C.T. Pasioka, P.Eng., dated August 9, 1976, is included in this Statement of Material Facts.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER.

Nanaimo Mining Division, British Columbia

By Agreement dated December 1, 1973 the Issuer acquired the Victoria Lake Group of Claims situated in the Nanaimo Mining Division, British Columbia, from Michael Gerg of 3856 Winlake Cr., Burnaby, B.C., Helmut Joseph Orth of 6843 Woodvale Cr., Burnaby, B.C., James Lewis Morton of Box 5500, Campbell River, B.C., and Rudolf Bader of 404-1139 Barclay Street, Vancouver, B.C. The consideration for the acquisition was the sum of \$2,900.00 and the issuance of 724,000 escrow shares.

These claims have now lapsed and the 724,000 escrow shares were gifted back to the Company. Rudolf Bader received the sum of \$6,600.00 for agreeing to have his escrow shares surrendered to the Company by way of gift.

New Westminster Mining Division, British Columbia

By Agreement dated October 11, 1974, the Issuer acquired a 70% interest in the King Group of Claims, with record numbers 29161-29170 and 29175-29178, located in the New Westminster Mining Division, British Columbia, from Aegean Holdings Ltd. of 1095 Anglesea Road, Richmond, B.C., for the sum of \$5,000.00 and 150,000 shares, of which \$5,000 has been paid and 100,000 shares allotted. Chris Ghinis of 1095 Anglesea Road, Richmond, B.C. and Helen Dokou of 447 West 17th Avenue, Vancouver, B.C. are the greater than 5% shareholders of Aegean Holdings Ltd.

These claims have now been abandoned.

Whitehorse Mining Division, Yukon Territory

By Agreement dated May 7, 1975, the Issuer acquired from D. & C. Holdings of 404-890 West Pender Street, Vancouver, B.C. the Erin group of claims, with record numbers 79367-79372 and 79383-79388, located in the Vangorda Creek Area, Whitehorse Mining Division, Yukon Territory, in consideration for \$9,900.00 and 200,000 shares, of which 50,000 shares have been allotted and the sum of \$4,900.00 has been paid. The equity shares of D. & C. Holdings are held, each as to 50%, by John Carlisle and David J. Douglas, both of 440-890 West Pender Street, Vancouver, B.C.

These claims have now been abandoned.

Kamloops Mining Division, British Columbia

The Issuer acquired the View Claim, consisting of 8 units, with record number 138(11), situated on the north shore of Kamloops Lake immediately west of Frederick Siding in the Kamloops Mining Division, for the issuance of 724,000 escrow shares as follows:-

DA HOLDINGS LTD.	224,000
TDM HOLDINGS LTD.	340,000
SHIRLEY HOLM	20,000
H. BOUWMAN	20,000
L.R. BROWN	20,000
STEVE MIECZNICK	20,000
BRIAN BOCKING	20,000
RUDOLF BADER	40,000
WILLIAM H. BOENDER	24,000

The View Claim was staked by C.T. Pasioka, P.Eng., of Box 175, Kamloops, B.C. as agent for the escrow shareholders above mentioned more than a year ago.

North Barriere Lake Area, Kamloops, British Columbia

By Agreement dated September 20, 1976, the Issuer obtained an option to acquire 100% interest from Thomas D. McMahon of 704-2222 Bellevue, West Vancouver, B.C. in the Rip & Scott Claims with record numbers 430(6) and 411(6) respectively, consisting of 6 units each, located immediately to the N.E. of the east end of North Barriere Lake, Kamloops Mining Division, in consideration for the payment of \$10,000.00 and the issue and allotment of 200,000 treasury shares as hereinbefore mentioned in Item 3.

The claims were staked by Thomas D. McMahon in June 1976 at a cost of approximately \$8,770.00.

12. PROMOTERS OF THE ISSUER WITHIN THE PRECEDING TWO YEARS AND ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE ISSUER.

The Directors of the Company as a group may be deemed to be the promoters of the Issuer in that they took the initiative in the founding and the organising of the Issuer.

13. SHARES OF THE ISSUER HELD IN ESCROW.

At the Extraordinary General Meeting of Shareholders of the Issuer on August 23, 1976, 724,000 escrow shares issued for the Victoria Lake Group of claims were surrendered to the Issuer by way of gift; and subject to the consents of the Superintendent of Brokers and the Vancouver Curb Exchange, 724,000 shares will be issued for the acquisition of the View Claim, to be held in escrow by Yorkshire Trust Company, 900 West Pender Street, Vancouver, B.C. and subject to the determination of the Superintendent of Brokers and the Vancouver Curb Exchange.

14. BENEFICIAL OWNERS OF MORE THAN 10% OF THE EQUITY SHARES OF THE ISSUER.

The following information is subject to the consents of the Superintendent of Brokers and the Vancouver Curb Exchange as disclosed in Items 3 and 11 hereof:

<u>Name and Address</u>	<u>Number of Shares</u>
T D M HOLDINGS LTD. 202-850 West Hastings Street Vancouver, B.C.	340,000
D A HOLDINGS LTD.	220,000

TDM Holdings Ltd.'s equity shares are equally owned by J.R. Satchwell, and Arlene Price of 1131 Millstream, West Vancouver, B.C. Arlene Price is the sole shareholder of DA Holdings Ltd.

15. LEGAL PROCEEDINGS TO WHICH THE ISSUER IS A PARTY OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS.

None.

16. AGGREGATE DIRECT OR INDIRECT REMUNERATION PAID BY THE ISSUER DURING THE PAST YEAR TO THE INSIDERS OF THE ISSUER.

\$3,000.00

17. PARTICULARS OF OTHER OPTIONS TO PURCHASE SECURITIES OF THE ISSUER NOT DISCLOSED HEREIN.

None

18. OTHER MATERIAL CONTRACTS ENTERED INTO BY THE ISSUER WITHIN THE PRECEDING TWO YEARS WHICH ARE STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN.

None

19. OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED AND NOT DISCLOSED HEREIN.

None

A PROPERTY REPORT

ON THE

VIEW CLAIM

NORTH KAMLOOPS LAKE AREA

KAMLOOPS MINING DIVISION

BRITISH COLUMBIA

for:

CAPRICE RESOURCES LIMITED

C.T. Pasiaka, B.Sc., P.Eng.

August 9, 1976.

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SUMMARY

The View Claim, consisting of eight units, situate on the north shore of Kamloops Lake immediately west of Frederick Siding, has been recently acquired by Caprice Resources Inc. The area of the property is underlain by volcanics of the Kamloops Series, namely crystal and ignimbrite tuffs lying in sequential series in irregular beds. These "beds" are frequently interrupted by a rectilinear pattern of faults and joints striking N.N.E. and W.N.W. At the locus of the faults and beds occurs mineralization in the form of sulphides (chalcopyrite and bornite) and native copper, as indicated by previous diamond drilling. An exploration programme consisting of line cutting, electromagnetic survey, geochemical soil sampling and detailed geological mapping is recommended in an attempt to delineate these immediate mineralized structures and thence to investigate at depth by means of diamond drilling. Such a programme would entail an initial expenditure of some \$10,370.00.

HISTORY

The general area of the property has been subjected to periodic exploration activity of a general nature, mainly in the search for gold. More recently, namely 1973, minor drilling was done over the central portion of the property with limited success. To the south and to the south-east are known zones of mineralization

containing sulphide and native copper. A short adit near the centre of the claim yielded values in copper with a few tons of copper ore shipped to smelter.

GEOLOGY

In the main, the area of the View Claim is underlain by volcanics of the Kamloops Series. The main representative of the above series is a crystal ignimbrite tuff. There is abundant field evidence to suggest a sequential deposition in irregular beds. Frequently, it is possible to discern up to four distinct "flows" where the tops and bottoms of several beds may be observed.

The above beds are frequently truncated by a sub-rectangular system of faults and joints striking N.N.E. and W.N.W. These are seen where exposure permits and indicated by several erosional features.

In general, the rocks are red in colour due to ferruginous staining and the glass shards and crystals of feldspar strongly altered with a strong sericite and chlorite development. Where fracturing is well developed, epidote is much in evidence.

PROPERTY

The property under discussion consists of the View Claim, record number 138 (11) comprising eight units. The View Claim is situate on the north shore of Kamloops Lake immediately west of

Frederick Siding in the Kamloops Mining Division, Province of British Columbia.

LOCATION AND ACCESS

Facile access is available to the property via a ranch road from the Tranquille-Red Lake road, running westerly along the North inshore of Kamloops Lake. This road would require maintenance in the winter months. The centre of the claim group would lie some 17 miles W.N.W. of the city of Kamloops and would have the coordinates of $50^{\circ} 120^{\circ}$ N.W. The claim group occupies a portion of the west margin of the Dewdrop Experimental Area. (Department of Agriculture).

TOPOGRAPHY AND VEGETATION

The View Claim occupies the benched foreshore of Kamloops Lake. The property is essentially covered by grasses and sagebrush and the higher reaches to the North are covered by minor sub-commercial timber with pine and spruce in the majority. Elevations vary from 1100' ASL along the South margin, to 1650' at the N.E. corner of the claim. Limited water for drilling purposes is available through fault fed freshets which give a limited flow most of the year, depending upon rainfall.

MINERALIZATION

The limited drilling carried out on the property indicated lenticular area, usually confined to the locus of major joints and upper and lower surfaces of tuff beds, containing sulphides of

copper, namely bornite and chalcopyrite, as well as native copper. These areas, though of limited extent, afforded positive evidence of the presence of cupriferous mineralization.

CONCLUSIONS AND RECOMMENDATIONS

The presence of cupriferous mineralization in drill holes on the property and the presence of bornite and chalcopyrite mineralization outcropping in an adit in the south central part of the property suggest an on-going search for similar mineralization. In addition, the mineralization appeared to be lenticular in habit suggesting continuity in horizontal extent. Since the minerals observed are electrical conductors, it is further suggested that they would be amenable to detection by electrical methods. The presence of electrical conductive axes coupled with the presence of conductive ions in the overburden cover would greatly enhance the sub-surface investigations by means of diamond drilling.

In view of the above, it is recommended that an exploration programme along the following lines be instigated:

1. Line cutting.
2. E.M. survey, using the vertical loop method with frequencies of 1,000 and 5,000 cps.
3. Geochemical soil sampling.
4. Detailed geological mapping.

Finite correlation of the above results would, in the normal course of events, lead to a diamond drilling programme in order to investigate any anomalous indications at depth. Such a programme would entail the following expenditure:

Phase 1

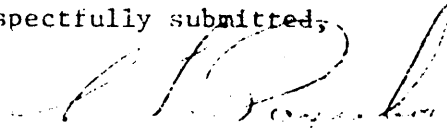
A.	Line cutting, 10 miles @ \$100/mile	\$ 1,000.00
B.	E.M. Survey, 10 miles @ \$175/mile	1,750.00
C.	Geological mapping, 8 units @ \$150/unit	1,200.00
D.	Geochemical soil sampling	2,000.00
E.	Consulting and Supervision	1,500.00
F.	Accommodation, travel, field supplies	1,200.00
G.	Contingency @ 20%	1,720.00
	TOTAL PHASE I	<u>\$10,370.00</u>

Phase 2

A.	Diamond drilling, 3000' @ \$10/ft.	\$30,000.00
B.	Supervision and Consulting	3,000.00
C.	Accommodation, travel and supplies	3,200.00
D.	Contingency @ 20%	7,240.00
	TOTAL PHASE 2	<u>\$43,440.00</u>

TOTAL FOR PHASE I AND PHASE 2 -- \$53,810.00

Respectfully submitted,


C.T. PASIEKA, B.Sc., P.Eng.

CERTIFICATION

I, CLEMENS TERENCE PASIEKA, of the City of Kamloops, Province of British Columbia, hereby certify that:

1. I am a geologist and reside at 138 St. Paul Street, Kamloops, British Columbia.
2. That I am a graduate of University College, Dublin. B.Sc. 1963.
3. That I have been practicing my profession as a geologist for twelve years.
4. That I am a member of the Associations of Professional Engineers of Alberta, Saskatchewan and British Columbia.
5. That I have no interest in the property of Caprice Resources Limited, nor do I expect to receive any such interest, nor in the securities of Caprice Resources Limited.
6. That this report is based on data derived from work carried out under my supervision on the property, from personal experience in the area, and from Government publications relevant to the area.

DATED AT KAMLOOPS, British Columbia, this 9th day of August, 1976.



C.T. PASIEKA, B.Sc., P.Eng.

CTP*ah.

A PROPERTY REPORT
ON THE
SCOTT AND RIP CLAIMS
NORTH BARRIERE LAKE AREA
KAMLOOPS MINING DIVISION
PROVINCE OF BRITISH COLUMBIA

for:

CAPRICE RESOURCES LTD.

C.T. Pasioka, B.Sc., P. Eng.

August 9, 1976.

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SUMMARY

The recently acquired property consisting of two claims of six units each situate in the North Barriere Lake Area, Kamloops Mining Division, Province of British Columbia, straddles the contact between a granitic intrusive mass and metasediments of the Shuswap Metamorphic Complex. Silicified shear zones in immediate proximity to this complex have yielded assay values of economic significance in lead, silver and zinc. Geophysical work previously carried out in the form of an electromagnetic survey indicated several axes of anomalous conductivity with similar orientations to that of the mineralized showings observed. Neither the conductive axes nor the mineralized showings were investigated at depth by physical means. It is recommended, therefore, that the mineralized showings be investigated in detail by means of bulldozer stripping and diamond drilling and that additional geophysical and geochemical surveys be carried out in an effort to discover additional areas of mineralization and to afford correlation with previously conducted geophysical surveys. Such investigations would take the form of line cutting, geochemical and induced polarization surveys, bulldozer stripping and diamond drilling, entailing the expenditure of some \$49,335.00.

PROPERTY

The property consists of two claims of six units each, namely the Rip and Scott Claims:

Scott Claim	411 (6)
Rip Claim	430 (6)

The above mineral claims are located in the North Barriere Lake Area, Kamloops Mining Division, Province of British Columbia.

LOCATION AND ACCESS

The Scott and Rip Claims are located immediately to the N.E. of the East end of North Barriere Lake. The property lies some 63 miles N.N.E. of the City of Kamloops, B.C., and 21 miles N.E. of the Village of Barriere, B.C. A good secondary graded gravel road traverses the south margin of both claims and provides facile access along the Barriere Lake valley to the Village of Barriere, B.C. The claims occur within the limits of the Department of Mines map sheet No. 82M/S.E. North Barriere Lake would have the coordinates $51^{\circ} 120^{\circ}$ S.E. The Village of Barriere is serviced by the Yellowhead Highway connecting Kamloops B.C. and Edmonton, Alberta.

TOPOGRAPHY AND VEGETATION

The Scott and Rip Claims occupy a portion of the North slope of the Barriere Lake valley and the North margins of the Groups would have elevations approaching 5,000' ASL. The area of the property is heavily forested with a preponderance of Spruce and Cedar in the lower areas and Pine and Balsam on the upper slopes.

Several small streams flowing in a Southerly direction would provide sufficient water for exploration and possibly mining purposes. Overburden, though extensive in area, is of a very limited depth of a few feet.

GENERAL GEOLOGY

The area under consideration is underlain by Mesozic and Palaeozoic rocks. In general, Northern and North Eastern areas consist of granitic rocks of acid composition and comprise the Northern slopes of the Barriere Lake valley extending Northerly to Harp Mountain and Easterly to Saskum Lake. These rocks vary from very coarse grained "Dents du Cheval" granite, porphyritic in feldspar through medium and fine grained phases to marginal gneisses. These rocks have been mapped as Mesozoic in age. However, they may in fact be younger. Occupying a broad band along the valley floor and including the South valley slope and lower North valley slope, are a series of sedimentary rocks. These are highly metamorphozed to qualify as metasediments and consist of mica schists, quartzites, argillites and slates. Within this sedimentary series occur minor intrusive masses of dioritic material. However, the age relationship of these minor intrusives cannot be determined. These metasedimentary rocks occupy the south third of the two claims with the remainder of the area occupied by the poryphyritic and medium grained granite.

STRUCTURE

The main structural feature in the area is the large E.N.E., W.S.W. Fault, now manifest as the Barriere Lake valley. A secondary set of steep walled ravines and valleys running perpendicular to the main fault comprises the secondary joint system. The direction of movement along the various movement plains could not be immediately determined, but would appear to be mainly in the vertical sense.

The belt of metasediments running parallel to the valley floor assume an anticlinal attitude with the anticlinal axis running central and parallel to the valley. The metasediments have dips to the order of 70° Northerly along the north side of the valley with a similar but reversed dip on the South side immediately off the property. This reversal of dip may be due to an intrusive upheaval along the valley floor with a consequent hinging effect. Mineralization along the South margin of the porphyritic granite along its contact with the metasediments occur a series of strongly silicified shear zones. This silicification is manifest in the form of massive quartz veins up to three feet wide within the shear and impregnation of the walls for a distance of several feet. Making entry with the silica occur blebs and streaks of massive sulphides consisting of pyrite, galena, sphalerite and minor chalcopyrite. Such a showing occurs within the Scott along the West margin and is exposed in a trench five feet wide and approximately thirty feet long. Channel samples across

this trench yielded values of nine ounces of silver per ton and nine per cent combined lead and zinc. Similarly, a three and a half foot quartz vein was sampled in an old adit. This quartz vein yielded twelve ounces of silver per ton with minor values in lead and zinc. On strike the surface expression of this vein in the form of a lens of massive sulphides approximately 1.5 feet in thickness yielded values of eight ounces of silver per ton and eleven per cent combined lead and zinc.

HISTORY

The early history of the area of the property is poorly known. However, prospecting activity is evidenced by the short adit occurring near the East margin of the Scott Claim. In 1966, the area of the property was acquired by Kamstar Mines Ltd. Their exploration programme consisted of line cutting, an electromagnetic survey and geological mapping. The electromagnetic survey indicated several conductive axes of moderate to strong intensity. However, no further work was done on the area of the property as presently defined. The majority of their efforts in the form of diamond drilling were conducted to the S.E. of the present property. Subsequent holders of the property conducted minimal bulldozer stripping. However, this work does not appear to bear any relationship to the showings present on the property or to the geophysical work previously carried out.

CONCLUSIONS

The Scott and Rip Claims occur in a geological environment consisting of a granitic intrusive mass in contact with a belt of metasediments of highly varied composition. Such an environment is conducive to the deposition of base metals and frequently precious metals. This is evidenced by the presence of several showings yielding values of economic significance, as well as the presence of molybdenum sulphide mineralization of untested potential. Previously carried out geophysical work indicated several areas of anomalous conductivity which have been tested neither on surface nor at depth. In view of the above, the property under discussion offers potential for finding mineralization of sufficient tenor and tonnage to qualify as an economic entity.

RECOMMENDATIONS

The favourable geological environment, coupled with the observed presence of mineralization of economic significance and favourable geophysical results as yet not investigated, dictate that an aggressive exploration programme be undertaken on the property immediately. A programme to afford evaluation of the economic potential of the property should proceed along the following lines:

A) LINE CUTTING

A line grid should be established over both claims with base lines running East-West and grid lines established

at 400 foot intervals with 100 foot stations. Such a grid is necessary in order to maintain geographical control with the ensuing geophysical and physical work.

B) GEOCHEMICAL SOIL SAMPLING

Soil samples should be extracted at 100 foot intervals on the established grid. These samples should be extracted using the hot acid method and analyzed for silver, lead, zinc and molybdenum by means of atomic absorption.

C) INDUCED POLARIZATION SURVEY

Areas indicated to be anomalous by virtue of the geochemical survey and other areas with known mineralization should be surveyed using the induced polarization method. A frequency-domain type unit should be used with electrode separations not exceeding 400 feet.

D) BULLDOZER STRIPPING

Areas indicated as being anomalous by the geochemical and geophysical surveys as well as known areas of mineralization should be investigated at bedrock surface by means of bulldozer stripping. A bulldozer of the capacity of a D8 with hydraulically controlled rippers would be required.

E) DIAMOND DRILLING

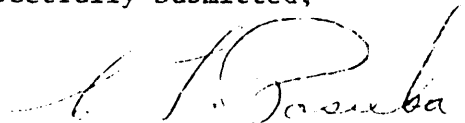
In order to investigate the mineralized showings and

geophysical anomalies at depth, a diamond drilling programme of some 2,000 feet of BQ wire line core drilling would be required.

Estimated costs for carrying out the above-mentioned programme are as follows:

1.	Line cutting -- 14 miles @ \$110.00 per mile	\$ 1,540.00
2.	Geophysical Survey -- 14 miles @ \$240.00 per mile	3,360.00
3.	Induced Polarization Survey -- 14 miles @ \$500.00 per mile	7,000.00
4.	Bulldozer Stripping -- D8 with hydraulically controlled rippers -- 100 hours @ \$50.00 per hour	5,000.00
5.	2,000 feet of diamond drilling BQ wire line @ \$10.00 per foot	20,000.00
6.	Sampling and Assaying	2,000.00
7.	Engineering Supervision and Consulting	4,000.00
8.	Contingency @ 15%	6,435.00
	TOTAL	<u>\$49,335.00</u>

Respectfully submitted,



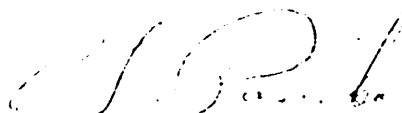
C.T. PASIEKA, B.Sc., P. Eng.

CERTIFICATION

I., CLEMENS TERENCE PASIEKA, of the City of Kamloops, Province of British Columbia, hereby certify that:

1. I am a geologist and reside at 138 St. Paul Street, Kamloops, British Columbia.
2. That I am a graduate of University College, Dublin. E.Sc. 1963.
3. That I have been practicing my profession as a geologist for twelve years.
4. That I am a member of the Associations of Professional Engineers of Alberta, Saskatchewan and British Columbia.
5. That I have no interest directly or indirectly in the property of Caprice Resources, nor do I expect to receive such interest, nor in the securities of Caprice Resources Ltd.
6. That this report is based on data derived from work carried out under my supervision on the property, from personal experience in the area and from Government publications relevant to the area.

DATED AT KAMLOOPS, British Columbia, this 9th day of August, 1976.



C.T. PASIEKA, B.Sc., P. Eng.

MICHAEL E. JORGENSEN AND CO. *chartered accountants*
201 - 3540 WEST 41ST AVENUE, VANCOUVER, B.C. V6N 3E8
TELEPHONE: 263-0937 AREA CODE 604

AUDITORS' REPORT

To the Shareholders of
Geor Mine & Oil Ltd.

We have examined the balance sheet of Geor Mine & Oil Ltd. as at 31st July, 1976 and the statements of deficit, deferred exploration, development and administrative expenses and changes in financial position 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 31st July, 1976 and 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.

21st September, 1976


Chartered Accountants

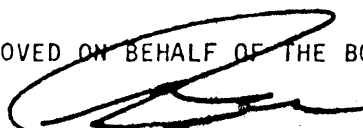
GEOR MINE & OIL LTD.

Balance Sheet
As at 31st July, 1976

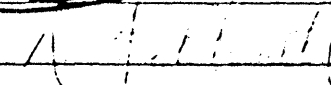
(with comparative figures at 31st July, 1975)

	<u>1976</u>	<u>1975</u>
Assets		
Current		
Cash	\$ 3.79	\$ 9,349.35
Accounts receivable	-	1,550.00
Prepaid expense	-	<u>500.00</u>
	3.79	11,399.35
Mineral claim interests (note 1)	-	120,300.00
Deferred exploration, development and administrative expenses (note 1)	-	57,320.62
Incorporation expense	<u>904.93</u>	<u>904.93</u>
	<u>\$ 908.72</u>	<u>\$189,924.90</u>
Liabilities		
Current		
Accounts payable	<u>\$ 2,595.54</u>	<u>\$ 1,765.73</u>
Shareholders' investment		
Capital stock (note 3)		
Authorized		
10,000,000 common shares of no par value		
Issued and fully paid		
540,752 shares for cash	97,164.60	97,164.60
874,000 shares for mineral claim interests (now abandoned)	<u>104,900.00</u>	<u>104,900.00</u>
	202,064.60	202,064.60
Deficit	<u>203,751.42</u>	<u>13,905.43</u>
	(1,686.82)	188,159.17
	<u>\$ 908.72</u>	<u>\$189,924.90</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

See accompanying notes to the financial statements.

GEOR MINE & OIL LTD.

Statement of Deficit
For the Year Ended 31st July, 1976

Balance of deficit at 31st July, 1975		\$ 13,905.43
Add:		
Write-off of acquisition costs of mineral claim interests abandoned including the amounts ascribed to shares issued therefor	\$120,300.00	
Write-off of exploration, development and administrative expenses relating to mineral claim interests abandoned	<u>69,545.99</u>	<u>189,845.99</u>
Balance of deficit at 31st July, 1976		<u><u>\$203,751.42</u></u>

GEOR MINE & OIL LTD.

Statement of Deferred Exploration, Development
and Administrative Expenses
For the Year Ended 31st July, 1976

Balance of deferred exploration, development and administrative expenses at 31st July, 1975		\$57,320.62
Expenditures during the year		
Exploration and development		
Licence and recording fees	\$ 680.00	
Engineering and geological services	<u>832.00</u>	
	1,512.00	
Administrative expenses		
Accounting and audit	1,008.30	
Legal	2,892.24	
Management services	3,000.00	
Office, printing and stationery	693.24	
Public relations	1,050.00	
Stock exchange fees	1,000.00	
Telephone	318.57	
Transfer agent fees	<u>751.02</u>	
	10,713.37	12,225.37
		<u>69,545.99</u>
Expenditures written off to deficit		<u>69,545.99</u>
Balance of deferred exploration, development and administrative expenses at 31st July, 1976		\$ -

GEOR MINE & OIL LTD.

Statement of Changes in Financial Position
For the Year Ended 31st July, 1976

Working capital at 31st July, 1975		\$ 9,633.62
Use of working capital		
Exploration and development expenses	\$ 1,512.00	
Administrative expenses	<u>10,713.37</u>	<u>12,225.37</u>
Working capital deficiency at 31st July, 1976		<u><u>\$ 2,591.75</u></u>

GEOR MINE & OIL LTD.

Notes to the Financial Statements
As at 31st July, 1976

1. Accounting policy

It is the company's accounting policy to capitalize the acquisition costs of mineral claim interests and to defer related exploration, development and administrative expenses until the property to which they relate is brought into production or abandoned. The costs will be amortized over the useful life of the ore body following commencement of production or written off if the property is abandoned.

During the year ended 31st July, 1976 the company abandoned all of its mineral claim interests, and accordingly all costs and expenses related thereto have been written off to deficit.

2. Remuneration of directors and officers

During the year ended 31st July, 1976 aggregate remuneration paid to directors and officers was \$3,000.00.

20. STATUTORY RIGHTS OF RESCISSION

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

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, 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 Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

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

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

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

CAPRICE RESOURCES INC.

October 15, 1976
(Date)

Per: [Signature]
L.P. Price - Pres. & Dir.

Per: [Signature]
L.R. Brown - Director

Per: [Signature]
Jerry Satchwell - Sec. & Dir.

Per: [Signature]
Stephen Miecznick - Dir.

CERTIFICATE OF THE UNDERWRITER(S):

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

CANARIM INVESTMENT CORPORATION LTD.

October 15, 1976
(Date)

Per: [Signature]

