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1 UNIT = 500 X 500 METERS (APPROX. 61.76 ACRES).

**ORELL COPPER MINES LTD.
ADAMS PLATEAU CLAIM GROUP**



J. M. Black
DR. J. M. BLACK

005026

*Orell Copper Mines Properties
82M154 file*

INTERESTS REVIEWED - Reviewing the interests of Orell Copper Mines Ltd. and certain plans, Cyril C. Kane, president, says exploration in 1979 on the company's Bowler Creek, Mosquito King and Lichen claim groups on the Adams Plateau NE of Kamloops, B.C., established that complex geology and mineralization would require large sums to properly explore them. An agreement to option them to a major mining company is being finalized. Orell are optioning in a prospect on Prince of Wales Island, Alaska, comprising 7 unpatented lode claims on which assays as high as 2 oz. gold and 10 oz. silver per ton over a 2.5-foot channel sample have been recorded. Orell's silver prospects in New Mexico and Arizona will be explored when funds are provided. Participations in oil and gas plays in the U.S. are being arranged. The financing being sought would retire present debt and provide working capital. Orell had a working capital deficit of \$40,816 at 31Dec79.

ORELL RESOURCES LTD. NOV 4, 1980 #213

REPORT OF 1980 FIELD WORK - AWAITS ASSAY RESULTS - Orell Resources Ltd. president C.C. Kane has reported that trenching on the Mosquito King claims on Adams Plateau, 70 miles NE of Kamloops, B.C., this past field season was conducted on areas of coincident geophysical anomalies and mineral outcrop. Significant mineralization was encountered in 12 of the 16 trenches. Veins up to 54 inches thick carrying galena, zinc and copper were found underlying mineralized chert. Assays from sampling are awaited. Two main areas of mineralization are indicated - one 2,000 feet long, the other 3,000 feet long. The east zone has parallel geophysical anomalies which have not been tested. Both zones were outlined from an I.P. survey. Shipment of 161 tons of ore in 1979 to the smelter from the East zone returned assays of 7 oz. silver/t, 10% lead and 8.5% zinc. Dr. James Black, P.Eng., sampled the veins and is preparing recommendations for further work. Elsewhere on the property, prospecting of the Silver Lichen claims and Bowler Creek claims found areas of interest for trenching.

Larrain of Toronto, secretary.

OCT 21

ORELL RESOURCES LTD.

GCNL #202 (1982)

	6MONTHS TO 30JUNE82	12MONTHS TO 31DEC81	
Oil Revenue	\$ 136,042	\$ 370,489	The recession has forced Orell Resources Ltd. to cut back on most of their activities, says president C.C. Kane in an interim report. Nonetheless significant progress has been achieved. On Orell's claims on the Adams Plateau northeast of Kamloops, B.C., their portable concentrator was ready for testing under load by the end of June. It operated satisfactorily in crushing 10 tons of ore which was then ground in the ball mill to 200 mesh. This should result in good separation of the mineral from the waste rock. The concentrator has been moved to storage to await an upturn in metal prices. Earlier sampling of the estimated 2,200 tons of ore at the mill site was 0.50 oz. silver per ton, 3.08% lead, 5.47% zinc. This year the ore at the mine site was sampled: A1 mineral claim-estimated 6,000 tons grading 0.60 oz. silver/t, 11.6% lead, 6.45% zinc; A2 claim-estimated 4,000 tons grading 1.64 oz. silver/t, 5.65% lead, 5.9% zinc. The ore at these locations is in folds and on surface which would facilitate open pit mining. Orell have been approached to do joint venture work with the concentrator with holders of claims containing high grade ore. Also there are buyers for the concentrator should Orell wish to sell it. A consulting mining engineer will be retained to evaluate the production potential of the Adams Plateau claims and the concentrator. Silver Lichen
Operating Expense	8,373	6,571	
General, Admin. Exp.	41,470	54,908	
Depletion	22,740	45,318	
Income Tax, Deferred	-	110,537	
Net Income	63,458	153,152	
Working Capital Deficit	\$ 92,560	\$ 75,829	
Shares Outstanding	3,236,932	3,236,932	

mill to 200 mesh. This should result in good separation of the mineral from the waste rock. The concentrator has been moved to storage to await an upturn in metal prices. Earlier sampling of the estimated 2,200 tons of ore at the mill site was 0.50 oz. silver per ton, 3.08% lead, 5.47% zinc. This year the ore at the mine site was sampled: A1 mineral claim-estimated 6,000 tons grading 0.60 oz. silver/t, 11.6% lead, 6.45% zinc; A2 claim-estimated 4,000 tons grading 1.64 oz. silver/t, 5.65% lead, 5.9% zinc. The ore at these locations is in folds and on surface which would facilitate open pit mining.

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Limited exploration was undertaken on the Mosquito King, Bowler Creek and Silver Lichen claim groups, all on the Adams Plateau. The Flagstaff mine claims in Alaska were kept in good standing. Assays of chip samples over 2 feet have returned values of 1.82 oz. gold and 9.04 oz. silver.

In West Virginia, management problems in Orell's oil/gas operating partner have delayed progress but are being resolved so that the wells may in due course be placed on stream. The Harristown field in Illinois has had production curtailed due to low demand at the refinery caused by a slow economy.

ORELL RESOURCES LTD. JUNE 14, 1983 #114

SEASONAL WORK STARTING ON ADAMS PLATEAU CLAIMS - Cec Kane, president, announces that men and equipment have moved onto some of Orell Resources Ltd.'s several mining properties on the Adams Plateau some 41 miles east of Kamloops, B.C. Funds for the work are being provided from advances by directors.

Drill sites are being prepared on the Bowler Creek and Silver Lichen claims where approximately 1,050 feet of diamond drilling is planned. Orell will use their small Winkie drill to test coincident geophysical and geochemical anomalies.

A joint venture agreement between Orell, Lobo Exploration Company Ltd. and John Spelay, a prospector from Salmon Arm, B.C. as to 1/3 participation each, provides for locating placer leases on or near the Adams Plateau mineral claims of Orell. Gold values have been found in the hardrock on Orell's mineral claims and placer gold has been found in the Scotch Creek valley east of the claims. Favorable placer areas will be explored during 1983 and any staking will be in the name of the joint venture.

On 9Jun83, each of directors David G. Lynes and W.H. Letham bought 25,000 shares at 25¢ per share by way of exercising options.

Orell Resources gets new name

Under a new name and a share rollback, **Orell Resources** will be raising new funds through a firm underwriting of 500,000 common shares with an option on another 200,000 shares, the company says.

Orell's new name will be **Killick Gold Co.** with five old shares worth one new one. The rollback will reduce outstanding shares to 869,091 from 4,345,457 shares.

Killick Gold has an interest in the **Noranda Inc.**-optioned Adams Plateau claims in British Columbia and a 25% working interest in a 92-claim gold bet near Terrace Bay, Ont. (N.M. June 28/84).

Orell Resources Joint Venturing With Noranda At Adams Plateau & With Lobo Ex. at Terrace Bay, Ont.

by Desmond Bachelor

With all the current interest in British Columbia's Adams Plateau area, many of the local punters seem to have forgotten the fact that companies have been exploring the area for many years.

A case in point is Salmon Arm-based Orell Resources, whose president, the affable Cec Kane, has been exploring the plateau for some six years and over this time has assembled three separate groups of claims, the Mosquito King, Bowler Creek and Silver Lichen, totalling 167 units, an impressive 10,319 acres of which 20 percent has so far been explored.

Now after these years of extensive exploration, success seems to be around the corner with mining major Noranda optioning all three claims blocks.

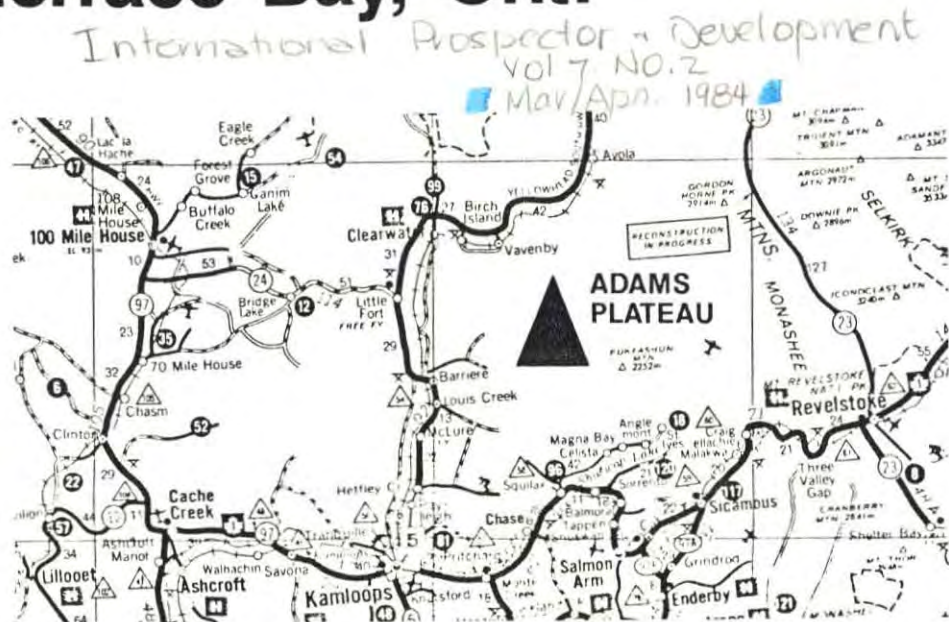
The option is for three years; Noranda can earn a 60 percent equity by spending a minimum of \$3 million on exploration and a report on production feasibility. On a production decision Orell must meet 40 percent of the costs or get diluted to a 25 percent carried interest. Noranda is to make payments of \$50,000 a year over the three year option period, also during this period Orell has the right to process 100,000 tons of highgrade ore at its property's millsite.

In 1979 Orell shipped 161 tons of ore to the Trail, BC smelter which assayed 7.09 ounces of silver, 10.1% lead, 8.5% zinc and 0.07 ounces gold per ton. During 1980 trenching of an IP anomaly on Mosquito King's Fox claim, gold mineralization was uncovered assaying 0.152 ounces of gold per ton. Samples taken by Noranda in the same area returned values of 0.27 ounces of gold per ton.

Professional Engineer Dr. James Black reports that drill indicated reserves from Orell's earlier exploration on the Mosquito Creek and Bowen Creek groups are 226,000 tons averaging 1.5 ounces silver, 2.5% zinc and 1.13% lead per ton, it should be mentioned that at this time no assays were made for gold content. Calculations of reserves do not include the Silver Lichen claims, a drill program not yet having been undertaken, however assays from a 5.5 foot chip sample were 20.4 ounces silver, 10.4% lead, 3.53% zinc and 0.018 ounces of gold per ton.

By this February Noranda started airborne geophysical on the claims and will follow up with ground survey and diamond drilling as the program develops.

In addition to Orell's Adams property, it is also joint venturing with another Salmon Arm-based firm, Lobo Exploration Company,



on a 92 claim gold prospect in Ontario's Terrace Bay area. Orell is a 25 percent partner in this venture.

Lobo's Consulting Geologist H.J. Bergman has prepared a report on the property which states in part that "the preliminary study of the Lobo property and the geological conditions in the area indicates that the gold mineralization is quite widespread. Most of the gold mineralization found to date in the vicinity of the Lobo ground is in quartz veins or shear zones in the same metavolcanic rocks that underlie most of the Lobo property. However, the Hemlo type of gold deposits cannot be ruled out as the Lobo property is in the same sedimentary-volcanic belt of rocks. There is also the potential for base metal mineralization as indicated by the recent development of the nearby property of Zenmac Explorations Ltd."

Orell has recently formed a wholly owned subsidiary, Millex Resources, created to consolidate equipment for joint venture production products. Millex has recently finalized arrangements with Victor Industries subsidiary, Cascade Development Company, to locate Orell's 50 ton portable concentrator to operate on Victor's Follies Mine project near Silver City, Nevada.

In a recent corporate move, Cec Kane has announced the appointment of Ted Kennedy to Orell's Board of Directors. Kennedy is president of VSE trade Kenenergy Resources Corp and Ted Kennedy Consulting Ltd. Ted Kennedy has had extensive experience in resource exploration and development both in and outside Canada.

Orell trades on the VSE under the symbol ORE

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale.

RECEIVED
AUG 23 1977
SUPERINTENDENT
OF BROKERS

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.

This is exhibit "3" referred to in the affidavit of G. BARRY FINLAYSON sworn to before me at VANCOUVER in the Province of British Columbia this 18th day of AUGUST 1977
[Signature]
A Commissioner for taking Affidavits within British Columbia

New Issue

ORELL COPPER MINES LTD.
PROSPECTUS
400,000 Common Shares

	Price to Public	Selling Agents' Commission (1)	Proceeds to Issuer if all shares are sold (2)
Per Share	25¢	6½¢	18 3/4¢
TOTAL	\$100,000	\$ 25,000	\$ 75,000

(1) This is the maximum commission payable if all shares offered are sold by registered securities dealers or salesman.

(2) Before deducting expenses of the issue estimated at \$6,000.

This issue is subject to a minimum subscription. For details refer to "Use of Proceeds" on page 8.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE A SUBSTANTIAL PORTION OF THE PROCEEDS OF THIS ISSUE WILL BE APPLIED TO THE EXPLORATION OF MINERAL PROPERTIES ON WHICH NO KNOWN BODY OF COMMERCIAL ORE EXISTS. NO SURVEY HAS BEEN MADE OF THE MINERAL CLAIMS IN WHICH THE COMPANY HAS AN INTEREST AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA THE EXISTENCE OF AND THE AREA OF THE MINERAL CLAIMS COULD BE IN DOUBT. THE COMPANY'S CONTINUING RIGHT TO HOLD ITS INTEREST IN SUCH MINING CLAIMS DEPENDS UPON THE FULL COMPLIANCE WITH THE MINERAL ACT, BRITISH COLUMBIA. REFERENCE SHOULD BE MADE TO THE HEADING "PRINCIPAL HOLDERS OF SHARES" AND "PROMOTERS" FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS AND DIRECTORS OF THE COMPANY ISSUED FOR CASH, SERVICES AND PROPERTY WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

THERE IS NO MARKET FOR THE COMPANY'S SHARES.

The date of this prospectus is June 1st, 1977.

ORELL COPPER MINES LTD.

PROSPECTUS

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THE COMPANY

Orell Copper Mines Ltd. (the "Company") was incorporated pursuant to the provisions of the Companies Act of British Columbia as a specially limited company by Memorandum and Articles registered on February 10, 1969. The Company altered its Articles by a special resolution filed with the Registrar of Company on June 24, 1974. These Articles were further amended by a special resolution of the Company filed with the Registrar of Companies on March 16, 1977. By special resolutions of the Company filed with the Registrar of Companies on March 16, 1977, the Company's Memorandum was altered to convert it to a limited company and its common shares were changed from par value shares to shares without par value. The Company will become a reporting company upon this Prospectus being filed with, and a receipt therefor issued by, the Superintendent of Brokers.

The registered office and the records office of the Company are located at #2500, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, and its head office is located at 8260 Hudson Street, P.O. Box 457, Salmon Arm, British Columbia, V0E 2T0.

BUSINESS OF THE COMPANY

The principal business of the Company since its incorporation has been to engage in the acquisition and exploration of mineral properties and interest and the Company intends to continue to do so and, where feasible, to develop and operate mineral deposits.

PROPERTIES OF THE COMPANY

The Company has acquired interests in two property groups in British Columbia, the "Adams Plateau Claims" and the "Silver Lichen Claims". Particulars of these properties are as follows:

Adams Plateau Claims

In consideration of an initial payment of \$500. the Company entered into an option agreement (the "Option Agreement") dated August 23, 1976, between the Company and Craigmont Mines Limited ("Craigmont"), of 1030 West Georgia Street, Vancouver, B.C., whereby the Company transferred the following mineral claims to Craigmont:

<u>Mineral Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
A1	1	128831	November 13, 1977
A2	1	128832	November 13, 1977
ZINC 1 - 6	6	437	June 28, 1977 *
FOX	4	490	August 24, 1977

(collectively referred to as the "Company's Adams Plateau Claims").

(* Assessment work and rentals were filed on June 27th, 1977 with the Mining Recorder in the Kamloops Mining Recorder's Office to extend the expiry date to June 28, 1978.)

The Company's Adams Plateau Claims comprise approximately 300 hectares and are located in the Adams Plateau Area of British Columbia which lies North of Shuswap Lake and East of Adams Lake at a latitude of 51°3 North and longitude of 119°30' West, being approximately 6.5 miles North of the outlet of Scotch Creek into Shuswap Lake. Access to these mineral claims is by a road running north from Shuswap Lake.

The Option Agreement provides that all mineral claims which were held by Craigmont at the time of executing the Option Agreement and which were within three kilometers of any part of the Company's Adams Plateau Claims were to form part of the agreement, together with all future mineral claims acquired or located by either the Company or Craigmont within the said three kilometer zone. To date the following Craigmont mineral claims, comprising 2,000 hectares, fall subject to the Option Agreement:

<u>Mineral Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
BC 1	2	539	October 4, 1977
BC 2	16	540	October 4, 1977
BC 3	16	541	October 4, 1977
MK 1	20	565	October 18, 1977
MK 2	10	566	October 18, 1977
MK 3	12	567	October 18, 1977
MK 4	4	568	October 18, 1977

(hereinafter referred to as "Craigmont's Adams Plateau Claims").

Under the terms of the Option Agreement all claims subject thereto, both the Company's Adams Plateau Claims and Craigmont's Adams Plateau Claims, are to be conveyed to the Company should Craigmont not exercise the option contained therein. To exercise the option contained in the Option Agreement, Craigmont must:

- (a) Pay \$10,000 upon execution of the Option Agreement;
- (b) Pay to the Company non-refundable advance payments from Net Proceeds of \$30,000 on or before September 30, 1977, and \$20,000 on or before September 30th in each and every year commencing September 30, 1978 up to and including September 30, 1982, or until the date that Craigmont gives the Company a production notice, whichever is sooner;
- (c) Incur costs of a minimum of \$10,000 on the mineral claims subject thereto by September 30, 1977, and the minimum of \$20,000, \$40,000, \$75,000 and \$100,000 during the second, third, fourth and fifth years respectively of the Option Agreement;
- (d) Give the Company a production notice on or before September 30, 1982, to the effect that Craigmont intends to place the mineral claims subject to the Option Agreement into production;
- (e) If Craigmont gives the Company a production notice, it is to pay the Company non-refundable advance payments from Net Proceeds of \$20,000 on or before September 30th in each and every year commencing with the September 30th one year after the last payment made pursuant to point (b) above, and continuing up to and including September 30, 1985, or until the date of commencement of production, whichever is sooner.

If Craigmont exercises the option as aforesaid, following commencement of production no portion of the Net Proceeds will be paid by Craigmont to the Company until such time as Craigmont has been reimbursed for and recouped all of its expenses incurred up to the time of placing the property into production. Following that recoupment the Company is to receive 20% of the Net Proceeds from the property covered thereby during any calendar year. The first payment of \$10,000 noted under point (a) above was made by Craigmont pursuant to the terms of the Option Agreement.

In consideration of the assignment to the Company of certain mineral claims designated CU 1 - 8 and ORO 1 - 4, pursuant to the terms of an agreement dated January 26, 1974, (the "First Vendor Agreement"), the Company issued to John Spelay, a promoter, director and President of the Company of 317 -

30th Street, N.E., Salmon Arm, B.C., 100,000 shares, Cyril Kane, a promoter, director and Secretary-Treasurer of the Company of 8260 Hudson Street, Salmon Arm, B.C., 100,000 shares and George Kachuk, a former Director of the Company of Box 1229, Salmon Arm, B.C., 160,000 shares. These 360,000 shares are subject to an Escrow Agreement between the three individuals, the Company and The Canada Trust Company dated February 2, 1977.

The CU and ORO mineral claims were lost by the Company due to lapse. John Spelay and Cyril Kane subsequently caused the CU mineral claims to be restaked in the name of John Spelay as the ZINC 1 - 6 mineral claims. These mineral claims were transferred into the name of the Company and were made subject to the First Vendor Agreement by way of a variation thereto dated February 26, 1977, as approved by a special resolution of the Company's shareholders dated February 26, 1977. The Escrow Agreement of February 2, 1977 was similarly altered to make the forfeiture terms thereof relate to the ZINC claims rather than the CU and ORO mineral claims. This alteration was also approved by a special resolution of the Company's shareholders dated February 26, 1977. George Kachuk as of the date hereof has transferred all of his 160,000 said escrowed shares to John Spelay. In partial consideration therefor John Spelay transferred to George Kachuk on March 31, 1977, 50,000 pooled shares in the capital of the Company.

The ORO mineral claims were subsequently restaked by Craigmont as the MK claims and as such form part of Craigmont's Adams Plateau Claims which are subject to the Option Agreement.

The A1 and A2 Mineral Claims were located by John Spelay on October 26, 1974 as agent for the Company and he located the Fox Mineral Claim on August 4, 1976 as agent for the Company.

The area covered by the Company's Adams Plateau Claims and Craigmont's Adams Plateau Claims had mineral claims located thereon as early as 1925. Since that time the area has passed through the hands of various prospectors and companies. In the early 1950's John Spelay, the President of the Company and the late Theodore Bishoff were prospector-owners of mineral claims over the area and at that time did extensive stripping and prospecting over the area to establish the present areas of interest. The property was acquired by Giant Metallics Mines Ltd. (NPL) in 1966 and was allowed to lapse in 1973. At that time John Spelay and Cyril C. Kane caused the area to be restaked as the said CU and ORO mineral claims as aforesaid.

Craigmont has completed Magnetic, VLR-Electromagnetic and geochemical surveys on the ZINC 1 - 6 and BC 1 - 3 mineral

claims as part of its exploratory search for ore. Coincident Magnetic, electro-magnetic and geochemical anomalies have been defined. As a further part of its exploratory program Craigmont has entered into a diamond drilling contract to facilitate exploration during the summer of 1977.

To date Craigmont has not carried out any exploration work on the A1, A2, MK 1 to 4, and Fox mineral claims.

There are no surface or underground plant or equipment on any of the Adams Plateau Mineral Claims. All of these mineral claims are without a known body of commercial ore.

Silver Lichen Claims

Approximately 10 years ago John Spelay discovered an uncommon type of lead, zinc and silver occurrence in the area of Little Lichen Mountain North of Shuswap Lake in British Columbia. At that time lead, silver and zinc prices were substantially less than they are today and after some initial bulldozing, work was discontinued. During the Summer of 1976 John Spelay, Cyril Kane and Walter Spelay of 6436 Rumble Street, Burnaby, B.C., caused the following three mineral claims to be staked in the area of the initial discovery ten years ago. These three mineral claims are located approximately 7 miles South-West of Lichen Mountain and approximately one and one quarter miles South-West of Snuff Box Creek at a latitude of 51°05 min. North and Longitude of 119°24 min. West:

<u>Mineral Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Expiry Date</u>
FIR	5623	3	October 12, 1977
RED	5246	6	September 16, 1977
PAT	5962	2	November 1, 1977

(collectively referred to as the "Vended Lichen Claims").

Access to these mineral claims is by way of a road running north from the highway which follows the north side of Shuswap Lake in the area of the outlet of Scotch Creek into Shuswap Lake.

The Vended Lichen Claims comprise 275 hectares in area. These claims were assigned to the Company by way of an Agreement dated February 26, 1977, made between the Company and John Spelay, Cyril Kane, and Walter Spelay (the "Second Vendor's Agreement") in return for the issuance of 390,000 shares of the Company; 230,000 to John Spelay, 110,000 to

Cyril Kane and 50,000 to Walter Spelay. The Second Vendor's Agreement was approved by a special resolution of the Company's shareholders on February 26, 1977, and the shares issued thereunder are subject to an Escrow Agreement dated April 9, 1977.

To the knowledge of the Company the ground covered by the Vended Lichen Claims has not been subject to prior staking other than that of John Spelay some ten years ago. Prior to the Company acquiring these mineral claims Dr. J.M. Black, a Consulting Geologist, undertook at the request of John Spelay and Cyril Kane to investigate the economic geology of the RED claim and surrounding area. In his report of October 12, 1976, Dr. Black indicated that from surface studies two types of mineralization occur on the RED claim and surrounding area. Of these Dr. Black concluded that the mineral occurrence associated with a volcanic sequence appears most promising. Dr. Black took various surface samples from mineralized outcroppings and drift in the area and the assay results of these are as follows:

<u>Sample No.</u>	<u>% Lead</u>	<u>% Zinc</u>	<u>Silver (oz/ton)</u>
48593	1.13	3.95	3.1
48592	44.25	(not assayed)	86.8
48589	4.92	(not assayed)	12.5

Geologic samples taken by John Spelay from an outcrop on the Red mineral claim yielded the following assay results:

<u>Sample No.</u>	<u>% Lead</u>	<u>% Zinc</u>	<u>Silver Oz/ton</u>	<u>% Copper</u>
1	3.64	3.58	112.9	.65
2.	2.85	6.78	5.6	.05
4.	47.3	.94	127.9	.88

In his report Dr. Black gave the following summary and conclusions with respect to the Vended Lichen Claims:

"Conclusions:

A mineralized lens or cylinder, possibly of exhalative origin, occurs at the base of a volcanic sequence. It was found because it happened to outcrop. Other similar occurrences at the base of the volcanics could be of considerable interest.

Recommendations

That the base of a volcanic sequence be prospected to look for similar or related mineralization."

Particulars of Dr. Black's recommended program are referred to under the heading "USE OF PROCEEDS".

The Company has staked two further mineral claims situate on the north east corner of the Red Claim. One of these claims consists of 6 units or 150 hectares and the other claim consists of 3 units or 75 hectares. These mineral claims are presently being recorded.

There are no surface or underground plant or equipment on any of the Silver Lichen Claims. All of the Silver Lichen Claims are without a known body of commercial ore. The proposed exploration program recommended by Dr. Black and referred to under "USE OF PROCEEDS" is an exploratory search for ore.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as at February 28, 1977	Amount Outstanding as at June 1, 1977 *	Amount to be Outstanding if all securities being issued are sold
Common shares without par value	5,000,000	763,182 (\$ 96,179)	1,153,182 (\$135,179.00)	1,553,182 (\$235,179.00)

* Pursuant to the terms of a property acquisition agreement dated February 26, 1977 the Company purchased the Silver Lichen Property for a total consideration of 390,000 shares in the capital of the Company. These shares were issued during the period February 28, 1977 to June 1, 1977. Further particulars of this transaction are contained under the heading "Properties of the Company".

Particulars of securities of the Company sold for cash or cash equivalent and issued for services rendered to June 1, 1977 are as follows:

Designation of Security	Number of Shares Sold for Cash	Price per share	Underwriter's discount or commission per share	Proceeds to the Company
Common Shares	381,178	15¢	Nil	57,177.00
Common Shares	12,000	12½¢	Nil	\$ 1,500.00
Common shares	4	50¢	Nil	\$ 2.00
Number of Common Shares Issued for services		Price per share	Commission	
10,000		15¢	Nil	

PLAN OF DISTRIBUTION

The Company by this prospectus offers at a price of 25¢, 400,000 common shares of its capital stock which will be offered to the public by the Company as a security issuer through those of its directors who are designated its trading directors from time to time. No commissions or other remuneration will be paid to trading directors of the Company for shares sold by them.

Pursuant to an agreement dated June 9th, 1977, between the Company and The Canada Trust Company all subscribers monies will be paid to The Canada Trust Company at its principal office in the City of Vancouver. If the Company does not sell sufficient shares to realize net proceeds, after payment of sales commissions, if any, of \$62,500 within 120 days after the date on which qualification for sale to the public of the shares in the Province of British Columbia has been completed (the "Effective Date") the Company will withdraw this offering and instruct The Canada Trust Company to refund all subscription monies, without any deduction to the subscribers.

USE OF PROCEEDS

The minimum net proceeds pursuant to this offering is \$62,500

ORELL COPPER MINES LTD.

FEBRUARY 28, 1977

NOTES TO FINANCIAL STATEMENTS
(continued)

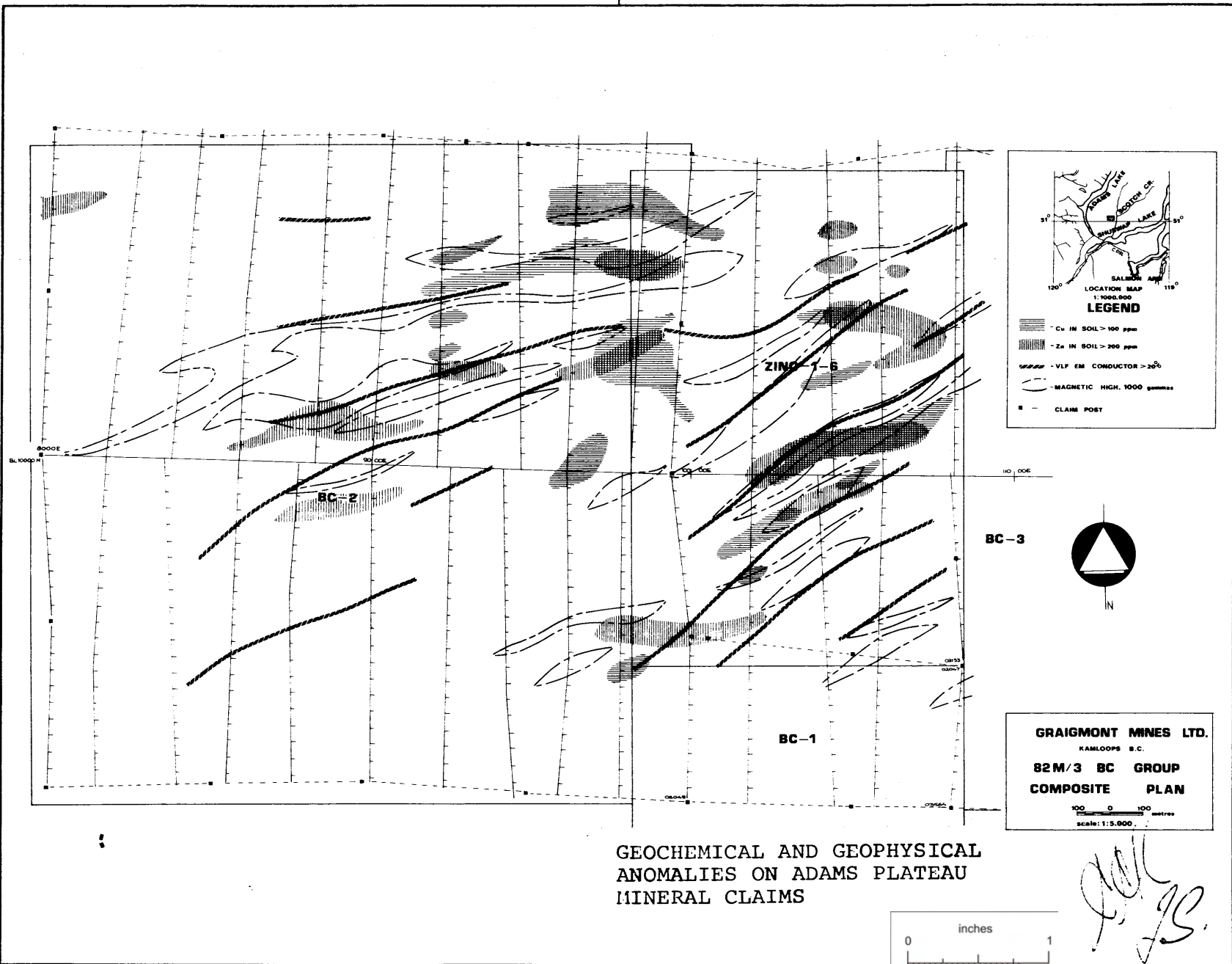
5. REMUNERATION OF DIRECTORS (continued)

The company paid fees on a contract basis to the directors for various types of services performed as included in the above categories. The company paid no salary, wages or directors' fees.

6. COMMITMENT

On February 26, 1977 the company entered an agreement to issue 500,000 common shares as consideration for certain mineral claims to be acquired from two of the directors of the company. The shares were issued in April, 1977.

The agreement was subsequently revised, reducing the shares issued to 390,000 shares.



LOCATION MAP
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LEGEND

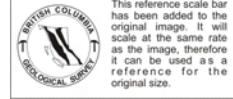
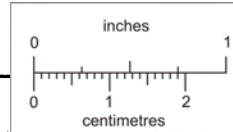
- Cu IN SOIL > 100 ppm
- Zn IN SOIL > 200 ppm
- VLF EM CONDUCTOR > 20%
- MAGNETIC HIGH. 1000 gamma
- CLAIM POST

GRAIGMONT MINES LTD.
KAMLOOPS B.C.

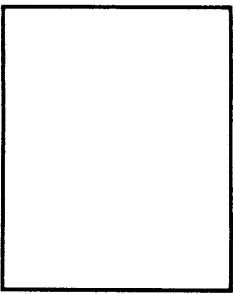
**82M/3 BC GROUP
COMPOSITE PLAN**

100 0 100 metres
scale: 1:5,000

**GEOCHEMICAL AND GEOPHYSICAL
ANOMALIES ON ADAMS PLATEAU
MINERAL CLAIMS**



: 29 :



**G. A. SCHRIK &
ASSOCIATES LTD.**

BOX 1959 SALMON ARM B.C.
V0E 2T0 832-3042

DRAWING:

Handwritten signature

REPORT DATED
October 12, 1976

R E D M I N E R A L C L A I M

Kamloops Mining Division

by

J.M. BLACK, P.ENG., PHD.

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INTRODUCTION

An uncommon type of mineral occurrence was discovered by John Spelay about ten years ago. At that time lead, zinc and silver prices were much lower than now. After some bulldozing, work was stopped. Mr. Spelay located the Red Claim (Record #5246) of six units, this season and, subsequent to the writer's examination on September 18th and 19th, located some more units which are designated the Pat Claim (Record #5962) and Fir Claim (Record #5623), all of which are shown together with the Adams Plateau property of Orell Copper Mines Ltd. on the Map attached as Figure 1.

LOCATION & ACCESS

The mineral occurrences are on the north ridge of the mountain known locally as Little Lichen. It is about seven miles southwest of Lichen Mountain and is about one and one quarter miles southwest of Snuff Box Creek (a major tributary of Scotch Creek). It is at Latitude $51^{\circ} 05$ min. North and Longitude $119^{\circ} 24$ min. West.

It is on a sheep trail that was used to lead sheep to and from alpine meadows on Lichen Mountain. It is reached by fair roads to the points shown on the sketch map attached as Figure 2. From the end of the east road, a flag trail leads to

the sheep trail, which is still well-defined. Quartz veins in the southwest part of the property are on a road that branches from the first road near the crest of the ridge.

Outcrops are scarce near the gentle crest of the ridge. They are more abundant on the flanks of the ridge where the ground slopes more steeply. The area is well-treed except where it has been logged recently. The elevation is between 5,500' and 6,000'.

GEOLOGY

The geological map of the area shows no outcrops near the showings. The following comments are based on observations made when examining the property.

A short distance south of the end of the east road, thin and thick beds of light colored limestone are exposed in several large outcrops. These beds strike northeast and dip moderately northwestward.

Above these beds are thin, dark argillaceous beds. Abundant shiny black flakes commonly occur as float. Good exposures are seen in the southwest in road cuts. The beds generally dip northwestward and are apparently conformable with the underlying limestone, In some of the road cuts the beds are crumpled

and dragged and faulted.

Above this argillaceous sequence is a group of dark, thin-bedded limestones. Some of these occur at the main mineral occurrence and there, large blocks have been disturbed by bulldozing. Nearby limestones strike north 50° east and dip moderately northwestward and appear to be conformable with the underlying sequence.

Separated from these dark limestones by a covered interval of about 50', are rusty, slightly schistose volcanics, probably of intermediate composition. They also strike north 50° east and dip 30° northwestward and also appear to be conformable. Corrugations on the bedding plains pitch a little north of west.

This volcanic sequence is about 200' thick and is overlain by grey limestone that has about the same attitude as the underlying beds. These are the uppermost beds seen. The northwest corner of the claim was not examined.

Outcrops of dark grey dykes are common. They are more resistant to erosion than the bedded rocks.

ECONOMIC GEOLOGY

Two types of mineralization occur on the property. The

one of greatest interest is a lens or possibly a cylinder at the base of the volcanic sequence. Blocks of mineralization, not in place, are abundant within an area of about 20' X 30'. It comprises fine-grained, almost black material, irregular white quartz veinlets, fragments of dark limestone, white oxides and some galena and sphalerite. A sample that comprised numerous large fragments (#48593) assayed as follows: lead 1.13%, zinc 3.95%, silver 3.1 oz/ per ton.

30 element spectrographic analysis of this material assayed as follows:

<u>ELEMENT</u>		<u>ELEMENT</u>	
Aluminum	0.3	Manganese	*
Antimony	0.01	Molybdenum	0.001
Arsenic	trace	Nickel	0.1
Barium	ND	Niobium	ND
Beryllium	ND	Potassium	ND
Bismuth	ND	Silicon	major
Boron	ND	Silver	0.03
Cadmium	0.05	Sodium	2.
Calcium	major	Strontium	0.03
Chromium	0.01	Tantalum	ND
Cobalt	ND	Thorium	ND
Copper	0.07	Tin	0.07
Gallium	ND	Titanium	0.1
Gold	trace	Tungsten	ND
Iron	2.	Uranium	ND
Lead	*	Vanadium	0.01
Magnesium	5.+	Zinc	*

major - above normal spectrographic range
 trace - detected but minor amounts
 ND - not detected
 * - suggest assay (above 0.3%)

The mineralogy of the near black material is unknown.

It contains a considerable proportion of manganese and manganese oxides may account for much of the dark color. Some of the manganese may have come from the material that darkened the limestone that was being deposited just before vulcanism. The magnesium probably had the same source. The attitude of the occurrence is also not known.

From its location, appearance and composition, it is likely that it formed from exhalations from vulcanism that ended the deposition of the dark limestone beds. If so, it is of considerable interest and similar mineralization may occur at other points at the base of the volcanics.

A sample (#48591) comprising many chips from the volcanic rocks assayed 0.12 oz. silver per ton. The presence of appreciable silver in the volcanics may be considered as additional evidence that the source of the volcanics was also the source of the mineralization.

The other type of mineralization includes quartz veins, some of which are mineralized with galena and tetrahedrite.

Several veins occur near the dark mineralization. Some are in the volcanics and some are in the limestone. Some of those in the limestone are conformable to the bedding and others cross

it. They are not mineralized.

In the volcanics several veins less than 1" wide, strike slightly east of south toward the dark mineralization. They also are unmineralized. A parallel vein about 2" wide contains abundant galena and tetrahedrite. A sample (#48592) ran 44.25% lead and 86.8 oz. per ton silver.

The ratio of silver to lead is much the same as in the dark material and this may indicate that they have a similar source. If the dark mineralization was formed by exhalation, possibly subsequent pressure caused fracturing and remobilization of sulphides into somewhat younger veins.

Other quartz veins are exposed near road cuts in the southwest. Some of them are unmineralized. One, 18" wide, dips steeply eastward. It contains galena and tetrahedrite and much red and yellow rust. A sample (#48589) from it ran 4.92% lead and 12.5 oz. silver per ton. This ratio is somewhat similar to that at the other occurrences and suggests the possibility that this mineralization also is related to the vulcanism.

The relationship of these veins to the base of the volcanic sequence is unknown. The volcanics are striking toward this area and may be fairly close.

CONCLUSIONS

A mineralized lens or cylinder, possibly of exhalative origin, occurs at the base of a volcanic sequence. It was found because it happens to outcrop. Other similar occurrences at the base of the volcanics could be of considerable interest.

RECOMMENDATIONS

That the base of the volcanic sequence be prospected to look for similar or related mineralization.

PROSPECTING PROCEDURE

This can be done by traversing along lines run across the trend (southwesterly and northeasterly) of the base of the volcanics. Possibly other outcrops exist and may be found. If none or insufficient is found, recourse can be made to geophysics or geochemistry.

The volcanics are probably more magnetic than the underlying and overlying limestones and probably their extent can be delineated by a ground magnetic survey. Alternatively or in addition, an electro-magnetic survey could be run to detect any masses of mineralization that contain sulphides.

The composition of the black lens indicates that it will cause anomalous readings for zinc, silver and lead. A survey for these elements probably would locate any similar occurrences that are close to the surface. Also the volcanics contain silver and this could be used to distinguish between limestone and volcanics.

COST

This cannot be estimated closely until preliminary surface prospecting is done. If mineralized outcrops are found, the prospecting may be accomplished at low cost. If few or no outcrops are found, then geochemistry or geophysics will be necessary. If anomalies are found, they will need to be trenched or drilled.

The estimated costs of a two stage exploration program are as follows:

Stage 1. Systematic Prospecting of Area

Estimated Costs:

(a) Administration and Travel	\$4,000
(b) Engineering	2,000
(c) Surveying grid baseline and lateral lines	2,500
(d) Prospecting along grid lines and search for outcrops on areal photographs	3,000
(e) Interim report with recommendations	1,000
(f) Contingencies @ 10%	1,250
	\$13,750

Stage 2. Geophysics, Geochemistry & Stripping

Estimated Costs:

(a)	Geochemical surveys, assays, interpretation and report	\$5,000
(b)	Magnetic, geological and electromagnetic surveys and reports	5,000
(c)	Assaying	2,000
(d)	Report on results and recommendations	2,000
(e)	Bulldozer trenching and stripping	5,000
(f)	Detailed geochemical and geological studies and assays	6,000
(g)	Report	2,500
(h)	Contingencies @ 10%	<u>2,750</u>
		\$30,250
	Stage 1. Cost	<u>13,750</u>
	TOTAL ESTIMATED COST	<u>\$44,000</u>

If drill targets are obtained it would be necessary to drill these as the next stage of exploration.



J.M. Black, P.Eng.
Consulting Geologist
October 12, 1976

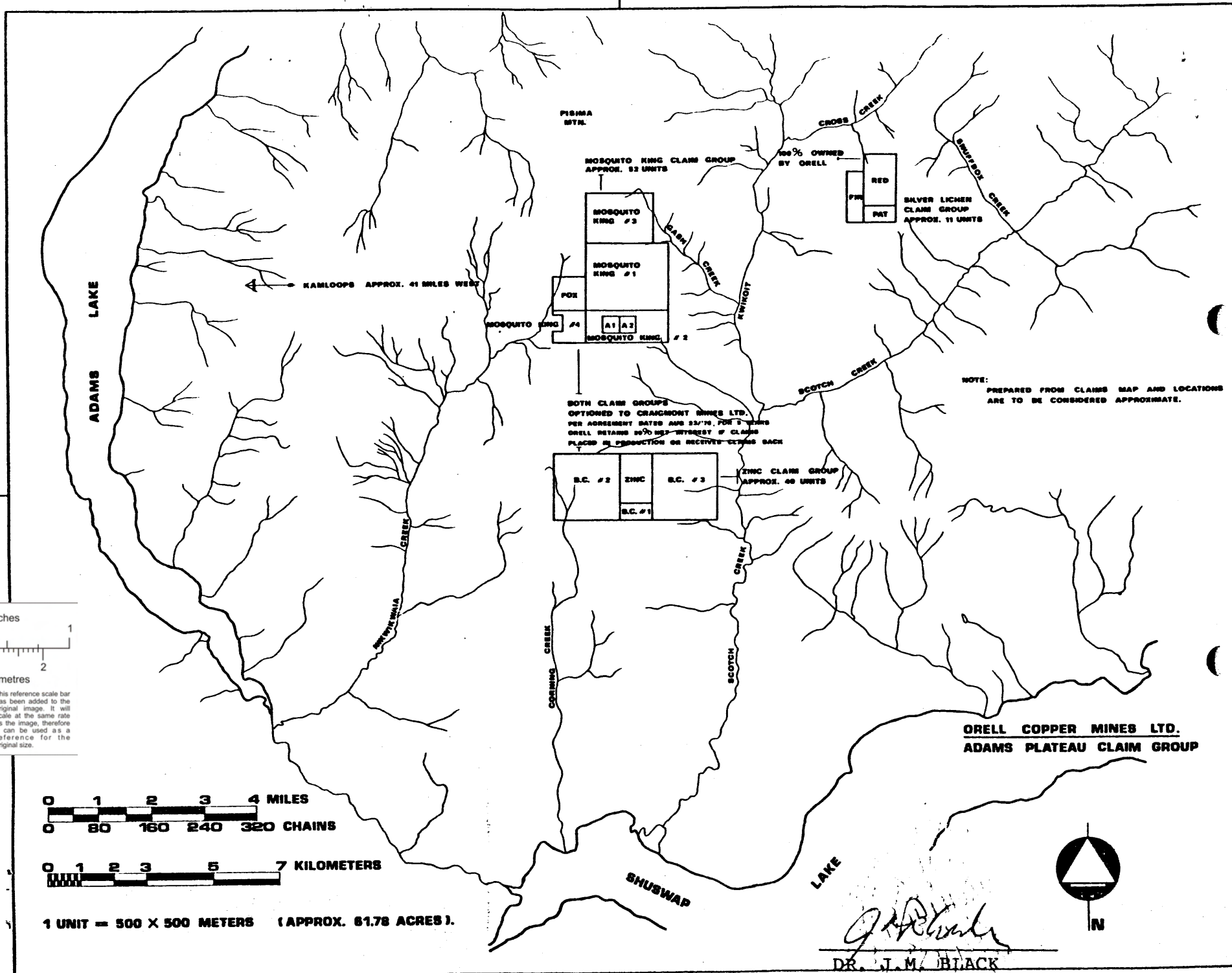
C E R T I F I C A T E

I, J.M. Black, of 843 Prospect Avenue, North Vancouver, B.C., do hereby certify that:

- 1) I am a graduate of U.B.C. in geological engineering with degrees of B.A.Sc and M.A.Sc., and a graduate of McGill University with degree of PhD. in economic geology.
- 2) I am a consulting geologist with broad experience in examination of mineral occurrences.
- 3) I examined the mineral occurrences reported in the accompanying report.
- 4) I have no beneficial interest in the property described in this report nor do I expect to receive any.

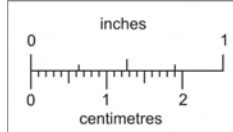


J.M. Black, P.Eng.
Consulting Geologist
October 12, 1976

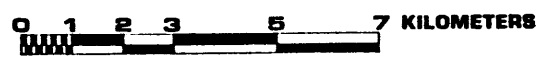


NOTE: PREPARED FROM CLAIMS MAP AND LOCATIONS ARE TO BE CONSIDERED APPROXIMATE.

BOTH CLAIM GROUPS OPTIONED TO CRAIGMONT MINES LTD. PER AGREEMENT DATED APR 22/76. FOR 5 YEARS ORELL RETAINS 50% NET INTEREST OF CLAIMS PLACED IN PRODUCTION OR RECOVERED CLAIMS BACK 7.



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.



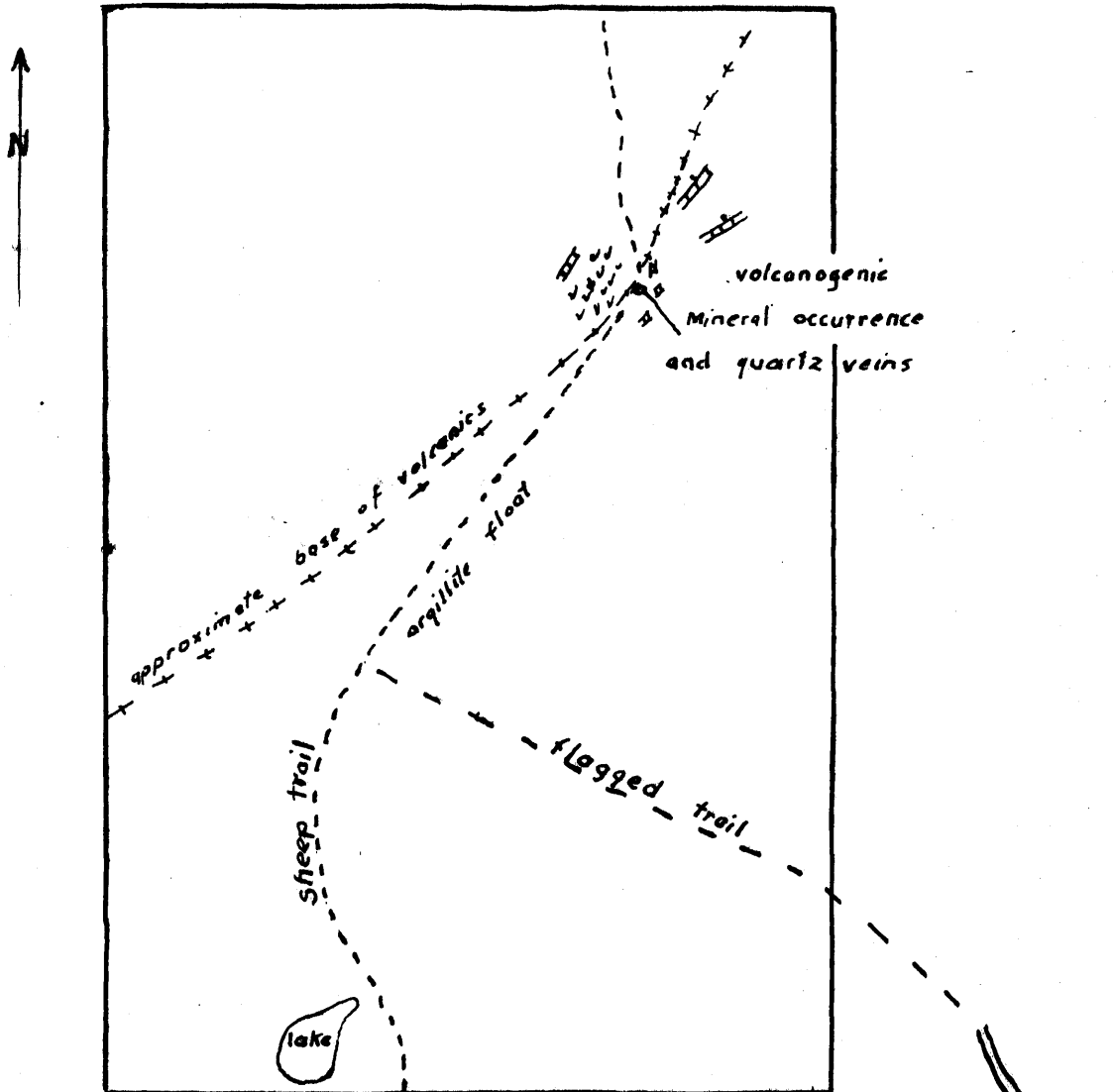
1 UNIT = 500 X 500 METERS (APPROX. 61.78 ACRES).

ORELL COPPER MINES LTD.
ADAMS PLATEAU CLAIM GROUP

J. M. Black
DR. J. M. BLACK

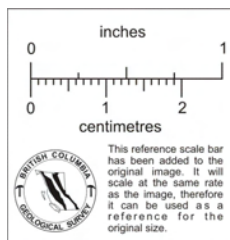


Figure 2.



Sketch of Red Claim
to accompany report by
J.M. Black P. Eng Oct 12, 1976

1 inch = 800 ft.



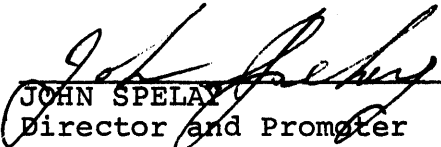
J.M. Black

Dr. J.M. Black


C E R T I F I C A T E

DATED: June 1, 1977

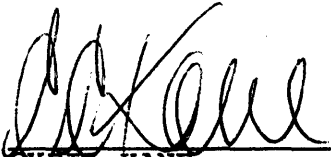
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act (British Columbia) and the regulations thereunder.



JOHN SPELAY
Director and Promoter



WALTER SPELAY
Director and Promoter



CYRIL KANE
Director and Promoter