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Bralorne
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NO. A78/91

EFFECTIVE DATE: January 24, 1992

MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES
KAMLOOPS, B.C.

AVINO MINES & RESOURCES LIMITED

MAR 16 1992

Rec'd. APR 16 1992

AMENDMENT NO. 1
TOGeological Survey Branch
MEMPRSTATEMENT OF MATERIAL FACTS NO. 78/91
Having an Effective Date of August 1, 1991**COVER PAGE**

The face page of the Statement of Material Facts is amended by changing the estimated offering price from \$0.65 per share to \$0.45 per share. The summary table of the Offering is now as follows:

	Offering Price (Estimated)*	Commission	Estimated Net Proceeds to be Received by the Issuer
Per Share	\$0.45	\$0.03375	\$0.41625
Total	\$450,000	\$33,750	\$416,250

*To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

PLAN OF DISTRIBUTIONThe Offering

Paragraph 8 of Item 1A of the Statement of Material Facts is amended to state that as at December 31, 1991, the Agent beneficially owned 1,900 common shares of the Issuer.

Shareholder Offering

The table respecting particulars of Selling Shareholders at the top of page 4 in Item 1D of the Statement of Material Facts is amended to delete reference to Michael Baybak's, Baybak Family Partners' and Boru Management Ltd.'s participation in the Shareholder Offering (since the hold period on their shares has expired), and the disclosure for Peter M. Brown and Graeme Currie only is amended as follows:

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<u>Name</u>	<u>No. of Shares owned at Date of this State- ment of Material Facts</u>	<u>No. of Shares Being Qualified for Sale</u>	<u>No. of Shares Owned on Completion of Share Offering</u>
Peter M. Brown	300,000	300,000	Nil
Graeme Currie	85,500	50,000	35,500

The total number of shares owned by all of the Selling Shareholders is therefore now 1,445,000 shares, the total number of shares qualified for sale is 1,400,000 and the total number of shares they will own after completion of the Share Offering will be 45,000 shares, assuming all shares qualified are sold.

HOW THE NET PROCEEDS OF THE OFFERING ARE TO BE SPENT

The first and second paragraphs of Item 2 of the Statement of Material Facts are hereby deleted and the following substituted therefor:

Although it is not possible to determine the actual net proceeds from the Offering, in the event that all of the 1,000,000 Shares are sold at an estimated price of \$0.45 per share, the proceeds would be \$450,000 less commissions of \$33,750, to net the Issuer \$416,250 which, when added to the Issuer's working capital as at January 17, 1992 of approximately \$191,897* would amount to \$608,147 being available to the Issuer on completion of the Offering.

The principal purposes for which the funds are to be allocated, in order of priority, are as follows:

- (a) to pay the estimated costs of this issue..... \$ 35,000
- (b) to pay the balance due to Love Oil Company,
Inc. (U.S. \$75,000)..... \$ 87,000
- (c) to pay the initial installment to Levon
Resources Ltd..... \$ 69,500
- (d) reserved for general working capital..... \$416,647
- Total: \$608,147

*This figure includes \$64,648 of flow-through funds which can only be spent on Canadian exploration expenses, as defined under the Income Tax Act (Canada).

All proceeds derived from the exercise of the Agent's Warrants will be added to general working capital.

MATERIAL NATURAL RESOURCE PROPERTIES

The table on page 6 in Item 3 of the Statement of Material Facts is amended to update the exploration costs of some of the Issuer's properties, as follows:

<u>Group</u>	<u>Property Name</u>	<u>Issuer's Exploration Costs to Date</u>
II	Loco Property	\$ 339,342
III	Minto Property	\$ 388,500
	Olympic Property	\$ 380,941

In addition, since the date of the Statement of Material Facts, the Issuer has acquired the Bralorne Mine Property, as more particularly described in Item 9 herein.

CORPORATE INFORMATION

Item 5 of the Statement of Material Facts is amended to state that there are 12,815,849 common shares presently issued and outstanding.

The last paragraph of Item 5 is deleted and the following substituted therefor:

Since September 30, 1991, the date of the latest financial statements of the Issuer included in this Statement of Material Facts, as amended, 3,000,000 common shares of the Issuer have been issued, for the purchase of the Bralorne Mine Property, as more particularly described in Item 9 herein.

DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED VOTING SHARES

Item 6 of the Statement of Material Facts is amended to disclose that the current shareholdings of Louis Wolfin, a director, President and promoter of the Issuer, are 903,377 shares (directly) and 326,590 shares (indirectly).

Since December 31, 1990, the Issuer has paid the following fees:

1. \$22,714 was paid to Frobisher Securities Ltd., a private B.C. company controlled by Louis Wolfin, President and a director of the Issuer, for professional and consulting services; and
2. \$7,702 was paid by way of salary, indirectly through Oniva International Services Corporation to Laura Meloche, a director and Secretary of the Issuer.

Holders of 10% or More

The information in Item 6 of the Statement of Material Facts with respect to holders of 10% or more of the issued and outstanding shares, the beneficial ownership of which is unknown, is updated as follows:

<u>Name of Shareholder</u>	<u>No. of Shares</u>
West Canada Depository Trust Company	2,889,063
Cede & Co.	1,741,089
CDS & Co.	1,503,414

OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

Item 7 of the Statement of Material Facts is hereby amended to state the total outstanding stock options of the Issuer are now 560,000 common shares, the stock option to Jonathan Goodbody for 40,000 shares at \$0.60 per share expiring July 27, 1995 having been cancelled, and the stock options to outside consultants for 170,000 shares having expired.

In addition, Item 7 of the Statement of Material Facts is further amended to state that the Issuer has issued a non-transferable share purchase warrant to Love Oil Company for the right to purchase 100,000 shares of the Issuer at a price of \$1.05 per share until April 29, 1992.

SECURITIES OF THE ISSUER HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

Item 8 of the Statement of Material Facts is amended to delete paragraph B(2), since the hold period for the 500,000 units expired July 27, 1991 (not 1992).

Item 8 of the Statement of Material Facts is further amended to include that pursuant to the Acquisition Agreement for the Bralorne Mine Property, more particularly described in Item 9 herein, the Issuer has issued a total of 3,000,000 common shares which are subject to a statutory resale restriction expiring November 29, 1992, and a voluntary resale restriction expiring November 29, 1993. These shares are not being qualified for sale to the public pursuant to the Statement of Material Facts.

PARTICULARS OF OTHER MATERIAL FACTS

Item 9 of the Statement of Material Facts is amended to include the following:

BRALORNE MINE PROPERTY, BRITISH COLUMBIA

By an Agreement dated November 26, 1991 between E & B Explorations Limited Partnership, International Corona Corporation, Cathedral Gold Corporation, Geomex Development Eighth Partnership (collectively the "Vendors") and the Issuer, the Issuer acquired a 100% interest in the Bralorne Mine Property located in the Bridge River area near Lillooet, British Columbia (the "Bralorne Mine Property"), consisting of nine freehold parcels of land, 133 crown granted mineral claims, five reverted crown granted claims, one located mineral claim, two placer leases and certain mining equipment and tools. In consideration therefor, the Issuer has issued to the Vendors an aggregate of 3,000,000 common shares at a deemed price of \$0.40 per share as follows:

<u>Vendors</u>	<u>No. of Shares</u>
E & B Explorations Limited Partnership Suite 2500, 666 Burrard Street Vancouver, B.C.	1,160,568
International Corona Corporation Suite 2500, 666 Burrard Street Vancouver, B.C.	565,671
Cathedral Gold Corporation #800, 601 West Hastings Street Vancouver, B.C.	973,761

Geomex Development Eighth
Partnership
#800, 601 West Hastings Street
Vancouver, B.C.

300,000

Pursuant to the terms of the Purchase and Sale Agreement, the Issuer was granted the option to repurchase up to 1,500,000 of the common shares issued to the Vendors up to November 29, 1993 in the following manner:

- (a) at the price of \$1.00 per common share if exercised on or before November 29, 1992; and
- (b) at the price of \$1.20 per common share if exercised after November 29, 1992 but on or before November 29, 1993.

The 3,000,000 shares issued to the Vendors are subject to a voluntary resale restriction until after November 29, 1993, and therefore cannot be re-sold without the consent of the Issuer before that time. In addition, during that time, the Vendors have agreed to execute and deliver to the President of the Issuer a proxy in respect of all 3,000,000 shares, permitting the President to vote such shares at any general meeting of members. The acquisition of the Bralorne Mine Property has been accepted for filing by the Vancouver Stock Exchange.

The Bralorne Mine Property is subject to a 1.6385% net proceeds of production royalty in favour of BRL Enterprises Inc., Suite 1632, 1055 West Georgia Street, Vancouver, B.C., and twelve of the crown granted mineral claims are subject to an additional royalty to a previous property owner equal to \$0.50 per ton of 2,000 lbs. of concentrate, if the gold content is 3/4 oz. of gold per ton or more.

In addition, the Issuer has agreed to issue to George Cross of Suite 1720, 609 Granville Street, Vancouver, B.C., 150,000 common shares as a finder's fee for his assistance in arranging the Issuer's purchase of the Bralorne Mine Property.

The Bralorne Mine Property consists of approximately 4,125 acres and is situated immediately east of the confluence of the Hurley River and Cadwallader Creek, approximately 100 miles due north of Vancouver. The property is accessible by road from Highway 40, on an all weather gravel road from Lillooet. Summer access is possible along the Hurley River logging road from Pemberton. The first lode claims were located in the Bralorne camp in 1896. In March 1928 Pioneer Gold Mines of B.C. Ltd. was incorporated and began construction of a 100 ton/day cyanide plant to mill gold ore from the prolific main vein structure. In 1938 the mill capacity was expanded to 400 tons/day. Between 1910 and 1928 the

Lorne Amalgamated Mining Company developed the King veins later used by Bralorne Mines for initial production. A newly refinanced company, Lorne Gold Mines Ltd., took control of the King Mine in 1919 and drove a low level adit to the King veins. This adit is now the portal from Bralorne's main haulage level. Due to financial difficulties operations ceased in 1929.

In April 1931 Bralco Development Company acquired a 60% interest in the Lorne Gold Mines holdings and incorporated Bralorne Mines Ltd. Mining of the King vein started in 1932. Gold was produced by a 100 ton/day gravity flotation mill which was expanded to 300 tons/day in 1935. A new 600 tons/day cyanide mill was constructed in 1961 eliminating shipments of gold bearing sulphide concentrate to the Tacoma smelter in Washington State.

In 1959, with reserves depleted and closure imminent, Pioneer Gold Mines Ltd. amalgamated with Bralorne Mines Ltd. By August 1960 mining from the Pioneer division was suspended. By 1971 Bralorne Mines Ltd. found mining unprofitable and closed the operations. Total production from 1932 to 1971 was 5,439,892 milled tons, grading 0.53 oz. gold/ton, or 2,561,845 oz. of bullion recovered.

A 1973-74 exploration program conducted by Bralorne Resources Ltd. to re-evaluate the production possibilities at the Bralorne-Pioneer Mine proved inconclusive due to the introduction of royalties and super-royalties on mining by the NDP government. In July 1980, E & B Explorations Inc. and partners, entered into an agreement with Bralorne Resources Limited to acquire an interest in the Bralorne Mine Property through the expenditure of exploration funds directed towards the preparation of engineering and feasibility studies. A program of diamond drilling, mine rehabilitation, shaft de-watering and geological sampling was carried out during 1980-83 at an aggregate cost of approximately \$6.4 million. Surface drilling consisting of 16 holes totalling 16,465 feet, was designed to test two main target areas. Underground diamond drilling totalled 11,127 feet in 20 drill holes and required the slashing of six drilling stations. An exploration program in 1984 continued the assessment of the gold reserve potential above the 800 level in the Alhambra area and in the hanging wall and foot wall vein systems of the 51 structure. Surface drilling totalled 23,033 feet concentrated on near surface gold bearing shoots within the Taylor, 51B Footwall, Countless 77 and 52 vein systems. Underground drilling of 6,623 feet tested unexplored areas adjacent to the 800 level workings and provided up dip information on newly explored vein structures. Four drift headings totalling 1,034 feet opened up new veins and provided stations for further exploratory drilling. The approximate cost of the 1984 exploration program was \$1.89 million.

In 1984 a geophysical program consisting of 28.94 line miles of VLF-EM and magnetometer surveys was conducted over portions of the property underlain by Pioneer greenstones and Bralorne intrusives which had received only superficial surface exploration work. A small geochemical survey covered the Hope crown grant which is reported to contain quartz vein structures in greenstone. No work was performed on the Bralorne Mine Property in 1986 or 1987.

In 1988, an exploration program consisting of surface and underground diamond drilling, underground mapping and sampling, drifting and underground rehabilitation and minor trenching was conducted by International Corona Corporation. 31 diamond drill holes were drilled from surface and 31 from underground, totalling 18,869 feet and 12,115 feet respectively. Drifting on the 400 and 800 levels totalled 1,089 feet. Expenditures for the 1988 exploration program were approximately \$3,090,000. The results of the underground exploration were generally disappointing. As a result of the surface diamond drilling, however, two previously unknown veins, the Prince and New veins were discovered. The King structure was found to be strong with good continuity and has potential for reserves along unmined portions of the vein. The Prince and New veins require additional drilling to evaluate their potential. Drilling in the Countless area was undertaken to test an unmined and unexplored area between the Pioneer and Bralorne Mines. Three drill holes were completed. All three holes pierced the 77 and 52 veins. Drill intercepts of the 77 vein were low grade. Two of the intercepts on the 52 vein encountered gold grades greater than 0.3 oz/ton over mineable widths. The 52 vein is virtually unmined and Corona's senior project geologist recommended additional drilling.

The Issuer having recently acquired the Bralorne Mine Property is in the process of evaluating the known geological information concerning the property with a view to having a qualified independent geologist outline a program of further exploration. The goal of any future exploration program would be to identify areas with potential for additional mineable reserves and to gain a better understanding of ore controls. The Issuer intends to focus on areas away from the known mineralization with the goal of finding new gold bearing structures.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE LOCATED ON THE BRALORNE MINE PROPERTY, AND ANY PROPOSED EXPLORATION PROGRAM WOULD BE AN EXPLORATORY SEARCH FOR ORE.