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MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES
KAMLOOPS, B.C.
Rec'd. JAN 22 1993

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Wayside Mine

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**SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE**
(The Issuer is, under the rules of the Exchange a "Venture Company")

STATEMENT OF MATERIAL FACTS (#80/92)
EFFECTIVE DATE: DECEMBER 29, 1992

JAN 7 1993

BRIGADIER RESOURCES LTD.

604 - 510 West Hastings Street
Vancouver, British Columbia
V6B 1L8 - (604) 654-6001

Geological Survey Branch
MEMPR

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

1318 - 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3 - (604) 687-8900

ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

MONTREAL TRUST COMPANY OF CANADA

510 Burrard Street
Vancouver, British Columbia
V6C 3B9 - (604) 661-9400

**NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES
IN BRITISH COLUMBIA**

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document. Further clarification, if required, may be sought from a broker.

OFFERING: 300,000 UNITS

NON-FLOW-THROUGH OFFERING: 100,000 NON-FLOW-THROUGH UNITS - Each Non-Flow-Through Unit consists of one (1) common share and one **NON-TRANSFERABLE** Series "A" Share Purchase Warrant entitling the holder thereof to purchase one (1) additional common share of the Issuer, as described under the heading "Plan of Distribution".

	<u>Offering Price</u> (Estimated) *	<u>Agent's</u> <u>Commission</u>	<u>Estimated Net</u> <u>Proceeds to be</u> <u>Received by</u> <u>the Issuer**</u>
Per Non-Flow-Through Unit:	\$1.00	\$0.10	\$0.90
Total:	\$100,000	\$10,000	\$90,000

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

** Before deduction of the unpaid cost of the issue estimated to be \$7,500.

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FLOW-THROUGH OFFERING: 200,000 FLOW-THROUGH UNITS - Each Unit consists of one (1) flow-through common share and one NON-TRANSFERABLE flow-through Series "A" Share Purchase Warrant entitling the holder thereof to purchase one (1) additional flow-through common share of the Issuer, as described under the heading "Plan of Distribution".

	Offering Price (Estimated) *	Agent's Commission **	Estimated Net Proceeds to be Received by the Issuer
Per Flow-Through Unit:	\$1.00	\$0.00	\$1.00
Total:	\$200,000	\$0.00	\$200,000

* To be calculated in accordance with the Rules of the Vancouver Stock Exchange.
 ** A commission for the Flow-Through Units of 10% of the Offering Price per Flow-Through Unit (estimated at \$0.10 per Flow-Through Unit) will be paid out of the Issuer's working capital. See "Plan of Distribution" and "Use of Proceeds".

ADDITIONAL OFFERING

The Agent has agreed to purchase (the "Guarantee") any of the Units offered hereby for which subscriptions have not been received at the conclusion of the Offering and, as consideration for the Guarantee, has been granted an Agent's Warrant (see "Consideration to Agent"). Any shares acquired by the Agent under the Guarantee may be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

AGENT
PACIFIC INTERNATIONAL SECURITIES INC.
 1500 - 700 West Georgia Street
 Vancouver, British Columbia
 V7Y 1G1
 (604) 664-2900

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

will be placed in a separate bank account and will be used to incur Canadian Exploration Expenses, as defined under the Income Tax Act (Canada).

None of the proceeds from the Offering will be used for the acquisition, exploration or development of any other properties without (if required under the rules or regulations of the Exchange) the prior approval of the Exchange except as may be permitted by the policies of the Exchange.

In the event of any material change in the affairs of the Issuer prior to or during the distribution of any securities offered by this Statement of Material Facts, an amendment to this Statement of Material Facts will be filed. Following completion of the distribution of the securities offered by this Statement of Material Facts, shareholders of the Issuer will be notified of any material changes in the affairs of the Issuer in accordance with the requirements of the applicable regulatory authorities.

3. MATERIAL NATURAL RESOURCE PROPERTIES

Summary of Material Mining Properties:

Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.

Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

<u>Group</u>	<u>Property Name</u>	<u>Issuer's Acquisition & Exploration Costs to Date</u>	<u>Shares Issued to Date</u>	<u>Planned Expenditures from Funds Available Upon Completion of the Offering</u>
I	N/A	N/A	N/A	N/A
II	Wayside Property (Lillooet Mining Division) British Columbia)	\$391,615	Nil	\$91,000
III	N/A	N/A	N/A	N/A

Group I - The Issuer holds no such properties

Group II

Wayside Property, Lillooet Mining Division, B.C.

Pursuant to an agreement dated August 2, 1971 between the Wayside Gold Mines Ltd. (formerly Carpenter Lake Resources Ltd.) ("Wayside") and John C. Reynolds, a former director of the Issuer, of Lillooet, British Columbia, Wayside acquired a 100% interest in twenty-five mineral claims from Mr. Reynolds in consideration for the sum of \$21,000 (the "Property"). Subsequent to 1971, Wayside acquired additional claims with the Property now comprising 45 contiguous mineral claims and one mining lease totalling 74 units, covering approximately 1,825 hectares, located at the west end of Carpenter Lake, approximately 3 kilometres north of Gold Bridge, B.C. During 1984, the Issuer entered into an agreement with Wayside, a British Columbia company trading on the Vancouver Stock Exchange, wherein the Issuer earned a 50% interest in the Property by agreeing to expend a total of \$300,000 in the years 1984-1986 and agreeing to transfer its interest in five mineral claims, known as the Lake Claims (which claims are still currently held by the Issuer as to 50%), located in the Lillooet Mining Division, B.C. to Wayside. Wayside currently owns a 50% interest in the Property. If, and when, the Property commences commercial production, each of the Issuer and Wayside will be required to issue shares equal in value to \$240,000 to John C. Reynolds.

The directors and officers of the Issuer are also directors and officers of Wayside.

At the request of the Issuer, Reliance Geological Services Inc. carried out a geological evaluation program on the Wayside Property during May 1991. The program consisted of data compilation, examining, splitting, and sampling drill core from previous programs, and prospecting some mineral showings on the property. The purpose of the program was to confirm previous results and to determine an exploration approach for future explorations programs.

The following excerpt, typed in italics, was taken from the report of Peter D. Leriche, B.Sc., F.G.A.C. and Roger G. Kidlark, B.Sc., F.G.A.C. of Reliance Geological Services Inc., 241 East 1st Street, North Vancouver, B.C., V7L 1B4 (the "Report"):

"The property lies in the Bridge River gold camp, the most prolific producing area in B.C. Total production from the Bralorne, Pioneer, Minto, Wayside and Congress mines has exceeded 4.5 million ounces of gold from vein deposits associated with major fault structures.

The Wayside Mine produced intermittently from 1906 to 1952. Production from 9 main levels has exceeded 6,000 ounces of gold from quartz veins and shears similar to the Bralorne and Pioneer deposits.

The property is underlain by :

- *Paleozoic Fergusson Group cherts and argillites;*
- *Triassic Cadwallader Group consisting of basaltic pillow lavas, breccias and tuffs (Pioneer Formation), argillites, siltstones and sandstones (Noel and Hurley Formations); and*
- *Bralorne diorite.*

Mineralized veins and shear zones on the property are directly or spatially related to major fault zones. The Wayside quartz veins are related to a northwest trending zone of shearing. These veins are mesothermal, ribboned, and hosted by Bralorne diorite. The main ore mineral is native gold. Wallrock alteration consists of quartz-sericite-carbonate-mariposite.

Exploration work by various companies since 1970 has consisted of underground sampling, geological mapping, soil geochemical surveys, geophysical surveys, and 64 surface diamond drill holes. This work has resulted in the definition of numerous exploration targets including 1) the Wayside Mine, 2) Commodore-3T Veins, 3) Two Bob - North End area, 4) the southwest side of Carpenter Lake, 5) Massive Sulphide (New Discovery Area), and 6) Southwest Diorite.

Based on both examination of previous reports and the 1991 property examination, Reliance Geological Services has defined the following targets for exploration during the next phase: (listed here in order of recommended priority):

1) Wayside Mine:

The greatest exploration potential at the Wayside Mine lies in the lower levels and below Level 9. Underground sampling from Levels 7 and 8 has yielded results from grab samples up to 3.23 oz Au/ton, and from chip samples in the .40 to .50 range across 4.0 feet.

Surface diamond drilling below Level 9 (lowest) has intersected up to 2.63 oz Au/ton over 9.0 feet. Drilling by Chevron in 1987 intersected a high result of 1.84 oz Au/ton over 4.9 feet.

The geological similarities with the Bralorne-Pioneer veins indicate that the Wayside vein-shear system has considerable depth potential.

2) Commodore-3T Veins:

Trench sampling in 1975 outlined results up to 9.1 oz Au/ton over 10 inches.

Diamond drilling in 1975 intersected 0.95 oz Au/ton over 7.0 feet and 19.61 oz Au/ton over 3.0 feet. Duplicate holes in 1979 intersected up to 0.695 oz Au/ton over 7.0 feet.

3) Two Bob Zone:

The showing consists of a 6 meter wide dyke with silicification and carbonatization at the margins. Diamond drilling of the zone has intersected up to 0.117 oz Au/ton over 4.3 feet. North End (Upper Two Bob, Marcus, Powerline):

Consists of a silicified and carbonatized shear zone associated with the Two Bob Creek fault.

4) *Southwest side of Carpenter Lake:*

Geophysics has located significant conductors which could be the southwest extension of the Main Wayside fault.

5) *Massive Sulphide*

A volcanogenic massive sulphide system. Diamond drilling has intersected various copper-zinc bearing horizons. The highest gold value to date is 0.125 oz Au/ton over 2.7 feet.

The recommended exploration program should focus on the Wayside Mine and should consist of level rehabilitation and dewatering, crosscut tunneling, detailed rock panel sampling, and underground diamond drilling totalling 1700 meters (\pm 5000 feet).

Other work should consist of surface diamond drilling (Commodore), geological mapping, rock sampling, soil sampling, and trenching at other targets.

The total estimated cost is approximately \$572,000."

In November 1991, Sampson Engineering Inc. of 2696 West 11th Avenue, Vancouver, British Columbia, V6K 2L6 was retained by the Issuer to carry out a drill program under the 9th level of the Wayside Mine. The following excerpt, typed in italics, was taken from the report of Sampson Engineering Inc. dated April 2, 1992:

"Because the property is on the shore of Carpenter Lake and is crossed by the Lillooet-Goldbridge highway, drilling sites were limited. All four holes were therefore drilled from the same site, squeezed between the highway and the lake shore. Details are as follows:

<i>Hole</i>	<i>Azimuth</i>	<i>Dip</i>	<i>Intersection Main</i>		<i>Feet</i>
			<i>Wayside</i>	<i>Vein</i>	
<i>91-1</i>	<i>232°</i>	<i>-85°</i>	<i>668.5</i>	<i>684.4</i>	<i>15.9</i>
<i>91-2</i>	<i>246°</i>	<i>-80°</i>	<i>588.0</i>	<i>615.4</i>	<i>27.4</i>
<i>91-3</i>	<i>260°</i>	<i>-75°</i>	<i>563.0</i>	<i>567.0</i>	<i>4.0</i>
<i>91-4</i>	<i>210°</i>	<i>-70°</i>	<i>511.5</i>	<i>519.0</i>	<i>7.5</i>

<i>Hole</i>	<i>Azimuth</i>	<i>Dip</i>	<i>Intersection</i>		<i>Feet</i>
			<i>Notman</i>	<i>Vein</i>	
<i>91-1</i>	<i>232°</i>	<i>-85°</i>	<i>161.5</i>	<i>169.0</i>	<i>7.5</i>
<i>91-2</i>	<i>246°</i>	<i>-80°</i>	<i>178.7</i>	<i>184.8</i>	<i>6.0</i>
<i>91-3</i>	<i>260°</i>	<i>-75°</i>	<i>183.3</i>	<i>194.0</i>	<i>9.5</i>
<i>91-4</i>	<i>210°</i>	<i>-70°</i>	<i>278.0</i>	<i>286.0</i>	<i>8.0</i>

In summary, the 1991 drill holes successfully intersected the "Main Wayside Vein" and the "Notman Vein" or (Hanging Wall Vein) proving that the ore bearing structure continues down dip below the 9th level of the old workings. Intersections in 91-1, 2 and 4 indicate that the veins have a true width in excess of minimum mining width (approximately 5 feet). The intersection in 91-3 is narrower, probably because the vein is intersected by a fault on the footwall side. Gold values intersected by the four holes are below ore grade.

However, values could increase again down dip and down plunge because distribution of stoped areas in the original workings shows presence of low grade values between ore grade (stoped) areas. Since the four holes all intersected the vein structure at approximately the same level down dip, they encountered a low grade zone - similar to those occurring between high grade areas in the Wayside Mine workings."

In addition, by letter to the Issuer and Wayside Gold Mines Ltd. dated July 9, 1992 from Mr. Chris J. Sampson, P.Eng., Mr. Sampson advised as follows, typed in italics:

"I consider the programmes proposed by Leriche and Kidlark (May 14, 1991) to be the most effective ways of exploring the Wayside property - in particular the Wayside veins below the accessible workings. The proposed cost is a realistic assessment of overall expenditures on the total programme, but should be divided into a series of phases as follows:

Phase 1: Rehabilitation of No. 5 level, Dewatering, Mapping and Sampling and Driving 40 m. on 9 Level

<i>A</i>	<i>Cleaning out and retimbering No. 5 adit portal, retracking approximately 100 ft. Replacing air lines etc.</i>	<i>\$ 35,000</i>
<i>B</i>	<i>Dewatering 5-9 levels, new ladders, pipe etc. where required</i>	<i>25,000</i>
<i>C</i>	<i>Mapping levels 5-9, sampling analysis</i>	<i>16,000</i>
<i>D</i>	<i>Driving 40 m., (5 x 7 ft.) to Notman (Hanging Wall) vein, sampling, slashing drill stations</i>	<i><u>49,000</u></i>
		<i>\$125,000</i>

[This programme should establish the plunge of the gold bearing shoots in the 9 levels of the Wayside mine and provide targets for drilling in Phase 2].

Phase 2: Underground Drilling

A series of NQ diameter diamond holes would be drilled from drill stations established by the Phase 1 programme.

<i>5000 ft. (1700 m) at \$20/ft.</i>	<i>100,000</i>
<i>Analyses, Supervision, Permits, Reports etc.</i>	<i><u>30,000</u></i>
	<i>\$130,000</i>

The remaining exploration proposals would be carried out in subsequent phases but the planning and cost of these would depend on results produced by the Phase 1 and 2 programmes."

On October 26, 1992, Mr. Chris Sampson, P.Eng., Consulting Geologist, reported to the Issuer and Wayside Gold Mines Ltd. as follows, typed in italics:

" *Now that access has been gained to No. 5 level, an inspection has revealed the workings to be in very sound condition. Every part of the level is accessible. In view of the excellent progress made on the original work program outlined in my July 9, 1992 budget, and plan, I am now able to revise the budget as follows:*

Phase 1: Rehabilitation of No. 5 level, Dewatering, Mapping and Sampling and Drilling 2,000 feet on 9 Level

<i>A</i>	<i>Cleaning out and installing 90 feet of 10 ft. diameter metal culvert, installing air lines etc. (already done)</i>	<i>\$10,000 (paid)</i>
<i>B</i>	<i>Dewatering 5-9 levels (now in progress). New ladders pipe etc. not required</i>	<i>15,000</i>
<i>C</i>	<i>Mapping levels 7-9, sampling analysis</i>	<i>13,000</i>
<i>D</i>	<i>Drilling 2,000 feet @ \$20.00 per foot</i>	<i><u>40,000</u> \$78,000</i>

[This programme should establish the plunge of the gold bearing shoots in the 9 levels of the Wayside mine and provide targets for drilling in Phase 2].

Phase 2: Underground Drilling and Development

A series of NQ diameter diamond holes would be drilled from drill stations established by 40 m. of underground development.

<i>Driving 40 m. (5 x 7 ft.) to Notman (Hanging (Wall) vein, sampling, slashing drill stations</i>	<i>\$49,000</i>
--	-----------------

<i>Drilling 3,000 feet @ \$20.00 per foot</i>	<i>60,000</i>
<i>Analyses, Supervision, Permits, Reports etc.</i>	<u><i>20,000</i></u>
	<i>\$129,000</i>

The remaining exploration proposals would be carried out in subsequent phases but the planning and cost of these would depend on results produced by the Phase 1 and 2 programmes."

To date, the Issuer has completed and paid its portion for A & B (\$12,500) and completed C of Phase 1 of Chris J. Sampson's amended July 9, 1992 budget.

The Issuer plans to complete Phase 1 and proceed with Phase 2 of Mr. Sampson's recommended program. The cost to the Issuer (as to 50%) for completion of the phases, set out in Mr. Sampson's October 26, 1992 letter, will amount to \$91,000, which will be paid from the use of proceeds. Standard Drilling & Engineering Ltd. (formerly 369742 B.C. Ltd.), a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini, both directors of the Issuer, is the general contractor for the project and bills the Issuer and Wayside at cost plus 12.5%.

Wayside currently does not have funds available to pay for its 50% share of the recommended program. Wayside will be attempting to raise its share of the funds by way of a public offering, however, there is no assurance Wayside's offering will be successful and therefore sufficient funds may not be available to carry out the recommended program.

The Property contains no known body of commercial ore and the proposed program is an exploratory search for ore. There is no surface or underground plant or equipment on the Property.

The aforementioned reports and letters are available for inspection at the registered office of the Issuer, 1318 - 1030 West Georgia St., Vancouver, British Columbia, V6E 2Y3 or at the Issuer's head office located at 604-510 West Hastings St., Vancouver, B.C., V6B 1L8 during the period of distribution of the securities offered hereby and for 30 days thereafter.

Group III - The Issuer holds no such properties

Risk Factors

The Units offered by this Statement of Material Facts must be considered speculative, generally because of the nature of the Issuer's business. In particular, a prospective investor should consider carefully :

1. There is no known body of ore on the Issuer's mineral property. The objective of carrying out an exploration program is to establish an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of economic ore bodies and to place them into commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.
2. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Issuer described herein will result in discoveries of commercial quantities of ore.
3. The mining industry, in general, is intensively competitive and speculative and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of the same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.
4. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved in mineral exploration and development. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.
5. While the Issuer has obtained the usual industry standard title report with respect to its mineral property, it should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.
6. The Issuer's mining property consists of recorded mineral claims which have not been surveyed and therefore, the precise locations and areas of the property may be in doubt.
7. Reference is made to the section headed "Directors and Officers" concerning possible conflicts of interest involving directors and officers of the Issuer.
8. No investigation has been made of the original application of recording of the claims making up the property, the recording of annual exploration and development work or the

existence of any interest in the property other than what may be noted in the Mining Recorder's office and no investigation has been made that the technical requirements of locating and recording the claims forming the property have been satisfied.

9. **THE SERIES "A" WARRANTS AND THE FLOW-THROUGH SERIES "A" WARRANTS WILL BE NON-TRANSFERABLE. CONSEQUENTLY, THERE WILL BE NO MARKET FOR THE SERIES "A" WARRANTS OR THE FLOW-THROUGH SERIES "A" WARRANTS.**

10. The Issuer has sought professional counsel to provide an opinion (see "Income Tax Consequences") that the Flow-through Units will qualify within the provisions of the Income Tax Act (Canada) to allow investors of Flow-Through Units to have CEE renounced to them. The Issuer, however, has not sought an Advance Income Tax Ruling from Revenue Canada, Taxation and the risk exists that the deductibility of the CEE may be contested.

11. Wayside Gold Mines Ltd. is required to pay a 50% share of the costs of the proposed exploration program on the Issuer's Wayside property. Wayside currently does not have these funds available, but is attempting to raise same by a public offering. There is no assurance Wayside's offering will be successful and therefore sufficient funds may not be available to complete the proposed exploration program.

4. **PARTICULARS OF NON-RESOURCE ASSETS**

The Issuer is not engaged nor does it propose to engage, in whole or in part, in a business other than for the exploration and development of natural resources.

5. **CORPORATE INFORMATION**

- (1) The Issuer was incorporated on June 9, 1981 under the laws of the Province of British Columbia by registration of its Memorandum and Articles pursuant to the Company Act under the name "Amazon Petroleum Corp.". On February 14, 1992, the Issuer changed its name to Brigadier Resources Ltd.
- (2) On February 14, 1992, the Issuer effected a consolidation of capital on a 3.5 old shares for one new share basis.

The authorized capital of the Issuer consists of 20,000,000 common shares without par value of which 2,946,065 shares are issued and outstanding as of the date of this Statement of Material Facts.

All of the Issuer's shares, including those offered by this Statement of Material Facts, are common shares without par value. They are not subject to any future call or assessment and they have equal voting rights. There are no special rights or restrictions of any nature attached to any of the shares and they all rank pari passu, each with the other, as to all benefits that might accrue to the holders thereof.

- (3) Since the date of the Issuer's unaudited financial statements prepared to November 30, 1992, a copy of which is attached hereto and forms part of this Statement of Material Facts, 24,000 shares of the Issuer have been issued.

6. **DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED EQUITY SHARES**

- (1) *Directors, Officers and Promoters of the Issuer*

<u>Name, Address and Office Held with Issuer</u>	<u>Occupation for Last Five Years</u>	<u>Number of Shares Held Beneficially</u>
James Francis Gerard Callaghan 1351 Terrace Avenue North Vancouver, B.C. V7R 1B3 <i>President, Promoter and Director</i>	Manager and principal in the real estate development and construction industries for 20 years; currently a director and officer of Nu-Lite Industries Ltd. and Wayside Gold Mines Ltd. (Vancouver Stock Exchange listed companies)	185,714 (p) 257,813 (e) 595,690 (o) **
Thomas John Kennedy * 5646 Covey Place North Vancouver, B.C. V7R 4T8 <i>Director</i>	Vice-Chairman, Workers' Compensation Review Board of British Columbia from 1982-1991; presently, Management Consultant to venture companies; currently a director of Wayside Gold Mines Ltd.	22,527 (o)
Francesco Aquilini * 307-1717 Haro Street Vancouver, B.C. V6G 1H1 <i>Director</i>	Property Developer, Aquilini Investment Group - 1980 - present; currently a director of Wayside Gold Mines Ltd.	398,404 (o) ** 257,812 (e)

Way side.



Spectrum

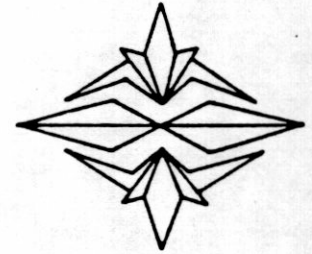
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INVESTOR COMMUNICATIONS, INC.

48 W. 21st Street • New York, N.Y. 10010

THE PRISM REPORT Newsletter



July 1982

CARPENTER LAKE RESOURCES LTD. (CTA.V-AROUND 80¢)-CTA-CANADA
PROMISING NEW DISCOVERY! - CARPENTER LAKE MINES
(STOCK PRICE RANGE - 40¢-\$4.25)
(SOUTHWESTERN SECTION OF BRITISH COLUMBIA)

NEW GOLD FIND ENHANCES STOCK PRICE OUTLOOK

The great GOLD RUSH, with its fever and excitement, was very prevalent in the Bridge River section of British Columbia in the early 1930's. In fact, several small mining towns sprang up all over the area. There was a real GOLD RUSH then, and from this, came one very interesting, specific area - Bralorne-Pioneer Mine - and just nine miles away, what is now called CARPENTER LAKE MINES (formerly Dawson Range Mine and Wayside Mine). This area has proved to be an extremely prolific, unusually erratic, but very prominent producing gold area. History repeats itself in the same fashion as in the 30's when GOLD and SILVER fetched less than 10% of their present price. Generally costs back then were a lot more to extract the yellow metal on a % basis. Technology and process have changed tremendously since then, of course, - and implied costs/ton are much less.

STRONG SUPPORTING BACKBONE

Versatile Corporation, a major Canadian conglomerate, has controlling interest of the Bralorne-Pioneer Mine. They have a gross worth of \$740 Million, with sales of \$350 Million, and a net worth of over \$100 Million. They conduct business activities throughout the world, mostly dealing in the U.S. and Canada in crude oil.

ACTION HAS ALREADY BEGUN

Presently, E&B Exploration Inc. of Vancouver is working, for Versatile, to reopen this mine due to the proven excellent mining and profit potential it has. E&B has already spent \$5 Million cash just to earn 50% interest in the Bralorne-Pioneer Mine. They have completed all refurbishments at the Bralorne-Pioneer Mine, and anticipate very shortly getting it back into operation. They obviously see excellent mineralization potential here, supported by factual gold assay data.

PROFITABLE PAST HISTORY

The Bralorne-Pioneer Mine, which is in close proximity to Carpenter Lake, produced 4.15 Million oz. of gold from its inception to the present time. It has always been a good producer. The Bridge River Area, owned by Carpenter Lake, has a history of total production of 5,341 oz. gold and 842 oz. silver in the 1950 era. One has to conclude that this specific area is very worthy of continued exploration and mining at the present time. Both mines - Bralorne-Pioneer and Carpenter - have very similar geological structuring thus similar mining results can be expected. The fact is that Carpenter Lake, on an average, produced an extremely rich ore. We verify this with production and result records showing a 12,000 ton mining period that produced assayed ore at 1 oz./ton gold plus! Similar gold values could be expected now.

ADVENT OF 'NEW DISCOVERY'

This is why the management of Carpenter Lake is attempting to reopen the mine and has already made arrangements to have all milling done at the Bralorne-Pioneer Mine which will have custom milling capacity. Various drilling tests have convinced Management that the mine still contains very rich areas and pockets of gold and silver. Some of these areas appear quite large—one being the New Discovery—a 15 foot section of vein which averaged 1.76 oz./ton gold and 0.68 oz./ton silver. This vein is open at each end, and has a length which is unknown. It is felt that this vein continues running over quite a length with better than average width. However, it is not known at this time how deep this vein is. Within this 15 foot section mentioned, 5 feet assayed 4.78 oz./ton gold and 1.84 oz./ton silver. Other remarkable values in the area, as recorded by J.P. Elwell, states a 9.818 oz./ton gold reading over an extremely minable width and runs 5 to 7 feet!! Another sample assayed 5.12 oz./ton gold and was found over an 18 inch width. Management feels this justifies an accelerated program of exploration of the area. Now with gold around \$300/oz., these areas appear particularly attractive, especially with the evidence of high grade material! The Carpenter Lake-Wayside Mine has a mineralization value exceeding \$2,700/ton gross in a certain area which definitely makes it worthwhile to continue exploration and attempt to mine those high grade zones. Present plans call for reopening the mine to the 9th level - this is the area found to contain an ore-body with this extremely high assay of 9 oz. gold/ton.

LOW COSTS

Milling at Carpenter Lake-Wayside Mine will take place at the mill to be built at Bralorne-Pioneer Mine. By using this mill, Management will reduce capital requirements considerably! Management will mine and ship to the Bralorne-Pioneer Mill at \$58/ton Canadian. Milling costs should run \$13-\$15 per ton, so total costs to mine, ship, and mill is less than \$75/ton. Also, by using the Bralorne-Pioneer Mill, quick mill results will be available.

FULL SPEED AHEAD!!

The zone of mineralization appears to be very strong. Plans are to prove sufficient tonnage by mining at 200 tons of ore per day. An entire intact quartz gold zone 1600 feet away from the present exploration area will be actively explored. COULD THESE TWO ZONES BE CONNECTED AT DEPTH??! This could be one of the exciting exploration areas of British Columbia as attested to be the number of exploration companies active or planning work there this season. Remember, Management in the 30's and 40's did not ore below 0.6 oz./ton!! At today's prices, gold is profitable to mine at only 0.2 oz./ton. With assays taken at Carpenter Lake-Wayside Mine running between 0.3-9.86 oz./ton over widths of at least 5 feet, this mine could make for exciting possibilities!!!

LOCATION-OUTLOOK

The Carpenter Lake Resources Claim lies on both sides of Carpenter Lake and partially under the lake. It consists of 35 claims which are situated on Carpenter Lake near Gold Bridge, B.C. in the Lillooet Mining Division. Access to Carpenter Lake is by way of the Lillooet Bralorne Highway passing through the claims with old mine entrances both above and below the highway. From the highway, the company has constructed several bulldozer roads up the hillside to reach the upper entrances, and also below the highway to the entrance on the edge of the lake. The B.C. Hydro power line crosses the property, paralleling the highway. The claims are found over approximately 1100 acres. A VERY LARGE AREA. The mine here has been de-watered and shafts and the levels appear to be in good condition, with some good gold values being obtained from pillars and stope remnants. Results from stripping and trenching done in 1977 and 1978, found some high grade gold ore shoots on the Commodore vein. Additional drilling for this area is advised to probe the extension of the vein on the 9th level under the lake. (Remember . . . that's where the high readings are from.) Many geologists from several major companies have visited the property and have shown considerable interest in it - most have offered excellent advice as to improving exploration efforts - these helpful suggestions will help retrieve mineralization the fastest, most economical way which mean lower costs and more profit for the shareholders as well as the company. This is GOLD country - and the Carpenter Lake Mine fits right in with the Bralorne-Pioneer type of high and average mineralization areas. Gold values generally improve in value with depth. The Carpenter Lake-Wayside Mine has not yet been mined to the same level as Bralorne, but with similar results expected, Carpenter Lake should prove to be very productive and profitable at lower depths!!

CONTAINS OTHER POTENTIAL PROFIT MAKING ORES

It has been proven by geological testing and drilling that this area near Carpenter Lake is loaded with copper!! All metal prices are low in this deflationary period, but keep in mind this added element which at the right time could be very profitable! Many areas assayed copper at percentages of over 89%. Zinc was also high in many areas. A moderate tonnage copper-zinc mine is indeed possible with higher copper and zinc prices. You can be sure that copper and zinc prices will rise appreciably in the future months ahead. Economics make this a must.

A Few Pointers . . .

- gold prices are expected to range between **\$300-\$500** per ounce in the next year.
- keep in mind the reason for stoppage of mining in this area years ago, gold at that time was so inexpensive that it was not profitable or feasible to mine. It's a different story today!
- Carpenter Lake Resources Ltd. are listed on the Vancouver Stock Exchange (VSE symbol CTA). There are 1.8 Million outstanding shares and 700,000 shares closely held. 1,000,000 shares lie in investors' hands. They have in the past two years traded as low as 40¢ and as high as \$4.25. At last report they had stabilized to the \$1.00 area.
- Carpenter Lake Resources Ltd. and Hat Creek Energy Corp. each own 50% in a joint venture mining property which is adjacent to Equity Silver in the Sam Goosely Lake area. Equity Silver is one of the largest silver open pit mines of British Columbia. Carpenter Lake Resources Ltd. will commence drilling this property in July.
- The Company, CARPENTER LAKE RESOURCES LTD., is actively seeking \$20 Million cash to acquire a major interest in another gold property. This particular property has proven reserves of 1 million tons mineralization with proven assay values .28 oz./gold/ton. Plans are to put the property in production at 300 tons/day. This will occur at an on-the-site mill which will help cut down costs.
- Bralorne Mill construction will begin immediately when the capital is obtained. As one may conclude from the foregoing data, there seems to be excellent mining potential at Carpenter Lake. Large corporations are proceeding to find out exactly how much the Carpenter Lake area has to offer, which is a lot so far, just dealing with what we have constructed proof of - geologists predict much more. To show an even increased potential, Canadian Lake Resources Ltd. has just recently acquired a copper-molybdenum property adjacent to Northair Mines in the Whistler Area which is approximately 50 miles north of Vancouver. Exploration will commence this summer. This has possibilities of being a very big winner!!

CARPENTER LAKE RESOURCES, LTD. (CTA.V-90¢)-CTA-CANADA

927-510 West Hastings Street, Vancouver, B.C., Canada

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Attention: Mr. Don Sumanik, President

The Vancouver Stock Exchange neither approves or disapproves of the material presented herein.

This report has been compiled on behalf of CARPENTER LAKE RESOURCES, LTD. in the interest of developing greater awareness & understanding of the Company by the financial community, the press, and Corp. stockholders. The information on which this report is based has been obtained from Corporate Management, as well as other sources deemed reliable and is not guaranteed as to accuracy or completeness, but is for informative purposes only. This firm, and/or its officers have made purchases of the securities mentioned herein in the open market, and contemplate maintaining this position in the securities mentioned.