

013993

GAVIN 93A/56 7073A 059
BUXTON CREEK 93A/12W (093A 137)
MURDER GULCH, PL 7139 93A/12 or 13

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

RECEIVED
JUN 06 1977
SUPERINTENDENT
OF BROKERS

PROSPECTUS

GAVEX GOLD MINES LTD.
Vancouver, British Columbia

February 28, 1977

93A059-05
PROPERTY FILE

→ Gavin Lake Placer (Included with 93A 059) M I N V
Buxton Ck. (Placer) P a P r
→ Murder Gulch Placer P a P r
NEW ISSUE
93A 080
250,000

93A059-05

COMMON SHARES

	Price to Public	Commission	Proceeds to Company if all the shares offered are sold
PER SHARE	\$.25	\$.05	\$.20
TOTAL	\$62,500	\$12,500	\$50,000*

*Less costs of issue estimated to be \$5,000

THERE IS NO MARKET FOR THE COMPANY'S SECURITIES.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL IN THE EXPLORATION STAGE. REFERENCE SHOULD ALSO BE MADE TO THE CAPTION "PRINCIPAL HOLDERS OF SHARES" AND THE COMPARISON OF THE NUMBER OF SECURITIES BEING OFFERED TO THE PUBLIC BY THIS PROSPECTUS AND THE NUMBER ALREADY ISSUED TO THE PROMOTER, DIRECTORS AND OFFICERS AND OTHER CONTROLLING PERSONS FOR CASH, PROPERTY AND SERVICES.

A MINIMUM SUBSCRIPTION IS REQUIRED UNDER THIS PROSPECTUS. REFERENCE IS MADE TO PAGE 10 AND THE CAPTION "USE OF PROCEEDS".

NO SURVEY HAS BEEN MADE OF THE COMPANY'S MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

PROPERTY FILE

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100-71339089

REPORT ON THE
MURDER GULCH PROPERTY
OF
GAVEX GOLD MINES LTD.

Livgard Consultants Ltd.
E. Livgard, B.Sc., P.Eng.
Vancouver, B.C.
February, 1977.

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7609-0953B

Credit Notes: Delta Smelting and Refining Co.

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Certificates:

INTRODUCTION

Mr. Lloyd Tattersal, president of Gavex Gold Mines Ltd., asked the writer to prepare a report on the company's Murder Gulch property and the work being carried out.

The writer spent three days on the property during July, 19th to 23rd, 1975, and two days on August, 27th and 28th, 1976. This report is based on those examinations and on references as listed.

The writer prepared a report on the property dated August, 1975. The present report incorporates all information in the first report, together with new information on the gravel deposits and the plant.

This report may be reproduced by the company in their prospectus of statements or material facts.

SUMMARY

The Murder Gulch operation of Gavex Gold Mines Ltd., on Placer lease No. 7139 is located on the banks of the Cariboo river 6 miles upstream from Quesnel Forks. The property can be reached via a 7 mile gravel road from Likely, B.C., 50 miles from 150 Mile House on Highway 97 North.

The lease covers several relatively flatlaying benches in an indentation in the river bank. Several auriferous gravel layers have been located on the property. The upper layer has been exposed along a width of 75 metres and from one to four metres thick. Other exposures indicate a length of 400 metres. It lies on top of blue glacial clay and is covered by from one to seven metres of layered silt. The partly exposed part of the layer may contain about 30,000 cubic meters of auriferous gravel. The other little exposed part of the layer has a maximum potential of 86,400 cubic meters. The total potential volume on the property is about 180,000 cubic meters.

Layer #9 has only been exposed at three pits. It shows auriferous gravel highly oxidized and cemented about 1.8 meters thick. Panning indicated good values and a one cubic foot sample was taken and panned down. The residue was assayed. It graded \$0.30 per cubic meter.

Several pits in the other channel were tested and found to be auriferous. Samples that were analyzed graded from nil to \$4.65 per cubic meter. These values are of course very erratic and cannot be used for grade estimates. The production grade last summer was \$3.63 per cubic meter. This grade could be improved by more selective mining.

The production costs have been estimated to be \$13,200.00 per month and in addition about \$1,000.00 per month of operation must be spent on overburden removal.

This means that the plant will break even on a production of 155 cubic meters per day. It is estimated that 200 to 250 cubic meters per day can be handled with the available equipment. This will give an operating profit of from \$150.00 to \$350.00 per day. As can be seen, the profit is very sensitive to the amount treated and it is very important that the maximum possible amount of gravel be treated.

CONCLUSIONS

The operation is set up very well. It has all the equipment necessary to properly handle the material. It has a large volume of auriferous grave. The operators are experienced and capable. The pollution control setup is good and the operation has received an operating permit (No.3726) from the Pollution Control Board.

The writer believes the operation will be profitable.

RECOMMENDATIONS

A grid system should be established to assist in mapping and more important, a close grid system would aid in volume control and planning for stripping.

Several improvements to the plant must be done such as:

- Rebuilding Hopper
- Extending trommel screen
- Fixing company's cat
- Extending sluice box

The following equipment should be aquired:

- Light plant
- Loader payments

Overburden removal

This is properly a cost of production but must be incurred before production starts.

One months working capital must be on hand.

ESTIMATED COSTS OF RECOMMENDATIONS

Grid system	\$ 500.00
Plant improvements	5,000.00
Light plant	3,000.00
Loader payments	6,000.00
Overburden removal D8 Cat 60 hrs. @ \$60.00	3,600.00
Working Capital - 1 month	13,200.00
Administration of the program	2,000.00
	<hr/>
	33,300.00
10% Contingencies	3,300.00
	<hr/>
	\$ 36,600.00
	<hr/>

PROPERTY

The property consists of one placer lease No. 7139 in the name of Mr. Jessé Jefferson. The lease is a twenty year lease, now into its sixth year. An agreement gives Gravex Gold Mines Ltd., rights to explore and work the lease. The writer has examined the claim posts and the lease has apparently been staked in accordance with regulations and covers the ground here described.

The lease is incorrectly placed on the Mining Recorder maps, about one mile further down river than it should be. Application has been made to correct this. The working agreement on the lease has not been examined by the writer.

LOCATION AND ACCESS

The property is located about 200 feet and extends to 1,500 feet from the bank of Cariboo river about 6 miles up stream from Quesnel Forks, the confluence of Quesnel and Cariboo rivers. It is found on map sheet 93A/12E in the Cariboo Mining Division. The property can be reached via a dirt road about a mile long off the Keithly gravel road, seven miles from Likely, which is about 50 miles by gravel road from the village of 150 Mile House on Highway 97 North.

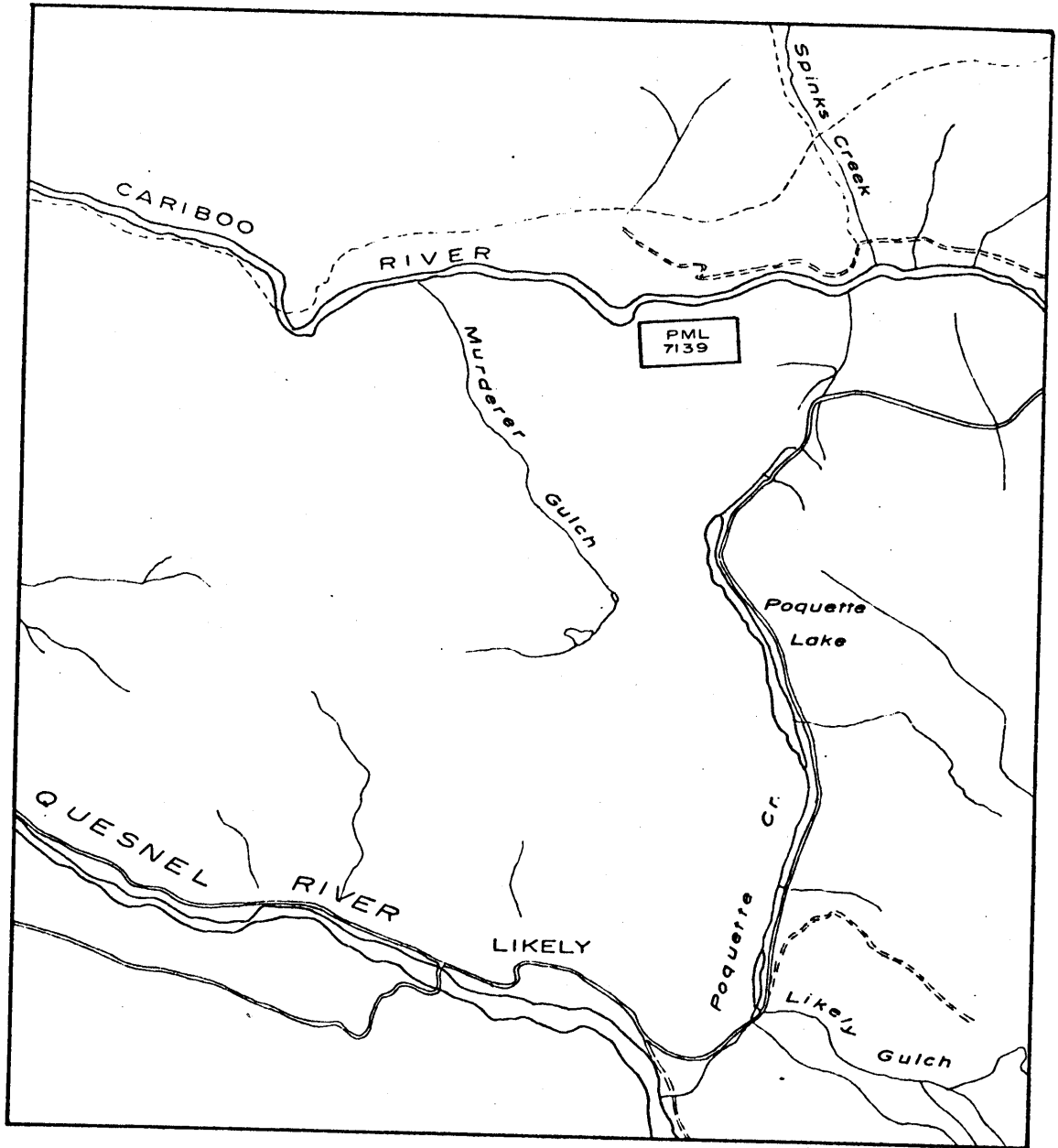
CLIMATE

The climate is typical for the B.C. interior and generally the exploration season would extend over about six months between May and November. The summers are warm and luxuriant growth is found in creek valleys. The winters are cold and placer work is not generally carried out.

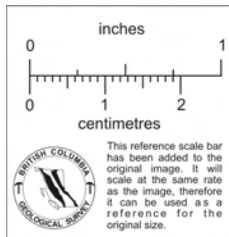
TOPOGRAPHY

The property lies on the south bank of the Cariboo river. The ground slopes toward the river and elevation difference on the lease may be about 250 feet. The major part of the lease covers a semi-circular indentation in the river bank, which extends some 2,000 feet from the river. Within this indentation several relatively flat benches with an elevation difference of about 60 feet are found.

570 SIC
830500

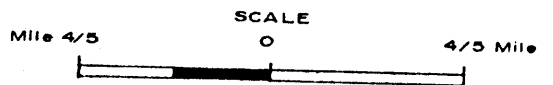


12 E



GAVEX GOLD MINES LTD.
MURDER GULCH
CLAIM MAP

CARIBOO MD., B.C.



HISTORY

Numerous placer properties have been worked in the area since well before the turn of the century. The best known are the Bullion mine five miles to the south-west, Cedar Creek some six miles to the south-east, and Quesnel Forks six miles west of the property.

The property laying on the banks of the Cariboo river in the center of the placer district has undoubtedly been examined numerous times in the past. Some evidence of past work was noted.

At the river bank close to the edge of the property gravel has been washed in small quantity. Some 600 feet west of the present workings a channel has been worked over a length of 150 feet, and width of 20 feet. This is called the Miller pit. The Miller pit workings was on what is now called #1 bench which is part of the Upper Bench where this meets and lies directly on a graphitic schist bedrock. The layer is thin (1 meter) but the values are much higher than average. The now exposed upper layer was previously worked where it was cut by a small stream. Mr. Jesse Jefferson staked the placer lease in 1970 and Gavex Goldmines obtained a working agreement on the property. The company tested the property by pits and bulldozer trenches in 1975 and set up a small plant. In the summer of 1976 more equipment was acquired and set up. Production was started August 17th and continued till October 20, 1976. During this time approximately 36 full operating days were obtained; during which time 5,352 yards (equivalent to 4,118 cubic metres) were treated for an average of 116 cubic metres per day. This is an approximate figure as part of the down time is estimated. The down time was used to rearrange and improve the operation and is considered to be usual for start-up.

It was found, however, that the hopper feeding the trommel was a seriously limiting capacity factor and will have to be changed.

One hundred and two ounces of gold were recovered, most of which was sold to Delta Smelting and Refining Company.

PHOTO INTERPRETATION

The following photos were obtained from the Photo library in Victoria: B.C. 7260 No. 104 to 106, and NO. 070 to 073. The photos were studied with a mirror stereoscope.

The surrounding area appears to consist of glacial deposit. It has few distinguishing features. A weak north-westerly trend in the small topographic irregularities indicates the direction of ice movement. The banks of the Cariboo river are steep where it has cut its way through the glacial material. At the lease property an indentation (river gravel remnant) in the river bank has been cut by surface run off making it irregular in outline. The centre of the indentation has smooth benches sloping gently toward the river.

Poquette Lake lies about 1 mile south of the centre of the property. It has features which suggest it probably occupies an old river channel. This inferred channel may in fact be covered by the Murder Gulch property.

SURFACE GEOLOGY

The glacial movement in the area has been from the south-east to north-west. The placer gold in the Likely area is closely associated to glacial and glacio-fluvial action. The gold is usually found in the gravel banks of the present creeks and rivers, or in their older abandoned channels, possibly re-worked from glacial material or in gravel beds or lenses sandwiched between layers of clay or silt.

The gravels are usually poorly sorted and frequently the auriferous so called gravels are a thorough mixture of particles from clay to boulder size. In the literature this mixed material is referred to as "slum", while old timers in the area use the term for the false clay "bedrock" on top of, and in the top part of which the gold is found. The richest and coarsest gold concentrations are usually found lodged just on top of blue glacial clay "bedrock" or true bedrock or in a rusty clay gravel boulder mixture. The gold is usually quite rough and occasionally still has quartz fragment attached to it indicating a close source and short water transportation.

The banks around the semi-circular indentation consist of glacial clay mixed with various proportions of coarser material and occasional outcrops of graphitic slate. The bedrock contains frequent quartz stringers with a large amount of pyrite and has in the past been explored for its gold content. The results of which are not known.

The flat benches are underlain by well layered silt and sand varying in thickness from two to as much as twenty feet, followed by an auriferous gravel from three to fourteen feet in thickness underlain by blue glacial clay of unknown thickness. Some benches have no overburden, and some of the lower ones have a rock "bedrock".

The auriferous "gravel" has approximately the following composition: Boulders 20%, cobbles and pebbles 50%, sand and gravel 30%. The boulders are generally less than two feet in diameter, but the last work in the 1976 season encountered boulders up to 6 feet in diameter. Good gold values were associated with the large boulders.

GRAVEL BENCHES

The area covered by the P.M.L. has been logged off and the surface geology can be seen quite easily. The various benches have been sketched in on the accompanying map. The map should be improved by use of a grid system. The largest bench, called upper bench, is also the highest. Benches #1, #2 and #3 are on the same level as the upper bench. Benches #4, #5, #6, #7 and #8 are all on different levels. Bench #9 is the lowest bench level on the property. The full extent of the "pay streak" on the benches is not known and it is not considered feasible for an operation of this kind to go to large expenditures to "prove up" the gravel. Sufficient gravel has been indicated, with a gold content in excess \$3.00 per cubic meter, to justify improving the plant and starting full production.

Part of the auriferous gravel has been uncovered and tested to an extent that it can be put into an indicated category. This category is assumed to be 65% assured as to yardage and grade. A part of the yardage in the upper bench (30,000 m³) next to the working face has a higher assurance level than noted above.

The majority of the calculated gravel has been put in the inferred category and is thought to have an assurance level of 40%, because the auriferous gravel has not been outlined or the grade tested other than by one or a few pits to confirm its presence. The gold content is assumed to be that recovered per cubic metre in operation in 1976.

AMOUNT OF GRAVEL

		<u>Indicated</u>	<u>Inferred</u>
Upper Bench:	250m x 40m x 3m	30,000 m ³	
	120m x 240m x 3m		86,400 m ³
#1	50m x 25m x 1m	1,250 m ³	
#3	25m x 60m x 4m	6,000 m ³	
#4	120m x 40m x 2.5m		12,000 m ³
#5	70m x 20m x 1.2m		1,700 m ³
#6	80m x 10m x 1.2m		1,000 m ³
#7	120m x 25m x 1.8m		5,400 m ³
#8	180m x 60m x 1m		10,000 m ³
#9	240m x 60m x 1.8m		26,000 m ³
Total indicated and potential volume		<u>37,250 m³</u>	<u>142,500 m³</u>

GRADE

Panning the lower channel gave six colour ranging in size to 1.5mm, indicating roughly \$5.00 to \$10.00/per yard. A sample was taken for assaying. The sample consisted of one cubic foot of average size material which was panned down to about a cupful. The material was difficult to pan due to the strong oxide cementation. Some gold was undoubtedly lost when cemented particles were not separated. The sample gave \$0.25 per yard.

The upper channel was tested by panning from the best material on clay "bedrock". It gave values ranging from 18 colours size $\frac{1}{4}$ to 1mm plus a nugget 2mm in diameter to 31 colours size $\frac{1}{4}$ to 1mm. This indicates values on the order of \$20.00 to \$50.00/per yard in the best material. A more accurate sample was run the following way: Two cubic yards of material was taken from different places on the channel including approximately equal amounts from all levels. The material was concentrated in a small sluice box and the sluice box cleanup was further panned down to a large cupful. Coarse flakes of gold and a couple of small nuggets were picked out for separate weighing. The remainder of the sample assayed.

The sluice box was designed for cleanup operation and was not suitable for testing a large sample. A 45 gallon drum was cut out and bolted to the sluice box, acting as material receptacle. Lacking screen boulders were washed off and discharged by hand, but coarse material still had to be dumped into the receptacle and this would shake the sluice box and dislodge material caught in the riffles. Boulder washing would disturb the water action, pebbles and cobbles rolling down the riffles would dislodge material.

Lumps of clay would move over the riffles picking up particles in spite of an attempt to break them up by hand. In spite of all these difficulties which undoubtedly caused a very substantial loss of gold, the sample gave a little over \$8.00/per yard.

The Eastern end was sampled by taking a one cubic foot. The sample gave about \$2.00/per yard.

Seven samples were panned down to a black sand and sent out for analysis. (Appendix - certificate 7609-0953)

#1 This was a sample from the top of the sluice box during operation. It was taken primarily for a platinum determination. The platinum content was found to be insignificant. The gold content of course was very high - in excess of \$50,000.00 per ton.

#2 This sample was from Bench #1 taken from just on top of a clay bedrock - 1 pan (260 pans per m³)
Au \$100.00 /oz = \$3.22 per gram
18.017 mg Au x 260 = 4.6844 g @ \$3.22 \$15.08/m³

#3 From Bench #3 - 1 pan
55.058 mg x 260 = 14.315 g @ \$3.22 \$46.09/m³

#4 From Bench #4 - 1/3 pan
2.383 mg x 260 x 3 = 1.859 g @ \$3.22 \$ 5.99/m³

#5 From Bench #5 - 1/2 pan
0.908 mg x 260 x 2 = .472 g @ \$3.22 \$ 1.52/m³

#6 From Bench #6 - 1/3 pan
.088 mg x 260 x 3 = .00624 g @ \$3.22 \$.02/m³

#7 From Bench #8 on bedrock - 1 pan
24.529 mg x 260 = 6.3775 x @ \$3.22 \$20.54/m³

A large number of pans were quickly panned to check gold content wherever the channel was exposed. These showed to the writers satisfaction that gold in varying amounts was present in the benches. The

samples which were analysed cannot be used as any indication of the grade to be expected as the unit value of gold is too high and its distribution too erratic to give reliable indications about grade from a few small samples.

The most reliable grade determination can be found from the production data.

Au recovered	Delta Smelting (58.75 oz. Au)	\$ 7,596.81
	Nuggets (38.24 oz. Au)	5,568.33
	Nuggets	150.00
	4 oz on hand @ \$100.00	400.00
	3T Black Sand value \$653./Ton(AuRum Resources Ltd.)	
	Less treatment: 10% of gross + \$150./Ton	1,313.10
		<hr/>
		\$ 15,028.24
		<hr/>

PRODUCTION GRADE

The production records kept by the supervisor show a total of 4,118 m³ were treated. The recovered gold from this volume works out to \$3.63 per cubic meter.

This figure is probably a good average for the upper bench.

Better gold values were encountered among larger boulders to the south and west in the bench. The production next year should as much as possible come from this area.

OPERATION

The following equipment is on the property:

- 1 Three-stage Jackson pump
Capacity: Two 4" lines, 100 foot lift
1,200 feet of 4 inch aluminium pipe
 - 1 Excavator hoe - 2 yard bucket
(300 yard/hr.)
 - 1 Front End Loader - 175 Michigan (1972)
(60 yard/hr.)
The loader normally has a 3½ yard bucket, but
a special 2½ yard bucket has been made for it
increasing its digging capacity.
 - 1 Bulldozer - TD 14
 - 1 3 Drum drag line
600 feet of cable 3/8" and 1/2" for cleaning
out the first settling pond.
 - 1 Hopper with rail screen (9'x8') and water
spray.
 - 1 Trommel 14 feet long and 8' diameter with an 8'
screen with 3/4" discharge holes.
 - 1 Sluice box in two 20 foot sections 2' 7" wide
and 20" deep made of ¼" steel plate. The
riffles are angle iron 1½" x 2" placed 3"
apart. Sack cloth is placed under the riffles.
- Accommodation: Camp cabin
1 Plant building

PRODUCTION COSTS

Last years cost include considerable preparation cost which cannot be separated.

From the experience gained last year the following costs are projected.

Hoe operator	\$8.00/hr x 8 = \$64.00	
Loader operator	\$8.00/hr x 8 = \$64.00	
Supervisor & Cat operator	\$80.00	
	<u>\$208.00</u>	
		<u>Monthly Cost</u>
208.00 x 25 working days		\$ 5,200.00
+ 10%		<u>500.00</u>
Monthly Wage Cost		\$ 5,700.00
Fuel		1,800.00
Camp & food		1,000.00
Parts, etc.		800.00
Depreciation		1,500.00
Administration		<u>1,200.00</u>
		12,000.00
10% Contingencies		<u>1,200.00</u>
		<u>\$13,200.00</u>

$$\$13,200/3.63 - 3,636 \text{ m}^3/25 = 145 \text{ m}^3$$

and estimated additional for overburden removal costs 10m^3
break even point 155 m^3 per day

The above cost figures do not allow for more than 3 paid men to run the operation and little leeway is given. The company must at all times be very cost concious.

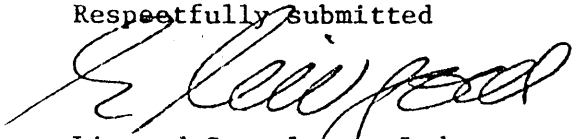
Production last year reached a maximum of 167 m³ in one day while the average for the last week of production was 116 m³ per day. The limiting factor in production was the hopper feeding the trommel and therefore the loader dumping time was excessive. This feature must be corrected. The loader was also used to remove coarse tailings at the trommel - about 1/3 of loader time was used for this purpose.

The company's old cat on the property should be fixed and could easily handle this chore and freeing the loader for feeding only.

The projected production should lie between 200 and 250 m³ per day and show a production profit of \$200.00 - 300.00 per day. Production could possibly be further increased by increased use of the hoe, which has spare capacity, to obtain less turn around time for the loader which is used to capacity.

The company should also check the grade of the upper part of the pay streak. The large majority of the values are found on the false bedrock and it may be found economical to remove the upper part of the channel together with the overburden and treat only the lower richer part.

Respectfully Submitted



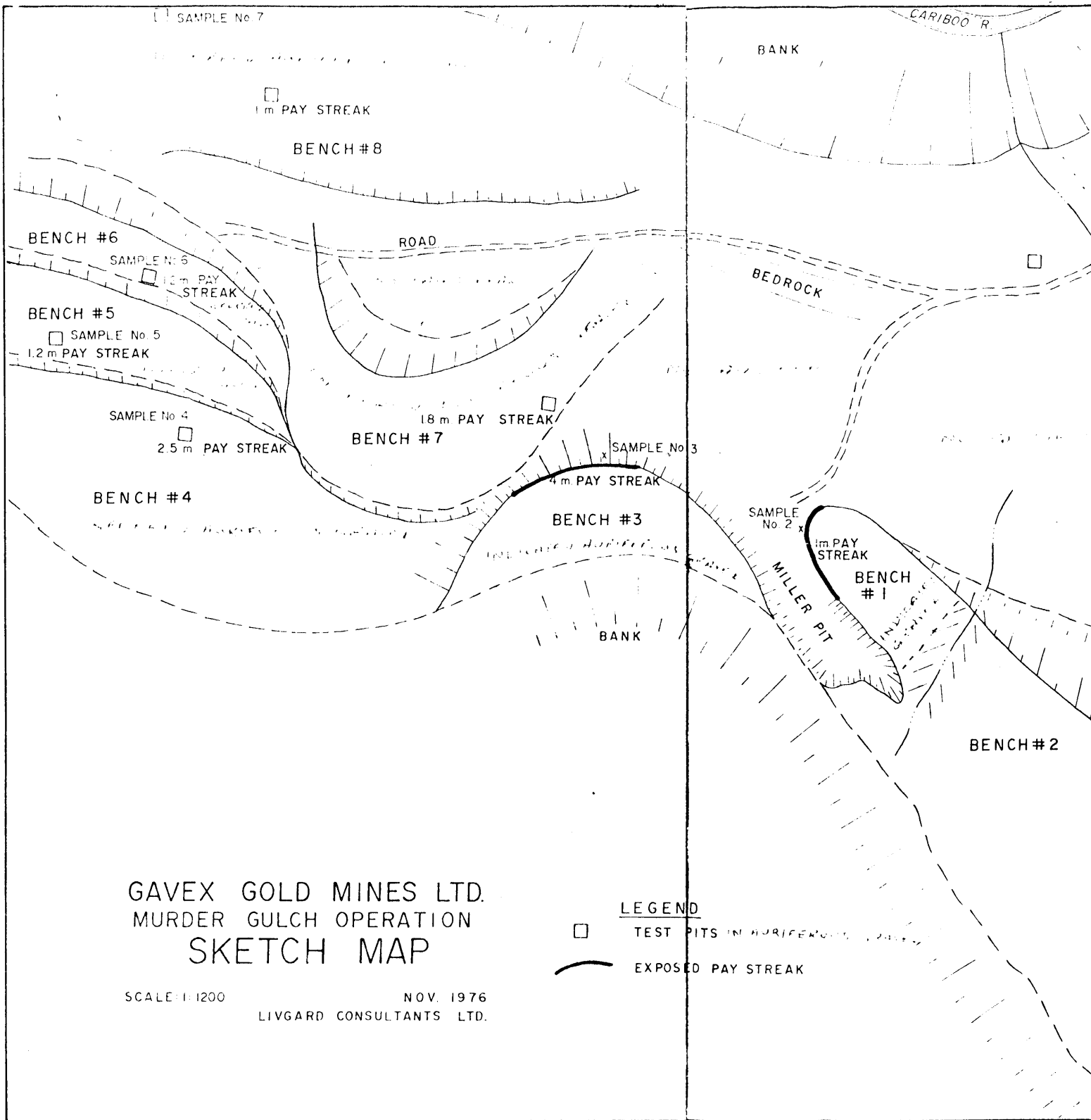
Livgard Consultants Ltd.
E. Livgard, B.Sc., P.Eng.

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3. Surficial Geology
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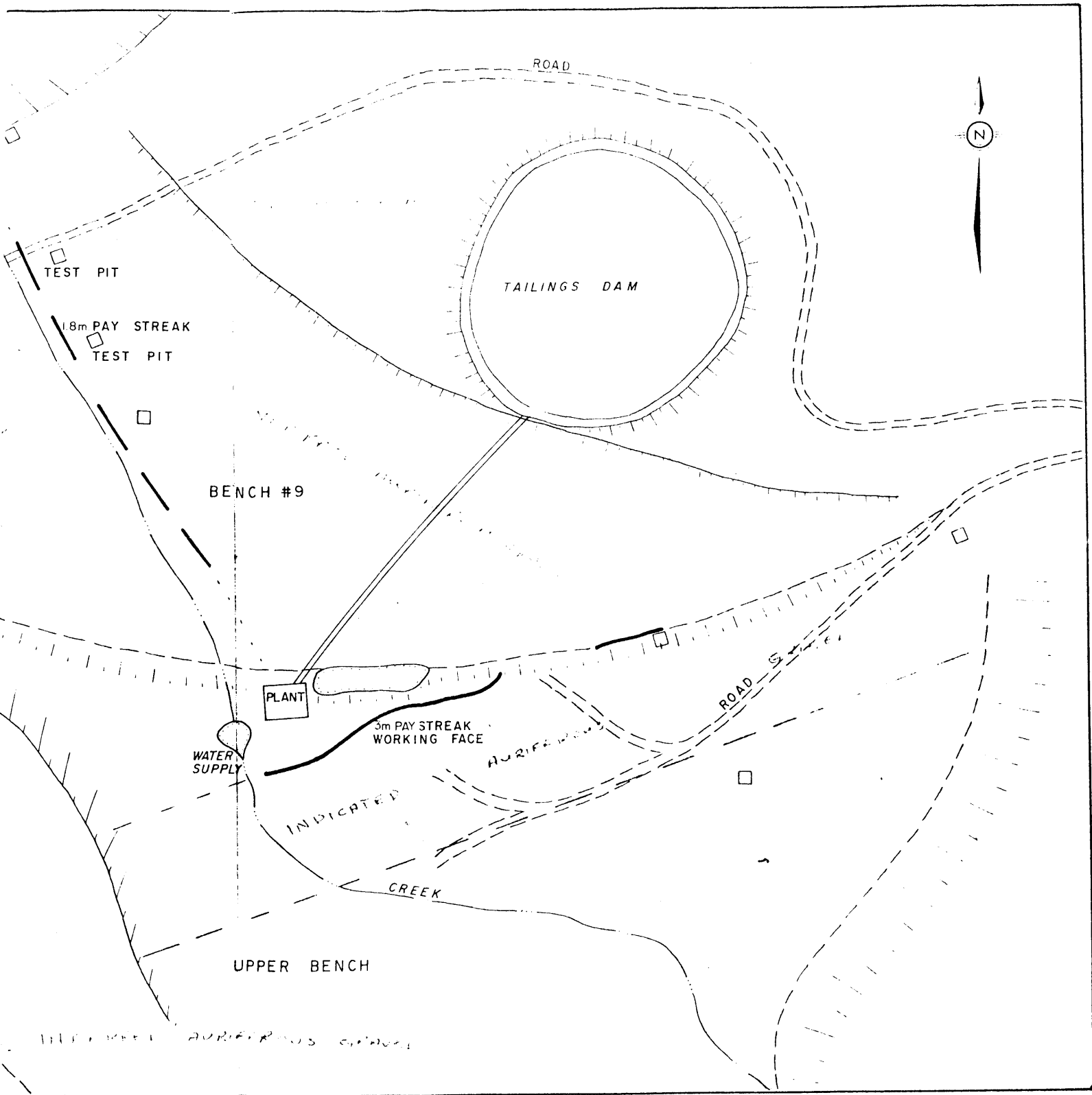
GAVEX GOLD MINES LTD.
 MURDER GULCH OPERATION
 SKETCH MAP

SCALE: 1:1200

NOV. 1976
 LIVGARD CONSULTANTS LTD.

LEGEND

- TEST PITS IN MURDER GULCH
- EXPOSED PAY STREAK



SR 15092

Gavex Gold Mines
Box 4386
Williams Lake BC.

Nov 8 '76

receipt 5326

Nugget Purchase

* 12+ Mesh.
10+8 Mesh.
6 " "
1/4+ "

20,275

140⁰⁰ 2838.5

9,055

145⁰⁰ 1312.90

5,330

155⁰⁰ 826.15

3,580

165⁰⁰ 590.70

Paid Chq. #11566

38,240

Dated 8/11/76

157. *DJR*

CHECKED BY

CASH ON HAND

REFERENCE NO.

FEE FOR
SALES TAX
PROVINCIAL
SALES TAX
POSTAGE &
DELIVERY
INSURANCE
LESS CREDIT
(IF ANY)
TOTAL
AMOUNT

5568.30

NOTE: GOODS RETURNED AFTER 14 DAYS WILL NOT RECEIVE FULL CREDIT.
BUSINESS HOURS AT PLANT ARE 10:00 A.M. TO 4:00 P.M.

SHIPPING COPY

PHONE (604) 273 8757
 TELEX 04-507571
 CALLBACK DELTALLOY

DELTA SMELTING & REFINING CO. LTD.

Subsidiary of United Research and Development Ltd.
 1104 CAMBIE ROAD
 RICHMOND, B.C. V6X 1L1

CREDIT NOTE NO.

6184

DATE: **Nov. 29/76**

RECEIPT NO. **5326**

GAVEX GOLD MINES LTD.
BOX 4386,
WILLIAMS LAKE, B.C.

c.c. **BNS, Wms Lake**
ATTN: Bob Cook
 c.c. **Davidson House**

DATE RECEIVED: **Nov. 8/76** REFINERY CREDIT NO. **2452**

GROSS WEIGHT RECEIVED: **Placer Gold**

NET WEIGHT RECEIVED: **85.765 T oz.**

WEIGHT AFTER MELT: **75.003 T oz.**

<u>GOLD</u>	78.33	% =	58.750	T. oz. @ ^{CAN.} U.S. \$	130.00	= U.S. CAN	\$	7637.50
<u>SILVER</u>	19.43	% =	14.573	T. oz. @ ^{CAN.} U.S. \$	4.07	= U.S. CAN	\$	59.31
<u>PALLADIUM</u>		% =		T. oz @ U.S. \$		= U.S.	\$	
<u>PLATINUM</u>		% =		T. oz. @ U.S. \$		= U.S.	\$	
				Less: Assay Fee			\$	25.00
				LESS REFINERY CHARGE.			\$	75.00

CHEQUE MAILED NOVEMBER 29, 1976 to BNS, Wms Lake, B.C.

U.S. \$
 CDN. \$ **7596.81**

PAYMENT SCHEDULE

- ~~The lower of the weekly averages for~~
 a. ~~The week of receipt, or~~
 b. ~~The following week~~

LONDON FIX

GOLD ~~Handy & Harmon's weekly average as ended~~ **November 16, 1976** **LESS US \$1.00** per T. oz.
SILVER ~~Handy & Harmon's weekly average as ended~~ **November 19, 1976** **LESS US \$ 0.25** per T. oz.
REFINERY CHARGE **US \$1.00** per T. oz. of the bar weight after melt.
 Minimum charge US \$

EXCHANGE RATE.

CUSTOMER'S ORIGINAL

AURUM RESOURCES LTD.
P.O. BOX 80006
SOUTH BURNABY, B.C.

GAVEX GOLD MINES LTD.
P.O. BOX 4386
WILLIAMS LAKE, B.C.

Sirs:

Herewith are the recovery results from concentrate received from Gavex Gold Mines Ltd.

#9/76/3 Sample weight - 1500 Gr. Au recovered .308 Gr.
Value - \$653.18 per ton

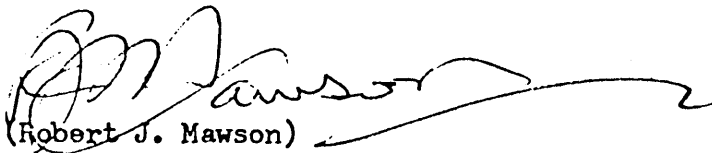
#9/76/11 Sample weight - 2 lbs. Au recovered - .145 Gr.
Value - \$507.00 per ton

#9/76/11-A Sample weight - 2 lbs. Au recovered - .275 Gr.
Value - \$927.00 per ton

#10/76/7 Sample weight - 2 lbs. Au recovered - .171 Gr.
Value - \$542.96 per ton.

I also confirm the recovery for you on 3 November, 1976 from 3 pounds of concentrate of 300 grams of gold. This was not a test as such, but a straight recovery service.

Yours very truly,


(Robert J. Mawson)

LIVGARD CONSULTANTS LTD.

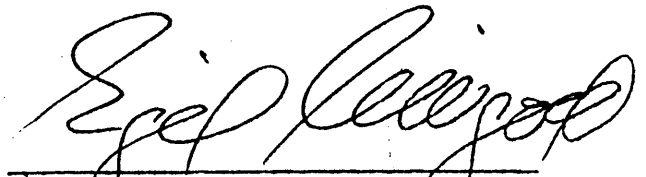
COQUITLAM. B.C.

CERTIFICATE

I, EGIL LIVGARD, of 1990 King Albert Avenue, Coquitlam, British Columbia.
DO HEREBY CERTIFY:-

1. I am a Consulting Geological Engineer.
2. I am a graduate of the University of British Columbia, B.Sc., 1960. Geological Sciences.
3. I am a Member of the Association of Professional Engineers of the Province of British Columbia.
4. From 1960 to 1962 I was employed as Geologist with United Keno Hill Mines, Elsa. Yukon Territories.
From 1962 to 1963 I was employed as geologist with the Geologic Survey of Norway.
From 1963 to 1966 I was employed as Mine Geologist and Engineer at the Portage Mine, Chibougamau. Quebec.
From 1966 to 1968 I was employed as Chief Geologist and Engineer at Utica Mines, Keremeos. B.C.
From 1968 to 1970 I was employed by S & N Mine Management, Consultants, Vancouver. B.C.
From 1970 to the present I have been self-employed as a Consultant in Vancouver, B.C.
5. I have not, directly or indirectly received, nor do I expect to receive, any interest, directly or indirectly in the properties here described, or in any company that has an interest in these properties, or in any affiliate, and I do not beneficially own, directly or indirectly, any securities in any such company.

DATED at Coquitlam, British Columbia, this 28 day of FEBRUARY 19 77



Egil Livgard, B.Sc., P.Eng.
Coquitlam. B.C.

CERTIFICATE

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

DATED this 28 day of FEBRUARY, 1977.



LLOYD TATTERSALL

Director and Promoter

Ella M. Anderson
By her attorney in fact




EILA M. ANDERSON
Director



CHARLES E. HUGHES

Director



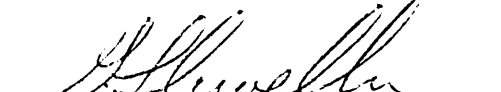
MERVIN L. BURKOWSKI

Director



BRUCE WOODSWORTH

Director



GORDON E. LLEWELLYN

Director