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REPORT ON
GOLDEN CROWN GROUP
GREENWOOD, B. C.

Prepared for
CON-AM RESOURCES LTD.

By
W. MEYER, P.ENG.

Vancouver, B. C.

October 31, 1977



CON-AM RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS
July 31, 1977

NOTE 3. CAPITAL STOCK

During the period the company issued 301,500 shares for cash and 50,000 shares for mineral properties. Since incorporation capital stock has been issued for the following consideration:

	<u>Number of Shares</u>	<u>Value</u>
For mineral properties	182,000	\$ 164,400
For cash	1,013,800	890,563
	<u>1,195,800</u>	<u>\$ 1,054,963</u>

At July 31, 1977 there are outstanding 448,500 warrants entitling the holder to purchase one share for each warrant held, up to October 16, 1977.

NOTE 4. CONTINGENCIES

The company has received advances aggregating \$29,306 under the provisions of the Northern Mineral Exploration Assistance Program for the development of certain properties. The company is liable to repay such monies should commercial production commence on properties on which assistance grants were made.

NOTE 5. STATUTORY INFORMATION

During the year the company paid \$10,695 in management fees to a director of the company.

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SUMMARY & CONCLUSIONS

The Golden Crown Group is a gold prospect located in the Phoenix area in the Greenwood Mining Division. During the period 1891, when the claims were first staked, to 1905, the Winnipeg Claim and the Golden Crown Claim both saw limited production for gold, silver and copper.

Sabina Mines and Scurry Rainbow Oil carried out technical programmes and a diamond drilling programme in the late 1960's to test for nickel-chromite mineralization with generally unsatisfactory results for the metals sought and prices that prevailed at that time.

Recent exploration carried out by the Golden Crown Syndicate, directed specifically at the gold potential of the property has exposed by either trenching or drilling, economically significant gold mineralization over mining widths. Gold mineralization is associated with quartz and/or massive pyrrhotite with accessory silver and copper minerals. One of the vein systems exposed is thought to be an extension of the Golden Crown vein.

A programme consisting primarily of diamond drilling is recommended to test the grade, extent and continuity of the recently exposed mineralization.

RECOMMENDATIONS

Much of the initial technical work usually applicable has been completed and the results are available through private reports. It is proposed to carry out a limited magnetometer survey to supplement existing magnetic data to better identify zones of pyrrhotite mineralization. An orientation geochemical survey is recommended to check the effectiveness of the geochemical method as an exploration tool.



One thousand feet of diamond drilling along the two newly exposed vein systems should be carried out in the initial programme.

Two thousand feet of drilling are proposed in a second stage to follow up the first stage programme and test the Calumet Vein.

The cost of this programme is estimated below:

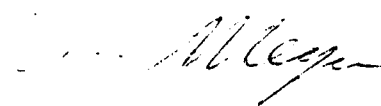
STAGE I

Magnetometer survey	\$ 2,000.00
Geochemical survey	2,500.00
Diamond Drilling (overall costs) 1,000 feet @ \$25/foot	25,000.00
Assaying	2,000.00
Bulldozer (trenching, snowplow, sites, etc.)	5,000.00
Field tools, hardware, transportation, communication, etc.	2,500.00
Supervision and engineering, report preparation, drafting, etc.	<u>5,000.00</u>
	44,000.00
Contingency	<u>6,000.00</u>
Total Stage I	<u>\$ 50,000.00</u>

STAGE II

Diamond Drilling - 2,000 feet @ \$25/ft	<u>50,000.00</u>
Total Stage I & Stage II	<u><u>\$ 100,000.00</u></u>

Respectfully submitted,


W. Meyer, P. Eng.



The following report on the Golden Crown Group of Claims is prepared at the request of Mr. T. P. Bowes of Con-Am Resources Ltd. The subject group comprises six Crown Grants and Mineral Leases located in the "Phoenix Camp" in the Greenwood Mining Division, British Columbia.

The claims have had a past history of gold, silver and copper production. The claims are currently being re-assessed with emphasis on gold values.

The claims are presently owned by the Golden Crown Syndicate, a group of Grand Forks-Greenwood area investors. The Golden Crown Syndicate has spent approximately \$50,000.00 on the claims in the past year and has encountered significant gold values in diamond drill holes and surface trenches.

It is recommended that a programme consisting primarily of diamond drilling be undertaken to further explore the group.

LOCATION AND ACCESS

The property is located in south-central British Columbia near the city of Grand Forks and centered at approximately 49°05'N Latitude and 118°32' W Longitude (See Figure 1).

Grand Forks is reached from the Lower Mainland by paved highways (#401 and #3) or alternately by scheduled PWA flights to Penticton and local carrier to Grand Forks. Grand Forks is a farming, lumbering and mining area and is the principal supply point for the district.



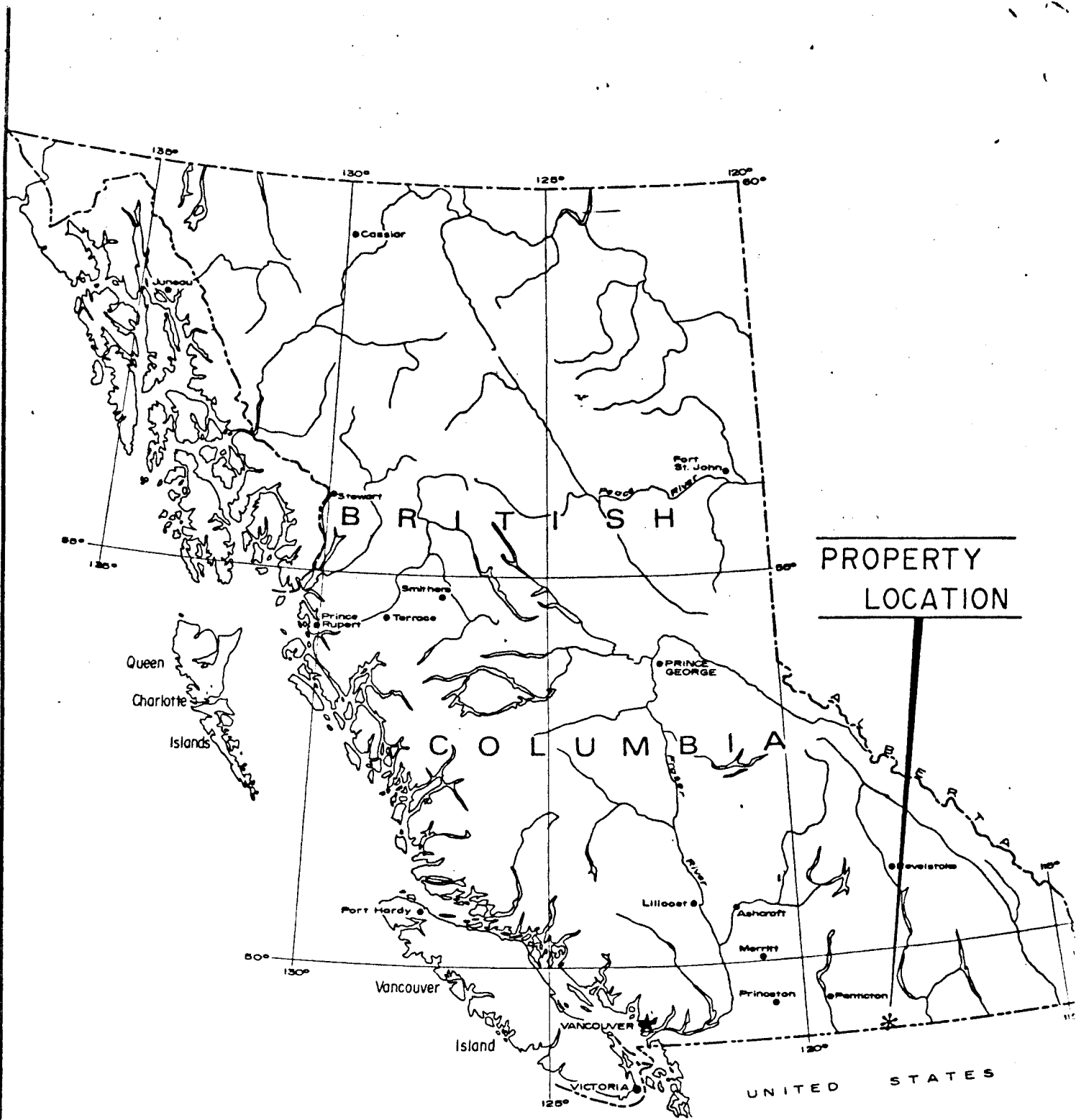


FIG. 1

CON-AM RESOURCES LTD.

GOLDEN CROWN GROUP
GREENWOOD MINING DIVISION, B.C.

LOCATION MAP

SCALE

Miles 100 50 0 100 200 Miles

The property is reached from Grand Forks by ten miles of paved road to the Phoenix Mine turnoff. From the Phoenix Mine road, the gravel road along the old railway grade to Hartford Junction is followed. A one mile, good grade gravel road from this point leads to the centre of the group. Hartford Junction is accessible year around. It may be necessary to snow-plow approximately one mile of road during winter months. A West Kootenay Power & Light transmission line and B. C. Telephone phone line passes through the claim group.

CLAIMS

The Golden Crown Group consists of two Crown Grants and seven reverted Crown Grants located in the Greenwood Mining Division (Ref. Map No. 8ZE/2E).

The pertinent claim details are shown below:

Crown Grants

<u>Lot No.</u>	<u>Name</u>
L 599	Winnipeg
L 600	Golden Crown

Reverted Crown Grants:

<u>Name</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Expiry Date</u>
Hecla	859	378	June 16, 1978
Calumet	1314	379	June 16, 1978
Sissy	1068	380	June 16, 1978
Joe Joe	7595	381	June 16, 1978
Hard Cash	1062)	444	July 30, 1978
Nabob Fr.	1063)		
War Cloud	1316	583	Dec. 7, 1978

The property has been visited by the writer a number of times during the past year, the most recent being on October 18-19, 1977.



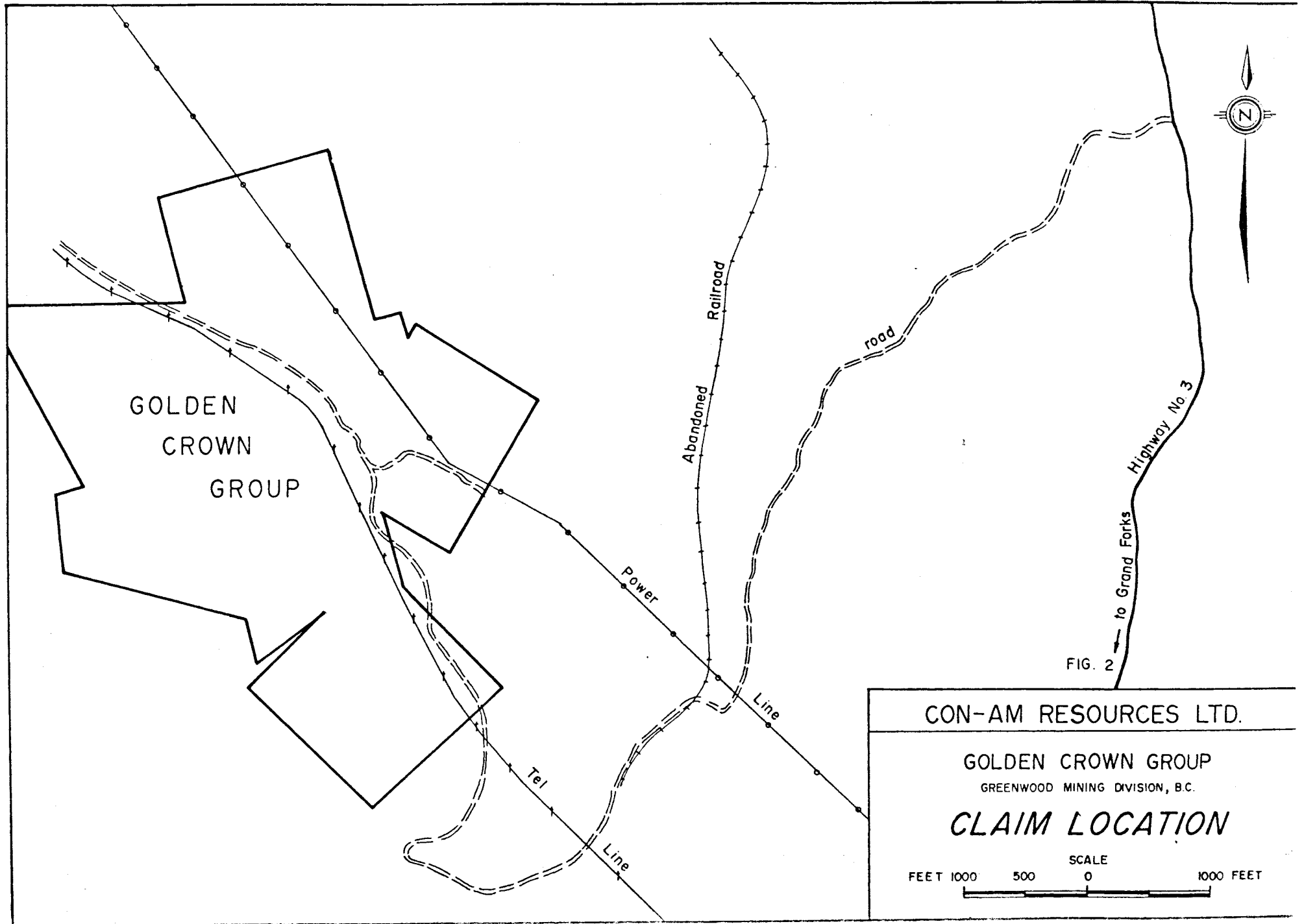


FIG. 2

CON-AM RESOURCES LTD.

GOLDEN CROWN GROUP

GREENWOOD MINING DIVISION, B.C.

CLAIM LOCATION

SCALE

FEET 1000 500 0 1000 FEET



these ultra basics appear to be at least spatially related to gold mineralization (where gold bearing veins may have been emplaced along the same fracture zone). Intermediate to basic Nelson Intrusives occur as small complex stocks on the Winnipeg claim.

These units are unconformably overlain by Tertiary Kettle River Formation sediments, tuffs and later but related acid to intermediate dykes.

MINERALIZATION

There are three principal types of mineral occurrence within the claim area. These are:

- 1) Massive pyrrhotite as fissure fillings and disseminations in Anarchist Group volcanics. The massive sulphide zones carry gold, silver and copper values.
- 2) Disseminated pyrrhotite with accessory nickel and chromium in the serpentized ultra basics.
- 3) Copper-magnetite skarn zone in the limestones of the Brooklyn Formation may be present. No substantial showings of this type, however, have been noted to date, but do occur on adjacent properties.

The presently proposed programme is intended to test known occurrences of the first type with the principal mineral of interest being gold.

Significant gold-silver values are associated with massive pyrrhotite and chalcopyrite with or without quartz along north 40 - 60° west fracture zones. The zones, where well exposed, dip steeply to the southwest.



A second fracture set within the property strikes north-east with steep dip. It was earlier considered that this fracture set was not important as an ore control. Recent bulldozer trenching by the Golden Crown Syndicate, however, has exposed two cuts where the gold bearing massive sulphides occupy the north-east fracture set.

Significant gold intersections are presently known to occur in the Golden Crown and Winnipeg underground workings, the old pits and trenches on the Calumet claim, four drill holes and a series of trenches.

Figure 3 shows a drill hole and assay plan of the central claim area. The significant intersections resulting from recent work and surface samples taken by the writer are summarized in the table below:

<u>Drill Hole</u>	<u>Interval</u>	<u>Length</u>	<u>Oz Au/T</u>	<u>Oz Ag/t</u>	<u>% Cu</u>	<u>Sampled by</u>
S-3	181-186	5 ft.	0.38	1.26	1.01%	Scurry Rainbow
W-1		5 ft.	0.8		2%	Vendor
W-2		11 ft.	0.35			Granby



<u>Trench Area</u>	<u>Sample No.</u>	<u>Length</u>	<u>Oz Au/T</u>	<u>Oz Ag/T</u>	<u>% Cu</u>	<u>Sampled By</u>
Winnipeg						
"new cut"	5976	10'	0.31	0.20	0.10	W. Meyer
"	5977	Grab	0.59	0.24	0.28	"
Calumet	5978	5'	0.010	0.03	0.04	"
Calumet	5979	2½'	0.010	0.17	0.04	"
"	5980	8'	0.28	0.14	0.60	"
Winnipeg						
("No see-um")	5981	3'	0.060	1.42	2.58	"
"	5982	4'	0.060	0.15	0.32	"
Golden Crown						
("Alec")	5983	20"	0.030	0.25	0.34	"
Golden Crown						
("George")	5984	20"	0.10	0.06	0.42	"
Golden Crown						
("George")	5985	16"	0.17	0.65	1.80	"

Significant values reported by the vendors are shown on Figure 3 as mineralized veins or noted as vendor assays.

Respectfully submitted,

W. Meyer

W. Meyer, P.Eng.

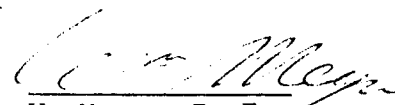


C E R T I F I C A T E

1. I am a geologist with residence at 911 Jarvis Street, Coquitlam, B. C.
2. I am a graduate of the University of British Columbia, (B.Sc., 1962).
3. I am a registered member of the Association of Professional Engineers of the Province of British Columbia.
4. I have worked as an exploration geologist for fourteen years for the following companies: Phelps Dodge Corporation of Canada Ltd.; Gibraltar Mines; Associated Geological Services Ltd.; Western Geological Services Ltd. (senior partner).

I am presently a senior partner in W. Meyer & Associates Ltd.

5. I have no interest, direct or indirect, nor do I anticipate receiving any, in the properties or securities of Con-Am Resources Ltd.
6. I hereby consent to the use of this report in a Prospectus or Statement of Material Facts of Con-Am Resources Ltd.


W. Meyer, P. Eng.

October 31, 1977
Vancouver, B. C.



20. STATUTORY RIGHTS OF RESCISSION

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

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

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

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

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

March 3, 1978
(Date)

CON-AM RESOURCES LTD.

PATRICK BOWES
Director

Patrick Bowes

IAN ROGER HAGEMOEN
Director

Ian Roger Hagemoen

ART DITTO
Director

*A. H. P. Ditto
by his attorney
Ian Hagemoen*

GISLI BERGVINSON
Director

Gisli Bergvinson

CERTIFICATE OF THE UNDERWRITER(S):

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

March 3, 1978
(Date)

WOLVERTON & CO. LTD.

H. C. Wolverson

