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REPORT

ON

THE M CLAIM GROUP

Ymir Area, Nelson Mining Division, B. C.

for

McLEOD COPPER LTD.
711 - 475 Howe St.
Vancouver, B.C.

by

J. P. Elwell, P.Eng.
Consulting Mining Engineer

July 11th, 1975

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	Nil
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a *pro rata* basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	None
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	See attached Schedule
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	None
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	None

27.

CERTIFICATE OF THE COMPANY

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

Dated July 23rd 1975.

VANCOUVER CURB EXCHANGE LISTING

McLEOD COPPER LTD.

Per: [signature]

Per: [signature]

Per: [signature]

Per: [signature]

[Corporate Seal.]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

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.

Dated July 23 1975.

BRINK, HUDSON & LEFEVER LTD.

Per: [signature]

[signature]

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REPORT ON THE M CLAIMS, YMIR AREA

NELSON MINING DIVISION, B. C.

SUMMARY

The M group of eighteen located claims is situated on Active Creek in the Ymir area of the Nelson Mining Division, B. C. Access to the property is by way of the Highway #6 south from Nelson and east up Procupine Creek and Active Creek by logging road.

The claims are underlain by the Active Formation of argillite and quartzite which has been intruded by the Nelson Plutonics. Numerous deposits of lead and zinc mineralization with gold and silver values occur in this geological environment.

The mineralization on the claims consists of a shear zone in argillites and quartzites and limestones of the Active Formation. It averages at least six feet wide and can be traced for about 2,000 feet along strike by a series of old prospect trenches. The dip appears to be vertical and the strike is very consistent at 150°. Mineralization consists of pyrite, pyrrhotite, sphalerite, minor galena and chalcopyrite in a silicious gangue. The structure is banded and shows signs of minor drag folding.

Zinc assays of a number of samples were quite consistent, averaging 2.43% over about 6 feet. Lead values were low and erratic. It is suspected that some lead and zinc values have been lost from surface oxidation and leaching, and better assays might be obtained from fresh mineral. The assays of two short diamond drill holes reportedly drilled across the structure indicated values similar to those resulting from the surface trench sampling. The drill holes did, however, indicate a wider mineralized structure than was visible in the trenches.

The first phase of work recommended for the property consists of trenching across the structure and some test diamond drilling. If this is favorable a second phase of work would consist of geochemical and geophysical surveys to trace the structure to the north and south in the overburden covered area, and further test drilling. A budget of $30,000 has been estimated for these first two phases of work.

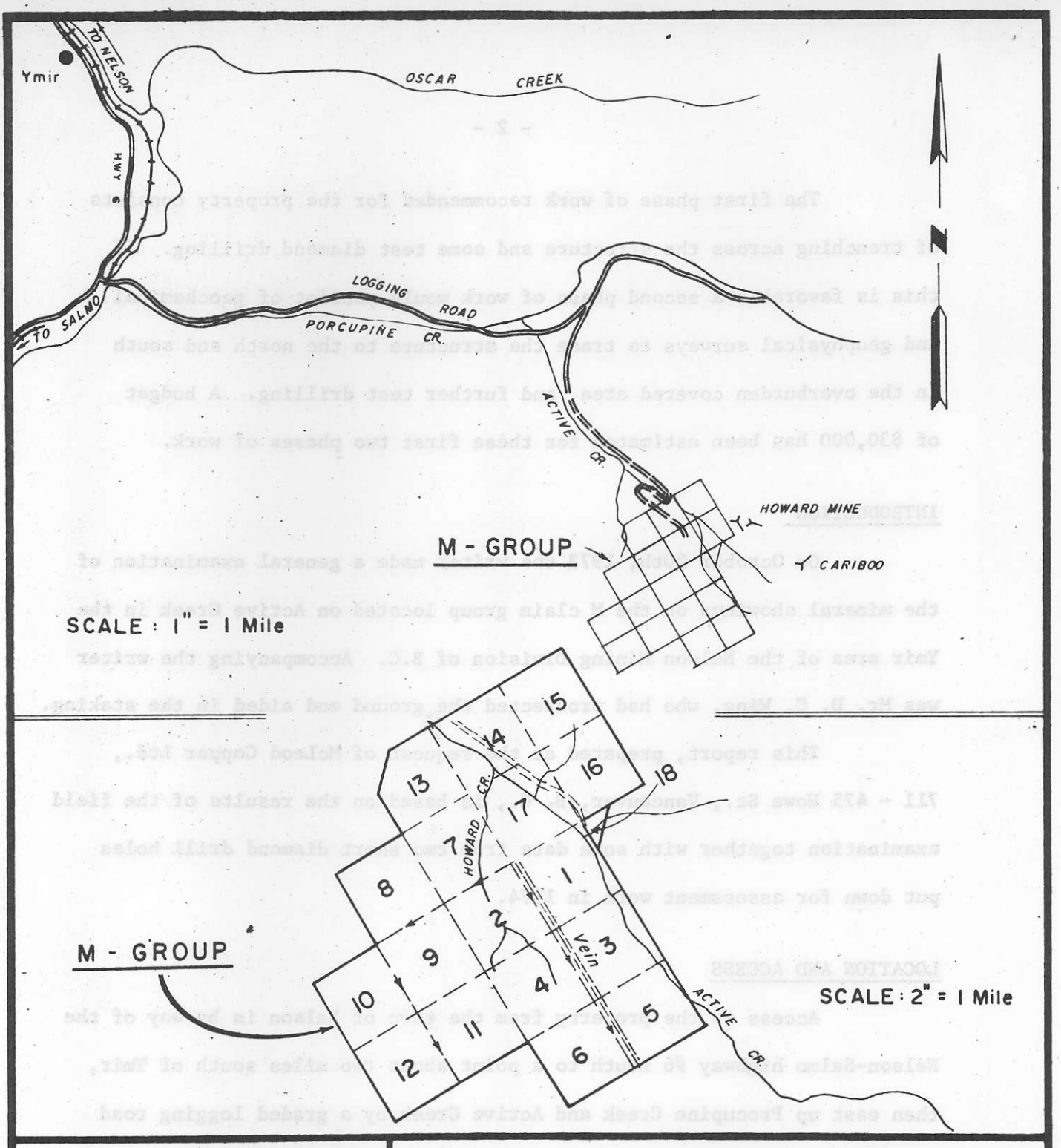
INTRODUCTION

On October 20th, 1973 the writer made a general examination of the mineral showings on the M claim group located on Active Creek in the Ymir area of the Nelson Mining Division of B.C. Accompanying the writer was Mr. D. C. Wing, who had prospected the ground and aided in the staking.

This report, prepared at the request of McLeod Copper Ltd., 711 - 475 Howe St., Vancouver, B. C., is based on the results of the field examination together with some data from two short diamond drill holes put down for assessment work in 1974.

LOCATION AND ACCESS

Access to the property from the town of Nelson is by way of the Nelson-Salmo highway #6 south to a point about two miles south of Ymir, then east up Procupine Creek and Active Creek by a graded logging road for a distance of six miles. This road is passable to automobiles up to the edge of the claim group, and from this point there are a number of old abandoned logging roads which cross the location line up to the highest part of the property. These roads could be repaired to four wheel drive standard with very little work.



McLEOD COPPER LTD.

LOCATION MAP OF M - CLAIM GROUP

YMIR AREA, NELSON MINING DIVISION, BRITISH COLUMBIA

CLAIMS PLOTTED FROM STAKING MAP, LOCATIONS APPROXIMATE ONLY.

JULY, 1975

The M group, consisting of eighteen claims, has been staked on a bearing of 150° with the major part of the claim group to the west side of Active Creek. To the east of Active Creek, about one mile from the claims, are the old Howard mine and the Cariboo property.

A location map drawn from the staking map accompanies this Report.

TOPOGRAPHY, etc.

The topography of the claim area is mountainous but not rugged. The elevation of the northwest end of the claims would be about 4,800 feet and the ground rises to the southeast at about a 20° slope, reaching a maximum elevation of about 5,800 feet at the Initial Post of claims M3-4 and M5-6.

The area has been logged once in the past and is now fairly well covered with second growth timber.

Active Creek, which originates from Silver Lake should have sufficient water the year round for exploration purposes.

Overburden obscures the underlying rock formation except in the creek beds and on the crest of the ridges.

EARLY HISTORY

There are a number of old prospect pits and trenches on the property but there is no record of when or by whom these were made.

RECENT EXPLORATION

The only known work done since the staking of the claims is the drilling of two short holes for assessment work by Mr. D. C. Wing. These will be discussed in a later section.

PROPERTY

According to data supplied by the company, the property consists of eighteen located claims as follows:

M#1 and M#2 - Rec. Nos. 15310 and 15311

M#3 to M#6 incl. " " 15233 to 15236 incl.

M#7 to M#12 incl. " " 15311 to 15317 incl.

M#13 to M#18 incl. " " 15358 to 15363 incl.

These claims were purchased by McLeod Copper from D. C. Wing by Bill of Sale dated June 19th, 1975.

REGIONAL AND ECONOMIC GEOLOGY

The geology of the region is covered by GSC Maps 1144A (Ymir), and 1145A (Salmo), and is discussed in detail by C. W. Drysdale (Memoir 94), J. F. Walker (Memoir 172) and H. W. Little (Memoir 308), also in Summary Report 1929 Pt. A. The following brief description is taken from the above.

The claim area lies within the Active Formation of black argillite, slate, and quartzite classified as being of probable Lower and Middle Ordovician age. It is bounded by the Porcupine Fault contact to the east and south and the Oxide Fault contact to the west. The Active Formation has been intruded by the Nelson Plutonics consisting of granites, granodiorites and related types of Lower Cretaceous age. These plutonics appear as a large stock centered on Porcupine Creek and also as tongues and a small stock on the southwest corner of the sediments, and may underlie parts of claims M. 10 and M. 12.

The metamorphosed sediments of the Active Formation as well as younger and older formations of a similar type have been found to be favorable host rocks for lead-zinc deposits carrying varying amounts of

gold and silver, and in the Ymir area there are a number of old mines which have produced substantial tonnages during their life. In the immediate vicinity of the M claims is the Howard mine, which was discovered around the turn of the century, and was explored and developed during the 1920's and 1930's. In 1936 it was equipped with a mill, and during the period 1937-1947 produced 22,045 tons yielding 6,813 oz. Au, 52,470 ox. Ag, 2,332,569 lbs. Pb., and 754,707 lbs. Zn. In 1969-1970 it was reopened by leasers, and produced 70 tons of ore yielding 5 oz. Au, 48 oz. Ag., 1,776 lbs. Pb and 1,652 lbs. Zn.

As described by Walker, the Howard mine consisted of a replacement fissure vein containing pyrite, pyrrhotite, sphalerite, and galena with gold and silver values. The vein is in massive quartzite striking across the contact with the Nelson plutonics. The values die out in the granite, therefore the depth possibilities of a vein system depend on the thickness of the sediments.

Little, (Memoir 308), states that the thickness of the Active Formation is not known but is estimated at a maximum of 4,600 feet, with a minimum thickness of 2,500 feet in Porcupine Creek. The thickness of the sediments under the claim area would probably be somewhere between the maximum and minimum quoted by Little. Another prospect, the Caribou, lies about three quarters of a mile to the east of the M claims. Walker describes this as a fissure vein in black argillites containing pyrrotite, pyrite, galena, and sphalerite.

DESCRIPTION OF MINERAL SHOWINGS

The mineral showings on the property consists of a shear zone in the argillites and thin banded quartzites of the Active Formation. As overburden covers the entire area, the shear is only exposed in a number

of old trenches and test pits which have been cut across the strike of the vein at 50 foot to 250 foot intervals over a length of around 2,000 feet.

These trenches run in a remarkably straight line on a bearing of 150°. Some of the trenches had sloughed in but in those where the structure was visible, it appeared to have a consistent width averaging at least 6 feet and an apparent vertical or near vertical dip.

As exposed in the deeper trenches, the vein consists of bands of massive sulphides, pyrrotite, pyrite and sphalerite with minor galena and chalcopyrite in a quartz gangue. Interspersed with the heavy sulphide bands are narrow bands of quartzite carrying pyrite and minor amounts of other sulphides. These bands are separated by a soft, well oxidized material, probably crushed argillites or limestone. As the trenches have been open for a good many yeers, all the mineral is highly oxidized, and it is probable that leaching has removed part of the lead and zinc values from the surface.

In the lowest trench at elevation approximately 4,850 feet, the mineralized bands show folding and contortion which may indicate a faulting of the vein at this point. As the overburden is deep and there are no trenches further down slope to the northwest, this cannot be determined without further exploration. In the upper trenches, the bands show some bending and controtion which may be minor drag folding along the structure.

SAMPLING

Four of the trenches where the vein was best exposed were chip sampled. The results are tabulated below.

Sample No.	Au oz/ton	Ag oz/ton	% Pb	% Cu	% Zn	Description
14658	~~Tr~~	~~0.04~~	~~0.48~~	~~0.03~~	~~2.9~~	Trench #1, Elev. 5375 500' N. of I.P. of M3-4 6' width.
14659	Tr	0.18	0.06	0.03	2.72	Trench #2, Elev. 5300 200' N. of Trench #1 6' width.
14660	Tr	0.43	0.29	0.03	1.65	Trench #3, Elev. 5275 25' N. of Trench #2 5' width.
14661	Tr	0.20	0.08	0.03	2.42	Trench #5, Elev. 5150' near I.P. of M1-2, F.P. of M3-4, 6' width.

Previous sample results by the prospector are given below:

A 3860	Tr	0.17	-	-	2.56	Bottom trench - 6' width.
A 3861	Tr	0.20	-	-	2.50	Trench - 6' width
A 3862	Tr	0.29	1.63	-	2.40	Grab from all pits.
10502 D	Tr	0.45	1.38	-	2.67	Top cut - 6' width.
10503 D	Tr	0.08	0.12	-	2.06	2nd trench - 6' width.

As previously mentioned, two short pack-sack diamond drill holes were put down for assessment work in 1974. The writer logged the cores of both holes and submitted the samples for assay with the following results.

Hole #1 - total footage 39', bearing 200°, inclination - 30°. The whole core contained heavy to moderate sulphides consisting of pyrite, pyrrhotite, sphalerite, galena, and minor chalcopyrite in a gangue of limestone

and banded argillites. The average assay of the full 39 ft. was Zn. 1.96%, Pb. 0.44%. This 39 feet of core would represent a true width of structure of approximately 27 ft.

Hole #2 - Total length 18 ft., bearing 110°, inclination - 30°. Again, this entire core was mineralized similarly to Hole #1, and the 13 feet assayed 1.34% Zn. and 0.29% Pb., and would represent a structure width of approximately 16 feet.

The writer has not personally examined the sites of the drill holes but on the assumption that the plan submitted by Mr. D. C. Wing is correct, it would appear that both holes were started within the shear zone and had not penetrated the mineralization when they were stopped.

CONCLUSIONS

The part of the mineralized shear zone or vein system examined shows a consistency in width and type of mineralization over at least 2,000 feet of strike length with possibilities of extending both to the north and south.

The lead and zinc values, while low, are consistent, and the assessment drilling results indicate that the mineralized structure could be considerably wider than it appears in the old trenches, and if so it might be amenable to open pit mining methods.

No meaningful estimate of tonnage can be made at this time, but assuming that the mineralization averages 8 feet in width over the 2,000 feet of strike length and to a depth of 1,000 feet at the south end, this would represent a triangular block with a potential of about one million tons.

In general, the property warrants further exploration in a phased program, each successive phase being contingent on favorable results from the previous work. An outline of the initial phases is given below.

RECOMMENDATIONS

Phase I

1. Repair the old logging roads from the end of the present road to make the mineral zone accessible to four wheel drive vehicles.
2. Clean out, and drill and blast the old trenches to a depth of at least 3 feet to expose fresh vein structure for sampling. Extend trenches to full width of mineralized structure.
3. Channel sample all trenches.
4. If the assay results of this sampling are favorable, test the structure to a depth of about 50 feet at intervals by diamond drilling.

Phase II

If the results of the above work are favorable, the extension of the structure should be traced to the north and south by means of a geochemical and magnetometer survey, followed if necessary by some lines of E.M. survey run transversely to the apparent strike. Results of this work would be tested by diamond drilling.

Further recommendations for work beyond these first two phases should be made after an assessment of the results of the above.

ESTIMATE OF COSTS

Phase I

1.	Road repairs	$1,500.00
2.	Drilling, blasting, trenching, and sampling	5,500.00
3.	Initial test drilling, allow for 300 feet @ $15.00/ft.	4,500.00
4.	Assaying, engineering	1,500.00
5.	Crew maintenance, travel, administration, etc.	2,000.00
	Total, Phase I	$15,000.00

Phase II

1.	Geochemical and geophysical surveys including interpretation of results	$2,000.00
2.	Test drilling - allow for 600 feet @ $15.00/ft.	9,000.00
3.	Sampling, assaying, etc.	1,000.00
4.	Engineering	1,000.00
5.	Crew maintenance, travel, administration, etc.	2,000.00
	Total, Phase II	$15,000.00
	Total, Phases I and II	$30,000.00

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July 11th, 1975.