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REPORT ON THE SILVER CUP MINE
 and
 OTHER SHOWINGS ALONG THE SILVER CUP ANTICLINE
 for
 JUNEX RESOURCES LTD.

LIVGARD CONSULTANTS LTD.
 Egil Livgard, B.Sc., P.Eng.,
 Coquitlam, B.C.
 March 2nd, 1976.

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March 2nd, 1976.

INTRODUCTION

The writer visited the property on August 15th, 1975 accompanied by Mr. Murray Zulps, and Mr. J.J. Oberbillig.

Only the surface was examined as the adits were partly sloughed in or caved, but a large number of reports are available on the property and this report is based on published information, and private reports. These are listed in the references.

This report is written for Junex Resources Limited,
705 - 900 West Hastings St., Vancouver. B.C.

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Summary

The property is located at the head waters of Lardner Creek in the Revelstoke Mining Division. It covers the steep north slopes of Triane Mountain, crosses Cup and Sharon Creeks, and extends into Lardner Creek Valley. It consists of 10 Crown Grants, 24 Banded Claims and a mineral lease.

The property was located early in the eighteenth century and development and shipments of hand picked high-grade contained from the Silver Cup for approximately 25 years. A mill was constructed in 1905 but the process did not work successfully and it was closed.

No comprehensive exploration or development has taken place in the last 60 years. The favourable structure follows the crest of the Silver Cup anticline, a fold in the Triane formation for a distance of 1/2 miles on the claim ground.

Four ore bodies were worked on the Silver Cup and one on the Tower. A total of 2,500 tons of high-grade was shipped during the period 1850 to 1905. The Silver Cup and Tower bodies contained about 10,000 tons were milled.

RESULTS

Examinations of the underground in the past suggests that ore still remains in the mine even above 75 level.

Some 20 to 30 thousand tons of broken rock still lie in the mine. This material may be of economic grade if an acceptable mining method can be worked out. The possibility of finding further ore in the Silver Cup mine is considered to be high. Some of these ore possibilities are on the main shaft below 75 level and other ore shafts parallel to or in line with known ore bodies. Structure zones between the Silver Cup and Silver Cup ore bodies may possibly be of economic grade and considerable size. Numerous other mineral showings have in the past been found on the property all along the crest of the Silver Cup anticline from Triane Mountain, and westward to Lardner Creek, a distance of 1/2 miles. Another parallel structure is mentioned in the reports on laying out of the Silver Cup mine.

SUMMARY

The property is located at the head waters of Lardeau Creek in the Revelstoke Mining Division. It covers the steep north slopes of Triune Mountain, crosses Cup and Sharon Creek, and extends into Lardeau Creek Valley. It consists of 10 Crown Grants, 24 Staked Claims and a mineral lease.

The property was located early in the eighteen nineties and development and shipments of hand picked highgrade continued from the Silver Cup for approximately 25 years. A mill was constructed in 1903 but the process did not work successfully and it was closed.

No comprehensive exploration or development has taken place in the last 60 years. The favourable structure follows the crest of the Silver Cup anticline, a fold in the Triune formation for a distance of $3\frac{1}{2}$ miles on the claim ground.

Four ore bodies were worked on the Silver Cup and one on the Towser. A total of 9,600 tons of highgrade was shipped assaying about 150 oz. silver, 0.3 oz. gold and 30% lead per ton. about 10,000 tons were milled.

Examinations of the underground in the past suggests that ore still remains in the mine even above #7 level.

Some 40 to 90 thousand tons of broken backfill is in the mine. This material may be of economic grade if an acceptable mining method can be worked out. The probability of finding further ore in the Silver Cup Mine is considered to be high. Some of these ore possibilities are on the main shoots below #7 level and other ore shoots parallel to or in line with known ore bodies. Fracture zones between the Blind and Silver Cup ore bodies may possibly be of economic grade and considerable size. Numerous other mineral showings have in the past been found on the property all along the crest of the Silver Cup anticline from Triune Mountain, and Northwest to Lardeau river, a distance of $3\frac{1}{2}$ miles. Another parallel structure is mentioned in old reports as laying East of the Silver Cup mine.

CONCLUSIONS

The claim group here assembled covers some of the most favourable ground for silver deposits in B.C. About 3 1/2 miles of the Silver Cup structure is within the claim ground. The ore indications based on past mining and surface showings are many and the writer feels that the probability of establishing an economic mining operation is high and the probability of finding sufficient Ore to set up a relatively large operation is good.

RECOMMENDATIONS

First Stage

1. Carry out Photo-Interpretation.
2. Construct a topographic map from aerial photographs.
3. Establish a Grid system.
4. Rehabilitate all adit levels and accessible internal workings.
5. Survey portals and underground workings.
6. Geological mapping and sampling of all underground and surface showings, map outcrops, features and dumps.
7. Geochemical survey.
8. Pump out the old mine workings.
9. Rehabilitate lower levels.
10. Survey " "
11. map and Sample " "

Second Stage

Second stage work is dependent on favourable results in Stage 1. Diamond Drilling will be required to follow up leads indicated in Stage 1. It is recommended that generally short holes be drilled. Three Thousand feet of drilling is recommended. The Ore indicated in the Towser adit and on surface below the adit should be examined, drilled and developed by drifting. It is recommended that 500 feet of drifting be carried out following the mineralization discovered on surface below the Towser adit. Five hundred feet of drifting will advance the heading to a point ahead of the face in the Towser Adit. One hundred feet of Raising will connect the two levels. This work should outline a high grade Ore body.

For for this type of work rental of a Scoop Tram will be the most economic procedure.

ESTIMATED COSTSFirst Stage:

1.	Photo- Interpretation	\$ 500.
2.	Topographic Map	1,500.
3.	Grid System	3,000.
4.	Rehabilitation - Silver Cup & Towser 6 men - 2 months	35,000.
5.	Surveying	2,500.
6.	Geological Mapping & Sampling	4,000.
7.	Geochemical Survey	2,500.
8.	Pumping out Lower Levels - Silver Cup	5,000.
9.	Rehabilitation 4 men - 2 months	25,000.
10.	Survey	2,000.
11.	Mapping & Sampling	3,000.
	Camp and Supplies	16,000.
	Supervision	8,000.
	Admin. Travel, Assaying	14,000.
	Contingencies - 10%	12,000.
		<u>\$134,000</u>

Second Stage:

	Diamond Drilling 3,000' @ \$18.-/ft. on Towser - Yuill surface and Underground	
	Silver Cup	54,000.
	Drifting - 500' @ \$100.-/ft.	50,000.
	Raising - 100' @ 100.-/ft.	10,000.
	Supervision	4,000.
	Geology, Mapping, Core Logging, Sampling	2,000.
	Camp - 2 months	7,000.
	Administration, Travel and Assaying	6,000.
	Contingencies - 10%	14,000.
		<u>\$147,000</u>

ESTIMATED COSTS

First Stage:

1.	Photo-Interpretation	200.
2.	Topographic Map	1,500.
3.	Grid System	3,000.
4.	Rehabilitation - Silver Cup & Tower	
	5 men - 2 months	25,000.
5.	Surveying	2,500.
6.	Geological Mapping & Sampling	4,000.
7.	Geophysical Survey	2,500.
8.	Tracing out lower levels - Silver Cup	2,000.
9.	Rehabilitation	
	4 men - 2 months	25,000.
10.	Survey	2,000.
11.	Mapping & Sampling	3,000.
	Camp and Supplies	16,000.
	Supervision	8,000.
	Admin. Travel, Assaying	14,000.
	Contingencies - 10%	18,000.
		<u>134,000.</u>

G E O G R A P H Y

Second Stage:

	Diamond Drilling 3,000' @ 28.-/ft.	
	on Tower - Full surface and Underground	
	Silver Cup	34,000.
	Drilling - 500' @ 100.-/ft.	50,000.
	Retain - 100' @ 100.-/ft.	10,000.
	Supervision	4,000.
	Geology, Mapping, Core Logging, Sampling	2,000.
	Camp - 2 months	7,500.
	Administration, Travel and Assaying	6,000.
	Contingencies - 10%	14,000.
		<u>117,000.</u>

PROPERTY

The property consists of a contiguous group of 10 Crown Grants and 24 Staked Claims, and 1 separate Mineral Lease.

The Crown Grants are:

Silver Cup	Lot 768
Gold Seeker Fr.	" 1104
Sunshine	" 1564
Towser	" 1565
Excelsior	" 2621
Silver Cup Fr.	" 2622
Excelsior Fr.	" 2625
Mountain	" 2626
Mountain Fr.	" 3052
Gold Bug Fr.	" 3053

The Staked Claims are:

			Work Filed to.
Yuill	Rec. No.	86M	Sept. 19/78
Diamond Jubilee Fr.	"	189H	July, 14/78
Daisy Fr.	"	190H	"
Duke #1-6	"	10219N - 10224N	Oct. 22/78
Cindy #1-2, 5-6	"	10213N - 10214N, 10217N-10218N	"
Sandy #1-5	"	10243P - 10247P	Nov. 12/78
Sandy Fr. #1-2	"	10353H - 10354H	July 9/78
Cindy #9-12	"	10355H - 10358H	"

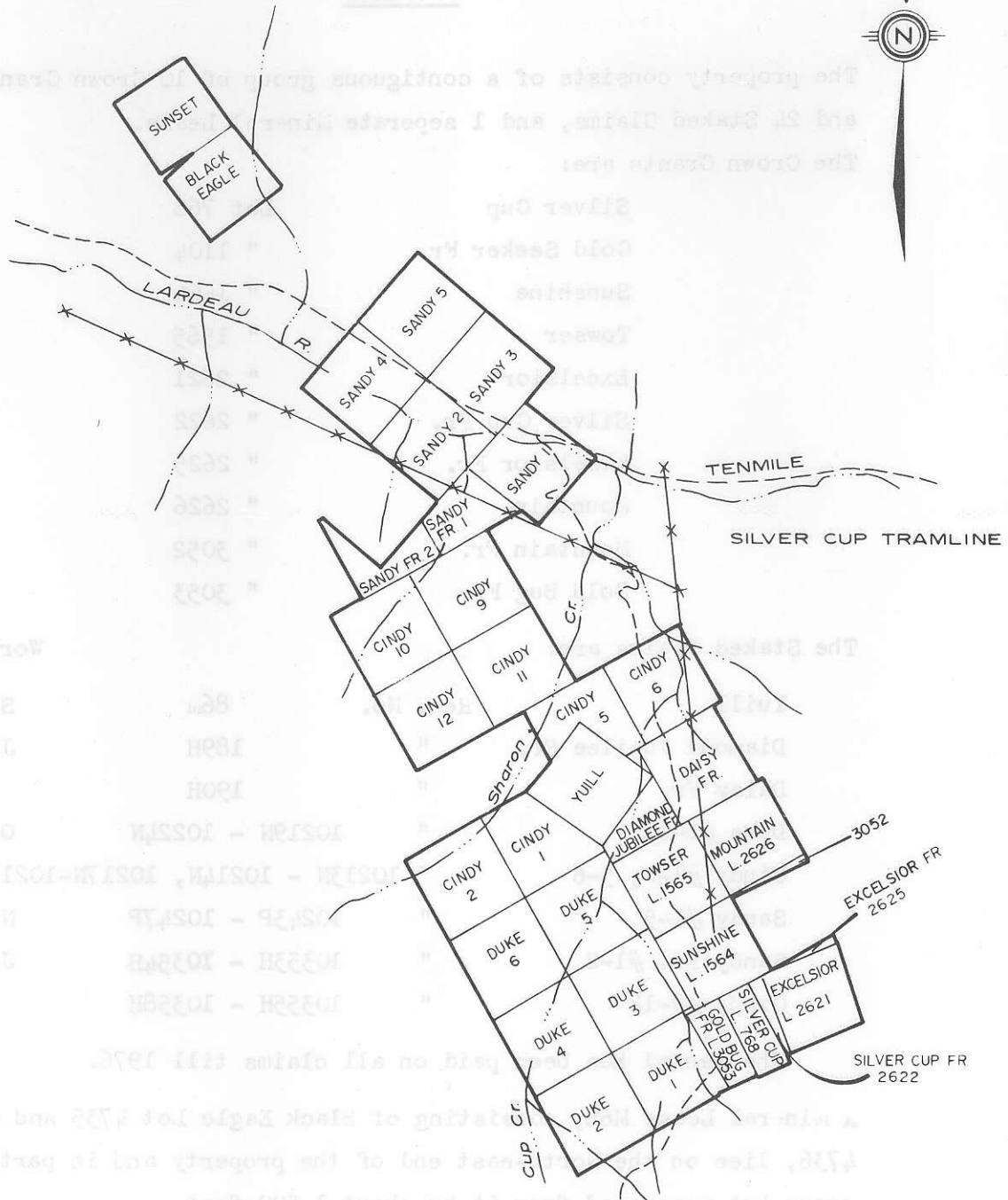
The rental has been paid on all claims till 1976.

A mineral Lease M66, consisting of Black Eagle Lot 4735 and Sunset Lot 4736, lies on the North-east end of the property and is part of this group but separated from it by about 1,500 feet.

The writer has not examined the claims in the field, but of course the Crown Grants have been surveyed and their location is not in doubt.

The writer examined the recorded ownership at the Mining Recorder and this is listed as True Blue Exploration Ltd., with an agreement registered April 1st, 1974 with Chandler, Murphy Resources & Development Inc. The ownership of most of the Crown Grants is listed as 19/20 and 1/20 to Oliver Milton Daniels.

The writer has not examined any past or present agreements concerning the claims.



CLAIM MAP

LOCATION AND ACCESS

The claims are located in the Revelstoke Mining Division, near the Headwater of Lardeau Creek, on the north slope of Triune mountain. The claims can be reached by road from Trout Lake, a distance of about 12 miles. The first 4 miles of the road is a good all weather dirt road. The next 6 miles are also good but not kept open in winter. The last 2 miles on to the Towser Crown Grant Claim are steep and only passable to 4 wheel drive vehicles. The road on the claim ground is in bad shape and requires work.

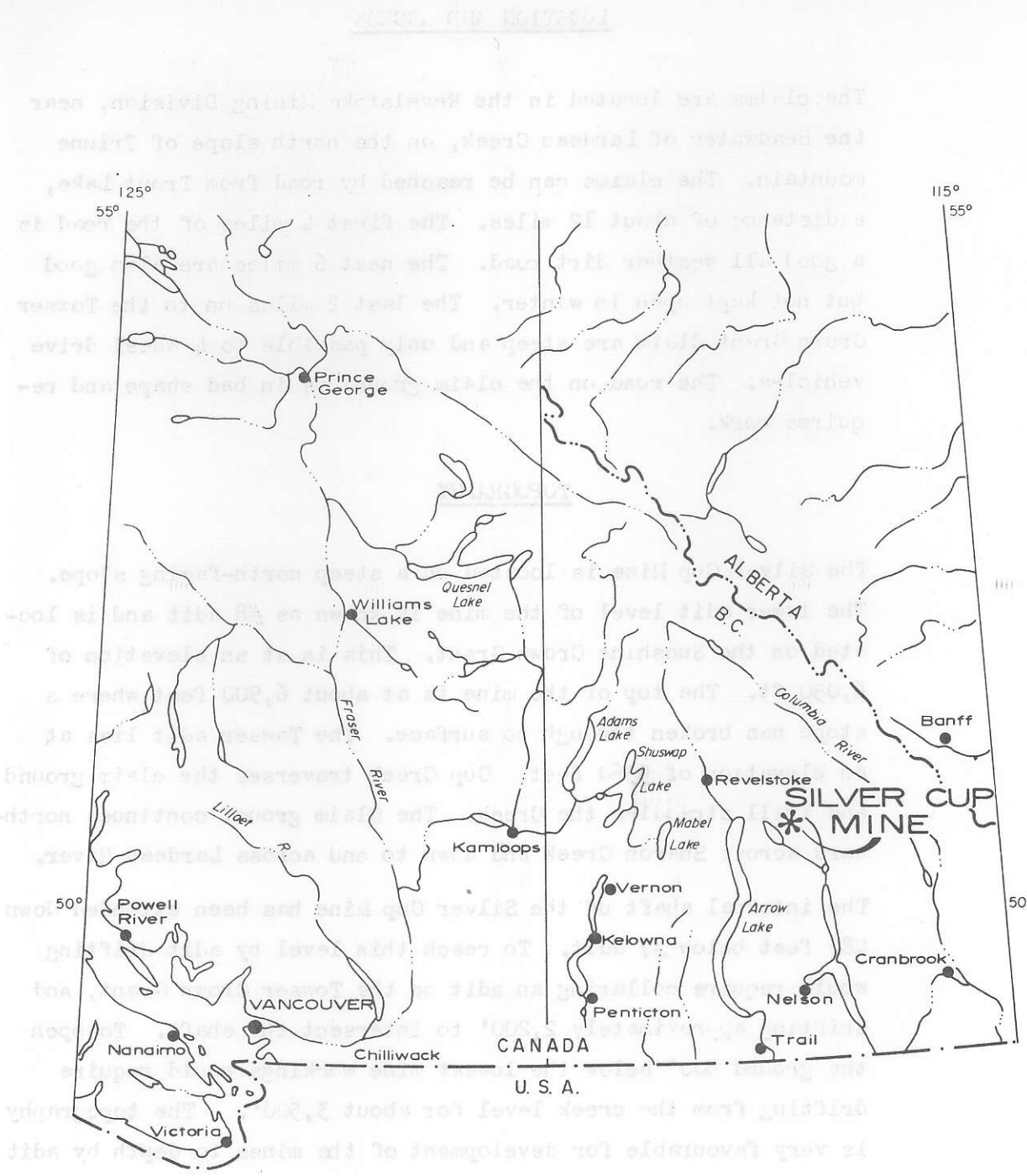
TOPOGRAPHY

The Silver Cup Mine is located on a steep north-facing slope. The lower adit level of the mine is known as #8 adit and is located on the Sunshine Crown Grant. This is at an elevation of 6,050 ft. The top of the mine is at about 6,900 feet where a slope has broken through to surface. The Towser adit lies at an elevation of 5360 feet. Cup Creek traverses the claim ground and Yuill straddles the Creek. The Claim ground continues northward across Sharon Creek and down to and across Lardeau River.

The internal shaft of the Silver Cup Mine has been extended down 482 feet below #7 adit. To reach this level by adit drifting would require collaring an adit on the Towser Crown Grant, and drifting approximately 2,200' to intersect the shaft. To open the ground 500' below the lowest mine workings would require drifting from the creek level for about 3,500'. The topography is very favourable for development of the mines to depth by adit levels.

CLIMATE

The area has a relatively high annual precipitation and the snow may reach 15 to 20' in depth. It covers the ground from mid - October until about April - June depending on elevation. The summers are relatively warm and dry.



LOCATION MAP

PAST PRODUCTION

Total production from the Silver Cup Mine is reported as 22,244 tons having a 978 oz. Au., 1,419,339 oz. Ag., 2,684,204 lbs. Pb., or an average grade of 0.22 oz. Au., 12.65 lb. Pb., and 67.0 oz. Ag. The extremely low milling recovery has pulled the average grade down.

Production in 1905 for example was:

Month	Tons	Au. oz./T.	Ag. oz./T.	Pb. lbs.
Jan.	27.2	.72	187.6	24
Feb.	82.9	.46	179.2	23
Mar.	200.85	.46	162.1	22.4
Apr.	167.67	.82	156.6	27.5
May	209.55	.40	152	28
Jun.	61.19	.44	152	27.8
Jul.	82.79	.47	156.7	28

H I S T O R Y

PAST PRODUCTION

Total production from the Silver Cup Mine is reported as 22,544 tons giving 4,978 ozs. Au., 1,419,339 ozs. Ag., 5,684,204 lbs. Pb., or an average grade of 0.22 ozs. Au., 12.6% Pb., and 63.0 ozs. Ag. The extremely low milling recovery has pulled the average grade down.

Production in 1903 for example was:

	Tons	Au oz./T	Ag oz./T	%Pb	%Zn
Jan.	242.2	.72	187.6	24	12.5
Feb.	82.9	.46	175.2	23	13.0
May	240.95	.46	167.1	25.4	13.0
June	183.87	.82	156.6	23.5	14.0
Oct.	109.35	.40	155	28	15.0
Nov.	61.19	.44	153	27.8	14.0
Dec.	55.59	.47	174.7	32	13.0

YR0TBIE

CHRONOLOGICAL HISTORY

- 1890 The mineral showings were discovered.
- 1892 On Davie (now Sandy #2) a 35' tunnel was driven. The Ore is on the Hanging Wall in small quantities.
- 1893 The Silver Cup Mine was being developed - ore assaying 600 to 1,500 ozs. per ton was discovered.
- 1894 Highgrade ore assaying 150 to 1,200 ozs. Ag. per ton over 18 to 24 inches is reported from the Silver Cup.
- 1896 20 tons were shipped to Tacoma, averaging 400 oz. Ag. per ton - the shaft was sunk to 110 feet, and a 400 foot cross-cut to the vein was put in.
- 1897 The Silver Cup shaft was down to 183 feet and cross-cuts totaling 660 feet were driven during which the Blind vein was discovered laying 60 feet from the Silver Cup vein. Cross-cutting was also done on the Sunshine claim. Shipments averaged 196 ozs. Ag. per ton. Cross-cutting was started on the Towser.
- 1898 2,000 feet of development was done. Cross-cutting cut the Blind vein at 250' and continued to the Silver Cup vein and also "another vein beyond it" ?
650 tons were shipped averaging \$150.-/per ton.
84 feet of cross-cutting and drifting was done on the Black Eagle. Some very good ore is found in a pay streak of 6 inches on the wall.
- 1899 Development totaled 1,300', 150 tons averaging \$148.-/per ton was shipped (60¢ per oz.) from the Silver Cup. The Towser Development totalled 145 feet. Stripping uncovered a strong vein assaying 200 oz. Ag./per ton.
- 1900 Development continued. 265 tons averaging 145 to 150 ozs. Ag., 35% lead and 0.2oz. Au. were shipped from the Silver Cup. Development on the Towser consisted of raising and winz work on the ore. Cross-cutting was done on the Gold Bug. A well mineralized vein 5 feet wide was discovered on the Sunshine by stripping.

1901 Development totalled 550' on the Silver Cup. 386 tons were mined and 192 tons shipped which averaged 202 ozs. Ag., 33% lead and 0.4ozs. Au. On the Sunset the vein was drifted on for 70 feet. Concentrate ore was located.

1902 Development totaled 500'. 765 tons were mined, 277 tons were shipped from the Silver Cup which averaged 182 ozs. silver.

1903 A mill was under construction. Development continued on the Silver Cup and Blind veins. Quartz stringers with some pods of ore were discovered crossing between the veins and also other lenses parallel and close to the veins were discovered.

Three classes of ore were as follows:

Direct Shipping Ore: 150ozs. Ag., 20% Pb. \$10.-/Au,
12 - 15% Zn.

Milling Ore: 50ozs. Ag., 4% Pb. \$ 8.-/Au,
20% Zn.

Stock Pile Ore: 30ozs. Ag., 3.5% Pb. \$3.5 Au.,
4.5% Zn.

1904 The mill operated from January to June, 10,000 tons were treated giving 615 tons of concentrate, with 37,120 oz. Ag., plus bullion, (this is only 60 oz. Ag., per ton of concentrate, or 1/3 of that in shipping ore).

1906 Development totalled 2,065 feet.
700 tons were shipped from the Silver Cup.
Stripping on the Yuill Claim uncovered a strong 4-5' vein.

1908 Development totalled 1632 feet on the Silver Cup.
1,593 tons were shipped.

The mine was opened up to a depth of 1,150 feet.

1910 Silver Cup development totalled 150 feet. 459 tons were shipped. Two pumps were working to keep the lower levels free of water. When one pump failed the mine gradually flooded to the 700 foot level.

1911 The lower workings were pumped out and mining continued.

- 1912 Silver Cup development totalled 460 feet. 320 tons were shipped, averaging 0.14oz. Au., 73ozs. Ag., and 25% Pb.
- 1913 Difficulties pumping the water was encountered, and the lower levels were again flooded. The upper levels were leased out.
- 1914 Leasing on Silver Cup.
To this time a total of 12,000 feet of development had been completed. 9,600 tons of hand picked ore had been shipped. This averaged 150 ozs. Ag., 30% Pb and 0.30ozs. Au per ton.
10,000 tons of ore, mainly stockpiled ore had been milled. Leasing continued for several years.
- 1915 Considerable work was done on the Yuill Claim.
- 1917 Two car-loads were shipped from the Towser. One 25 ton shipment contained 1,400 ozs. of silver.
- 1918 8 men were employed on the Towser and 81 tons of ore were shipped.
- 1937 A 35 ton per day flotation mill was constructed and a 1,700 foot tramway was built.
209 tons of concentrate was produced, averaging 1.1 oz., Au., 112 ozs., Ag., 17% Pb and 16% Zn.
- 1941 The mill operated for sometime, but was shut down when known high grade ore on dumps and in the mine above #7 level were presumably exhausted.
Metal prices were depressed and the company decided not to acquire mining and pumping equipment to open the lower levels of the mine.
- 1952 The property was optioned to Yellowknife Bear Mines who in turn made option with Granby Mining Co.
Roadwork was carried out and #7 level was re-habilitated 1200 feet to the shaft, water was pumped out to below #9 level. Some mapping and sampling was carried out, and some ore grade samples were obtained. Diamond drill holes 200 - 250' long spaced at 300 feet were drilled on #7 level looing for parallel structures. The results were not spectacular, but some mineralized structures were intersected.

1912 Silver Cup development totalled 140 feet. 750 tons were shipped, averaging 0.14% Ag, 17.5% Pb and 25% Zn.

During the Christmas holiday the mine flooded and the option was dropped.

1965 A company called Silver Dawn Mines Ltd., acquired the property.

In the early 1970's a company called True Blue Explorations Ltd., leased the property, carried out minor rehabilitation, treated some dump material, and did some stripping.

10,000 tons of ore, mainly stockpiled ore had been milled. Leasing continued for several years.

1915 Considerable work was done on the Yellu claim.

1917 Two car-loads were shipped from the Tower. One 25 ton

equipment contained 1,400 oz. of silver.

1918 8 men were employed on the Tower and 81 tons of ore

were shipped.

1937 A 25 ton per day flotation mill was constructed and a

1,700 foot tramway was built.

209 tons of concentrate was produced, averaging 1.1 oz.

Ag, 11% Zn, 17% Pb and 18% Cu.

1941 The mill operated for sometime, but was shut down when

known high grade ore on dump and in the mine above 47

level were presumably exhausted.

1942 Metal prices were depressed and the company decided not

to acquire mining and pumping equipment to open the lower

levels of the mine.

1955 The property was optioned to Yellowknife Bear Mines who

in turn made option with Grandy Mining Co.

Work was carried out on 47 level was re-highly raised

1200 feet to the shaft, water was pumped out to below

47 level. Some sampling and sampling was carried out, and

some ore grade samples were obtained. Discard drill holes

200 - 250' long spaced at 200 feet were drilled on 47

level looking for parallel structures. The results were

not spectacular, but some mineralized structures were

intersected.

REGIONAL GEOLOGY

The area contains a thick sequence of highly deformed sedimentary and volcanic rocks, which have been irregularly faulted by widely scattered small masses of Dwyer. The rocks have undergone only low grade regional metamorphism. The regional structure consists of a series of light isoclinal folds trending N 50° W. The axial planes dip steeply and plunges about 20° W. Structural patterns indicate over-thrusting with the east-west faulting to ride over the north-east limb. The Gap Creek anticline and the complementary syncline to the north-east are major faults in the district. They are separated by a major strike fault. The Gap Creek fault zone which strikes N 50° - 40° W and dips 75° - 80° N. It is from 50 to 100 feet wide. The north-west side has moved down but the magnitude or displacement is unknown. The mineralization in the district is contained in three belts which trend parallel to the fault axis and the main strike fault pattern. These belts are:

1. The northern belt, north of Lardner River.
2. The central belt, coinciding with the Gap Creek anticline. This has been the major producer in the area.
3. The south-west belt north of Trout Lake.

GEOLOGY

The Central belt ore occurs as replacement and quartz - sulphide vein zones in the altered, black, siliceous argillite of the Triassic formation. The mineralization consists of quartz, silver, pyrite, galena, arsenic, tetrahedrite and chalcocyanite. The ratio of silver to other minerals is high.

REGIONAL GEOLOGY

The area contains a thick sequence of highly deformed sedimentary and volcanic rocks, which have been irregularly intruded by widely scattered small masses of Diorite. The rocks have undergone only low grade regional metamorphism. The regional structure consists of a series of tight isoclinal folds trending N 30° 40° W. The axial planes dip steeply and plunges about 5° N W. Dragfold patterns indicate over-thrusting with the south-west limb tending to ride over the north-east limb. The Cup Creek anticline and the complementary syncline to the north-east are major folds in the district. They are separated by a major strike fault. The Cup Creek fault zone which strikes N 30° - 40° W and dips 75° - 80° N E. It is from 50 to 100 feet wide. The north-east side has moved down but the magnitude or displacement is unknown. The mineralization in the district is contained in three belts which trend parallel to the fold axis and the main strike fault pattern. These belts are:

1. The Northern Belt, north of Lardeau River.
2. The Central Belt, coinciding with the Cup Creek anticline and fault. This has been the major producer in the area.
3. Is the south-west belt north of Trout Lake.

The Central Belt ore occurs as replacement and quartz - sulphide vein zones in the sheared, black, silicious argillite of the Triune formation. The mineralization consists of quartz, siderite, pyrite, galena, sphalerite, tetrahedrite and chalcopyrite. The ratio of silver to other minerals is high.

PROPERTY GEOLOGY

The showings are at or near the multiple crested zone of the Silver Cup anticline. No strong faults are identified but a few small cross faults have been seen underground. In the mineralized zone the Triuene formation shows considerable warping, pinching, swelling and drag folding.

Four ore bodies were developed in the Silver Cup mine, the Silver Cup vein, the Blind vein, the Sunshine vein, and the Sunshine cross vein. The three first seem to be en echelon and subparallel bodies in the sheared zone. The ore zones are 50 to 250 feet long, 1 to 10 feet wide averaging 5 feet, and extend as much as 1200 feet vertically and an additional unknown depth below the bottom of the mine. To the north-west the Towser vein lies just outside the mineralized zone, and has a more northerly strike. It is similar to the Silver Cup ore bodies but has not been explored fully along strike or in depth. It is exposed in an adit 175 feet long which shows intermittent mineralization over a 5 foot width. The vein has been traced on surface down to 100 feet vertically below the Towser adit where the vein is reported to be 1 foot to 18 inches of massive galena.

The Silver Cup zone can be traced for several miles, $3\frac{1}{2}$ miles on the claim ground. It is about 50' wide with disseminated mineralization across the full width reported in several places. High grade is frequently found on the foot or hanging wall.

MINERALIZATION AND GRADE

The mineralization consists of galena, sphalerite, freibergite, and pyrite. Minor ruby silver has been reported in the upper level of the Silver Cup Mine. Minor chalcopyrite and arsenopyrite is also present. Gold is associated mainly with pyrite. By far the most important metal in the deposits is silver, which is found in the freibergite. Assays up to 1,300 ozs., Ag per ton have been obtained. Average grade of the better ore of the mine assayed 30 to 50 ozs., Ag per ton.

The average grade of all mining is very uncertain, due to extensive hand cobbing, but a rough calculation indicates 25 ozs. Ag per ton.

ORE CONTROLS

The existence of cross veins of structures are suggested by a pattern of branching drifts from the main ore shoots on several levels. These drifts branch out at about 20° south-east from the main drift. The configuration of the two main ore shoots in the Silver Cup suggest structural control and the cross veins may represent this control. Cross vein or veins are also noted at the Sunshine ore body and the Towser workings are on a cross vein about 200 feet from the favourable Silver Cup structure. The intersection 200 feet ahead of the Towser thus becomes a highly favourable exploration target.

Folding and warping along the main structure may also be a controlling factor in the ore emplacement. The influence of rock alteration on the ore emplacement is not known, nor is the influence of more competent carbonatious beds in the vicinity of the ore. It is highly important that the question of ore control be further investigated.

SILVER CUP MINE

The mine has been developed on 12 levels. The level interval averages 100 feet. Levels 1, 3, 4 and 7 are adit levels while the others are internal levels. An internal shaft connects the #7 level 480 feet down to the #12 level. The total mine depth is 1,200 feet. The adit cross-cuts have the following distance:

#3 adit level goes about 450 feet to reach ore.

#4 level cross-cuts about 700 feet.

#7 is about 1,400 feet, cross-cutting and drifting.

#8 goes in about 900 feet and passes the sunshine ore body but does not reach the main underground levels.

It is not understood whether the Sunshine ore body has been intersected on #8 level.

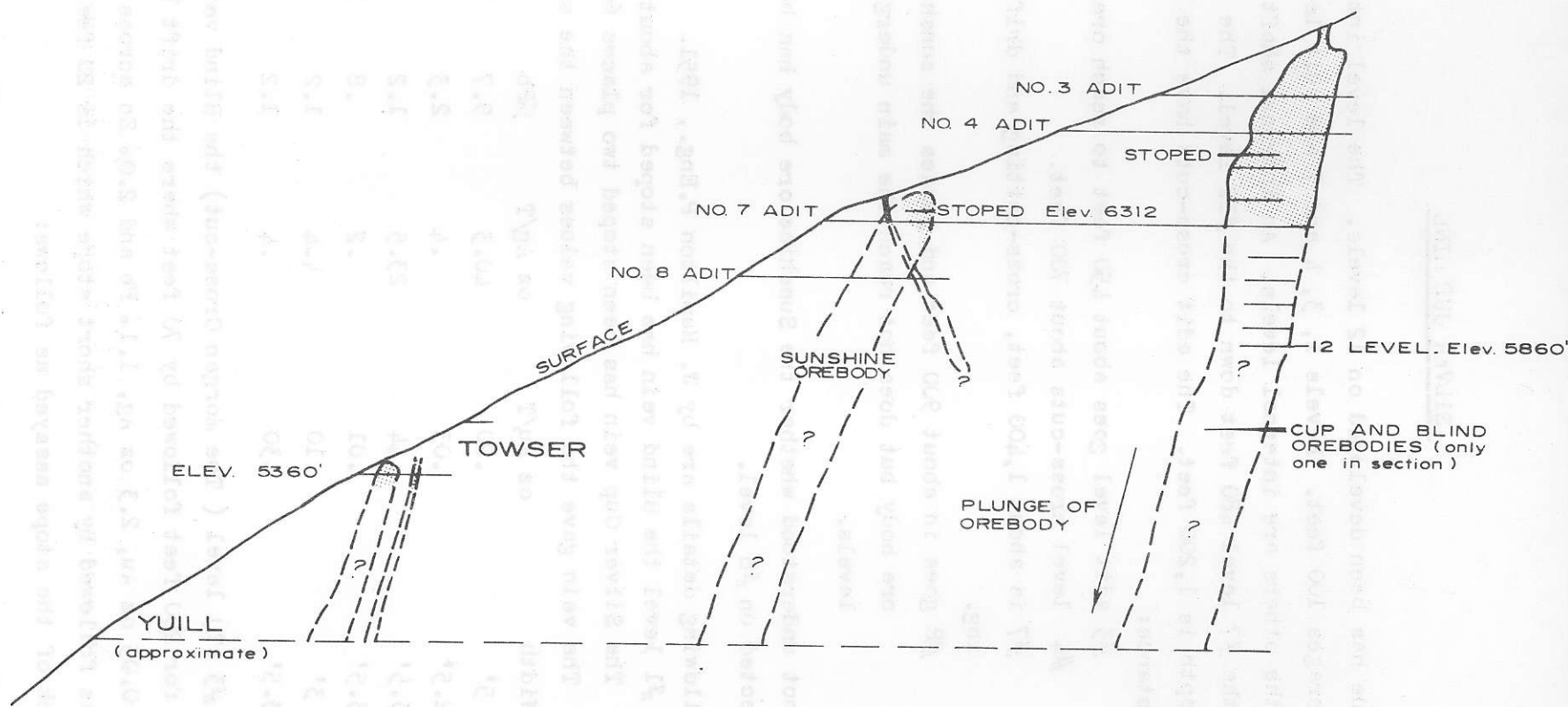
The following details are by W. Hamilton P.Eng., 1951.

On the #1 level the Blind vein has been stoped for about 340 feet. The Silver Cup vein has been stoped two places 60 feet apart. The vein gave the following values between the stopes:

Width	oz Au/T	oz Ag/T	%Pb	%Zn
5'	.20	40.3	9.7	1.2
2.5'	.03	.4	2.3	1.2
3.5'	.44	23.5	1.2	1.2
3.5'	.01	.2	.8	1.1
3'	.10	4.4	1.2	1.6
3.5'	.30	.4	1.2	.06

On the #3 (?) level (The Morgan Cross-cut) the Blind vein was stoped for 200 feet followed by 70 feet where the drift back averaged. 0.05 oz Au, 2.3 oz Ag, 1.1% Pb and 2.0% Zn across 3 feet. This was followed by another short stoppe which is 20 feet high. The back of the stoppe assayed as follows:

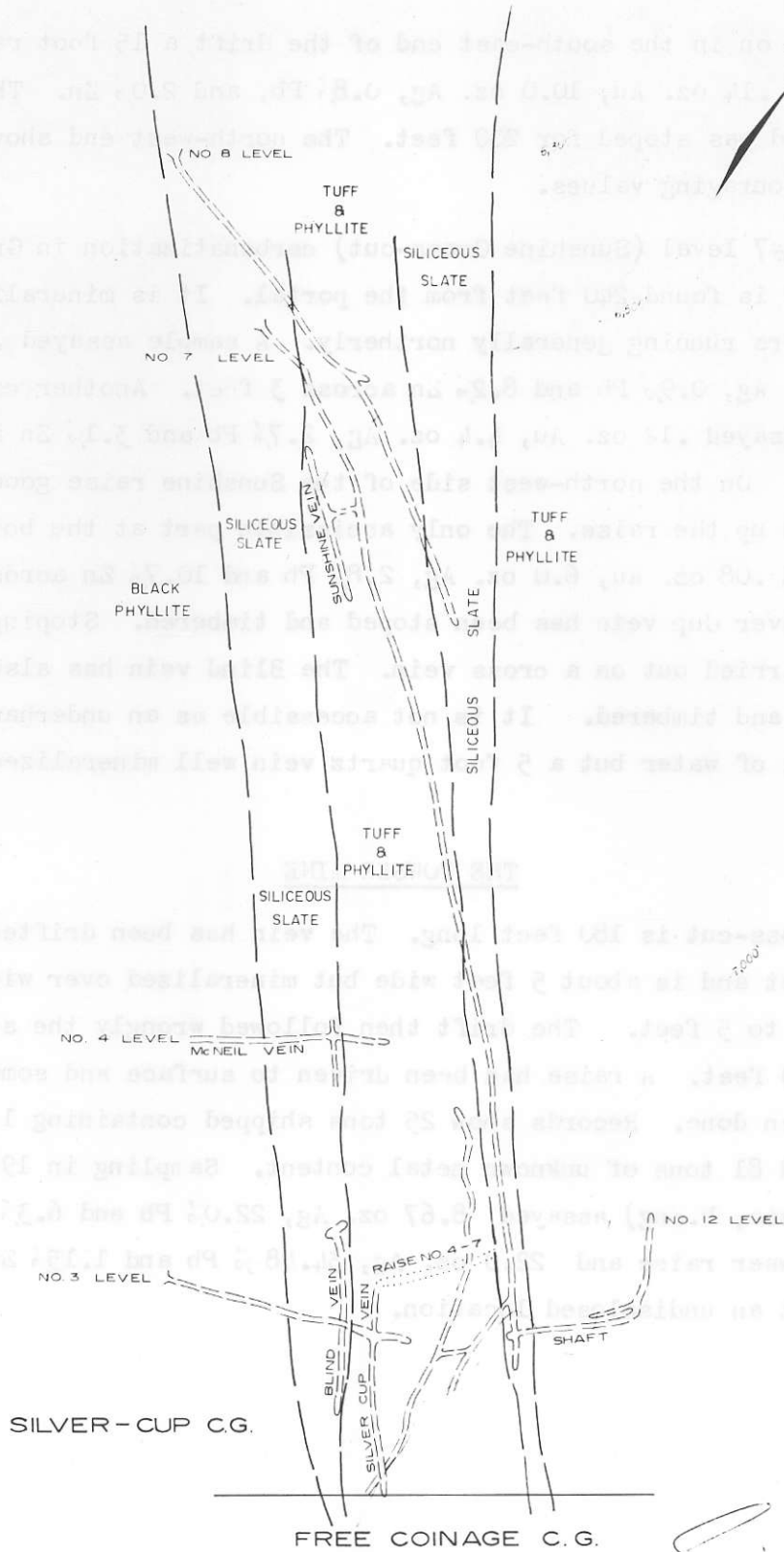
Width	oz Au/T	oz Ag/T	%Pb	%Zn
2.5'	.02	.10	.8	3.0
3.5'	.16	18.0	5.4	6.2
3.5'	.17	19.4	3.1	7.1
4.5'	.16	22.0	1.6	.8



SILVER CUP-TOWSER
MINE AREA
LONGITUDINAL SECTION

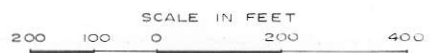


SILVER CUP STRUCTURE



E. J. ...

SILVER CUP MINE
COMPOSITE PLAN



Further on in the south-east end of the drift a 15 foot raise assayed .14 oz. Au, 10.0 oz. Ag, 0.8% Pb, and 2.0% Zn. The Silver Cup lead was stoped for 200 feet. The north-west end shows low but encouraging values.

On the #7 level (Sunshine Cross-cut) carbonatization in Greenstone (Dyke?) is found 240 feet from the portal. It is mineralized with stringers running generally northerly. A sample assayed .03 oz Au, 4.0 oz. Ag, 0.9% Pb and 8.2% Zn across 3 feet. Another carbonate zone assayed .12 oz. Au, 4.4 oz. Ag, 2.7% Pb and 3.1% Zn across 3 feet. On the north-west side of the Sunshine raise good ore can be seen up the raise. The only accessible part at the bottom assayed .08 oz. Au, 6.0 oz. Ag, 2.8% Pb and 10.7% Zn across 3 feet. The Silver Cup vein has been stoped and timbered. Stoping has also been carried out on a cross vein. The Blind vein has also been stoped and timbered. It is not accessible as an underhand stope is full of water but a 5 foot quartz vein well mineralized can be seen.

THE TOWSER MINE

The cross-cut is 180 feet long. The vein has been drifted on for 175 feet and is about 5 feet wide but mineralized over widths of from 2 to 5 feet. The drift then followed wrongly the schistosity for 100 feet. A raise has been driven to surface and some stoping has been done. Records show 25 tons shipped containing 1,400 oz. Ag, and 81 tons of unknown metal content. Sampling in 1972 (A. Mackenzie, P.Eng) assayed 8.67 oz. Ag, 22.0% Pb and 6.3% Zn at the Towser raise and 22.0 oz. Ag, 34.48% Pb and 1.15% Zn on the vein at an undisclosed location.

COMPOSITE PLAN
SILVER CUP MINE

THE YUILL CLAIM

An adit of unknown length has followed one of three veins located. Recent trenching has again opened a zone, probably the main Silver Cup structure. It shows mineralization across 40 feet and high grade (Ag - Pb) across 14 inches.

Angus Mackenzie P. Eng., took a sample of the schist in the Silver Cup structure on the Yuill in 1972. It assayed .017 oz. Au, 3.68 oz. Ag, 3.39% Pb and 0.21% Zn, and another 7.06 oz. Ag, 8.45% Pb. The vein was also sampled in 1912 by J. V. Richards and shows surprisingly high gold values. The assays were:

1.04 oz. Au, 33 oz. Ag, and 26.5% Pb

0.6 oz. Au, 9.4 oz. Ag, and 9.6% Pb

0.8 oz. Au, 57 oz. Ag, and 34% Pb - Picked High grade.

Mr. K. Christie, P. Eng., took samples in the same area which assayed .78 oz. Au, and 1.4 oz. Ag, across 14 inches.

SHOWINGS IN LOWER SHARON CREEK (OLD RELIABLE & SHARON)

The vein has been exposed in several places on surface and consisted of 3 feet of "concentrating ore". A cross-cut was started. It is not known if it reached the vein.

Other showings higher up Sharon Creek (North Star) indicate that two parallel zones exist. This either strengthens the case for another zone parallel to the Silver Cup or the lower zone could be the northern extension of the cross-cutting Towser vein.

In the Lardeau River Valley on the old Parsborro claim a cross-cut was started in 1919. It reached the vein below surface showings and "a nice showing of ore" is reported.

On the Black Eagle, L4735, the zone is about 60 feet wide. The vein is 14 inches wide and averages 100 oz. Ag/Ton.

On the Sunset L 4736 a drift was driven on the vein for about 70 feet. "Concentrating ore was met within the workings". These showings are scattered along a length of $3\frac{1}{2}$ miles.

UNDERGROUND BROKEN ORE

SILVER CUP:

The only stope outline available is of the Blind vein above #7 level. This indicates some 50 to 60 thousand tons were mined. The same amount may have been mined from the Silver Cup vein. Smaller amounts were mined from below #7 level and on the Sunshine and Sunshine cross-cut ore bodies. A total amount of about 120 to 160 thousand tons were probably mined. 20 thousand tons were shipped or treated, 50 to 60 thousand tons are found on dumps, therefore somewhere between 40 and 90 thousand tons remain in the stopes as backfill. The grade of this material is unknown. At the time the mines were producing, zinc carried a penalty at the smelter so any muck high in zinc would be sorted out first in the stopes. The zinc carries silver values. All development and stope preparation muck necessarily went out on the dumps as development started from the top. The backfill is therefore sorted stoping muck and may be higher in grade than the dumps.

The underground must be surveyed and the amount of backfill calculated. Wherever it is accessible it should be sampled. It is probable that this material will contain sufficient minerals that it can be treated at a profit, providing a reasonable extraction method can be found. The material may come out easily but some blasting will probably be necessary to shake it loose. Oxidation will have penetrated the fragment to some extent, but reportedly some testing has been carried out showing that reasonable recoveries can be obtained.

TOWSER MUCK:

Mr. K. Christie reports that about 500 tons lies in the Towser stope. A sample he took of this muck assayed .26 oz. Au, 16.8 oz. Ag, and 4.26% Pb.

(Dept. of Mines Ottawa)

Sample Assay:

Au	.011	oz./Ton
Ag	11.46	"
Pb	3.23%	
Zn	3.68	
Fe	7.77	
S	7.38	
As	0.04	

	<u>Weight %</u>	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
Pb - Conc.	13.67	.51 oz/T	69.62 oz/T	21.49%	5.48%
% Recov.		63.95	79.08	87.5	20.57
Zn - Conc.	12.90	.29 oz/T	11.66 oz/T	.86%	21.08%
% Recov.		22.67	12.50	3.31	74.60
Total Recov.	26.57	86.62%	91.58%	90.81%	95.17%

The concentrates are an average of the lead concentrate and the lead middling and the zinc concentrate and the zinc middling. The total recoveries are satisfactory but the concentration ratio and concentrate grade could be improved by further cleaning at some cost in recovery.

FURTHER ORE POSSIBILITIES

The primary areas where further ore may be located are :

1. Development of known ore shoot on the Towser.
2. On the main ore shoots below #7 level at Silver Cup
3. Lower grade on the main shoots above #7 level
4. Extensions of present veins north or south
5. New ore shoots parallel to the present ore shoots in the hanging wall or foot wall.
6. Cross cutting ore shoots between the present ore shoots or outside of them.
7. Fracture zones and low grade ore surrounding present ore shoots or between the Silver Cup and Blind ore shoot.
8. Extensions below the present ore shoots.
9. Replacement ore in limestone beds or carbonated dykes.

DISCUSSION OF ORE POSSIBILITIES

1. The known ore shoot in the Towser adit and on surface below the adit should be opened up and evaluated by drifting.
2. There is very little doubt that considerable ore of good and very high grade remains on the main ore shoots below #7 level. The shaft was deepened in 1908 and about 2,000 tons were shipped in 1908 and 1909. In 1910 the lower levels flooded. They were pumped out again in 1911 but flooded again in 1913. Active mining was being carried out at the time and 320 tons were shipped in 1912. In the three or four years the lower levels were open only some 2,500 tons were shipped and this was not all from the lower levels. As a means of speculating on amount of ore below the level the following calculations can be made. Silver Cup and Blind veins ore was about 250 feet long and probably averaged some 5 feet wide on #7 level. This gives 250 tons per vertical foot. The ore on one of these shoots at least, is known to go down

to the bottom level. If it is assumed that the ore from #7 level down to the bottom level 480 feet lower decreases uniformly from 250 tons per vertical foot to zero tons per vertical foot then the speculative tonnage may be -

$$\frac{250 + 0}{2} \times 480 = 60,000 \text{ tons}$$

not a particularly large tonnage but it must be kept in mind that this speculative material may grade very high in silver.

3. Some lower grade has been left on the upper level surrounding the mined out high grade core. It may however be difficult to mine due to already mined openings.
4. The known ore structures should be carefully investigated north and south. The structures extend $3\frac{1}{2}$ miles to the boundaries of the present property. In the south end washed schist mineralized across 2 feet is found near the boundary to the Free Coinage Crown Grant. And a government report considers this very favourable. The probability of finding other ore shoots along the known structures is considered high, as a number of showings are known to the north.
5. Parallel structures may be found on the hanging wall or foot wall side of the ore bodies. The structural controls which placed two ore bodies side by side may have given rise to a third or a second ore body may be found parallel to the Sunshine ore body. Until a fuller understanding of the ore controls is obtained precise exploration targets for this type of ore can't be outlined. Indications in the old reports may suggest that other parallel zones were known, i.e. the minister of mines report 1898 has the wording "at 250' cut the Blind vein and continued the cross-cut to the Silver Cup vein and another beyond it."

Drift development (below #7? not clear from the reports) outside the Blind and Silver Cup veins suggest that other ore was known. The probability that parallel ore shoots will be found is considered to be good.

6. Two cross-cutting ore shoots are known. One strikes N60°E and dips steeply south-east. It is located near the Sunshine ore body about 200 feet from the #7 portal. It is exposed on surface and a sample over 1 foot assayed 4loz. silver. Old reports mention that it widened out to 7 feet. The Towser vein is also a cross-cutting structure striking northerly. The intersection of this structure with the Silver Cup zone is a primary exploration target. A number of cross-cutting structures are found between the Blind and Silver Cup ore bodies and some of these have been of ore size and grade. B.C. Bulletin 45 1962 mentions development work on the lower levels on many cross-cutting structures. The probability of finding further small ore shoots on cross-cutting structures is considered good.

7. In connection with the exploration of the cross-cutting structures the possibility of the existence of a sufficient stock work of parallel and crossing mineralization between the Blind and Silver Cup to form a 25 to 60 foot wide mineable ore zone should be investigated. B.C. memoir 161 1929 mentions that at a point where the structures are 25 feet apart the intervening material is all quartz sparingly mineralized with sulphides. The probability of finding such an ore body is however, considered to be low.

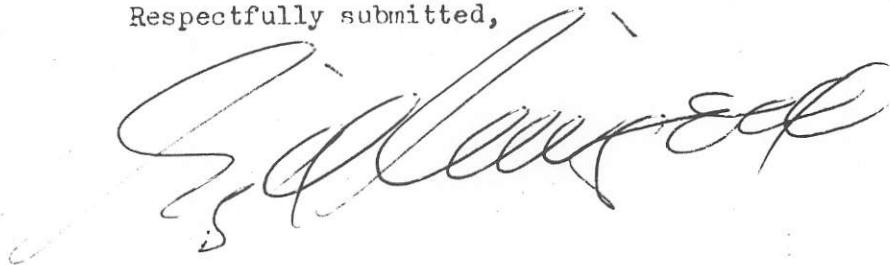
8. The main ore shoots are deep. The Silver Cup ore body was developed over a vertical distance of 1,200 feet. Stopping was carried out on #12, the bottom level, and the probability is high that it will extend at least a small distance below the level. The Blind ore body was developed to level #10. This could be the bottom of the ore shoot or it may simply not have been developed on #11 and #12 levels.

The Sunshine, and Sunshine cross-out ore bodies have apparently not been developed below # 7 level and the probability is very high that they extend below the level. The vertical continuity of the ore bodies are remarkable.

9. Where veins cross carbonate dykes the dykes have been replaced in part by sulphides. Limestone beds would be equally or more susceptible to replacement. The probabilities of finding such ore in significant quantity may be low but if the right type of structure and rock type should be found in conjunction a very significant ore body may exist. The ore possibilities are numerous and a comprehensive exploration program should be carried out.

TRUSTEES
OF
THE SUNSHINE DISTRICT
AT THE SILVER COPPER

Respectfully submitted,



EGIL LIVGARD, BSc., P.Eng.

LIVGARD CONSULTANTS LTD.
E. Livgard, B.Sc., P.Eng.
Osgoode St., N.C.
Rep. 1953, 1956

The findings, and sometimes cross-cut the latter have
apparently not been developed below the level and the
probability is very high that they extend below the level.
The vertical continuity of the ore bodies are uncertain.
Where other cross sections show the dikes have been
placed in part by sulphides. Limestone beds would be
equally or more susceptible to replacement. The presence
of lining such ore in significant quantities may
be low but if the right type of structure and rock type
should be found in conjunction a very significant ore body
may exist. The ore possibilities are numerous and a
comprehensive exploration program should be carried out.

REPORT
ON
THE SURFACE DUMPS
AT THE SILVER CUP MINE

Respectfully submitted,



E. L. Livgard, B.Sc., P. Eng.

LIVGARD CONSULTANTS LTD.
E. Livgard, B.Sc., P. Eng.
Coquitlam, B.C.
Feb. 16th, 1976.

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CERTIFICATE.

INTRODUCTION

The writer examined the surface at the Silver Cup Mine on Aug. 15th, 1975 accompanied by Mr. Murry Zulps and Mr. J.J. Oberbillig, and at the same time examined the dumps for sulphide content at various levels. The writer took no samples as considerable time and effort has been expended by other engineers in the past in an attempt to obtain representative results.

This report is based on reports as listed in the references.

The report is written for Standard Anchor Investments Ltd., of 705- 900 West Hastings St., Vancouver. B.C.

SUMMARY

Not less than four reports give estimates of the dumps.
All reports agree on about 40,000 tons being recoverable
from the mine dumps.

The grade estimates based on sample assays are as follows:

	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
E. H. Lovitt	0.06 ozs.	5.1 ozs.	1.3%	0.8% #3 dump only.
W. Hamilton P. Eng.	0.08 "	6.7 "	1.7%	1.5%
E. R. White	0.117 "	38.36 "	6.7%	12.7%
A. H. Manifold. P. Eng. Tr.		5.67 "	1.31%	0.64% not dump #4

The writer feels that the sampling by Lovitt, Hamilton and W. Manifold, being in fair agreement, are probably of high accuracy, and the sampling has no doubt been carried out competently and conscientiously. Mr. E. Lovitt sampled #3 dump only and Mr. A. Manifold did not sample #4 dump.

The results from these three reports give the following averages

No. 1.	3,000 T	.075 oz. Au,	10.98 oz. Ag,	1.78% Pb,	and 2.28% Zn.
" 2.	3,000 T	.055 oz. Au,	12.61 oz. Ag,	2.15% Pb,	and 1.03% Zn.
" 3.	20,000 T	.05 oz. Au,	4.51 oz. Ag,	1.36% Pb,	and 1.18% Zn.
" 4.	15,000 T	.09 oz. Au,	7.0 oz. Ag,	2.0% Pb,	and 1.6% Zn.

For a total of:

41,000 Tons grading:

.07 oz. Au, 6.52 oz. Ag, 1.68% Pb, 1.40% Zn per ton.

The net Smelter Return on this material may be about \$30.-/Ton.

No. 1 and No. 2 dumps show a net Smelter Return of about \$4.-
and Dump No. 4 \$35.-/per Ton.

Dump No. 3 gives about \$22.-/ per ton.

RECOMMENDATIONS

It is recommended that check sampling be done on the dumps using a Power Auger and a Front End Loader.

The sampling should have the following objectives:

- a. Check over all grade of the dumps.
- b. Check the grade of various size fractions, with a view to upgrading the material by screening.
- c. Sample rejects can be used for concentration testing.

The dumps should be measured and tonnages recalculated.

Negotiations should be carried out with portable mill owners regarding costs of treating the dumps.

ESTIMATED COSTS OF RECOMMENDATIONS

1.	Sampling, screening, measuring, and assaying	\$4,500.
2.	Concentration Testing	1,500.
		\$6,000.
	Contingencies	1,000.
		\$7,000.

VALUE OF THE DUMPS

metallurgical tests indicate that recoveries may be as high as 90% which is surprising in view of the oxidized surface look of the material. If it is assumed that 20% is lost in milling and another 20% is lost during smelting and in smelter charges the net smelter return of these dumps at present prices (\$4.00.-/oz. Ag., \$150.-/Au., 18c/lb Pb, 35c/lb Zn) will be \$30.62 per ton, or a total of 1.25 million dollars for the 41,000 tons. It seems very probable that a good net profit could be realized from treating the dumps.

TREATMENT

If the dump material is treated in conjunction with mine ore in an eventual mill on the property, then the indicated metal content should give a good profit as milling and moving costs should not exceed \$20.- per ton.

If the dumps were to be treated seperately in a small (50 T/D) portable mill, then certainly dump #1, 2, and 4 should be treated first as dump #1 and 2 have a net smelter return value of \$14.-/T and dump #4 \$34.- per ton. The costs would probably run to \$30.- per ton and dump #3 may not be economically treatable.

PAST REPORTSReport by E. H. Lovitt, Sept. 26th, 1943.

No. 7 level dump tonnage is probably in the neighborhood of 40,000 tons with accessible tonnage not in excess of 20,000 tons.

Preliminary sampling indicates a grade of .06 oz. Au, 5.1 oz. Ag, 1.3% Pb and 0.8% Zn.

A limited quantity of high grade material, a product of the sorting sheds, is found on the #7 level. It is probably less than 1,000 tons and preliminary samples grade .24 oz. Au, 25.0 oz. Ag, 7% Pb and 12% Zn.

Report by W. S. Hamilton P. Eng., Oct. 25th, 1951.

Very conservative estimates were made of dump tonnages.

Pits were dug down 2 - 3 feet deep spotted throughout the dump areas at regular intervals.

#1 Dump - 3,000 Tons

Average of 24 samples:

.15 oz. Au, 14.85 oz. Ag, 2.5% Pb and 3.4% Zn.

#2 Dump - 3,000 Tons

14 Samples were taken.

Among these was a high silver assay of 123.6 ozs. An average was first worked out, then this average was substituted for the high assay, and the average again worked out. A cut value of .11 oz. Au, 11.80 oz. Ag, 1.5% Pb and 1.7% Zn was obtained.

#3 Dump (#7 Sunshine Level)

Calculations were made on the easily available dump and these closely checked Lovitt's 20,000 Tons and this figure was accepted. Below this dump 10,000 tons can be retrieved by scraper operation.

Nine samples were taken and averaged .09 oz. Au, 3.86 oz. Ag, 1.6% Pb and 2.15% Zn.

#1 Dump - At the terminal of the Tram-line.

A very conservative tonnage of 15,000 tons was calculated.

Ten samples were taken and averaged:

.09 oz. Au, 7.0 oz. Ag, 2.0% Pb and 1.6% Zn.

Mr. W. Hamilton comes up with a total of 41,000 tons, without considering dumps that need be scraped, with an average grade of .08 oz. Au, 6.7 oz. Ag, 1.7% Pb, and 1.5% Zn.

Report by E. H. White, June 2nd - July 15th, 1965.

The dumps were measured and tonnages calculated. A 6" Power Auger was used to obtain samples. 5 were taken from #1 dump, 5 from #2, 11 from #3 (#7 level), 10 from #4 (Terminal of tram-line).

The tonnages arrived at were:

#1	3,000 Tons
#2	3,000 "
#3	20,000 "
#4	15,000 "

The composite average of the 31 samples is given as:

.17 oz. Au, 38.36 oz. Ag, 6.75% Pb, and 12.75% Zn.

Report by A. E. Lanifold, Sept 26th, 1969.

	<u>Estimated Tonnage</u>	<u>Ag. oz./T</u>	<u>Au. oz./T</u>	<u>Pb%</u>	<u>Zn%</u>
#1.	3,000	7.11	Tr	1.05	1.15
#2.	3,000	13.42	Tr	2.80	.36
#3	30,000	4.75	Tr	1.19	.60
Total:	36,000	5.67	Tr	1.31	0.64

Report by E. J. Christie, Nov. 25th, 1972.

"There is therefore a very large tonnage as backfill and dumps which contains approximately .3 oz. Au, 25-35 oz. Ag, 4.5% Pb, and some zinc".

Respectfully submitted,


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

REFERENCES

Report on the Silver Cup Mine

E. H. Lovitt, Sept. 26th, 1943.

Silver Cup Mine Preliminary Report

W. S. Hamilton, Oct. 25th, 1951.

Silver Cup Mine

E. A. White, June 2nd - July 15th, 1965.

Silver Dawn Mines Ltd., Ferguson Property

A. H. Canifold, P.Eng., Sept. 26th, 1969.

Report on the Silver Cup, Towser, Yuill, and Related Properties

K. J. Christie, P.Eng. Nov. 25th, 1972.

Item	Quantity	Unit	Value	Total
...
...
...
...
Total:				...

[Handwritten signature]
K. J. Christie, P.Eng.

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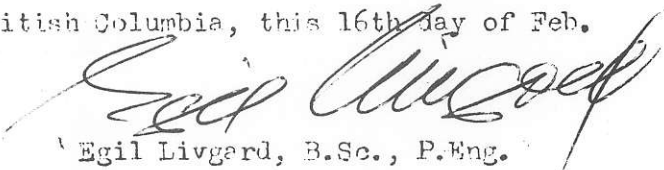
Coquitlam, B.C.

CERTIFICATE

I, EGIL LIVGARD, with business and residential address in Coquitlam, British Columbia, do hereby certify that:

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 1970, I was engaged in mining and exploration geology in Canada and Norway.
5. I have practiced as a Consultant in Vancouver since 1970.
6. I have not, directly or indirectly received, nor do I expect to receive, any interest, directly or indirectly, in the properties described herein, or in any company which has an interest in these properties, or any affiliate, and I do not beneficially own, directly or indirectly, any securities in any such company.

DATED at Coquitlam, British Columbia, this 16th day of Feb. 1976.



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

Coquitlam, British Columbia

REFERENCES

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" Supplementary " " Nov. 5th, 1951

Dept. of Mines & Technical Surveys, Ottawa.

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Investigation No. MD 2898 July 7th, 1952.

Silver Cup Mine, Preliminary Report - June 2nd, - July 15th, 1965.

E. R. White

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Evaluation of the Silver Cup Mine - R.F. Robinson, Siskon Corp. Jan. 15th, 1970.

Report on True Blue Explorations Ltd., Mining Properties adjoining the

Silver Cup Mine by K. J. Christie P.Eng., Jan. 20th, 1972.

Report on the Silver Cup, Towser, Yuill and Related Properties

by K. S. Christie P.Eng., Nov. 25th, 1972.

Report on the Properties of True Blue Explorations Ltd.,

Silver Cup, Towser, and Yuill,

by Angus McKenzie, Dec. 1972.

[Faint signature and text, possibly a stamp or secondary reference, located at the bottom of the page.]

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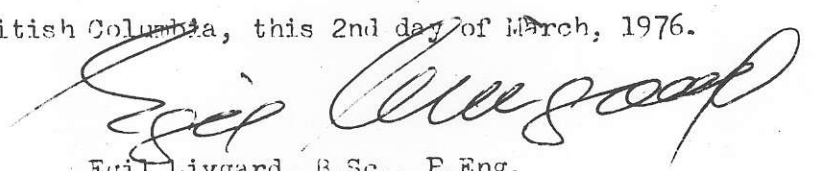
Coquitlam. B.C.

CERTIFICATE

I, EGIL LIVGARD, with business and residential address in Coquitlam, British Columbia, do hereby certify that:

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 1970, I was engaged in mining and exploration geology in Canada and Norway.
5. I have practiced as a Consultant in Vancouver since 1970.
6. I have not, directly or indirectly received, nor do I expect to receive, any interest, directly or indirectly, in the properties described herein, or in any company which has an interest in these properties, or any affiliate, and I do not beneficially own, directly or indirectly, any securities in any such company.

DATED at Coquitlam, British Columbia, this 2nd day of March, 1976.



Egil Livgard, B.Sc., F.Eng.

Coquitlam. British Columbia.

C.T. EXPLORANDA LTD.
(formerly Junex Resources Ltd.)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

FEBRUARY 28, 1976

MacGillivray & Co.
Chartered Accountants

ITEM 4.

The principal purposes for which the sale of the shares sold pursuant to the Underwriting Agreement will be used as follows:

- | | | |
|-----|---|-------------|
| (a) | To pay the June 15, 1976 payment due under the "Silver Cup" Agreement | \$45,000.00 |
| (b) | To pay the companys accounts payable (see list attached hereto and forming part of this Statement of Material Facts) | \$47,528.75 |
| (c) | To carry out items 1, 2, 3, 4, 5, 6, and 11 of the First Stage of the exploration and development programme on the Silver Cup property as recommended by Egil Livgard P.Eng., in his report of March 2, 1976 which is attached hereto and forms part of this Statement of Material Facts, namely: | |
| | 1. Photo-Interpretation | \$ 500.00 |
| | 2. Topographic Map | \$ 1500.00 |
| | 3. Grid System | \$ 3000.00 |
| | 4. Rehabilitation - Silver Cup & Towser
6 men - 2 months | \$ 35000.00 |
| | 5. Surveying | \$ 2500.00 |
| | 6. Geological Mapping & Sampling | \$ 4000.00 |
| | 11. Mapping & Sampling, Camp and Supplies, Supervision, Admin. Travel, Assaying and Contingencies - 10% | \$ 12500.00 |
| | | \$59,000.00 |
| (d) | To provide additional working capital and to meet corporate expenses. | \$18,471.25 |

TOTAL\$170,000.00

No part of the proceeds from the sale of shares sold pursuant to the Underwriting Agreement will be spent on exploring or developing other mineral properties owned or acquired by the Company without first having accepted for filing the appropriate engineering reports with the Vancouver Curb Exchange.

ITEM 6.

Names and addresses and chief occupations for the past five years of the officers and directors of the company are:

<u>NAME AND ADDRESS</u>	<u>OCCUPATIONS</u>
RICHARD F. J. NEWSOM 440 - 890 West Pender Street, Vancouver, B. C. PRESIDENT/DIRECTOR	Rancher - Businessman
BRIAN J. HAGAN 1003 - East Toledo Street, Bellingham, Washington DIRECTOR	Chemical Engineer
RON W. BREGOLISS Box 620, Kamloops, B. C. DIRECTOR	President - Bregoliss Construction Ltd.
THOMAS A. DERBYSHIRE, 479 Wintergreen, Richmond, B.C. SECRETARY	Businessman

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ITEM 10.

The beneficial shareholders of Brink, Hudson & Lefever Ltd., are:

<u>NAME AND ADDRESS</u>	<u>NO. and CLASS</u>	<u>% of CLASS of SHARES HELD</u>
Harold W. Lefever 4212 Cypress Street, Vancouver, B. C.	3271 common	18.3%
Francis A. Lefever 8421 Oak Street, Vancouver, B. C.	2606 common	14.6%
Lorne C. Aggett #2410 - 1644 Nelson Street, Vancouver, B. C.	1519 common	8.5%
Donald H. Byers 1308 West 37th Avenue, Vancouver, B. C.	2374 common	13.3%
Brian D. Graves, #1901 - 1816 Haro Street, Vancouver, B. C.	2606 common	14.6%
G. Douglas MacDonald 6090 Blenheim Street, Vancouver, B. C.	1182 common	6.6%

ITEMS 12, 13, 14 & 17.

MUGWUMP ET AL MINERAL CLAIMS (YMIR GROUP)

By an Agreement dated September 3, 1975, the Company acquired from Issa Fahel of 328 Decaire Street, Coquitlam, B.C., an option to acquire seven (7) Crown granted mineral claims (Lots 1708 - 1711 inclusive and Lots 2301 - 2303 inclusive) and the surface rights of a five (5) acre portion known as "Millsite" all being known as Sublot 50 of Lot 1242, District of Kootenay, Province of British Columbia, Plan X-59 together with Sublot 46 of Lot 1242, Plan X-59 in the District of Kootenay. The said Agreement being by way of an Assignment of an Agreement dated July 14, 1975. Mr. Fahel subsequently assigned all his rights under the Agreement to Mr. Thomas Derbyshire, an Officer of the Company. Mr. Fahel had acquired his right to purchase the properties from Murray Zulps of West Vancouver, Michael Syniuk of North Vancouver, and Clarence Mannix of Sooke, all in the Province of British Columbia. Total consideration to be paid for the property if the property is financed for commercial production will be 5% of the net smelter returns together with 310,000 shares and \$66,700.00 to be issued and paid as follows:

- i) \$8,700.00 upon execution (paid) being \$5,000.00 to Fahel and \$3,700.00 to Messrs. Zulps, Syniuk and Mannix;
- ii) \$5,000.00 (paid) to Fahel and 10,000 shares of the Company to Derbyshire on December 7, 1975;
- iii) \$3,000.00 (paid) on December 1, 1975 to Messrs. Zulps, Syniuk and Mannix;
- iv) 25,000 shares of the Company to Derbyshire by March 5, 1976;
- v) 25,000 shares of the Company to Derbyshire by June 5, 1976;

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