

92 0

681075

REPORT ON THE

CHURN CREEK

GOLD PROPERTY

CLINTON M.D.

for

SANTA SARITA MINING CO. LTD.

by

John R. Poloni, B. Sc., P. Eng.

April 21, 1975

John R. Poloni and Associates Ltd.
5502 - 8B Avenue
Delta, B.C.

JOHN R. POLONI P. Eng.
Consulting Geologist

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.	During the past year, \$2,490.00 has been paid by the Company to the President, J.W. McLeod, an insider, for geological services rendered to the Company.
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 <i>pro rata</i> 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 Item 23 Attached.
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 May 13TH, 1975

**VANCOUVER CURB
EXCHANGE LISTING**

SANTA SARITA MINING COMPANY LIMITED

James Wayne McLeod
James Wayne McLeod
S. Lee Holmes
S. Lee Holmes
Kenneth Albert O'Connor
Kenneth Albert O'Connor
James Ronald Bornyk
James Ronald Bornyk, by his
Attorney in fact, James Wayne
McLeod.

[Corporate Seal.]

~~AGENT~~
CERTIFICATE OF ~~AGENT~~ ~~FOR~~ ~~OR~~ ~~FOR~~ ~~OR~~ ~~FOR~~ ~~OR~~ ~~FOR~~

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 May 28th, 1975

CANARIM INVESTMENT CORPORATION LIMITED

[Signature]

TABLE OF CONTENTS

PAGE NO.

1.	SUMMARY AND CONCLUSIONS.....	1
2.	INTRODUCTION.....	2
3.	LOCATION MAP - FIG. #1.....	3
4.	PROPERTY.....	4
5.	PHYSICAL FEATURES.....	4
6.	HISTORY.....	5
7.	GEOLOGY.....	6
8.	DISCUSSION.....	8
9.	RECOMMENDATIONS.....	9
10.	APPENDICES.....	10 - 18
	Appendix A - Estimated Cost of the Recommended Program.....	10
	Appendix B - References.....	12
	Appendix C - Certificate.....	14
	Appendix D - Maps.....	17
	Appendix E - Assay Data.....	18

SUMMARY AND CONCLUSIONS

Santa Sarita Mining Co. Ltd., controls by option agreement, two placer claims on Churn Creek, Clinton M.D., British Columbia.

The author visited the property to obtain samples of the gravel horizons so that an assessment of the economic potential of the property could be made.

The results of this examination indicate that areas of gold bearing gravels exist on the claims. Encouraging samples were obtained from both claims 615 and 616. These samples indicate a gold content, using a gold value of \$170.00/ounce, of \$1.50 and \$2.98 per yard.

In the writers opinion further work is necessary to thoroughly test the extent and value of the gravels on the claims. To undertake this a phased work program estimated to cost \$29,700.00 is recommended.

INTRODUCTION

Santa Sarita Mining Co. Ltd., under an option agreement with E.M. Collins and D. Caron controls two gold placer claims on Churn Creek, Clinton M.D., British Columbia. Additional claims should be obtained to cover both upstream and downstream extensions of gold bearing horizons.

At the request of Santa Sarita Mining Co., I have examined these claims and sampled the stream gravels. The results of this examination are reported on in this report. The field examination was made on April 17, 1975.

LOCATION MAP

Fig. #1



SANTA SARITA MINING Co. LTD.

FIG. I.



SANTA SARITA MINING Co. LTD.	
PROPERTY LOCATION MAP CLINTON MINING DIVISION	
JOHN R. POLONI AND ASSOCIATES LTD.	
SCALE: 1" = 136 Miles	DATE: APRIL 21, 1975

PROPERTY

The property consists of two placer claims located on Churn Creek between the confluences of Little Churn Creek and Fairless Creek with Churn Creek. The initial post for Claim 616 was examined and the claim is staked in accordance with British Columbia staking regulations.

PHYSICAL FEATURES

The property is located on Churn Creek at Latitude 51° 25' N. and Longitude 122° 30' W. Churn Creek contains an abundant water flow sufficient for camp and mining needs.

Elevations on the claims range from 3000 to 3500 feet above sea level.

The most prominent topographic feature of the region is Black Dome Mountain. Generally, unconsolidated glacial deposits of varying thickness cover the area. Surficial geology map fig. #3 indicates several landslide areas along Churn Creek. Outcrops, while not abundant, at times form steep canyon walls and narrow gorges.

Access to the property is via secondary roads from Williams Lake, westerly to the Gang Ranch and then southwesterly along Churn Creek.

Churn Creek occupies a wide U-shaped valley with a moderate gradient. Steep valley walls are common and several landslide areas exist. The stream is considered to be young as it is cutting deeply into recent glacial deposits.

A cabin is located on claim 615 which can be used for accommodations.

HISTORY

The general area has been prospected for gold, initially, in the 1880's but there appears to have been only a minimal amount of work done on Churn Creek. Mr. Collins has been working Claims 615 and 616 for several years on a small scale. The remains of an old sluice box are located upstream from the cabin.

No actual record of production is available at this time, but Mr. Collins states that he has taken between 70 - 75 ounces of gold from the two claims.

GEOLOGY

The area remains unmapped as shown by G.S.C. Map 29-1963 "Taseko Lakes".

Surficial Geology map, G.S.C. Map 2-1972 indicates that much of the area is covered by remnant glacial deposits of the Fraser Glaciation. Landslides are found in the deeply incised valley of Churn Creek.

The gravel terraces, as seen during the field examination range in horizontal extent from 300 to 400 feet wide and are generally continuous on the two claims.

Coarse gravels with large boulders to 3 or 4 feet in diameter are found locally along the creek, but generally the gravel horizons contain pebble sizes that can easily be handled in a placer mining operation.

Several samples were taken from the gravel horizons during the field examination. These are described as follows:

<u>NO.</u>	<u>DESCRIPTION</u>	<u>ASSAY DATA</u>	
0904	Claim 615 near east end @ 200' downstream from main cabin, on north bank. Gravel horizon 12 feet thick.	Au (oz/ton)	.005
		Ag (oz/ton)	<.02
		Au (oz/yd.)	.0088
		Ag (oz/yd.)	<.04
0905	Claim 615 @ 50 feet upstream from cabin and bridge, on south bank. Gravel horizon 5 feet thick.	Au (oz/ton)	<.002
		Ag (oz/ton)	<.02
		Au (oz/yd.)	<.0035
		Ag (oz/yd.)	<.04
0906	Claim 615 @ 300 feet upstream from cabin on south bank. Area of dozer work and sluice. Pit 3' x 3' x 2'.	Au (oz/ton)	<.002
		Ag (oz/ton)	<.02
		Au (oz/yd.)	<.0035
		Ag (oz/yd.)	<.04
0907	Claim 615 @ 500 feet upstream from cabin. South bank at 5 feet above stream level. Gravel 5 feet thick.	Au (oz/ton)	<.002
		Ag (oz/ton)	<.02
		Au (oz/yd.)	<.0035
		Ag (oz/yd.)	<.04
0908	Claim 615 @ 800 feet upstream from cabin. South bank, main channel 150' wide with high terrace on north bank. One panned sample by author showed 4 flakes of gold.	Au (oz/ton)	<.002
		Ag (oz/ton)	<.02
		Au (oz/yd.)	<.0035
		Ag (oz/yd.)	<.04
0909	Claim 616 @ 200 feet upstream from #1 post. One panned sample by author showed four gold colours or flakes. Area of coarse boulder to 4 or 5 feet in diameter.	Au (oz/ton)	<.002
		Ag (oz/ton)	<.02
		Au (oz/yd.)	<.0035
		Ag (oz/yd.)	<.04
0910	Same location as 0909.	Au (oz/ton)	.010
		Ag (oz/ton)	<.02
		Au (oz/yd.)	.0175
		Ag (oz/yd.)	<.04
0911	Same location as 0909, 0910. Panned concentrates - Black sand - 5 pans.	Au (oz/ton)	39.531
		Ag (oz/ton)	8.21
		Au (oz/yd.)	69.179
		Ag (oz/yd.)	14.37

DISCUSSION

The samples taken indicate generally trace values in gold and silver except for samples No. 0904, 0910 and 0911. These show a gold content of \$1.50 and \$2.98 a yard using gold @ \$170.00/oz in the case of No's 0904 and 0910. Sample 0911 is a black sand concentrate obtained from 5 pans.

The results indicate that further exploration is necessary to thoroughly test the claims. This work should initially be concentrated where the best values were obtained.

RECOMMENDATIONS

An exploration program designed to examine the economic potential of the property is necessary. The main gravel horizons are to be tested using a backhoe or auger along an established grid system, to establish volume and grade.

The samples obtained should be concentrated using a Spiral Ore dressing method utilizing a Humphrey spiral.

Detailed mapping of the gravel horizons is to be undertaken.

APPENDIX A

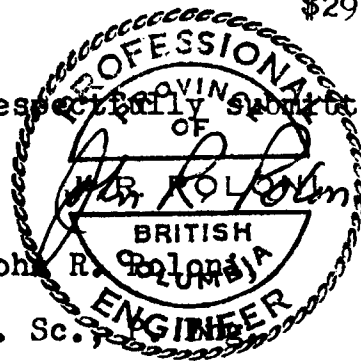
Estimated Cost of the Recommended
Program

PROGRAM COST ESTIMATE

A. 1.	Backhoe or Auger test work	\$ 6,000.00
2.	Access road repair to permit easy access to the gravels at several stream locations	4,000.00
3.	Establishment of camp and camp costs - 4 men	3,000.00
4.	Assay costs and test data	3,000.00
5.	Wages - 4 men \$300.00/day x 30 days	9,000.00
6.	Engineering and Supervision	<u>2,000.00</u>
	Total	\$27,000.00
	Contingencies 10%	<u>\$ 2,700.00</u>
		\$29,700.00

B. Further work is success contingent on preliminary testing.

TOTAL COST \$29,700.00

Respectfully submitted,

John R. Poloni
B. Sc. ENGINEER

The seal is circular with a double-line border. The outer ring contains the text 'PROFESSIONAL ENGINEER' at the top and 'BRITISH ASSOCIATION OF ENGINEERS' at the bottom. The center of the seal features a signature 'John R. Poloni' and the text 'OF BRITISH ASSOCIATION OF ENGINEERS'.

APPENDIX B

References

REFERENCES

1. TIPPER, H.W. G.S.C. Memoir 324, Nechako
 River Map area B.C. 1963.
2. HEGINBOTTOM, J.A. G.S.C. Surficial Geology of
 Taseko Lakes Map Area B.C. 1972.
3. DUFFELL, S., & G.S.C. Map 1010A Ashcroft 1945-47.
 McTAGGART, K.C.

APPENDIX C

Certificate

CERTIFICATE

I, John R. Poloni, of 5502 - 8B Avenue, in Delta, in
the Province of British Columbia

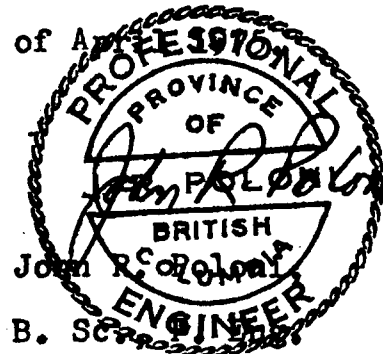
DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist.
2. I am a graduate of McGill University of Montreal, Quebec, where I obtained a B. Sc. degree in Geology in 1964.
3. I am a registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession since 1964.
5. I am a Fellow of the Geological Association of Canada and a member of the Canadian Institute of Mining and Metallurgy.
6. I am a member of the Association of Geologists of Quebec.
7. I have visited the Churn Creek Placer Property of Santa Sarita Mining Co. Ltd., on April 17, 1975.

CERTIFICATE con't.

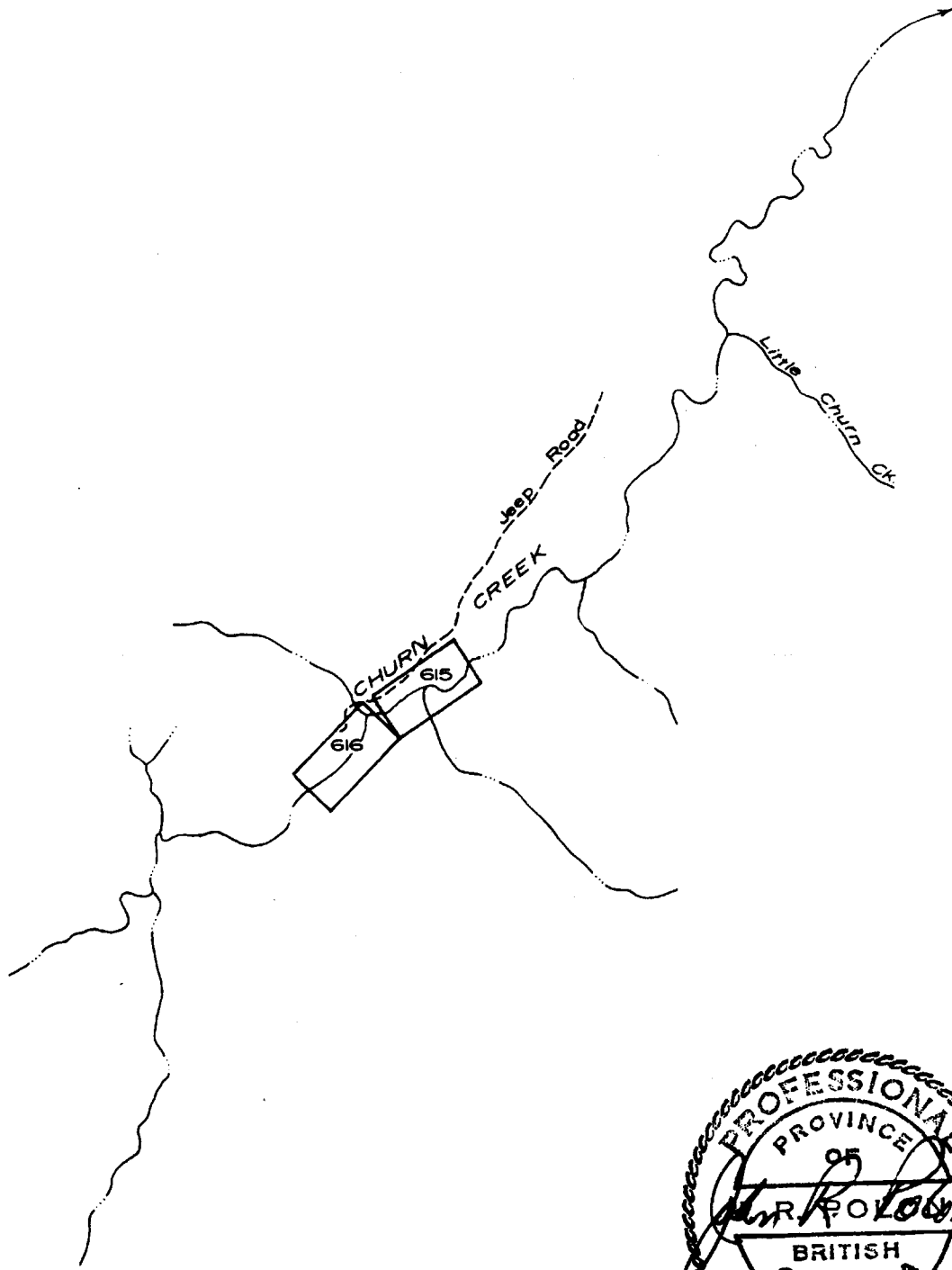
8. I have no interest in the properties or securities of Santa Sarita Mining Co. Ltd., nor do I expect to receive or acquire any.

Dated this 21st Day of April



APPENDIX D

1. Claim Map - Fig. #2
2. Surficial Geology - Fig. #3



BLACK DOME
MOUNTAIN
7392'

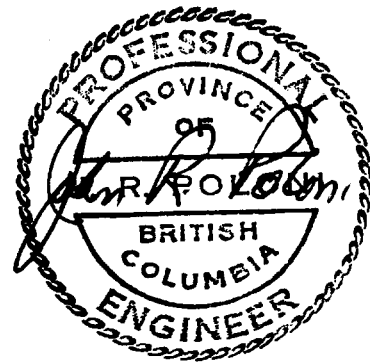


FIG. 2

REF. MAP: 920/7E
920/8W

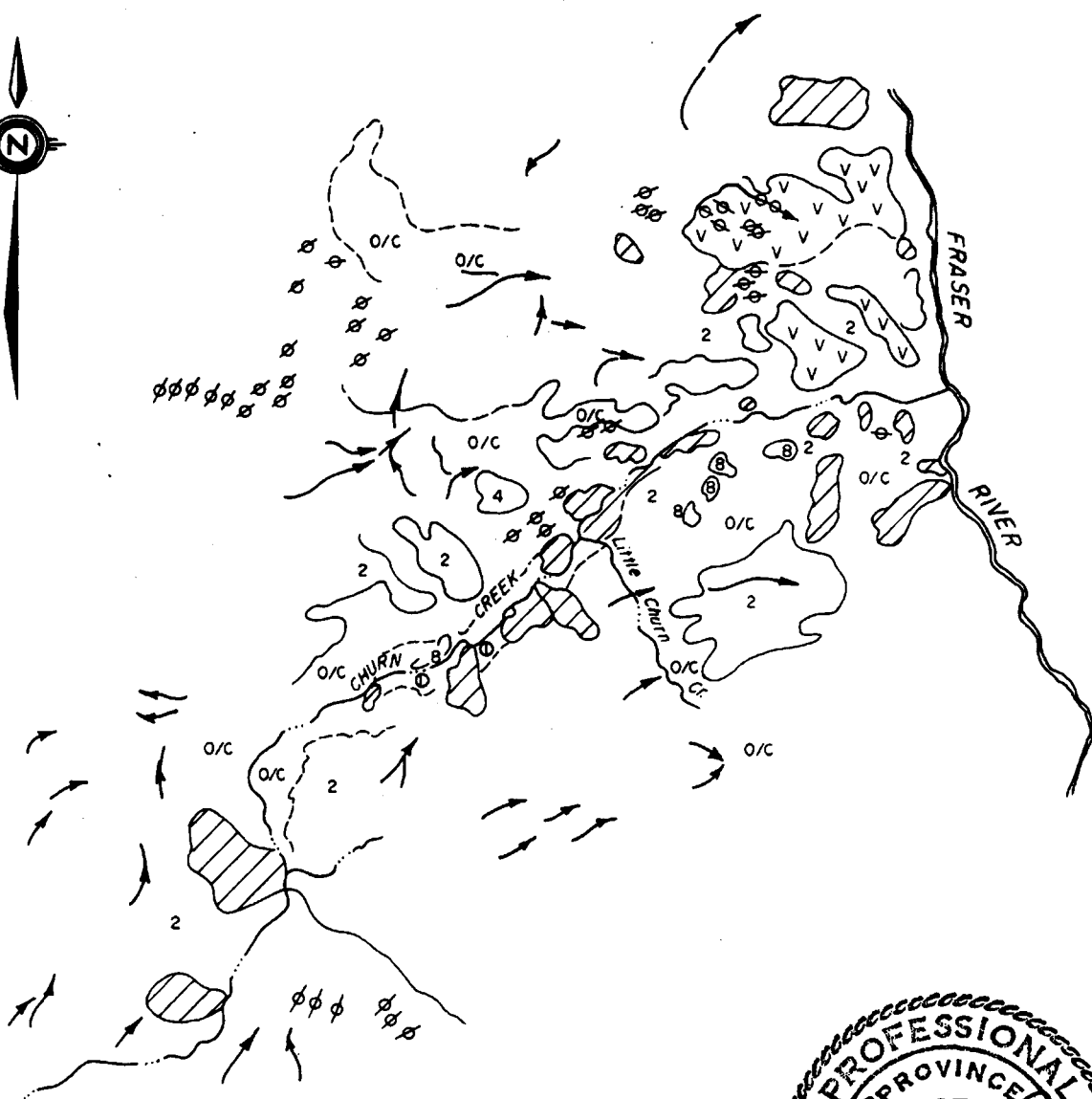
SANTA SARITA MINING Co. LTD.

CLAIM MAP
CLINTON MINING DIVISION

JOHN R. POLONI AND ASSOCIATES LTD.

SCALE: 1.2" = 1 Mile

DATE: APRIL 21, 1975



LEGEND

- o/c Outcrop Areas
- Landslide Areas
- Moraine, Drumlinoid Moraine
- Morainal Gravels
- Ice Flow Features
- Meltwater Channel
- Valley Fill, Till, Sand Gravel
- Minor Moraine, Till Ridges
- Esker

Ref: Map No. 2 - 1972 , TASEKO LAKES, B.C.



FIG. 3

SANTA SARITA MINING Co. LTD.	
SURFICIAL GEOLOGY CLAIMS AREA CLINTON MINING DIVISION	
JOHN R. POLONI AND ASSOCIATES LTD.	
SCALE : 1" = 4 MILES	DATE : APRIL 21, 1975

APPENDIX E

Assay Data

GENERAL TESTING LABORATORIES

DIVISION SUPERINTENDENCE COMPANY (CANADA) LTD

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA V6A 1W2
PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

TO:
SANTA SARITA MINES LTD.

c/o John Poloni

CERTIFICATE OF ASSAY

No.: 7504-1852 DATE: April 24/75

We hereby certify that the following are the results of assays on: **Ore**

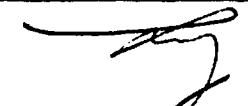
MARKED	GOLD	SILVER	Platinum		Gold	Silver	Platinum	
	OZ/ST 9999	OZ/ST 9999			Pt oz/t	Au- oz	Ag- oz	
TOTAL METAL PER CUBIC YARD								
CALCULATED RESULTS								
A-0901-24.25 lb.	< 0.002	< 0.02	< 0.005		< 0.0035	< 0.04	< 0.0088	DOWNSTREAM SAMPLES NOT ON 615, 616 J.R.P.
A-0902-25.50 lb.	< 0.002	< 0.02	< 0.005		< 0.0035	< 0.04	< 0.0088	
A-0903-16.25 lb.	< 0.002	< 0.02	---		< 0.0035	< 0.04	---	
A-0904-26.00 lb.	0.005	< 0.02	< 0.005		0.0088	< 0.04	< 0.0088	
A-0905-26.50 lb.	< 0.002	< 0.02	---		< 0.0035	< 0.04	---	
A-0906-21.00 lb.	< 0.002	< 0.02	< 0.005		< 0.0035	< 0.04	< 0.0088	
A-0907-20.00 lb.	< 0.002	< 0.02	< 0.005		< 0.0035	< 0.04	< 0.0088	
A-0908-25.50 lb.	< 0.002	< 0.02	---		< 0.0035	< 0.04	< 0.0088	
A-0909-20.00 lb.	< 0.002	< 0.02	< 0.005		< 0.0035	< 0.04	< 0.0088	
A-0910-23.50 lb.	0.010	< 0.02	---		0.0175	< 0.04	< 0.0088	
A-0911-34.455 gm.	39.531	8.21	< 0.005		69.179	14.37	< 0.0088	

PLEASE NOTE: Total precious metal calculated based on 3500 lb. per cubic yard.

DW:mja

RE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OR EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.


L. WONG

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER American Society For Testing Materials • The American Oil Chemists' Society • Canadian Testing Association
REFEREE AND/OR OFFICIAL CHEMISTS FOR Vancouver Merchants Exchange • National Institute Of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR Vancouver Board Of Trade • Vancouver Merchants Exchange

5502-8B Avenue
Delta, B. C.

May 29, 1975

Santa Sarita Mining Co. Ltd.
208-1899 Willingdon Ave.,
Burnaby, B. C.

Dear Sirs:

Re: Churn Creek Gold Property Clinton M.D. report
by John R. Poloni, P. Eng., April 21, 1975

In clarification of sampling and assay procedures the following addendum is submitted to be added to my report.

Sample locations were chosen to obtain an overall picture of the claims as pertaining to the exposed gravel horizons near the main creek channel. The procedure followed was to remove slumped materials from the bank to expose as much of a cross section of the gravel horizon as possible. The bank gravel exposed was panned to obtain some knowledge of the heavy metals content. A sample was then taken from the bank as a cross section of the bed exposed and placed in a plastic sample bag. Volumes of approximately 20-25 lbs. were taken for each sample. No panned material was included.

In the case of sample 0906 a pit 3' X 3' X 2' was dug and the above procedure followed.

The bank from which samples 0908 and 0909 were taken showed a good volume of black sand and four flakes of gold in panning, however the actual bank sample showed poor assay results. No panned material was used in this sample.

Sample 0911 was taken to obtain data on gold and silver values in black sand concentrate as shown from 5 pans of bank gravel.

The assay certificate appended in Appendix E shows the volumes of the samples in pounds, except in the case of 0911. The grades shown are calculated as the total metal content not only in ounces per ton but also as ounces per yard.

JOHN R. POLONI P. Eng.
Consulting Geologist

Standard engineering procedures were followed in preparing the sample locations and in the actual taking of the sample materials.

I trust that this will clarify the assay and sampling data.

Respectfully submitted,

John R. Poloni, P. Eng.



JOHN R. POLONI P. Eng.
Consulting Geologist

JOHN C. OSWALD & CO.

Chartered Accountants

Vancouver, Canada

January 7, 1975

Auditors' Report

To the Shareholders of
Santa Sarita Mining Company Limited

We have examined the balance sheet of Santa Sarita Mining Company Limited as at October 31, 1974 and the statements of deficit, deferred exploration and other expenditures and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1974 and the results of its operations and source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


Chartered Accountants