

92H/4E

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THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

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Lucky Four Group
92H/4E

Form 12

Securities Act

Date Accepted
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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

20 - 83

STATEMENT OF MATERIAL FACTS

RESOURCE SECTION

Name of Section

McNELLEN RESOURCES, INC.

Name of Issuer

18th FLOOR, 100 FRONT STREET WEST, TORONTO, ONTARIO, M5J 1E3

Address of Head Office of Issuer

#1700 - 1075 WEST GEORGIA STREET, VANCOUVER, BRITISH COLUMBIA, V6E 3G2

Address of Registered Office of Issuer

#1700 - 1075 WEST GEORGIA STREET, VANCOUVER, BRITISH COLUMBIA, V6E 3G2

Address of Records Office (Section 39 - Company Act)

NATIONAL TRUST COMPANY, LIMITED, 510 BARRARD STREET, VANCOUVER, BRITISH COLUMBIA, V6C 2J7
Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

there are no other agreements or charges against the Magino Property and no royalties or other charges are outstanding against production.

Plant and Equipment

Plant and the equipment on the Magino Property at this time include machinery, tools, pumps, rehabilitated shaft, hoist and hoist car, air and electrical lines for underground development to the second level 200 vertical feet from the surface.

Work Done and Planned

The following is a summary of the work done, recommendations and conclusions of Donald A. Bourne, B.Sc., M.Sc., P.Eng. A full report dated November 29th, 1982, is attached hereto and forms part of this statement of material facts. Work carried out on the Magino Property includes constructing a campsite area together with a cookhouse, completing a surface survey by S.L. MacDougall, O.L.S. of Sault Ste. Marie, Ontario, completing a program of underground diamond drilling totalling 8,587 ft. in 42 holes in order to test the gold-bearing zones above and below the 200 ft. level, a program of channel sampling on the first and second levels of the old mine and assaying of those samples. Total cost of work done to date is approximately \$1,400,000.00.

Future exploration and development work planned includes definition diamond drilling to be carried out at a cost of \$422,335.00. As Cavendish expended approximately \$1,068,830. on the Magino Property, being approximately \$168,830. in excess of the sum required to earn its 50% interest, it has been agreed that the Issuer spend the first \$168,830. of the next program, which would bring the Issuer's share of work planned to \$295,583.00.

MT. FOLEY PROPERTY

Description

The Mt. Foley Property consists of ten Crown Granted mineral claims located on Mt. Foley, a part of the Skagit Range, in the Cascade Mountains of south-western British Columbia. Mt. Foley is approximately 80 miles east of Vancouver, 15 miles east

of Chilliwack and approximately 12 miles south of Laidlaw, B.C. Laidlaw is a town on the Trans-Canada Highway and on the main line of the Canadian National Railway. These claims are in the Yale Land District, New Westminster Mining Division and are more particularly described as follows:

<u>Name of Claim</u>	<u>Lot Number</u>
Lucky Four No. 1	990 ✓
Lucky Four No. 2	999 ✓
Lucky Four No. 3	1001 ✓
Lucky Four No. 4	989 ✓
Lucky Four No. 5	1033 ✓
Lucky Four No. 6	1034 ✓
Epsilon Fraction	991 ✓
Gamma Fraction	998 ✓
Delta Fraction	1000 ✓
Sperry	1098 ✓

Location and Access

Access to the Mt. Foley Property is difficult. Logging roads reach to within two miles to the north and three miles to the south and terminate about 2,500 ft. below the main showings. Recent operators have bulldozed a road to within about one mile and 2,000 ft. below the main showings. Building an access road would be extremely expensive and helicopter supported work would likely be required. Because the terrain is extremely rugged, it is hazardous to the average worker. Elaborate facilities would be required to bring water to the Mt. Foley Property. However, sufficient water for exploration and development work may be obtainable from underground seepage and drill holes.

Acquisition

The Mt. Foley Property was acquired by the Issuer in 1966 from Rico Copper Mines Limited for and in consideration of the allotment and issuance of 100,000 shares of the Issuer at a deemed price of 1/10¢ per share to Rico Copper Mines Limited. These shares were thereafter distributed on the winding-up of Rico Copper Mines Limited to the shareholders of that company, and most of those shareholders remain shareholders of the Issuer. No part of the consideration paid for the Mt. Foley claims remains unpaid and there are no royalties and or other charges against future production.

The Issuer is the registered and beneficial owner of 100% of the Mt. Foley claims, free and clear of any and all liens, charges or encumbrances.

Plant and Equipment

No plant or equipment are located on the property.

Work Done and Planned

The most recent report on the property, is the report of M.K. Lorimer, B.A. Sc., P. Eng., dated September 13, 1982, a copy of which is available for inspection at the Issuers registered office at 17th Floor, 1075 West Georgia Street, Vancouver, British Columbia and at the Vancouver Stock Exchange.

Previous work carried out on the Mt. Foley Property includes exploration work during 1950 and 1951 carried out by Rico Copper Mines Limited, consisting of approximately 340 ft. of drifting and cross-cutting carried out in an adit about 230 ft. below the main outcroppings together with 4,000 of surface diamond dilling and 440 ft. of underground drilling. In 1953 and 1954, the adit was extended for a total 620 ft. and an additional 10,000 ft. of holes were drilled from the adit. Other than surface prospecting and geological mapping, little was done until 1961 when an electromagnetic survey was performed. In 1966 nine surface holes were drilled totalling 1,330 ft. In 1971 a transit survey was carried out to tie in the underground workings, all identifiable drill holes, surface exposures and topographical features in the area of the main showings. No further work has been carried out on the Mt. Foley Properties since 1971. The Issuer no longer has the financial records showing the amount expended on the Mt. Foley Property for the previously described work.

As to future work plan and the cost thereof, Mr. Lorimer has concluded that although the Mt. Foley Property has possible ore reserves of 28,282 tons grading 4.3 ozs. of silver and 5.1% copper per ton and although there is possibly a larger tonnage of lower grade material on the Mt. Foley Property, the deposit is marginal at the present time although the situation could improve by a rise in metal prices.

Mr. Lorimer has recommended a program of further staking, a magnetometer survey, diamond drilling anomalous areas

found by the magnetometer survey and, if the results are favourable, the carrying out of a detailed study of mining methods, transportation, milling and marketing costs. All of this work could be carried out in an estimated aggregate cost of \$150,000.00.

The Issuer does not plan to carry out the above program during 1983, but in the meantime, the Mt. Foley Property will be held in good standing by paying the taxes thereon which are minimal.

MORRIS MINE PROPERTY

Description

The Morris Mine Property consists of six Crown Granted mineral claims located south-east of Tatlayoko Lake, British Columbia. It is more particularly described as all minerals, precious and base, save coal, petroleum and natural gas lying in or under that land situated in the Clinton Mining Division, Province of British Columbia, being Lots 699 to 704 inclusive, Range 2, Coast District.

Location and Access

Tatlayoko Lake is situated about 140 miles north-west of Vancouver, B.C. The adits and mineral showings, which are gold-silver-antimony, lie at an elevation of about 5,900 feet above sea level and the terrain is steeply alpine. The Morris Mine Property is located in a rugged mountain area on Matthew Creek approximately 4 air miles south-east of the southern end of Tatlayoko Lake. A good all weather road runs from Williams Lake to Tatlayoko Lake, a distance of about 160 miles. From here a secondary gravel road follows the east side of Tatlayoko Lake for a distance of about 40 miles to a point about two miles south-east of the south end of the Lake. An old forestry road providing access to the claim group itself was rehabilitated in 1981 and it is now possible to drive to the property using a four-wheeled drive vehicle. Water for general camp use and diamond drilling is available from a creek near the main adit.

Acquisition

In 1966 the claims were acquired by the Issuer at a cost which is now not known. The Issuer is the registered and