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CANNON-HICKS ASSOCIATES LTD.  
SUITE 604-744 WEST HASTINGS ST.  
VANCOUVER 1, B.C.

REPORT

ON THE

JUPITER LEAD-ZINC-SILVER PROPERTY

OMINECA MINING DIVISION

BRITISH COLUMBIA

FOR

SUSIE GOLD MINES LTD.

BY

R.W. PHENDLER, P. ENG.

VANCOUVER, CANADA

Dec. 14, 1975

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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.	Angela Developments Ltd. receives \$500/month. Richard W. Hughes owns 1/3 of the outstanding shares of Angela Developments Ltd.
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.	NONE
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.	There are no other material contracts not disclosed in the foregoing.
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	SEE SCHEDULE
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

VANCOUVER CURB EXCHANGE LISTING

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

CERTIFICATE OF THE COMPANY

Dated January 28, 1976

SUSIE GOLD MINES LTD

Richard W. Hughes

Douglas Bishop Stelling

George Gamble

D'Arcy James Morrow

*[Handwritten signatures]*  
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 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[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 securities offered by this Statement of Material Facts.

Dated January 28, 1976

CANARIM INVESTMENT CORPORATION LTD.

Per: *[Signature]*



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ILLUSTRATIONS

- (1) Location Map - 1" = 136 Miles
- (2) Property Map - 1" = 2640'
- (3) Jupiter Mine - 1" = 100'



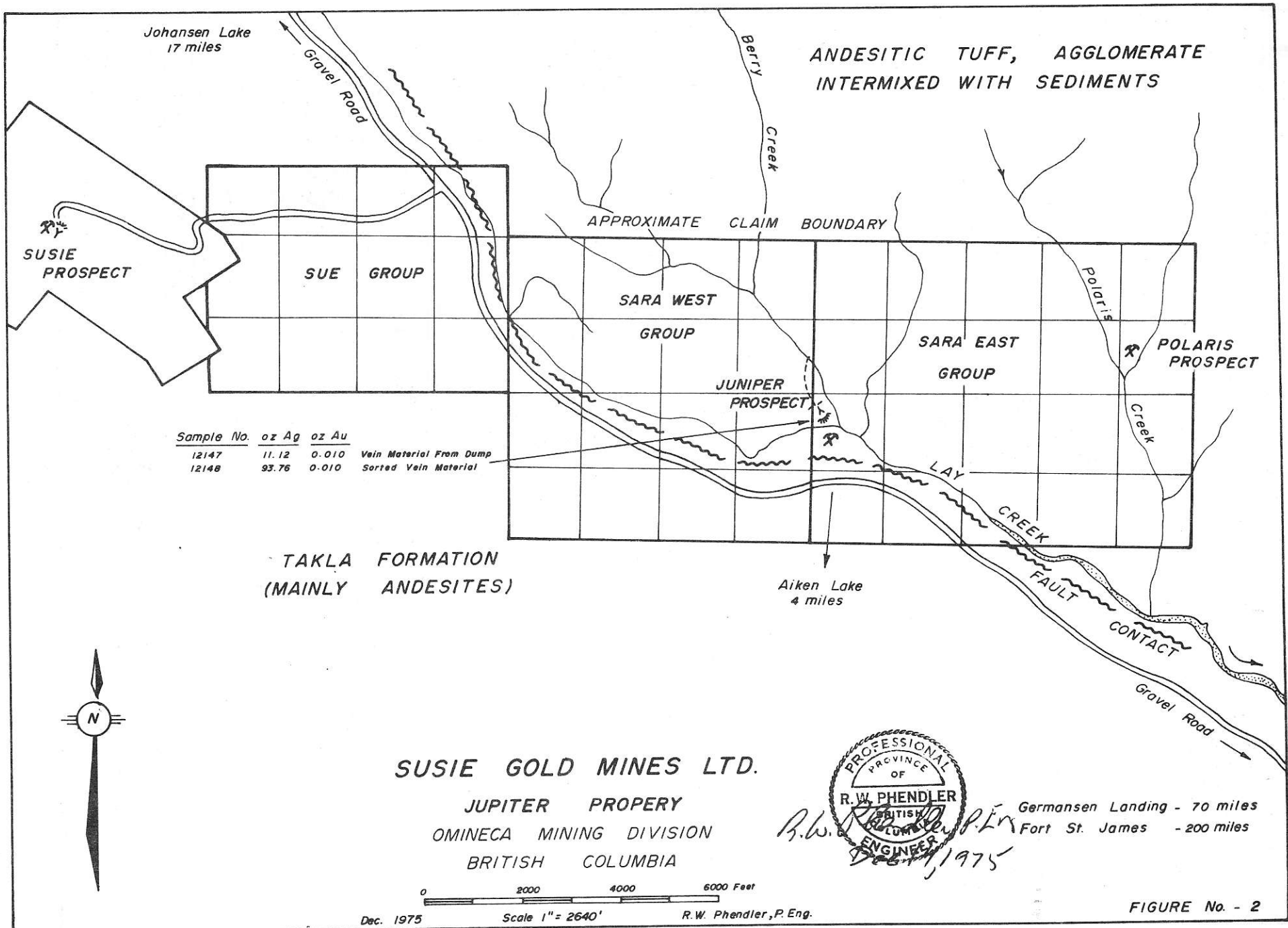
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VANCOUVER B. C.

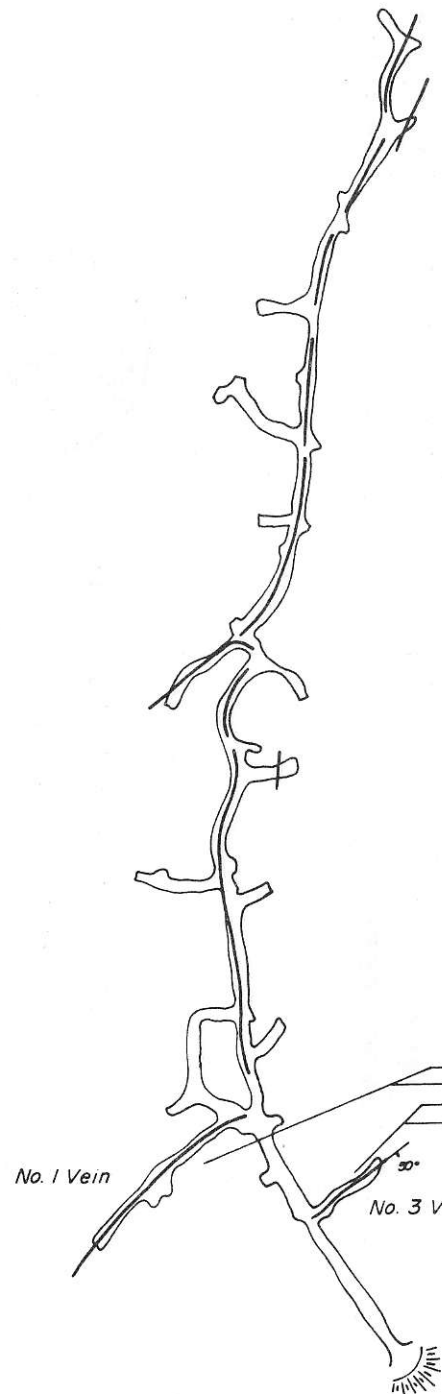
SUSIE GOLD MINES LTD.

PROJECT: Jupiter No. 2

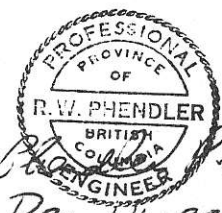
Report by: R. Phendler

SCALE: 1" = 136 Mls. DATE: Dec/75





oz Ag	% Cu	% Pb	% Zn
76.3	0.6	0.4	8.8
91.3	1.0	8.7	30.2
152.0	1.2	7.5	11.7
153.8	1.8	3.2	22.2



*R.W. Phendler P. Eng*  
*Dec 14 1975*

**CANNON-HICKS ASSOCIATES LTD.**  
 VANCOUVER B.C.

**SUSIE GOLD MINES LTD.**

PROJECT: JUPITER No. 3

by: \_\_\_\_\_

SCALE: 1"=100' DATE: JAN. 76

*Copied From Pages 21-22 "Geology And Mineral Deposits Of Aiken Lake Map Area, B.C." E.F. Roots - Mem. 274 - Geological Survey Of Canada.*

PART "A"

SUMMARY AND CONCLUSIONS

The Omineca intrusive complex of north central British Columbia has been under intensive exploration for a number of years resulting in the discovery of many significant areas of mineralization. The intrusive itself and the intruded volcanic rocks to the northeast has been a particularly interesting area and it is within this zone that the Jupiter prospect is located.

The original discovery was made in the mid 1930's by the Consolidated Mining and Smelting Company and warranted the driving of about 1600 feet of underground development before work was stopped in 1937.

The mineralization consists of a broad fracture zone with lens-like pods of silver bearing graphitic material as well as distinct fissure-filling quartz-calcite veins with associated silver-lead and zinc minerals. Although the veins are around one foot wide the indicated grade, based on grab samples taken by Geological Survey of Canada engineers and dump samples taken by the writer are between 75 and 200 oz Ag per ton.

Being situated in the vicinity of a favourable granitic intrusive and a major northwest trending fault, the property must be considered to warrant a significant amount of exploration.

RECOMMENDATIONS

It is recommended that:

- (1) The first stage of exploration consist of detailed geological mapping in conjunction with a geochemical survey using silver and zinc determinations.
- (2) The second stage exploration program consist of the following:
  - (a) Road and bridge construction to the property.
  - (b) Rehabilitation of underground workings.
  - (c) Underground sampling and geological mapping.
  - (d) Surface trenching.
- (3) If results from stage 1 and 2 are encouraging a di- amond drilling program of around 2500 feet should be carried out.
- (4) The sum of \$50,000 be provided to carry out stage 1 and stage 2 of the above program.
- (5) Susie Gold Mines Ltd. should acquire an interest in the property.

COST ESTIMATE

Stage 1

(1) Line cutting on 400' centers on 16 claims		
16 X \$150/mile		\$ 2400
(2) Geochemical survey-200' spacing-400 samples		
\$300/sample		1200
(3) Assaying-400 samples at \$4.00/sample		1600
(4) Geological mapping		1400
(5) Camp costs		1000



(6) Transportation	1500
	<u>\$ 9000</u>
Add 10% for contingencies	900
TOTAL - Stage 1	<u>\$10000</u>

Stage 2

(1) Road and bridge construction	\$10000
(2) Rehabilitation of adit	6000
(3) Underground sampling and assaying	5000
(4) Engineering and geology	2000
(5) Surface trenching	5000
(6) Prospecting	3000
(7) Camp costs	3000
(8) Transportation	<u>2000</u>
	\$36000
Add 10% for contingencies	<u>3600</u>
TOTAL - Stage 2	<u>\$39600</u>

The sum of \$50,000 should be made available to carry out stage 1 and 2.

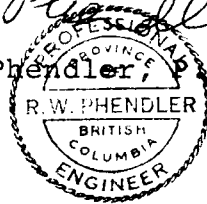
Stage 3 - (Depending on results of stage 1 and 2)

(1) 2500 of BQ wireline diamond drilling at \$15/foot	\$37500
(2) Sampling and assaying	3000
(3) Engineering and geology - (2 months)	<u>4000</u>
	\$45500
Add 10% for contingencies	<u>4550</u>
TOTAL - Stage 3	<u>\$50050</u>

Respectfully submitted,

*R.W. Phendler, P. Eng.*

R.W. Phendler, Eng.



PART "B"

INTRODUCTION

At the request of Mr. R. Hughes, President of Susie Gold Mines, Ltd. the writer examined the Jupiter property on September 17th, 1975. He was accompanied by and guided to the area by Mr. D. B. Stelling.

During the examination two samples were taken from the dumps, as the portals of the underground workings were caved.

Geological Survey of Canada reports on the area were studied by the writer and information from these were used in this report.

LOCATION AND ACCESS

The Jupiter property lies at an elevation of 4000 feet and is located 70 miles northwest of Germansen Landing and 200 miles northwest of Fort St. James in north central British Columbia.

The recently completed Germansen Landing - Johansen Lake road passes through the claim group on the south side of Lay Creek, on the north side of which is the Jupiter prospect. The Lay Creek gorge is a few hundred feet deep in the vicinity of the property and the creek itself is somewhat difficult to cross on foot. No difficulty is anticipated in constructing road access and a small bridge across the creek - total distance of road required is about one mile.

PROPERTY AND OWNERSHIP

The Jupiter property consists of the Sue claim group, the Sara West claim group and the Sara East claim group - totalling

48 mineral claims. Each claim measures 500 meters by 500 meters.

HISTORY

Up until fairly recently the Aiken Lake area has been accessible by float plane, helicopter and pack horse and consequently the early prospecting history is limited.

Prospecting has been carried out intermittently in the region since the late 19th century, but the search for lode deposits was confined to a very few. However placer gold has been recovered from some of the larger rivers as early as 1899. Several gravel bars on Jim May Creek, Ingeniko River, Nega Creek and Wrede Creek have been worked from time to time, but returns have not warranted continuous operations. A gold nugget of 1.35 oz was recovered from Jim May Creek in 1935.

New evidence of metallic mineralization were discovered almost every year between 1925 and 1940, and a minor staking rush took place in the area in 1947.

More recently the area has received much prospecting attention from about 1970 up to the present.

The Consolidated Mining and Smelting Company was very active in the area in the mid 1930's, when the Jupiter property was first discovered. Up to 1939 a total of 1708 feet of development work was carried out in two adits. Both are presently caved but underground work is well documented, although systematic sampling maps are not apparently available. Some grab samples are recorded in Memoir 274 of the Geological Survey of Canada, "Geology and Mineral Deposits of Aiken Lake

Map Area British Columbia", E.F. Roots, 1954.

GEOLOGY AND MINERALIZATION.

The Jupiter property is located in the deeply incised valley of Lay Creek, which is believed to occupy a major fault and shear zone. This zone is provisionally placed at the contact of Takla group rocks on the southwest (andesitic flows and breccias, basalt, tuff, agglomerate shale, conglomerate and limestone) and underlying rocks of pre-Takla age on the northeast. These pre-Takla rocks are considered to be Mississippian to Permian in age and are composed of andesitic and basaltic tuffs, agglomerates, greywacke sandstone, grit, conglomerate, limestone, chert, shale and argillite.

The shear zone appears to 300 or more feet wide with the rocks considerably altered to chloritic and serpentinized schists (originally andesites) and the argillites to soft flaky graphitic material. A small body of blocky porphyritic diorite found near the portal of the principal adit and some of the underground workings may be intrusive.

Two distinct types of mineral deposits have been recognized on the Jupiter property. One is represented by a brecciated fault zone, striking north and dipping steeply west, cemented by white quartz and calcite, which contains much graphitic material and weakly mineralized with pyrite. The principal adit on the property drifted for 795 feet on the mineralized, brecciated fault zone. Vein material in the fault zone followed by the drift is somewhat lensey and weakly mineralized with pyrite. The zone contains graphitic mineralized sections, the best of which was 100 feet long and about 2 feet wide. Samples taken by the owners (in 1937) are reported to have assayed 0.31 oz

to 7.18 oz Au per ton across 2" to 12" in width. A sample taken by B. C. Department of Mine Geologist Dr. R. F. Roots in 1946 assayed 0.135 oz Au, 4.75 oz Ag and 0.60% Zn.

The second type of mineralization on the Jupiter property consists of well defined fissure veins striking northeast and containing quartz and calcite heavily mineralized with sphalerite, tetrahedrite, galena, chalcopryrite, covellite and pyrrhotite. Maximum observed width of these veins (No. 1 and No. 3) is one foot and development on these veins totals 165'. The mineralization consists of interbanded light and dark brown sphalerite and quartz with some calcite. Tetrahedrite and galena occur as irregular patches. Grab samples of these fissure veins taken by Dr. D. Lay (in 1939) and by Dr. E. F. Roots (in 1946) are as follows:

	<u>oz Au</u>	<u>oz Ag</u>	<u>%Cu</u>	<u>%Pb</u>	<u>%Zn</u>
Vein No. 1-1939	0.02	76.3	0.6	0.4	8.8
Vein No. 1-1946	0.01	91.3	1.0	8.7	30.2
Vein No. 2-1939	0.02	152.0	1.2	7.5	11.7
Vein No. 2-1946	0.03	153.8	1.8	3.2	22.2

These samples compare favourable with samples taken by the writer during the present examination as follows:

<u>Sample No</u>	<u>oz Ag</u>	<u>oz Au</u>	<u>Details</u>
12147	11.12	0.010	Vein material from dump.
12148	93.76	0.010	Sorted vein material from dump.

Assaying of the above samples was carried out by General Testing Laboratories Ltd., Vancouver, Canada.

The mineralized breccia zones and fissure veins are located

near small igneous bodies that appear to be related to the Hogem batholith, which is part of the widespread Omineca intrusions. Several metallic mineral deposits are found along the eastern margin of the Hogem batholith, and almost all other known deposits are found close to or along the contacts of small intrusive bodies.

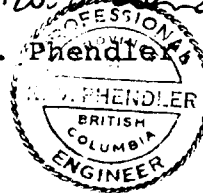
The fissure veins at the Jupiter are unique in the area and are considered to be older than the pyrite-bearing fracture zones. Although the average tenor of these veins is not known they contain in places more than 200 ounces of silver a ton, but for the most part are less than a foot wide.

#### COMMENT

The favourable geological setting of the Jupiter property, being close to a known mineralized intrusive and a major fault indicate that substantial amounts of commercial grade silver-bearing material may be present. The property warrants further investigation because of the current attractive price of silver and in spite of the somewhat narrow widths of the veins.

Respectfully submitted,

*R. W. Phendler, P. Eng.*  
R.W. Phendler, P. Eng.

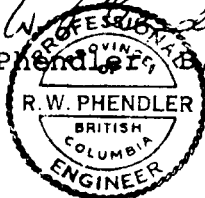


CERTIFICATION

I, Roy William Phendler, of 6175 Granville Street, Vancouver in the Province of British Columbia, hereby certify as follows:

- (1) That I am a registered member of the Association of Professional Engineers of the Province of British Columbia, #4411.
- (2) That I am a graduate of McGill University, Montreal, Quebec with a Bachelor of Science degree in Geology.
- (3) That I have practised my profession as geologist continuously for twenty-three years in Canada, the U.S.A., Mexico, Peru, Colombia and Chile.
- (4) I have not received nor do I expect to receive any interest directly or indirectly in the Jupiter property nor do I own or intend to own directly or indirectly any securities in Susie Gold Mines Ltd. or any affiliated companies.
- (5) That the information contained in this report was compiled as a result of my examination of the property on September 17th, 1975 and a study of available government reports.

*R. W. Phendler, P. Eng.*  
R.W. Phendler, B. Sc., P. Eng.

A circular professional seal for R.W. Phendler, a registered professional engineer in the Province of British Columbia. The seal features the text "PROFESSIONAL ENGINEER" around the top inner edge, "R.W. PHENDLER" in the center, and "BRITISH COLUMBIA" around the bottom inner edge.



NAME AND ADDRESSES

OCCUPATIONS

VANCOUVER STOCK  
EXCHANGE LISTING

DOUGLAS BISHOP STELLING  
Germansen Landing  
British Columbia  
DIRECTOR/PRESIDENT

Prospector

RICHARD W. HUGHES  
2484 Ottawa Avenue  
West Vancouver, B. C.  
DIRECTOR/SECRETARY

Business Executive

D'ARCY JAMES MORROW  
2004 Larson Road  
North Vancouver, B. C.  
DIRECTOR

Consulting Engineer

GEORGE GAMBLE  
P.O. Box 345  
Oakville, California  
DIRECTOR

Rancher

ITEM 10

The beneficial shareholders of Canarim Investment Corporation Ltd. are:

<u>NAME AND ADDRESS</u>	<u>CLASS OF SHARES</u>	<u>NO. OF SHARES</u>	<u>PERCENTAGE</u>
Alfred E. Turton 225 - 1 Lakeview Sq. 155 Carleton Winnipeg, Manitoba	Common	24,119	54%
The Estate of Harold Hemsworth 424 Burrard Street Vancouver, B. C.	Common	14,086	31%
Peter M. Brown 424 Burrard Street Vancouver, B. C.	Common	6,751	15%

ITEMS 12, 14, 15 and 17

Susie Mineral Claims - British Columbia

By Agreement dated March 27, 1975, the Company acquired from Doug Stelling, Germansen Landing, British Columbia, mineral claims Susie 1 - 6, record numbers 113402 - 113407 incl., Susie #8, record number 113409, Susie #17, record number 121912, Susie #19, record number 121914 and Susie #21 - 23 incl., record numbers 121916 - 121918 incl., in consideration of 750,000 fully paid and non-assessable shares in the capital of the Company and the payment of SEVEN THOUSAND FIVE HUNDRED (\$7,500) DOLLARS. The 750,000 shares were allotted as follows:

Doug Stelling - 500,000 shares  
Nautilus Ventures Ltd. - 250,000 shares

750,000 shares represent 56.9% of the outstanding shares of the Company.

The Company is endeavoring to carry out the recommendations of F. Holcapek, P. Eng., in the report dated April 8, 1975, on the Susie claims. To date, the Company has spent approximately \$12,000 in carrying out soil sampling in a 50' x 150' intervals, geological examination, and road building.

ITEM 18

There are 750,000 shares or 56.9% of the issued shares of the Company held in escrow with the Yorkshire Trust Company, Vancouver, British Columbia. Those holding more than 5% of the escrowed shares are as follows:

<u>NAME AND ADDRESS</u>	<u>NO. OF SHARES</u>
Douglas Bishop Stelling Germansen Landing British Columbia	425,000 shares
Nautilus Ventures Ltd. 107 - 325 Howe Street Vancouver, B. C.	250,000 shares

ITEM 19

The greater than 5% shareholders are:

<u>NAME AND ADDRESS</u>	<u>NO. OF SHARES</u>	<u>PERCENTAGE</u>
George Gamble P.O. Box 345 Oakville, California	100,000	7.59%
Nautilus Ventures Ltd. 107-325 Howe Street Vancouver, B. C.	240,000	18.22%
Douglas Stelling Germansen Landing, B.C.	520,001	39.48%

PURCHASERS RIGHT OF RESCISSION

Sections 61 and 62 of the Securities Act contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase in certain events. The purchaser may rescind when:

- (a) Section 60 has not been complied with;
- (b) Written notice of intention to commence an action for rescission of the contract is served upon the person who contracted to sell the securities within 60 days of the date of delivery of the written confirmation of the sale of the securities; and
- (c) The Purchaser is still the owner of the security.

This statement of the Purchaser's Right of Rescission is indicative only and not intended to be comprehensive. For complete details, reference should be made to the sections of the Act.

This Statement of Material Facts shall be deemed conclusively to be received in the ordinary course of mail by the person or company to whom it is addressed.