

681333

93H

REPORT
on the
JO ANN COPPER PROSPECT
Omineca Mining Division

for
Douglas B. Stelling

by
R. G. Potter P.Eng.

Vancouver, Canada September 17, 1976

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 the Statement of Material Facts dated 20 August 1976, as amended.

DATED at Vancouver, British Columbia, this 24th day of September, A.D., 1976.

**VANCOUVER CURB
EXCHANGE LISTING**

CANARIM INVESTMENT CORPORATION LTD.

Per:



CONTENTS

1-00	Introduction	Page 1
2-00	Location and Access	1
3-00	Property	1
4-00	History	2
5-00	Geology	2
6-00	Survey Results	2
7-00	Line Cutting	3

ILLUSTRATIONS

Location Map

Property Map

Grid Map

1-00 INTRODUCTION

Assessment work carried out on the Jo Ann claims during 1976 includes a control grid comprising 25 kilometers of cut lines. This work was done in preparation for geological mapping and an induced polarization survey.

Mr. R. W. Phendler, P. Eng. has visited the property and has found it to be staked in accordance with the British Columbia Mining Act.

The writer is familiar with the geology of the Duckling Creek area.

2-00 LOCATION AND ACCESS

The Jo Ann property is located about 35 miles west-northwest of Germansen Landing in the Omineca Mining Division (NTS 93N/14W). Approximate geographical co-ordinates are Lat: 55° 56'N Long.; 125°29'W Lat.

Access is by helicopter from Germansen Landing.

Access by road is west from Germansen on the Omineca road for about thirty miles. From this point a rough track extends westward to the Lorraine property which lies two miles south of Jo Ann.

3-00 PROPERTY

The Jo Ann claim group comprises a contiguous block of forty (40) full sized mineral claims and two (2) fractions the details of which are as follows:

Name of claim

Jo Ann 1-10	expiry date May 4, 1978
Jo Ann 18	expiry date May 4, 1978
Jo Ann 20 - 26	expiry date May 4, 1978
Jo Ann 27-38	record date August 20, 1974

Jo Ann 39-43

record date January 3, 1975

Jo Ann] and 2 Fr.

record date August 20, 1974

These claims are currently held by D. B. Stelling of Germansen Landing, B. C.

4-00 HISTORY

Recent interest in the Duckling Creek area has been centred on the Lorraine (Granby) Tam (Unex) properties. Reported reserves for these deposits are twenty million tons grading 0.60% Cu and ten million tons grading 0.90% Cu respectively. The Jo Ann claims lie about two miles north of Lorraine and one and one-half miles east of Tam.

The subject property was staked by D. Stelling of Germanse Landing on ground which covered the former Pik claims of Noranda Explorations Ltd. Geological mapping and soil sampling were carried out by Noranda in 1972.

In 1973 the property was optioned to Union Miniere which carried out ground magnetometer and induced polarization surveys (13 and 2 line miles respectively) and 350 feet of diamond drilling in two holes.

Mr. Stelling extended the geochemical coverage in 1974.

5-00 GEOLOGY

The Jo Ann property is underlain by granitic rocks of the Hogen batholith. Significant zones of mineralization in the Duckling Creek area are associated with fracturing in bodies of syenite. Fracture controlled malachite and chalcopyrite mineralization is known to occur within igneous rocks on the Jo Ann claims.

6-00 SURVEY RESULTS

Surveys carried out by Union Miniere in 1973 were focused on an area of anomalous soils (Cu) lying in the valley bottom near the western

edge of the property. No. I.P. anomalies were disclosed but two short diamond drill holes intersected altered diorite carrying disseminated bornite. Grades of 0.02 Cu over 202 feet and 0.06% Cu over 154 feet are reported.

Additional soil sampling by D. Stelling has revealed two other copper anomalies (greater than 150 ppm) with co-incident silver (greater than 1.5 ppm) and molybdenum (more than 13 ppm) anomalies. These lie to the east of the area covered by Union Miniere in a relatively high part of the property.

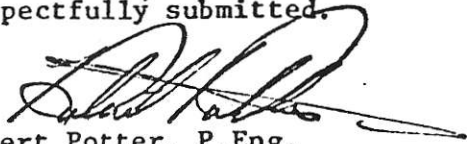
7-00 LINE CUTTING

During the period July 25 to August 4, 1976 a control grid was established on the Jo Ann property. This was laid out to cover soil anomalies and areas of known mineralization. The grid will be used to control geological mapping and an induced polarization survey.

Line cutting was carried out by a crew of four under the direction of Mr. D. Bragg. The grid covers an irregular area about 1500 meters north south by 1800 meters east west. East west lines are spaced at 100 meters with chained stations located every 50 meters. Tie lines were established to control lines spacing.

The writer considers this grid to be necessary for the continuation of exploration on the Jo Ann property and, therefore, certifies its validity as bona fide assessment work.

Respectfully submitted,


Robert Potter, P.Eng.

Vancouver, B. C.

September 20, 1976

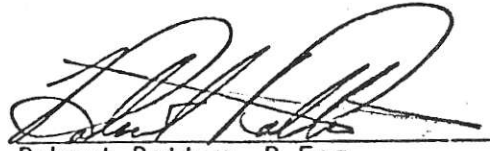
CERTIFICATE

I, ROBERT GARY POTTER, of P. O. Box 3, Fulford Harbour, British Columbia,
Canada,

HEREBY CERTIFY

1. That I am a practicing Geological Engineer.
2. That I hold the degrees of BAsC. in Geological Engineering from the University of British Columbia (1961) and MSc. (Applied) from McGill University (1972).
3. That since graduation I have practiced my profession in Canada and Europe.
4. That I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
5. That I have no interest, financial or otherwise in the Jo Ann claims.

Dated this 20th day of September, 1976 at Vancouver, British Columbia


Robert Potter, P.Eng.

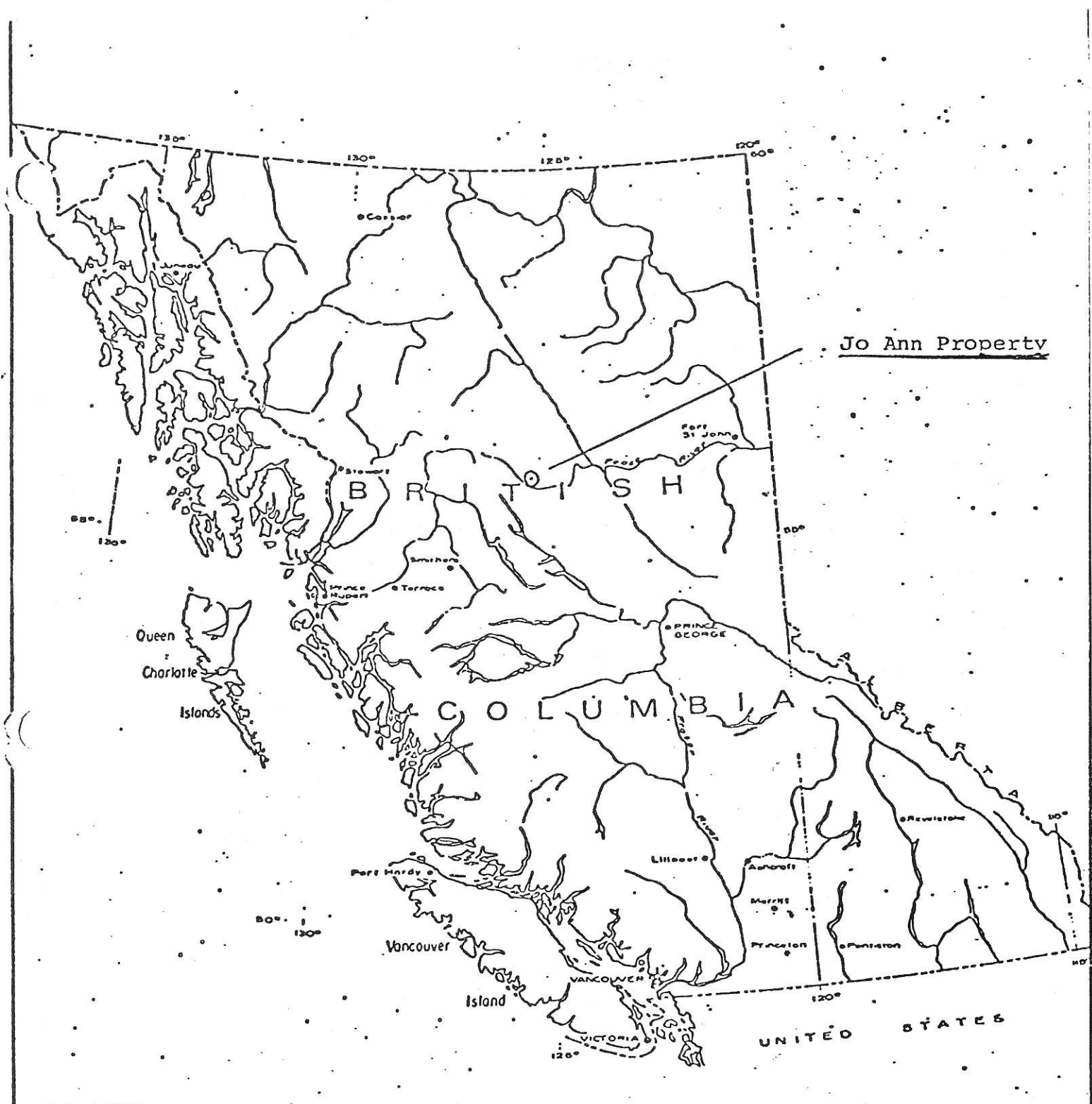


FIGURE 1
 JO ANN CLAIMS
 PROPERTY LOCATION MAP
 Scale 1" = 136 miles

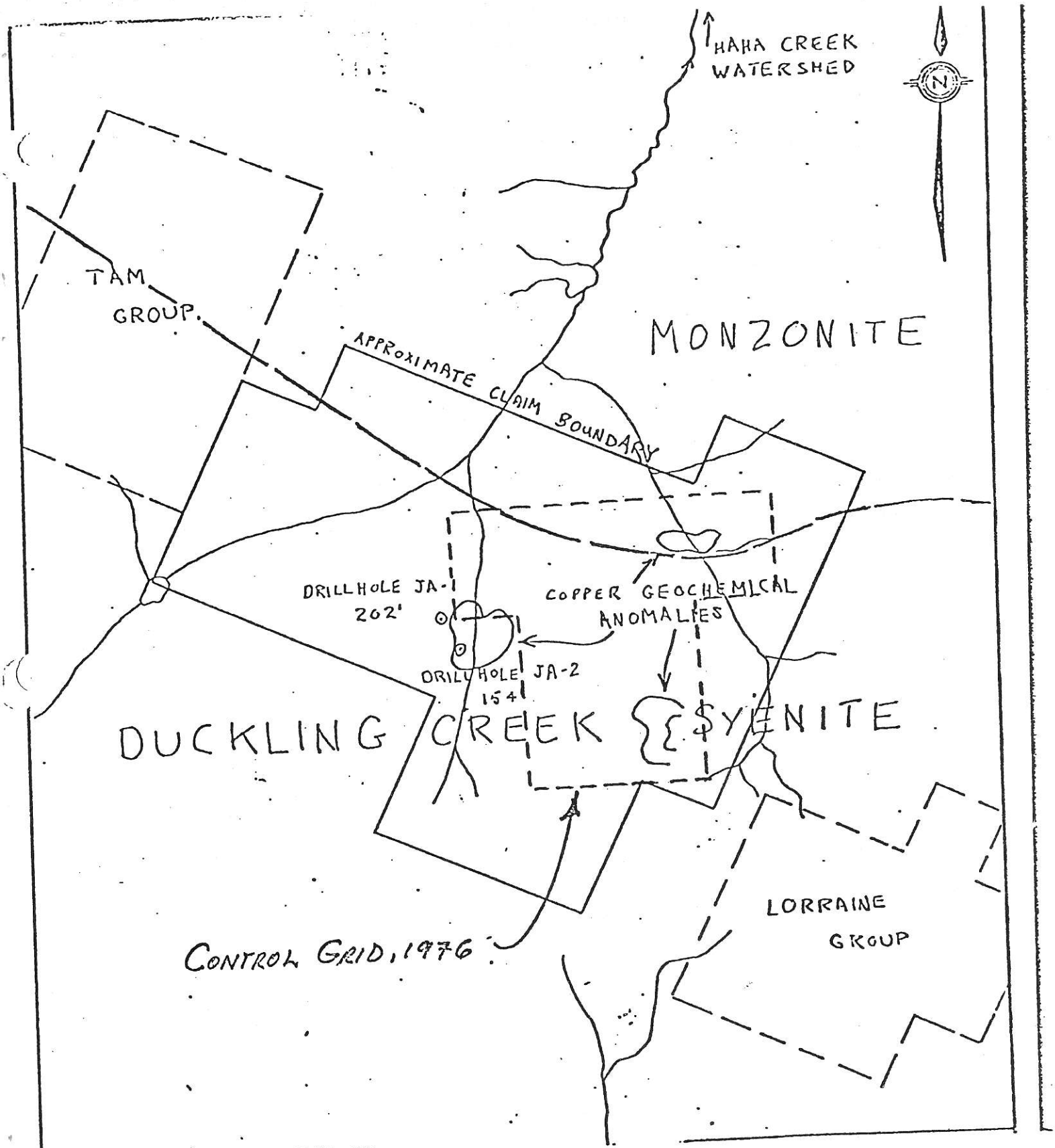


FIGURE 2
 JO ANN CLAIMS
 PROPERTY MAP
 SCALE 1" = 1/2 mile

MERIN MANAGEMENT LTD.
906-675 WEST HASTINGS STREET.
VANCOUVER, B. C.

September 17, 1976.

INVOICE TO: Doug Stelling,
Garransen Landing, B. C.

Invoice # 76-018

RE: JO ANN PROPERTY

Line-cutting, 24 km. by contract from Don Bragg	\$ 5,500.00
Helicopter charter to and from property	552.83
	<hr/>
	\$ 6,152.83
	<hr/> <hr/>

C. H. Stelling

- (b) \$13,500 to Douglas Bishop Stelling;
- (c) 34,000 Shares to David Lawrence Cooke;
- (d) 136,000 Shares to Douglas Bishop Stelling;
- (e) 30,000 Shares to Dauntless Developments Ltd.

All of the issued and outstanding shares of Dauntless Developments Ltd. are owned by Frank A. Lang, of 1575 Rena Crescent, West Vancouver, British Columbia.

If the aforementioned shares are allotted and issued to the Vendors, they will represent 13.4% of the issued shares of the Company.

If, as and when the Company has funds available, the Company intends to carry out the recommendations of R.W. Phendler, P.Eng., in his Report dated 11 August 1976, and subsequent Report by R.G. Potter, P.Eng., dated 17 September 1976, which are attached hereto."

SAVE AND EXCEPT as amended hereby, the Statement of Material Facts of the Company dated 20 August 1976 remains in full force and effect.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statement of Material Facts dated 20 August 1976 and this Second Amendment.

DATED at Vancouver, British Columbia, this 24th day of September, A.D., 1976.

GILLIAN MINES LTD.

Per:

J. Paul Stevenson
J. PAUL STEVENSON

Per:

R. W. Hughes
RICHARD W. HUGHES

Per:

Audrey C. Hamilton
AUDREY C. HAMILTON

Per:

D'Arcy J. Morrow
D'ARCY J. MORROW

**VANCOUVER CURB
EXCHANGE LISTING**

EFFECTIVE DATE: 12 OCTOBER 1976

IN THE MATTER OF GILLIAN MINES LTD.
=====

THIS IS THE SECOND AMENDMENT TO THE COMPANY'S STATEMENT OF MATERIAL FACTS DATED 20 AUGUST 1976.

ITEMS 1, 2, 3 and 9 are hereby amended by adding the following:

"C. Property Agreement

By Agreement dated 22 September 1976 between the Company and Douglas Bishop Stelling, of Germansen Landing, British Columbia, as to 68%, David Lawrence Cooke, of 16331 Bell Road, Surrey, British Columbia, as to 17%, and Dauntless Developments Ltd., of #202 - 900 West Pender Street, Vancouver, British Columbia, as to 15%, the Company acquired the JO ANN #27 - #38, JO ANN ONE FRACTION, and JO ANN #39 - #48 mineral claims, Record numbers, 130972 - 130983, 130984, and 133613 - 133622, situated in the Omineca Mining Division of the Province of British Columbia in consideration for \$15,000 and 200,000 shares in the capital of the Company.

The Purchase Price shall be payable as follows:

- (a) \$15,000 within 360 days from the date of the approval of the Vancouver Curb Exchange ("the approval date");
- (b) 50,000 Shares not less than 90 days from the approval date;
- (c) 50,000 Shares not less than 180 days from the approval date;
- (d) 50,000 Shares not less than 270 days from the approval date;
- (e) 50,000 Shares not less than 360 days from the approval date.

The allotment and issuance of shares pursuant to Clauses 2(b), (c), (d) and (e) will be subject to the Company's filing satisfactory engineering reports with the Vancouver Curb Exchange indicating progress on the said claims.

The purchase price as set out above will be payable as follows:

- (a) \$1,500 to David Lawrence Cooke;