

PLACER MINING LEASES AVAILABLE FOR TRANSFERA. DESCRIPTION OF LEASES

1. Placer Mining Leases 897 and 1098 ("Fraser River")

These leases take in the Hill's Bar area on the Fraser River and was first discovered as gold bearing in 1858. This area has not yet been worked with heavy equipment or modern discovery methods and gold can be panned from the surface down. Due to the mild climate it is likely that mining could continue throughout the winter.

2. Placer Mining Leases 7374 and 596 ("Mary Creek")

Our client advises that the gold found in this area is course and of good purity, approximately assay .900 fine.

The property itself has a dry pay channel. Hence, no excess water problem exists. Surface trenching indicates that this property contains the same alluvial formation which overlies the Toop property.

The Canada West Magazine, 1975 Volume 5, No. 4 at Page 2 assesses the Toop property as follows:

The yield of placer gold from the Toop Channel
for a five day period in September, 1975:

September 23	-	16	oz
September 24	-	18½	oz
September 25	-	24	oz
September 26	-	30½	oz
September 27	-	38	oz
Total		=127	oz

3. Placer Mining Lease 7250 ("Grouse Creek")

This property lies on a low bench between the headwaters of Canadian and Grouse Creeks. The area has had little development in the past because of drainage problems related to hand mining techniques.

4. Placer Mining Leases 7490 and 769 ("Lightning Creek")

Placer Mining Lease 7490 takes in the junction of Lightning and Van Winkle Creeks as well as the old town site of Van Winkle. Placer Mining Lease 769 takes in bench ground of Lightning Creek as well as the lower part of Perkins Gulch.

Gold was discovered on Lightning Creek in July of 1861. A gold rush followed this discovery particularly to the Van Winkle Creek, where 2000 feet at the lower end yielded 100 - 250/day.

B. MINING OFFICES

New Westminster Mining Division
100-403-6th Street
New Westminster, B.C.
V3L 3B1

Tel: 525-0375

Cariboo Mining Division
102, 350 Barlow Avenue
Quesnel, B.C.
V2J 2C1

Tel: 992-5591

C. LEASE REQUIREMENTS

Each lease is subject to an annual payment of \$50.00 and a minimum of \$250.00 work performed on the property.

D. MAPS

Attached hereto are a series of maps outlining the approximate areas where these leases may be found.

E. RESERVE PRICE

There is a reserve price of \$275,000 placed on these leases, this price reflects a reserve on all seven leases in total.

F. ANALYTICAL REPORT

Attached is a very brief analytical report based on samples provided by our client from these properties. Our client is of the view that the payload on these properties is in the neighbourhood of \$10-\$25 per yard.

NOTE: National Trust Company, Limited in no way warrants the above information to be correct.

ANALYTICAL REPORT

SPECTRO-ANALYSIS _____ SPECTRO-CHEMICAL _____ WET ANALYSIS _____ SPECIFIC GRAVITY _____

FIRE ASSAY _____ ATOMIC ABSORPTION _____ PROCESS EXTRACTION RESEARCH _____ PROCESS AMALGAM _____

Sample submitted by: M. L. Zeiler DATE 1-5-75

General Delivery, Hope B.C. Canada VOX ILO

Sample description: Black sand concentrates, Gold Dust Placer OTL8868

	Method A (wet)	Method B (wet)	Fire assay
Silver	4.07 oz. p/t	4.31 oz. p/t	2.67 oz. p/t
Gold	42.84 oz. p/t	48.38 oz. p/t	28.32 oz. p/t
Rhodium		0.27 oz. p/t	
Palladium		0.20 oz. p/t	
Iridium		0.33 oz. p/t	
Platinum		1.11 oz. p/t	

NOTE: Because the sample submitted was only 250 grams (approx.) it can hardly be considered representative of a production. To quote on material such as this we would need some evidence that this is indicative of what can be produced in a production. I will say, however, that if you can produce this quality we definitely are interested in submitting a quotation for the purchase of this material. Because the sample was so small there was no way for us to determine the characteristics which help to arrive at a figure. See accompanying letter.

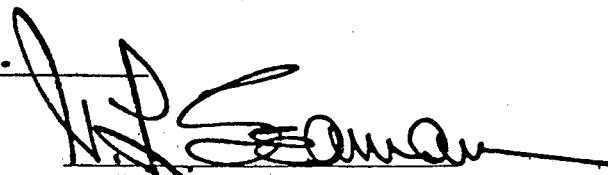
Spectrograph reports must be given in a range rather than an exact figure. However, the particular model spectrograph which OTL uses, is superior in that it detects metals that could be overlooked by other methods of determination. It is especially suited to the trace and near trace elements.

The above figures are not necessarily indicative of the values obtainable by conventional extraction methods. All quantities shown in 'ounces per ton'.

Most samples containing the platinum group metals are of a 'complex' nature. In the make-up of these 'complexes' are many 'unstables' that tend to outweigh the 'stable' portion and act to suppress, or even prevent, the extraction of the 'stables'. OTL has been successful in overcoming this problem. We have established what we believe to be all the required basic production processes for the extraction of the precious metals from domestic ores.

OTL is equipped to perform the research needed to establish the feasibility and adaptability of ores to the OTL RECOVERY METHODS.

TEST FEE \$20.00 PD.



V.L. Seaman



ORE-TECH LABORATORIES, Incorporated

P.O. BOX 174, SCOTTSDALE, ARIZONA 85252 (602) 945-2110

MINERAL ORES · PROCESS RESEARCH AND DEVELOPMENT · PRODUCTION EXTRACTION PROCESSES

January 6, 1975

M. L. Zeiler
General Delivery
Hope, B.C., Canada VOX ILO

Dear Mr. Zeiler,

Enclosed is your report.

This is a very good 'sample'. In fact I would like to be buying this in ton lots (provided the ton lots are identical to the sample).

In the event this seems somewhat sarcastic please understand my position. We have been advertising for black sands for nearly two years now. In this time we have acquired an education in human behavior (as pertaining to the mining industry). Some people will go to any lengths to get us excited about their 'Hot-Spot-Find'. And I will admit that we have become excited many times. However, in following up some of these leads we got the shock of our lives. So with no further adieu let me just say that I must take a very negative view of any sample until proven otherwise.

As I promise to any of my customers I will give a quotation for the purchase of the material. I feel the only way to give a figure which would be more realistic would be for you to send me 50 pounds of this concentrate. First this will prove to me that you can produce the material and it is unlikely that you have altered the material in any way. With this amount I will then perform a P.O.E. (proof-of-extraction) analysis at our expense. This will then tell us exactly what can be expected in the way of recovery from a production standpoint and also establish what the expense will be. In this way we can quote you a good figure.

Sincerely,



V. L. Seaman, president

ORE-TECH LABORATORIES, Incorporated

Reverse Bid \$ 275,000

lease (to see) Fraser R = ^{working as 8} Feb 10th

now working in Yukon & so
can't handle his B.C. properties

Placer mining — 15 yrs.
last 5 - mining places in Yukon.

Work:
Some exploration in
no product in

Fraser R - flow gold

stripping - many Cuck
some sl. gold.
30' at.
110' highest stripped
with D-9
50'-70' to bedrock
now by testing
no evidence

Hillstar:
only had worked
easily tested 4/0-25/40.

SECURITY Printing Corporation Ltd.

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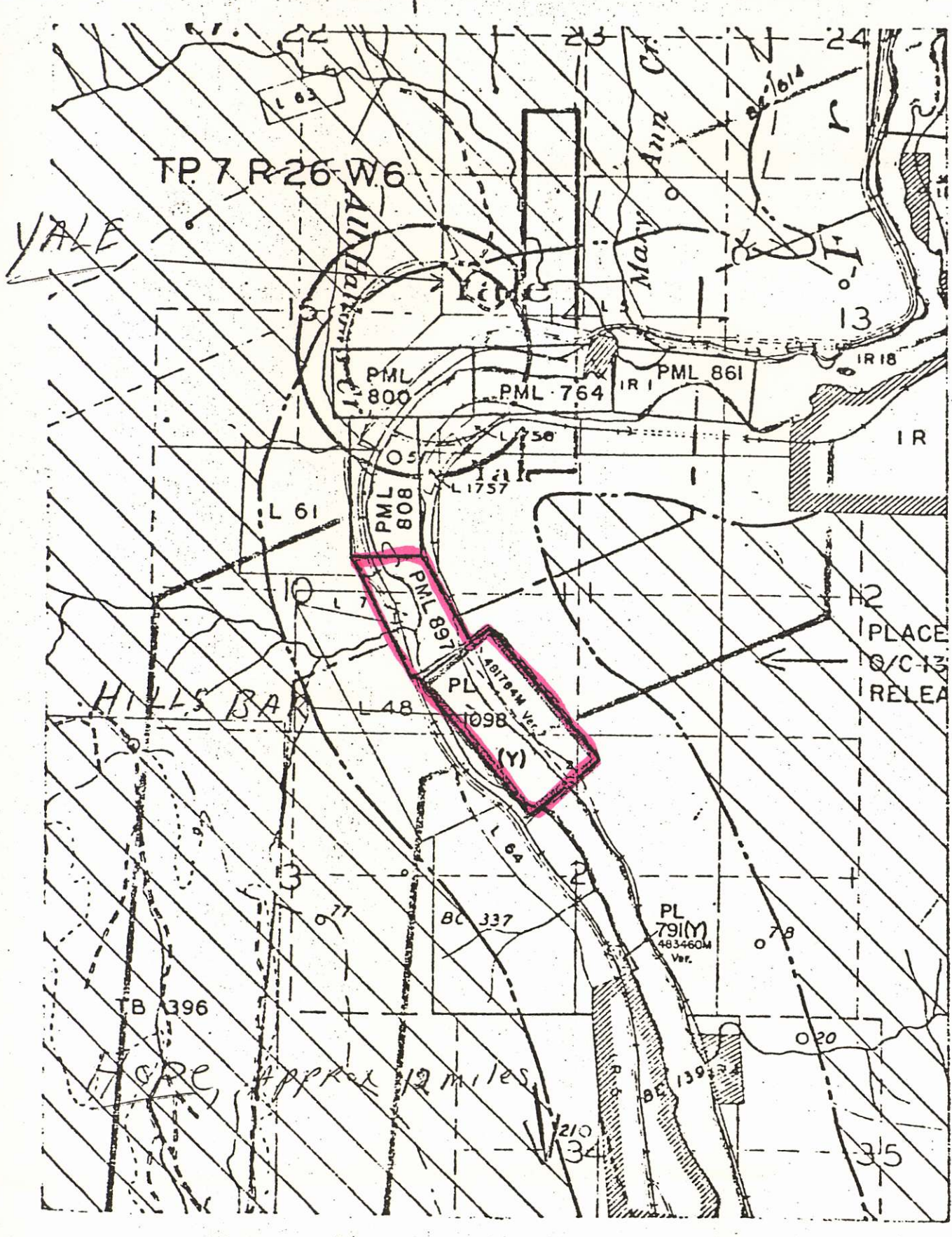
Statement of Material Facts

A DIVISION OF BRITISH AMERICAN BANK NOTE COMPANY LIMITED

2. The Lessee shall save harmless and keep Her Majesty indemnified against all actions, claims, and demands that may be brought or made against Her Majesty by reason of anything done by the Lessee, his servants, workmen, or agents in the exercise or purported exercise of the rights, powers, and privileges hereby

SCHEDULE A PLACER LEASE NO. 1098

DESIGNATED AREA: FRASER-BRALORNE MINING DIVISION: NEW WESTMINSTER



Location (approx.) based on inspection report dated November 10, 1978.

Initial post was found 260 m East and 120 m South of the confluence of Gordon Creek and the Fraser River

BEARING (TRUE)	DISTANCE	TO
S 40° E	1000 m	Final Post

300 metres lie to the right and 200 metres lie to the left of the location line.



Province of British Columbia
Ministry of Mines and Petroleum Resources
MINERAL RESOURCES BRANCH

PLACER TITLES MAP: P 926/11W d
SCALE: 1/2 MILE = 1 INCH
SKETCH PREPARED BY: K. BALLANTYNE
MINERAL TITLES DRAUGHTING
VICTORIA, B.C.
DATE: NOVEMBER 29, 1978

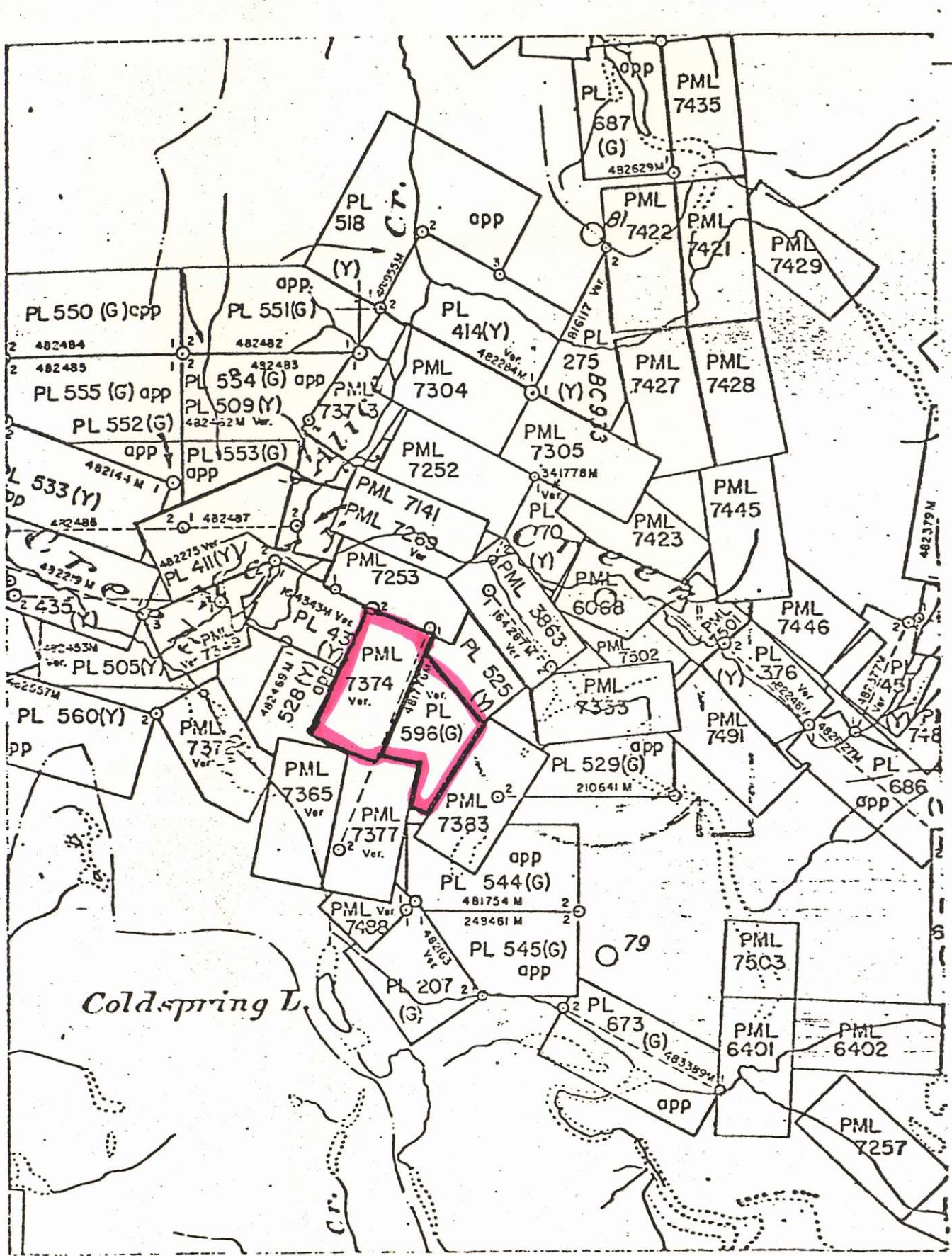
208
+ 20, 21

The Lessee shall save harmless and keep Her Majesty indemnified against all actions, claims, and demands... The Lessee shall save harmless and keep Her Majesty indemnified against all actions, claims, and demands...

PLACER LEASE NO. 596

DESIGNATED AREA: BARKERVILLE

MINING DIVISION: CARIBOO



Position (approx.) based on inspection report dated FEBRUARY 15, 1977.

Initial post was found 1120 metres (3675 feet) East and 50 metres (164 feet) South of the confluence of John Boyd Cr. and Mary Cr.

BEARING (TRUE)	DISTANCE	TO
S 20° W	1370 metres (4500 feet)	FINAL POST

E: Maximum length of location is 1000 metres measured from Initial Post

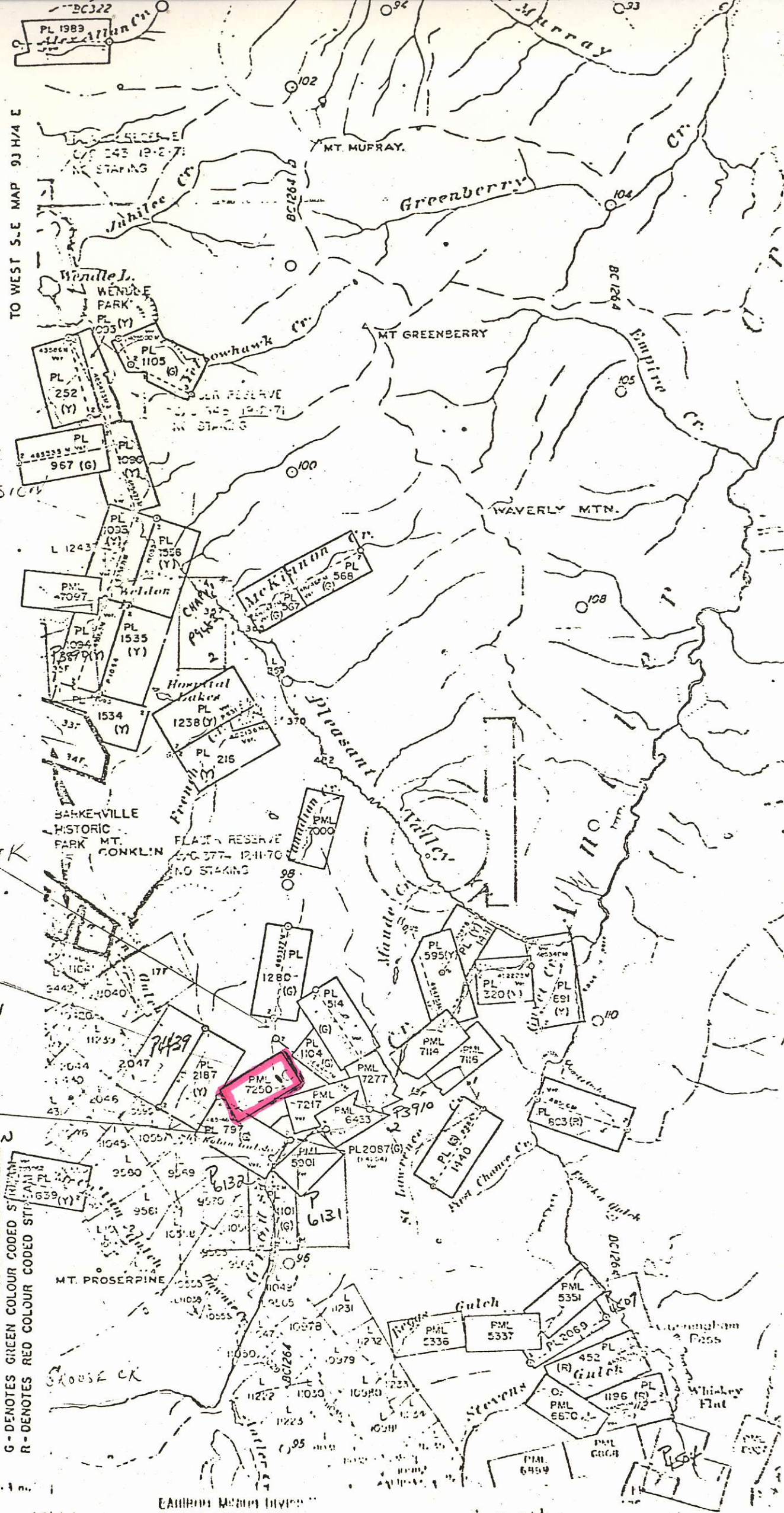
100 metres (0 feet) lie to the right and 500 metres (1640 feet) to the left of the location line, hereinafter referred to as the location.

PLACER TITLES REFERENCE MAP: P 936/IE
 SCALE: 1/2 MILE = 1 INCH
 SKETCH PREPARED BY: R. LAYFIELD
 MINERAL TITLES DRAUGHTING ROOM
 DEPARTMENT OF MINES AND
 PETROLEUM RESOURCES, VICTORIA, B. C.
 MARCH 25, 1977.

3
 NOV. 10, 79
 PHOTO
 CARIBOO
 MINING DIVISION
 MAP NO.
 P-93H-3W
 P3890-
 McELVIE

CANADIAN CREEK
 HEADWATERS
 DML 7250
 80 ACRES
 P4439 - MacBOWAN
 Sky Robin
 Gulch
 P6131 - THOMPSON
 P6132 - CAMPBELL
 P3910 - JONASSON
 P4507 - PILLING
 P4504 - PILLING
 P4520 - DENNIS

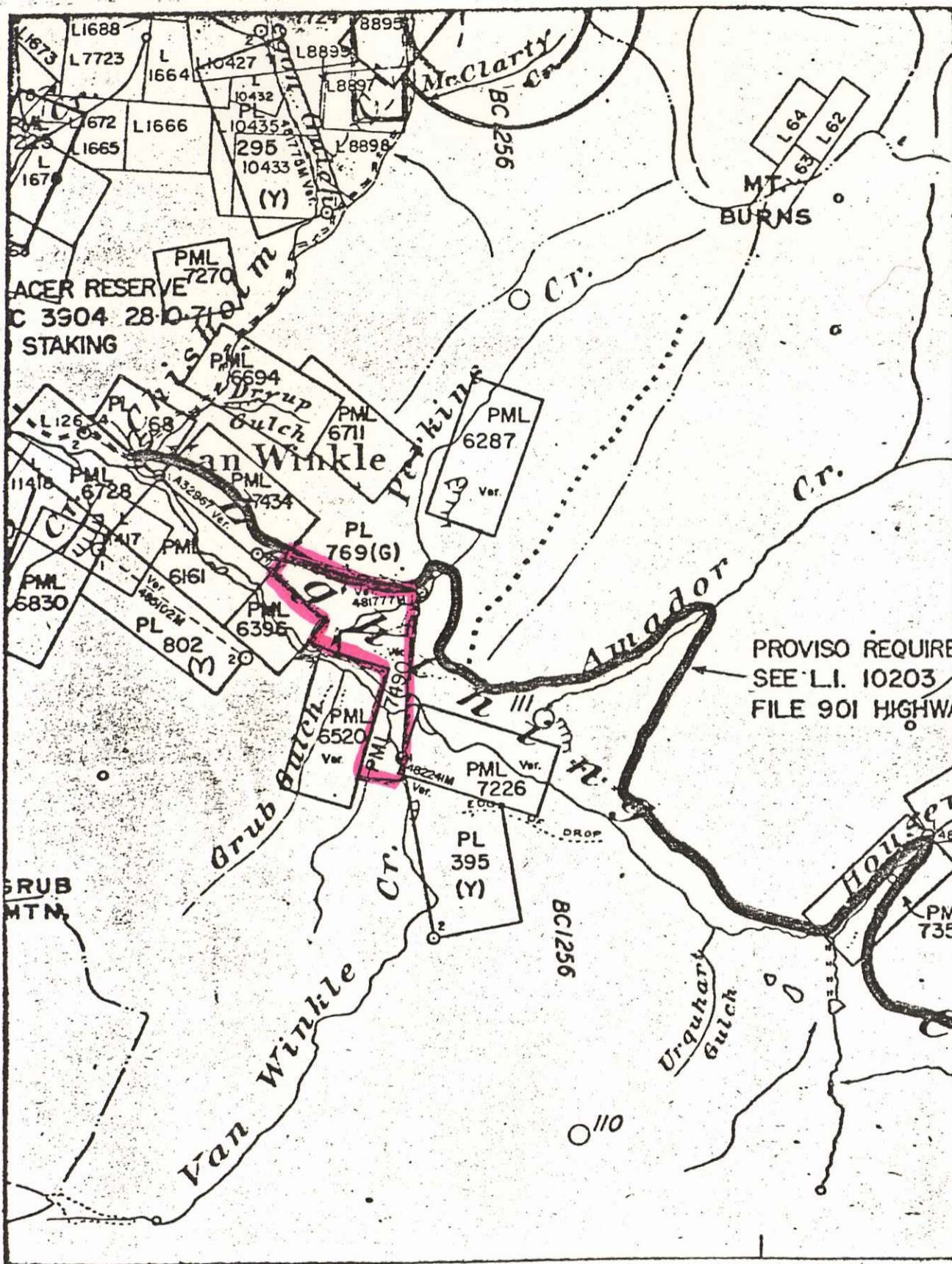
Y - DENOTES YELLOW COLOUR CODED STREAM
 G - DENOTES GREEN COLOUR CODED STREAM
 R - DENOTES RED COLOUR CODED STREAM



SCHEDULE "A"

PLACER LEASE NO. 769

DESIGNATED AREA: BARKERVILLE MINING DIVISION: CARIBOO



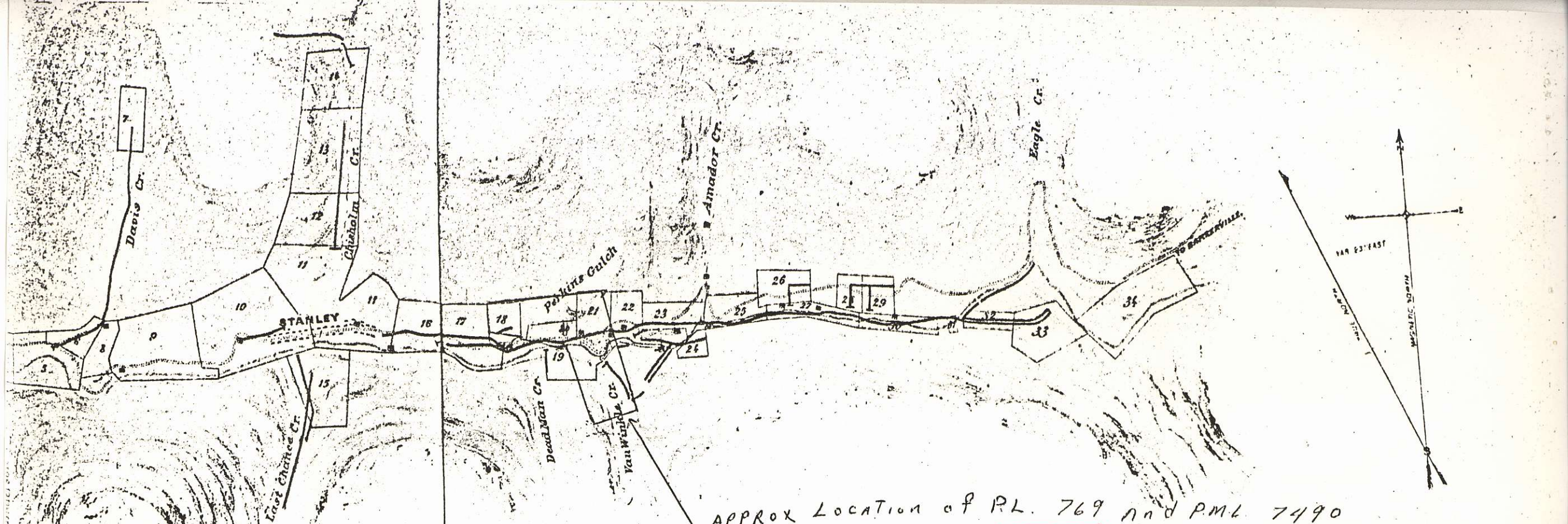
Location (approx.) based on inspection report dated DECEMBER 16, 1977.

Initial post was found 200 metres East and 650 metres North of the confluence of Lightning Cr. and Van Winkle Cr.

BEARING (TRUE)	DISTANCE	TO
N 76° W	935 metres	FINAL POST

0 metres (0 feet) lie to the right and 500 metres (1640 feet) to the left of the location line, hereinafter referred to as the location.

PLACER TITLES REFERENCE MAP: P 93 H/4 E b
SCALE: 1/2 MILE = 1 INCH
SKETCH PREPARED BY: D. HAWKSHAW
MINERAL TITLES DRAUGHTING ROOM
DEPARTMENT OF MINES AND
PETROLEUM RESOURCES, VICTORIA, B.C.
DECEMBER 30, 1977.



APPROX LOCATION OF RL. 769 AND P.M.L. 7490

NOTE. This map is reproduced, APPROX 1/2 of ORIGINAL, OR APPROX 3000 FT P.M.L. This is result of survey of ORIGINAL CLAIMS between 1875 and 1879 many of these PROPERTIES mentioned in 1926 GOVERNMENT REPORT. J.M.J.

PART OF
HITTING CREEK
CARIBOO.

Scale 1500 f' to One Inch.

JOHN EVANS MINING SURVEYOR.

..... Creek Claim	18 Pioneer	..... Hill.
..... Creek & Hill	19 Van Winkle	..... Creek & Hill.
..... d'	20 Perkins	..... Hill.
..... of England	21 Point	..... d'
..... Lilly	22 Spruce	..... Creek & Hill.
..... unated	23 South Wales	..... Hill.
..... Creek	24 Discovery & Butcher	..... d'
..... State	25 Lightning	..... Creek & Hill.
..... Stone	26 Elk	..... Hill.
..... Lilly & Steammill	27 Hoop	..... Creek
..... Lightman & Chisholm	28 Mount Hollow	..... Hill.
..... d'	29 Dunbar	..... d'
..... d'	30 Perseverance	..... Creek.
..... d'	31 Gilchrist	..... d'
..... Hill	32 Airshire Lass	..... Hill.
..... d'	33 Eastern	..... d'
..... d'	34 Chilcotin	..... Creek & Hill.

TRANSVERSE SECTION OF
SOUTH WALES
AND
DISCOVERY BENCH CLAIMS.
Scale 60 f' to one Inch.

