



SECURITIES ACT, 1967

Re Kimberley Copper,
Kamloops M.D.

Contains reports by:
Jamason, 1970
Mitchell, 1971

Neither the British Columbia Securities Commission 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.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

NOR-WEST KIM RESOURCES LTD. (N.P.L.)
(Full name of company.)

1403 - 1030 West Georgia Street, Vancouver, B.C.
(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	See Item 1 (a) attached.
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	See Item 1 (a) and (c) attached.
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	See Item 1 (a) and (c) attached.
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	See Item 4 attached.
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	Incorporated under the laws of the Province of British Columbia by Memorandum and Articles of Association - Corporation date April 7, 1966.
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	See Item 6 attached.
7. State the share capitalization of the issuer showing authorized and issued capital.	Authorized: 3,000,000 shares without nominal or par value. Issued fully paid up 716,400 shares.
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	Two Promissory Notes in favour of Royal Bank of Canada, Main Branch, Vancouver, B.C. in amount of \$15,000 dated November 5, 1970 and \$2,000 dated February 1, 1971. Balance owing \$12,000.
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	See Item 1 (a) and (c) attached.

<p>10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.</p>	<p>See Item 10 attached.</p>
<p>11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.</p>	<p>None.</p>
<p>12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.</p>	<p>See Item 12 attached.</p>
<p>13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.</p>	<p>None.</p>
<p>14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.</p>	<p>See Item 12 attached.</p>
<p>15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.</p>	<p>See Item 12 attached.</p>
<p>16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.</p>	<p>During the preceding two years the affairs of the Company have been under the direction of its Directors and no one has received any consideration during such time for acting as a promoter of the Company.</p>
<p>17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.</p>	<p>See Item 12 attached.</p>
<p>18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.</p>	<p>See Item 18 attached.</p>
<p>19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.</p>	<p>See Item 19 attached.</p>
<p>20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.</p>	<p>None, other than a Small Debts Court Summons issued by Johnstone Fabricators Ltd. for \$392.16 and Judgment has now been entered for \$394.16.</p>

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.	\$14,000. During the past year the Company also paid \$1,611.45 to Manning, Bruce & Company for legal services rendered. The Treasurer of the Company, A.B. Whitelaw is a partner of that firm.
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, other than as provided by the terms described under Item 1 (a) attached.
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 1 (c) 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.

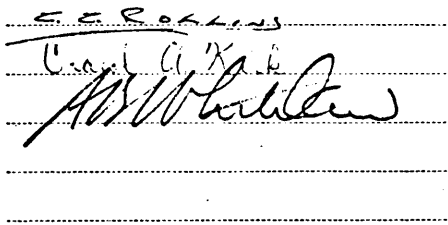
27.

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 February 24, 1971.

NOR-WEST KIM RESOURCES LTD. (N.P.L.)



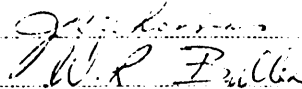
[Corporate Seal.]

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 the securities offered by this Statement of Material Facts.

Dated February 24, 1971.

NOR-WEST KIM RESOURCES LTD.



NOR-WEST KIM RESOURCES LTD. (N.P.L.)

NOTES TO STATEMENT OF MATERIAL FACTS
DATED FEBRUARY 24, 1971

ITEM 1 (a)

By an Agreement dated the 23rd day of February, 1971, West Coast Securities Ltd. of 845 West Pender Street, in the City of Vancouver, in the Province of British Columbia (hereinafter called "the Agent") received appointment as Agent of Nor-West Kim Resources Ltd. (N.P.L.) (hereinafter called "the Company") for the purpose of offering to the public, subject to the terms and conditions of the said Agreement and the appropriate security regulations, 200,000 shares of the Company with warrants attached (one share and one warrant being hereinafter referred to as a "unit"), each unit consisting of one share and one Series "A" Share Purchase Warrant (see Item "Warrants" below). The offering is to be made at a fixed price offering on the floor of the Vancouver Stock Exchange, such offering to take place not more than ten (10) business days after the date a Statement of Material Facts is accepted for filing by the Vancouver Stock Exchange on a day within that period specified by the Company with the approval of the Vancouver Stock Exchange. Between the hours of 2:00 p.m. and 5:00 p.m. on the day prior to the offering day and between the hours of 6:00 a.m. and 6:55 a.m. on the offering day (all times being Pacific Standard Time), a book will be maintained on the floor of the Exchange to receive purchase orders.

Under the applicable Rules of the Vancouver Stock Exchange the Company will, with the consent of the Vancouver Stock Exchange pick the price at which units will be offered, and such offering price shall not be higher than the closing price on the Vancouver Stock Exchange for shares of the Company on the day preceding the day of the offering.

Under the terms of the abovementioned Agency Agreement, the Agent may reserve not greater than eighty (80%) per cent of the 200,000 units for its clients and/or clients of other members of the Vancouver Stock Exchange, and at least twenty (20%) per cent of the units will be offered to members of the Vancouver Stock Exchange. In the event of over-subscription with respect to such twenty (20%) per cent of the units, pro rating will be settled with the approval of the Vancouver Stock Exchange and with the approval of the said Exchange over-subscriptions received by the Agent may participate therein.

The price of the units determined as aforesaid does not represent the net proceeds to the Company. The Agent will be entitled to a commission payable by the Company with respect to such offering at the regular commission rate as specified in the By-laws and Rules of the Vancouver Stock Exchange.

The Purchaser of any units under the offering from the Agent or any other member of the Vancouver Stock Exchange, will be required to pay regular commission rates as specified in the By-laws and Rules of the Vancouver Stock Exchange.

The offering is also subject to the receipt of purchase orders totalling One Hundred Thousand Dollars (\$100,000.00) failing which the offering will be withdrawn by the Company. If sufficient purchase orders totalling One Hundred Thousand Dollars (\$100,000.00) are received and there remains unsold after the fixed price offering a portion of the 200,000 units originally offered, the balance that are unsold will be withdrawn.

The range of the market price of the shares of the Company (prior to the consolidation of its shares three for one) during the past ninety days has been from \$0.15 to \$0.28 per share.

WARRANTS

The Series "A" Purchase Warrants to be issued as part of the units hereby offered will be in bearer form and each Series "A" Purchase Warrant will entitle the holder thereof to purchase one share in the capital of the Company at any time up to the close of business on the 10th day of June, 1971 at a price of Ten Cents (\$.10) per share in excess of the offering price ("the exercise price"), and to receive without further payment one Series "B" Purchase Warrant to be issued in bearer form entitling the holder thereof to purchase one share in the capital of the Company at any time up to the close of business on the 10th day of December, 1971 at a price of Twenty Cents (\$0.20) per share in excess of the offering price.

The Series "A" Purchase Warrants and the Series "B" Purchase Warrants will contain anti-dilution provisions including among other things, provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or re-classification of the shares, the payment of stock dividends or the subsequent issue of shares at a price lower than the then Share Purchase Warrant exercise price.

ITEM 1 (b)

The Company did, at an Extra Ordinary General Meeting held in Vancouver on February 22, 1971, enact:

- (a) A Special Resolution consolidating every three (3) shares of the Company both issued and un-issued into one (1) share, so that the number of shares authorized shall be reduced from 5,000,000 shares with a maximum price of One Dollar (\$1.00) of which 2,147,007 are issued, to 1,666,666 $\frac{2}{3}$ shares with a maximum price at or for which such shares could have been or may be issued at One Dollar (\$1.00) of which 715,669 shares are issued, every three (3) of such shares without nominal or par value being consolidated into one (1) share without nominal or par value.
- (b) A Special Resolution increasing the number of shares which the Company is authorized to issue from 1,666,666 $\frac{2}{3}$ shares with a maximum price of One Dollar (\$1.00) to 3,000,000 shares at a maximum price or consideration as or for which all such shares may be issued be One Dollar (\$1.00).
- (c) A Special Resolution changing the name of the Company to Nor-West Kim Resources Ltd. (N.P.L.).

ITEM 1 (c)

The Company has entered into an Agreement with certain of its creditors, subject to the approval of the necessary regulatory bodies to subscribe for shares of the Company at Fifty Cents (\$0.50) per share and to offset the price of such subscriptions by the amount owing to the said creditors in the Company. The creditors who have agreed to subscribe for shares of the Company as aforesaid are as follows:

<u>CREDITOR AND ADDRESS</u>	<u>CONSIDERATION</u>	<u>AMOUNT OF ACCOUNT</u>	<u>NUMBER OF SHARES TO BE ISSUED</u>
Land-Sea Power, 1606 East Hastings Street, Vancouver 6, B.C.	Services Rendered	\$ 2,553.93	5,100
Pacific Diamond Drilling Co. Ltd., 580 Howe Street, Vancouver, B.C.	Services Rendered	\$10,346.95	20,600
Davis & Company, 1030 West Georgia Street, Vancouver, B.C.	Services Rendered	\$ 1,340.80	2,680
M. Boyles Mining Contractors Ltd., 4855 Main Street, Vancouver 10, B.C.	Services Rendered	\$11,042.47	22,080
Anglo-Celtic Explorations Ltd., P.O. Box 1709, Yellowknife, N.W.T.	Services Rendered	\$ 1,072.68	2,100
G. Fred Sanft, 1524 Argyle Avenue, West Vancouver, B.C.	Services Rendered	\$ 4,200.00	8,400
Manning, Bruce & Company, 85 Richmond Street West, Toronto, Ontario.	Services Rendered	\$ 1,611.45	3,220
Velocity Surveys Ltd., 602 West Hastings Street, Vancouver 2, B.C.	Services Rendered	\$18,310.27	36,600

<u>CREDITOR AND ADDRESS</u>	<u>CONSIDERATION</u>	<u>AMOUNT OF ACCOUNT</u>	<u>NUMBER OF SHARES TO BE ISSUED</u>
Guaranty Trust Co. of Canada, 540 Burrard Street, Vancouver, B.C.	Services Rendered	\$ 1,686.48	3,370

The issuance of the above shares is subject to:

- (a) the approval of the necessary regulatory bodies with respect to such issuance; and
- (b) the receipt by the Company of purchase orders totalling One Hundred Thousand Dollars (\$100,000) in connection with the offering referred to in Item 1 (a).

In the event any one or more of the above conditions cannot be met within thirty (30) days following the receipt of purchase orders totalling One Hundred Thousand Dollars (\$100,000) in connection with the offering to the public of the said 200,000 shares then the said subscriptions shall be withdrawn and of no further force or effect.

The Company has also allotted and issued 731 fully paid shares in the name of The Guaranty Trust Company of Canada (in trust) such shares to be used by The Guaranty Trust Company of Canada to exchange for fraction shares resulting from the consolidation of the shares of the Company and there has been treated as paid up on each share One Cent (\$.01) per share.

ITEM 4

The principal purposes for which the proceeds of the sale of shares will be used are:

- (1) \$10,000.00 option payment due March 1, 1971 with respect to the seven Crown-granted mineral claims optioned from Willis H. Durst (The Younger) and Elizabeth Durst Bateman and referred to in Item 12.
- (2) Payment of Judgment of \$392.16 with Johnstone Fabricators Ltd.
- (3) Payment to the Royal Bank of Canada, Main Branch, Vancouver, B.C. in the amount of \$12,000.00 to retire two Promissory Notes referred to in Item 8.
- (4) General administration expenses - \$10,000.00.
- (5) Work on the United Bata Claim (in stages) - \$198,980.00.
- (6) Payment due under option for Willis H. Durst (The Younger) and Elizabeth Durst Bateman, September 1, 1972 of \$30,000.00.

In the event that the Company raises only the minimum amount of One Hundred Thousand Dollars (\$100,000.00) the above work on the United Bata claim will be performed in stages as required and to the extent that funds are available from this offering and from the proceeds of any warrants. Additional funds over and above One Hundred Thousand Dollars (\$100,000.00) received from the offering hereunder and consequent upon the exercise of the Share Purchase Warrants will form part of the Company's working capital to defray its general operating expenses and to carry on development work on the Galaxy property up to a maximum of One Hundred and Ninety Eight Thousand and Nine Hundred and Eighty Dollars (\$198,980.00) as recommended by G. A. Jameson, A.C.S.M., P. Eng., contained in his report dated January 13, 1970, and appended hereto, which report recommends as follows:

1. The north drift to be driven some 600 feet further.
 2. 3,400 feet of AX diamond drilling from underground.
 3. The south drift to be driven some 400 feet further.
- This work should be completed in three months.

COST ESTIMATE

Drifting (on contract @ \$88.00/foot)		
	1,000 feet	\$ 88,000.00
Diamond drilling @ \$5.00/foot)		
	3,400 feet	17,000.00
Assays		3,000.00
Milling Amenability Tests		2,000.00
Pilot Plant Mill Test		20,000.00
Supplies:		
Track @ \$1.26/foot	\$1,260.00	
Water Line @ 53¢/foot	530.00	
Air Line @ \$1.16/foot	1,160.00	
Vent Line @ 50¢/foot	500.00	
Lumber	500.00	
Fuel - 3 months @ \$350	1,050.00	
Rentals (Generator)		
3 months @ \$660	<u>1,980.00</u>	
	<u>\$6,980.00</u>	6,980.00
Supervision - Field Crew salary and expenses		
- Senior supervision and expenses		
- Administration and drafting		
	3 months @ \$4,000.00	12,000.00
It is further recommended that the induced polarization anomalies, located approximately 2 miles south of the Evening Star shaft, should be drilled from surface. Surface AX Diamond Drilling 5,000 feet @ \$10.00/foot.		<u>50,000.00</u>
		<u>\$198,980.00</u>

ITEM 6

<u>NAME</u>	<u>ADDRESS</u>	<u>OCCUPATION</u>
Clarence C. Rollins	50 Islington Ave, N., Islington, Ontario.	Formerly Director of Trade Relations, Crane Canada Limited, Toronto. Formerly Vice-President and General Manager of Marshall Industries Limited, Rexdale, Ontario. Presently General Manager of Fidelity Mining Invest- ments Limited, Toronto, Ontario.
Archibald B. Whitelaw	11 Yorkleigh Avenue, Weston, Ontario.	Barrister and Solicitor of former firm of Mac- donald & Macintosh and presently known as Mann- ing, Bruce, Macdonald and Macintosh, Toronto, Ontario.
Carol Ann Kirk	205 - 1150 Burnaby Street, Vancouver, British Columbia.	Formerly Secretary with Rapid Grip and Batten Ltd., and presently Secretary with Kimberley Copper Mines Ltd. (N.P.L.)

ITEM 10

WEST COAST SECURITIES LTD.

<u>SHAREHOLDERS</u>	<u>NO. AND CLASS</u>	<u>PERCENTAGE OF CLASS</u>
James D. Thomas	400 Class "A" Shares	100%
	560 Class "B" Shares	96%

ITEM 12

A. The Kimberley Claims

This property comprises in all approximately 1200 acres, consisting of seven Crown Granted Claims held under option from Willis H. Durst (The Younger) and Elizabeth Durst Bateman, twenty (20) recorded claims which were purchased by the Company and nine (9) recorded claims which were staked by the Company. The seven (7) Crown Granted Claims are:

Kimberley - Lot 1447,	Charlotte - Lot 1448
Last Chance - Lot 1449,	Morning Star - Lot 1450
Stem Winder - Lot 1451	Occidental - Lot 1452
Keystone (f) - Lot 1453	

The twenty (20) recorded mineral claims purchased by the Company are:

Alf 1-6, Record No. 33470-75 inclusive
Jeep 1-10 inclusive, Record No. 42730-39 inclusive
Dan 1-4 inclusive, Record No. 43857-60 inclusive

The recorded mineral claims staked by the Company are:

Kim 1-5, Record No. 62633-62637 inclusive
Jeep 13, Record No. 67170, New Record No. 67115
New Fraction, Record No. 67116 and K102, Record No. 67077

This property is situate three to four miles south of Kamloops, British Columbia, and is accessible by dirt road from the Kamloops-Merritt Highway.

With respect to the seven (7) Crown Granted Claims held under option, this option also includes the surface rights to all of District Lot 1450 (Morning Star), District Lot 1451 (Stem Winder) and District Lot 1453 (Keystone Fraction) and to parts of District Lot 1447 (Kimberley), District Lot 1448 (Charlotte), District Lot 1449 (Last Chance) and District Lot 1452

(Occidental). The option which was assigned to the Company by Mr. Fred Sanft, the original optionee, called for payment to the optionors, Willis H. Durst (The Younger) and Elizabeth Durst Bateman of the balance due thereunder, namely the sum of One Hundred and Seventy Nine Thousand Dollars (\$179,000.00) on or before the 1st day of September 1969.

By an Agreement made the 28th day of July, 1969, the abovementioned payment of One Hundred and Seventy Nine Thousand Dollars (\$179,000.00) was extended and made payable as follows:

- (a) Five Thousand Dollars (\$5,000.00) on or before the 1st day of September, A.D. 1969;
- (b) Ten Thousand Dollars (\$10,000.00) on or before the 1st day of September, A.D. 1970;
- (c) Twenty Thousand Dollars (\$20,000.00) on or before the 1st day of September, A.D. 1971;
- (d) Thirty Thousand Dollars (\$30,000.00) on or before the 1st day of September, A.D. 1972;
- (e) The balance of One Hundred and Fourteen Thousand Dollars (\$114,000.00) on or before the 1st day of September, A.D. 1973.

The Company has made all payments required by it to be made under this option to date save and except for the payment of Ten Thousand Dollars (\$10,000.00) due September 1, 1970, which payment the optionors agreed to extend payment until the 1st day of March, 1971.

The Vendor of the recorded mineral claims which the Company purchased was G. Fred Sanft, Prospector, of 1524 Argyle Avenue, West Vancouver, British Columbia, and Pacific Manganese Ltd. (N.P.L.), Suite 1403 - 1030 West Georgia Street, Vancouver, British Columbia (this Company has now been wound up and its shares in the Company distributed to its shareholders). The cost to the Company for these recorded mineral claims was Twenty Thousand Dollars (\$20,000.00) cash and 336,000 shares

before consolidation of which G. Fred Sanft received 268,000 shares and Sixteen Thousand Dollars (\$16,000.00) cash and Pacific Manganese Ltd. (N.P.L.) received 67,200 shares and Four Thousand Dollars (\$4,000.00) cash. The shares of the Company received by Pacific Manganese Ltd. (N.P.L.) have now been distributed to its shareholders and no persons receiving shares for the Kamloops claims now hold more than Five (5%) per cent of the shares presently outstanding.

There has been no exploration and development work on the Kamloops Claims during the past year.

B. The United Bata Claims.

The Company has the right to earn a fifty per cent (50%) interest in six (6) Crown Granted Mineral Claims and recorded mineral claims of which United Bata Resources Limited (N.P.L.) is the beneficial and recorded owner, free and clear of encumbrances, except for the right given by agreement to the Company. The said six (6) Crown Granted Mineral Claims and forty-six (46) recorded mineral claims are the following located near Kamloops, in the Kamloops Mining Division in the Province of British Columbia:

Crown Granted Mineral Claims

1. District Lot Eight Hundred Thirty Five (835), Kamloops Division, Yale District, known as the "Kentucky" Mineral Claim;
2. District Lot Eight Hundred Forty Five (845), Kamloops Division, Yale District, known as the "Golden Star" Mineral Claim;
3. District Lot Nine Hundred Ninety Eighty (998), Kamloops Division, Yale District, known as the "Number Seven" Mineral Claim;

4. District Lot One Thousand Thirteen (1013), Kamloops Division, Yale District, Known as the "Evening Star" Mineral Claim;
5. District Lot One Thousand Thirty Seven (1037), Kamloops Division, Yale District, known as the "Ben Hur" Mineral Claim;
6. District Lot One Thousand Thirty Eight (1038), Kamloops Division, Yale District, known as the "Prince of India" Mineral Claim;

Recorded Mineral Claims

<u>Name of Claim</u>	<u>Record Number</u>
Dart 1	34181
Dart 2	34182
Key 1 Fr.	34183
Key 2 Fr.	34184
Rocket 1	34185
Rocket 2 Fr.	34186
Rocket 3	34187
Rocket 4	34188
Rocket 5 Fr.	34189
Rocket 6	34190
Rocket 7	34191
Rocket 8	34192
Rocket 9	34193
Rocket 10	34194
Rocket 11	34195
Rocket 12	34196
Rocket 13	34197
Rocket 14	34198
Rocket 15 Fr.	34199
Rocket 16 Fr.	34200
Ursus 1	34206
Ursus 2	34207
Ursus 3	34208
Ursus 4 Fr.	34209
Ursus 5 Fr.	34210
Shear 1	34211
Shear 2	34212
Shear 3	34213
Shear 4	34214
Shear 5 Fr.	34215
Venus 1	34216
Venus 2	34217
Venus 3	34218
Venus 4	34219
Venus 5	34220
Venus 6	34221
Venus 7	34222
Venus 8	34223
Venus 9	34224
Venus 10	34225
Venus 11 Fr.	34226
Dart 3	34227
Shear 6	34290
Shear 7 Fr.	34291
Ursus 6	34292
Ursus 7 Fr.	34293

The terms of the Agreement with United Bata Resources Limited (N.P.L.) provided that by expending Four Hundred Thousand Dollars (\$400,000.00) on exploration and development work on the said claims over a period of thirty-one (31) Months from the 1st day of January, 1969, in three (3) phases, the first phase covering the period of January 1, 1969 to August 1, 1969 and involving a total expenditure of One Hundred and Twenty Thousand Dollars (\$120,000.00), the second phase (in the event the Company elects) covering the period from August 1, 1969 to August 1, 1970 and involving a further expenditure of One Hundred and Twenty Thousand Dollars (\$120,000.00) up to the 1st day of August, 1970, and the third phase (in the event the Company elects) covering the period from August 1, 1970 to August 1, 1971 and covering a further expenditure of One Hundred and Sixty Thousand Dollars (\$160,000.00). The Company has to date expended in excess of Two Hundred and Forty Thousand Dollars (\$240,000.00) and has given notice of its election to proceed with the third phase.

Upon the Company expending a total of Four Hundred Thousand Dollars (\$400,000.00) prior to the end of the third phase, namely, prior to the 1st day of August, 1971, the Company may elect to have a B.C. Mining Company incorporated and this said claim and property transferred to such Company in consideration of fifty per cent (50%) of the Vendor's stock, the remaining fifty per cent (50%) of such stock to be issued to United Bata Resources Limited (N.P.L.).

The Company plans now to carry on with the programme recommended by Mr. G. A. Jameson, A.C.S.M., P. Eng., dated January 13, 1970, which work is detailed in Item 4.

The work done to date has been in accordance with the recommendations made in the summary report on exploration programme on Galaxy Copper property by Velocity Surveys dated August 11, 1969. Rehabilitation of the Evening Star shaft to ninety (90) feet was completed, the collar sets were repaired, and larger head frames built and a hoist was installed in the new hoist room. Because of the loss of time and the expense resulting from a cave-in on October 7, 1969, a decision was made to start drifting at eighty (80) feet below collar rather than to deepen the shaft as originally planned. By November 17, 1969 the shaft station and double track were completed and the mining contractor commenced contract drifting. The drifting consisted of a drive to the south, to the east and to the north. The south drift was completed and the grade was verified as correlating closely with the results of surface drilling. The north drift is being driven along the approximate centre line of the ore body, and has been advanced one hundred and ten (110) feet.

C. North West Polar Syndicate

By Agreement made the 17th day of November, 1969, between the Company and Pathfinder Resources Ltd., Pinnacle Mines Ltd. (N.P.L.), Fidelity Mining Investments Ltd., Adera Mining Limited, the Company agreed to enter into a joint participation in the "North West Polar Syndicate" covering certain exploratory permits dated June 17, 1969, with respect to certain oil and gas rights in the Canadian Arctic Islands. The Company acquired its interest in this Agreement for the actual costs of its share of the rights and for agreeing to participate with respect to its share of the agreed programme. The cost was Ten Thousand Seven Hundred and Eighty Two Dollars and Fifty Two Cents (\$10,782.52) and no programme has yet been

agreed upon.

D. The Sherridon Property

The Sherridon Property consists of sixty seven

(67) contiguous unpatented mining claims as follows:

Sal No. 1-6, No. P3177C to 3182C

Dan No. 1-18, No. P3195C to 3212C

Cop No. 1-18, No. P3213C to 3230C

Nat No. 1-18, No. P3231C to 3248C

Roly No. 107, No. P2032D to 2088D

The claims straddle the Le Pas-Lynn Lake Line of the C.N.R. about five miles north east of the former mining town of Sherridon in north western Manitoba. The claims encompass approximately 2900 acres. The Company completed a magnetometer and electromagnetic survey over all but the Roly No. 1-7 claims in 1968. These surveys indicate two areas in which the favourable horizon comes to surface. Since there has been no work done on the property other than for assessment work.

The Vendor of this property was Mr. Clarence Carson Rollins, as Attorney for the members of the Cambrian Syndicate care of 50 Islington Avenue North, Suite 1205, Islington, Ontario. The members of the Cambrian Syndicate were:

Clarence Carson Rollins,
50 Islington Avenue North,
Suite 1205,
Islington, Ontario.

Ray John Paulin,
1359 Yellowstone Road,
Cleveland, Ohio, U.S.A.

James McCaa,
64 Hopperton Drive,
Willowdale, Ontario.

Frank Zihlerl,
2850 Windy Hill,
Pepper Pike, Ohio, U.S.A.

Lester Zatko,
35600 Dorchester Road,
Gates Mills, Ohio, U.S.A.

Archibald Burnside Whitelaw, Q.C.,
11 Yorkleigh Avenue,
Weston, Ontario.

The cost to the Company of this property was 294,000 shares of its capital stock (before consolidation) which shares were for the Cambrian Syndicate members as follows:

Rollins	-	58,333 shares
Paulin	-	58,333 shares
McCaa	-	58,333 shares
Ziherl	-	58,333 shares
Zatko	-	58,334 shares
Whitelaw	-	58,334 shares

Mr. Clarence Carson Rollins, as Attorney for the said Cambrian Syndicate, transferred and assigned all of the said 294,000 shares to Fidelity Mining Investments Ltd., 20 Toronto Street, Toronto 1, Ontario. Messrs. Rollins, Paulin, McCaa, Ziherl, Zatko and Whitelaw are also Directors of Fidelity Mining Investments Ltd. The said persons may also be considered as promoters and insiders of the Company by reason of their being Directors of the Company and by having taken the initiative in founding and organizing the Company.

Fidelity Mining Investments Ltd. is, as of this date, the registered owner of 98,000 shares, after consolidation, which is 13.679% of the total issued shares of the Company.

ITEM 18

There are 42,333 shares, representing 5.9% of the issued shares of the Company, held in escrow by The Guaranty Trust Company of Canada subject to the control of the British Columbia Securities Commission and the Vancouver Stock Exchange, held as follows:

<u>NAME AND ADDRESS</u>	<u>NO. OF SHARES</u>
F. John Bartholomew, 1285 Home Street, Vancouver 3, B.C.	3,094
Ray Chapman, 1535 Marine Drive, West Vancouver, B.C.	1,425
John W.C. Duck, 1246 Hornby Street, Vancouver 1, B.C.	79
Fidelity Mining Investments, C/- Mr. A.B. Whitelaw, 20 Toronto Street, Toronto 1, Ontario.	19,755
Ronald Granger, Box 2378, Whitehorse, Yukon Territories.	2,256
George Hay, 84 St. Paul, West Kamloops, B.C.	419
Sandy Hay, Suite 104, 239 - 12th Avenue, S.W., Calgary, Alberta.	419
Emerald B. Keyes, 397 Rabbit Lane, West Vancouver, B.C.	1,676
Alfred H. Millham, 6650 Balaclava Street, Vancouver 13, B.C.	665
Mrs. Dana B. Millham, Patricia M. Owen, Beverley J. O'Dell, Exors. Estate S.M. Millham, 905 West 38th Avenue, Vancouver 13, B.C.	157
Herbert C. Millham, 1403 - 1030 West Georgia Street, Vancouver 5, B.C.	419

<u>NAME AND ADDRESS</u>	<u>NO. OF SHARES</u>
Kathleen P. Millham, 1277 West 39th Avenue, Vancouver 13, B.C.	79
Sigmund Muldal, C/- Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C.	157
Kelvin Mackenzie, 15452 Columbia Street, White Rock, B.C.	781
Maxine M. McConnell, C/- Seagate Hotel, Port Hardy, B.C.	79
Elsie McKenzie, 203 - 3939 Cambie Street, Vancouver 9, B.C.	196
Frank R. Paxton, 569 Granada Crescent, North Vancouver, B.C.	117
William M. Rand, 2250 West 43rd Avenue, Vancouver 13, B.C.	726
Danny J.F. Sanft, 1524 Argyle Avenue, West Vancouver, B.C.	1,676
G. Fred Sanft, 1524 Argyle Avenue, West Vancouver, B.C.	5,643
Rena L. Sanft, 1524 Argyle Avenue, West Vancouver, B.C.	1,676
S.J. Sanft, 1524 Argyle Avenue, West Vancouver, B.C.	839
	<hr/>
	42,333

ITEM 19

The following Company holds more than Five per cent (5%) of the issued shares of the Company:

<u>NAME AND ADDRESS</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE</u>
Fidelity Mining Invest- ments, 20 Toronto Street, Toronto 1, Ontario.	98,000	13.679%

PURCHASERS RIGHT OF RESCISSION

Section 61 of the Securities Act, 1967 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 where:

- (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 Purchasers right of rescission is indicative only and not intended to be comprehensive. For complete details reference should be had to the sections of the Act.

KIMBERLEY COPPER MINES LTD. (N.P.L.)

FINANCIAL STATEMENTS

DECEMBER 31, 1970

(Unaudited)

GLENDINNING, JARRETT, GOULD & Co.

CHARTERED ACCOUNTANTS

Royal Trust Tower
P.O. Box 11
Toronto-Dominion Centre
Toronto 1, Canada
Telephone (416) 362-6001

OFFICES:

Montreal	Cobourg
Toronto	Brantford
Windsor	Thunder Bay
Winnipeg	Calgary
Kamloops	Vancouver

INTERNATIONAL FIRM:

Alexander Grant, Tansley Witt

ACCOUNTANTS' COMMENTS

To the Directors,
Kimberley Copper Mines Ltd. (N.P.L.)

The accompanying balance sheet of Kimberley Copper Mines Ltd. (N.P.L.) as at December 31, 1970 and the statements of deficit, deferred exploration expenditure, deferred administration expenditure and source and application of funds for the seven months ended on that date have been prepared by us from the books and records of the Company, and from information given to us. Under the terms of our engagement, we did not perform an audit of the accounts and accordingly do not express an opinion on the financial statements.

Glendinning Jarrett Gould & Co.

GLENDINNING, JARRETT, GOULD & CO.

Chartered Accountants.

Toronto, Ontario,
January 25, 1971.

KIMBERLEY COPPER MINES LTD. (N.P.L.)
(Incorporated under the laws of British Columbia)

BALANCE SHEET

AS AT DECEMBER 31, 1970

(Unaudited)

ASSETS

Current		
Cash		\$ 1,633.44
Accounts receivable and advances		<u>1,548.90</u>
		3,182.34
Advances to other companies		10,000.00
Securities and cash on deposit - at cost		8,601.64
Mining properties - at cost (Note 2)		256,170.79
Office equipment - at cost		6,422.90
Deferred expenditure		
Exploration	\$ 495,069.03	
Administration	<u>213,065.93</u>	<u>708,134.96</u>
		<u>\$ 992,512.63</u>

LIABILITIES

Current		
Bank loan		\$ 10,000.00
Accounts payable and accrued charges		55,442.18
Advances from other companies		<u>21,180.37</u>
		86,622.55

SHAREHOLDERS' EQUITY

Capital stock (Note 1)		
Authorized		
5,000,000 shares of no par value		
Issued		
2,147,007 shares	\$ 969,503.50	
Deficit	<u>63,613.42</u>	<u>905,890.08</u>
		<u>\$ 992,512.63</u>

Approved by the Board:

C. E. Rolley Director
[Signature] Director

KIMBERLEY COPPER MINES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1970

(Unaudited)

1. CAPITAL STOCK

Shares issued

	<u>December 31, 1970</u>	
	<u>Shares</u>	<u>Capital</u>
For mining claims	647,000	\$ 174,500.00
For cash	<u>1,500,007</u>	<u>795,003.50</u>
	<u>2,147,007</u>	<u>\$ 969,503.50</u>

2. MINING PROPERTIES

British Columbia

76 mineral claims in the Kamloops Mining Division
consisting of:

(a) 69 mineral claims acquired for cash	\$ 23,285.79	
336,000 shares of capital stock valued by the directors at 25 cents per share	84,000.00	
17,000 shares of capital stock valued by the directors at \$1.00 per share	<u>17,000.00</u>	\$ 124,285.79
(b) 7 mineral claims held under option - at option payments to date		30,500.00
In order to fully exercise this option, the Company would be required to make a further cash payment of \$174,000.00, at varying dates up to September 1, 1973		<hr/>
		154,785.79

Manitoba

45 unpatented mining claims located in the Sherridon area, acquired for Cash

294,000 shares of capital stock valued by the directors at 25 cents per share (67 claims originally acquired of which 22 claims have been abandoned)	6,085.00	
	<u>73,500.00</u>	79,585.00

Victoria Island, Northwest Territories

1/3 interest in 1,800 unpatented mining claims acquired for cash

21,000.00

Victoria Island, Northwest Territories

20% interest in 16 petroleum and natural gas permits covering approximately 654,934 acres on the northerly part of Victoria Island and the coastal waters adjacent thereto, at 20% of the cost of permit fees

800.00

\$ 256,170.79

KIMBERLEY COPPER MINES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1970

(Unaudited)

3. "GALAXY" OPTION

Under terms of an agreement with United Bata Resources Limited N.P.L., the Company has spent in excess of \$240,000 in the exploration of certain mineral claims located in the Kamloops Mining Division, British Columbia.

The Company has agreed to spend further amounts during the period August 1, 1970 to August 1, 1971 to bring the total exploration expenditure on the mineral claims to \$400,000. On completion of this commitment, the Company would have the right to cause the formation of a new company to acquire the mineral claims and to receive 50% of the vendor stock issued by the new company for the mineral claims.

KIMBERLEY COPPER MINES LTD. (N.P.L.)

STATEMENT OF DEFERRED ADMINISTRATION EXPENDITURE

FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1970

(Unaudited)

Supervision	\$	8,400.00
Office salaries		6,067.20
Rent		1,960.24
Professional fees		2,322.50
Travel		1,817.50
Transfer agency fees		1,132.15
Telephone		838.28
Interest and bank charges		751.47
Office expense		347.80
General expense		416.49
Shareholders information and reports		<u>199.74</u>
		24,253.37
Balance, May 31, 1970		<u>188,812.56</u>
Balance, December 31, 1970	\$	<u>213,065.93</u>

STATEMENT OF DEFICIT

FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1970

(Unaudited)

Balance, May 31, 1970	\$	36,148.92
Add: Quebec mining claims abandoned		
Acquisition costs	\$	9,000.00
Exploration expenditure		<u>18,464.50</u>
		27,464.50
Balance, December 31, 1970	\$	<u>63,613.42</u>

KIMBERLEY COPPER MINES LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE

FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1970

(Unaudited)

BRITISH COLUMBIA

Balance, May 31, 1970		\$ 171,359.77
Licences, fees and taxes		<u>168.28</u>
Balance, December 31, 1970		171,528.05

BRITISH COLUMBIA "GALAXY" OPTION

Balance, May 31, 1970		\$ 242,547.95	
Equipment rental	\$ 2,784.93		
Watchman	2,290.00		
Supplies	1,312.76		
General expenses	<u>590.17</u>	<u>6,977.86</u>	
Balance, December 31, 1970			249,525.81

QUEBEC

Balance, May 31, 1970		18,464.50	
Written off to deficit		<u>18,464.50</u>	
Balance, December 31, 1970			Nil

VICTORIA ISLAND

Balance, May 31, 1970		11,896.93	
Licences, fees and taxes		<u>610.39</u>	
Balance, December 31, 1970			12,507.32

MANITOBA

Balance, May 31, 1970 and December 31, 1970			<u>61,507.85</u>
			<u>\$ 495,069.03</u>

KIMBERLEY COPPER MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1970

(Unaudited)

Source		\$ Nil
Application		
Exploration expenditure		
British Columbia		7,146.14
Victoria Island		<u>610.39</u>
		7,756.53
Administration expenditure		24,253.37
Acquisition of mining claim		(4,200.00)
Option payment on mining claims		<u>500.00</u>
Decrease in working capital		28,309.90
Working capital deficiency, May 31, 1970		<u>55,130.31</u>
Working capital deficiency, December 31, 1970		\$ <u><u>83,440.21</u></u>

SCHEDULE OF WORKING CAPITAL

DECEMBER 31, 1970

Accounts payable and accrued charges		\$ 55,442.18
Advances from other mining companies		21,180.37
Bank loan		<u>10,000.00</u>
		86,622.55
Less: Cash	\$ 1,633.44	
Accounts receivable	<u>1,548.90</u>	<u>3,182.34</u>
Working capital deficiency		\$ <u><u>83,440.21</u></u>

PROGRESS REPORT
ON THE
UNDERGROUND EXPLORATION PROGRAMME
FOR
KIMBERLEY COPPER MINES LIMITED (N.P.L.)
ON THE
GALAXY COPPER PROPERTY

KAMLOOPS AREA
KAMLOOPS MINING DIVISION
PROVINCE OF BRITISH COLUMBIA

VELOCITY SURVEYS

G. A. Jameson, A.C.S.M., P. Eng.

January 13, 1970.

INDEX

	<u>PAGE</u>
PROPERTY	1
LOCATION, ACCESS AND SERVICES	2
TOPOGRAPHY, VEGETATION AND CLIMATE	3
HISTORY	3
GENERAL GEOLOGY	4
PROPERTY GEOLOGY	4
STRUCTURES	5
MINERALIZATION	6
CURRENT PROGRAMME	7
SUMMARY AND CONCLUSIONS	9
RECOMMENDATIONS	10
COST ESTIMATE	10 and 11
LOCATION MAPS	At back

IN POCKET

Surface Plan (20 scale)

Geology Plan at 80 level (20 scale) - Sheet 1

Geology Plan at 80 level (20 scale) - Sheet 2

THE UNDERGROUND EXPLORATION PROGRAMME
OF THE
GALAXY COPPER PROPERTY

PROPERTY

The property consists of 46 located contiguous mineral claims and 6 Crown Grant mineral claims as follows:

<u>Crown Grant Mineral Claims</u>	<u>Record Nos.</u>
Kentucky	L 835
Ben Hur	L 1037
Golden Star	L 845
Evening Star	L 1013
Number 7	L 998
Prince of India	L 1038

<u>Located Mineral Claims</u>	<u>Record Nos.</u>
Venus 1-10 Incl.	34216-34225
Venus 11 Fraction	34226
Dart 1	34181
Dart 2	34182
Dart 3	34227
Rocket 1	34185
Rocket 2 Fraction	34186
Rocket 3-14 Incl.	34187-34198
Rocket 15 Fraction	34199
Rocket 16 Fraction	34200

<u>Located Mineral Claims</u>	<u>Record Nos.</u>
Ursus 1-3 Incl.	34206-34208
Ursus 4 Fraction	34209
Ursus 5 Fraction	34210
Ursus 6	34292
Ursus 7 Fraction	34293
Key 1 Fraction	34183
Key 2 Fraction	34184
Shear 1-4 Incl.	34211-34214
Shear 5 Fraction	34215
Shear 6	34290
Shear 7 Fraction	34291

The above mentioned Located mineral claims and Crown Granted mineral claims are held by United Bata Resources Limited (N.P.L.), and are registered in the Kamloops Mining Division, Province of British Columbia.

LOCATION, ACCESS AND SERVICES

The property is approximately two miles south of a point five miles west of Kamloops on the Trans Canada Highway. It is on the old Lac La Jeune road.

Access for wheeled traffic to all parts of the property is good during summer months. During winter, the roads are ploughed by the Department of Highways except for about one mile from the black top of the new Lac La Jeune road.

Kamloops is serviced by C.N.R., C.P.R., P.W.A., and Van-Kam Freightways Ltd.

There are lumber mills in the area which can supply basic lumber requirements but are not experienced in cutting framed timber for shafts, etc.

Various service companies in the district can meet most requirements for mechanical, electrical, hardware, and fuel supply and servicing.

TOPOGRAPHY, VEGETATION AND CLIMATE

The property is on gently rolling range land at an elevation of 2,800' to 3,700' above M.S.L.

Commercial to sub-commercial stands of Ponderosa pine, spruce, and balsam cover the north and east half of the property.

Potable water is available on the adjoining Makao property to the north. Water for mining purposes is readily available from several small lakes and ponds on the property, but this water is strongly alkaline and not potable.

HISTORY

Considerable mineral exploration has been carried out in the Iron Mask Batholith area since 1896.

The Iron Mask property, the major producer in this area, has produced 5,194,871 million pounds of copper, 3,630 ounces of gold, and 41,292 ounces of silver during the years of 1901 to 1928. (Ref. W. E. Cockfield, G.S.C., Memoir 249, Geology and Mineral Deposits of Nicola Map-area, British Columbia, Page 106, 1961).

Considerable tonnages of lower grade have been blocked out in this area by drilling as a follow-up to geo-chemical, geophysical and geological mapping programmes.

GENERAL GEOLOGY

The geology of the general area is described as the Iron Mask Batholith by J. M. Carr, Minister of Mines Annual Report, Province of British Columbia, Pages 47 - 58, dated 1956.

The batholith is a member of the Coast Range intrusive series and is represented locally by a suite of rocks ranging from monzonites, syenites to dioritic and gabbroic rocks. The Iron Mask Batholith is overlain on the northeast by the sediments and volcanics of the Kamloops Group and overlain on the southwest by the andesitic and basaltic members of the Nicola Group. The Iron Mask intrusive is elongated in a northwesterly strike.

The sulphide mineralization associated with the batholith is pyrite, chalcopyrite, molybdenum and some gold and silver. Copper, gold and silver have been produced from sulphide mineralized zones in the batholith.

PROPERTY GEOLOGY

The general surface geology exposes a section across the Iron Mask Batholith with the contact of the Nicola Group. The present underground exploration programme is in the area of the assumed roof pendant portion of the batholith, which consists of andesites, diorites and peridotites that vary in degree of alteration of chloritization, epidotization, and albitization of the feldspars. The interrelationship of the alteration, mineralization, structures and geological environment have not been ascertained.

The underground workings to date consist of a vertical shaft to 92 feet in depth with 620 feet of drifting at 80 feet below collar. The drifting has exposed a geological environment of interfaces of dioritic to peridotite rocks which are generally mineralized to varying degrees.

STRUCTURES

The surface geology and topography indicate a pattern of possible structural lineaments in the immediate area of the mining operation. The major lineament strikes in a general northwesterly direction passing through the pond to the west of the head frame.

Apparent secondary structures are present striking off the main structure in an easterly direction. The possible expression of these secondary structures are indicated on the surface. One of these structures on surface, which is located to the south of the head frame, is believed to be the same structure which is exposed underground. On the 80 foot level, it is seen some 10 feet north of the shaft dipping 48°N. ; in the old drift, dipping 54°N. ; and in the south drift at approximately survey station No. 89 dipping 52°N. In the south drift, the structure splits with a continuance of the structure to the east dipping at 52°N. , and also to the southeast dipping at 58°E. The projected up-dip elevation of this structure in the shaft is 40 feet below collar with copper mineralization exposed in the shaft at this elevation. This east-west structure seems to be significant as a control structure. The copper mineralization follows along its hanging wall.

To date, this east-west structure is the only major structure exposed underground. Its significance seems to be directly related to the mineralization.

Numerous other minor structures are present in the underground working, some of which are flat lying; however, information is limited as to their true relationship and significance.

MINERALIZATION

Economic mineralization, as indicated by surface drilling and limited underground working, consists mainly of copper with some silver, molybdenum and gold.

The mode of occurrence of copper is in the form of chalcopyrite. This is generally deposited in degrees of fine dissemination and in minor fracture fillings. It is generally associated with varying amounts of pyrite. Occasional massive lenses of chalcopyrite are present. One of these lenses, some 20 feet from the shaft on the 80 foot level, was reported measuring 0.9 feet in width by some 10 feet in length. A grab sample off this lens assayed 27% copper.

In general, the mineralization is mainly in minor lenses and fracture fillings, with some disseminated values.

Surface drilling has indicated a copper mineralized zone extending with a general north-south strike. This zone has been intersected in surface drilling some 500 feet south and 1,200 feet north of the present underground workings. The true length and shape of this copper mineralization has not been delimited.

The underground operation has covered a lateral extent of some 320 feet along the general strike of the zone. This has exposed a strike length of some 280 feet of copper mineralization.

The main east-west structure observed underground at the 80 foot level is a control factor of the copper mineralization. The copper mineralization on the hanging wall side (to the north) is of interest and bears out the copper values as indicated in the surface drilling.

The footwall of this structure, to the south, is very weakly mineralized. The structure as a control factor has either terminated or has offset the copper mineralization. Further work will be required to determine this.

The main copper mineralization to the north of the structure returns a weighted copper assay of .5733% copper. The weighted assay was calculated from 94 samples. The procedure used to obtain the 94 assays was to channel sample the face of each round at breast height.

A wedge-shaped higher grade copper mineralized area lies adjacent to the hanging wall on the north side of the main east-west structure. This area measures some 160 feet in length with a true width of some 30 feet at the eastern extremity and 70 feet at the western extremity. The weighted assay for this area is 1.05% copper. The value of this wedge-shaped area is based on the results obtained from:

1. 40 feet along the south drift on the hanging wall of the structure.
2. 52 feet of the old drift.
3. 92 feet north from the shaft.

In summary, the underground exploration programme presently in progress (testing the copper mineralized area indicated by surface diamond drilling) is in a favorable geological and copper mineralized environment. The copper values indicated by surface diamond drilling are being substantiated by the underground values. This general area has always indicated minimal values in gold, silver and molybdenum. It is planned to systematically test the major portion of the samples for these minerals. This will upgrade the current values.

CURRENT PROGRAMME

The present work being done is following the recommendations made in the Summary Report on Exploration Program

on Galaxy Copper Property, by Velocity Surveys, dated August 11, 1969. These were that in view of the difficulties encountered in diamond drilling and extremely high costs involved with a disproportionate return of critical information, it was recommended that a minimal underground sampling and development programme be carried out. Various methods and costs had been investigated along the lines of driving a multi-direction incline as well as conventional shaft sinking and drifting. It was felt that the greatest economy could be effected by rehabilitating the Evening Star shaft to its original depth of 92 feet, deepening this shaft to a depth of 200 feet, and driving laterally by means of drifting. It was estimated that some 2,000 feet of drifting would be sufficient to obtain the necessary information.

At the end of August, 1969, rehabilitation of the Evening Star shaft was started. The collar sets were repaired, a larger head frame built and the hoist was installed in the new hoist room. Ancillary buildings were completed, and the rock dump made ready.

Shaft timbers were checked and ladders, bratticing and blocking were repaired as necessary. The shaft was dewatered to 60 feet below collar, and the sand and gravel which had run in from surface was mucked out. It was found that the shaft timbering had been stopped at 70 feet below collar, and that the old drift at 80 feet below collar had been driven from below the bottom timbers.

On October 7th, there was a severe fall of ground in the heavily schisted zone at the north wall of the shaft and between 65 and 80 feet below collar. This material was cleaned up and removed and the shaft was timbered down to 90 feet below collar.

Because of the loss of time and added expense resulting from this cave-in, the decision was made to start

drifting at 80 feet below collar, rather than to deepen the shaft as originally planned.

By November 17th, the shaft station and double track were completed and the mining contractor started contract drifting. The drifting consisted of a drive to the south, the east and to the north.

The south drift was driven to its original target and stopped.

The east drift was completed and the grade was verified as correlating closely with the results of surface drilling.

The north drift is being driven along the approximate centerline of the ore body, and has been advanced 110 feet.

At the time of writing, the work has been stopped for the Christmas holiday period.

SUMMARY AND CONCLUSIONS

The work originally recommended was:

1. To complete approximately 2,000 feet of exploration drift.
2. To assay the workings as they progressed.
3. To map the geology, and to obtain information as to the amenability of the ore to beneficiation.

The shaft has been rehabilitated, and the underground exploration drifting has so far exposed 300 feet on strike of the mineralized zone.

Sample results to date in this programme indicate that the values are comparable to those obtained from previous surface diamond drilling. As this work has so far explored only 300 feet of the strike length of the zone,

it is felt that to make firm estimates of grade and tonnage at this point would be premature. In order to discover the full extent and value of this mineralized zone, it is recommended that the programme be completed.

RECOMMENDATIONS

It is recommended that the following work be done:

1. The north drift to be driven some 600 feet further.
2. 3,400 feet of AX diamond drilling from underground.
3. The south drift to be driven some 400 feet further.

This work should be completed in three months.

COST ESTIMATE

Drifting (on contract @ \$88.00/foot)		
	1,000 feet	\$ 88,000.00
Diamond Drilling (@ \$5.00/foot)		
	3,400 feet	17,000.00
Assays		3,000.00
Milling Amenability Tests		2,000.00
Pilot Plant Mill Test		20,000.00
Supplies:		
Track @ \$1.26/foot	\$1,260.00	
Water line @ 53¢/foot	530.00	
Air line @ \$1.16/foot	1,160.00	
Vent line @ 50¢/foot	500.00	
Lumber	500.00	
Fuel - 3 months @ \$350	1,050.00	
Rentals (Generator)		
3 months @ \$660	1,980.00	
	<u>\$6,980.00</u>	6,980.00
Supervision - Field crew salary and expenses		
- Senior supervision and expenses		
- Administration and drafting		
3 months @ \$4,000		<u>12,000.00</u>
	Sub Total	\$148,980.00

Sub Total Forward \$148,980.00

It is further recommended that the induced polarization anomalies, located approximately 2 miles south of the Evening Star shaft, should be drilled from surface. Surface AX Diamond Drilling 5,000 feet @ \$10.00/foot

50,000.00

TOTAL

\$198,980.00

Respectfully submitted,

VELOCITY SURVEYS



G. A. Jameson, A.C.S.M., P. Eng.,
January 13, 1970.

CERTIFICATION

I, George Archibald Jameson, of the City of Vancouver, British Columbia, hereby certify that:

I am a mining engineer and reside at 3128 West 23rd Avenue, Vancouver 8, British Columbia.

I am a graduate of the Camborne School of Mines, England, A.C.S.M. (1947).

I have been actively engaged in mining engineering for the past 15 years.

I am a member of the Associations of Professional Engineers in British Columbia and Ontario.

I have no interest, directly or indirectly, nor in the securities of, nor do I expect to receive any such interest in Kimberley Copper Mines Ltd. or United Bata Resources Ltd.

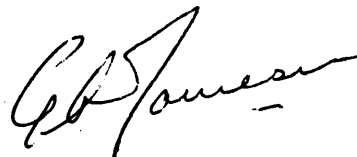
This report is based on work carried out under my supervision, on the Galaxy Copper Property, for Kimberley Copper Mines Ltd. (N.P.L.).

The geology was reported by Mr. E. Amendolagine, M.A., P. Eng.

Reference has been made to the following:

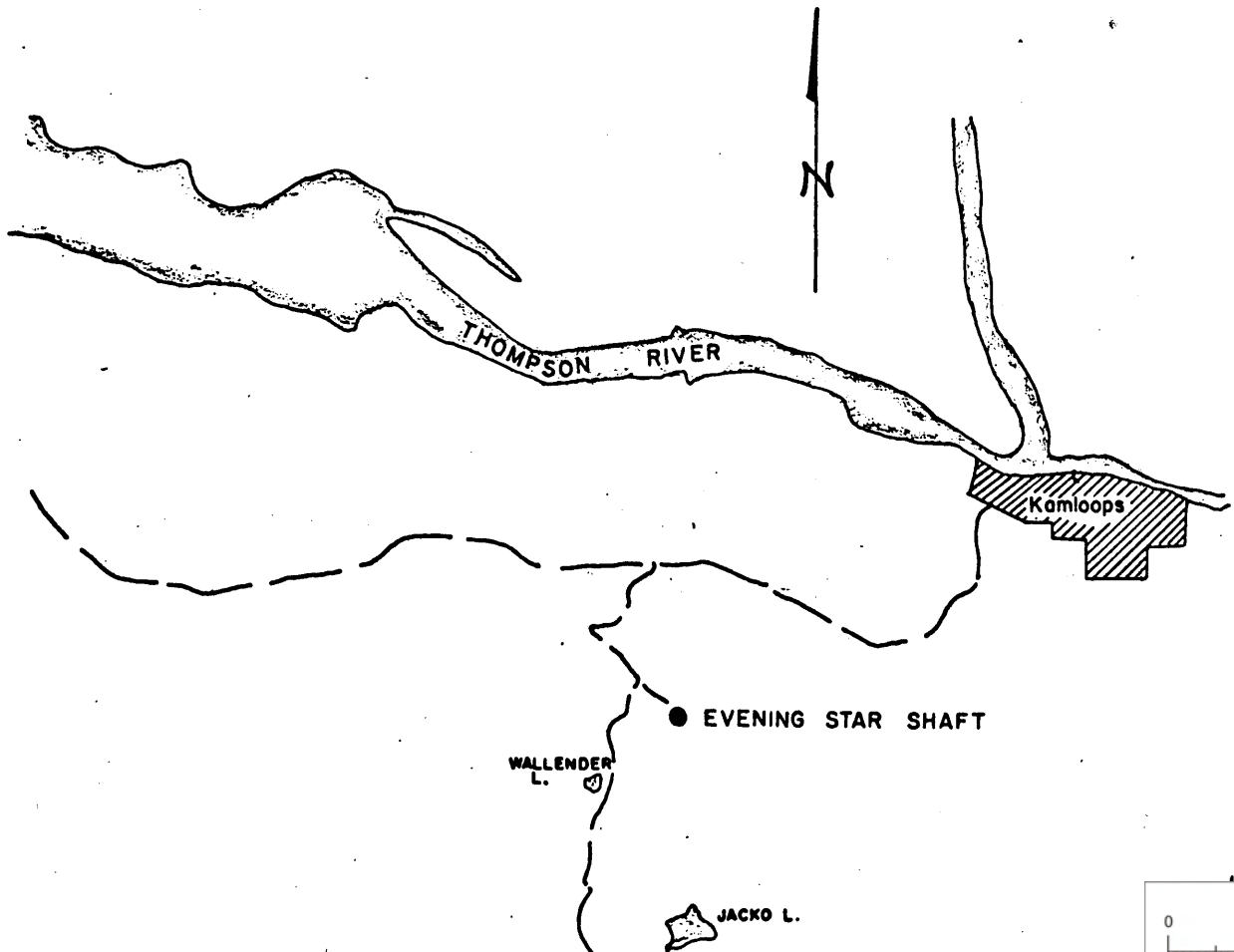
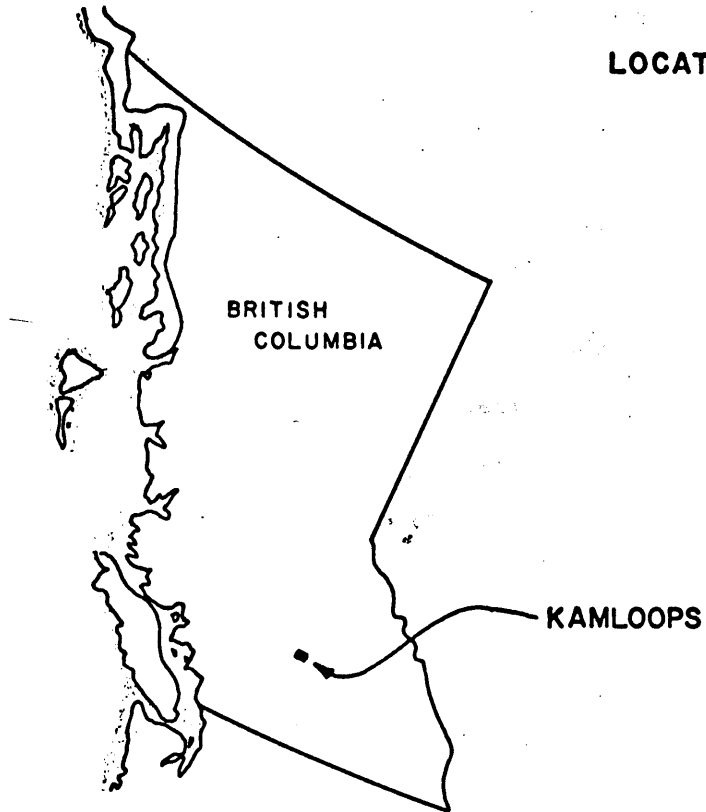
1. J. M. Carr, Minister of Mines Annual Report, Province of British Columbia, 1956 (pp. 47 - 58).
2. W. E. Cockfield, G.S.C. Memoir 249, Geology and Mineral Deposits of Nicola Map Area, British Columbia, 1961 (Page 106).
3. C. T. Pasieka and J. B. Prendergast (Velocity Surveys Ltd.), Summary Report of Exploration - Galaxy Property, August 11, 1969.

Dated this 13th day of January, 1970, in the City of Vancouver, Province of British Columbia.



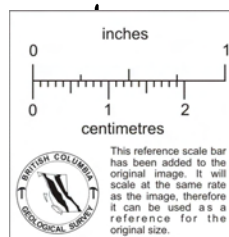
G. A. Jameson, A.C.S.M., P. Eng.,
Resident Mining Engineer,
Velocity Surveys,
#825 - 602 West Hastings Street,
Vancouver 2, B. C.

LOCATION MAP (SHT. 1)



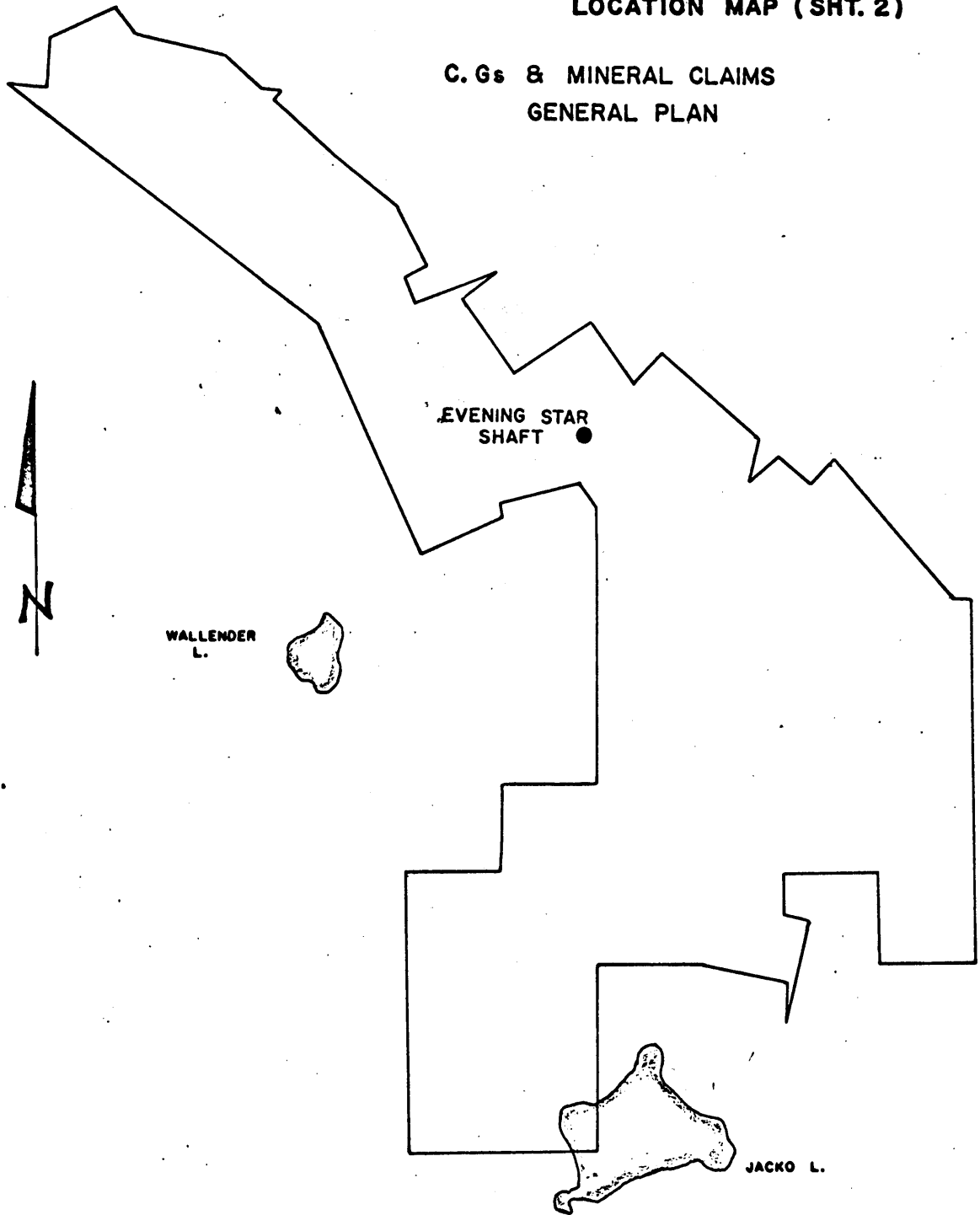
(SCALE 1 INCH = 2 MILE)

VELOCITY SURVEYS
JAN. 1969 *J. N. [Signature]*



LOCATION MAP (SHT. 2)

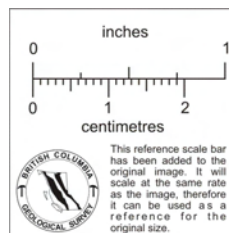
C. Gs & MINERAL CLAIMS
GENERAL PLAN



KIMBERLEY COPPER MINES LIMITED (N.P.L.)
EVENING STAR PROJECT

(SCALE 1 INCH = $\frac{1}{2}$ MILE)

VELOCITY SURVEYS	
JAN. 1969	DWG BY. 子. 九.



GALAXY COPPER PROPERTY
UNDERGROUND PROGRAM
ORE BLOCKS TO DECEMBER 31, 1969

<u>Block No.</u>	<u>Area Sampled</u>	<u>Drift Length</u>	<u>Grade Median</u>	<u>Length x Grade</u>
1	Old Drift only	52'	.567% CU	29.48
2	Station Area	92'	1.430% CU	131.56
3	South Drift	40'	.820% CU	32.80
4	Main Drift Only	165'	.251% CU	41.42
5	South Drift	58'	.356% CU	20.65
6	North Drift Only	115'	.671% CU*	107.36
7	East Drift Only	100'	.137% CU	13.70

$$1 + 2 + 3 = \frac{193.84}{184.0} = 1.054 \text{ Av. \%CU}$$

$$\text{All except 7} = \frac{363.27}{522.0} = 0.70 \text{ Av. \%CU}$$

$$\text{All} = \frac{376.97}{622.0} = 0.61 \text{ Av. \%CU}$$

*NOTE:

The North Drift was re-sampled and MoS₂ assays were run. The assay sheets are attached. In the North Drift, copper equivalent is used as grade, using copper at 60¢/lb. and MoS₂ at \$1.80/lb. - i.e. 1% MoS₂ equivalent to 3% copper.

KIMBERLEY COPPER MINES LTD. (N. P. L.)

Report to update and concur with the report of G.A. Jameson, A.C.S.M., P. Eng. recommending additional work on two areas on the Galaxy Group of Mineral Claims, Kamloops M. D.

The writer has been requested by officials of Kimberley Copper Mines Ltd. to study the above report and to update it if he does concur with the findings and recommendation contained therein. The date of that report is January 13, 1970 and as no exploratory work has been done since that date there appears to be no reason why it cannot be updated in view of the long term outlook for copper prices.

The writer was on the ground under review several years ago and has some knowledge of the geology and mineralization. He has read published reports on the area and would like to draw attention to that of V.A.G. Preto in the 1967 Minister of Mines Report.

In this report Mr. Preto draws attention to two groups of intrusive rocks obviously younger than other rocks in the area with the exception of the Kamloops formation. These are the Sugar Loaf Intrusives and the still younger Cherry Creek Intrusives. The former appears to follow along the southwest border of the Iron Mask Batholith and the latter the northeast border. The outcrops are not continuous but are probably more continuous

than is apparent on the surface. Some Sugar Loaf Intrusives are also present with Cherry Creek Intrusives in the vicinity of the Evening Star and Golden Star claims where Mr. Jameson recommends the bulk of his expenditure. Sugar Loaf Intrusives are probably present in the area of the I. P. anomalies at the south end of the property as they are present on the Ajax ground across Jacko Lake to the east.

One or the other or both these are to be found wherever there is copper mineralization and are no doubt responsible for it. Favorable host rocks are nicola volcanics and in some areas the older diorites but the favorable structures such as shear or breccia zones are required. Albitization and Epidotization is usually pronounced.

It appears from Preto's map facing Page 137 of the 1967 Report of the Minister of Mines that the two areas selected by Jameson are two of the most favorable areas on Galaxy ground in which to search for ore bodies.

Diamond drilling done to date in the Evening Shaft area has demonstrated the existence of a truncated roof pendant or trough of older rocks which shows copper mineralization for about 1000 feet along a northwest-southeast strike. The drilling shows the mineralization to be of variable width of up to 500 feet.

Underground work done outwards from the Evening Shaft has indicated a width of about 130 feet of mineralization averaging 0.70% copper for a length of about 140 feet along strike and in a single drive for another 140 feet.

Sections of the drilling shown in Figure 14 of the 1967 Minister of Mines Report indicate the favorable zone can extend to a depth of about 300 feet before being cut off along a vertical fault by the Cherry Creek Intrusives which are barren at this point. The bottom of the trough apparently outcrops about 500 feet east of the fault at the Evening Shaft indicating a dip to the west.

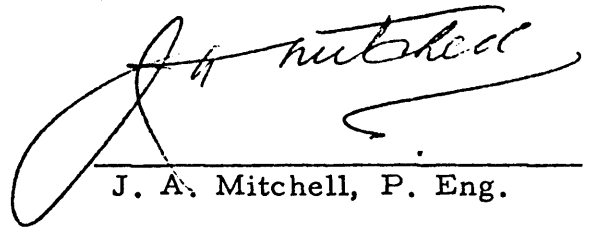
The drilling shown in the above mentioned Figure 14 indicates that there could be about 3,000,000 tons of material of possible ore grade in the trough assuming an average width of 100 feet. It is possible that more could be developed along strike or the average width could be greater.

Jameson's recommendation for additional drifting along strike would probably confirm this. It is debatable, however, whether this should be confirmed before further ore is found either along the extension of the strike by drilling or elsewhere on the property; e.g. in the geologically and geophysically favorable 3500 foot long contact area on the southern part of the property near Jacko Lake. On this basis the writer would be inclined

to recommend that a larger portion of the total expenditure of \$198,980.00 recommended in Mr. Jameson's Report be spent on geophysics and diamond drilling in favorable structure close to the young intrusives and a lesser amount on drifting at this time. The writer would be prepared to comment further on this after data on all drilling and geophysical surveys was made available to him.

With these comments it is recommended that the expenditure of \$198,980.00 as recommended by Mr. Jameson, is justified by the possibilities of more than one minable body of mineralization being found on this ground.

Respectfully submitted,



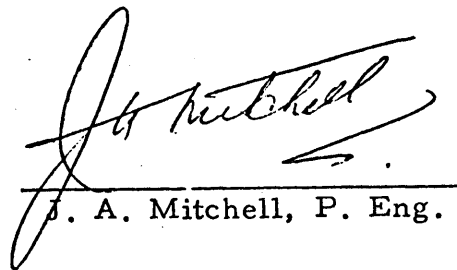
J. A. Mitchell, P. Eng.

JAM/ck

February 8, 1971.

CERTIFICATION

1. I, James A. Mitchell, of 2991 Mathers Avenue, West Vancouver, B. C. HEREBY CERTIFY THAT I am a consulting mining engineer and that I am a graduate of the University of British Columbia in Mining Engineering.
2. THAT I have spent the last 38 years in the mineral industries as a mining engineer and/or mining geologist and have maintained responsible positions in these fields at mining properties in British Columbia, and with the Department of Mines of British Columbia, and with mining companies in British Columbia.
3. I am a registered professional engineer in the Province of British Columbia.
4. I have no personal interest, directly or indirectly, in the properties herein reported, nor in the securities of Kimberley Copper Mines Ltd. (N.P.L.) nor any of its associated companies, nor do I expect to receive any such interest.
5. This report is based on previous knowledge of the area and on published information wherever available.
6. This report may be used for the purposes of a prospectus, if so desired.



J. A. Mitchell, P. Eng.

2991 Mathers Avenue,
West Vancouver, B. C.
February 8, 1971.