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SUNRISE SILVER MINES LTD.

(NON-PERSONAL LIABILITY)

PROSPECTUS

May, 1966



Head Office: 425 - 718 Granville Street

Vancouver 2, B.C.

AMENDING STATEMENT NUMBER 1 TO THE
PROSPECTUS DATED MAY 27th, 1966 PURSUANT
TO SECTION 51 OF THE "SECURITIES ACT,
1962" OF BRITISH COLUMBIA

SUNRISE SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

Reference is made to the Prospectus of the Company dated May 27th, 1966 relating to the offering of treasury shares in the capital stock of the Company.

The Company's Prospectus dated May 27th, 1966 is hereby amended as follows:

(a) By deleting paragraph (n) of the said Prospectus and substituting therefor the following:

"(n) There are no securities of the Company in respect of which options or underwriting agreements have been made or are to be given or proposed to be given by the Company. The Company by this Prospectus offers to sell 350,000 treasury shares. The amount payable on application for allotment of such shares is 25¢ per share and a discount of 25¢ per share is to be allowed. A maximum commission of 6¼¢ per share will be allowed on not more than 200,000 shares."

(b) By deleting paragraph (o) of the said Prospectus and substituting therefor the following:

"(o) It is the Company's intention to carry out the recommendations of its consulting geologist, H.S. Wilson, P.Eng., with respect to the Sunrise Silver Property and the Hazelton Sunrise Property, both of which are described in paragraph (m) hereof.

The Company intends to use the proceeds from the sale of the shares offered by this Prospectus as follows:

Commission (maximum)	\$12,500.00
Legal, audit and general administration	5,000.00
Property supervision, including remuneration to Managing Director and Field Supervisor as set out in paragraph (u)	5,000.00
Rental payable for Hazelton Sunrise Property during first year of Lease	8,000.00
Development work on the Sunrise Silver Property and the Hazelton Sunrise Property as recommended in the reports of H.S. Wilson, P.Eng., dated March 3rd and May 17th, 1966	55,000.00
Contingencies	2,000.00
	<hr/>
	\$87,500.00

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may lawfully be sold. Should the Company propose to use the proceeds to acquire securities of a non-trustee character after the initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus."

WE, the undersigned, hereby certify that the foregoing, together with the Prospectus dated May 27th, 1966, constitutes full, true and plain disclosure of all material facts in respect of the offering of the securities referred to in the said Prospectus as required by the Securities Act of the Province of British Columbia, and there is no further material information applicable other than in the financial statements or reports where required.

DATED at Vancouver, British Columbia, this 17th day of August, 1966.

"O. Schneider"
Otto Schneider

"A. Schneider"
Anne Schneider

"W. S. Read"
Wayland Stuart Read

"L. T. Vaughan"
Leonard Thomas Vaughan

"G. N. Munro"
George Neville Munro

SUNRISE SILVER MINES LTD. (N.P.L.)

INCORPORATED UNDER THE LAWS OF THE PROVINCE
OF BRITISH COLUMBIA

NOTE:

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION, OR MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED HEREIN, IN CONNECTION WITH THE ISSUE AND SALE OF THE SHARES REFERRED TO HEREIN. ANY SUCH INFORMATION OR REPRESENTATION (IF GIVEN OR MADE BY ANY PERSON) CANNOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Registrar and Transfer Agent

Canada Permanent Trust Company
455 Granville Street,
Vancouver, B.C.

Auditors

John C. Oswald & Co.
475 Howe Street,
Vancouver, B.C.

SUNRISE SILVER MINES LTD. (NON-PERSONAL LIABILITY)

PROSPECTUS

(a) The full name of the Company is SUNRISE SILVER MINES LTD. (NON-PERSONAL LIABILITY) (hereinafter called "the Company"). The registered office of the Company is situate at 124 East 15th Street, North Vancouver, British Columbia.

(b) The Company was incorporated as a specially limited public company by Memorandum of Association under the "Companies Act" of the Province of British Columbia by Certificate of Incorporation dated January 27, 1966.

(c) There have been no amendments to the Memorandum of Association.

(d) The Directors of the Company are:-

<u>Name and Address</u>	<u>Occupation</u>
Otto Schneider 174 West 11th Avenue Vancouver 10, B. C. President & Managing Director	Engineer
Anne Schneider 174 West 11th Avenue Vancouver 10, B. C. Vice-President	Prospector
Wayland Stuart Read 860 Younette Drive West Vancouver, B. C.	Consulting Geologist
Leonard Thomas Vaughan Suite #2503 1255 Bidwell Street Vancouver, B. C.	Civil Engineer
George Neville Munro 4450 Osler Street Vancouver, B. C. Secretary	Barrister & Solicitor

Otto Schneider and Anne Schneider, the vendors of the Sunrise Silver Property described in paragraph (m) herein, may be regarded as the promoters of the Company.

(e) The Auditors of the Company are John C. Oswald & Co., Chartered Accountants, 475 Howe Street, Vancouver, British Columbia.

(f) Canada Permanent Trust Company of 455 Granville Street, Vancouver 1, British Columbia, is the Registrar and Transfer Agent of the Company.

(g) The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each, of which 650,005 shares have been issued as fully paid and non-assessable. There is no other class of shares.

(h) No bonds or debentures of the Company are outstanding and none are proposed to be issued at this time.

(i) Certificates representing 650,000 shares of the capital stock of the Company are held in escrow by Canada Permanent Trust Company, 455 Granville Street, Vancouver 1, British Columbia, on the footing that the said shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia, and further, that if the Company loses or does not obtain a good marketable title to or abandons or discontinues development of any of the property which was, or formed part of, the consideration for any of its securities in escrow, or in the event of the property not being as represented, the holders of such escrowed securities agree to surrender by way of gift to the Company for cancellation such number of escrowed shares as the Superintendent of Brokers of the Province of British Columbia deems fair and equitable.

(j) Particulars of the shares sold for cash are as follows:

Shares Sold	Price per Share	Discount	Cash Received	Commission Paid
5	50¢	Nil	\$2.50	Nil

(k) No securities, other than the shares sold for cash as set out above and 650,000 shares which have been issued for properties as set out in paragraph (m) hereof, have been sold by the Company.

(l) There are no shares issued, or to be issued, to any promoter other than to Otto Schneider and Anne Schneider as set out in paragraph (m) hereof. No cash has been paid or is to be paid to any promoter other than the remuneration to be paid to Otto Schneider as set out in paragraph (u) hereof and other than the repayment to Anne Schneider of the total sum of \$2,136.52 which she advanced to defray costs of incorporation and preliminary expenses.

Otto Schneider and Anne Schneider, the vendors of the Sunrise Silver Property described in paragraph (m) herein, may be regarded as the promoters of the Company.

(e) The Auditors of the Company are John C. Oswald & Co., Chartered Accountants, 475 Howe Street, Vancouver, British Columbia.

(f) Canada Permanent Trust Company of 455 Granville Street, Vancouver 1, British Columbia, is the Registrar and Transfer Agent of the Company.

(g) The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each, of which 650,005 shares have been issued as fully paid and non-assessable. There is no other class of shares.

(h) No bonds or debentures of the Company are outstanding and none are proposed to be issued at this time.

(i) Certificates representing 650,000 shares of the capital stock of the Company are held in escrow by Canada Permanent Trust Company, 455 Granville Street, Vancouver 1, British Columbia, on the footing that the said shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia, and further, that if the Company loses or does not obtain a good marketable title to or abandons or discontinues development of any of the property which was, or formed part of, the consideration for any of its securities in escrow, or in the event of the property not being as represented, the holders of such escrowed securities agree to surrender by way of gift to the Company for cancellation such number of escrowed shares as the Superintendent of Brokers of the Province of British Columbia deems fair and equitable.

(j) Particulars of the shares sold for cash are as follows:

Shares Sold	Price per Share	Discount	Cash Received	Commission Paid
5	50¢	Nil	\$2.50	Nil

(k) No securities, other than the shares sold for cash as set out above and 650,000 shares which have been issued for properties as set out in paragraph (m) hereof, have been sold by the Company.

(l) There are no shares issued, or to be issued, to any promoter other than to Otto Schneider and Anne Schneider as set out in paragraph (m) hereof. No cash has been paid or is to be paid to any promoter other than the remuneration to be paid to Otto Schneider as set out in paragraph (u) hereof and other than the repayment to Anne Schneider of the total sum of \$2,136.52 which she advanced to defray costs of incorporation and preliminary expenses.

(m) Particulars of the mining properties of the Company are as follows: (i) (ii) & (iii)

The Sunrise Silver Property:

The Company has purchased and is the recorded and beneficial owner of 36 recorded mineral claims situate about eight air miles northeast of New Hazelton station in the Omineca Mining Division, British Columbia, and more particularly described as follows:

<u>Name of Claim</u>	<u>Record Number</u>
VAN #1 to 6 inclusive	26761 to 6 inclusive
ALPHA #1 to 5 inclusive	22036 to 40 inclusive
ALPHA #6	21304
ALPHA #7	21305
#8 ALPHA	22471
#9 ALPHA	22472
#10 ALPHA	22473
ALPHA #11 to 26 inclusive	25387 to 25402 inclusive
ALPHA #27 to 30 inclusive	26767 to 26770 inclusive

These mineral claims were purchased by the Company from Otto Schneider and Anne Schneider in consideration of the allotment of 650,000 shares of the Company, as fully paid and non-assessable, as follows:

<u>Allottee</u>	<u>Number of Shares</u>
Anne Schneider	309,000
Otto Schneider	309,000
Shirley Cortez	32,000
174 W. 11th Ave., Vancouver B.C.	
	<u>650,000</u>

These shares are held in escrow as mentioned in paragraph (i) hereof. To the knowledge of the signatories hereto, no person or company has received or is to receive from the vendors of the Sunrise Silver Property a greater than 5% interest in the consideration received therefor.

The Hazelton Sunrise Property:

The Company holds by way of lease six Crown-granted mineral claims situate in the immediate proximity of the Sunrise Silver property in the Omineca Mining Division, British Columbia, more particularly described as follows:

<u>Name of Mineral Claim</u>	<u>Description of Land</u>
Ethel	Lot 593, Cassiar District
Sunset	Lot 594, Cassiar District
Sunrise	Lot 595, Cassiar District
Noonday	Lot 596, Cassiar District
Hidden Treasure	Lot 597, Cassiar District
Ethel Fraction	Lot 599, Cassiar District

The Company holds the Hazelton Sunrise Property under lease dated April 29th, 1966 as amended by Modification Indenture dated as of April 30th, 1966, both made between The Hazelton Sunrise Mines, Limited (Non-Personal Liability), as lessor and the Company, as lessee. The Hazelton Sunrise Mines, Limited (Non-Personal Liability) is the registered owner of the Hazelton Sunrise Property, subject to the said Lease held by the Company and registered in the Land Registry Office at Prince Rupert, British Columbia under number 27093-D. The Lease is for a term of five (5) years from June 1st, 1966; and the Company is obligated to make expenditures on the Hazelton Sunrise Property in the sum of not less than \$5,000.00 during each year of the said term, and if more than that sum is expended in any year then the excess may be carried forward by the Company and applied as part of the expenditures to be made during any succeeding year or years of the said term. If the Hazelton Sunrise Property is brought into production during the said five (5) year term, then the Lease will continue in force until the permanent abandonment or completion of the Company's mining and milling operations on the Hazelton Sunrise Property or until the expiration of 25 years from the date of commencement of production, whichever time shall be the earlier. By way of rental, the Company will pay the lessor \$8,000.00 in the first year, \$6,000.00 in each of the second and third years, \$5,000.00 in the fourth year, all of which annual payments will be made in quarterly instalments; and no rental is payable during the fifth year of the said term. In addition to the rent aforesaid and in the event that the Hazelton Sunrise Property is brought into production, the Company will pay the lessor a rent by way of royalty equal to 5% of the net smelter returns from ore, concentrate, precipitate or metal won from the Hazelton Sunrise Property, as particularly defined in the Lease. If during any operating year (as defined in the Lease) commencing after May 31st, 1970 the total royalties paid by the Company to the lessor are less than \$2,000.00, then the Company will pay the lessor the difference between \$2,000.00 and the total royalties paid by the Company to the lessor in such operating year. The Company must make the said expenditures and pay the said rent and royalties to maintain the Lease in good standing, but the Company is entitled to terminate the Lease at any time by giving not less than 90 days' written notice of termination to the lessor. In the event of such termination, the Company will have no further obligation to make expenditures on the Hazelton Sunrise Property or to pay rent thereafter. The lessor has the right to terminate the Lease on default by the Company as provided in the Lease. The Company may assign the Lease or any interest therein without the consent of the lessor. Otto Schneider and Anne Schneider own the majority of the issued and outstanding shares in The

Hazelton Sunrise Mines, Limited (Non-Personal Liability) and are directors and officers thereof.

(m) (iv),(v),(vi) & (vii). For particulars of the character, extent and condition of the underground and surface exploration and development, the history of the Company's several properties, and the means of access thereto, reference is made to the following reports, copies of which accompany and form part of this Prospectus:

A. Report on the Sunrise Silver Property dated March 3rd, 1966 made by H. S. Wilson, P.Eng.,

B. Report on the Hazelton Sunrise Property dated May 17th, 1966, made by H. S. Wilson, P. Eng.,

The Company does not presently own any underground or surface plant or equipment.

(m) (viii) During the summer of 1965, Otto Schneider worked on the Company's mining properties. No work has been done or improvements made by the Company under the present management.

(n) There are no securities of the Company in respect of which options or underwriting agreements have been made or are to be given or proposed to be given by the Company. The Company by this Prospectus offers to sell 300,000 treasury shares. The amount payable on application for allotment of such shares is 25¢ per share and a discount of 25¢ per share is to be allowed. No commission will be paid in respect of the sale of these shares.

(o) It is the Company's intention to carry out the recommendations of its consulting geologist, H. S. Wilson, P.Eng., with respect to the Sunrise Silver Property and the Hazelton Sunrise Property, both of which are described in paragraph (m) hereof.

The Company intends to use the proceeds from the sale of the shares offered by this Prospectus as follows:

Legal, audit and general administration	\$ 5,000.00
Property supervision, including remuneration to Managing Director and Field Supervisor as set out in paragraph (u)	5,000.00
Rental payable for Hazelton Sunrise Property during first year of Lease	8,000.00
Development work on the Sunrise Silver Property and the Hazelton Sunrise Property as recommended in the Reports of H. S. Wilson, P. Eng., dated March 3rd and May 17th, 1966	55,000.00
Contingencies	<u>2,000.00</u>
	<u>\$75,000.00</u>

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may lawfully be sold. Should the Company propose to use the proceeds to acquire securities of a non-trustee character after the initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

(p) The preliminary expenses incurred in the formation or incorporation of the Company to date approximate \$2,000.00, and the future expenditures on preliminary matters are estimated at \$1,500.00. The Company has not yet incurred any development expenses in connection with the mineral claims described in paragraph (m) hereof.

(q) There is no substantial indebtedness to be created or assumed by the Company that is not shown on the balance sheet reported on by the Company's auditors as of May 9th, 1966, a copy of which accompanies and forms part of this Prospectus.

(r) The principal business in which each director and officer of the Company has been engaged during the immediately preceding three years is as follows:

Otto Schneider, President and Director; Engineer for various refrigeration companies, and engaged in mining development work;

Anne Schneider, Vice-President and Director; Prospector;

Wayland Stuart Read, Director; Consulting Geologist in private practice in West Vancouver; previously resident Geologist and Mines Manager for Peso Silver Mines Ltd.;

Leonard Thomas Vaughan, Director; Civil Engineer employed by private industry;

George Neville Munro, Secretary and Director; Barrister and Solicitor engaged in private practice in North Vancouver, B. C.; previously employed in legal capacity by a forest products company.

(s) Otto Schneider and Anne Schneider are the vendors to the Company of the Sunrise Silver Property. Otto Schneider and Anne Schneider own the majority of the issued and outstanding shares in The Hazelton Sunrise Mines, Limited (Non-Personal Liability) and are directors and officers thereof. The Company leases the Hazelton Sunrise Property from The Hazelton Sunrise Mines, Limited (Non-Personal Liability) as set out in paragraph (m) hereof.

(t) No remuneration has been paid by the Company to directors or officers as such since the incorporation of the Company.

(u) It is anticipated that no remuneration will be paid to any director or officer as such during the current fiscal year. Mr. Otto Schneider has been appointed as Managing Director and Field Supervisor of the Company at a remuneration of \$750.00 per month for the six month period commencing May 15th, 1966 and thereafter at such remuneration as may be fixed by the Directors.

(v) Otto Schneider and Anne Schneider, by reason of the shares received by them in consideration of the sale of the mineral claims described in paragraph (m) hereof, are in a position to elect or cause to be elected a majority of the Directors of the Company.

(w) No dividends have been paid by the Company.

(x) If and when the shares referred to in paragraph (i) hereof are released from escrow and are sold by the owners thereof to the public, none of the proceeds of such shares will accrue to the benefit of the Company's treasury.

There are no other material facts which are not disclosed in this Prospectus.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of the securities referred to above, as required by the Securities Act of the Province of British Columbia, and there is no further material information applicable other than in the financial statements or reports where required.

Dated at Vancouver, British Columbia, this 27th day of May 1966.

"Otto Schneider"

Otto Schneider

"Anne Schneider"

Anne Schneider

"Wayland Stuart Read"

Wayland Stuart Read

"Leonard Thomas Vaughan"

Leonard Thomas Vaughan

"George Neville Munro"

George Neville Munro

SUNRISE SILVER MINES LTD. (N.P.L.)

Report
and accounts
May 9, 1966

JOHN C. OSWALD & CO.
Chartered Accountants
Vancouver, Canada

SUNRISE SILVER MINES LTD.
(Non-Personal Liability)

(Incorporated under the B. C. Companies Act, January 27, 1966)

Balance Sheet, May 9, 1966

Assets

Mineral claims, at cost (value placed on 650,000 shares issued therefor)	\$325,000.00
Rental payment on leased mineral claims (see Note)	2,000.00
Incorporation and preliminary expenses	<u>2,439.02</u>
	<u>\$329,439.02</u>

Liabilities

Current:	
Mineral lease rental	\$ 2,000.00
Payables	<u>2,436.52</u>
	4,436.52

Share capital:

Authorized -

5,000,000 shares, par value 50¢ each \$2,500,000.00

Issued -

650,000 shares for mineral claims 325,000.00

5 shares for cash 2.50

650,005

325,002.50

\$329,439.02

The accompanying note is an integral part of this statement.

Approved on behalf of the Board:

"G. N. Munro"

Director

"O. Schneider"

Director

Auditors' Report

We have examined the above balance sheet of Sunrise Silver Mines Ltd. (Non-Personal Liability) as at May 9, 1966 and have obtained all the information and explanations we have required.

In our opinion the above balance sheet, read in conjunction with the note thereto, presents fairly the financial position of the Company as at that date, in accordance with generally accepted accounting principles.

Vancouver, B. C.
May 12, 1966

"John C. Oswald & Co."
Chartered Accountants.

SUNRISE SILVER MINES LTD.
(Non-Personal Liability)

Note to balance sheet, May 9, 1966

Under the terms of a lease dated April 29, 1966, as amended April 30, 1966, the Company is leasing certain mining properties commencing June 1, 1966, from the Hazelton Sunrise Mines Limited (Non-Personal Liability) under the following terms and conditions -

- a) lease rental payments:
 - \$ 2,000 within ten days after acceptance for filing of the Company's current prospectus by the British Columbia Securities Commission.
 - 6,000 in three equal instalments of \$2,000 each payable every three months commencing September 1, 1966.
 - 12,000 in eight equal quarterly instalments of \$1,500 each commencing June 1, 1967.
 - 5,000 in four equal quarterly instalments of \$1,250 each commencing June 1, 1969.

- b) annual work commitments of \$5,000 during the first five years of the lease.

- c) rent by way of royalty equal to 5% of the net smelter returns with a guarantee of not less than \$2,000 per year commencing May 31, 1970. If the mining properties are brought into production within five years from June 1, 1966 then this lease will continue in force until completion of milling operations or until the expiration of twenty-five years from the date of commencement of production, whichever time shall be the earlier.

- d) the Company is entitled to terminate this lease at any time by giving not less than ninety days notice to Hazelton Sunrise.

REPORT

on PROPERTY of

SUNRISE SILVER MINES LTD.

HAZELTON AREA

CASSIAR DISTRICT

PROVINCE OF BRITISH COLUMBIA

by

H.S.WILSON, P.ENG.

Oakville, Ontario

March 3, 1966

March 3, 1966

Mr. Otto Schneider, President,
Sunrise Silver Mines Ltd.,
174 West 11th Avenue,
Vancouver 10, B. C.

Dear Sir:

In response to your request of February 15th, the following is a summary of my observations on the former Lead King group of mineral claims, which I briefly examined on August 4th and on August 30th, 1965. I understand from your letter that these claims now form part of the property owned by Sunrise Silver Mines Ltd.

The property covers a number of mineral showings on which more or less work has been done by former owners, mostly many years ago, but my examination was confined to the former Lead King group of claims, which seemed to have the most important showings, and it consisted of visual inspection of the veins described in Geological Survey of Canada Memoir 223 and indicated on the accompanying map. No sampling was done by the writer.

Property

The property owned by Sunrise Silver Mines Ltd. consists of a somewhat irregular group of thirty-six mineral claims with area of about 1800 acres, as shown on the attached map and as listed below.

Alpha	1 to 5	Nos	22036 to 22040 incl	-	5	claims
"	6 & 7	"	21304 & 21305	-	2	"
"	8 to 10	"	22471 to 22473	"	-	3 "
"	11 to 20	"	25387 to 25396	"	-	10 "
"	21 to 26	"	25397 to 25402	"	-	6 "
"	27 to 30	"	26767 to 26770	"	-	4 "
Van	1 to 6	"	26761 to 26766	"	-	<u>6</u> "
		Total				36 claims

Location and Access

The property is located on the north side of Nine Mile Mountain, about eight air miles northeast of New Hazelton station, Omineca Mining Division, British Columbia. It is reached by way of Nine Mile Mountain road, 13 miles long from South Hazelton station to Silver Cup basin at elevation 3400 feet, which road is presently being extended an additional

distance of three miles to an old campsite in a grassy meadow at the foot of a glacial cirque at elevation 4075 feet. From this point a good trail leads to the vein exposures at elevation of about 4700 feet.

Sources of Information

The mineral showings on the Lead King claims are described in some detail in the above-mentioned Geological Survey of Canada Memoir 223 (Revised Edition), Mineral Resources, Hazelton and Smithers Areas, Cassiar and Coast Districts, British Columbia, by E. D. Kindle, pp 50-52, with accompanying map (Figure 5) showing the location of the various veins mentioned in the text. Mineral showings located on other claims that are included in the Sunrise property are also described in this Memoir, which contains the only factual information available to me, and it has been used extensively both during the examination and in preparation of this report.

Development

Work done on the Lead King group of mineral claims by former owners consists of an adit about 43 feet long, a 40-foot inclined shaft, plus a fair amount of stripping along the veins, and a number of open-cuts. Five tons of ore are reported to have been shipped in 1909.

Geology

Nine Mile Mountain is underlain chiefly by a group of sedimentary rocks of Upper Jurassic and Lower Cretaceous age, which consist of tuffaceous sandstone, greywacke, arkose, argillite, etc. The most common type is a hard, grey, even-grained greywacke which only locally is well-bedded. These rocks have been folded into broad, open anticlines and synclines which trend northeasterly and whose limbs usually dip at angles of less than 45 degrees. On the north side of the mountain, in the vicinity of the Sunrise property, the sediments have been intruded by an elongated stock, 4 miles long by 1/2 mile wide, of grey, coarsely crystalline granodiorite whose longer axis trends in a northwesterly direction. It is of Upper Cretaceous or Tertiary age.

Economic Geology

The veins that occur on the Lead King claims are well described by E. D. Kindle in the above-mentioned Memoir 223, p 51, which is quoted verbatim. "The veins occur along slickensided fault fissures in the granodiorite stock that intrudes the sediments along the north side of the mountain. They lie in a disturbed zone about 700 feet wide and possibly

2,500 feet long, which extends from the Lead King ground west across the Sunrise property. This zone is parallel with the line of contact of the granodiorite and intruded sediments, and its north border lies about 500 feet south of the contact within the intrusion. There are two distinct sets of vein fissures. One series strikes north and dips from 25 to 45 degrees east, and the other strikes east and dips from 10 to 35 degrees south into the mountain. The fissures are offset a few feet by normal faults that strike north and dip from 60 to 90 degrees east. The veins commonly range from 100 to 300 feet in length. Their average width is about 1 foot, but they are lenticular and range from 4 inches to 3 feet wide. They are commonly arranged en echelon. In some cases parallel veins lie only 6 feet apart and could be mined together. The veins are mostly of quartz heavily mineralized with jamesonite, sphalerite, cosalite, and galena, with some argentite and tetrahedrite. There are, in addition, sheared zones in which the granodiorite is altered and replaced by fine veinlets of quartz, galena, sphalerite, and jamesonite."

My observations are in entire agreement with Kindle's description, although some portions of the veins are not now exposed, being concealed by rubble that has fallen into the pits.

The various veins and other features are shown on the attached plan, which is traced from Figure 5 in Memoir 223.

The vein that occurs below the portal of the short adit at elevation 4715 feet at the upper left edge of the plan, and the one exposed in the open-cut at elevation 4940 feet on the slope above it, consists of stringers of quartz and sulfides contained in sheared and altered granodiorite. At the adit, the vein zone is now completely concealed by rubble and by a small stockpile of ore that was apparently mined from it, but at the open-cut the mineralized zone is about 8 feet wide. No mineralization appears to have been encountered in the adit.

The vein exposed at the inclined shaft, which is about 725 feet east of the adit and at about the same elevation, is 18 inches wide. It has been traced on strike for some 200 feet, and ranges from 6 inches wide at both ends to 20 inches wide near its centre. It strikes east and dips south into the mountain and it is of quartz well mineralized with sulfides. An equally well mineralized parallel vein lies from 10 to 15 feet below it and two other veins are exposed at 50 feet and 70 feet respectively above it.

On the west side of a north-south fault which lies some 120 feet west of the inclined shaft, nine veins are exposed, mostly by natural agencies, on the more or less precipitous slope between elevations 4750 and 5100 feet. They are all of quartz well mineralized with jamesonite, sphalerite, and galena, with a little pyrite, cosalite and arsenopyrite.

The sulfides occur disseminated through the quartz and as alternate bands of solid sulfides.

Assay results of samples from various veins taken by E. D. Kindle and quoted in Memoir 223 are listed below, the various localities from which they were taken being numbered, which correspond to numbers on the attached plan.

Location	type of sample	length of sample cut	silver ozs	Assays			
				lead %	zinc %	antimony %	arsenic %
1.	representative of stockpile	-	37.97	23.86	29.50	0.76	-
2.	channel	18"	9.15	6.47	17.11	2.63	2.43
3.	"	10"	15.23	8.18	16.70	-	-
4.	"	8"	0.60	0.36	0.81	-	-
5.	"	24"	5.24	11.01	5.71	2.68	2.43
6.	"	18"	3.51	8.00	6.55	2.16	3.20
7.	representative of vein zone 8 feet wide	-	3.74	2.82	3.30	-	-

Conclusions

A fair tonnage of silver-lead-zinc ore containing a little antimony, bismuth, and arsenic would appear to be indicated from the surface exposures, but before plans for further development of the property can be formulated, it will be necessary to make a more complete evaluation of all the more important veins, which will require detailed, systematic sampling of their exposures.

Recommendations

It is recommended that the known veins be systematically sampled at intervals of from 5 to 10 feet along their exposed length, which will involve removal of rubble from the open-cuts and in some places further stripping and open-cutting. Additional topographic and geologic mapping should be carried out also, as well as some mill-testing of representative samples of the ore. In order to carry out this work a new camp should be established at the old campsite and the road extended to this location, a distance of about 1½ miles.

Estimate of Cost

The cost of carrying out the above-recommended work, including the road, is estimated at about \$25,000.

Respectfully submitted,

H.S. Wilson, P.Eng.

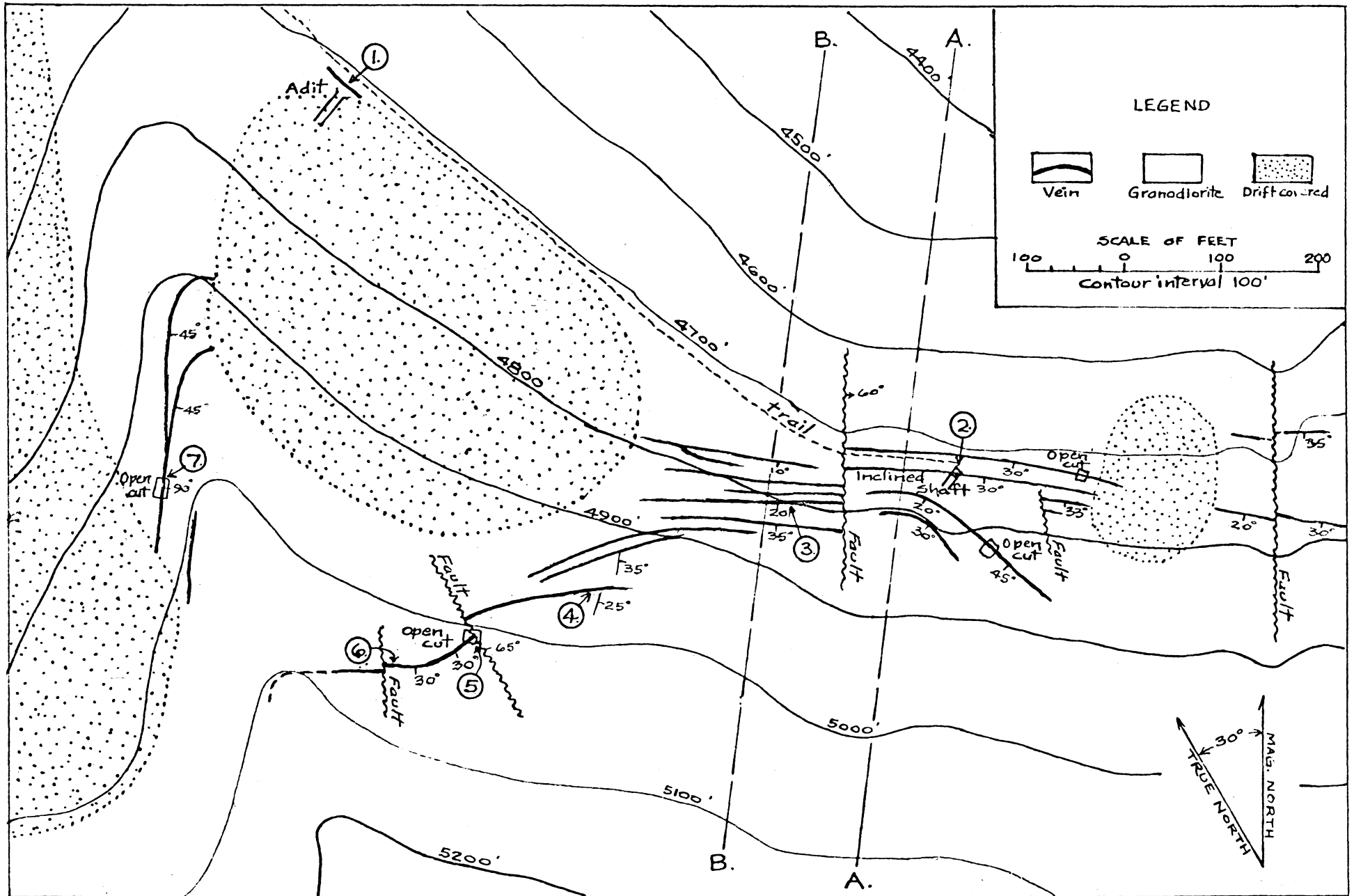
CERTIFICATE

I, Harold S. Wilson, of 179 Reynolds Street, Oakville, in the Province of Ontario, hereby certify:

1. THAT I am a geologist and mining engineer and reside at 179 Reynolds Street, Oakville, Ontario.
2. THAT I am a graduate of McGill University, B.Sc. 1924, M.Sc. 1925, with two years further post-graduate work in geology at the University of Wisconsin, and have been practicing my profession as a geologist and mining engineer for upwards of thirty-five years.
3. THAT I have no direct or indirect interest whatsoever in the mining claims referred to in the accompanying report or in securities of Sunrise Silver Mines Ltd., nor do I expect to receive any such interest.
4. THAT the accompanying report is based on examination of the former Lead King group of mineral claims, which now form part of the property owned by Sunrise Silver Mines Ltd., and on documents and maps as listed in the body of this report.
5. THAT I examined the property referred to in the accompanying report on August 4 and on August 30, 1965.

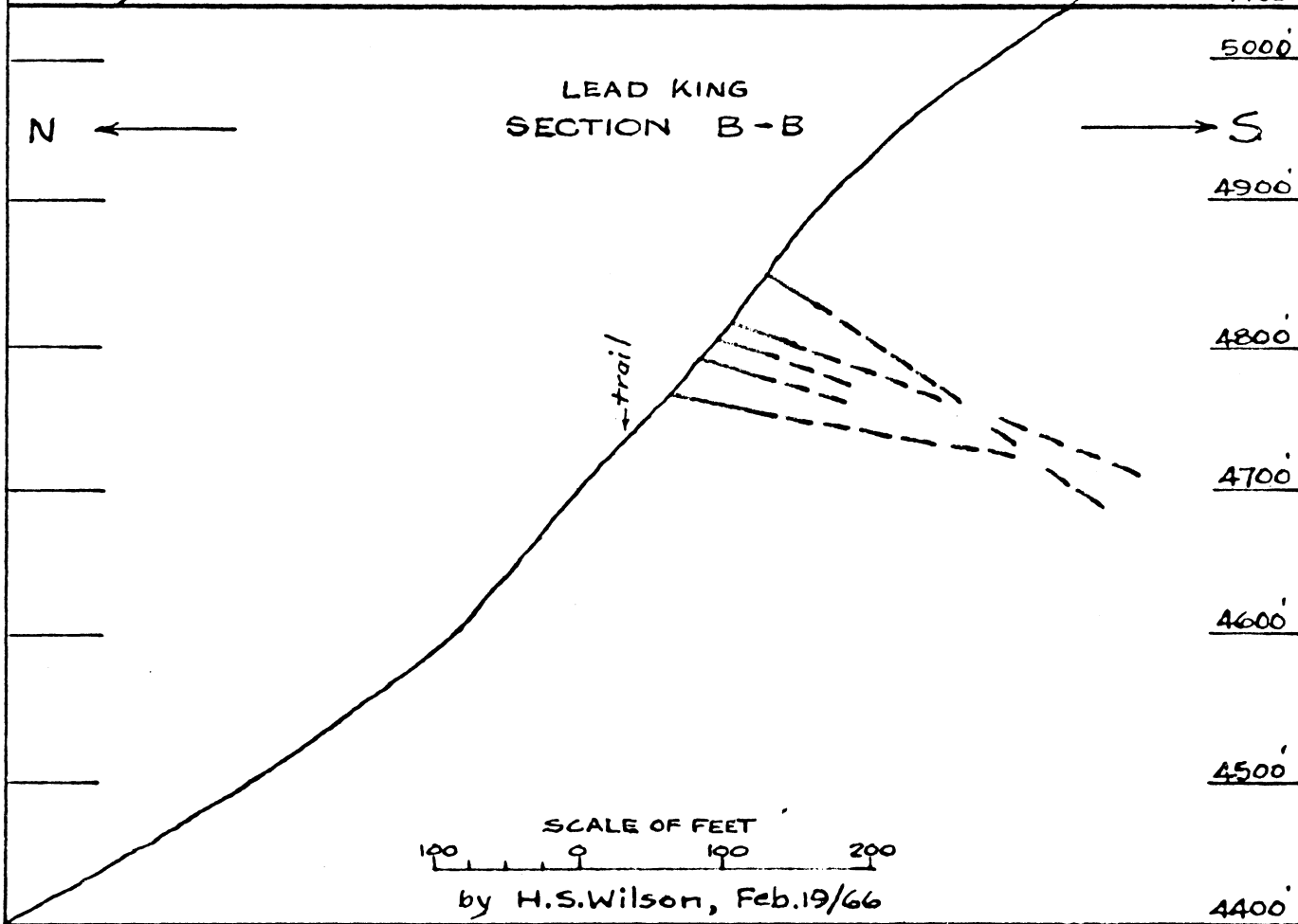
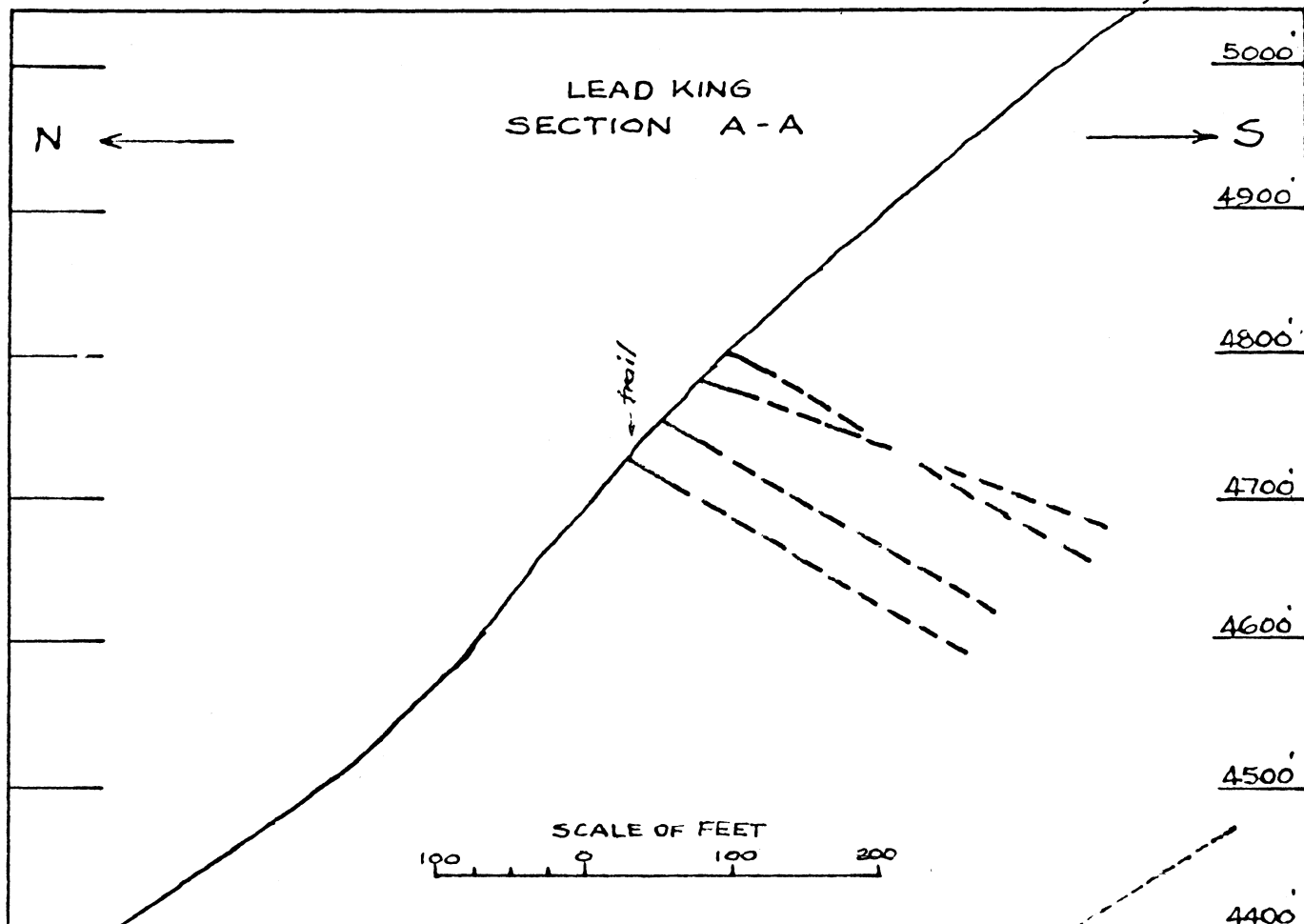
DATED at Oakville, Ontario, this 3rd day of March, 1966.

H.S. Wilson, P.Eng.



PLAN OF PART OF LEAD KING GROUP
 From Figure 5, G.S.C. Memoir 223
 Additions by H.S. Wilson - Feb. 1966

Location of Sample ③



by H.S.Wilson, Feb.19/66

May 17, 1966

Mr. Otto Schneider, President,
Sunrise Silver Mines Ltd. (Non-Personal Liability),
174 West 11th Avenue,
Vancouver 10, B. C.

Dear Sir:

In compliance with your request, the following is a report on the property of The Hazelton Sunrise Mines, Limited, which I examined briefly on August 3rd and again on August 29th, 1965, and which, I understand, is being acquired on a long-term lease by Sunrise Silver Mines Ltd. (Non-Personal Liability).

Property:

The property, which is owned outright by The Hazelton Sunrise Mines, Limited (Non-Personal Liability), consists of a compact group of five Crown granted mineral claims and one fraction, whose total area is about 180 acres, as follows:

- Lot 593, Cassiar District, known as the "Ethel" mineral claim
- Lot 594, Cassiar District, known as the "Sunset" mineral claim
- Lot 595, Cassiar District, known as the "Sunrise" mineral claim
- Lot 596, Cassiar District, known as the "Noonday" mineral claim
- Lot 597, Cassiar District, known as the "Hidden Treasure"
mineral claim
- Lot 599, Cassiar District, known as the "Ethel Fraction"
mineral claim

Location and Access:

The property is located on the north side of Nine Mile Mountain, about eight air miles northeast of New Hazelton station, Omineca Mining Division, British Columbia. It is reached by way of Nine Mile Mountain road, 13 miles long from South Hazelton station to Silver Cup basin at elevation 3,400 feet. This road was extended last summer an additional distance of about 1½ miles and it is my understanding that it is proposed to extend it during the coming summer a further 1½ miles to an old campsite in a grassy meadow at the foot of a glacial cirque at elevation 4,075, feet. It is presently passable by four-wheel drive vehicles only. From this point a good pack horse trail leads to the vein exposures at elevations of between 4,800 and 5,100 feet.

The property is nearly surrounded by claims presently owned by Sunrise Silver Mines Ltd. (Non-Personal Liability).

Sources of Information:

The property is described in some detail in Geological Survey of Canada Memoir 223 (Revised Edition), Mineral Resources, Hazelton and Smithers Areas, Cassiar and Coast Districts, British Columbia, by E. O. Kindle, pp 78-82, with accompanying map (Figure 8) showing the location of the various veins mentioned in the text.

The property is also described in a report dated December 4, 1963, by J. D. Mason, P. Eng., who carried out a preliminary sampling of the main vein exposed on the claims and who recommended that further exploration and development work be done in order to ascertain the merits of the property.

My examination was confined to visual inspection of the veins described in the above-mentioned reports and indicated on the maps. No sampling was done by the writer. Both reports have been used freely in the preparation of this report.

Timber and Water:

Excellent timber for all mining purposes is available in the Shegunia Valley and on the slopes of Nine Mile Mountain.

Adequate water for milling purposes is available at lower elevations, and for preliminary exploration and development, it can probably be obtained from surface run-off and from the inclined shaft. A permanent supply of water can be obtained when warranted from a small lake near the top of the mountain at elevation 5,400 feet.

History:

Quartz veins carrying abundant jamesonite, galena, and sphalerite, were discovered on the property in 1909. The Hazelton Sunrise Mines, Limited (Non-Personal Liability) was organized in 1911 and carried out some development work. A shipment of 74 tons of hand-sorted ore was made to the smelter in 1915, but results are not recorded. Further development was done in 1918 by J. Errington, and in 1920 by American Smelting and Refining Company. Trethewey Brothers carried on work for several years beginning in 1923, and were responsible for driving the main crosscut adit 400 feet. This work was resumed in 1927 by The Hazelton Sunrise Mines, Limited (Non-Personal Liability), the main adit being extended to a total length of 750 feet with a 60 foot raise from the face being driven up at 45 degrees to the north. Further work, chiefly surface trenching was done by this Company in 1937, which resulted in exposing several new veins. No significant work would appear to have been done on the claims since that time.

Development:

Development consists of numerous strippings, rock trenches, and open-cuts, with a crosscut adit driven due south, 110 feet long, at elevation 4,985 feet, and a 40 foot shaft inclined at 30 degrees on the main vein at elevation of about 5,020 feet. As noted above, the main crosscut adit, at elevation 4,800 feet, is driven in a southerly direction for 750 feet, at the end of which is a 60 foot raise inclined at 45 degrees to the north. There are two other short adits, one at elevation 4,760 feet, driven south for 32 feet, the other at elevation 4,735 feet, driven southwest for 117 feet, with a 50 foot crosscut to the southeast at a point 55 feet from its portal.

All underground openings are in good condition, but some of the surface openings are now more or less filled with rubble that has fallen from the walls.

Plant, Equipment, Buildings:

There is presently no serviceable plant or equipment on the property, except for track and pipe in the main adit and a number of lengths of unused pipe along the trail leading up to it.

The only building on the property is an old cabin at the edge of the timber at elevation 4,250 feet.

Geology:

Nine Mile Mountain is underlain chiefly by a group of sedimentary rocks of Upper Jurassic and Lower Cretaceous age, which consist of tuffaceous sandstone, greywacke, arkose, argillite etc. The most common type is a hard grey, even-grained greywacke, which only locally is well-bedded. Those rocks have been folded into broad anticlines and synclines which trend northeasterly and whose limbs usually dip at angles of less than 45 degrees. On the north side of the mountain, in the vicinity of the Sunrise Silver property, the sediments have been intruded by an elongated stock, 4 miles long by 1/2 mile wide, of grey, coarsely crystalline granodiorite, whose longer axis trends in a northwesterly direction. It is of Upper Cretaceous or Tertiary age.

Economic Geology:

The veins occur in coarsely crystalline, grey granodiorite in intersecting fault fissures along which there has been minor displacement. They lie in a disturbed zone that measures 700 feet in width from north to south and 1,000 feet in length from west to east across the Hazelton Sunrise property and extends an additional 1,500 feet east across the adjoining former Lead King property, which is now owned by Sunrise Silver Mines Ltd. (N.P.L.). The main fracture zone lies between elevations of

4,700 and 5,200 feet, and its north boundary is about 500 feet south of the sedimentary contact.

There are two intersecting sets of veins on the Hazelton Sunrise property. One set strikes northeast and dips from 30 to 50 degrees southeast. The other set strikes east and dips from 10 to 40 degrees south. The veins range from 100 to 500 feet in length and from a few inches to 4 feet in width. They commonly occur in parallel groups or may be arranged en echelon. The veins consist of variable proportions of sulfides, contained in a quartz gangue. Some of them, or portions of them, are of almost solid sulfides, but others contain considerable amounts of quartz. The metallic minerals present, in order of their abundance, are: jamesonite, sphalerite, galena, cosalite, pyrite, arsenopyrite, argentite, and tetrahedrite. The ore contains appreciable amounts of silver, lead, zinc, antimony, and bismuth.

The location of the various veins, and other features, are shown on the attached plan, which is traced from Figure 8 in Memoir 223. Assay results are from samples taken by E. D. Kindle and quoted in the text of the Memoir.

Twelve veins have been partially exposed on the property, but of these the most important would appear to be that which outcrops at elevation of about 5,000 feet. It strikes east and west and dips from 10 to 30 degrees south into the mountain. It ranges in width from a few inches to nearly 4 feet, and, with its en echelon extension, has an apparent length of nearly 550 feet. Preliminary sampling by J. D. Mason, P. Eng., in 1963 over a portion of the vein 345 feet in length yielded an average grade of 25.8 ozs silver, 7.56% lead, and 9.65% zinc over an average width of 28.8 inches which would appear to be excellent ore. It is impossible, however to do a proper sampling of this vein or for that matter any of the veins exposed on the property, at the present time due to the caved condition of the trenches and to oxidation.

Comment:

My observations confirm the location and description of the various veins mentioned in the above reports and shown on the accompanying maps. I have no reason to believe that the sampling results obtained by Mr. Mason are other than substantially correct.

Although vertical continuity of the veins has yet to be proved, there is no reason to believe that they will not extend to moderate depths, i.e. of the order of a few hundreds of feet. The fact that the main cross-cut adit at elevation 4,800 feet, and the short raise from the end of it, failed to locate the downward extension of the most important vein is considered not too significant, as indications are that it was not driven

far enough, as can be seen by inspection of the vertical section attached to this report.

Conclusions:

I think the veins exposed on the Hazelton Sunrise claims look sufficiently interesting to warrant the hope that further work will result in the development of a small, high grade producer of silver, lead, and zinc. However, systematic sampling of the known veins, additional development by trenching and test-pitting, and metallurgical testing of representative ore, followed probably by some diamond drilling, will be required before a final assessment of the merits of the property and the economics of an operation are possible.

Recommendations:

In order to gain the further information required, it is recommended that a program of work be carried out in two stages, as follows:

Stage 1 should consist of cleaning out and reblasting the existing trenches on known veins so that they can be properly sampled and representative samples of the veins - the sample rejects will suffice - made up and shipped for mill testing. Concurrently topographic and geologic mapping should be done as well as some additional exploration by trenching in an effort to extend known veins on strike and to find new ones.

Stage 2, which is contingent on favourable results being secured in stage 1, should consist of a certain amount of diamond drilling in order to establish vertical continuity of the veins.

In order to carry out the work, a temporary camp should be established at the site of the former Lead King camp (presently owned by Sunrise Silver Mines Ltd. (N.P.L.)) at elevation 4,075 feet, and the road extended to this location, a distance of about 1½ miles.

Estimate of Cost:

The cost of carrying out the first stage of the above-recommended program of work, including the road and the camp, is estimated at about \$30,000.00, and of the second stage, if warranted, at an additional amount of \$40,000.00 for 3,000 feet of drilling.

Respectfully submitted

H. S. WILSON, P.Eng.

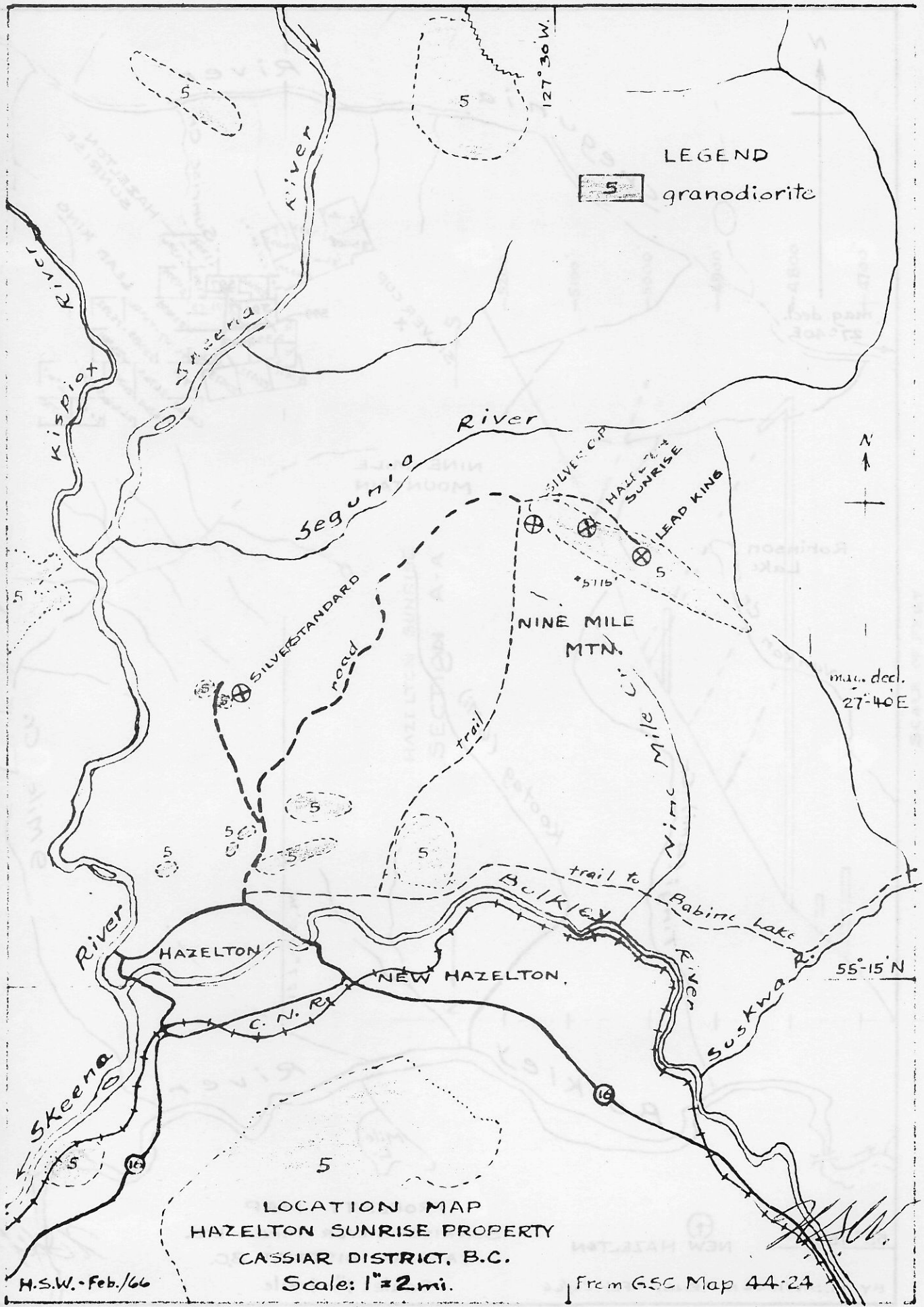
CERTIFICATE

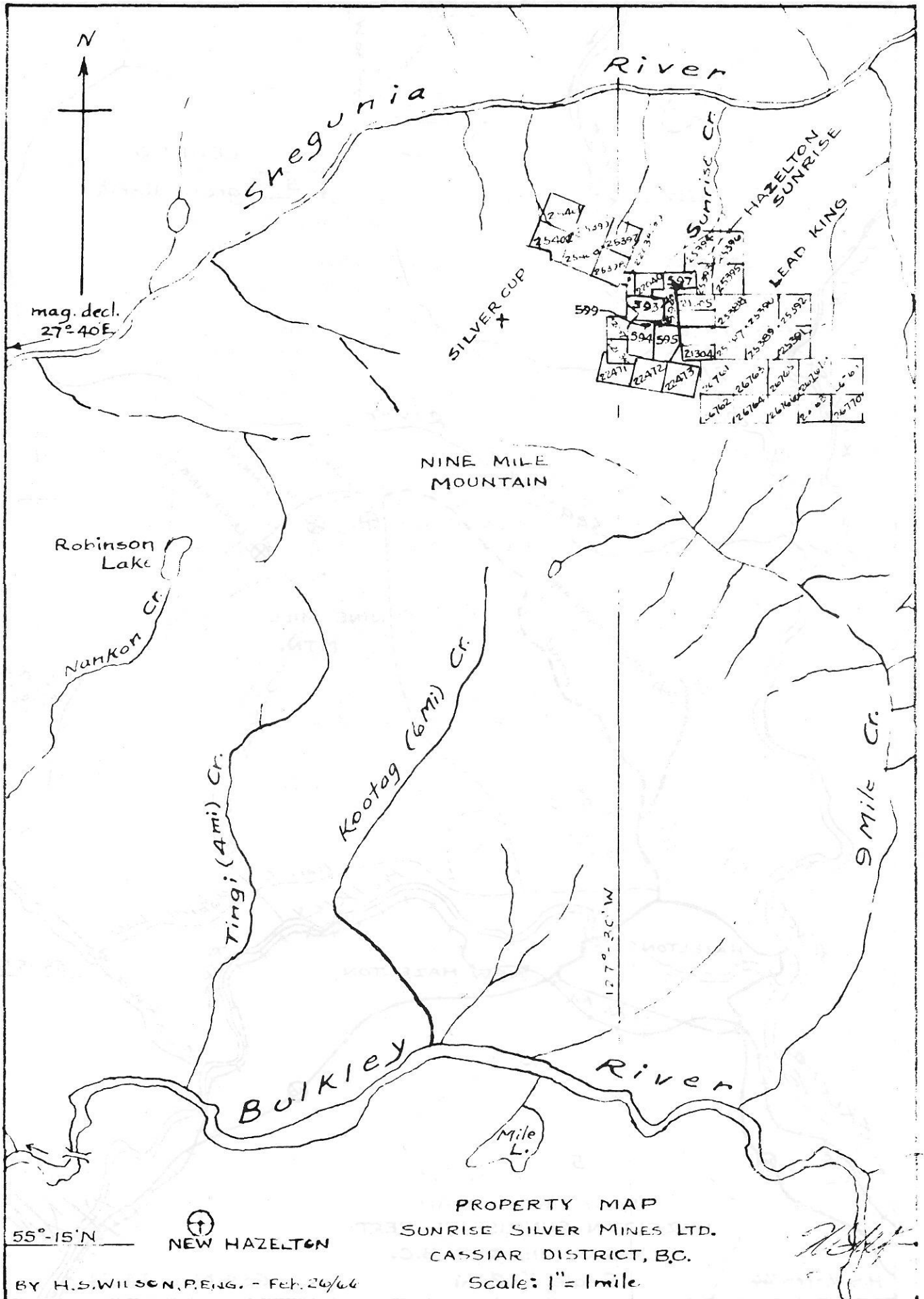
I, HAROLD S. WILSON, of 179 Reynolds Street, Oakville, in the Province of Ontario, hereby certify:

1. That I am a geologist and mining engineer and reside at 179 Reynolds Street, Oakville, Ontario.
2. That I am a graduate of McGill University, B.Sc. 1924, M.Sc. 1925, with two years further post-graduate work in geology at the University of Wisconsin, and have been practicing my profession as a geologist and mining engineer for upwards of thirty-five years.
3. That I have no direct or indirect interest whatsoever in the mining claims referred to in the accompanying report or in the securities of The Hazelton Sunrise Silver Mines, Limited (Non-Personal Liability) or of Sunrise Silver Mines Ltd. (Non-Personal Liability), nor do I expect to receive any such interest.
4. That the accompanying report is based on examination of the Hazelton Sunrise property and on documents and maps as listed in the body of this report.
5. That I examined the property referred to in the accompanying report on August 3rd and on August 29, 1965.

DATED at Oakville, Ontario, this 17th day of May 1966.

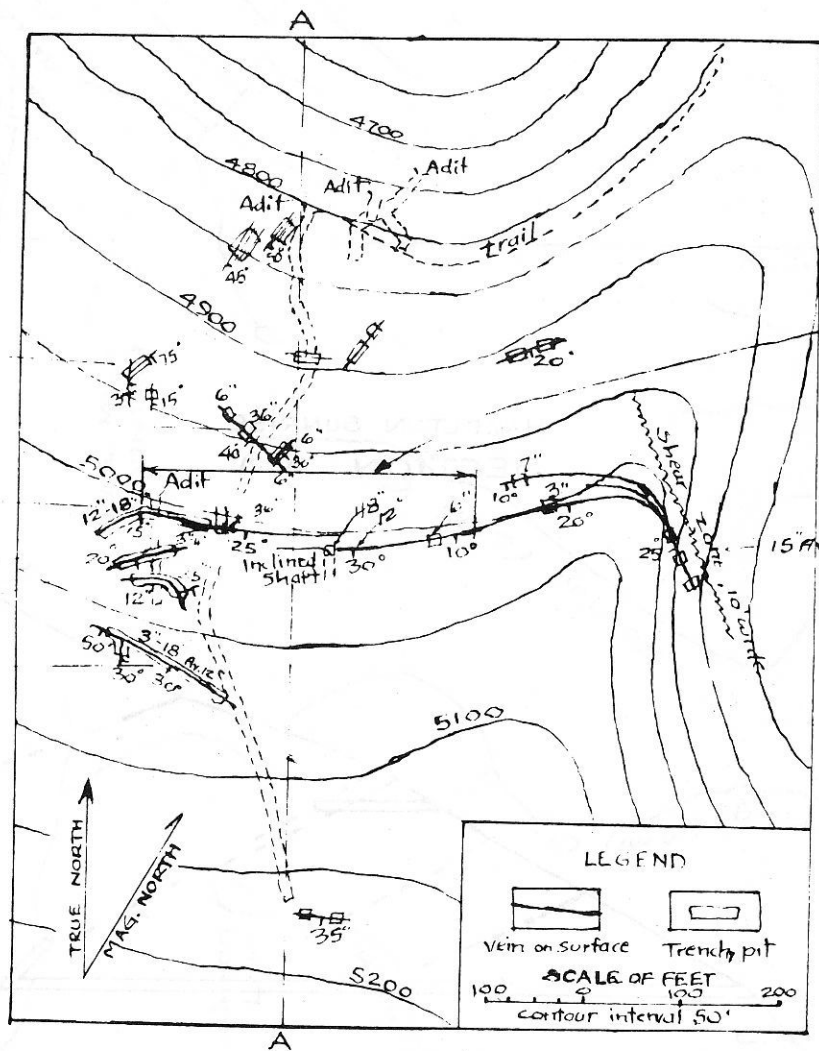
H. S. Wilson, P.Eng.





width	Ag	Pb	Zn	Sb	Bi
4"	99.13	37.58	5.59	0.54	
36"	1.10	2.96	0.40		
12"	22.76	11.37	14.37	2.59	
6"	33.27	13.74	17.02		
36"	45.35	62.24	11.93	5.97	2.50
4"	2.73	-	19.86	2.31	
14"	27.21	11.63	2.91	2.28	9.10

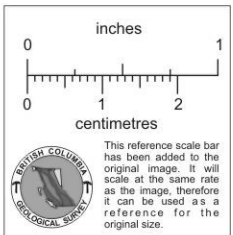
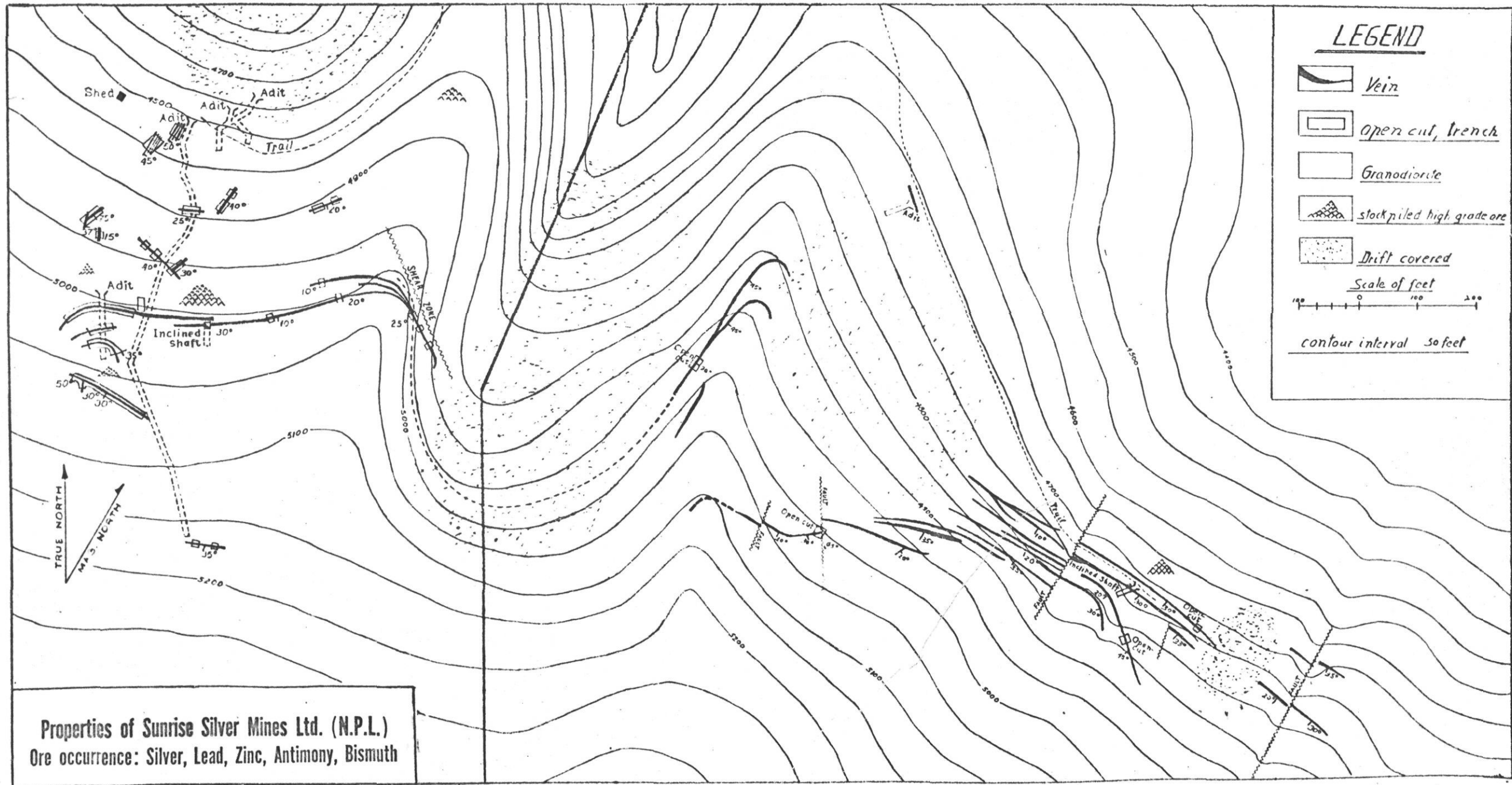
N-S vein
in adit



PLAN OF PART OF HAZELTON SUNRISE GROUP

From G.S.C. Mem. 223, p.74. Additions by H.S. Wilson, Sept. 28, 1965

Handwritten signature



ELPHICK SECURITIES LIMITED

TELEPHONE 684-2181

MEMBERS OF
INVESTMENT DEALERS' ASSOCIATION OF CANADA
B.C. BOND DEALERS ASSOCIATION
VANCOUVER STOCK EXCHANGE

TO		REPLY		409 GRANVILLE STREET	
RETURN TO		COMMENT		VANCOUVER 2, B.C.	
MAR 20 1967					
1	WKB	5			
2		6			
3		7			
4		8			

Mr. Brown,
Geologist- Canada Section,
523 W. 6th St.,
Los Angeles 14, Calif.

Dear Mr. Brown,

I believe Mr. Jack Richardson of the Security First National Bank, has already mentioned my name to you.

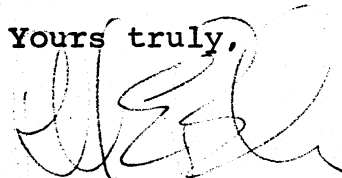
I represent Sunrise Silver Mines Ltd., and I am interested in securing financing for further development of the company's silver-lead-zinc property.

Substantial work has been done on the claims near Hazelton B.C., with very encouraging results. The company has sufficient funds to complete its initial program but it will need outside financing for the more expensive completion work and instalation of production facilities.

I will be in Los Angeles on Monday March 27, and Tuesday March 28. May I have an appointment with you or your business development manager so that I can present geologists' reports, assays, maps, etc., and if you are interested, explore some ideas concerning your possible participation.

I would appreciate an early reply so that I can arrange my schedule. Thank-you.

Yours truly,



RICHARD E. BAKER

REB:gm