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REPORT ON THE REGAL GROUP

SIMILKAMEEN M.D.

PRINCETON, B.C.

BY

C. J. COVENEY, P. ENG.

FOR

JOY MINING LTD.

VANCOUVER, B.C.

Vancouver, B.C.

January 11, 1968.

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M A P S

Figure 1	CLAIM MAP	1" = 3000'
2	GROUPING MAP 1968	1" = 3000'
3	SAMPLE LOCATIONS - REGAL OXIDE ZONE (D. Campbell)	1" = 100'
4	ORIGIN OF OXIDE ZONES - SLIDE AREA (D. Campbell)	1" = 200'
5	LOCATION OF GRANBY'S ROTARY HOLES (K. Fahrni)	1" = 200'

(1)

SUMMARY AND CONCLUSIONS

This property, which consists of 75 claims, lies about $2\frac{1}{2}$ miles north-east of Princeton, B.C. Geologically, the area is favourably located since it is only a few miles to the north of Copper Mountain which at present is being intensively explored by Newmont Mining Corporation. The rocks underlying the property are the favourable Nicola volcanics which contain several granitic intrusives.

Attention should be focused on the oxide area that has a potential of millions of tons of leaching material. The rocks in the oxide area are intensely fractured and altered and contain considerable limonitic material with abundant copper carbonates that locally assay over 1% Cu. Evidence seems to indicate that the present surface position of the oxides is due to land sliding but that the distance moved was not great. In places the oxide has a depth of 50 - 60 feet and since it occurs directly beneath a thin layer of overburden mining would be cheap.

The exploration program recommended would delimit the oxide area and establish a grade and tonnage figure. Metallurgical tests would be necessary to outline a suitable leaching process. With a proper leaching method, together with adequate tonnage and grade, the property could well develop into a profitable producer.

The expenditure for this phase of the exploration program is estimated at \$75,000.

INTRODUCTION

This property, comprising 75 claims, is situated about $2\frac{1}{2}$ miles north-east of the town of Princeton in the Similkameen Mining Division of British Columbia. The claim group which encompasses about 8 square miles occurs mainly on open grass-covered slopes and uplands that are readily accessible to 4-wheel drive vehicles. Elevations range from 2200 feet to 3200 feet with overburden covering about 90% of the area.

HISTORY

The occurrence of oxide and sulphide copper on the property has been known since early 1900. At that time, a coal company drove several adits into the Tertiary rocks near the bottom of the hill on the west side of the property and reported that the innermost heading was in a dioritic rock containing abundant disseminated bornite. In 1918 a mining syndicate completed a 150 foot open-cut and a 50 foot tunnel. They reported that sulphides in the tunnel assayed from 1.87% Cu to 2.80% Cu while surface oxide material assayed in excess of 1.0% Cu. Unfortunately all the old workings, due to caving and sloughing, are now inaccessible. A minor amount of drilling was done in 1929 but other than suggesting a large area of weak mineralization, the work was inconclusive.

Prior to the closing of Copper Mountain, Granby Mining and Smelting Co. carried out an exploration program but the results were not satisfactory and the property was dropped. In 1963 Silver Standard undertook an investigation which included stripping, an I.P. Survey, geological mapping, rotary and diamond drilling. They concluded that the oxide material had slid down the hill to its present location and did not, therefore, warrant further work. Granby returned in 1965 and drilled 40 rotary holes totalling 5840 feet but encountered only weak mineralization. The bulk of their work was on claims GE-7 and GE-8 which are on the top of the hill and directly above the oxide zone. In 1966 G. I. Burr and associates, who own the property, did further bulldozer stripping in the oxide zone and in 1967 optioned the property to Joy Mining Ltd. (N.P.L.).

CLAIMS

The property includes the following 75 claims: (See Claim Map - Figure 1)

<u>Claim Name</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>Recording Date</u>	<u>Expiry Date</u>
GE-1	347487	10168	July 25, 1962	July 25, 1971
GE-2	347488	10169	"	July 25, 1971
GE-3	347495	10170	"	July 25, 1971
GE-4	347491	10171	"	July 25, 1971
GE-5	331097	10248	Oct 15, 1962	Oct. 15, 1970
GE-6	331098	10249	"	Oct. 15, 1971
GE-7	331099	10250	"	Oct. 15, 1971
GE-8	347561	10251	"	Oct. 15, 1970
GE-9	347562	10252	"	Oct. 15, 1971
GE-10	347563	10253	"	Oct. 15, 1970
GE-11	227534	10822	Nov. 13, 1962	Nov. 13, 1970
GE-12	494630	12182	Nov. 24, 1964	Nov. 24, 1969
GE-13	331066	10839	Nov. 27, 1962	Nov. 27, 1968
GE-16	331096	10842	Nov. 27, 1962	Nov. 27, 1969
GE-21	448405	10912	Dec. 10, 1962	Dec. 10, 1968
GE-22	448406	10913	Dec. 10, 1962	Dec. 10, 1968
GE-23	448407	10914	"	Dec. 10, 1968
GE-24	448408	10915	"	Dec. 10, 1968
GE-25	448409	10916	"	Dec. 10, 1970
GE-26	448410	10917	"	Dec. 10, 1968
GE-27	448411	10918	"	Dec. 10, 1970
GE-28	448412	10919	"	Dec. 10, 1971
GE-29	448413	10920	Dec. 10, 1962	Dec. 10, 1970
GE-30	448414	10921	"	Dec. 10, 1971
GE-31	448415	10922	"	Dec. 10, 1970
GE-32	448416	10923	"	Dec. 10, 1965 overstk-1967
GE-33	448417	10925	Dec. 10, 1962	Dec. 10, 1970
GE-34	448418	10924	"	Dec. 10, 1968
GE-39	448431	11039	Dec. 18, 1962	Dec. 18, 1968
GE-40	448432	11040	Dec. 18, 1962	Dec. 18, 1968
GE-41	448433	11041	Dec. 18, 1962	Dec. 18, 1968
GE-42	448434	11042	Dec. 18, 1962	Dec. 18, 1968
GE-43	448435	11043	Dec. 18, 1962	Dec. 18, 1968
GE-44	448436	11044	Dec. 18, 1962	Dec. 18, 1968
GE-45	448457	11045	Dec. 18, 1962	Dec. 18, 1970
GE-46	448458	11046	Dec. 18, 1962	Dec. 18, 1970
GE-47	448459	11047	Dec. 18, 1962	Dec. 18, 1970
GE-53	448465	11053	Dec. 18, 1962	Dec. 18, 1968
GE-56	448468	11056	Dec. 18, 1962	Dec. 18, 1968
GE-57	448469	11057	Dec. 18, 1962	Dec. 18, 1968
GE-58	448470	11058	Dec. 18, 1962	Dec. 18, 1968
GE-60	448472	11060	Dec. 18, 1962	Dec. 18, 1968
GE-61	448473	11061	Dec. 18, 1962	Dec. 18, 1968
GE-74	448510	11127	Jan. 28, 1963	Jan. 28, 1969
GE-75	448511	11128	Jan. 28, 1963	Jan. 28, 1969
GE-76	448512	11129	Jan. 28, 1963	Jan. 28, 1969

(4)

<u>Claim Name</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>Recording Date</u>	<u>Expiry Date</u>
GE-77	448513	11130	Jan. 28, 1963	Jan. 28, 1969
GE-106	437058	11285	Apr. 5, 1963	Apr. 5, 1970
GE-107	437057	11286	Apr. 5, 1963	Apr. 5, 1970
Vi No. 1	500397	12242	Dec. 22, 1964	Dec. 22, 1969
Vi No. 2	500398	12243	"	"
" 3	531688	12244	"	"
" 4	531689	12245	"	"
" 5	531690	12246	"	Dec. 22, 1968
" 6	531691	12247	"	"
" 7	531734	12248	"	"
" 8	531735	12249	"	"
" 9	531736	12250	"	"
" 10	531737	12251	"	"
" 11	531738	12252	"	"
MC-1	690452	20391	June 2, 1967	June 2, 1968
MC-2	690453	20392	"	"
MC-3	690454	20393	"	"
MC-4	690455	20394	"	"
MC-5	690456	20395	"	"
CC-1	690459	21302	Oct. 30, 1967	Oct. 30, 1968
CC-2	690460	21303	"	"
GC-1	690461	21300	"	"
GC-2	690462	21301	"	"
MC-6	690457	21298	"	"
MC-7	690458	21299	"	"
RR-1	848966	21420	Dec. 15, 1967	Dec. 15, 1968
RR-2	848965	21421	"	"
RR-3	848963	21726	Jan. 6, 1968	Jan. 6, 1969
RR-4	848962	21727	"	"

Actually, it seems that there are only 74 claims involved as GE-32 appears to be an overstaking of GE-30. The option terms show that GE-14, GE-15, GE-110, GE-111 and GE-112 were part of the agreement - these claims have expired and have been restaked as RR-3, RR-4, GC-2, CC-1 and CC-2. In addition, Joy Mining staked the MC-1 to MC-7 inclusive, GC-1, RR-1 and RR-2.

On the 8th November, 1967, G. I. Burr recorded work on 32 claims to form the A-Group and on the 5th January, 1968, four (4) additional claims were added bringing the total for the group to 36. (See Grouping Map-Figure 2).

It should be noted that the next assessment work on the property is due on June 2, 1968.

GEOLOGY

The property occurs in a favourable geological environment being only a few miles north of Copper Mountain and the Newmont holdings. Recent published information gives the Newmont property, which is just west of Copper Mountain, reserves in excess of 40,000,000 tons of 0.70% Cu. Reserves around 30,000,000 tons of a similar grade are reported for Copper Mountain, which has just recently been acquired by the Newmont Mining Corporation.

D. Campbell who mapped the property for Silver Standard in 1963 states that the property is underlain by rocks of the Nicola Group which are principally andesitic flows, tuffs and breccia with minor interbedded limestone lenses. Along the western edge of the claim group, the Nicola rocks are unconformably overlain by the sedimentary rocks of the Princeton Formation of Tertiary age. This formation consists of arkose, shale, siltstone and interbedded coal.

Intruded into the Nicola volcanics are several major isolated stocks of reddish granite or granodiorite that is similar to the Otter intrusive that occurs just east of Copper Mountain.

OXIDE ZONE

The area of prime interest at this time is what is called the Regal Oxide Zone. This zone occurs on the west slope of the hill and contains highly altered limonitic material. The rocks are badly fractured and weathered with abundant copper carbonate occurring as fracture fillings, as isolated blobs between the rock fragments and as a carbonate coating covering the fragments. Mixed with the oxide is a fair amount of silty and clayey material. The color is generally a brownish-yellow although locally it may be somewhat reddish. The rock fragments are difficult to identify but appear to be mainly volcanics although a few fragments are

suggestive of diorite. Assays in the Regal Zone are up to 1% Cu. and sample locations are shown on D. Campbell's figure 3.

Campbell, in his report dated August 19, 1963, deals in detail with the oxide occurrence and has presented evidence for what he believes suggests that the oxide has been transported from its place of origin by sliding. (See Campbell's figure 4). The strongest evidence is that 600 feet to the west of the Regal Cut the oxide is lying on top of the sedimentary Tertiary rocks which contain coal.

The oxide area is important economically for three reasons:

- (1) what is the grade and available tonnage of the unconsolidated material
- (2) can it be leached profitably, and
- (3) where was the original source of the copper?

To date, none of the questions have been answered.

In 1965, Granby drilled 40 rotary holes on top of the hill directly above the oxide area. Here, the old bulldozer trenches showed very little copper sulphides and this was substantiated by the drill results. Mr. K. Fahrni, chief geologist for Granby, reported that hole A (see figure 5) returned a 60 foot section that averaged 0.36% Cu of which 23% was oxide copper. Hole T intersected a 90 foot section that averaged 0.48% Cu and of this amount 22% was present as oxide. The remaining holes, as shown on figure 5, cut only weak mineralization so it is very unlikely that this area was the source of the oxides. Fahrni drew grade contour lines to enclose the 0.10, 0.20 and 0.30% Cu ranges and the contouring indicated a northwesterly trend. It is interesting to note that the regional trend of the faulting and the granitic intrusions of the region also follow this northwesterly direction.

My feeling is that the Regal Oxide Zone may in some way be related to the Allison Creek fault or to some subsidiary zone that in turn is

(7)

related to the Allison break. The Princeton map #88A of the G.S.C. shows that the southeast projection of the Allison fault will pass through or close to the oxide area.

RECOMMENDATIONS

I believe that the potential of the property, at this time, lies with the economic leaching possibilities and not with the sulphides from which the oxides were derived. The potential tonnage available for leaching could amount to millions of tons and I would suggest that any exploration program be directed towards determining the grade and reserves of this zone as well as carrying out metallurgical tests to determine a feasible leaching process. The estimated cost would be approximately \$75,000 and would also include trenching, a magnetometer survey, geological mapping and drilling.

If the results of the above program are encouraging, further work will be necessary and the additional expenditures required can be calculated at that time.

Respectfully submitted,


G.J. COVENEY, P. Eng.

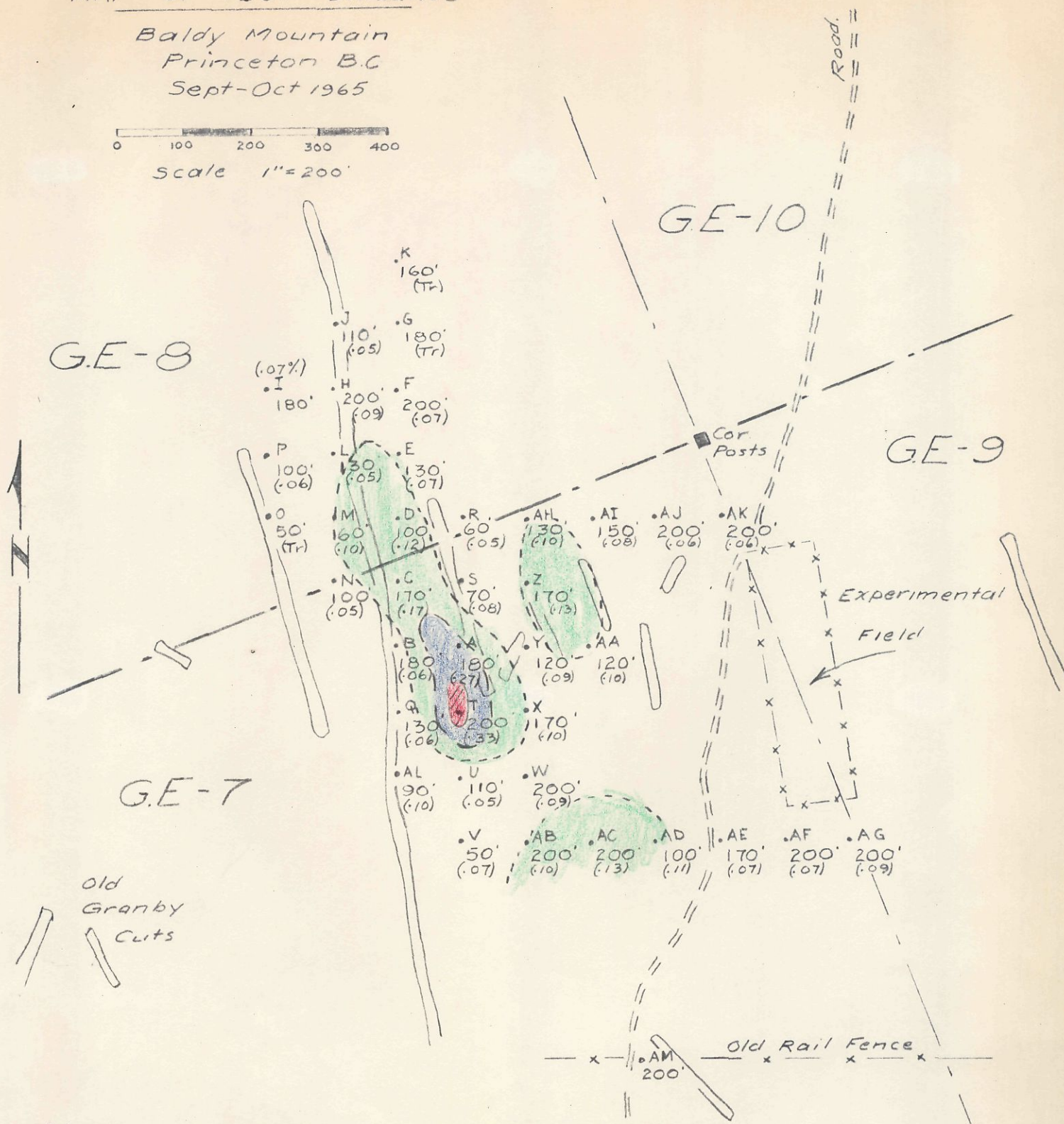
CJC:fmc

MAP OF TEST DRILLING

Baldy Mountain
Princeton B.C.
Sept-Oct 1965

0 100 200 300 400

Scale 1"=200'



NOTE:

Figures in brackets are % copper

Figures not in brackets are depths of holes in feet

- Grade contours greater than 0.30% Cu
- " " between 0.20 - 0.29% Cu
- " " 0.10 - 0.19% Cu

FIGURE-5

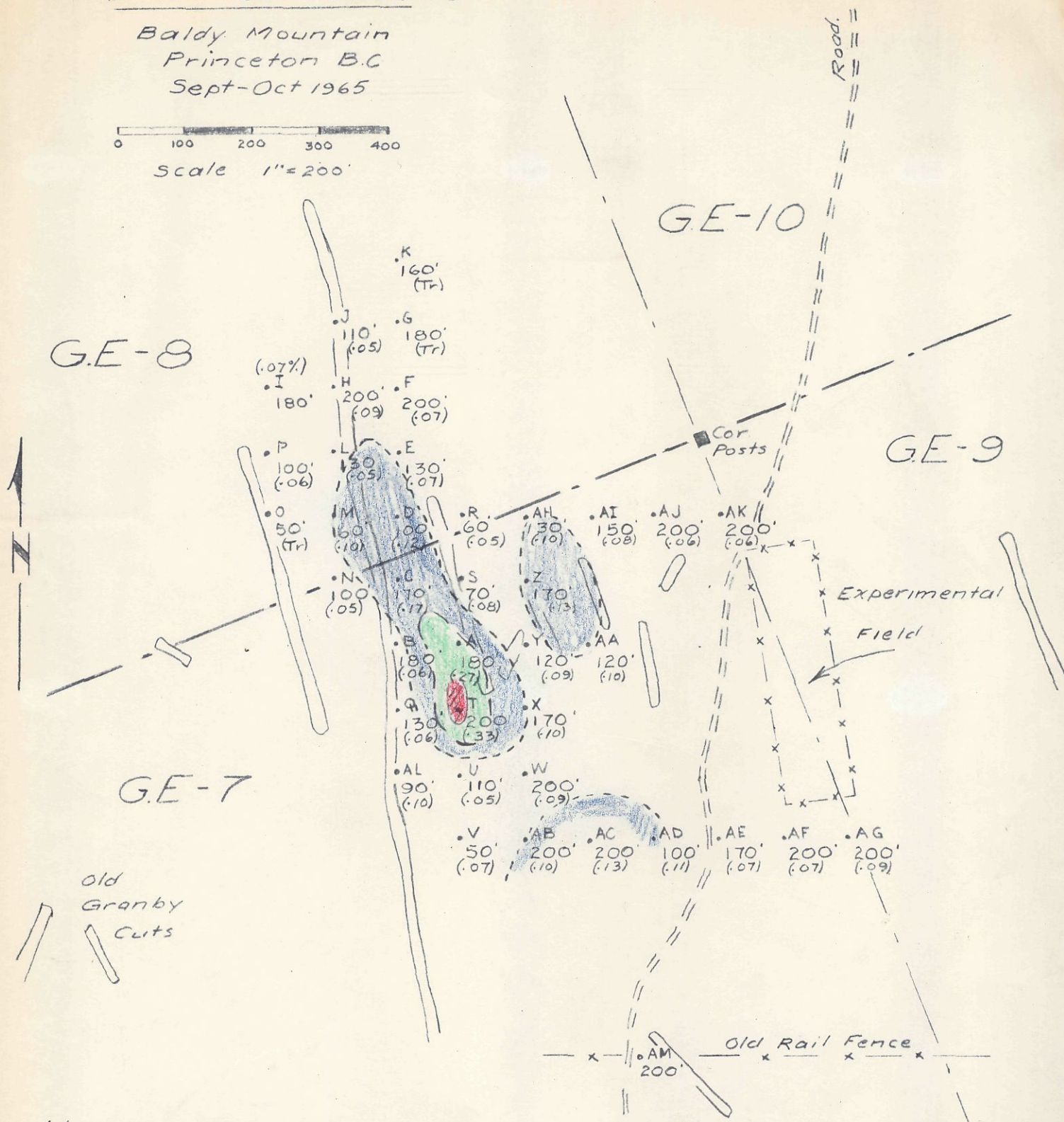
Map drawn by K.C. Fahrni
Nov-8-1965

MAP OF TEST DRILLING

Baldy Mountain
Princeton B.C.
Sept-Oct 1965

0 100 200 300 400

Scale 1"=200'



NOTE:

Figures in brackets are % copper

Figures not in brackets are depths of holes in feet

- Grade contours greater than 0.30% Cu
- " " between 0.20 - 0.29% Cu
- " " 0.10 - 0.19% Cu

FIGURE-5

Map drawn by KC Fahrni
Nov-8-1965

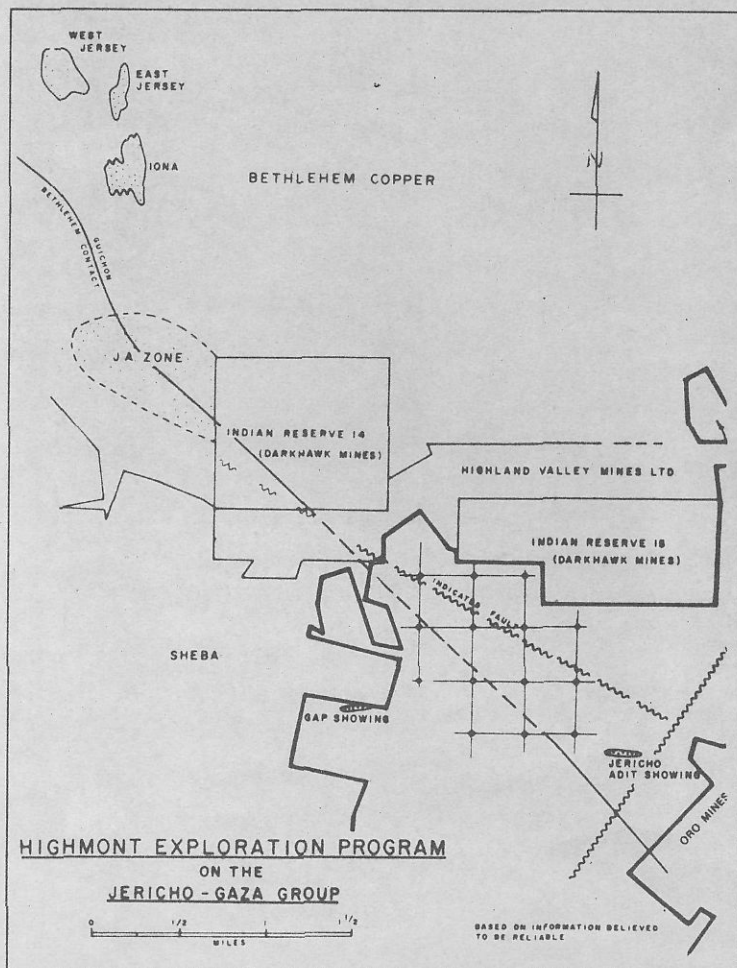
FOR THE RECORD

Joy Mining Ltd. annual meeting, Hotel Georgia, Vancouver, 29Jun72, 9 a.m., will be asked to approve altering the capital of the company by cancelling 1,235,000 fully paid shs, par 50¢, surrendered as a gift. Authorized shares will not be changed. By agts., 16May72, Joy ended a memorandum of intent of 23Nov71 in respect to the Bennett Offshore Boom. In consideration of agreeing to end this agt. the company has received \$55,000 representing \$50,000 previously advanced to Bennett Pollution Controls Ltd. by the company plus a bonus of \$5,000. Joy has also received 20,000 shs. of Bennett Pollution Controls. Including \$416,150 net from sale of 420,000 shs. in the year to 31Dec71, the company received a total of \$425,848 in new funds and spent \$302,843. The \$123,004 increase resulted in working capital of \$72,854 at yearend vs a deficiency of \$50,150 at start of the year. Of 5,000,000 shs. authorized, 2,179,862 were outstanding at yearend. For subsequent financing, see GCNL No.44 & No.86(72). For properties' map, GCNL No.77(72).

Comaplex Resources International Ltd. says the \$100,000 in new funds and the additional \$300,000 if warrants are exercised on 200,000 shs. at \$1.50 per share (GCNL No.105) will be used to drill a Belly River test well on its Willesden Green area property, estimated at \$60,000; a test on its Battle Creek area property to evaluate several zones, estimated at \$30,000; to evaluate results of steps taken to increase the flow of a second well drilled on its Hastings area property by converting one of the wells previously drilled to a water disposal well thereby to determine whether or not a further well ought to be drilled in this area; to pay the company's share of the cost of an additional well in Winnifred area should negotiations with other owners to unitize the field succeed; to provide \$24,000 for dry hole cost of a well under consideration for additional oil/gas acreage acquired in SE Saskatchewan. Also reported is the completion of negotiations for granting an exploration agt. on the company's Northern Highland Valley claims with formal contracts expected to be executed shortly. Of 3,000,000 shs. authorized, 966,932 were outstanding prior to the recent sale of 100,000 shs. at \$1.00 per share. There are outstanding 500,000 Series "A" share purchase warrants in bearer form, each warrant entitling the holder to buy one share to Oct.31/72 at \$1.40 per share.

National Nickel Ltd. will ask shareholders at the annual and special meeting at Hotel Georgia, 29Jun72 at 10:30 a.m. to approve a one-for-3 share consolidation and change of name to "Aberdeen Minerals Limited"; and to approve also the acquisition of all the issued shs. of Rio Patuca Gold, Ltd., a Colorado corporation, for 1,000,000 National shs., free of any escrow or pooling restrictions. Other resolutions call for converting from a specially limited to a limited company and amending the articles. The 1-for-3 consolidation would reduce auth. capital from 9,552,983 shs. of which 3,505,090 are issued to 3,184,328 of which 1,168,363 would be issued. Rio Patuca is stated to hold concessions totalling 2355.5 hectares in Honduras. Leslie G. Taylor, National president, has a substantial interest in Rio Patuca but all directors have approved the acquisition. The notice is accompanied by a report by S.H. Glassmire, P.Eng., 30May72, in which he says it has high gold values and sufficient quantities of gold-bearing gravel to make a mine. National Nickel reports new funds obtained in year to 30Dec71 were \$778 and expended was \$24,311. The decrease of \$23,533 left working capital at yearend at \$18,501.

JERICHO MINES LTD.



Jericho Mines Ltd. in a progress report quotes Highmont Mining Corp. Ltd. (which has the right to earn a 70% interest in Jericho's Highland Valley property) to the effect that Highmont will do a full scale exploration program on the SE claims. An I.P. survey is to start in June after which a minimum of 4,000 ft. of diamond drilling is scheduled in the area of the greater overburden. Also to start in June is a program for a minimum of 3,000 feet of percussion drilling where overburden is not so great. Previous diamond drilling south of the zone in an area of shallow overburden indicated a zone of high but erratic copper values.

Jericho's statement for the 5 months to 31Mar72 shows \$5,485 was received in new funds and \$30,400 was spent, reducing working capital to \$1,062. As noted in GCNL 99(72), the company will receive \$76,000 from an underwriting-option agreement, 16May72, by Oct.20/72 if all options are exercised. Jericho will diamond drill a hole at its Miller Gold property, Montana, parallel to one drilled in the 1920's by Homestake reported by U.S. Bureau of Mines to return across 800 feet, an average of \$4 per ton in gold at today's prices.

Jericho has a 12 1/2% interest in 3 commercial gas wells in Greenan gas field, Saskatchewan.

File #302845/853

J. R. WILLIAMS & SON LTD.

PROVINCIAL ASSAYERS AND CHEMISTS

Office and Laboratory:

580 Nelson Street, Vancouver 2, B. C.

I Hereby Certify that the following are the results of assays made by me upon samples of ORE
 herein described and received from Messrs. CYPRESS EXPLORATIONS LTD. April 19th 1968

MARKED		GOLD		SILVER		Copper		Tot. Cu		Ox. Cu	
		Ounces Per Ton	Value Per Ton	Ounces Per Ton	Value Per Ton	Per Cent.	Value Per Ton	Per Cent.	Value Per Ton	Per Cent.	
#1			\$		\$	1.45					
#2								1.25		1.10	
64328	#3					2.40					
64329	#4					2.72					
64330	#5					2.07					
64331	#6					1.37					
64332	#7					1.77					
64333	#8					0.20					
Y 263										0.75	

Gold calculated at \$_____ per ounce.

Silver calculated at _____ cents per ounce.

NOTE—Pulps of Samples retained 2 months from date of Receipt.
 Rejects 1 week unless otherwise instructed.

Calculated at _____ cents per lb.

Calculated at _____ cents per lb.

Calculated at _____ cents per lb.

J. Moore Provincial Assayer.

J. R. WILLIAMS & SON LTD.

PROVINCIAL ASSAYERS AND CHEMISTS

Office and Laboratory:

580 Nelson Street, Vancouver 2, B. C.

MSJ
13/11/68

I Hereby Certify that the following are the results of assays made by me upon samples of ORE
herein described and received from MESSRS. CYPRUS EXPLORATION LTD. November 7th 1968

MARKED	GOLD		SILVER		T. Cu.		Ox Cu.		Nickel	
	Ounces Per Ton	Value Per Ton	Ounces Per Ton	Value Per Ton	Per Cent.	Value Per Ton	Per Cent.	Value Per Ton	Per Cent.	
Y 120		\$		\$	0.32	\$	0.27	\$		} Joy Mining
Y 121					0.64		0.52			
Y 122					0.55		0.50			
Y 123					1.32		1.15			
Y 124					0.59		0.47			
Y 125					0.24		0.17			
Y 651									0.22	
Y 652									0.82	

RECEIVED
NOV 12 1968
REGISTERED

Gold calculated at \$_____ per ounce.

Silver calculated at _____ cents per ounce.

NOTE—Pulps of Samples retained 2 months from date of Receipt.
Rejects 1 week unless otherwise instructed.

Calculated at _____ cents per lb.

Calculated at _____ cents per lb.

Calculated at _____ cents per lb.

J. Moore

Provincial Assayer.

MEMO

Place Princeton

Date: April 17th, 1968

BALDY MOUNTAIN PROSPECT

This property is owned by Burr and Mullens of Princeton, B.C. under option to Joy Mining Ltd. Ralph Rooney is President of Joy Mining.

First area examined was at elevation 2,750. Several bulldozer trenches have been dug in shallow, overburden, covering Nicola volcanics. This area was drilled by Granby by at least 30 percussion drill holes up to approximately 200' in depth. No values greater than .33% copper were intersected in this work. The copper mineralization strikes by 10° West of North. This mineralization is at the corners of mining claims G.E.-7-8-9 and 10.

The Regal Oxide Zone is at elevation 2,050 on claim G.E.-3. Several diamond drill holes, possibly 7, were drilled by the Climax Copper Company and reported on by Dr. D.D. Campbell in August, 1963. Campbell actually made the report for Silver Standard Mines, and Asarco, who had the property under option. Samples No. 1 - 8, noted below, were chip samples taken along a bank of decomposed, fractured rock, exposed for 110', along a generally East West striking bulldozer trench. The results were as follows:

	<u>Cu.%</u>	<u>Tot. Cu.%</u>	<u>Ox. Cu.%</u>
Sample No. 1 -	1.45		
Sample No. 2 -		1.25	1.10
Sample No. 3 -	2.40		
Sample No. 4 -	2.72		
Sample No. 5 -	2.07		
Sample No. 6 -	1.37		
Sample No. 7 -	1.77		
Sample No. 8 -	0.20		

Cr.

Belfort (Yale)

Belford
Aug.

Allison

East
Princeton

CLASS - C
PRINCETON

SIMIL

JOY MINING LTD
CLAIM MAP
SIMILKAMEEN M.D.

M
2664
PRINCE

1" 3000"

B	
19382	
BONNIE B	
B B	19381
19384	BONNIE

Separation Lakes

Cr.

Belfort (Yale)

Belfort
Allison

11529	11530	11531
11527	11528	11532

11525	11526	11528
11534	11535	11536

11043R	11044	11045
11046	11047	11048

11049	11050	11051
11052	11053	11054

11055	11056	11057
11058	11059	11060

11061	11062	11063
11064	11065	11066

11067	11068	11069
11070	11071	11072

11073	11074	11075
11076	11077	11078

1138	1139	1140
1136C	1137	1138

1139	1140	1141
1137	1138	1139

1142	1143	1144
1140	1141	1142

1145	1146	1147
1143	1144	1145

1148	1149	1150
1146	1147	1148

1151	1152	1153
1149	1150	1151

1154	1155	1156
1152	1153	1154

1157	1158	1159
1155	1156	1157

1160	1161	1162
1158	1159	1160

1163	1164	1165
1161	1162	1163

1166	1167	1168
1164	1165	1166

18106	18107	18108
18104	18105	18106

18109	18110	18111
18107	18108	18109

18112	18113	18114
18110	18111	18112

18115	18116	18117
18113	18114	18115

18118	18119	18120
18116	18117	18118

18121	18122	18123
18119	18120	18121

18124	18125	18126
18122	18123	18124

18127	18128	18129
18125	18126	18127

18130	18131	18132
18128	18129	18130

18133	18134	18135
18131	18132	18133

Allison

East
Princeton

CLASS-C
PRINCETON
PROV.
PARK

SIMIL

18664
PRINCE

19382
BANNIE

19383
BANNIE

19384
BANNIE

SHULMAN, TUPPER, WORRALL, JONSSON, LAXTON & MULHOLLAND

BARRISTERS & SOLICITORS

ISAAC SHULMAN
CARL R. JONSSON
MORLEY D. SHORTT
GEORGE NEUMANN

HAROLD W. TUPPER
JOHN N. LAXTON
JAMES E. McINNES

WILLIAM J. WORRALL
WILLIAM MULHOLLAND
KENNETH D. PAGE

404 STANDARD BUILDING
510 WEST HASTINGS STREET
VANCOUVER 2, B.C.

Apparently Burr et al verbally agreed that the
net smelter return payments are not to exceed
\$100,000.00 per year.

JEMcI/jlp

THIS AGREEMENT is made the

day of May, 1967.

BETWEEN:

GERALD I. BURR, Prospector, of
Princeton, British Columbia, and
HAROLD ALLISON, Rancher of Princeton,
British Columbia, and
EDWARD MULLIN, Prospector, of
Princeton, British Columbia, and
THOMAS STOUT, Service Station
Operator, of Princeton, British
Columbia,

(hereinafter collectively called the
"Optionors")

OF THE FIRST PART

AND:

JOY MINING LIMITED (N.P.L.), a body
corporate, having its registered
office at Suite 404-510 West Hastings
Street, Vancouver, British Columbia,

(hereinafter called the "Optionee")

OF THE SECOND PART

WHEREAS:

A. The Optionors represent that they are
the legal and beneficial owners of those sixty-five (65)
located mineral claims situate in the Similkameen Mining
Division of the Province of British Columbia and more
particularly known and described as:

<u>Claim Name</u>	<u>Record Number</u>
GE 1-4	10168-71 inclusive
GE 5-10	10248-53 inclusive
GE 11	10822
GE 12	12182
GE 13-16	10839-42 inclusive
GE 21-34	10912-25 inclusive
GE 39-47	11039-47 inclusive
GE 53	11053
GE 56-58	11056-58 inclusive
GE 60 and 61	11060 and 61
GE 74-77	1127-30 inclusive
GE 106 and 107	11285 and 86
GE 110-112	11548-50 inclusive
Vi 1-11	11242-52 inclusive

(hereinafter called the "mineral claims");

B. The Optionors have agreed to grant to the Optionee the sole and exclusive option to purchase the mineral claims on the terms and conditions herein-after set forth:-

Handwritten:
J. M.
T.S.
10 Dec

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Fifteen Hundred Dollars (\$1500.00) (the receipt whereof by the Optionors is hereby acknowledged) and other good and valuable consideration the parties hereto agree as follows:

1. The Optionors hereby grant to the Optionee the sole and exclusive option to purchase the mineral claims on the following terms and conditions:

(a) The Optionee shall pay to the Optionors the sum of One Million Dollars (\$1,000,000.00) by payments as follows:

- i. The sum of Three Hundred Dollars (\$300.00) on the first day of each and every month from and including the first day of July, 1967 up to and including the 2nd day of January, 1968;
- ii. The sum of Four Hundred Dollars (\$400.00) on the first day of each and every month from and including the first day of February, 1968 until the full purchase price of One Million Dollars (\$1,000,000.00) shall have been paid; PROVIDED HOWEVER the Optionee shall pay to the Optionors five per cent (5%) of the net smelter returns (as hereinafter defined) realized from production from the mineral claims or any of them in lieu of the aforementioned monthly payments provided that such net smelter return payments shall exceed the monthly payments set forth above. Any net smelter return payments to be paid hereunder shall

be paid by the Optionee to the
Optionors not later than 10 days
after the receipt by the Optionee
of any net smelter returns.

JP
6.30
1.2
1000

(b) "Net smelter returns" shall mean the sums of money as shall from time to time be paid by the smelter with respect to ores, metals and minerals from the mineral claims and concentrates derived therefrom after deducting all smelting, refining, treatment charges and penalties made by the smelter.

(c) The Optionee shall issue and allot to the Optionors 50,000 fully paid non-assessable shares of the capital of the Optionee forthwith such shares to be subject to such escrow restrictions as may be imposed from time to time by the British Columbia Securities Commission or other securities regulatory body having jurisdiction in that regard.

(d) In order to keep the option granted hereunder in good standing and in addition to making the payments and issuing the shares as aforesaid, the Optionee shall expend or cause to be expended on or before the 30th day of April, 1969 the sum of Seventy Thousand Dollars (\$70,000.00) on exploration and development work on the mineral claims and the Optionee shall cause at least two (2) years assessment work to be recorded on the mineral claims on or before the 31st day of December, 1967.

2. The direct charges of the Optionee's

personnel engaged on exploration and development of the mineral claims and the cost directly related to such exploration and development of supervision, tests, study and planning shall form part of the exploration and development expenditures as aforesaid.

JAB
E.M.
LS
10/2/28

2. (A) In the conduct of all work upon the mineral claims the Optionee shall:

- (a) pay the whole cost of all work undertaken by it on the mineral claims and promptly pay for all materials and supplies furnished to it for the work and indemnify and save harmless the Optionors and the mineral claims from all claims of every nature or kind whatsoever arising out of such work;
- (b) carry on all its operations on the mineral claims in a proper minerlike manner;
- (c) keep proper records and accounts of all work done upon the mineral claims and all ore and mineral won and got from the mineral claims;
- (d) do and record work on the mineral claims which requires to be recorded to keep the mineral claims in good standing under and while this agreement subsists;
- (e) permit the Optionors to enter upon the mineral claims and there to examine the Optionee's operations, including assay returns and drill logs, at all reasonable times;
- (f) in the event the Optionee shall abandon the mineral claims or otherwise terminate this agreement, the Optionee shall thereupon forthwith turn over to the Optionors without charge at least one set of assay returns, maps, charts, plans, reports and all other data which it shall have prepared or caused to be prepared or acquired as a result of or in connection with its examination, exploration, development and mining operations on the mineral claims.

3. The Optionee may pay cash to the Optionors in lieu of the performance of all or any part of the aforesaid exploration and development work.

4. The Optionors jointly and severally covenant with and warrant to the Optionee that they are fully

authorized and empowered to enter into this agreement and that the mineral claims are in good standing, valid and subsisting and free of any and all liens, charges or encumbrances and that they have not done and will not do for the duration of this agreement any act whereby the mineral claims or any of them may become charged or encumbered.

[Handwritten signature]
[Handwritten initials]
14 DEC

5. Commencing on the date hereof and during the term of this agreement the Optionee is granted the right by itself, its servants, agents and assigns to go upon the mineral claims and to perform such prospecting, exploration and mining operations and to remove such ore therefrom as the Optionee may from time to time determine.

6. Notwithstanding anything in this agreement contained it is understood and agreed that this is an option only and that the doing of any act or the making of any payment by the Optionee shall not obligate the Optionee to do any further act or make any further payment save and except that the Optionee covenants and agrees to record at least two years assessment work on the mineral claims on or before the 31st day of December, 1967.

7. In the event that the option hereby granted is not exercised or is abandoned the Optionee shall after the termination or abandonment have a period of three months in which to remove from the mineral claims all machinery, equipment, supplies and building which it shall have placed or caused to be placed or brought upon the mineral claims.

8. Contemporaneously with the execution hereof the Optionors shall deliver to the Optionee duly executed bills of sale conveying the mineral claims to the Optionee which shall be at liberty to register the same provided always that on the abandonment or termination of this agreement the Optionee shall be required to execute and deliver executed bills of sale of the mineral claims to the Optionors.

9. The Optionors and each of them hereby covenant and agree with the Optionee that the share allotments to be made hereunder shall be made as follows:

To Harold Allison - 5,000 shares
To Gerald I. Burr - 15,000 shares
To Edward Mullin - 15,000 shares
To Thomas Stout - 15,000 shares

Any payments to be made hereunder shall be made by cheque payable to Gerald I. Burr, Edward Mullin and Thomas Stout jointly.

10. If the Optionee fails to comply with any of its obligations hereunder then unless the Optionee has given the Optionors notice of abandonment of this agreement the Optionors shall give the Optionee seven (7) days notice in writing specifying such failure and demanding that such failure be remedied and if upon the expiration of the said seven (7) days such failure is not remedied then this agreement shall become null and void.

11. Should the Optionors or any of them stake or otherwise acquire any mineral claims or other mineral rights within a radius of 1500 feet from any of the boundaries of the mineral claims the mineral claims or other mineral rights so staked or acquired shall be deemed to form part of the mineral claims and be covered by this agreement and immediately upon acquiring such mineral claims or other mineral rights the Optionors shall execute the necessary documents of transfer conveying the mineral claims or other mineral rights to the Optionee.

12. Any notice to be given or payment to be made under this agreement may be given or made by prepaid mail or prepaid telegram addressed as follows:

If to the Optionors:

Gerald I. Burr,
P.O. Box 370,
Princeton, B.C.

If to the Optionee:

Joy Mining Ltd. (N.P.L.),
404-510 West Hastings Street,
Vancouver 2, B.C.

Any notice or payment so mailed shall be deemed to be given or made when mailed and any notice sent by prepaid telegram shall be deemed to be given the date of the telegram. Any party may change its said address for service at any time by notice to the other parties given in manner aforesaid.

13. Each of the parties hereto agrees to execute such further and other deeds, documents and assurances and do such further and other acts as may be necessary to carry out the true intent and meaning of this agreement.

14. This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have caused these present to be duly executed as of

the day and year first above written.

SIGNED, SEALED AND DELIVERED by
GERALD I. BURR in the presence of:

G. I. Burr
G. I. Burr

G. I. Burr
G. I. Burr

SIGNED, SEALED AND DELIVERED by
HAROLD ALLISON, in the presence of:

H. Allison

Harold D. Allison

SIGNED, SEALED AND DELIVERED by
EDWARD MULLIN in the presence of:

E. Mullin
E. Mullin

Edward Mullin
E. Mullin

SIGNED, SEALED AND DELIVERED by
THOMAS STOUT in the presence of:

T. Stout

T. Stout

THE CORPORATE SEAL of JOY MINING LTD.)
(N.P.L.) was hereunto affixed in the
presence of:

DATED: the 2nd of May, 1967

BETWEEN:

GERALD I. BURR,
HAROLD ALLISON,
EDWARD MULLIN,
THOMAS STOUT.

OF THE FIRST PART

AND:

JOY MINING LIMITED (N.P.L.)

OF THE SECOND PART

OPTION AGREEMENT

JEMcT/ilh

SHULMAN, TUPPER, WORRALL,
JONSSON, LAXTON AND
MULHOLLAND
BARRISTERS AND SOLICITORS
404 - 510 W. HASTINGS ST.