

PROSPECTUS

JULY 25th, 1968

FIRST PUBLIC OFFERING
250,000 Shares

SAN JACINTO EXPLORATIONS LIMITED
(Non-Personal Liability)

Incorporated in British Columbia

HEAD OFFICE:

Suite 2, 515 Granville Street, Vancouver 2, British Columbia.

REGISTERED OFFICE:

Suite 625, 925 West Georgia Street,
Vancouver 1, British Columbia.

REGISTRAR AND TRANSFER AGENT:

Guaranty Trust Company of Canada,
624 Howe Street, Vancouver 1, B.C.

THIS OFFERING

The Company offers by this Prospectus 250,000 shares of its capital stock which will either be distributed on behalf of the Company at a price of 50¢ per share net to the Company to the public in the Province of British Columbia by those of its directors who are designated its trading directors from time to time, acting without commission or other remuneration; or will be distributed to the public in the Province of British Columbia through brokers and/or salesmen registered in the Province of British Columbia at the price of 50¢ per share, subject to a commission which may be paid or allowed of up to 12-1/2¢ per share to net the Company not less than 37-1/2¢ per share.

The purpose of the offering is to raise funds for the further exploration and development, in accordance with the recommendations of its consultant, of the Company's mining properties in the Phoenix and Deadwood Camps, near Greenwood in south-central British Columbia close to the International border.

No. of Shares Offered	Price per Share	Commissions (see note below)	Net Proceeds to be Received by Company
250,000	50¢	12 1/2¢ per share	37 1/2¢ per share
—	—	Total: \$31,250	Total: \$93,750

NOTE: The commission of 12 1/2¢ per share set out above represents the maximum rate of commission which might be paid to registered brokers or salesmen. No commission will be paid in respect of any sales made on behalf of the Company by its designated trading directors.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROPERTIES (AS SET OUT UNDER THAT HEAD-ING IN THIS PROSPECTUS) ARE STILL ONLY IN THE EXPLORATION STAGE.

THERE IS PRESENTLY NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY.

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.

NOTICE:— ALTHOUGH THE MINING PROPERTIES OF THE COMPANY CONSIST PRIMARILY OF CROWN-GRANTED MINERAL CLAIMS OWNED OUTRIGHT AND REVERTED CROWN-GRANTED MINERAL CLAIMS HELD UNDER MINERAL LEASES FROM THE CROWN, ALL OF WHICH HAVE BEEN SURVEYED, THE COMPANY ALSO HOLDS CERTAIN RECORDED MINERAL CLAIMS OF WHICH NO SURVEY HAS BEEN MADE AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA IN WHICH SUCH RECORDED MINERAL CLAIMS ARE SITUATE, THE EXISTENCE AND AREAS OF SUCH RECORDED MINERAL CLAIMS WOULD BE IN DOUBT.

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE SHARES FOR SALE IN THE UNITED STATES OF AMERICA, OR IN ANY OF THE TERRITORIES OR POSSESSIONS THEREOF.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN, IN CONNECTION WITH THE ISSUANCE 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.

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INCORPORATION

SAN JACINTO EXPLORATIONS LIMITED (Non-Personal Liability) ('the Company') was incorporated as a specially limited private mining company by Memorandum of Association under the "Companies Act" of the Province of British Columbia, authorized to issue 3,000,000 shares without nominal or par value. As evidenced by Certificate issued by the Registrar of Companies on September 3rd, 1968, the Company was converted on that date into a public company.

MANAGEMENT

Name and Address:	Office Held:	Occupation:
Henry Herbert Shear, Suite 2, 150 East Queens Rd., North Vancouver, B.C.	President and Director	Consulting Geologist in private practice in Vancouver, British Columbia.
Douglas Alan Chapman, 476 East 7th Avenue, Vancouver, B.C.	Vice-President and Director	Self-employed for last four years as pros- pector, airphoto analyst and exploration manager; President, D.A. Chapman & Associates Limited, Ste. 2, 515 Granville Street, Vancouver, B.C.; previously em- ployed by Chapman, Wood & Griswold Ltd. as an airphoto analyst.
John Beaumont Carew-Gibson 800 Creekside Road, Penticton, B.C.	Director	Certified General Accountant in private practice at 217 Martin Street, Penticton, British Columbia.
Ida Mabel Burnett Ste. 604, 945 Marine Dr., West Vancouver, B.C.	Director	Since June 1966, housewife; previously, Secretary at Windsor Machine Company Ltd., Vancouver, British Columbia.
Allan Harrison Ainsworth, 1205 West 26th Avenue, Vancouver, B.C.	Secretary and Director	Barrister and Solicitor

REMUNERATION

During the period since the incorporation of the Company, no remuneration has been paid by the Company to any of its Directors or Senior Officers acting in that capacity. During the years ended December 31, 1967, John Beaumont Carew-Gibson, the Treasurer and a Director of the Company, was paid fees for accounting services rendered to the Company in the sums of \$1,050.00 and \$334.00, respectively, and during the year ended December 31, 1966, the President and a Director of the Company, Henry Herbert Shear, was paid engineering fees in the sum of \$1,650.00 for field work undertaken on the Company's behalf. Similarly, the Secretary of the Company, Allan Harrison Ainsworth, as a member of the firm of Ainsworth, Henson, Norby, Purvis & Kendall, the Company's solicitors, is entitled to participate in fees earned during the years ended December 31, 1966 and 1967 for professional services rendered to the Company by its solicitors. In addition, D.A. Chapman & Associates Limited, of which Douglas Alan Chapman, who has since become the Vice-President and a Director of the Company, is the principal shareholder, was paid a total sum of \$4,000.00 for air-photo analyses of the Company's properties in the Deadwood and Phoenix Camps and a report thereon, and a sum of \$1,000.00 for other services rendered on behalf of the Company during the period from January, 1967 to March, 1968. In addition, D.A. Chapman & Associates Limited received a total sum of \$850.00 for office accommodation, secretarial and telephone services furnished to the Company at the rates of \$50.00, \$15.00 and \$20.00 per month, respectively. Since April 1, 1968, D.A. Chapman & Associates Limited has been paid a sum of \$150.00 per month for office accommodation, general office and secretarial services furnished to the Company, and the Company proposes to continue with this arrangement during the present fiscal year ending December 31, 1968, but no contract has been entered into to that effect. No arrangement exists for the payment during the present fiscal year of any direct remuneration to the Directors and Senior Officers in consideration for their acting in such capacities, but as in the past they will be compensated, directly or indirectly, for any professional services rendered to the Company from time to time.

PROMOTERS AND PRINCIPAL HOLDERS OF SECURITIES

Under the definition of "promoter" contained in Section 2 of the "Securities Act, 1967" of the Province of British Columbia, Henry Herbert Shear, the President and a Director of the Company since its incorporation, Douglas Alan Chapman, who was elected a Director and Vice-President of the Company on June 18, 1968, and Ida Mabel Burnett, who was also elected a Director of the Company on June 18, 1968 may be considered as the promoters of the Company. Particulars of the mining properties acquired by the Company from them and of the costs incurred by them in acquiring such properties are herewith set out in the general section entitled "MINING PROPERTIES". The following is a summary of the shares held by the promoters as of July 15, 1968, and the consideration for which such shares were issued:

Name	Number of Shares Received for Mining Proper- ties (for parti- culars: see that heading)	Number of Shares Received for Cash and Price Paid per Share	Total Number of Shares Presently Held	Percentage of Issued Shares
Henry Herbert Shear *	261,000	40,000 at 15¢ 50,000 at 30¢	331,001	31.26%
Douglas Alan Chapman	110,000	10,000 at 15¢ 51,300 at 30¢	171,300	16.22%
Ida Mabel Burnett	110,000		110,000	10.42%

*NOTE: Of the 261,000 shares received by Henry Herbert Shear for mining properties transferred by him to the Company, 10,000 of such shares are to be transferred to John Beaumont Carew-Gibson and a like number to Allan Harrison Ainsworth, two of the Directors of the Company.

AUDITORS

J. M. ROSS & CO.,
Chartered Accountants, 3039 Granville Street,
Vancouver, British Columbia.

SHARE CAPITAL

The Company has only one class of shares, namely, 3,000,000 common shares without nominal or par value, of which 1,055,775 shares are presently issued as fully paid and non-assessable.

All issued shares rank equally as to dividend, voting rights and as to any distribution of assets on winding-up or liquidation. No shares have been issued subject to call or assessment. Furthermore, there are no pre-emptive or conversion rights and the shares of the Company are not subject to any provisions for redemption, purchase for cancellation or surrender, or sinking or purchase fund arrangements.

The rights attached and the provisions relating to the shares of the Company can only be modified under the relevant provisions of the "Companies Act" of British Columbia and of the Articles of Association of the Company.

SHARES OUTSTANDING

Column 1	Column 2	Column 3	Column 4	Column 5
Designation of Security	Amount Authorized	Amount Outstanding as of June 30, 1968	Amount Outstanding as of July 15, 1968	Amount to be outstanding if all securities being offered are sold
Shares	3,000,000	1,055,775	1,055,775	1,305,775

ESCROWED SHARES

As of July 15, 1968, a total of 707,000 shares which had been issued by the Company for mining rights, properties and interests were held in escrow by Guaranty Trust Company of Canada, of 624 Howe Street, Van-

couver 1, British Columbia. These shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia ('the Superintendent of Brokers') and are also subject to the condition that if the Company loses or does not obtain a good marketable title to, or abandons or discontinues development of any of the properties which were, or formed a part of, the consideration for any of the shares so held in escrow, or in the event of any such property not being as represented, the holders of such shares have agreed to advise the Superintendent of Brokers, and, if so required, to surrender by way of gift to the Company for cancellation such number of such escrowed shares as the Superintendent of Brokers may deem fair and equitable.

POOLED SHARES

The total of 348,772 shares previously issued by the Company for cash have been pooled until 30 days after the sale of shares offered by this Prospectus has been completed and may only then be released with the consent of the British Columbia Securities Commission. The certificates representing the shares so pooled are lodged with Guaranty Trust Company of Canada, 624 Howe Street, Vancouver 1, British Columbia.

Designation of Class	No. of Shares held in Escrow and Percentage of Class	Number of Shares Pooled and Percentage of Class
Shares	707,000 66.96%	348,772 33.03%

SHARES SOLD FOR CASH:

Since its incorporation, the Company has issued shares of its capital stock in consideration for cash subscriptions received in the amounts and at the prices set out below:

Date	Number of Shares	Price Paid per share	Cash Received	Commission Paid
Oct. 8, 1965	3	50¢	\$ 1.50	NIL
Feb. 24, 1966	82,987	15¢	\$12,448.05	NIL
March 1, 1966	9,000	15¢	1,350.00	NIL
March 26, 1966	5,000	15¢	750.00	NIL
Nov. 16, 1966	84,921	15¢	12,738.15	NIL
Nov. 24, 1966	28,979	15¢	4,346.85	NIL
Total Number of Shares Sold at 15¢ per Share and Cash Rec'd.	210,887		\$31,633.05	NIL
Dec. 9, 1966	1,000	30¢	\$ 300.00	NIL
March 31, 1967	62,585	30¢	18,775.50	NIL
May 2, 1967	12,000	30¢	3,600.00	NIL
April 30, 1968	62,300	30¢	18,690.00	NIL
Total Number of Shares Sold at 30¢ per Share and Cash Rec'd	137,885		\$41,365.50	NIL

The percentage of the shares of the Company owned, directly or indirectly, by all Directors and Senior Officers of the Company as a group, is shown below:

Designation of Class	Percentage of Class
Shares	62.2%

PURCHASER'S RIGHT OF RESCISSION

The "Securities Act, 1967" of the Province of British Columbia contains certain provisions which entitle a purchaser of securities offered in the course of primary distribution who is still the owner of the securities to rescind the contract of purchase:

A. Under Section 61:

1. Grounds for Rescission:

- Either (a) If prior to the delivery to the purchaser of the written confirmation of the sale of the security, there was not delivered to the purchaser:
- (i) a copy of the last prospectus relating to the security filed with the British Columbia Securities Commission ('the Commission'); and
 - (ii) a copy of the last financial statement and reports filed with and accepted by the Commission; and
 - (iii) a fair and accurate summary of the report on the property of the Company that issued the security and the development thereof, with all appropriate corrections;
- Or (b) If in the first written solicitation, in any form or order, subscription or request or in the first written offer of the securities, there was not set forth, in letters not smaller than the letters used in the main portion of the summary, a notice stating that a prospectus would be furnished upon request.

2. Procedure:

- (a) Written notice of intention to commence an action for rescission must be served by or on behalf of the purchaser on the person who contracted to sell the security within sixty days of the date of the delivery of the written confirmation of the sale of the security; and
- (b) An action for rescission must be commenced by the purchaser within three months from the date on which notice referred to in the preceding sub-paragraph (a) hereof was served.

B. Under Section 62:

1. Grounds for Rescission:

If the prospectus and any amended prospectus filed with the Commission with respect to any material change which occurred during the period of primary distribution received by the purchaser, as of the date of receipt, contained an untrue statement of material fact or omitted to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

2. Procedure:

An action for rescission must be commenced within ninety days from the date upon which:

- (a) the prospectus or amended prospectus in question was received: or
- (b) the date of the contract for the sale of the security; whichever last occurred.

MINING PROPERTIES

Since its incorporation, the Company has been solely engaged in the acquisition and exploration of mining properties in southern British Columbia.

The mining properties and interests in mining properties held by the Company consist of a property in the Highland Valley area of the Kamloops Mining Division of the Province of British Columbia which it has optioned to another Company in which it holds shares, as hereafter noted, and two properties in the exploration and development of which it is presently, and proposes to continue to be, actively engaged, one in the Phoenix Camp and the other in the Deadwood Camp, both near Greenwood in south-central British Columbia close to the International border. Particulars of these properties are as follows:

1. Highland Valley Property:

The Company is the recorded owner of 39 full-sized and fractional recorded mineral claims situate some 19 miles more or less northwest of Merritt in the Kamloops Mining Division of the Province of British Columbia, subject to the option which it granted with respect thereto after the Directors of the Company decided

that the Company should concentrate its efforts on the properties which it had acquired in the Phoenix and Deadwood Camps. These mineral claims are more particularly described as follows:

Name of Claim	Record Number
Alamo Nos. 1 to 8, inc.	42363 to 42370, inc.
Alamo No. 10	42372
Alamo No. 18	42380
Alamo No. 20	42382
Alamo No. 22	42384
Alamo No. 24	42386
Alamo No. 26	42388
Alamo No. 28	42390
Alamo Nos. 36 to 40, inc.	42396 to 42400, inc.
Alamo No. 42	42402
Alamo Fr. #1	45878
Alamo Fr. #2	45879
Alamo Fr. #3	45880

(all hereinafter referred to as 'the Alamo group')

San Jose No. 2	58934
San Jose No. 4	58936
San Jose No. 6	58938
San Jose No. 7	58939
San Jose No. 9	58941
San Jose No. 11	58943
San Jose Nos. 25 to 30, inc.	58957 to 58962 inc.
San Jose No. 31 Fr.	58963
San Jose No. 32	58964
San Jose No. 33	58965

(all hereinafter referred to as 'the San Jose group')

By an agreement dated December 19, 1966, between Douglas A. Chapman ('Chapman'), of the First Part, the Company, of the Second Part, and Dr. Sidney Sheard ('Sheard'), of the Third Part, Chapman (on behalf of himself as to a 5/7ths interest and on behalf of James A. Mitchell ('Mitchell'), of 2991 Mathers Avenue, West Vancouver, British Columbia, as to a 2/7ths interest, and the Company severally granted unto Sheard an option to purchase 24 recorded mineral claims held by Chapman adjacent to the Alamo and San Jose groups held by the Company and the 39 mineral claims comprised in the Company's Alamo and San Jose groups. As provided in the agreement, Sheard subsequently assigned all his rights under the option agreement to San Jose Mines Ltd. (N.P.L.) ('San Jose'), a private mining company incorporated under the laws of the Province of British Columbia, with its registered office situate at Suite 200, 4717 Kingsway, Burnaby 1, British Columbia, and caused San Jose to allot and issue, as fully paid and non-assessable, 125,000 shares of its capital stock to Chapman, 50,000 to Mitchell and 125,000 to the Company, all of which shares are lodged in escrow with Canada Permanent Trust Company, of 400 Burrard Street, Vancouver 1, British Columbia, pursuant to an escrow agreement dated November 1, 1967, and are to remain in escrow pending the conversion of San Jose into a public company whereupon such shares will then be subject to such conditions as to escrow as the Superintendent of Brokers of the Province of British Columbia may impose. The Company continues to retain the 125,000 shares of San Jose which it received pursuant to the agreement and it is these shares which are referred to under the heading "Investment" in the financial statements which accompany and form part of this prospectus. In order to maintain the option in good standing, San Jose was required to expend by December 31, 1967, not less than \$12,500.00 in exploration of the optioned mineral claims but the date for completion of this work was extended until and completed by March 31, 1968. During the year ending December 31, 1968, San Jose is required to spend a like sum in further exploration of the optioned claims, and a further sum of \$35,000.00 during the year ending December 31, 1969. In order to exercise the option and acquire the whole legal and beneficial interest in the optioned mineral claims, San Jose must have completed the work program already noted and be converted into a public company not later than December 31, 1969.

The Alamo group had been acquired by the Company from its President, Henry Herbert Shear ('Shear') on March 21, 1968, in consideration for the payment to Shear of a sum of \$3,370.18, by way of reimbursement of expenditures made by him in connection with exploration of the Alamo group, including a geophysical

survey thereof. Save for these expenses, Shear had incurred no costs in acquiring and holding the Alamo group other than the usual costs, in a nominal amount, involved in locating and recording mineral claims in an accessible area.

The San Jose group had been acquired by the Company from Douglas Alan Chapman, now but not then Vice-President and a Director of the Company, pursuant to an agreement dated November 24, 1966, under the terms of which, as the entire consideration paid by the Company for the whole interest in the San Jose group, 50,000 shares of the Company were allotted and issued to Chapman and these shares form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares".

In acquiring the San Jose Group, Chapman had incurred only the usual costs, in a nominal amount, involved in the location and recording of mineral claims in an accessible area. In view of the agreement with San Jose, the Company does not propose to expend and, indeed, during the currency thereof, has no right to expend any monies on the Alamo and San Jose groups.

Assessment work has been performed and recorded by San Jose to maintain the Alamo group in good standing until April, 1969, and work has been performed and is presently being recorded to maintain the San Jose group in good standing until July, 1971.

None of the mineral claims comprised in the Alamo group or the San Jose group has yet been surveyed and, accordingly, their position, size and existence on the ground must be regarded as being subject to adjustment on survey.

The Alamo and San Jose groups are still in the preliminary stages of exploration, and there is no known body of commercial ore situate thereon.

Access to the property is by way of the Spences Bridge, Merritt Highway to "Fourteen Mile", thence north-east for a distance of some 10 miles over a good gravel road; or, alternatively, south from Kamloops via Chataway Lake over a good gravel road for a distance of some 40 miles.

Prior to the acquisition of the Alamo group and the San Jose group by the Company, to the best of the knowledge of the Company no prior work had been carried out on the ground covered thereby, other than the preliminary prospecting on and the geophysical survey of the Alamo group on behalf of Shear, San Jose, since it acquired the option with respect to the property, has carried out on the Alamo group trenching at a cost of \$2,560.00 and a total of some 220 feet of diamond drilling at a cost of some \$1,540.00. On the San Jose group, a total of some 780 feet of diamond drilling has been completed by San Jose at a total cost of some \$9,900.00.

2. Deadwood Camp Property:

The Company is the registered and beneficial owner of the whole interest, free and clear of all encumbrances (save as hereinafter noted), in five Crown-granted mineral claims, seven full-sized and fractional recorded mineral claims and two Crown Mineral Leases (under which a total of three reverted Crown-granted mineral claims were demised), all situate in the Deadwood Camp approximately one mile west of the City of Greenwood, some 300 miles east of Vancouver, British Columbia. The Company also holds options to purchase a further two Crown-granted mineral claims in the Deadwood Camp. Particulars of the mineral claims comprising the Company's Deadwood Camp property and of the costs which were incurred in acquiring the same are as follows:

(a) Crown-granted Mineral Claims Owned Outright:

The Company is the registered and beneficial owner of five Crown-granted mineral claims ('the Butorac claims') more particularly described as follows:

Name of Claim	District Lot No.
"Buckhorn"	1107
"X.L.C.R."	1556S
"Moreen Fraction"	1709
"Syd M. Johnson"	1961
"E.C.B."	827

situate in the Kettle River Assessment District and Similkameen Division of Yale Land District of the Province of British Columbia.

The Butorac claims were acquired by the Company from Muriel May Butorac ('Mrs. Butorac'), of P.O. Box 269, Rossland, British Columbia, as the registered owner thereof, under an agreement with the Company

dated April 20, 1967, entered into pursuant to a letter agreement dated January 3, 1967, for a total cash consideration of \$11,000.00 paid to Mrs. Butorac, made up of a sum of \$1,000.00, by way of reimbursement of expenses incurred by Mrs. Butorac in perfecting title, which was paid on execution of the letter agreement, and a cash purchase price of \$10,000.00 which was paid in full upon execution of the formal agreement. In addition, 100,000 shares of the Company were allotted and issued to and are presently held by Mrs. Butorac and these shares form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares".

The Butorac claims are surveyed Crown-granted mineral claims and comprise a total of some 232.94 acres. In order to maintain them in good standing, the Company must pay the real property taxes thereon, annually in the aggregate sum of some \$58.75, or submit an affidavit of work under the "Taxation Act" in lieu thereof. All such taxes have been paid to date.

(b) Recorded Mineral Claims Owned Outright:

The Company is the recorded and beneficial owner of seven full-sized and fractional recorded mineral claims situate in the Greenwood Mining Division, more particularly described as follows:

Name of Claim	Record No.
Hound No. 2 Fr.	22644
Frantic Fr.	24762
Jim McRae No. 1 Fr.	19131
Jim McRae No. 2	19132
Hound Nos. 1 to 3, inc.	22640 to 22642, inc.

Three of the above-described mineral claims were acquired by the Company from John M. McLean ('McLean'), of Greenwood, British Columbia, pursuant to an agreement with the Company dated July 8, 1966, under the terms of which, as the entire consideration paid, there were allotted and issued to McLean, as fully paid up and non-assessable, 100,000 shares of the Company which form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares". Under that agreement, the Company also acquired from McLean an undivided 50% beneficial interest in Mineral Lease No. M-122, with respect to the "Peacock" Mineral Claim, Lot No. 1243, S.D.Y.D., and a further fractional recorded mineral claim. The remaining undivided 50% interest in Mineral Lease No. M-122 was acquired by the Company from Bertram Irwin Nesbitt ('Nesbitt'), of Suite 809, 526 Howe Street, Vancouver, British Columbia, pursuant to an agreement dated August 15, 1966, under the terms of which 5,000 shares of the Company, constituting the total consideration paid, were allotted and issued to Nesbitt, and these shares form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares". Subsequently, as hereinafter set out under the heading "Phoenix Camp Property", the Company exchanged the further fractional mineral claim, which it had acquired from McLean, and Mineral Lease No. M-122, which it had acquired from McLean and Nesbitt, together with two other fractional mineral claims which it held in the Deadwood Camp, to which reference is made hereafter, for eight Crown-granted mineral claims in the Phoenix Camp.

Two of the recorded mineral claims presently held by the Company, together with a third which was subsequently abandoned and relocated and later formed part of the property in the Deadwood Camp exchanged for Crown-granted mineral claims in the Phoenix Camp, were acquired by the Company from its President, Henry Herbert Shear ('Shear'), pursuant to an agreement dated July 8, 1966, under the terms of which 261,000 shares of the Company were allotted and issued to Shear, which form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares". Under that agreement, the Company also acquired from Shear the whole interest in Mineral Lease No. M-226 (see next heading) in the Deadwood Camp and subject to the payment by the Company of a sum of \$500.00 to the Estate of Edward Henry Kellner, Deceased, the whole interest in Mineral Lease M-138 in the Phoenix Camp (to which reference is made hereafter). The entire consideration paid to Shear, therefore, consisted of the 261,000 shares and the payment by the Company of the sum of \$500.00 to the Kellner Estate. In acquiring the three fractional mineral claims in the Deadwood Camp which he transferred to the Company, Shear had incurred only the usual costs, in a nominal amount, involved in the locating and recording of mineral claims. In the case of the Mineral Lease, Shear had incurred the cost of the initial rentals and lease fees therefore in the total sum of \$210.00 and the cost of maintaining the Phoenix Camp lease in good standing for a year in the sum of \$921.00, including recording fees.

Of the seven recorded mineral claims held by the Company, six have been placed in good standing by the performance and recording of assessment work until 1970 and the seventh until November 7, 1969. None of the recorded mineral claims held by the Company in the Deadwood Camp has been surveyed and, accor-

dingly, their position, size and existence on the ground must be regarded as being subject to adjustment on survey.

(c) Mineral Leases Held Outright:

The Company is the registered holder and is beneficially entitled to the whole interest in the following Mineral Leases of surveyed reverted Crown-granted mineral claims situate in the Greenwood Mining Division and the Similkameen Division of Yale Land District:

Lease No.	Mineral Claims Demised	D.L. No.	Date of Issue	Total Acreage
M-226	"Tintic"	1461	Feb. 22, 1966	51.40 acres
	"Red Metal Fr."	1568s		
M-227	"Little Ruth"	881s	Feb. 25, 1966	12.63 acres

subject to the following reservation in the case of Mineral Lease M-226:

EXCEPTING thereout and therefrom any surface or timber rights over that portion of the mineral claims lying within the boundaries of Lot 620, Similkameen Division of Yale District.

As already noted, Mineral Lease M-226 was acquired by the Company from Henry Herbert Shear. Mineral Lease No. M-227 was obtained by the Company directly from the Minister of Mines and Petroleum Resources for the Province of British Columbia as Lessor at a cost to the Company of \$31.50 in fees and rentals.

Each of these leases was granted for a term of 21 years, subject to the payment of lease rentals and the performance and recording of assessment work, or the payment of monies in lieu thereof, as hereinafter set out, and are in good standing in that respect until the dates indicated:

Lease No.	Annual Rental for first 10 yrs. of term	Annual Rental for balance of term	Annual Work for first 10 yrs. of term	Annual Work for balance of term	Date to which rentals paid & work filed
M-226	\$26.00	\$52.00	\$208.00	\$312.00	Feb. 22, 1969
M-227	6.50	15.00	52.00	78.00	Feb. 25, 1969

(d) Crown-granted Mineral Claims Held under Option:

The Company is the holder of registered options to purchase the whole interest, free and clear of all encumbrances, in two Crown-granted mineral claims in the Deadwood Camp, as follows:

(i) Under an agreement dated December 21, 1967, with Mildred Isabel Roylance ('the Optionor'), of Greenwood, in the Province of British Columbia, as Administratrix of the Estate of Mary Victoria McLaren, Deceased, and as Executrix of the Estate of Elizabeth Aitken Frizel Hoy (otherwise known as Elizabeth Aitken Hoy), Deceased, the Company holds an option previously granted to it by the Optionor under a prior agreement dated September 27, 1966, to purchase the "Pluto" Crown-granted mineral claim, District Lot 2393, Similkameen Division Yale District ('the Pluto'). To date the Company has made two payments to the Optionor, each in the sum of \$360.00, one upon execution of the agreement dated September 27, 1966, and the other upon execution of the current agreement. In order to maintain the option in good standing, the Company is required to spend in exploration expenditures (as defined in the agreement) on mineral claims lying within a designated area in the Deadwood Camp (including the Pluto) a sum of not less than \$30,000.00 by November 30, 1968, and a sum of not less than \$100,000.00 by November 30, 1969 (including any amount spent during the year ending November 30, 1968), but such expenditures are on an option basis only and do not constitute a firm commitment. On or before November 30, 1969, the Company, if it elects to exercise its option, must give notice in writing to the Optionor and, within 90 days after the receipt of such notice, the purchase price for the Pluto is payable as the Optionor may elect either by way of \$18,000.00 in cash or 18,000 escrowed shares of the Company or of such other public mining company to which the Company may have assigned its rights with respect to the Pluto, provided, however, that if the Optionor elects to be paid in cash the Company will not then be bound by its notice of election to purchase the Pluto for cash but may do so if warranted. It is a further term of the agreement that if the Company, or any assignee of the option, were to elect to exercise any option theretofore granted to the Company to purchase any other mineral claim or mineral claims in the Deadwood Camp, the Company would be required to exercise its option to pur-

chase the Pluto but only if the Optionor elected to be paid by way of the share consideration and not if the Optionor elected to be paid the cash consideration.

The Pluto is a surveyed Crown-granted mineral claim, containing some 32.56 acres more or less. Under the option agreement, the Company is required to pay the annual real property taxes in the sum of \$8.25, or file an affidavit of work under the "Taxation Act" in lieu thereof. All such taxes have been duly paid to date.

(ii) Under an agreement dated January 25, 1968, with Ronald Jameson McRae ('the Optionor'), of 9205 Jura Road, Sidney, British Columbia, as Administrator of the Estate of Colin McRae, Deceased, the Company holds an option previously granted to it under a prior agreement dated August 8, 1966, to purchase the "Ah There" Crown-granted mineral claim, District Lot 1960, Similkameen Division of Yale District ('the Ah There'). Upon execution of each of these agreements, the Company paid the Optionor the sum of \$500.00 and, in addition, contributed a sum of \$250.00 toward the legal costs involved in obtaining approval of the option by the Supreme Court of British Columbia, so that the total expenditure made by the Company to date in connection with this option amounts to \$1,250.00. In all respects the terms and conditions of the option agreement with respect to the Ah There are identical with those contained in the option agreement with respect to the Pluto as set out above, save that the purchase price payable for the Ah There upon exercising of the option is either \$25,000.00 or 25,000 escrowed shares of the Company or of such public company to which the Company may have assigned its rights with respect to the Ah There.

The Ah There is a surveyed Crown-granted mineral claim, containing some 17.75 acres more or less. Under the option agreement, the Company is required to pay the annual real property taxes in the sum of \$4.50, or file an affidavit of work under the "Taxation Act" in lieu thereof. All such taxes have been paid to date.

In view of the fact that the Optionors of the Pluto and Ah There are acting as personal representatives for the Estates which are the owners of those mineral claims, the Company has agreed that in the event that any adverse claim affecting the title to the Pluto or the Ah There or the right of the Company to carry out operations thereon were to be successfully prosecuted, and the option held by the Company were to be set aside, the Optionors are not to be held personally liable by the Company for any amount in excess of any monies and shares paid or allotted to them by the Company, or its assigns.

(e) Other Agreements relating to the Deadwood Camp:

(i) Purchase of mineral claim subsequently exchanged:

By an agreement dated March 21, 1968, the Company purchased from Mildred I. Roylance ('Mrs. Roylance'), acting on her own behalf, of Greenwood, British Columbia, the whole interest in the "Hardscrabble Fr." ('the Hardscrabble'), Record No. 19473, situate in the Deadwood Camp, one mile west of Greenwood in the Greenwood Mining Division of the Province of British Columbia. Under the agreement the Company paid Mrs. Roylance the sum of \$500.00 and allotted and issued to her 10,000 shares of its capital stock which are lodged in escrow and form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares".

Prior to entering into the agreement for the outright purchase of the Hardscrabble, the Company had held it under option pursuant to option agreements dated July 15, 1966 and December 21, 1967, upon the execution of each of which, as the entire consideration paid thereunder, the Company had paid Mrs. Roylance a sum of \$140.00, or a total of \$280.00. Subsequently, as hereinafter set out under the heading "Phoenix Camp Property" the Hardscrabble was one of the three fractional mineral claims which, together with a Mineral Lease, the Company exchanged for eight Crown-granted mineral claims in the Phoenix Camp.

(ii) Option agreements no longer in force:

The Company previously entered into two further option agreements relating to mineral claims in the Deadwood Camp, one with respect to a Crown Mineral Lease under which two reverted Crown-granted mineral claims had been demised, and the other with respect to a Crown-granted mineral claim. Payments in the aggregate sum of \$935.50 were made to the optionors upon execution of these agreements which lapsed on or about September 30, 1967. The Company may enter into a further option agreement with respect to the Crown-granted mineral claim if a satisfactory arrangement can be made with the owner on terms similar to those contained in the agreements relating to the Pluto and Ah There, as set out above, and if steps are taken by the owner to obtain a duplicate Certificate of Title to Minerals in replacement for the one which it would appear has been lost.

(iii) **Option Assigned:**

As of November 24, 1967, the Company entered into an agreement ('the Meta-Salamet agreement') with Meta Uranium Mines Limited ('Meta') and Salamet Mines Limited, both Ontario corporations with their head offices situate at 25 Adelaide Street West, Toronto, Ontario. Under the Meta-Salamet agreement, Meta, as the registered and beneficial holder of 1,500,000 shares ('the Salamet shares') of the 1,812,507 shares of Salamet issued and outstanding, granted unto the Company an option to purchase the said shares together with certain shareholder's advances theretofore made by Meta to Salamet in the sum of \$15,668.98 more or less. The purchase price payable for the Salamet shares and the advances was \$125,000.00, of which the Company paid the sum of \$5,000.00 upon execution of the Meta-Salamet agreement, and the balance was payable in three semi-annual instalments. The principal asset of Salamet is the right which it holds to complete the purchase of the "Greyhound" Crown-granted mineral claim ('the Greyhound'), District Lot No. 1014, formerly Osoyoos now Similkameen Division of Yale District, from the Estate of Albert Bruce Goodridge, Deceased, by the payment of the balance of the purchase price in the sum of \$200,000.00, by way of a royalty of 25¢ per ton for cash of the first 250,000 tons of ore mined and shipped from the Greyhound and 10¢ per ton for cash of the next 1,375,000 tons of ore so mined and shipped. Under the Meta-Salamet agreement, Salamet granted unto the Company the right, during the currency of the Meta-Salamet agreement, to enter upon the Greyhound and to carry out exploration and development thereof, but not the right to mine and ship ore therefrom until the purchase price for the Salamet shares and the shareholder's advances was fully paid. The Company has now assigned its option to purchase the Salamet shares and the shareholder's advances and all its rights with respect to the Greyhound under the Meta-Salamet agreement unto Aabro Mining & Oils Ltd. pursuant to the agreement for the exchange of certain mineral claims and interests held by the Company in the Deadwood Camp for certain mineral claims in the Phoenix Camp (See heading: "Phoenix Camp Property").

(iv) **Agreement respecting surface rights:**

Certain of the mineral claims held by the Company in the Deadwood Camp are situate within a land lot, the relevant portion of which is used for grazing purposes. The Company has the right to enter upon the lands comprised in the land lot and to carry out mining operations thereon, but is required to compensate the owner of the surface rights for any damage done to the surface. In 1967, the Company, by arrangement with the owner, carried out surface stripping and trenching on its mineral claims in the Deadwood Camp. Pursuant to an agreement dated May 4, 1967, with the owner of the surface rights, Daniel P. Boltz ('Boltz') of Midway, British Columbia, the Company paid Boltz, by way of compensation for all damage to the surface up to that date, a sum of \$250.00 and allotted and issued to him 1,000 shares of its capital stock, which were lodged in escrow and form part of the 707,000 shares hereinbefore referred to under the heading "Escrowed Shares".

(v) **Encroachment Agreement:**

The Company has entered into an agreement dated March 26, 1968 ('the encroachment agreement') with Aabro Mining & Oils Ltd. ('Aabro'), a company incorporated under the "Companies Act" of the Province of Alberta, and registered to carry on business in the Province of British Columbia, with the office of its attorney situate at Suite 1313 Burrard Building, 1030 West Georgia Street, Vancouver 5, British Columbia. Under the encroachment agreement:

(A) the Company agreed to grant unto Aabro the right to dump waste and to impound and store tailings on certain ground held by the Company in the Deadwood Camp, namely, the Hound No.1 and the Hound No. 2 recorded mineral claims owned by the Company (as previously referred to under the heading "Recorded Mineral Claims Owned Outright") and a portion only of the Syd M. Johnson Crown-granted mineral claim ('the Syd M. Johnson'), Lot No. 1961, S.D.Y.D., owned by the Company (as previously referred to under the heading "Crown-granted Mineral Claims Owned Outright"), being the portion lying to the east of a line running due south from that point on the northerly border where the easterly boundary of the Ah There meets the southerly boundary of the Greyhound (now held under the agreement by Aabro: see heading "Phoenix Camp Property"), and Aabro agreed to indemnify the Company from any claims arising out of the exercising by Aabro of such rights, including any claim by the owner of any surface rights adversely affected;

(B) the Company has agreed that, if in connection with any open pit mining operations which may be instituted by Aabro on the Greyhound it becomes necessary, in order to achieve a safe degree of slope for such pit, that such pit encroach beyond the boundaries of the Greyhound such pit may encroach on and material be removed from the Syd M. Johnson and the Ah There and the Pluto, if the Company has theretofore exercised its options with respect to and has purchased the same

(which under the encroachment agreement the Company is under no obligation to do), provided always that the Company is first furnished with notice of such intended encroachment and, further, that any material so removed is stockpiled in an area to be designated by the Company;

(C) Aabro has agreed that, upon termination of the mining and removal of ore from the Greyhound by or on behalf of Aabro, the Company would be entitled to enter upon the Greyhound and use any open pit excavated thereon for the purpose of any mining operations by or on behalf of the Company on the Syd M. Johnson, the Ah There and the Pluto, and, further, that the Company would be entitled to remove any ore so mined by way of any route of egress through the Greyhound from any such pit, subject always to the Company indemnifying Aabro against any claims arising out of such entry and use of the Greyhound by the Company.

The rights granted to Aabro as set out above constitute the encumbrance contemplated in the first paragraph following the heading "Deadwood Camp Property".

(f) Access to Deadwood Camp Property:

Access to the Company's Deadwood Camp property, which is situate approximately one mile west of the City of Greenwood, British Columbia, and some three miles from the southern Trans-Provincial Highway, is by way of a good gravel road from the Highway.

(g) History and Exploration Work on the Company's Deadwood Camp Property to Date:

Copper deposits in the Deadwood Camp were first discovered in 1891 and several properties were placed in production, including, notably, the Motherlode from which some 4,000,000 tons of low grade copper were mined. Other than the Buckhorn from which two carloads of ore were shipped from two levels of underground workings, there is no known record of production from any of the mineral claims held by the Company in the Deadwood Camp, but the Company's property adjoins claims from which low grade copper has been produced. There is no known body of commercial ore on the Company's Deadwood Camp property. It should be noted, however, that notwithstanding the fact that mining operations have been carried on in the Deadwood Camp since 1891, so far as is known little in the way of exploration and development work had been carried on on the mineral claims presently held by the Company prior to their acquisition by the Company. Since their acquisition, an induced polarization survey was carried out on the Company's claims on its behalf by Hunttec Ltd. during the period from November 26, 1966 to February 1, 1967, which was followed by a magnetometer survey of the same area by the Company's President, Henry Herbert Shear, in March, 1967. These surveys disclosed extensive anomalies on four of the mineral claims held by the Company and a diamond drilling program was recommended by Hunttec Ltd. whose recommendations in this respect have been endorsed by the Company's consultants, Alrae Exploration Ltd., as hereinafter noted. In 1966 and again in 1967, the Company carried out surface stripping and trenching. The trenches cut during 1967 across the old workings on the Buckhorn disclosed low grade copper values across several hundred feet and immediately adjacent to the old workings massive chalcopyrite was uncovered and a ten-foot channel sample by Mr. Shear cut across the showing ran 3.4% copper and 0.2 oz. of gold to the ton. A large grab sample taken over an area some fifty feet by twenty feet in extent surrounding the high grade showing ran 0.72% copper and .02 oz. of gold to the ton.

There is no surface or underground plant or equipment on the Company's Deadwood Camp property.

3. Phoenix Camp Property:

The Company is the registered and beneficial owner of the whole interest, free and clear of all encumbrances (save as hereafter noted) in eight Crown-granted mineral claims, 22 full-sized and fractional recorded mineral claims and three Crown Mineral Leases (under which a total of eight reverted Crown-granted mineral claims were demised), all situate in the Phoenix Camp, some four miles east of the City of Greenwood, some 300 miles east of Vancouver, British Columbia, close to the International Border. Particulars of the mineral claims comprising the Company's Phoenix Camp property and of the costs which were incurred in acquiring the same are as follows:

(a) Crown-granted Mineral Claims Owned Outright:

The Company is the registered and beneficial owner of eight Crown-granted mineral claims ('the Aabro claims') more particularly described as follows:

Name of Claim	District Lot No.
Diamond Joe Fraction	993 s

Diamond Joe	1523
Monte Carlo	976
Tiger	3548
Doubtful	1524
Mullan	1850
Big Monte	1239
Monte Cristo	2709

**Kettle River Assessment District and Similkameen Division of
Yale Land District of the Province of British Columbia.**

The Aabro claims were acquired by the Company from Georgia Leaseholds Limited, a Company duly incorporated under the laws of the Province of British Columbia, with its registered office situate at 204 - 569 Howe Street, Vancouver, British Columbia, pursuant to an agreement dated March 26, 1968, between the Company and Aabro Mining & Oils Ltd. ('the Aabro agreement'). Under the Aabro agreement the Company assigned its interest in the Meta-Salamat agreement and in the Greyhound, as hereinbefore set out, in consideration for the sum of \$5,000.00 paid by Aabro to the Company and the Company exchanged three fractional mineral claims and one Mineral Lease which it held in the Deadwood Camp for the Aabro claims and two recorded mineral claims in the Phoenix Camp, all of which Aabro caused to be conveyed to the Company. None of the directors, officers, promoters or the principal holders of the shares of the Company has, or expects to have, any interest, direct or indirect, in Georgia Leaseholds Limited or Aabro and the transaction was entirely an "arm's length" one made in order that the Company might expand its contiguous holdings in the Phoenix Camp and Aabro might consolidate its holdings in the northerly portion of the Deadwood Camp.

The Aabro claims are surveyed Crown-granted mineral claims and comprise a total of some 336.8 acres. In order to maintain them in good standing, the Company must pay the real property taxes thereon annually in the aggregate sum of \$85.00, or submit an affidavit of work under the "Taxation Act" in lieu thereof. All such taxes have been paid to date.

(b) Recorded Mineral Claims Owned Outright:

The Company is the recorded and beneficial owner of 22 full-sized and fractional recorded mineral claims situate in the Greenwood Mining Division of the Province of British Columbia, as follows:

(i) The Bar Claims:

Name of Claim	Record No.
Bar No. 1	25097
Bar No. 2	25098

The Bar claims were acquired by the Company by bill of sale from Edgar Allan Ramsay, of 4581 Skyline Dr., North Vancouver, British Columbia, pursuant to the agreement dated March 26, 1968, between the Company and Aabro Mining & Oils Ltd. referred to under the last preceding sub-paragraph (a) hereof.

The Bar claims are in good standing until April 10, 1969. To maintain them in good standing thereafter, the Company will be required to perform and record annually assessment work to the value of \$100.00 per claim or pay monies in lieu thereof.

(ii) The Tio Buracho Group:

Name of Claim	Record No.
Tio Buracho Nos. 1 to 6, inc.	22631 to 22635, inc.
Tio Buracho Fr.	22637
Glenside Fr.	22638

The Tio Buracho Group was acquired by the Company from Ian Russel McCallum ('McCallum'), of Greenwood, British Columbia, pursuant to an agreement with the Company dated July 8, 1966, under the terms of which, as the entire consideration paid thereunder, there were allotted and issued to McCallum, as fully paid and non-assessable, 10,000 shares of the capital stock of the Company which form part of the 707,000 escrowed shares hereinbefore referred to under the heading "Escrowed Shares".

Assessment work has been performed and recorded by the Company to maintain all of the claims in the Tio Buracho Group in good standing until 1971.

(iii) The Tia Group:

Name of Claim	Record No.
Tia 1 to 12, inc.	851486 to 851497, inc.

The Tia Group was acquired by the Company, as to four claims, from Douglas Alan Chapman ('Chapman'), who has since become a Director and Vice-President of the Company, and, as to the remaining eight claims, from Ida Mabel Burnett ('Burnett'), who has since become a Director of the Company, pursuant to an agreement dated May 30, 1968, under the terms of which, as the entire consideration paid thereunder, 60,000 shares and 110,000 shares of the capital stock of the Company were allotted and issued to Chapman and Burnett, respectively, and the total of 170,000 shares so issued form part of the 707,000 escrowed shares hereinbefore referred to under the heading "Escrowed Shares". In acquiring the claims which they respectively held in the Tia Group, Chapman and Burnett incurred the usual costs, in a nominal amount, involved in the locating and recording of mineral claims in an accessible area.

In order to maintain in good standing the mineral claims comprised in the Tia Group, the Company will be required, under the "Mineral Act" of the Province of British Columbia, to perform and record thereon, prior to May 9, 1969, assessment work to the value of \$100.00 per claim or pay a sum of \$100.00 per claim in lieu thereof.

The recorded mineral claims comprised in the Bar claims, Tio Buracho Group and the Tia Group have not been surveyed and, accordingly, their position size and existence on the ground must be regarded as being subject to adjustment on survey.

(c) Mineral Leases Held Outright:

The Company is the registered holder and is beneficially entitled to the whole interest in the following Mineral Leases of surveyed reverted Crown-granted mineral claims situate in the Greenwood Mining Division and the Similkameen Division of Yale Land District:

Lease No.	Mineral Claims Demised	D.L. No.	Date of Issue	Total Acreage
M-138	"Brandon"	2382	October 22, 1963	218.06
	"Brandon Fr."	2403		
	"Marshall"	2388		
	"Little Annie"	2389		
	"Little Brown"	2390		
	"Custer Fr."	160s		
M-229	"Marshall Fraction"	2404	April 21, 1966	4.96
M-269	"Little Burne Fr."	2387	January 19, 1967	.41

Provisos and restrictions:

(a) The rights granted under M-138 exclude any surface rights over those portions of the demised mineral claims covered by the waters of Glenside Creek, Providence Lake and Providence Creek.

(b) Both M-138 and M-229 are subject to the rights of the holder of Conditional Water License No. 23755 to store water in Providence Lake for the purposes of the mining operations of the Phoenix Copper Division of Granby Mining Company Limited.

Mineral Lease M-138 was acquired by the Company from its President, Henry Herbert Shear ('Shear'), pursuant to the agreement dated July 8, 1966, previously referred to under the sub-heading "Recorded Mineral Claims Owned Outright" under the heading "Deadwood Camp Property", under the terms of which 210,000 escrowed shares of the Company were allotted and issued to Shear, as already noted. Mineral Lease M-229 was acquired by Shear for the Company from the Minister of Mines and Petroleum Resources for the Province of British Columbia at a cost to the Company of \$27.50 in fees and rentals paid to the Province of British Columbia. Mineral Lease M-269 was obtained by the Company directly from the Minister at a cost of \$25.50 in fees and rentals.

Each of these leases was granted for a term of 21 years, subject to the payment of lease rentals and the performance and recording of assessment work, or the payment of monies in lieu thereof, as hereinafter set out, and are in good standing in that respect until the dates indicated:

Lease No.	Annual Rental for first 10 yrs. of term	Annual Rental for balance of term	Annual Work for first 10 yrs. of term	Annual Work for balance of term	Date to which rentals paid & work filed
M-138	\$109.50	\$219.00	\$876.00	\$1,314.00	Rental: Oct. 22, 1966 Work: Oct. 22, 1970
M-229	2.50	5.00	20.00	30.00	April 21, 1969
M-269	.50	1.00	4.00	6.00	Rental: Jan. 19, 1969 Work: Jan. 19, 1971

(d) Access to Phoenix Camp Property:

Access to the Company's Phoenix Camp property, which is situate some four miles east of the City of Greenwood, British Columbia, and some five miles from the southern Trans-Provincial Highway, is by way of a good gravel road from the Highway which also provides access to the Phoenix operations of Granby.

(e) History and Exploration Work on the Company's Phoenix Camp Property to Date:

As in the case of the Deadwood Camp, copper deposits in the Phoenix Camp were first discovered in 1891 and subsequently smelters were built at Grand Forks, Greenwood and Boundary Falls to treat the ores from the Phoenix Camp and the Greenwood area generally. During the early history of the Phoenix Camp, 15,000,000 tons of ore grading 1.5% copper and significant amounts of gold and silver were produced in the Phoenix Camp before operations were finally suspended. In 1957, Granby Mining Company Ltd. commenced an open pit operation which today produces some 2,250 tons per diem, with an average grade of 0.7% copper with minor values in gold and silver. This open pit operation adjoins the Company's property to the south. Apart from such work as may have been done during the early period of the Phoenix Camp on the mineral claims presently comprised in the Company's property, of which there is no record available, Cominco Ltd., during 1938, carried out on certain of the claims, principally the "Marshall", an exploration program consisting of extensive hand trenching, sampling and some 1,337 feet of diamond drilling in seven holes. Since the Company acquired its Phoenix Camp property, an induced polarization survey was carried out on the southern half of the property by Huntec Ltd. on the Company's behalf which disclosed extensive I.P. anomalies which in the opinion of the Company's consultants, Alrae Exploration Ltd., appear to be on the strike of mineralization presently being mined in the Phoenix open pit and some 2500 feet from the present rim of that pit. Subsequently, a magnetometer survey and a geochemical soil sampling program was conducted over the same area by the Company's President, Henry Herbert Shear. In the course of a limited trenching program, one of the trenches, which is on the strongest portion of one of the I.P. anomalies, exposed a new discovery of gold, silver and copper mineralization. During 1967, three shipments of ore were made from this trench to the smelter at Trail of a total of 97 tons which contained an average of 1.096 oz. gold to the ton and 0.7 oz. of silver to the ton. Two of these shipments, totalling 82 tons, were also sampled for copper content and were found to contain an average of 0.62% in copper. The mineralization which has thus been exposed appears to be a replacement of a limey horizon similar to those found in the ore bodies presently being mined in the Phoenix pit. It should be noted, however, that the Company's Phoenix Camp property is still at the stage of preliminary exploration and there is no known body of commercial ore thereon.

There is no surface or underground plant or equipment on the Company's Phoenix Camp property.

FUTURE WORK PROPOSED

The Company intends to carry out the recommendations made by Rae G. Jury, P. Eng., of Alrae Exploration Ltd., the Company's consultants, in his report on the Company's Deadwood Camp and Phoenix Camp properties dated April 1, 1968 (a copy of which accompanies and forms part of this Prospectus), as follows:

"CONCLUSIONS AND RECOMMENDATION

San Jacinto Explorations Ltd. work on each of its properties in the Greenwood area has consisted chiefly of geochemical, geophysical and bulldozer trenching work. Each of the claim groups is strategically

located with regard to known existing mineralized zones and properties which have produced or are producing copper, gold and silver. Each property contains very significant geophysical anomalies. Copper, gold and silver mineralization occurs at various points on each of the company's claim groups. To further explore and evaluate each of the claim groups, the following work is recommended:

- (a) Bulldozer trenching of I.P. anomalies where overburden is shallow.
- (b) Geological mapping, sampling and assaying.
- (c) Diamond drilling to test downward extensions of mineralized zones or to determine the cause of anomalies beneath deeper overburden.

The magnetometer and I.P. surveys should be completed over the Phoenix group of claims. Detailed surveys over each of the known I.P. anomalies is warranted.

Cost Estimates

Approximate costs of the above recommended work on each of the claim groups would be as follows:

Deadwood Claims

Detailed I.P. survey on Buckhorn, Ah There, and Moreen Fr.	\$ 2,000.00	
Geological mapping, sampling and assaying	2,000.00	
Diamond drilling - Buckhorn, Moreen Fr., and Ah There claims 2,000 ft. at \$10/ft.	<u>30,000.00</u>	<u>\$34,000.00</u>

Phoenix Claims

Detailed magnetometer and I.P. surveys of the I.P. anomalies	\$ 3,000.00	
Trenching on the Marshall, Little Annie, Custer Fr. and Glenside Fr. claims	3,000.00	
Geological mapping, sampling and assaying	2,000.00	
Completion of I.P. and magnetometer survey on remainder of claim group	7,000.00	
Diamond drilling 3,000 ft. at \$10/ft.	<u>30,000.00</u>	<u>\$45,000.00</u>
	TOTAL	<u>\$79,000.00</u>

Should this work encounter any zone of potentially economic mineralization, much more work would be required to fully evaluate such a discovery. This work would possibly take the form of more diamond drilling, percussion drilling, and bulk sampling."

FINANCIAL

Reference is made to the following financial statements, all of which accompany and form part of this Prospectus: the Balance Sheet of the Company made up to June 30, 1968; the Statements of Preproduction Expenditures and of the Source and Application of Funds for the first two fiscal years of the Company ended December 31, 1966 and 1967, and for the six-month period ended June 30, 1968; and the Report by the Company's Auditors on these financial statements dated July, 1968.

No bonds or debentures are outstanding or are proposed to be issued.

As there has been no production (other than the shipment of a bulk sample from the Phoenix Camp property) and, therefore no earnings to date, no dividends have been declared or paid by the Company.

No options for the purchase of shares of the Company have been granted and none is proposed.

In the opinion of the Directors of the Company, the proceeds of the offering of its shares made by this Prospectus, will be sufficient to carry out the exploration programs on its Deadwood Camp and Phoenix Camp properties recommended by its consultant, as set out under the heading "FUTURE WORK PROPOSED", and, generally, to defray its normal business and administrative expenses and legal, accounting and transfer agency charges for services rendered with respect to the operations of the Company. In view of the option held by San Jose Mines Ltd. (N.P.L.) with respect to the Company's Highland Valley property, the Company does not propose to spend any monies on that property at this time. As for the order of priority in which the proceeds of the offering of shares made by this Prospectus are to be applied, the Company, to the extent

that such proceeds permit, intends to undertake first the recommended exploration program on its Deadwood Camp property with a view to satisfying the work commitment in the sum of \$30,000.00 required to maintain in good standing the options which it holds with respect to the "Ah There" and "Pluto" Crown-granted mineral claims (see previous heading "Crown-granted Mineral Claims Held Under Option"), and thereafter the recommended program on the Phoenix Camp property. In the event that such proceeds were not sufficient to carry out both programs, the Company would do such work and pay such rentals and taxes as would be required to maintain in good standing the Mineral Leases, recorded mineral claims and Crown-granted mineral claims which it owns outright in both Camps.

No part of the proceeds of the sale of shares offered hereunder will be used to invest, underwrite or trade in securities other than those which qualify as investments in which trust funds may be invested under the laws of the Province of British Columbia. In the event that the Company, after the completion of the distribution of shares offered by this Prospectus, were to propose to use any of the proceeds derived from the offering hereby made to acquire securities of a type other than that in which a trustee would be permitted to invest, the Company would first seek the approval of its shareholders to such proposed acquisition and would make full disclosure to the regulatory bodies having jurisdiction over the sale of the shares offered by this Prospectus.

OTHER MATERIAL FACTS

The only material contracts which may be considered outside the normal course of business are all disclosed in this Prospectus, and copies of such contracts may be inspected during normal business hours at the registered office of the Company at Suite 625, 925 West Georgia Street, Vancouver, British Columbia, or at the executive office of the Company at Suite 2, 515 Granville Street, Vancouver, British Columbia.

The foregoing constitutes full, true and plain disclosures of all material facts relating to the securities offered by this Prospectus as required by Part VII of the "Securities Act, 1967" of the Province of British Columbia, and the regulations thereunder.

July 25, 1968.

"HENRY HERBERT SHEAR"
Promoter and Director

"IDA MABEL BURNETT"
Promoter and Director

"DOUGLAS ALAN CHAPMAN"
Promoter and Director

"ALLAN HARRISON AINSWORTH"
Director

"JOHN BEAUMONT CAREW-GIBSON"
by his Attorney-in-fact Allen H. Ainsworth.
Director

**The Directors,
SAN JACINTO EXPLORATIONS LTD. (N.P.L.),
Vancouver, B.C.**

AUDITORS' REPORT

We have examined the balance sheet of San Jacinto Explorations Ltd. (N.P.L.), as at June 30, 1968, and the comparative statements of pre-production expenditures and source and application of funds for the period ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given us, and as shown by the books of the company, the accompanying balance sheet, supplemented by the accompanying notes, and the comparative statements of pre-production expenditures and source and application of funds present fairly the financial position of the company as at June 30, 1968, and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

"J.M. ROSS & CO."
Chartered Accountants

Vancouver, B.C.
July 22, 1968.

SAN JACINTO EXPLORATIONS LTD. (N.P.L.)

BALANCE SHEET AS AT JUNE 30, 1968

ASSETS

Current Assets:

Cash in bank	\$ 3,813.91
Account receivable	<u>18.01</u>

\$ 3,831.92

Investment - at cost:

125,000 shares of San Jose Mines Ltd. (N.P.L.) - no quoted market value	8,370.18
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Mining Claims at cost: (Note 1)

Including the stated value of 707,000 shares issued therefor	87,143.85
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Mining Equipment - at cost	1,127.50
---	----------

Pre-Production Expenditures	47,422.26
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Incorporation Expenses	<u>1,312.19</u>
-------------------------------------	-----------------

\$149,207.90

LIABILITIES AND CAPITAL

Current Liabilities:

Accounts payable - trade	\$ 507.85
Due to shareholder	<u>5,000.00</u>

\$ 5,507.85

Share Capital:

Authorized:

3,000,000 shares - no par value

Issued: (Notes 2 and 3)

For cash	348,775 shares	\$ 73,000.05	
For mining claims	<u>707,000 shares</u>	<u>70,700.00</u>	
	<u>1,055,775 shares</u>		<u>143,700.05</u>

\$149,207.90

Approved on behalf of the Board:

"D.A. CHAPMAN" Director

"ALLAN H. AINSWORTH" Director

This is the balance sheet referred to in our report dated July 22, 1968.

"J.M. ROSS & CO."
Chartered Accountants.

SAN JACINTO EXPLORATES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

AS AT JUNE 30, 1968

1. Mineral claims were acquired at the following costs:

Claims	Shares		Cash	Abandoned	Total
	Number	Amount			
Deadwood	467,000	\$46,700.00	\$14,993.00	\$935.50	\$60,757.50
Phoenix	190,000	19,000.00	7,386.35		26,386.35
San Jose	50,000	5,000.00			*
Alamo			3,370.18		*
	<u>707,000</u>	<u>\$70,700.00</u>	<u>\$25,749.53</u>	<u>\$935.50</u>	<u>\$87,143.85</u>

*No book value has been shown on the Balance Sheet for the Alamo and San Jose claims as the Company's interest therein is effectually represented, so long as there is no default under an option agreement relating to the same, by the shares shown on the Balance Sheet under the heading "Investment", the acquisition cost of which is equivalent to that incurred by the Company in acquiring these claims. The shares referred to were issued by San Jose Mines Ltd. (N.P.L.) ("San Jose") pursuant to an option granted by the Company to acquire the Alamo and San Jose Claims. These 125,000 shares are escrowed and would be subject to forfeiture, in whole or in part, if San Jose were to lose its interest in the optioned mineral claims. To maintain the option and acquire title to the optioned claims (including an adjoining group not owned by the Company), San Jose must spend in exploration thereon \$12,500.00 by December 31, 1968, and \$35,000.00 by December 31, 1969, and must be converted into a public company by the latter date.

2. Of the issued shares, 707,000 shares are held in escrow by the Guaranty Trust Company, subject to release by the Superintendent of Brokers.
3. From the date of incorporation for June 30, 1968, capital stock issued for cash consisted of the following:

No. of Shares	Price Per Share	Amount
3	50¢	\$ 1.50
210,887	15¢	31,633.05
137,885	30¢	41,365.50
<u>348,775</u>		<u>\$73,000.05</u>

For the six month period ending June 30, 1968, 62,300 shares were sold for cash at 30¢ per share to net the treasury \$18,690.00.

4. The "Ah There" crown granted mineral claim in the Deadwood camp is held under an option requiring exploration expenditures of \$30,000.00 by November 30, 1968 and a further \$70,000.00 by November 30, 1969, and the payment of either \$25,000.00 in cash or 25,000 escrow shares of the Company on or before November 30, 1969, in order to acquire full title.
5. The "Pluto" crown granted mineral claim in the Deadwood camp is held under an option requiring exploration expenditures of \$30,000.00 by November 30, 1968, and a further \$70,000.00 by November 30, 1969, and the payment of either \$18,000.00 in cash or 18,000 escrow shares of the Company on or before November 30, 1969, in order to acquire full title.
6. The options referred to in notes 4 and 5 above will be maintained in good standing by the expenditures on any claims held by the Company within a designated area in the Deadwood camp in the amounts referred to.

SAN JACINTO EXPLORATIONS LTD. (N.P.L.)
STATEMENT OF PRE-PRODUCTION EXPENDITURES
FOR THE SIX MONTHS ENDED JUNE 30, 1968
(With comparative figures for the years ended December 31, 1967 and 1966)

	<u>1968</u>	<u>1967</u>	<u>1966</u>
Mining Claim Development:			
Mining claims abandoned	\$ 935.50		
Engineering	407.60	\$ 6,000.00	\$ 1,650.00
Wages		2,163.15	6,971.80
Stripping and trenching		1,943.50	
Travel	160.95	1,309.98	2,899.77
Claims expense	762.51	1,232.50	443.50
Truck expense	75.33	544.51	
Employee benefits		330.74	193.69
Board		299.25	676.52
Supplies		190.76	1,051.49
Surveying		342.00	8,194.88
Assays, maps and blueprinting		80.27	
	<u>\$ 2,341.89</u>	<u>\$14,436.66</u>	<u>\$22,081.65</u>
Deduct: Ore sales and royalties - net	59.18	376.47	
Total Development	<u>\$ 2,282.71</u>	<u>\$14,060.19</u>	<u>\$22,081.65</u>
Administration:			
Telephone		\$ 504.83	\$ 368.32
Office rent	\$ 1,100.00	100.00	
Accounting	1,750.00	334.00	1,050.00
Legal	200.35	1,710.55	388.30
Office expense	506.10	316.26	1,094.42
	<u>\$ 3,556.45</u>	<u>\$ 2,965.64</u>	<u>\$ 2,901.04</u>
Deduct: Interest income	6.46	220.17	198.79
Total Administration	<u>\$ 3,549.99</u>	<u>\$ 2,745.47</u>	<u>\$ 2,702.25</u>
Pre-Production Expenditures for the period	<u>\$ 5,832.70</u>	<u>\$16,805.66</u>	<u>\$24,783.90</u>
Pre-Production Expenditures at Beginning of Period	41,589.56	24,783.90	
Pre-Production Expenditures at end of Period	<u><u>\$47,422.26</u></u>	<u><u>\$41,589.56</u></u>	<u><u>\$24,783.90</u></u>

SAN JACINTO EXPLORATIONS LTD. (N.P.L.)

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE SIX MONTHS ENDED JUNE 30, 1968**

(with comparative figures for the years ended December 31, 1967 and 1966)

	1968	1967	1966
Source of Funds:			
Sale of capital stock	\$36,690.00	\$68,575.50	\$38,434.55
Less: Not including receipt of cash:			
Shares issued for mining claims	<u>18,000.00</u>	<u>46,200.00</u>	<u>6,500.00</u>
	\$18,690.00	\$22,375.50	\$31,934.55
Refund on mineral claim deposit	<u>5,000.00</u>	<u> </u>	<u> </u>
	<u>\$23,690.00</u>	<u>\$22,375.50</u>	<u>\$31,934.55</u>
Application of Funds:			
Purchase of mining claims	\$18,449.00	\$68,600.00	\$14,400.53
Less: Not requiring cash outlay:			
Shares issued for mining claims	<u>18,000.00</u>	<u>46,200.00</u>	<u>6,500.00</u>
	\$ 449.00	\$22,400.00	\$ 7,900.53
Purchase of mining equipment	178.75	498.75	450.00
Incorporation expense		300.00	1,012.19
Pre Production Expenditures:			
Mining claim development	2,282.71	14,060.19	22,081.65
Less: Not including cash outlay:			
Mining claims abandoned	(935.50)		
Administration	<u>3,549.99</u>	<u>2,745.47</u>	<u>2,702.25</u>
	\$ 5,524.95	\$40,004.41	\$34,146.62
Increase (Decrease) in Working Capital	\$18,165.05	\$(17,628.91)	\$ (2,212.07)
Working Capital Deficiency at Beginning of Period	<u>19,840.98</u>	<u>2,212.07</u>	<u> </u>
Working Capital Deficiency at End of Period	<u>\$ 1,675.93</u>	<u>\$19,480.98</u>	<u>\$ 2,212.07</u>
Represented By:			
Current Liabilities	\$ 5,507.85	\$20,202.94	\$ 7,548.33
Less: Current Assets	<u>3,831.92</u>	<u>361.96</u>	<u>5,336.26</u>
Working Capital Deficiency as above	<u>\$ 1,675.93</u>	<u>\$19,840.98</u>	<u>\$ 2,212.07</u>

SAN JACINTO EXPLORATIONS LTD. (N.P.L.)

Phoenix and Deadwood Area Claims, B.C.

ALRAE ENGINEERING LTD.

April 1, 1968

INTRODUCTION

Greenwood, in south central British Columbia, was the site of some of the earliest mining activity in the province. San Jacinto Explorations Ltd. holds two groups of claims in this region, each in the heart of the old mining camp. Much of the old Deadwood camp, approximately one mile west of Greenwood is now owned or controlled by San Jacinto and has been tested by preliminary exploration methods. The company's second property is some three miles to the northeast of Greenwood and immediately north of the Phoenix Mine now operated by Granby Miles Ltd. This group has also been tested by geophysical methods by San Jacinto.

Copper has been produced or is being produced within or immediately adjacent to the holdings of San Jacinto and there are many indications that the San Jacinto holdings encompass considerable amounts of copper, gold and silver mineralization.

Since the initial production of copper in the early 1900's, claims in the Greenwood area have been held by many individual owners and many are now in the estates of the original holders. Mr. H.H. Shear, a professional engineer and president of San Jacinto Explorations Ltd., has spent much time and effort to acquire rights to these numerous small holdings and has been able to consolidate many contiguous claims in each of the old Deadwood and Phoenix camps. San Jacinto's holdings are large enough in each of these camps to consider exploration and development of open pit copper mines which are feasible at much lower grades than were possible during the early 1900's.

The purpose of this report is to summarize and consolidate existing information on each of the claim groups and to recommend further evaluation techniques.

LOCATION AND ACCESS

Greenwood is approximately 300 miles east of Vancouver, B.C. and seven miles north of the United States border. The Deadwood property is approximately one mile west of Greenwood, B.C. and the Phoenix property is approximately four miles east of the town. Good gravel roads from Greenwood provide ready access to each claim group.

The Canadian Pacific Railway and Interprovincial highways provide excellent access to Greenwood.

CLAIMS

Claims controlled by San Jacinto Explorations Ltd. are as follows:

Deadwood Property

- ECB
- Hound 1 to 3 and Hound Fr. No. 2.
- Sidney M. Johnson
- Buckhorn
- Moreen Fr.
- X.L.C.R.
- Frantic Fraction
- Lease M226 (Tintic and Red Metal Fr.)
- Lease M227 (Little Ruth)
- Jim McRae Fr. 1
- Jim McRae Fr. 2
- Pluto
- Ah There

Phoenix Property

- Tio Buracho 1 to 6

Tio Buracho Fr.
Glenside Fr.
Lease M138 (Brandon, Marshall, Little Annie, Little Brown, Custer Fr., Brandon Fr.)
Lease M229 (Marshall Fr.)
Lease M269 (Little Burne Fr.)
Monte Cristo
Monte Carlo
Big Monte
Tiger
Diamond Joe
Diamond Joe Fr.
Doubtful
Mullan
Bar 1 Fr.
Bar 2 Fr.

All claims are within the Greenwood Mining Division

HISTORY

Copper deposits of the Phoenix and Deadwood areas were first discovered in 1891 and several properties were developed to production by the turn of the century. Smelters were built in Grand Forks, Greenwood and Boundary Falls to handle the self-fluxing ore of this area and a railroad was constructed to the Phoenix camp.

During this early mining period, approximately 15,000,000 tons of ore grading 1.5% Cu and significant amounts of gold and silver were produced from the Phoenix area. Some four million tons of low grade copper ore were mined at the Motherlode Mine in the Deadwood camp. Each of these mining camps subsequently closed and the town sites were abandoned.

During the mid and late 1950's, both the Deadwood and the Phoenix camps were revived and open pit mining operations were started. The Motherlode Mine, operated as an open pit from 1956 to 1962, produced 650,000 tons of ore before again closing. In 1957, the Granby Mining Company Ltd. started an open pit operation on the original Knob Hill and Old Ironsides Crown Grants. This operation has expanded many times since and is the present Phoenix open pit mine owned by Granby. Present production is at the rate of 2,250 tons per day. Average grade is approximately 0.7% Cu. with minor amounts of gold and silver.

Other claims which have supported production or contain known mineralization in the Deadwood camp are the Sunset claim which is reported to have produced 100,000 tons of low grade copper ore from surface pits, the Greyhound claim on which 600,000 tons of ore grading 0.97% copper and small gold-silver values has been drilled off, and the Buckhorn claim, now held by San Jacinto, from which two carloads of ore were shipped from two levels of underground workings. The Sunset claim is immediately north of the San Jacinto holdings and the Greyhound claim is northeast of the company's claim group adjoining the Ah There claim.

During 1938, Cominco Ltd. did evaluation work on several of the mineral claims which now comprise the San Jacinto holdings in the Phoenix area. Much of this work was on the Marshall claim. The work consisted of extensive hand trenching, sampling, and 1,337 feet of diamond drilling in seven drill holes.

EVALUATION WORK BY SAN JACINTO

Deadwood Area

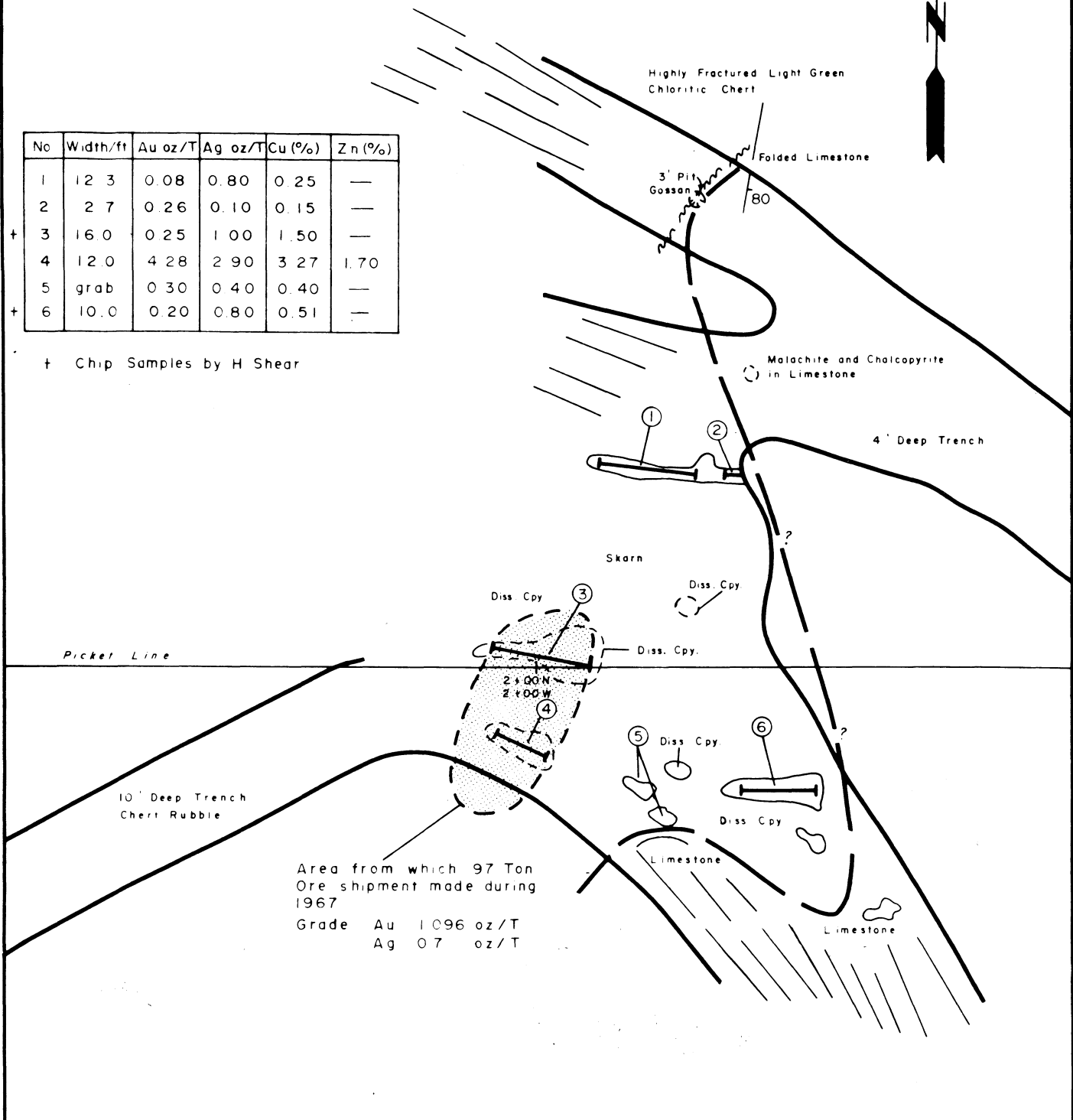
During the period November 26th, 1966 to February 1st, 1967, an induced polarization survey was conducted over the company's Deadwood holdings by Hunttec Ltd. A magnetometer survey was conducted over the same area by Mr. Shear in March 1967. Extensive I.P. anomalies were encountered on the Ah There, Pluto, Buckhorn and Moreen Fr. claims. Six diamond drill holes were recommended by Hunttec Ltd. to test the strongest portions of these anomalies.

The magnetometer survey conducted by Mr. Shear indicates a magnetic anomaly partially coincident with an I.P. anomaly and in the vicinity of many old workings on the Buckhorn claim. A similar, although less obvious association, is noted on the Moreen Fr. immediately south of the Buckhorn. There is no obvious correlation between magnetic anomalies and the strong I.P. anomaly occurring on the Ah There claim, although such correlation is not expected in this case. There is little magnetite in the drilled ore zone on the



No	Width/ft	Au oz/T	Ag oz/T	Cu (%)	Zn (%)
1	12.3	0.08	0.80	0.25	—
2	2.7	0.26	0.10	0.15	—
3	16.0	0.25	1.00	1.50	—
4	12.0	4.28	2.90	3.27	1.70
5	grab	0.30	0.40	0.40	—
6	10.0	0.20	0.80	0.51	—

† Chip Samples by H Shear



SAN JACINTO EXPLORATIONS LTD.	
ALRAE ENGINEERING LTD.	
MARSHALL CLAIM	
Phoenix, B.C.	
Date APRIL 1967	Scale 1" = 20'
Designed R G J	Dwg No.

adjoining Greyhound claim. A single high I.P. anomaly covers much of the Ah There and Greyhound claims.

Phoenix Claims

The southern half of the group of claims adjoining the Phoenix open pit mine has also been tested by magnetometer survey, induced polarization survey, geochemical soil sampling, and limited trenching, mapping and sampling work. One of the trenches at 2N and 2W of the present grid exposed gold, silver and copper mineralization of good grade and was examined and sampled by the writer in November 1966. Three shipments of ore were made from this trench during 1967. A total of 97 tons were sent to Trail and contained an average of 1.096 oz/T gold and 0.7 oz/T silver. Two of the shipments, totalling 82 tons, were sampled for copper content and contained an average of 0.62% Cu. The accompanying sampling plan shows the distribution of mineralization in the trench.

Induced polarization survey on this claim group indicates extensive I.P. anomalies on the south central portion of the group. These anomalies appear to be on strike of mineralization being mined in the Phoenix open pit and are approximately 2,500 feet from the present pit rim. Three distinct anomalous zones are described in the Huntec interpretation of the I.P. work and three drill holes are recommended by them to test for the cause of the various anomalies. Two other smaller and less obvious anomalies may be interpreted from the I.P. work. It is of interest that the pyrrhotite veins explored and drilled by Cominco in 1938 are on the fringe of the strongest I.P. anomaly and that the area from which the 97 ton ore shipment was made during 1967 is on the strongest portion of the anomaly.

GEOLOGY

Deadwood Claims

The Deadwood property is underlain by Permian volcanics and sediments which have been named the Anarchist Group. The chief rock types observed during the property examination were dark green chloritic andesites and skarny limestone. Although much of the claim area is covered with glacial overburden, rock types could be observed on the surrounding hillsides and in trenches, pits and shafts on the Motherlode claim and the Buckhorn claim. Chalcopyrite and pyrite are the chief sulphide minerals observed in these rocks and occur both as disseminations and fracture fillings. Molybdenite was noted along fracture planes on the Buckhorn claim. A bulk sample from the Buckhorn, taken in 1963, assayed 0.45% Cu and 0.02 oz/T gold from an area 100 x 200 feet. A channel sample by Mr. Shear, from a recent trench on this claim assayed 3.4% Cu and 0.2 oz/T gold over 11 feet.

Epidote frequently occurs in zones of most concentrated sulphide mineralization. Magnetite is also found in many of the skarn-like occurrences. The Greyhound claim is unique in that it contains no magnetite and consequently produces no magnetic survey anomaly. This zone is reported to contain 662,000 tons grading 0.94% Cu including a 10% dilution factor. Salamet Mines Ltd. delineated this mineralization by 18,158 feet of diamond drilling during the period 1956 to 1958.

A granodiorite intrusive is exposed on the southeastern portion of the Deadwood group of claims and is the western extremity of an intrusive stock which extends easterly beneath Greenwood toward the Phoenix camp.

Phoenix Claims

Metallic mineralization noted on the San Jacinto Phoenix property occurs approximately three miles east of the eastern boundary of the above described granodiorite intrusive and consists of gold, silver, copper and zinc minerals occurring as replacements in skarn and chert. Skarn is formed from limestone members which occur interbanded with chert formations. The sulphide minerals occur as disseminations in tabular masses along the limestone-chert contacts. The pyrrhotite veins tested by Cominco in 1938 occur within the cherts. Skarn minerals which have been developed are chiefly garnet and chlorite. Sulphide minerals present in the order of decreasing abundance, are pyrrhotite, pyrite, chalcopyrite and sphalerite. Minor amounts of magnetite and specular hematite were also noted.

Sediments in the vicinity of 2N, 2W trench (San Jacinto grid) from which the 97 ton ore shipment was made appeared to be gently folded and have an overall dip to the south. The 2N, 2W point is apparently the dome of an anticline, consequently downward repetition of mineralized skarn layers may be expected. A distinct I.P. survey anomaly coincides with this occurrence.

Limited bulldozer trenching by San Jacinto during 1966 exposed pyrrhotite veins or masses several hun-

dred feet to the west of the 2N, 2W showing, which strikes approximately parallel to the occurrences tested by Cominco and which appear to have a similar steep dip. These occurrences are on the western side of the I.P. survey anomaly No. 1. Rock trenching will be necessary to sample these occurrences for copper content.

Geochemical soil sampling indicated anomalous amounts of copper in the soil overlying the above described linear pyrrhotite masses and coincident with I.P. anomaly No. 1. Magnetometer survey over this area shows erratic high readings in the vicinity of the pyrrhotite occurrences. A more detailed grid would be required to trace the individual pyrrhotite masses.

Minor occurrences of pyrrhotite and chalcopyrite in skarn have been discovered on the claims by bulldozer testing of the magnetic and soil survey anomalies. This work was done before the I.P. survey and the exposures trend northeasterly from the 2N, 2W zone along the northwestern and northern perimeter of the gently dipping limestone layer which covers most of the Marshall Fr., Little Annie and Little Brown claims.

The ore bodies of the Phoenix open pit mine are described as being within the western limb of a northerly trending syncline which plunges to the north. The company's claims lie on the direct strike extension of this western limb.

CONCLUSIONS AND RECOMMENDATION

San Jacinto Explorations Ltd. work on each of its properties in the Greenwood area has consisted chiefly of geochemical, geophysical and bulldozer trenching work. Each of the claim groups is strategically located with regard to known existing mineralized zones and properties which have produced or are producing copper, gold and silver. Each property contains very significant geophysical anomalies. Copper, gold and silver mineralization occurs at various points on each of the company's claim groups. To further explore and evaluate each of the claim groups, the following work is recommended:

- (a) Bulldozer trenching of I.P. anomalies where overburden is shallow.
- (b) Geological mapping, sampling and assaying.
- (c) Diamond drilling to test downward extensions of mineralized zones or to determine the cause of anomalies beneath deeper overburden.

The magnetometer and I.P. surveys should be completed over the Phoenix group of claims. Detailed surveys over each of the known I.P. anomalies is warranted.

COST ESTIMATE

Approximate costs of the above recommended work on each of the claim groups would be as follows:

Deadwood Claims

Detailed I.P. survey on Buckhorn, Ah There, and Moreen Fr.	\$ 2,000.00	
Geological mapping, sampling and assaying	2,000.00	
Diamond drilling - Buckhorn, Moreen Fr., and Ah There claims 3,000 ft. at \$10/ft.	30,000.00	\$ 34,000.00
	<u>30,000.00</u>	

Phoenix Claims

Detailed magnetometer and I.P. surveys of the I.P. anomalies	3,000.00	
Trenching on the Marshall, Little Annie, Custer Fr. and Glenside Fr. claims	3,000.00	
Geological mapping, sampling and assaying	2,000.00	
Completion of I.P. and magnetometer survey on remainder of claim group	7,000.00	
Diamond drilling 3,000 ft. at \$10/ft.	30,000.00	\$ 45,000.00
	<u>30,000.00</u>	
TOTAL		<u><u>\$ 79,000.00</u></u>

Should this work encounter any zone of potentially economic mineralization, much more work would be required to fully evaluate such a discovery. This work would possibly take the form of more diamond drilling, percussion drilling, and bulk sampling.

Respectfully submitted:

'RAE G. JURY,' P.Eng.

CERTIFICATE

I, Rae G. Jury, of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of Queen's University in Kingston (B. Sc. in Geological Sciences 1957).
3. I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and a Member of the Canadian Institute of Mining and Metallurgy.
4. I have practised my profession since 1957 with Labrador Mining and Exploration Company, Que-
mont Mining Corporation, Canadian Johns-Manville Co. Ltd., and Alrae Exploration Ltd.
5. I have personally examined mineralization on the Deadwood area claims and the Phoenix group
of claims of San Jacinto Explorations Ltd. on April 6th and 7th and November 5th, 1966.
6. The mineral claims which have been examined by the writer are surveyed claims and, although
individual claim boundaries are not readily evident, detailed land surveyors maps showing ac-
curate location of the claims are available.
7. I have not received, nor do I expect to receive, any interest, either directly or indirectly, in the
properties or securities of San Jacinto Explorations Ltd. (N.P.L.)

DATED AT VANCOUVER, this 2nd day of April, A.D. 1968.

'RAE G. JURY,' P.Eng.

SAN JACINTO EXPLORATIONS LIMITED

(Non-Personal Liability)

AMENDMENT NO. 1

to Prospectus dated July 25, 1968

Reference is made to the heading "MANAGEMENT": One of the Directors named therein, John Beaumont Carew-Gibson, died on September 18, 1968. It is not proposed at this time to fill the casual vacancy resulting from his death so that the Board of Directors for the time being will consist of the remaining four Directors named in the Prospectus. By virtue of his death, the percentage of the shares of the Company owned, directly or indirectly, by all Directors and Senior Officers of the Company as a group, as set out under the heading "CAPITAL STRUCTURE" is reduced to some 58.8%.

The foregoing, together with the Prospectus dated July 25, 1968, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus dated July 25, 1968, as required by Part VII of the "Securities Act, 1967" of the Province of British Columbia, and the regulations thereunder.

Dated: September 30, 1968.

"D.A. CHAPMAN"
Promoter & Director

"H.H. SHEAR"
Promoter & Director

"IDA M. BURNETT"
Promoter & Director

"ALLAN H. AINSWORTH"
Director