

812376

# PROSPECTUS



**ALLISON PASS MINING LTD. (N.P.L.)**

*535 W. GEORGIA STREET VANCOUVER 1, B.C.*

**ALLISON PASS MINING LTD. (N.P.L.)**

(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF BRITISH COLUMBIA)



**FIRST PUBLIC OFFERING ... 200,000 SHARES**  
**PRICE ..... 75c PER SHARE**

*August, 1966*

**REGISTRAR AND TRANSFER AGENT:**

National Trust Company Limited,  
510 Burrard Street,  
Vancouver 1, B.C.

**REGISTERED OFFICE:**

846 West Hastings Street,  
Vancouver 1, B.C.

**SOLICITORS:**

Messrs. Anfield & Company,  
Barristers and Solicitors,  
846 West Hastings Street,  
Vancouver 1, B.C.

**AUDITORS:**

Brown, Steel & Co.  
Chartered Accountants  
Third Floor, 550 Burrard Street,  
Vancouver 1, B.C.

**COMPANY OFFICERS & DIRECTORS**

LEONARD E. BOULTBEE, President  
JOHN A. WILLEY, Vice-President  
GEOFFREY B. HOBBS, Vice-President  
DOUGLAS D. JOHNSON, Sec.-Treasurer  
A. J. PATRICK OSWALD, Director  
OSVALDO CONTINI, Director

# PROSPECTUS

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.

THE SECURITIES OFFERED HEREBY MUST BE CONSIDERED A SPECULATION.



## **AREA BACKGROUND**

Ever since 1860, when the now-famous Dewdney Trail was built by the Royal Engineers, the Hope-Princeton area has been an important mining centre in B.C.

The area continues to boom today. Extensive exploration programs are being carried out by numerous companies, and the area is now experiencing a rush of staking.

The claims of Allison Pass Mining Ltd. are located in the Sumallo River Basin, about 17 miles from Hope. Deep in the Cascade Mountain system, the Sumallo enters the Skagit River, and it is near this juncture where most of the mining activity has been conducted.

The highest peaks in this area are about 7200 feet elevation. At the junction, the floor of the main valley, very broad compared to the precipitous valley of the Sumallo itself, is of about 2,000 feet elevation.

Exploration over the years has uncovered showings of silver, lead, gold, copper and zinc. The area was first mapped geologically by a trio named Cairns, Camsell and Snow.

It is reported that placer gold was found in small quantity in the Skagit and Sumallo in 1858. But no serious attempt has ever been made to mine placer gold, although the ground was tested by Keystone-drilling.

The oldest known finds are the International and Grandview claims, staked in 1906, and now Crown grants in good standing.

Activity in recent years has been focussed on the northeastern part of the area. Consolidated Mining and Smelting Company of Canada Ltd. has done a great deal of work on "A.M." copper property found in 1930.

The "Norwegian" group, adjacent to A.M., has been the site of development by the Invermay Annex Mining Company. Shipments of silver-lead ore to smelters have been made from the Rainbow, Silver Daisy, and Invermay Annex properties.

Preliminary exploration on Allison Pass Mining Ltd.'s property in the Sumallo Basin was done by John Bailey of Hope, who comes from a well known family of prospectors. His father did a great deal of prospecting and mining work on gold and silver properties before the turn of the century and until 1935.

In those days, the property was accessible only by foot or on horseback. The Baileys did most of the trail cutting, built a cabin not too far from the property and originally staked six claims. It took John Bailey more than 10 years to locate the main Galena showings which lay beneath a thin layer of soil and debris. During many seasons of hazardous work, the zones were partly prospected and cleared of over-burden.

In 1962, the claims were acquired by John Willey (now vice-president of Allison Pass Mining Ltd.) who did the initial assessment work and eventually secured 82 contiguous claims for his company. The claims are located about 17 miles south-east of Hope and are easily accessible by a six-mile logging road which branches off the Hope-Princeton Highway at Boys Town.

Labor, water and timber resources are abundant; a milling site is readily available, and hydro-electric power can be conveniently brought into the property. These factors are very important in developing Allison Pass as a possible producer.



# PROSPECTUS

## STATUTORY INFORMATION

(a) The full name of the Company is Allison Pass Mining Ltd. (Non-Personal Liability) (hereinafter called "the Company"). The Company has its registered office at 846 West Hastings Street, in the City of Vancouver, Province of British Columbia and its head office at Room 504 - 535 West Georgia Street, in the said City of Vancouver.

(b) The Company was incorporated by Memorandum of Association pursuant to the provisions of the Companies Act of the Province of British Columbia on the 7th day of July, A.D. 1965.

(c) The Company was converted to a public company by Certificate of the Registrar of Companies issued on the 14th day of June, A.D. 1966.

(d) The full name, address and occupation of each of the Directors is:

Name and Address	Occupation
Leonard E. Boulton, 8625 Angus Drive, Vancouver, B.C.	Realtor
John A. Willey, 802 Wellington Drive, North Vancouver, B.C.	Mining Executive
Geoffrey B. Hobbs, 521 West 28th Street, North Vancouver, B.C.	Business Executive
A. J. Patrick Oswald, 5938 Newton Wynd, Vancouver, B.C.	Stock Broker
Oswaldo Contini, B.Comm., 3768 West 18th Avenue, Vancouver 8, B.C.	Executive

John A. Willey, 802 Wellington Drive, North Vancouver, B.C. is the promoter of the Company.

(e) The Auditors of the Company are:  
Brown, Steele & Company,  
Chartered Accountants,  
Third Floor, 550 Burrard Street,  
Vancouver, B.C.

(f) The Registrar and Transfer Agent for the Company is:  
National Trust Company Limited,  
510 Burrard Street,  
Vancouver 1, B.C.

(g) The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 common shares with a nominal or par value of 50c each, of which 1,344,402 shares have been issued as fully paid and non-assessable. There is no other class of shares.

(h) The Company has not created or issued any bonds or debentures, nor does it propose to do so, and no bonds or debentures are offered by this Prospectus.

(i) Certificates representing 750,000 shares of the capital stock of the Company are held in escrow by the National Trust Company Limited, Vancouver, B.C., subject to release or transfer only with the written consent of the British Columbia Securities Commission. If the Company loses, or does not obtain good and marketable title, or abandons development of any property which was or formed part of the consideration for any of the shares in escrow, directly or indirectly, there shall be surrendered to the Company by way of gift for cancellation, such number of escrow shares as the Superintendent of Brokers in his sole discretion deems fair and equitable, or in such manner or proportion, as the Superintendent of Brokers may direct.

(j) The Company has sold the following shares for cash to date:

Number of Shares	Price Per Share	Discount	Total Cash Received
2	50c	NIL	1.00
155,000	10c	40c	15,500.00
297,000	25c	25c	74,250.00
21,000	30c	20c	6,300.00
			<hr/>
			\$96,051.00

No commissions have been paid on the allotment of the above shares. The total of 473,002 shares sold for cash are being held by Anfield & Company subject to a pooling arrangement and not to be released until the shares offered hereby have been fully subscribed and paid for.

(k) No securities other than shares have been sold for cash to date.

(l) No shares have been issued as such to any promoter or Vendor. However, 871,400 shares were issued to Hope Silver Mines Ltd. (N.P.L.) (in voluntary liquidation) in consideration of Hope Silver Mines Ltd. (N.P.L.) selling and transferring to the Company all its assets and undertakings pursuant to an agreement in writing dated for reference the 14th day of July, 1965. Hope Silver Mines Ltd. (N.P.L.) had issued a total of 871,400 shares; but as of the 6th day of August, 1965, that Company has now gone into voluntary liquidation. The Liquidator of Hope Silver Mines Ltd. has distributed one share of the Company, for each share of Hope Silver Mines Ltd. (N.P.L.) held by the shareholders of the Company. As a result of such distribution, Wilbeco Mines Ltd. (N.P.L.) received 750,000 shares in the capital stock of the Company. These are the escrow shares referred to in paragraph (i) herein. The remaining shareholders received a total of 121,400 shares in the capital stock of the Company. The greater than 5% shareholders of Wilbeco Mines Ltd. (N.P.L.) are Leonard Boulton, 8625 Angus Drive, Vancouver, B.C., John A. Willey, 802 Wellington Drive, North Vancouver, B.C., and Samuel Carter, 1906 Barclay Street, Vancouver 5, B.C. As a result of transfers of escrow shares to date, Wilbeco Mines Ltd. (N.P.L.) holds only 60,500 shares in the capital stock of the Company.



(m) (i) The Company is the recorded owner of the following recorded mineral claims situate in the New Westminster Mining Division of the Province of British Columbia which, with the exception of the A.P.M. claims, it acquired from Hope Silver Mines Ltd. (N.P.L.):

- King #1 — King #7 inclusive
- Bear #7 and Bear #8
- Calico #2 — Calico #18 inclusive
- Len #1 — Len #10 inclusive
- A.P.M. #1 — A.P.M. #40 inclusive (staked by the Company)

In addition, the Company has acquired by assignment an option to purchase the Bear #1 to Bear #6 mineral claims pursuant to the terms of an option agreement dated the 1st day of August, 1964, between John F. Bailey and John A. Willey, whereby the Purchaser was given the sole and exclusive option to purchase the claims for the sum of \$20,000.00 of which \$11,000.00 has been paid and the balance of \$9,000.00 is payable in equal instalments of \$2,500.00 every six months, with the next instalment due on the 15th day of December, 1966. \$6,000.00 of the \$11,000.00 paid to date was paid by Hope Silver Mines Ltd. (N.P.L.). All of the claims are located on Silvertip Mountain approximately 17 miles east of Hope, in the Province of British Columbia.

(m) (ii) The Vendor/Optionor of the Bear claims is John F. Bailey of Hope, B.C., who is to receive a consideration of \$20,000.00 of which \$11,000.00 has now been paid. There is no Vendor of the claims owned by the Company outright as such. However, in consideration of Hope Silver Mines Ltd. (N.P.L.) (in voluntary liquidation) transferring to the Company all its right, title and interest in the recorded claims and the Bear claims and such assets and undertakings of Hope Silver Mines Ltd. (N.P.L.) the Company allotted and issued to Hope Silver Mines Ltd. (N.P.L.) (in voluntary liquidation) 871,400 shares.

(m) (iii) So far as the signatories hereto are aware, the only person or company who has received or will receive a greater than 5% interest in the consideration received by Hope Silver Mines Ltd. (N.P.L.) (in voluntary liquidation) follows:

1. Wilbeco Mines Ltd. (N.P.L.)  
504 - 535 West Georgia Street,  
Vancouver, B.C.

the greater than 5% shareholders of which has been described in paragraph (i) herein.

2. Leonard E. Boulton,  
8625 Angus Drive,  
Vancouver, B.C.
3. John A. Willey,  
802 Wellington Drive,  
North Vancouver, B.C.
4. Osvaldo Contini,  
3768 West 18th Avenue,  
Vancouver 8, B.C.

(m) (iv) The said claims are located some 17 air miles south-east of the town of Hope, British Columbia. They are located primarily on the north-west side of Silvertip Mountain at the headwater of Sumallo River. The claims are all located in the New Westminster Mining Division of the Province of British Columbia. Access to the property is by logging road from the

Trites Ranch located on the Hope-Princeton Highway some twelve miles south-east of Hope, British Columbia.

(m) (v) No underground exploration or development work has been done on the claims and the Company has no underground plant or equipment on the claims.

(m) (vi) For a description of the surface exploration, development work, plant and equipment of the claims, see the Report of William Howard Meyers, P.Geol., dated March, 1966 attached hereto and forming part of this Prospectus.

(m) (vii) There is no known history to the claims owned or controlled by the Company.

(m) (viii) For full particulars of work performed on the claims by the Company under present management, see the said Report of William Howard Meyers, P.Geol.

(n) There are no underwriting, options or sub-underwritings or sub-options outstanding at the present time. The Company offers by this Prospectus 200,000 shares. The amount payable on application for allotment of these shares is 75c per share with no discount to be allowed and a commission of 25% (maximum) payable.

(o) The Company intends to use the proceeds from the sale of the shares being offered pursuant to paragraph (n) herein as follows:

1. Payment of Commission (maximum) .....	\$ 37,500.00
2. To carry out the program as recommended by William Howard Meyers, P.Geol. in his said report;	
(a) Diamond Drilling from present drill station 5,000 feet @ \$15/Ft including support .....	\$75,000.00
(b) Engineering supervision and assay .....	10,000.00
(c) Possible geophysical survey .....	5,000.00
(d) Shallow diamond drilling at surface shown. Amount of work will be limited by terrain. If possible to do at reasonable expense then this may replace some of drilling at present drill station .....	5,000.00
	103,000.00
3. Legal and audit .....	2,500.00
4. Administrative expenses .....	7,000.00
	\$150,000.00

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may lawfully be sold.

Should the registrant propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the regulatory securities body having jurisdiction over the sale of securities offered by this Prospectus.



(p) The preliminary expenses incurred in the formation of the Company approximate \$2,500.00. No further expenses on preliminary matter are contemplated.

(q) There is no substantial indebtedness to be created or assumed, that is not shown on the Balance Sheet reported on by the Company's Auditors as of the 30th day of April, 1965, a copy of which accompanies and forms part of this Prospectus.

(r) The principal business of each Director and Officer of the Company for the past three years and the present business is as follows:

NAME AND ADDRESS	OCCUPATION
Leonard E. Boulton, 8625 Angus Drive, Vancouver, B.C.	Principal, Boulton, Sweet & Company Limited, 555 Howe, Vancouver, B.C.
John A. Willey, 803 Wellington Drive, North Vancouver, B.C.	Prospector and Mining Executive
Geoffrey B. Hobbs, 521 West 28th Street, North Vancouver, B.C.	Associate Broker, H. A. Roberts Insurance Agencies Ltd.
A. J. Patrick Oswald, 5938 Newton Wynd, Vancouver, B.C.	Stock Broker, Gairdner & Co. Ltd. 1030 West Georgia Street, Vancouver, B.C.
Oswaldo Contini, 3768 West 18th Avenue, Vancouver 8, B.C.	Supervisor, Shell Canada Ltd.

(x) When the escrowed shares referred to in paragraph (i) hereof are released by the British Columbia Securities Commission from time to time, those shares may be sold by the owners, as shown in paragraph (l) of this Prospectus under this or subsequent Prospectuses at the offering price to the public from time to time in those Prospectuses without the proceeds of the sale accruing to the benefit of the Treasury of the Company. There are no further material facts which are not disclosed by this Prospectus.

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

DATED at Vancouver, B.C., this 15th day of June, A.D. 1966.

Leonard E. Boulton

A. J. Patrick Oswald

John A. Willey

Oswaldo Contini

Geoffrey B. Hobbs

John A. Willey, Promoter

(s) John A. Willey, 802 Wellington Drive, North Vancouver, B.C., Leonard E. Boulton, 8625 Angus Drive, Vancouver, B.C., Directors of the Company, are Directors of Wilbeco Mines Ltd. (N.P.L.) which received 750,000 shares in the capital stock of the Company through Hope Silver Mines Ltd. (N.P.L.) (in voluntary liquidation).

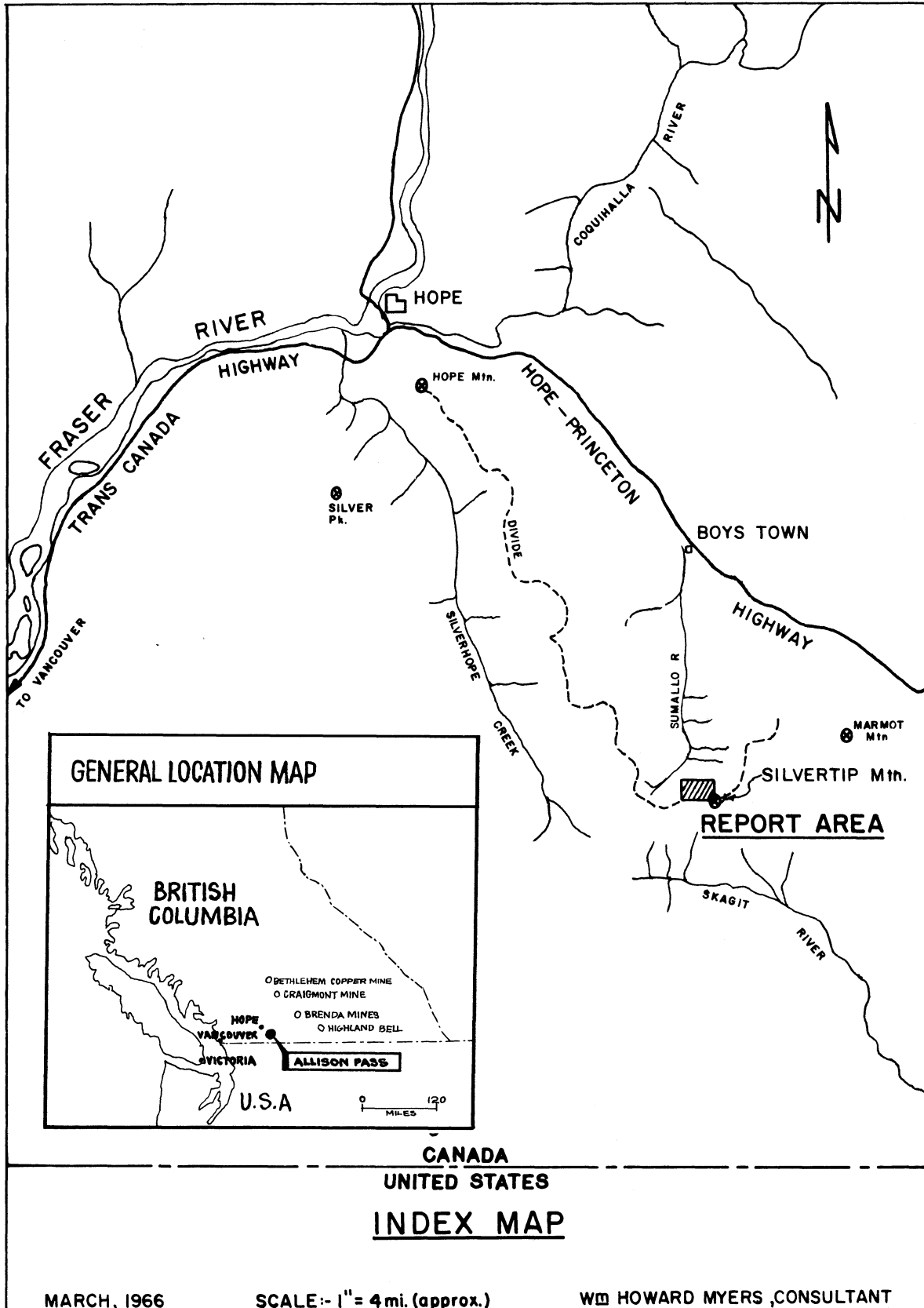
(t) The following parties, all being Directors of the Company, have been paid monies for services rendered since the date of incorporation to April 30, 1966:

John A. Willey (for field supervision)	\$1,640.00
Geoffrey B. Hobbs (management salary)	3,500.00
A. J. Patrick Oswald (management salary)	1,500.00
<b>Total</b>	<b>\$6,640.00</b>

(u) It is anticipated that no remuneration will be paid to the Directors or Officers as such during the current financial year. If any Directors or Officers are employed by the Company in a managerial capacity or otherwise, they will be employed at a salary commensurate with their responsibilities.

(v) Wilbeco Mines Ltd. (N.P.L.), Leonard E. Boulton, John A. Willey, and Oswaldo Contini, by reason of beneficial ownership of shares issued for consideration other than cash are able to elect or cause to be elected, a majority of the Board of Directors.

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



MARCH, 1966

SCALE:- 1" = 4 mi. (approx.)

BY HOWARD MYERS, CONSULTANT



**GEOLOGICAL REPORT OF THE  
DIAMOND DRILLING ON  
  
SUMALLO BASIN PROPERTY  
HOPE, B.C.**





## PART I

# GENERAL REPORT

### INTRODUCTION

The property of Allison Pass Mining Ltd. of Vancouver, B.C., in the Sumallo Basin Area some 17 miles southeast of Hope, B.C., consists of 82 full sized lode mineral claims. The original 42 claims in the area consists of six groups: Bear 1-6 inclusive, record numbers 12702, 2703, 12764 to 12767 inclusive; King 1-7 inclusive, record numbers 13382 to 13388 inclusive; Bear 7-8, record numbers 12768 and 12769; Calico 2-10 inclusive, record numbers 13338 to 13346 inclusive; Calico 11-18 inclusive, record numbers 13389 to 13396 inclusive; Len 1-10 inclusive, record numbers 13849 to 13859 inclusive. An additional 40 claims have recently been staked by the company adjoining the original block to the southwest. These claims are designated APM 1-40 inclusive, record numbers 15027 to 15066 inclusive. The claims with record numbers are all plotted on the Claim Location Map enclosed with this report. The claims are all contiguous and are located in the New Westminster Mining Division of British Columbia. The claims are all in good standing with assessment work completed and recorded on those necessary to keep them in good standing.

During the period November 10, 1965 to March 25, 1966, the Company completed two diamond drill holes near the centre of the property for a total of 1891 feet. Both holes were drilled from the same station located beneath a rock bluff at an elevation of approximately 4900 feet above sea level. The first hole, No. 1A, with a bearing of S63E and a dip of  $-14^\circ$  was drilled to a total depth of 1329 feet. A survey of the hole indicated that the hole increased in dip to  $-23^\circ$  at 500 feet and  $-27^\circ$  at 1300 feet. A cross section through this hole, together with lithology and assay results, is shown on the map with the report. The second hole, No. 2A, with a bearing of N76 $^\circ$  and a dip of  $-10^\circ$  was drilled to a total depth of 562 feet.

The two holes were drilled by Hope Drilling and Exploration of Hope, B.C., with a Boyles BBS-1 drill and AX rods. The core recovery was very good and the overall recovery near 100%. The core was all boxed and logged with proper box number and depth on each box. A log or description of the core is included in the appendix of the report, along with the identification of each interval sent in for assay and the results of the assay. The intervals of core selected for assay were split by hand and half replaced in the box. Other pieces of core were also split for detailed examination with the microscope. Six pieces of core were removed from various places in the two holes for cutting and polished sections prepared for detailed study of alteration and mineralization. These polished sections with their identification are stored in Allison Pass Mining Ltd. Office.

Access to the property is by logging road from Trites Ranch located on the Hope-Princeton highway some 12 miles southeast of Hope, B.C. The logging road to a point near the centre of the property follows the Sumallo River Valley for some seven miles south of the ranch. From this point in the valley below the diamond drill station access to the drill site is by a steep tractor road with sharp switchbacks and is approximately 38 per cent grade. The steep tractor road built last year was washed out in two places consequently the drill, fuel and supplies were lifted from the valley to the drill site by helicopter. Material was also lifted in for a temporary camp or lodging at the drill site. For the first month of drilling access to the drill was by trail along the washed out road, from the valley floor to the site some 900 feet in elevation above the valley, and approximately 3500 feet by trail. The tractor road was later opened up and additional fuel and supplies taken in by tractor. At this time the core boxes were also removed. Heavy snow one week later made the tractor road impassable.

The snow and avalanche conditions made it impractical to walk to the drill site. The Board of Directors decided to put in a hoist with a steel sled to support the drilling. During this period the water supply some 300 feet east of the drill station froze so that it was necessary to bring the water from the valley to the site. The sleigh with a 100-gallon tank worked very well for taking water up the snowy and icy slope to the drill. Water was pumped from the creek to the hoist house some 1800 feet below the drill station and from there taken up the hill in the sleigh.

Water returns were lost in both holes after the first 15 feet of drilling; consequently no sludge samples were obtained in either hole. Core recovery was good but small local areas could be ground up, especially in the softer material. Several fracture zones were encountered in both holes, but very little slicken sides were encountered and no gouge. Iron oxide stains were observed on most all the fractures and no doubt these zones were water courses. The survey on Hole 1A indicated water standing in the hole at approximately 500 feet below the collar.

### LITHOLOGY

The property of Allison Pass Mining Ltd. in the Sumallo Basin Area southeast of Hope, B.C., is underlain in general by argillites, greenstones, phillites and limestones of the Hozameen Group of probably Carboniferous age. In the western portion of the claims area, massive limestones predominate. The massive limestone is relatively pure with some chert inclusions and very little metamorphism. Near the contact with the mineralized zone and in the area of the diamond drilling, the limestones and argillites are highly altered and silicified. The metamorphism of the limestone varies from recrystallization to complete replacement by sulphides or almost complete replacement by lime silicates. In diamond drill Hole 1A from 800 feet to the bottom of the hole, silicification of the limestones was complete. In much of this interval crypto-crystalline silica in the form of chert was observed. Crystalline silica or quartz was also present in this interval and appeared as bands or layers in between apparent chert beds. In other places, the limestone was only partially silicified and more lime was present. The sulphides of iron were not as abundant in this portion of the hole as higher up in the altered argillites. It is very possible that locally the limestones containing sulphide ores have been silicified so thoroughly that they resemble chert, but are not true chert beds in the Hozameen series seen in other areas. This may be very significant and should be analyzed further in advanced studies. In both diamond drill holes a dense dark green to greenish brown rock with disseminated sulphides was encountered, which was logged as "dyke Rock". Future thin section studies of the dense rocks will identify them in more detail as to origin and lithology. Semi-quantitative spectrographic analysis indicates that these dykes contain abundant iron with about 1 per cent titanium oxide and manganese. The lithology of each hole is shown on the Generalized Cross Sections through the D.D. Holes and are included with this report. The lithology of the core is also given in detail in the Appendix to this report.

General distribution of the various rock types in the area is shown on the Geological Map of the area.

### STRUCTURE

The area in general has been subjected to both regional and local deformation. Original bedding plains in the various types of rock has been obscured in most places by shearing and jointing associated with the deformation and metamorphism.



The geological map produced from the aerial photographs and enclosed with this report indicates some quite pronounced structural trends in the area of the claims. In the central portion of the map area west of the diamond drilling, a strong and fairly continuous north-west-southeast structural trend is shown. In the northern portion of the area the structural trend appears to disturb the bedding or what appears to be the bedding in the immediate area. The same structural trend can be traced to the south where it disappears under the permanent snow or glaciers near the divide. Other oblique angle structural trends or jointing are offset by the strong northwest-southeast structural trend. In the vicinity of the diamond drill station numerous joints or fractures have been identified on the photographs. The strong fault east of the station and the one which was intersected in Hole 2A is fairly strong and continuous. Mineralization encountered in Hole 2A near this fault indicates that possibly this may also be an older line of structural weakness along which recent movement has taken place. The trend of the main surface showing of lead, zinc and silver, which was drilled in diamond drill hole 1A, if projected to the southwest, intersects or lines up very well with a fairly strong northeast trending structure in this area shown on the photographs. This trend intersects the strong northwest-southeast structural trend described earlier. Numerous other structural trends are shown in red on the geological map.

In both diamond drill holes, what appears to be remnants of bedding in the argillites and limestones was noted and logged as same. In the upper portion of both holes the bedding appeared to be about 15° to the core. From 800 feet down in Hole 1A the bedding appeared to parallel with the core. It would appear that the beds are dipping about 25-30 degrees in a southeasterly direction in the vicinity of the diamond drilling. There is evidence of this direction and magnitude of dip in the rocks above the surface shows, however, a close check has not yet been made of surface outcrops above the surface show due to the very rugged terrain. This should be checked as well as the structural trends from the photographs when the field mapping and surface sampling is done this summer.

## RESULTS

The more important results from the diamond drilling to date, together with their significance, are tabulated below:

1. The large amount of alteration and mineralization encountered in most of the core from both holes is considered very significant. Although the greater portion of mineralization was in the form of iron sulphides some lead, zinc, silver and copper was present in all assays run. From the surface to 845 feet in Hole 1A there was no visible mineral of either lead or zinc, yet on assays up to 0.60 lead and 0.25 zinc were obtained. On Sample No. 9, where 0.60 lead and 0.25 zinc was obtained, the sample was taken over 6.5 feet of core. **In most instances higher values of lead and zinc were obtained in the assay where a larger interval of the core was cut for assay.**
2. In diamond drill Hole 1A from 847 feet to 1297 feet, several small veinlets or fractures filled with coarse crystalline galena, sphalerite and calcite were noted. These fractures or veinlets did not appear to be very wide, but only in one instance were both sides of the veinlet or fracture recovered in the core. In the other areas only one side of the wall of the veinlet was recovered in the core. It is very possible that the veinlets or fractures could be several inches wide and the softer, more crystalline mineral, ground up and lost. Core recovery was good, but in a 25 foot interval up to 2½ feet of core could be missing and represent the softer fracture filling lead, silver and zinc minerals. Sample No. 21 was taken over an 8-foot interval in which two small veinlets or fractures were represented, however, only a ¼ inch of coarse crystalline mineral was observed on the wall of the fracture. This sample ran 0.60% lead; 0.93% zinc and 0.05% copper. At present day prices this would give approximately \$7.86 value per ton. It is felt that this would be a minimum value in the core since part of the mineral in the veinlets may not have been recovered. A small interval Sample No. 20, of core containing silicified limestone and chert, with thin laminations or bands of possible fine crystalline metallic minerals, ran 0.20% zinc and a trace of lead. This type of rock with bands or layers up to 1½ feet thick makes up a good portion of the rock between 847' and 1297' in Hole 1A. It is very possible that some bands also carry lead in finely crystalline form in the darker colour layers mentioned earlier. A semi-quantitative spectroscopic analysis of similar material at 1152" (Sample No. 12) did show 0.03 lead.
3. The presence of coarsely crystalline lead and zinc minerals in fracture fillings along with calcite over a 450 foot interval of Hole 1A from 847' to 1297', is considered very significant and well worth further drilling in an effort to probe the possible extent and obtain more definite value in the zone. This zone in the hole is some 900 feet below the surface show and the fracture filling material is identical to that on the surface. An assay of the actual material in the veinlets or fractures would assay in values very similar to the average of two samples from the surface show, which averaged 0.08 gold; 8.5 silver; 9.26% zinc; 17.83% lead; and 0.72% copper. With this vertical distance and the width indicated in the core of some 450 feet and a width of 100 feet on the surface and a length of 800 feet on the surface, several million tons of possible commercial ore could be present in this one area. If only 1/3 of this zone proved commercial ore, it would amount to approximately 4 million tons.
3. The zinc showings in diamond drill Hole 2A from 417' to 459' are very significant. In this interval there appears to be a zone some 25 feet wide averaging some 2.5% zinc. This showing is separate from the main zone to the southeast and is associated with a cross fracture or fault to the east of the drill station. Zinc showings can be traced for over 600' on the surface along the fault zone. Very little or no lead is present in the surface showings or in the core which penetrates the zone some 300 feet below the surface. Additional drilling should be done in this area to probe the zone at greater depths and outline the extent of the possible showings so far indicated. From the data obtained to date from the surface shows and the results of Hole 2A, there could be a sizeable ore body of zinc along this cross structure east of the lead, zinc and silver show. The present indicated dimension of 600 feet long, 25 feet wide and 300 feet thick would give a possible 300,000 tons of ore averaging 2.5% zinc.

## CONCLUSIONS

1. The information obtained to date from the diamond drilling is considered very significant and indicates a worthwhile mining venture with a good chance of success.



2. Showings of lead, zinc and silver, similar to those on the surface were found in diamond drill Hole 1A, over an interval of 450 feet from 847' to 1297'. These showings in the hole were in the form of fracture fillings or veinlets in silicified limestone and chert beds. The drill hole at this depth appears to be parallel with the bedding of the cherts and limestones approximately 27 degrees to the southeast. The veinlets or fractures do not appear to be very wide, but it is very possible that part of this softer material has been lost in the core. This area from the diamond drill hole to the surface is approximately 900 feet in height. The area over which lead, zinc and silver has been encountered on the surface and in the drill hole is very large and could contain several million tons of commercial ore.
3. Showings of zinc along the cross fault, east of the drill station, both on the surface and in diamond drill hole 2A are worthy of further work in an effort to outline the extent and grade of a possible zinc ore body in this area.
4. Since the beds are fairly flat in the general area of the drill station (25 - 30 degrees southeast), it is very essential to get additional information on lithology and mineralization with depth. The thickness of the chert beds and silicified limestones encountered in drill hole 1A is very critical and can be obtained only from a steeper or near vertical hole cutting the bedding.

### RECOMMENDATIONS

The information obtained to date from diamond drilling on the Sumallo Basin property of Allison Pass Mining Ltd. is very encouraging. This appears to be a worthwhile mining venture with a good chance of success and is worthy of the expenditure of further monies as outlined to obtain additional information on the two indicated possible ore bodies.

1. Diamond drilling, from the present drill station, should be done in the zone or area from the surface show, to the show in drill hole 1A between 847' and 1297'. This area is approximately 900 feet in height, and approximately 800 feet in from the drill station. The width of the zone will probably vary, but holes will have to be approximately 1100 feet long to adequately penetrate the zone. Two holes, one an up hole of approximately +12 degrees and one flat hole should give sufficient general information on this ore zone. Approximately 2200 feet of drilling.
2. Diamond drilling, from the present drill station, should be made to the east to probe the cross fault and zinc shows with depth. It may be possible to orient a hole in such a way as to probe the intersection of this cross fault and the main showings in Hole 1A. If this is done, then the hole will probably be 800 feet long.
3. Diamond drilling, from the present location, should be done in a steep hole to check lithology and mineralization with depth. This hole should be oriented to the southwest of Hole 1A in order to check other cross structures indicated on the surface in this area. This hole may well go to 2000 feet.
4. Possible diamond drilling, on the surface near the main show, should be done to check it with depth and continuity. This drilling will have to wait for summer and may be too difficult to do due to the rugged terrain.
5. Surface geological mapping to check structural trends and lithology. Surface sampling can and should be done at this time. This work will have to wait until summer when the

snow is gone and will be slow and difficult due to the rugged terrain.

6. Possible geophysical work later on when more information is obtained by surface mapping.

### ESTIMATED COSTS OF RECOMMENDED EXPLORATION PROGRAMME

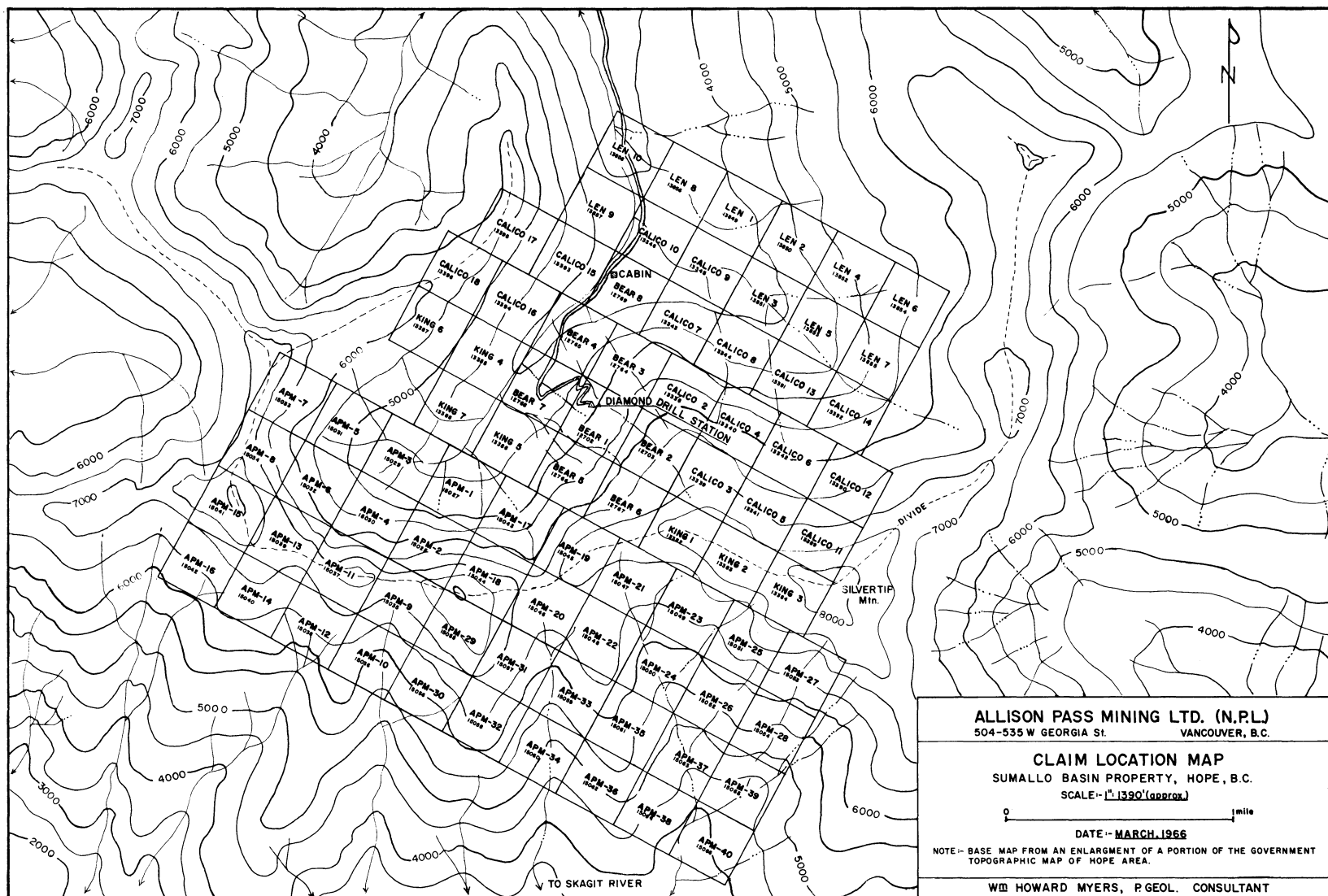
1. Diamond drilling from present drill station 5000 feet at \$15.00/foot including support	\$ 75,000.00
2. Engineering supervision and assay	10,000.00
3. Surface geological mapping and sampling	8,000.00
4. Possible geophysical survey	5,000.00
5. Shallow diamond drilling at surface show. Amount of work will be limited by terrain. If possible to do at reasonable expense then this may replace some of drilling at present drill station.	5,000.00

It is recommended that the above programme be commenced as soon as weather and snow conditions permit, and should take approximately four months to complete. In my opinion the results to date on the property warrants the expenditures of the money for the further exploration outlined above and the property has a good chance of success.

Respectfully submitted,

**Wm. Howard Myers, P. Geol.**  
**Geological-Geophysical Consultants,**  
**Calgary, Alberta, Canada**

March, 1966





## PART II REPORT

### SUMMARY

During the period November 10, 1965 to March 25, 1966 two diamond drill holes were completed on Allison Pass Mining Ltd. property located in the Sumallo Basin some 17 miles south-east of Hope, B.C. Both holes were drilled from the same station located approximately 400 feet vertically below the surface showing and some 800 feet N63°W of the surface outcrop of the zone. Hole 1A was started at —14° however, surveys indicated a dip of —23° at 500 feet and —27° at 1300 feet. Total depth of the hole was 1329 feet with a horizontal penetration of 1225 feet. Hole No. 2A was drilled from the same station with a bearing of N76°E and 10° down. Total depth of the hole was 562 feet. Cross Sections through each hole showing lithology and assay results are enclosed with this report.

During this time the company staked an additional 40 claims in the area immediately southwest of the original 42 claims. The company now owns 82 full sized lode mineral claims in the area. The claims with their record numbers are shown on the claims location map enclosed with this report.

The drill station is located at an elevation of approximately 4900 feet above sea level and is accessible only by steep tractor road from the valley below at an elevation of approximately 3900 feet above sea level. The drill together with fuel and supplies was transported to the site by helicopter. The road was later opened but was used only for about one week due to heavy snowfall. Water had to be hauled up the hill in a sleigh from the valley approximately 1800 feet below the drill station after Christmas when the local source of water at the drill station froze up. The sleigh and a 100 gallon water tank was hauled up and down the hill on the snow and ice by steel cables and a double drum winch located at the bottom of the hill. Sufficient water for continuous 24 hour drilling was supplied by this method to the end of the drilling.

The costs per foot of diamond drilling were considerably above the estimated costs due to the cold weather and water haulage to the drill site. The actual drilling was not difficult with very good core recovery. There was no water return in either hole after the first 15 feet of drilling, consequently no sludge samples were obtained. Numerous breaks or fractures were encountered in both sides which appeared to be open water courses with iron oxide stain, in both holes. Chert beds were encountered but the footage drilled per bit on the prospect remained average for diamond drilling, approximately 40 feet per bit.

The results of the diamond drilling on the property are considered very favourable and potential despite the fact the hole was located at a considerable distance both vertically and horizontally from the surface show. The rugged terrain and the season of the year made it necessary to locate the holes at this place. The equipment available at the time necessitated the drilling of a down hole rather than a flat or up hole.

Hole No. 1A was oriented so as to intersect the main surface show of lead zinc silver at approximately 90 degrees to the strike of the zone. (See geological map enclosed). A down hole of approximately 15 degrees was approved in order to expedite the drilling and assure reaching the zone which was estimated to be as much as 1000 feet in from the station. When remnants of possible bedding were observed to be parallel with the core deeper in the hole it was assumed that the hole had dipped off and was going down the bedding. A dip survey confirmed that the hole had steeped to —23° at 500 feet and —27° at 1300 feet. It was then decided to abandon the hole for the time being since the horizontal penetration was too small.

As shown on the cross section of the hole the bottom of the hole is 525 feet below the horizontal projection of the collar or drill station and approximately 900 below the surface show.

Strong alteration and mineralization were observed throughout most of the diamond drill hole 1A. From 0 to approximately 800 feet the rock type was predominantly altered and silicified grey to grey green argillites and limestones with local sections of dark green to brownish green possible dyke rock. Mineralization was in the form of both massive and disseminated sulfides of predominantly iron. The iron mineral pyrrhotite was most abundant. The intervals of core with heavier iron mineralization ran as high as 41% iron with minor amounts of lead and zinc. Lead and zinc as well as copper were present in all intervals assayed as noted on the cross section through hole No. 1A. Sample No. 9 which was taken over a six and one-half foot interval of core with heavy iron sulfide mineralization visible ran lead 0.60%, zinc 0.27% and copper 0.27%. The lead, zinc and copper in the other intervals assayed in the hole to this depth ran less values but all three were present. From 800 feet to the bottom of the hole at 1329 feet the rock type was predominantly chert with lesser amounts of silicified limestones and argillites and crystalline quartz. The cherts in this interval were not as hard as normal cherts of the Hozameen Series and in places were banded. In local areas what appeared to be a remnant of bedding was parallel to the core. Local areas of green to brownish green dyke type rock were also observed in this portion of the hole. Iron sulfide mineralization was also observed in this portion of the hole, but not as abundant as in the shallower portion of the hole. Abundant iron sulfides in a disseminated form were noted in the dyke rock in the deeper portion of the hole. In the interval from 847 to 1297, some 450 feet, several small veinlets or fractures filled with coarse crystalline, galena, sphallerite and calcite were recovered in the core. In most instances these veinlets or fractures were less than an inch wide. It is very possible that part of this filling was ground up and lost in the core. The cherts and altered silicified limestones in this interval were broken and it is possible that there were other vein fillings with lead, zinc and silver which were not recovered. The interval from 845 to 853, 8 feet was split for assay (Sample No. 21 which assayed 0.60% silver, 1.8% lead, 0.93% zinc and .05% copper.) In this interval two small veinlets filled with the coarse crystalline galena sphallerite and calcite were included in the sample. In addition the quartz and silicified limestone in this 8 foot interval had thin bands or layers of finely crystalline material which appeared to be metallic. The 8 foot sample No. 21 with the veinlets of coarse crystalline galena, sphallerite and calcite assayed 1.18 lead, .60 silver, .93 zinc and .05 copper. The finding of lead, silver, zinc mineralization in this hole from 847 to 1297 in the form of veinlets or fracture filling in the cherts, silicified limestones and argillites is considered very significant and potential. This interval in the hole is 800 to 900 feet below the surface outcrop of the zone and presents a very large area both horizontally and vertically to explore for a possible commercial ore body of lead, zinc and silver. The dollar value of the 8 foot sample No. 21 at present day prices for lead, zinc, silver, gold and copper would be approximately \$7.86 per ton. It is estimated that possibly one third of the 450 interval from 847 to 1297 feet in diamond drill hole No. 1A could contain these assay values of Sample No. 21. Projecting the zone in the hole upward to the surface would give a vertical relief of some 900 feet, half of which would be 450 feet. The show has been traced on the surface for 800 feet.

If the 450 feet zone is projected to the surface where a 100



foot width was observed, an average width for the bottom half would be approximately 325 feet. Using these dimensions of 800 feet, 325 feet and 450 feet, the area could contain some 8 million tons of rock. If one third is estimated to contain values similar to sample No. 21 this would give some 2.7 million tons averaging \$7.86 per ton. The upper portion of the zone from the surface down to 450 feet would contain approximately 4 million tons of rock. If one third of this zone contains values similar to the surface show this would give some 1.3 million tons averaging 0.08 gold, 6.45 silver, 12.97% lead, 6.71% zinc and 0.43% copper. At present day metal prices this would be the equivalent of approximately \$74.56 per ton.

Diamond drill hole No. 2A was oriented in such a way as to intersect the cross fault or structure east of the drill station as shown on the geological map. The direction of the hole was changed so that shows of zinc on the surface could be intersected at depth as well as the fault. Strong alteration, silicification and mineralization were also encountered in this hole, however, local areas of less alteration of the argillites and limestones and less mineralization were encountered. A representative sample of mineralization for the first 100 feet of the hole, sample No. 13, gave 0.28% lead, 0.07% zinc, 0.07% copper, 0.05% nickel, 13.8% iron and 1.01% Titanium oxide. This sample was selected as average mineralization for the first 100 feet of the hole. The value for lead is low but no galena was recognized in the core as such. Somewhat less alteration and mineralization (iron sulphide predominately the mineral pyrrhotite) was observed in the hole from 100 to approximately 375 feet. One sample in this interval at 234 (sample No. 16) did not show any lead with 0.08% copper on the semi quantitative spectrographic analysis. The fault zone indicated on the surface was encountered in the hole at 414 feet. Slickensides and heavy oxidation were encountered in the core this depth. Some iron sulphide mineralization was also noted in the interval. Immediately beyond the fault sphallerite or zinc ore was observed in with the pyrrhotite. In some areas the zinc was coarse crystalline and appeared to cut the massive pyrrhotite. A 13 foot interval of the core showing the zinc mineralization was split and sent in for assay. This sample No. 24 gave the following assay: zinc 1.46%, lead 0.05% and copper 0.04% with a trace of nickel. A 10 foot interval Sample No. 26 from 434-444 just beyond Sample No. 24, gave 1.90% zinc and 0.15% lead. A 1.8 foot interval deeper in the hole from 457.5 to 459.3 gave 3.71% zinc. The weighted average over 25 feet of this area would be approximately 2.0% zinc. Zinc showings on the surface along this fault have been traced for over 600 feet and not delineated on either end. The width of these showings on the surface have not been exposed due to talus and rugged terrain. At one place they were exposed for 16 feet. An average assay of this zone Sample No. 17 gave 3.42% zinc, 0.10% lead and 0.08% copper. Using an average width of 25 feet, length of 600 feet and 300 feet of depth a possible tonnage can be computed of some 300,000 tons of ore averaging 2.5% zinc. At present day prices for zinc the ore would average approximately \$7.00 per ton. The ore is readily accessible and probably could be mined by open cut methods along with the main ore zone indicated in hole No. 1A.

The results of the diamond drilling to date are considered very favourable and additional diamond drilling together with surface mapping and sampling is strongly recommended. Future diamond drilling should be done to further evaluate the potential of the possible large ore zone indicated from the surface to the bottom of hole No. 1A some 900 feet below

the surface. This block is sufficiently large and could contain several million tons of possible commercial grade lead, silver, zinc ore. Due to the rugged terrain most of this drilling will have to be done from the present drill station. Additional diamond drilling should also be done to probe deeper in the area of lead silver zinc mineralization. This can best be done from the present drill station with a steeper hole ( $-45^{\circ}$  to  $-55^{\circ}$ ). The indicated zinc ore zone along the cross fracture should also be probed for depth and continuity. Surface mapping and sampling will have to wait for good weather but due to the rugged terrain will be slow and hazardous. Diamond drilling should start in the area as soon as conditions permit. The amount of drilling which will be necessary to accomplish the above objectives will, of course, depend on the results obtained but a minimum of 5,000 feet should be budgeted for at this time. The estimated cost of the above outlined programme is approximately \$103,000.

This additional work on the property is strongly recommended and has a good chance of success in outlining the general size and distribution of possible ore bodies on the property.

Respectfully submitted,

Wm. Howard Myers, P. Geol.  
Consultant.

March, 1966.

# CERTIFICATE

I, William Howard Myers do hereby certify that I am an independent geophysical-geological consultant with offices in Calgary, Alberta, Canada. I am a Professional Geologist (P. Geol.) member of the Alberta Society of Professional Engineers. I hold a non-resident license in the Professional Engineers of British Columbia, valid until June 18, 1967. I am a member of the American Association of Petroleum Geologists, Society of Exploration Geophysicists and the Canadian Institute of Mining and Metallurgy.

I reside at 3815 - 7th Street S.W., Calgary, Alberta, Canada. I have been an independent consultant in oil and mining for the past 13 years.

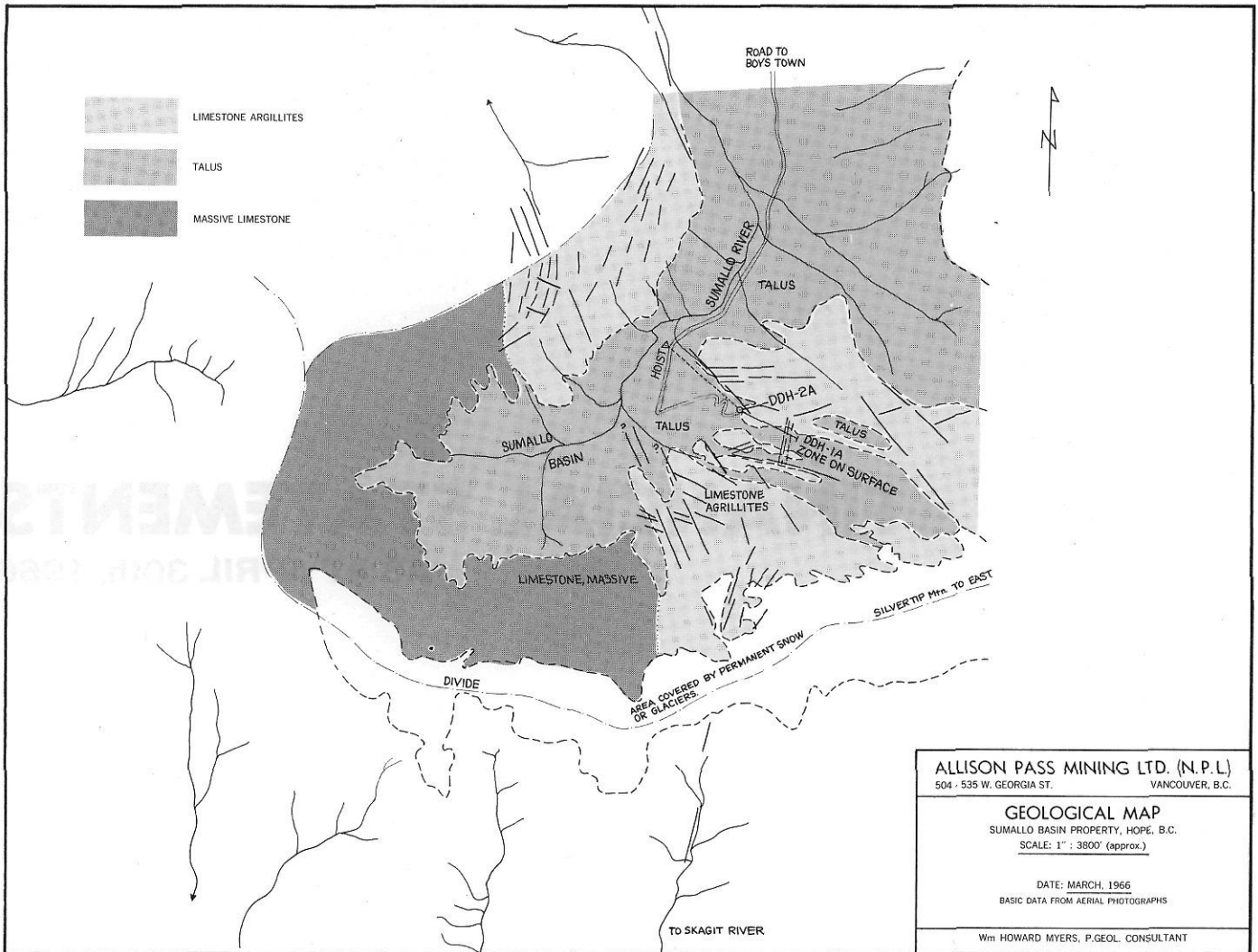
I am a graduate of Fresno State College with a B.Sc. degree in Geology in 1939 with graduate work at Stanford University, Palo Alto, California for M.Sc. degree in geology.

I personally was on the property of Allison Pass Mining Ltd. in the Sumallo Basin during the drilling of the holes from November 5, 1965 to March 25, 1966. I did examine all the core from the holes and split the intervals of the core which were assayed. I did personally deliver the samples to the assayer. The information for this report was obtained from the diamond drilling and work in the field during this time.

I certify that I have no interest in the securities of the Company or in securities to be issued by the company. I further certify that I have no interest in the property described herein and do not anticipate any interest in the properties or securities of the company as result

March, 1966

Wm. Howard Myers, P. Geol.





**ALLISON PASS MINING LTD. (N.P.L.)**



# **FINANCIAL STATEMENTS**

**AS AT APRIL 30th, 1966**



To the Shareholders,  
Allison Pass Mining Ltd.  
(Non-Personal Liability)  
No. 504-West Georgia Street,  
Vancouver 2, B.C.

Dear Sirs:

In accordance with your instructions we have prepared from the books of account and records of Allison Pass Mining Ltd. (N.P.L.) and submit the following audited financial statements:

<b>Exhibit "A"</b>	—	Balance Sheet as at April 30th, 1966.
<b>Exhibit "B"</b>	—	Notes to the Financial Statements as at April 30th, 1966.
<b>Schedule "1"</b>	—	Exploration and Development Expense for the Period from July 7th, 1965 (Date of Incorporation) to April 30th, 1966.
<b>Schedule "2"</b>	—	
<b>Schedule "3"</b>	—	Statement of Source and Application of Funds for the Period from July 7th, 1965, (Date of Incorporation) to April 30th, 1966.

Yours very truly,

**BROWN, STEELE & COMPANY**  
Chartered Accountants



**BALANCE SHEET**

**ASSETS**

**CURRENT ASSETS**

Cash in bank .....	\$ 23,692.89	
Advances .....	100.00	\$ 23,792.89

**MINING PROPERTIES, at cost**

Mineral claims .....	427,760.00	
Purchase agreement payments (Note 2) .....	8,500.00	436,260.00

**FIXED ASSETS, at cost**

Equipment .....	8,072.82	
Road construction .....	12,140.00	20,212.82

**PREPAID AND DEFERRED COSTS**

Exploration and development expense, per Schedule "1" .....	51,698.79	
Administration expense, per Schedule "2" .....	8,488.95	
Incorporation costs .....	1,559.14	61,746.88

\$542,012.59

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of Allison Pass Mining Ltd. (N.P.L.) as at April 30th, 1966 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We have not verified titles to the mineral claims directly with the Government Registry Office. We have, however, received written confirmation from the Company's solicitor which states that the Company is the beneficial owner of all claims recorded on the books of the Company. The solicitor has confirmed that all claims are in good standing.

In our opinion the above balance sheet, when read in conjunction with the schedules and notes appended thereto, presents fairly the financial position of the Company at at April 30th, 1966 according to the best of our information, the explanations given to us, and as shown by the books of the Company at that date.

Vancouver, B.C.  
May 13th, 1966

BROWN, STEELE & COMPANY  
Chartered Accountants

AS AT APRIL 30th, 1966

---

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable .....	\$ 261.59	
Loan payable .....	<u>5,000.00</u>	\$ 5,261.59

**LOAN PAYABLE** ..... 5,000.00

**SHAREHOLDERS' EQUITY**

**Share Capital (Note 3)**

Authorized:

5,000,000 shares with a par value of \$ .50 each ..... \$2,500,000.00

Issued for cash:

473,002 shares ..... 236,501.00

Less: Discounts ..... 140,450.00 96,051.00

Issued for properties:

871,400 shares ..... 435,700.00

Total Issued and Fully Paid:

1,344,402 shares with a par value of \$ .50 each ..... 531,751.00

\$542,012.59

The accompanying notes and schedules form an integral part of the financial statements.

APPROVED ON BEHALF OF THE BOARD

JOHN A. WILLEY

Director

A. J. PATRICK OSWALD

Director



**NOTES TO THE FINANCIAL STATEMENTS**

AS AT APRIL 30th, 1966

**1. ACQUISITION OF PROPERTIES**

Pursuant to an agreement dated July 14th, 1965 the Company acquired the assets and undertakings of Hope Silver Mines Ltd. (N.P.L.) for a total consideration of \$445,700.00. This acquisition was paid for by issuing 871,400 shares at \$ .50 and the assumption of a \$10,000.00 loan payable of which \$5,000.00 is due currently.

**2. OPTION AGREEMENT**

Under the terms of the agreement noted above the Company acquired an option to purchase six mineral claims for \$20,000.00 of which \$8,500.00 has been paid to date. The balance is payable in equal instalments of \$2,500.00 every six months with the next instalment due on June 15th, 1966.

**3. CAPITAL STOCK**

Since incorporation the Company has issued the following shares:

		Number of Shares	Net to Treasury
For Cash:			
	\$ .50	2	\$ 1.00
	\$ .10	155,000	15,500.00
	\$ .25	297,000	74,250.00
	\$ .30	21,000	6,300.00
		473,002	96,051.00
For Acquisition of property:			
Shares issued at \$ .50 to acquire the assets and undertaking of Hope Silver Mines Ltd. (N.P.L.) (Note 1)		871,400	—
Total		1,344,402	\$96,051.00

**4. DIRECTORS' REMUNERATION**

Remuneration paid for the directors' services for the period from July 7th, 1965 (Date of Incorporation) to April 30th, 1966 amounted to \$6,640.00.

**5. DEPRECIATION POLICY**

No depreciation has been claimed on the Company's equipment.

**6. VALUES**

The amounts shown for mineral properties and deferred expenses represent costs to date and are not intended to reflect present or future values.



SCHEDULE "1"

**EXPLORATION AND DEVELOPMENT EXPENSE**

FOR THE PERIOD FROM JULY 7th, 1965 (DATE OF INCORPORATION) TO APRIL 30th, 1966

Assaying .....	\$ 730.54
Board and lodging .....	1,583.18
Camp supplies .....	220.70
Consulting .....	5,905.00
Drilling .....	17,796.33
Equipment operating .....	1,208.81
Equipment rental .....	5,904.39
Equipment repairs and maintenance .....	182.91
Field supplies .....	85.42
Freight .....	348.03
Hoist and water support .....	1,431.91
Insurance .....	173.10
Licenses and taxes .....	400.00
Management fees .....	1,640.00
Management salaries .....	3,000.00
Maps and reports .....	149.87
Miscellaneous .....	452.66
Recording fees .....	606.00
Roads .....	720.00
Staking .....	32.00
Stripping and bulldozing .....	1,250.00
Surveying .....	274.85
Travel .....	2,546.21
Wages .....	4,739.92
Wage assessments .....	316.96
TOTAL, to Exhibit "A" .....	<u>\$51,698.79</u>



SCHEDULE "2"

**ADMINISTRATION EXPENSE**

FOR THE PERIOD FROM JULY 7th, 1965 (DATE OF INCORPORATION) TO APRIL 30th, 1966

Bank charges .....	\$ 13.05
Directors' expense .....	77.83
Management salaries .....	3,400.00
Office expenses .....	198.69
Office rent and light .....	955.00
Postage .....	5.45
Printing and stationery .....	267.90
Promotion and advertising .....	600.52
Secretarial services .....	88.40
Telephone and telegraph .....	744.15
Travel .....	1,991.77
Shareholders' reports and information .....	273.28
	<hr/>
	8,616.04
Less: Interest on short term investments .....	127.09
	<hr/>
TOTAL, to Exhibit "A" .....	<b>\$ 8,488.95</b>



SCHEDULE "3"

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

FOR THE PERIOD FROM JULY 7th, 1965 (DATE OF INCORPORATION) TO APRIL 30th, 1966

**SOURCE OF FUNDS**

Issue of capital stock (Note 3)			
For cash:			
473,002 shares .....	\$236,501.00		
Less: Discounts .....	140,450.00	\$ 96,051.00	
For properties:			
871,400 shares .....		435,700.00	
Assumption of loan payable by Hope Silver Mines Ltd. (N.P.L.)			
(Note 1) .....		10,000.00	\$541,751.00

**APPLICATION OF FUNDS**

Acquisition of assets and undertakings of Hope Silver Mines Ltd. (N.P.L.) (Note 1)			
Option payments .....	6,000.00		
Mineral claims .....	427,560.00		
Road construction .....	12,140.00	445,700.00	
Acquisition of claims by staking .....		200.00	
Option payment .....		2,500.00	
Field equipment and buildings purchased .....		8,072.82	
Exploration and development expense, per Schedule "1" .....		51,698.79	
Administration expense, per Schedule "2" .....		8,488.95	
Incorporation expense .....		1,559.14	
Current portion of loan payable .....		5,000.00	523,219.70

<b>WORKING CAPITAL AS AT APRIL 30th, 1966</b> .....			<u>\$ 18,531.30</u>
Current assets as at April 30th, 1966 .....			\$ 23,792.89
Current liabilities as at April 30th, 1966 .....			<u>5,261.59</u>
Working capital as at April 30th, 1966, as above .....			<u>\$ 18,531.30</u>



**ALLISON PASS MINING LTD. (N.P.L.)**

