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THE GOVERNMENT OF  
THE PROVINCE OF BRITISH COLUMBIA

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VANCOUVER STOCK EXCHANGE  
PER. [Signature]

Form 12

Securities Act

Date Accepted  
For Filing APRIL 20/83

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

91/83

VANCOUVER STOCK EXCHANGE - Development Section

Name of Section

MONTE CRISTO RESOURCES LTD.

Name of Issuer

Box 157, Highland Valley Road, Ashcroft, B.C.

Address of Head Office of Issuer

7th Floor, 609 Granville Street, Vancouver, B.C.

Address of Registered Office of Issuer

7th Floor, 609 Granville Street, Vancouver, B.C.

Address of Records Office (Section 39 - Company Act)

The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C.

Name & address of Registrar & Transfer Agent  
for Issuer's shares in British Columbia.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

109138

**1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES**

Units Offering

By agreement dated March 30, 1983 (the "Agency Agreement"), Monte Christo Resources Ltd. (the "Issuer"), appointed Yorkton Securities Inc., 800-609 Granville Street, Vancouver, B.C. (the "Agent"), as its Agent to offer through the facilities of the Vancouver Stock Exchange (the "Exchange"), 450,000 Units to the public at a fixed price on the floor of the Exchange (the "Offering"). Each Unit shall consist of one share of the Issuer and two Series "A" Share Purchase Warrants.

The Offering will take place on a day (the "Offering Day") which will be not more than 30 trading days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers Office (the "Acceptance Date"). From the close of trading to 5:00 P.M. on the business day immediately preceding the Offering Day, and between the hours of 6:30 A.M. and 6:55 A.M. on the Offering Day, a book will be maintained on the floor of the Exchange to receive purchase orders.

Under the applicable by-laws and rules of the Exchange, the offering price of Units will be 10% higher than the average trading price of the Issuer's shares on the day the price of the Units is set as determined by the Exchange.

Under the terms of the Agency Agreement, the Agent may reserve not more than 80% of the Units for its clients and at least 20% of the Units will be offered to other members of the Exchange. In the event of over-subscription with respect to such 20% of the Units, prorating will be settled with approval of the Exchange.

There are no sub-underwriting or sub-option agreements. The Agent, however, reserves the right to offer selling group participation in the normal course of the brokerage business to selling groups or other licenced dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from the Offering.

The Issuer has granted the Agent the right of first refusal on further financings for a period of twelve months from the Acceptance Date.

The Agent will receive a commission at the time the Units are sold of 7.5% of the gross sales. The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

The Agent has agreed to purchase any Units unsubscribed for at the end of the Offering Day at the offering price in consideration of which the Issuer has agreed to issue to the Agent, immediately following the Offering Day, a total of 225,000 non-transferable Series "B" Share Purchase warrants.

The Series "A" Share Purchase Warrants to be issued under the Offering will be transferable and in bearer form and two such Warrants will entitle the holder thereof to purchase one share of the Issuer at any time up to the close of business 180 days following the Offering Day at a price which is 15% higher than the average trading price of the Issuer's shares on a day and at an average price as determined by the Exchange.

The Series "B" Share Purchase Warrants will be non-transferable and shall have the same rights to purchase shares of the Issuer as the "A" warrants except that one "B" warrant shall entitle the Agent to purchase one share of the Issuer.

The Series "A" Share Purchase Warrants will contain anti-dilution provisions including among other things, provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation or reclassification of the shares of the Issuer or payment of stock dividends.

The Agent may be considered the "market maker" of the shares and Series "A" Share Purchase Warrants of the Issuer during the period of primary distribution of the Offering and for 60 days thereafter. The Agent owns no shares of the Issuer and has no shares under its control. Subject to the by-laws of the Exchange, the Agent may make purchases and sales of shares of the Issuer and of the Series "A" Share

Purchase Warrants for the purpose of maintaining an orderly market for the shares and Series "A" Share Purchase Warrants of the Issuer and assisting in the distribution of the offered Units. The signatories hereto have no knowledge of any other market makers.

No payments in cash, securities or other consideration are being made or are to be made to any promoter, finder or other person or company in connection with the Offering.

The number and percentage of the issued and outstanding securities of each class of the Issuer, beneficially owned, directly or indirectly, by promoters, directors, senior officers and persons holding more than 10% of the issued shares of the Issuer as a group is 688,915 shares representing 55.7% of the issued shares of the Issuer.

The directors, officers and other insiders of the Issuer resident within British Columbia may purchase Units from the Offering.

The Issuer cannot estimate with certainty the price at which the Units will sell. The Agency Agreement provides that the minimum price is 50¢ per Unit. If all of the Units are sold at the minimum price of 50¢ each the Issuer will receive gross proceeds of \$225,000 less commissions of \$16,875 to net the Issuer \$208,125.

Shares of the Issuer were posted and called for trading on the Vancouver Stock Exchange on April 11, 1983. Since that date the range of the market price of the shares of the Issuer and the volume of shares has been:

	Market Range			
	Hi	Lo	Close	Volume
April 11	45¢	45¢	45¢	800
April 12	45¢	45¢	45¢	500
April 13	50¢	45¢	50¢	3,500
April 14	51¢	50¢	50¢	4,500
April 15	45¢	41¢	45¢	1,500

The shares of the Issuer are not listed for trading on any other stock exchange.

The following beneficially own directly or indirectly, in excess of 5% of each class of the issued shares of the Agent:

Yorkton Securities Inc.

<u>Name and Address</u>	<u>Number and Class of Shares</u>	<u>Percentage</u>
Arthur J. Thomas	5,405 Common	21.280%
Marvin Z. Mandell	5,056 Common	19.905%
A. Barry Van Stone	3,218 Common	12.670%
Lorne J. Levy	2,098 Common	8.259%
Franklin M. DeWeert	1,742 Common	6.858%

All of the above persons have addresses c/o 1200 - 11 King Street West, Toronto, Ontario.

Secondary Offering

In addition to qualifying for sale to the public the Units as set out in this item, this Statement of Material Facts qualifies for sale to the public by the Agent, for a period of 180 days from the Offering Day any of the aggregate shares of the Issuer acquired by the Agent upon exercise of the Series "B" share purchase warrants.

The Issuer will receive the exercise price of the shares purchased pursuant to the exercise of the Series "B" Share Purchase Warrants but will not receive any proceeds from any sale by the Agent of any such shares so acquired by the Agent, all of which proceeds will in such event accrue to the Agent. Particulars of such shares which might be offered for sale are as follows:

<u>Selling Shareholder</u>	<u>Number of Shares to be owned</u>	<u>Number of Shares being Qualified for Sale</u>	<u>Number of Shares to be Owned on Completion of Offering</u>
Yorkton Securities Inc. 800-609 Granville St. Vancouver, B.C.	225,000	225,000	nil

### Shareholder Offering

This Statement of Material Facts also qualifies shares of the Issuer, beneficially owned by selling shareholders set out below, for sale to the public in British Columbia through the facilities of the Exchange at the market price for the shares at the time of sale. The qualification is for a period of ninety days following completion of the sale of the shares offered by the Agent as referred to above. The particulars of the number of shares offered for sale and the number to be owned by the selling shareholders if all of the offering is sold are as follows:

<u>Selling Shareholder</u>	<u>Number of Shares to be owned</u>	<u>Number of Shares being Qualified for Sale</u>	<u>Number of Shares to be Owned on Completion of Offering</u>
Lorne E. Ross Box 157 Highland Valley Rd. Ashcroft, B.C.	452,665	63,650	389,015
Claude W. Dansey P.O. Box 10 Savona, B.C.	236,250	35,437	200,813

None of the proceeds from the sale of shares offered by the selling shareholders will be received by the Issuer. All such proceeds will accrue to the selling shareholder.

## **2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED**

The securities offered hereby are speculative. The Issuer's mineral prospects do not contain any proven ore reserves and a substantial amount of exploratory work will have to be done before a determination can be made as to whether or not the prospects, or any of them, contain commercially mineable ore bodies. No survey has been made of the Issuer's located mineral claims and therefore in accordance with the laws of the jurisdictions in which such claims are situate, their validity and area could be in doubt.

**3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER**

The most recent filing with the Vancouver Stock Exchange was an Application for Listing which was withdrawn December 3, 1981. Since that date material changes which have taken place in the affairs of the Issuer are as follows:

- (a) Robert Hughes resigned as a director and secretary and Maria T. Kotrly was appointed director and secretary on December 19, 1982;
- (b) The Issuer has entered into an agreement dated September 30, 1982 with E & B Explorations Inc. for the acquisition of an interest in a mineral property in the Cariboo Mining Division, British Columbia.

**4. THE ESTIMATED NET PROCEEDS OF THE ISSUER ARE TO BE SPENT**

Although it is not possible to determine the actual net proceeds from the units being offered hereby, if all of the 450,000 units are sold at the minimum price of 50¢ per unit, proceeds would be \$225,000 less commissions of \$16,875, for a net amount of \$208,125.

The principal purposes for which the estimated net proceeds are to be spent are as follows:

- (a) To costs of this issue including legal, audit and printing \$ 15,000
- (b) To accounts payable \$ 24,000
- (c) To carry out Stage I of the program of work estimated to cost \$90,000 recommended for the Jamboree property, Cariboo Mining Division, B.C. by John DeLeen, P.Eng. in his report dated October 20, 1982, a copy of which is attached hereto - Issuer's 2/3 share (see Item 11C herein) \$ 60,000

(d) To repayment of bank loan	\$ 56,031
(e) To repayment of former director's loan	\$ 14,617
(f) To general corporate purposes	<u>\$ 38,477</u>
	\$ 208,125

Any monies received by the Issuer from the exercise of the Series "A" and "B" Share Purchase Warrants will be added to the Issuer's working capital including reservation of the sum of \$140,000 representing the Issuer's 2/3 share of the estimated cost of a Stage II program on the Jamboree property (see Item 10C herein).

None of the proceeds from this Offering will be spent on any properties other than those referred to above without the prior approval of the Vancouver Stock Exchange where (a) such expenditure totals in excess of \$150,000, (b) such expenditure is in excess of \$50,000 and involves the issuance of securities of the Issuer, or (c) the acquisition is not arms length with a director, officer or other insider of the Issuer.

None of the proceeds from this Offering or from the exercise of the warrants herein will be spent on the acquisition of properties other than nominal investigation expenses incurred in the ordinary course of business, without submitting engineering reports acceptable to the Vancouver Stock Exchange and the Office of the Superintendent of Brokers, until either an amendment to this Statement of Material Facts is filed and accepted, or, if the shares offered by this Statement of Material Facts are no longer in primary distribution, the approval of the Vancouver Stock Exchange is obtained.



5. GIVE THE FULL NAME, HOME ADDRESS AND CHIEF OCCUPATION, THE NUMBER OF SHARES OF THE ISSUER BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OR DIRECTOR OF THE ISSUER AND IF EMPLOYED DURING THE PAST FIVE YEARS, THE NAME OF EACH EMPLOYER

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of Issuer Beneficially Owned</u>
LORNE EDWARD ROSS Box 157 Highland Valley Rd. Ashcroft, B.C. President & Director	Practising physician, 1952 to date; president & director of Taseko Mines Ltd. (N.P.L.)	389,015 escrow 63,650 free
CLAUDE WILLIAM DANSEY P.O. Box 10 Savona, B.C. Vice-President & Director	Self-employed prospector, 1975 to date; vice-president & director of Taseko Mines Ltd. (N.P.L.)	200,813 escrow 35,437 free
MARIA THERESA KOTRLY 1857 West 35th Avenue Vancouver, B.C. Secretary & Director	Vice-principal, York House School, Vancouver	nil

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER

The Issuer was incorporated by Memorandum and Articles in British Columbia on July 27, 1973 under the name Carpiquet Mines Ltd. (N.P.L.). On October 10, 1978 the Issuer converted from a specially limited to a limited company and changed its name to Monte Christo Mines Ltd. On February 26, 1979 the Issuer was extraprovincially registered in the Province of Alberta. The Issuer became a reporting company on March 5, 1979. On July 29, 1981 the Issuer changed its name to Monte Christo Resources Ltd.

The last annual report as at July 27, 1982 was filed with the Registrar of Companies of British Columbia on November 12, 1982. All filings required to be made by the Issuer under the Securities Act and the Company Act of British Columbia are up to date.

Audited financial statements as at July 31, 1982 were placed before the last annual general meeting of the Issuer held March 11, 1983.

The Issuer is engaged in the business of exploring and developing natural resource properties.

**7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER**

Upon incorporation the Issuer's authorized capital was 3,000,000 shares without par value. At the annual general meeting held March 11, 1983 shareholders approved the increase to 10,000,000 shares without par value of which 1,236,915 shares are issued and outstanding.

There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets. All shares of the Company issued to the date hereof and those issued pursuant to this Statement of Material Facts are and shall be fully paid and non-assessable. Such shares are not subject to calls or assessments nor pre-emptive or conversion rights. There are no provisions attached to such shares for redemption or cancellation, surrender or sinking or purchase funds.

**8. THE PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR**

No securities of the Issuer have been issued during the past year.

The Issuer proposes to issue 147,192 shares at a deemed price of 50¢ per share to Lorne E. Ross and Claude W. Dansey in satisfaction of loans made by them to the Issuer in the total amount of \$73,596.

**9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, CHARGES, LIENS OR HYPOTHECATIONS OF THE ISSUER**

The Issuer is indebted to a Canadian chartered bank in the amount of \$56,031 payable on demand with interest at prime plus 2%. The loan, guaranteed by director Lorne E. Ross, will be repaid from the proceeds of this offering.

The Issuer owes \$73,596 to directors Lorne E. Ross and Claude W. Dansey who have agreed to accept 147,192 shares at a deemed price of 50¢ per share in satisfaction of the loan.

A former director loaned \$14,617 to the Issuer which will be repaid from the proceeds of the offering herein (see Item 4)

There are no other bonds, debentures, mortgages, charges, liens or hypothecations of the Issuer issued or outstanding.

10. **PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER, OR ANY SUBSIDIARY THEREOF, OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER, OR ANY SUBSIDIARY THEREOF**

A. Omineca Property  
Province of British Columbia

The Issuer is the registered owner of a 100% interest in mineral leases M 125 and M 128 in the Omineca Mining Division, British Columbia. The two leases comprise approximately 200 acres on which there are several outcrops carrying zinc mineralization.

The Issuer carried out preliminary exploration on the leases consisting of the establishment of a ground control grid and geochemical survey at a cost of \$6,691. The Issuer plans no further work on the property at this time but intends to keep the leases in good standing at an annual cost of \$400. There is no plant or equipment on the property or any recent engineering report.

B. Monte Christo Mine, Montana

The Issuer is the beneficial owner of a 100% interest in seven unpatented quartzlode mining claims in Lewis and Clark Counties in the State of Montana.

The Issuer has spent \$116,733 on the claims pursuant to the recommendations of its consulting engineer, B. Dale Fayram, P.Eng., in his report dated August 1, 1978. Previous operators developed a five foot wide quartz vein carrying values in silver, gold and lead by two shafts 210 feet apart and 130 feet in depth. In 1979 the Issuer put down four diamond drill holes and intersected the vein at depths of 330-350 feet along a strike length of 600 feet. However, the vein had pinched to a width of 18 to 30 inches and carried no significant values.

The most recent report on the claims was made by G. J. McGinn, P.Eng. dated February 4, 1980 which recommends further work on the property at an approximate cost of \$3,000. The work was intended to search for new surface vein outcroppings. The work has not been done and there is no plan in the immediate future to carry out the work.

The claims are subject to a net smelter return royalty in the amount of 2.5% until a total of \$15,000 has been paid.

C. Jamboree Property  
Cariboo Mining Division, British Columbia

Pursuant to a letter agreement dated September 30, 1982 with E & B Explorations Inc., 1400-800 West Pender Street, Vancouver, B.C. the Issuer holds the right to acquire up to a 65% interest in the Jamboree claim block consisting of eighteen claims totalling 290 units as follows:

<u>Claim</u>	<u>Units</u>	<u>Expiry Date</u>
Jamboree 1	20	June 24, 1986
Jamboree 2	20	June 24, 1985
Jamboree 3	20	June 24, 1985
Jamboree 4	20	June 24, 1985
Jamboree 5	20	June 24, 1984
Jamboree 6	8	June 24, 1985
Jamboree 7	20	November 26, 1983
Jamboree 8	20	November 26, 1983
Jamboree 9	20	November 26, 1983
Jamboree 10	20	November 26, 1983
Jamboree 11	18	November 26, 1983
Jamboree 12	9	November 26, 1984
Jamboree 13	9	November 26, 1984
Jamboree 14	9	November 26, 1984

Jamboree 15	20	November 26, 1983
Jamboree 16	9	November 26, 1984
Jamboree 17	8	November 26, 1984
Jamboree 18	20	July 12, 1984

The Jamboree claims are located approximately 20 km due east of the town of Horsefly which is accessible from Highway 97 at 150 Mile House by a 40 km all weather paved road. The claims are located to the north and south of the Horsefly River and to the west of the McKusky River.

The claims have been partially investigated by geochemical surveys to determine if the arsenic bearing areas also contain gold values. To date anomalous gold values have been obtained in the soil and rock samples from the Jamboree 3, 4, 5, 12 and 17 mineral claims. One gold sample taken from an outcrop or boulder in the floor of a gravel quarry on the Jamboree 15 claim contained, by fire assay, 0.121 ounces of gold per ton.

John DeLeen, P.Eng., in his report on the claims dated October 20, 1982, a copy of which is attached hereto and forms part of this Statement of Material Facts, has recommended a Stage I program of geological mapping, geochemical and magnetometer surveying, trenching and percussion drilling to determine the gold content of anomalous areas at an estimated cost of \$90,000. The Issuer intends to carry out this program and, if justified by results of Stage I, carry out the Stage II program estimated to cost \$210,000.

The Issuer has entered into an agreement dated February 4, 1983 with Taseko Mines Ltd. (N.P.L.), P.O. Box 157, Ashcroft, B.C., which provides that the Issuer and Taseko will joint venture exploration and development of the Jamboree claims on a 2/3 (Issuer) 1/3 (Taseko) basis in consideration of the issuance of 75,000 shares of Taseko to the Issuer subject to acceptance of the agreement for filing by regulatory authorities. Accordingly the Issuer will pay 2/3 of the cost of the recommended programs.

D. i) Monitor-Maybe Claims, State of Montana

In 1982 the Issuer allowed its interest in 46 mining claims in Lewis and Clark County and Jefferson County, State of Montana, to lapse due to depressed molybdenum prices. The Issuer spent \$20,774 on the claims.

ii) Confederate Gulch Property

In November, 1980 the Issuer obtained a license to enter and explore parts of Sections 35 and 36 in Township 10, Broadway County, State of Montana and spent \$7,872 on examining and staking twelve claims. The claims have been abandoned.

11. **PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF**

A. Omineca Property  
Province of British Columbia

In 1973 the Issuer acquired a 100% interest in mineral leases M 125 and M 128 from Lorne E. Ross, Claude W. Dansey and Tony Milobar, 271 Nicola Street, Kamloops, B.C. for 750,000 escrowed shares allocated 500,000, 200,000 and 50,000 shares respectively.

B. Monte Christo Mine, Montana

By agreement dated August 15, 1978 the Issuer acquired Messrs. Ross and Dansey's interest in seven unpatented mining claims for 21,250 escrowed shares each. Messrs. Ross and Dansey's interest arose from a prospecting lease and option to purchase agreement dated September 20, 1977 between Hans Mo and June V. Mo of Helena, Montana to whom royalties are payable, consisting of 2.5% of net smelter returns (defined as the amount received from the smelter or custom mill after deducting all hauling charges, smelter treatment charges and penalties) to a total of \$15,000 U.S.

C. Jamboree Property,  
Cariboo Mining Division, British Columbia

Pursuant to a letter agreement dated September 30, 1982 with E & B Explorations Inc., 1440-800 West Pender Street, Vancouver, B.C. the Issuer holds the right to acquire up to a 65% interest in the Jamboree claim block.

The Issuer may acquire:

- (a) a 20% interest in consideration of
  - i) refunding to E & B \$25,000 of E & B's exploration costs, which sum the Issuer may satisfy by issuing E & B 50,000 shares in the capital stock of the Issuer, and
  - ii) funding \$300,000 worth of work to be carried out within one year from September 30, 1982. \*
- (b) A further 30% interest in consideration of
  - i) one year after September 30, 1982 refunding to E & B a further \$37,500 of E & B's exploration costs, which sum the Issuer may satisfy by issuing E & B 75,000 shares in the capital stock of the Issuer, and
  - ii) funding a further \$500,000 worth of work to be carried out during the second year. \*
- (c) A further 15% interest in consideration of refunding to E & B, two years after date of agreement \$50,000 of E & B's exploration expenditures, which sum the Issuer may satisfy by issuing to E & B 100,000 shares in its capital stock.

After the Issuer has earned a 20% interest a joint venture will be constituted and a management committee will be appointed with one representative of each party having a number of votes equal, from time to time thereafter, to the interest of the party represented.

\*The Issuer intends to raise the balance of funds necessary to carry out the further work by public offering of shares.

E & B would be the operator until completion of expenditures under subsections (a) and (b) above. Thereafter, the parties shall share ongoing costs according to their interest in the property and E & B shall continue to be the operator, subject only to the Issuer's right to become operator by undertaking to carry out and fund its portion of a further program if E & B did not do so by March 31 of any year, and visa versa.

In the event a party which is assessable fails to pay its share of costs of any program, that party will suffer dilution of its working interest to a percentage, calculated at the end of each program to which it does not contribute, which is equal to its total contributions divided by the total of all parties' contributions to that date. For the purposes of this program, E & B shall at the date of the September 30, 1982 agreement be considered to have expended \$862,500, which sum may only be reduced by the amount of any refunds of exploration costs under (a), (b) and (c) above.

The property is subject to the interest of Geo-Ex Resources Ltd. as set forth in an agreement dated April 1, 1981 between Geo-Ex and E & B. Geo-Ex has a 10% working interest, 15% net proceeds interest. Accordingly the Issuer, if it earned a 65% interest in the property, would hold a 55.25% net proceeds interest. For the purposes of the April 1, 1981 agreement a "net proceeds interest" entitles a party to a share of net proceeds of production meaning the gross receipts from the sale of each participants' proportionate share of minerals minus deductions, to the extent of but not exceeding the amount of those receipts, of the then unrecovered amounts of the following classes of costs made in the following itemized order:

- (a) Marketing Costs;
- (b) Distribution Costs;
- (c) Operating Costs;
- (d) Taxes and Royalties;
- (e) Interest Costs;
- (f) Capital Costs together with all items of outlay and expenses of obtaining financing and providing security for its proportionate share of Capital Costs recorded by the Participant;
- (g) Exploration Costs

E & B Explorations Inc. holds the claims in trust for the E & B Limited Partnership, a Colorado partnership in which E & B Explorations Inc. has a 30% interest and is the general partner and John A. Heely, Turks and Caicos Islands is the limited partner and has a 70% interest.

The principals of E & B Explorations Inc. are William E. Grafham, of Denver Colorado, Dr. Hugh C. Morris, Delta, B.C. and Henry G. Ewanchuk, Vancouver, B.C.



Geo-Ex Resources Ltd. is a non-reporting British Columbia company owned by the following non-reporting companies:

ROR Enterprises Ltd.	13.33%
Gimlex Enterprises Ltd.	13.33%
Ruanco Enterprises Ltd.	13.33%
Skybird Holdings Ltd.	13.33%
Capital Dynamics Ltd.	46.68%

all c/o G.M.T. Services Corp., 8827 Hudson Street, Vancouver, B.C. None of the directors of the Issuer is a director, officer or shareholder of any of the above companies.

The Issuer has entered into an agreement dated February 4, 1983 with Taseko Mines Ltd. (N.P.L.) which provides that the Issuer and Taseko will joint venture exploration and development of the Jamboree claims on a 2/3 (Issuer) 1/3 (Taseko) basis in consideration of the issuance of 75,000 shares of Taseko to the Issuer subject to acceptance of the agreement for filing by regulatory authorities.

Taseko Mines Ltd. (N.P.L.) is a reporting British Columbia company whose shares are listed for trading on the Vancouver Stock Exchange. Lorne E. Ross and Claude W. Dansey, directors of the Issuer, are directors of Taseko.

D. i) Monitor-Maybe Claims, State of Montana

By assignment agreement dated March 15, 1981 between Lorne E. Ross and Claude W. Dansey, directors of the Issuer, and the Issuer the Issuer acquired rights to 46 mining claims for nominal consideration and assumption of property payments. The Issuer made payments of \$34,310 before abandoning the property due to depressed molybdenum prices.

ii) Confederate Gulch Property

In November, 1980 the Issuer paid Hidden Hollow Ranch Corporation \$3,000 U.S. for the right to enter upon lands in Broadway County and locate claims.

**12. THE NAME AND ADDRESS OF ANY PERSON OR COMPANY WHO OR THAT IS OR HAS BEEN A PROMOTER OF THE ISSUER WITHIN THE PRECEDING TWO YEARS AND THE NATURE OF AND AMOUNT OF ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE ISSUER**

Lorne E. Ross, Box 157, Highland Valley Road, Ashcroft, B.C. and Claude W. Dansey, Box 10, Savona, B.C., acting in their capacities as Directors and/or Officers of the Issuer, may be considered the promoters of the Issuer in accordance with Section 1 (1) of the Securities Act.

During the period ending July 31, 1982 Lorne E. Ross received management fees of \$3,500. Messrs. Ross and Dansey have loaned the Issuer \$73,596 and have agreed to accept 147,192 shares at a deemed price of 50¢ per share in satisfaction of the Issuer's indebtedness. It is not intended that any management fees will be paid during the financial year ending July 31, 1983.

**13. THE NUMBER OF SHARES OF THE ISSUER HELD IN ESCROW OR IN POOL AND A BRIEF STATEMENT OF THE TERMS OF THE ESCROW OR POOLING AGREEMENT**

There are 738,578 shares held in escrow by The Canada Trust Company, 505 3rd Street S.W., Calgary, Alberta, under the direction and control of the Alberta Securities Commission and subject to the direction or determination of the Vancouver Stock Exchange. The Issuer is in the process of having its registrar and transfer agent duties transferred to The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever or released, nor may the Issuer, its transfer agent or escrow holder make any transfers or record any trading of the shares without the consent of the Vancouver Stock Exchange.

All 750,000 shares referred to in Item 11A hereof are escrowed together with 42,500 shares issued to two directors of the Issuer, Messrs. Ross and Dansey, together with 76,415 cash paid shares escrowed by order of the Alberta Securities Commission. There has been one 15% pro rata release from escrow.

The names and addresses of owners of more than a 5% interest in the escrowed shares are:

<u>Name and Address</u>	<u>Number of Shares</u>
Lorne E. Ross Box 157 Highland Valley Road Ashcroft, B.C. VOK 1A0	389,015
Claude W. Dansey P.O. Box 10 Savona, B.C.	200,813
Tony Milobar 271 Nicola Street Kamloops, B.C.	63,750
Ernest H. Empey Box 434 Cache Creek, B.C.	42,500
Estate of Alex G. Bailey c/o Jones, Black & Co. 3200 Shell Centre 400-4th Avenue S.W. Calgary, Alberta	42,500

In the event the Issuer loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Issuer will declare any such event to the Superintendent of Brokers by way of directors' resolution and the holders of such shares, the trustee thereof and the Issuer have agreed that such number of the said shares as the Superintendent of Brokers determines shall have become subject to cancellation shall be surrendered to the Issuer by way of gift for cancellation.

There are no shares held in pool.

14. **THE NUMBER OF EQUITY SHARES OF THE ISSUER OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY, BY EACH PERSON OR COMPANY WHO OWNS, OR IS KNOWN BY THE SIGNATORIES HERETO TO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF THE EQUITY SHARES OF THE ISSUER**

<u>Name and Address</u>	<u>Number of Shares</u>
Lorne E. Ross Box 157 Highland Valley Rd. Ashcroft, B.C.	389,015 escrow 63,650 free
Claude W. Dansey P.O. Box 10 Savona, B.C.	200,813 escrow 35,437 free

15. **A BRIEF STATEMENT OF ANY MATERIAL LEGAL PROCEEDINGS TO WHICH THE ISSUER OR ANY OF ITS SUBSIDIARIES IS A PARTY OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS**

There are no legal proceedings to which the Issuer or any of its subsidiaries is a party or whose property is the subject of such proceedings.

16. **THE AGGREGATE DIRECT OR INDIRECT REMUNERATION PAID OR PAYABLE BY THE ISSUER AND ITS SUBSIDIARIES DURING THE PAST YEAR TO INSIDERS OF THE ISSUER**

During the year ended July 31, 1982 Lorne E. Ross received management fees of \$3,500. It is not anticipated that any management fees will be paid during the financial year ending July 31, 1983.

17. **BRIEF PARTICULARS OF ALL OPTIONS TO PURCHASE SECURITIES OF THE ISSUER UNLESS OTHERWISE DISCLOSED HEREIN**

There are no options to purchase securities of the Issuer outstanding.

**18. THE DATES OF AND PARTIES TO AND THE GENERAL NATURE OF EVERY MATERIAL CONTRACT ENTERED INTO BY THE ISSUER OR ANY SUBSIDIARY WITHIN THE PRECEDING TWO YEARS WHICH IS STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN**

The Issuer entered into an agreement as of February 2, 1983 with Jack Cureatz, 111 Superior, Box 1088, Wawa, Ontario for the purchase of twenty-seven mineral claims in the McMurray Township, Sault Ste. Marie Mining Division, Ontario for \$5,500 and 5,000 shares. The Issuer is awaiting confirmation of title. No engineering report on the claims has been authorized.

Regulatory authorities' acceptance of the above agreement is not being sought in conjunction with this Statement of Material Facts and acceptance of this Statement of Material Facts does not imply acceptance of the above agreement.

There are no other material contracts entered into by the Issuer within the preceding two years which are still in effect and not previously disclosed herein.

Material contracts disclosed in this Statement of Material Facts may be inspected during normal business hours at the offices of Sobolewski Anfield, Barristers and Solicitors, of 7th Floor, 609 Granville Street, Vancouver, B.C., during the period of primary distribution of the securities offered by this Statement of Material Facts and for thirty (30) days after completion of primary distribution.

**19. PARTICULARS OF ANY OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED HEREUNDER AND NOT DISCLOSED UNDER ANY OTHER ITEM**

There are no other material facts relating to the securities being offered and not disclosed under any other item.

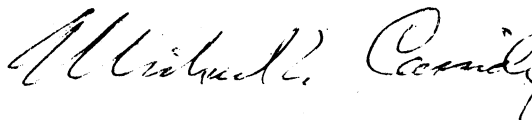
MICHAEL CASSIDY  
CHARTERED ACCOUNTANT

P.O. BOX 752 COACH HOUSE SQUARE  
100 MILE HOUSE B.C. V0K 2E0  
TEL. 604 395 4534  
395 2485

ACCOUNTANT'S COMMENTS

To the Shareholders of  
Monte Christo Resources Ltd.

I have prepared the accompanying statements of deficit, profit and loss and changes in financial position for the six months ended January 31, 1983 from the records of MONTE CHRISTO RESOURCES LTD., and from other information supplied to me by the company. In order to prepare these financial statements I made a review, consisting primarily of enquiry, comparison and discussion of such information. However, in accordance with the terms of my engagement, I have not performed an audit and consequently do not express an opinion on these financial statements.



CHARTERED ACCOUNTANT

100 Mile House, B.C.  
March 2, 1983

MONTE CHRISTO RESOURCES LTD.

Statement of Deficit

For The Six Months Ending January 31, 1983

	<u>1983</u>	<u>1982</u>
	\$	\$
Beginning Balance	173,897	88,027
Net Loss (see Statement of Profit and Loss)	6,717	19,383
	<u>        </u>	<u>        </u>
Ending Balance	\$180,614	\$107,410
	<u>        </u>	<u>        </u>

Statement of Profit and Loss

For The Six Months Ending January 31, 1983

	\$	\$
Expenses		
Audit, Accounting and Bookkeeping	1,642	1,633
Bank Service Charges and Interest	4,568	4,312
Cost of Lapsed Claims (Confederate Gulch)	---	11,458
Legal	---	(26)
Miscellaneous and General	---	173
Office Supplies and Postage	---	746
Registrar and Transfer Fees	507	1,087
	<u>        </u>	<u>        </u>
Net Loss	\$ 6,717	\$19,383
	<u>        </u>	<u>        </u>

APPROVED BY THE DIRECTORS

L. E. Ross.  
DIRECTOR

Shana D. Kothly  
DIRECTOR

"unaudited"

MONTE CHRISTO RESOURCES LTD.

Statement of Changes in Financial Position

For The Six Months Ending January 31, 1983

	<u>1983</u>	<u>1982</u>
	\$	\$
Funds were provided by		
Increase - Bank Loan	---	10,000
Increase - Shareholders' Loan	16,446	11,850
Increase - Other Loan	---	5,000
	<u>16,446</u>	<u>26,850</u>
Funds were applied to		
Net Loss - less lapsed claims not requiring an outlay of funds (\$11,458 in 1981)	6,717	7,925
Development Costs	1,262	19,240
Decrease in Bank Loan	3,348	---
Decrease in Accounts Payable	5,034	1,163
	<u>16,361</u>	<u>28,328</u>
Increase (Decrease) in Cash During Period	85	(1,478)
Cash Balance (Overdraft) Beginning of Period	121	(395)
Cash Balance (Overdraft) End of Period	<u>\$ 206</u>	<u>\$(1,873)</u>

APPROVED BY THE DIRECTORS

L. E. Ross.

DIRECTOR

Maura P. Kothly

DIRECTOR

"unaudited"



MONTE CRISTO RESOURCES LTD.

Financial Statements

For The Five Months Ended December 31, 1982

Accountant's Comments

Balance Sheet

Statement of Deficit

Statement of Profit and Loss

Statement of Changes in Financial Position

Notes to Financial Statements

(unaudited)

MICHAEL CASSIDY

CHARTERED ACCOUNTANT

P.O. BOX 751 COACH HOUSE SQUARE

100 MILE HOUSE B.C. V0P 2E0

TEL. (604) 395 4534

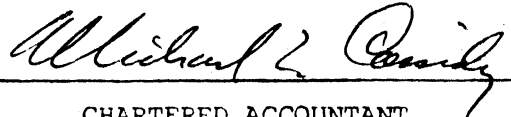
395 2485

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Shareholders of  
Monte Christo Resources Ltd.

I have prepared the accompanying unaudited interim financial information comprising the balance sheet as at December 31, 1982 and the statements of income, deficit and changes in financial position for the five months then ended from the records of MONTE CHRISTO RESOURCES LTD. and from other information supplied to me by the company and have reviewed such interim financial information. My review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

I have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which I have expressed an opinion were for the year ended July 31, 1982



CHARTERED ACCOUNTANT

100 Mile House, B.C.

January 31, 1983

MONTE CHRISTO RESOURCES LTD.

(Incorporated under the British Columbia Companies Act)

Balance Sheet

As At December 31, 1982

Assets	\$
Cash (NOTE 6)	199
Deferred Development Costs (NOTE 2)	161,322
Incorporation Costs	1,249
Fixed Assets - at cost	539
	<hr/>
	\$163,309
	<hr/> <hr/>
Liabilities	\$
Bank Loan Payable (NOTE 5)	56,031
Accounts Payable	15,325
Management Salary Payable	3,500
Shareholders' Loans Payable	73,596
Other Loans Payable	14,617
	<hr/>
	163,069
Shareholders' Equity	
Share Capital (NOTE 3)	
Authorized:	
3,000,000 common shares no par value	
Issued:	
1,236,915 shares (NOTE 3)	180,155
Deficit (see Statement of Deficit)	(179,915)
	<hr/>
	240
	<hr/>
	\$163,309
	<hr/> <hr/>

(see Notes to Financial Statements)

APPROVED BY THE BOARD (unaudited)

*L. E. Ross.*

Director

*Marion J. Kotly*

Director

MONTE CHRISTO RESOURCES LTD.

Statement of Deficit

For The Five Months Ending December 31, 1982

Beginning Balance	\$ 173,897
Net Loss (see Statement of Income)	<u>6,018</u>
Ending Balance	<u><u>\$179,915</u></u>

Statement of Income

For The Five Months Ending December 31, 1982

Expenses	\$
Bank Service Charges and Interest	3,869
Audit, Accounting and Bookkeeping	1,642
Registration and Transfer Fees	<u>507</u>
	<u><u>\$ 6,018</u></u>

(see Notes to Financial Statements)

(unaudited)

MONTE CHRISTO RESOURCES LTD.

Statement of Changes in Financial Position  
For The Five Months Ending December 31, 1982

	\$
Funds were provided by	
Increase in Shareholders' Loans	13,646
Funds were applied to	
Net Loss	6,018
Development Costs	1,262
Decrease Bank Loan	1,923
Decrease Accounts Payable	4,365
	<hr/>
	13,568
Increase (Decrease) in Cash	78
Cash Balance Beginning of Year	121
	<hr/>
Cash Balance (Overdraft) End of Year	\$ 199
	<hr/> <hr/>

(see Notes to Financial Statements)

(unaudited)

MONTE CHRISTO RESOURCES LTD.

Notes to Financial Statements

December 31, 1982

NOTE 1 - ACCOUNTING POLICIES

The company follows the policy of deferring development costs of claims until such time as the claims (i) are abandoned or (ii) are brought into mineral production. If and when a claim is abandoned, the development cost associated with it will be written off to profit and loss. If and when a claim is brought into mineral production, the development costs associated with it will be absorbed against income on a unit of production basis. In accordance with this policy, development costs appear on the balance sheet and have not been charged against income during the period under review, except for those claims which lapsed during the year.

Administration and general expense, which cannot be associated with mineral claims, are expensed as incurred and are shown as such on the statements of income.

NOTE 2 - DEFERRED DEVELOPMENT COSTS

Deferred development costs relate to the following exploration areas and categories:

	M125 and M128 (OMINECA)	MONTE CHRISTO MINE	TOTAL
	\$	\$	\$
Recording Fees	25	---	25
Exploration Costs	1,465	4,167	5,632
Purchase Claims (NOTES 3 and 4)	37,500	36,985	74,485
Mineral Leases (annual)	3,890	---	3,890
Engineering Reports	109	10,135	10,244
Staking Claims	---	---	---
Line Cutting	---	1,748	1,748
Diamond Drilling	---	34,532	34,532
Prospecting	---	1,354	1,354
Re-open Old Working	---	2,181	2,181
Truck Costs at Site	---	3,355	3,355
Assay - Testing - Reports	---	2,918	2,918
Geophysical & Geochemical Surveys	---	393	393
Roads and Bridges	---	8,465	8,465
Management Supervision on Site	---	10,500	10,500
B.C. Miners' Certificates	1,600	---	1,600
	<u>\$44,589</u>	<u>\$116,733</u>	<u>\$161,322</u>

(unaudited)

Continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

NOTE 3 - SHARE CAPITAL

- (a) During September 1978 the 3,000,000 common shares which had a par value of 50¢ each were changed to 3,000,000 common shares of no par value.

Shares have been issued as follows:

	<u>NO. OF SHARES</u>	<u>ISSUE VALUE</u>	<u>CONSIDERATION</u>
to July 31, 1974	750,000	37,500	Claims Prospecting lease plus option to purchase
Aug 15, 1978 (NOTE 4)	<u>42,500</u>	<u>17,000</u>	
Subtotal	792,500	54,500	
to July 31, 1974	70,100	7,010	Cash
Aug 1, 1974-July 31, 1975	12,990	1,299	Cash
Aug 1, 1975-July 31, 1976	31,110	3,111	Cash
Aug 1, 1976-July 31, 1977	7,300	730	Cash
Aug 1, 1977-July 31, 1978	<u>31,330</u>	<u>3,133</u>	Cash
	152,830	15,283	
Aug 1, 1978-July 31, 1979	368,000	110,372	Cash
February 1979 gifted back and cancelled - see (c) below	<u>(76,415)</u>	---	
	<u>444,415</u>	<u>125,655</u>	
	<u>1,236,915</u>	<u>\$180,155</u>	

A prospectus dated March 1, 1979 was prepared by which 368,000 shares were offered to the public at 40¢ per share by the underwriter, Hampton Securities and Investments Ltd. #510, 320 Ninth Avenue S.W., Calgary, Alberta. The underwriter's commission was 10¢ per share and the expenses of this offering were \$16,389.

Certain options granted to the underwriter were not exercised during the option period.

- (b) The 750,000 escrow shares were issued to the following for claims:
- |                  |                |
|------------------|----------------|
| Lorne E. Ross    | 500,000 shares |
| Tony Milobar     | 50,000 shares  |
| Claude W. Dansey | 200,000 shares |

A valuation of 5¢ per share was used because that was the minimum permissible at the time under Article 111 of the company by-laws (where shares can be issued at a maximum discount of 90% off the 50¢ par value of the shares). A precise market value of these claims in the autumn of 1973 (when they were acquired) is not known.

(unaudited)

Continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

- (c) One half of the 152,830 shares issued for cash to July 31, 1978 were gifted back to the company during February 1979. On August 15, 1978 the company issued capital stock of 42,500 shares as described in NOTE 4.

Dr. Ross has transferred (i) 50,000 shares to Ernest H. Empey in partial payment for the EM-Cariboo Claims and (ii) 50,000 shares to Alex Bailey. Certain outstanding shares of the company are escrowed and held by Canada Trust Company in Calgary, Alberta until consent has been obtained from the Alberta Securities Commission for their release. The escrowed shares are held for the following individuals:

Lorne E. Ross	457,665 shares
Claude W. Dansey	236,250 shares
Tony Milobar	75,000 shares
Ernest H. Empey	50,000 shares
Alex Bailey	50,000 shares

868,915 total shares

The 868,915 shares consist of the 792,500 shares shown under (a) plus one half of the 152,830 shares issued for cash. 15% of the 868,915 shares held in escrow were released by consent of the Alberta Securities Commission during October 1979.

NOTE 4 - PROSPECTING LEASES AND OPTIONS TO PURCHASE

MONTE CHRISTO MINE (MONTANA)

On August 15, 1978 the company issued capital stock of 21,250 shares to Dr. Lorne E. Ross (President and Director) and 21,250 shares to Claude E. Dansey (Vice President and Director) in consideration for the assignment to the company of all their right, title and interest in and to a Prospecting Lease and Option to Purchase. This lease and option agreement was created on September 20, 1977 between the above-noted officers and directors and Hans Mo and June V. Mo of Helena, Montana and applies to seven mining claims collectively known as the Monte Christo Mine near Helena, Montana. Royalties required under this agreement are at the rate of 2½% of the net smelter or custom mill return (being defined as the amount received from the smelter or custom mill after deducting all hauling charges, smelter treatment charges and penalties) up to the total sum of \$15,000 U.S.

NOTE 5 - BANK LOAN PAYABLE

This loan of \$56,031 is payable on demand to the Royal Bank of Canada (100 Mile House branch), bears an interest rate of 2% above prime and is guaranteed by Dr. L.E. Ross (president, director and a major shareholder of the company). The interest rate at December 31, 1982 on this loan was 14½%



Continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

NOTE 6 - STATUTORY INFORMATION

Conversion of U.S. to Canadian Dollars

The U.S. dollar bank account at the Bank of Montana has been inactive for the past 32 months. U.S. dollar cheques were written on the company's Canadian dollar account and transactions were recorded at the rates in effect at the time these cheques cleared the Royal Bank of Canada, 100 Mile House, B.C. The rate at December 31, 1982 was \$1.2400 Canadian = \$1.00 U.S. and was used for converting \$82 U.S. to Canadian funds (\$101).

NOTE 7 - SUBSEQUENT EVENTS

A listing application had been submitted by the company to the Vancouver Stock Exchange as at July 31, 1981. Financing via a further issue of shares was planned (subject to approval of the regulatory authorities) in mid-1981 and is actively underway at the present time.

MONTE CHRISTO RESOURCES LTD.

FINANCIAL STATEMENTS

JULY 31, 1982

Auditor's Report

Balance Sheet

Statement of Deficit

Statement of Income

Statement of Changes in Financial Position

Notes to Financial Statements

MICHAEL CASSIDY  
CHARTERED ACCOUNTANT

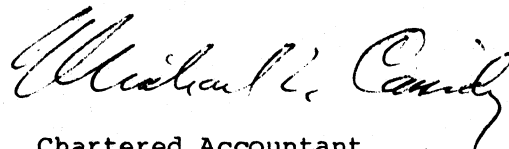
P.O. BOX 752 · COACH HOUSE SQUARE  
100 MILE HOUSE, B.C. · V0K 2E0  
TEL (604) 395 4534  
395 2485

AUDITOR'S REPORT

To the Shareholders  
Monte Christo Resources Ltd.

I have examined the balance sheet of Monte Christo Resources Ltd. (formerly Monte Christo Mines Ltd., formerly Carpiquet Mines Ltd. - N.P.L.) as at July 31, 1982 and the statements of income, deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements and notes thereto present fairly the financial position of the company as at July 31, 1982 and the results of its operation and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Chartered Accountant

100 Mile House, B.C.  
August 31, 1982

MONTE CHRISTO RESOURCES LTD.

(Incorporated under the British Columbia Companies Act)

Balance Sheet

For the Year Ending July 31, 1982

	<u>1982</u>	<u>1981</u>
	\$	\$
Assets:		
Cash (NOTE 7)	121	99
Deferred Development Costs (NOTE 2)	160,060	207,542
Incorporation Costs	1,249	1,249
Fixed Assets - at cost	<u>539</u>	<u>539</u>
	<u>\$161,969</u>	<u>\$209,429</u>
Liabilities:		
Cheques Drawn in Excess of Amounts on Deposit	---	494
Bank Loan Payable (NOTE 6)	57,954	42,500
Accounts Payable	19,690	18,340
Management Salary Payable	3,500	3,500
Shareholders' Loans Payable	59,950	42,850
Other Loans Payable	<u>14,617</u>	<u>9,617</u>
	155,711	117,301
Shareholders' Equity (Deficiency):		
Share Capital (NOTE 3)		
Authorized:		
3,000,000 common shares no par value		
Issued:		
1,236,915 shares (NOTE 3)	180,155	180,155
Deficit (see Statement of Deficit)	<u>(173,897)</u>	<u>(88,027)</u>
	<u>\$161,969</u>	<u>\$209,429</u>

(see Notes to Financial Statements)

APPROVED BY THE BOARD

L. E. Ross,

Director

K. W. Dewdney

Director

MONTE CHRISTO RESOURCES LTD.

Statement of Deficit

For the Year Ending July 31, 1982

	<u>1982</u>	<u>1981</u>
	\$	\$
Beginning Balance	88,027	47,945
Net Loss (see Statement of Income)	85,870	40,082
Ending Balance	<u>\$173,897</u>	<u>\$ 88,027</u>

Statement of Income

For the Year Ending July 31, 1982

	<u>1982</u>	<u>1981</u>
	\$	\$
Revenues:		
Adjustment on U.S. Exchange (NOTE 7)	2	22
Expenses:		
Lapsed Claims (NOTE 2 and NOTE 5)	67,022	---
Costs of Statement of Material Facts	(922)	18,939
Travelling	1,420	5,352
Audit, Accounting and Bookkeeping	2,247	3,265
Miscellaneous and General	173	296
Legal	816	4,360
Interest other than Bank	---	150
Telephone	22	200
Bank Service Charges and Interest	11,070	5,156
Office Supplies and Postage	1,107	150
Registration and Transfer Fees	<u>2,917</u>	<u>2,236</u>
	<u>85,872</u>	<u>40,104</u>
Net Loss	<u>\$85,870</u>	<u>\$40,082</u>

(see Notes to Financial Statements)

MONTE CHRISTO RESOURCES LTD.

Statement of Changes in Financial Position

For the Year Ending July 31, 1982

	<u>1982</u>	<u>1981</u>
	\$	\$
Funds were provided by:		
Increase in Shareholders' Loans	17,100	42,850
Increase in Other Loans	5,000	9,617
Increase in Accounts Payable	1,350	2,928
Increase in Bank Loan	15,454	31,000
Cost of Lapsed Claims (non cash charge to income)	67,022	---
	<u>105,926</u>	<u>86,395</u>
Funds were applied to:		
Net Loss	85,870	40,082
Development Costs	19,540	46,336
	<u>105,410</u>	<u>86,418</u>
Increase (Decrease) in Cash	516	(23)
Cash Balance Beginning of Year	(395)	(372)
Cash Balance (Overdraft) End of Year	<u>\$ 121</u>	<u>\$ (395)</u>

(see Notes to Financial Statements)

MONTE CHRISTO RESOURCES LTD.

Notes to Financial Statements

July 31, 1982

NOTE 1 - ACCOUNTING POLICIES

The company follows the policy of deferring development costs of claims until such time as the claims (i) are abandoned or (ii) are brought into mineral production. If and when a claim is abandoned, the development cost associated with it will be written off to profit and loss. If and when a claim is brought into mineral production, the development costs associated with it will be absorbed against income on a unit of production basis. In accordance with this policy, development costs appear on the balance sheet and have not been charged against income during the period under review, except for those claims which lapsed during the year.

Administration and general expense, which cannot be associated with mineral claims, are expensed as incurred and are shown as such on the statements of income.

NOTE 2 - DEFERRED DEVELOPMENT COSTS

Deferred development costs relate to the following exploration areas and categories:

	M125 and M128 (OMINECA)	MONTE CHRISTO MINE	1982 TOTAL	1981 TOTAL
	\$	\$	\$	\$
Recording Fees	25	---	25	25
Exploration Costs	1,465	3,303	4,768	3,922
Purchase Claims (NOTES 3 and 4)	37,500	36,985	74,485	101,360
Mineral Leases (annual)	3,492	---	3,492	3,094
Engineering Reports	109	10,135	10,244	10,397
Staking Claims	---	---	---	11,056
Line Cutting	---	1,748	1,748	1,748
Diamond Drilling	---	34,532	34,532	34,532
Prospecting	---	1,354	1,354	1,354
Re-open Old Working	---	2,181	2,181	2,181
Truck Costs at Site	---	3,355	3,355	3,355
Assay-Testing-Reports	---	2,918	2,918	3,178
Geophysical & Geochemical Surveys	---	393	393	11,075
Roads & Bridges	---	8,465	8,465	8,465
Management Supervision on Site	---	10,500	10,500	10,500
B.C. Miners' Certificates	1,600	---	1,600	1,300
	<u>\$44,191</u>	<u>\$115,869</u>	<u>\$160,060</u>	<u>\$207,542</u>

continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

NOTE 3 - SHARE CAPITAL

(a) During September 1978 the 3,000,000 common shares which had a par value of 50¢ each were changed to 3,000,000 common shares of no par value.

Shares have been issued as follows:

	<u>NO. OF SHARES</u>	<u>ISSUE VALUE</u>	<u>CONSIDERATION</u>
to July 31, 1974	750,000	37,500	Claims
Aug 15, 1978 (NOTE 4)	<u>42,500</u>	<u>17,000</u>	Prospecting lease plus option to purchase
Subtotal	<u>792,500</u>	<u>54,500</u>	
to July 31, 1974	70,100	7,010	Cash
Aug 1, 1974-July 31, 1975	12,990	1,299	Cash
Aug 1, 1975-July 31, 1976	31,110	3,111	Cash
Aug 1, 1976-July 31, 1977	7,300	730	Cash
Aug 1, 1977-July 31, 1978	<u>31,330</u>	<u>3,133</u>	Cash
	152,830	15,283	
Aug 1, 1978-July 31, 1979	368,000	110,372	Cash
February 1979 gifted back and cancelled-see (c) below	<u>(76,415)</u>	<u>---</u>	
Subtotal	<u>444,415</u>	<u>125,655</u>	
	<u>1,236,915</u>	<u>180,155</u>	

A prospectus dated March 1, 1979 was prepared by which 368,000 shares were offered to the public at 40¢ per share by the underwriter, Hampton Securities and Investments Ltd. #510, 320 Ninth Avenue S.W., Calgary, Alberta. The underwriter's commission was 10¢ per share and the expenses of this offering were \$16,389.

Certain options granted to the underwriter were not exercised during the option period.

(b) The 750,000 escrow shares were issued to the following for claims:

Lorne E. Ross	500,000 shares
Tony Milobar	50,000 shares
Claude W. Dansey	200,000 shares

A valuation of 5¢ per share was used because that was the minimum permissible at the time under Article 111 of the company by-laws (where shares can be issued at a maximum discount of 90% off the 50¢ par value of the shares). A precise market value of these claims in the autumn of 1973 (when they were acquired) is not known.



continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

(c) One half of the 152,830 shares issued for cash to July 31, 1978 were gifted back to the company during February 1979. On August 15, 1978 the company issued capital stock of 42,500 shares as described in NOTE 4.

Dr. Ross has transferred (i) 50,000 shares to Ernest H. Empey in partial payment for the EM-Cariboo Claims and (ii) 50,000 shares to Alex Bailey. Certain outstanding shares of the company are escrowed and held by Canada Trust Company in Calgary, Alberta until consent has been obtained from the Alberta Securities Commission for their release. The escrowed shares are held for the following individuals:

Lorne E. Ross	457,665 shares
Claude W. Dansey	236,250 shares
Tony Milobar	75,000 shares
Ernest H. Empey	50,000 shares
Alex Bailey	50,000 shares
	<hr/>
	868,915 total shares

The 868,915 shares consist of the 792,500 shares shown under (a) plus one half of the 152,830 shares issued for cash. 15% of the 868,915 shares held in escrow were released by consent of the Alberta Securities Commission during October 1979.

NOTE 4 - PROSPECTING LEASES AND OPTIONS TO PURCHASE

MONTE CHRISTO MINE (MONTANA)

On August 15, 1978 the company issued capital stock of 21,250 shares to Dr. Lorne E. Ross (President and Director) and 21,250 shares to Claude E. Dansey (Vice-President and Director) in consideration for the assignment to the company of all their right, title and interest in and to a Prospecting Lease and Option to Purchase. This lease and option agreement was created on September 20, 1977 between the above-noted officers and directors and Hans Mo and June V. Mo of Helena, Montana and applies to seven mining claims collectively known as the Monte Christo Mine near Helena, Montana. Royalties required under this agreement are at the rate of 2½% of the net smelter or custom mill return (being defined as the amount received from the smelter or custom mill after deducting all hauling charges, smelter treatment charges and penalties) up to the total sum of \$15,000 U.S.

NOTE 5 - LAPSED CLAIMS

The following expenditures were made on the "Maybe" and "Monitor" claims (molybdenum properties in Montana) and the "Confederate Gulch" claims (gold property in Montana) up to July 31, 1982:

	MAYBE/ MONITOR	CONFEDERATE GULCH
Purchase of claims	\$34,310	\$ 3,586
Engineering	153	---
Percussion Drilling	5,668	---
Assays-Testing-Reports	1,011	77
Geophysical & Geochemical Surveys	10,681	---
Staking claims	<u>3,261</u>	<u>7,795</u>
	<u>\$55,084</u>	<u>\$11,458</u>

continued: MONTE CHRISTO RESOURCES LTD.  
Notes to Financial Statements

The required assessment work on the "Maybe" and "Monitor" claims has been done to September 1, 1982. The company had also obtained an extension on its payments due April 24, 1982. However, because of extremely low molybdenum prices and negative prospects for early recovery in the market, the company intends to allow these claims to lapse. In view of this situation, these expenditures have been written off to lapsed claims at July 31, 1982. The options on the "Confederate Gulch" claims expired in September 1981; the costs have been written off to lapsed claims. A \$80 payment for sampling the Church property in Montana was also written off during the year bringing the total of lapsed claims to \$67,022.

The purchase options and required payments on the "Maybe" and "Monitor" claims were fully described in NOTE 4 (b) of the July 31, 1981 financial statements.

NOTE 6 - BANK LOAN PAYABLE

This loan of \$57,954 is payable on demand to the Royal Bank of Canada (100 Mile House branch), bears an interest rate of 2% above prime and is guaranteed by Dr. L.E. Ross (president, director and a major shareholder of the company). The interest rate at July 31, 1982 on this loan was 19%.

NOTE 7 - STATUTORY INFORMATION

Conversion of U.S. to Canadian Dollars

The U.S. dollar bank account at the Bank of Montana has been inactive for the past 30 months. U.S. dollar cheques were written on the company's Canadian dollar account and transactions were recorded at the rates in effect at the time these cheques cleared the Royal Bank of Canada, 100 Mile House, B.C. The rate at July 31, 1982 was \$1.2615 Canadian = \$1.00 U.S. and was used for converting \$82 U.S. to Canadian funds (\$101).

NOTE 8 - SUBSEQUENT EVENTS

A listing application had been submitted by the company to the Vancouver Stock Exchange as at July 31, 1981. Financing via a further issue of shares was planned (subject to approval of the regulatory authorities) at that time. Due to the current depressed state of the mining industry, this listing application is presently in suspension.

SUMMARY REPORT  
on the  
JAMBOREE CLAIMS

CARIBOO MINING DIVISION

NTS 93A/7W  
Latitude 52°15'; Longitude 120°50'

for

Monte Christo Resources Ltd.  
P.O. Box 157  
Ashcroft, B.C.  
V0K 1A0

John DeLeen, P.Eng.  
October 20, 1982

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## SUMMARY

The results of the geochemical surveys completed by the British Columbia Department of Mines indicated that there were anomalous areas of arsenic located in the Horsefly - Quesnel River Placer Gold District of British Columbia. The relationship of arsenic and gold suggested that the anomalous arsenic areas could contain gold deposits which were the source of the placer gold. The field work completed by the Quesnel Regional Joint Venture indicated that anomalous gold values were related to the anomalous arsenic values. Consequently the Jamboree Claims were staked to cover one of these anomalous areas. One small siliceous outcrop was found to contain 0.121 ounces of gold.

The Jamboree claims have been optioned from the Joint Venture and a work program is recommended to complete the initial investigation of the anomalous gold and arsenic areas and the gold bearing outcrop.

## CONCLUSION

A program of geological mapping, geochemical and magnetometer surveying, trenching and percussion drilling is warranted to determine the gold content of the anomalous areas. The estimated expenditure for the Stage 1 work on the Jamboree claim group is \$90,000.

## INTRODUCTION

The Jamboree claims which cover an area of approximately 6,850 hectares are located in the Horsefly area of British Columbia. The claims were staked by the Quesnel Regional Joint Venture in 1981 and 1982. These claims were acquired after the British Columbia Department of Mines released the results of a silt sampling program in 1981. The Joint venture partners staked five blocks of claims, four in the Likely area and one in the Horsefly area. The claims in the Horsefly area "The Jamboree", are the largest block of claims and cover the largest of the gold bearing anomalies. The Jamboree claims were optioned from the Joint Venture partners in October, 1982 by Monte Christo Resources Ltd., P.O. Box 157, Ashcroft, B.C. V0K 1A0.

The 18 blocks of claims have been partially investigated by geochemical surveys to determine if the arsenic bearing areas also contain gold values. To date anomalous gold values have been obtained in the soil and rock samples from the Jamboree 3,4,5,12 and 17 mineral claims. One gold sample taken from an outcrop or boulder in the floor of a gravel quarry on the Jamboree 15 claim contained, by fire assay, 0.121 ounces of gold per ton.

A program of follow-up work on the anomalous gold bearing areas and some prospecting on the untested areas of the claim blocks is warranted. Detailed geochemical and magnetometer surveys and geological mapping should be completed on the anomalous areas and reconnaissance soil sampling traverses in selected areas on the remainder of the claim block. The anomalous gold values appear to increase in intensity at the contact of a phyllite and andesite breccia. This contact can

be located by some magnetometer traverses. The final investigation of the anomalous gold bearing zones would be by percussion drilling.

The Jamboree claim block is owned by E & B Explorations Inc. (90%) and Geo-Ex Resources Ltd. (10%). The work on the property is was completed under the supervision of JMT Services Corp. an affiliated company of Geo-Ex Ltd.

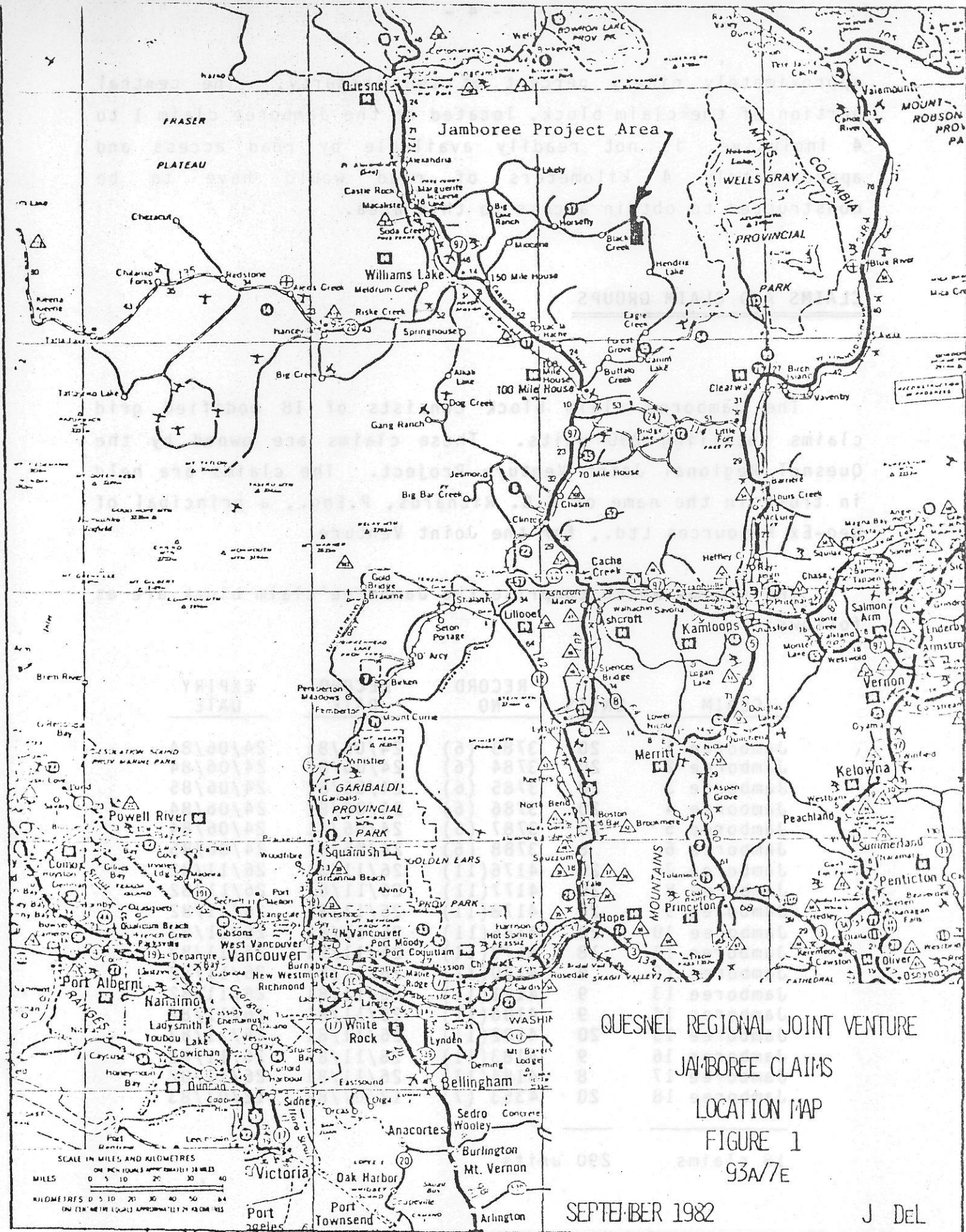
This report is completed from data obtained on an examination of the property with Mr. G.G. Richards, P.Eng. on September 16, 1982 and from the files of E & B Explorations Inc and Geo-Ex Resources Ltd. The samples, which were taken by the writer, were assayed by a different laboratory than that used by the Joint Venture. These assays confirm the presence of the gold bearing anomalies and outcrop.

### LOCATION AND ACCESS

The Jamboree property is located approximately 20 kilometers due east of the town of Horsefly (figure 1). The claims are located to the north and south of the Horsefly River and to the west of the Mc Kusky River. The altitude on the claims varies from 1050 to 1700 meters. The claims are located in the Horsefly Placer District in the Cariboo Mining Division.

The area is accessible from Highway 97 at 150 Mile House by a 40 km of all-weather paved road to the town of Horsefly and by a 20 kilometer gravel road from Horsefly to the property. Numerous logging roads which vary from good two-wheel to bad four-wheel drive roads give access to





QUESNEL REGIONAL JOINT VENTURE

JAMBOREE CLAIMS

LOCATION MAP

FIGURE 1

93A/7E

SEPTEMBER 1982

J DEL

approximately ninety percent of the property. The central portion of the claim block, located on the Jamboree claim 1 to 4 inclusive, is not readily available by road access and approximately 4 kilometers of road would have to be constructed to obtain access to this area.

### CLAIMS AND CLAIM GROUPS

The Jamboree claim block consists of 18 modified grid claims totalling 290 units. These claims are owned by the Quesnel Regional Joint Venture Project. The claims are held in trust in the name of G.G. Richards, P.Eng., a principal of Geo-Ex Resources Ltd., for the Joint Venture.

The claims which comprise the Jamboree claim block are as follows:

<u>CLAIM</u>	<u>UNITS</u>	<u>RECORD NO</u>	<u>RECORD DATE</u>	<u>EXPIRY DATE</u>
Jamboree 1	20	3783 (6)	24/06/81	24/06/84
Jamboree 2	20	3784 (6)	24/06/81	24/06/84
Jamboree 3	20	3785 (6)	24/06/81	24/06/85
Jamboree 4	20	3786 (6)	24/06/81	24/06/84
Jamboree 5	20	3787 (6)	24/06/81	24/06/84
Jamboree 6	8	3788 (6)	24/06/81	24/06/85
Jamboree 7	20	4176(11)	26/11/81	26/11/82
Jamboree 8	20	4177(11)	26/11/81	26/11/82
Jamboree 9	20	4178(11)	26/11/81	26/11/82
Jamboree 10	20	4185(11)	26/11/81	26/11/82
Jamboree 11	18	4179(11)	26/11/81	26/11/82
Jamboree 12	9	4180(11)	26/11/81	26/11/82
Jamboree 13	9	4181(11)	26/11/81	26/11/82
Jamboree 14	9	4186(11)	26/11/81	26/11/82
Jamboree 15	20	4182(11)	26/11/81	26/11/82
Jamboree 16	9	4183(11)	26/11/81	26/11/82
Jamboree 17	8	4184(11)	26/11/81	26/11/82
Jamboree 18	20	4353 (7)	12/07/82	12/07/83

18 claims                      290 units

Sufficient work has been completed on the Jamboree claims to keep the 18 claims in good standing until 1984. A geochemical and geological report based on the work completed in 1982 is to be filed by JMT Services Corp. for assessment purposes.

## HISTORY

The first gold discovery in the Cariboo was made in mid-1859 on the Horsefly River and by late 1859 the placer miners were working the area from Horsefly to the town of Likely located 40 kilometers to the north. In 1860 new discoveries were rapidly made. Keithly, Snowshoe and Harry Creeks were discovered and a large amount of gold was produced before the earliest production was recorded in 1874. One-third of the gold is believed to have been mined between the period 1860 and 1873. The record of the amount of gold produced in the Horsefly area from 1874 to 1945 is quoted in the B.C. Dept. of Mines Bulletin 28 as follows:

<u>Location</u>	<u>Ounces</u>
Antoinne Creek	189 ounces
Beaver Lake Creek	126 ounces
Black Creek	62 ounces
Horsefly River	15,216 ounces

**NOTES ON PLACER GOLD DEPOSITS IN THE HORSEFLY  
- QUESNEL RIVER AREA**

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The placer gold is reported to be concentrated in a zone 5 to 20 feet thick located above the bedrock. The gravels in the Likely area were shallow and could be readily worked by a hydraulic type of operation. The auriferous placer deposits on the Horsefly area are deep. The bedrock deposits were 400 to 600 in depth and had to be worked as a regular mining type of an operation. The shallow deposits on the Horsefly area are believed to have formed on a false bedrock and were derived from the reworking of the deep gravel deposits. The deep bedrock gold bearing gravels on the Horsefly, Black and Moffet Creeks are believed to represent a portion of the Tertiary Horsefly River drainage system. The gold bearing gravel in the Horsefly Area is comprised largely of small well worn quartz pebbles. The gold in the Horsefly River has been traced up to the headwaters of the South fork of the Horsefly River (BC MM Annual Report 1901). This creek is now called McKay Creek. The placer gold was found in Eureka Creek which flows down the eastern side of Eureka Peak into Mackay Creek.

The placer gold of the Horsefly River drainage is believed to have been derived from gold bearing formations located in the headwater drainage area of the Horsefly River. A portion of this area is covered by the Jamboree claims.

## GENERAL GEOLOGY

The rocks of Horsefly - Quesnel River Placer district of British Columbia are a series of Triassic volcanic and sedimentary rocks which have been considered to be a part of "Quesnel Belt" of rocks (figure 3). This "Quesnel Belt" has also been referred to the "Quesnel Trough". This band of rocks is fault-bounded against the metamorphic palaeozoic and older rocks to the east and west (Campbell and Tipper 1970).

The description of the rocks in the Quesnel Trough has been taken from maps 3-1961 and map 1-1963. The oldest unit, the top of the upper triassic succession is a conglomerate in which the pebbles and cobbles are all composed of volcanic rocks. These volcanic fragments are green in the lower beds and purple in the upper beds. The overlying unit is a mixture of volcanic and sedimentary rocks which includes beds of argillite. Overlying this sequence is a distinctive purple andesitic agglomerate, breccia and flow which contains analcite near the contact. This unit also contains minor beds of limestone and conglomerate. Above the purple volcanic are located a series of volcanic and sedimentary rocks of the same composition as the "purple volcanic" sequence. The top unit of the volcanic sedimentary sequence of the Quesnel Belt is a series of green andesitic tuffs, agglomerates and flows containing beds of argillite, chert and conglomerate.

The units exposed on the Jamboree claim group are believed to be a part of the uppermost series of volcanic and sedimentary rocks.

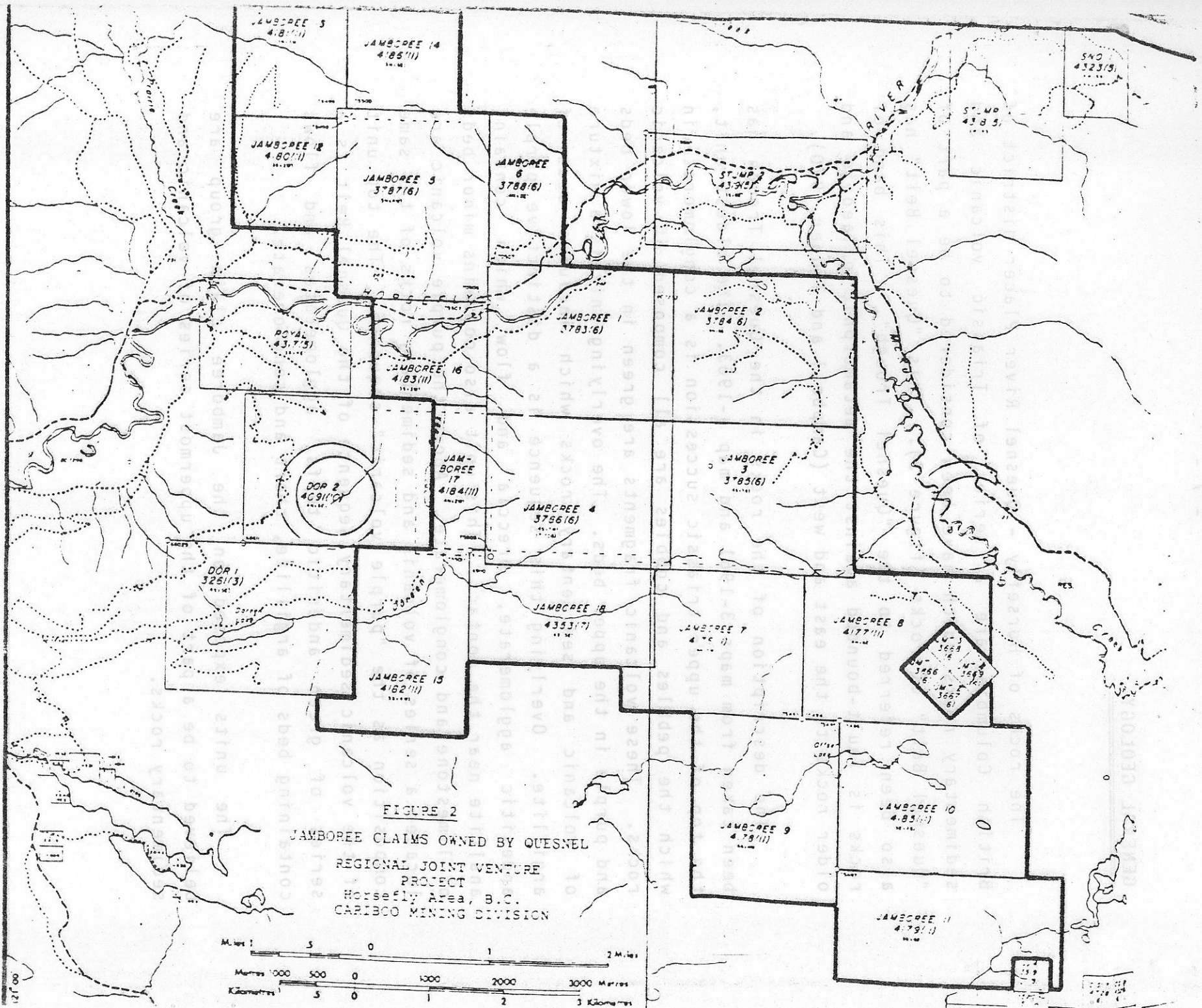
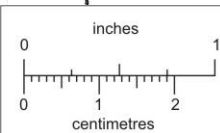
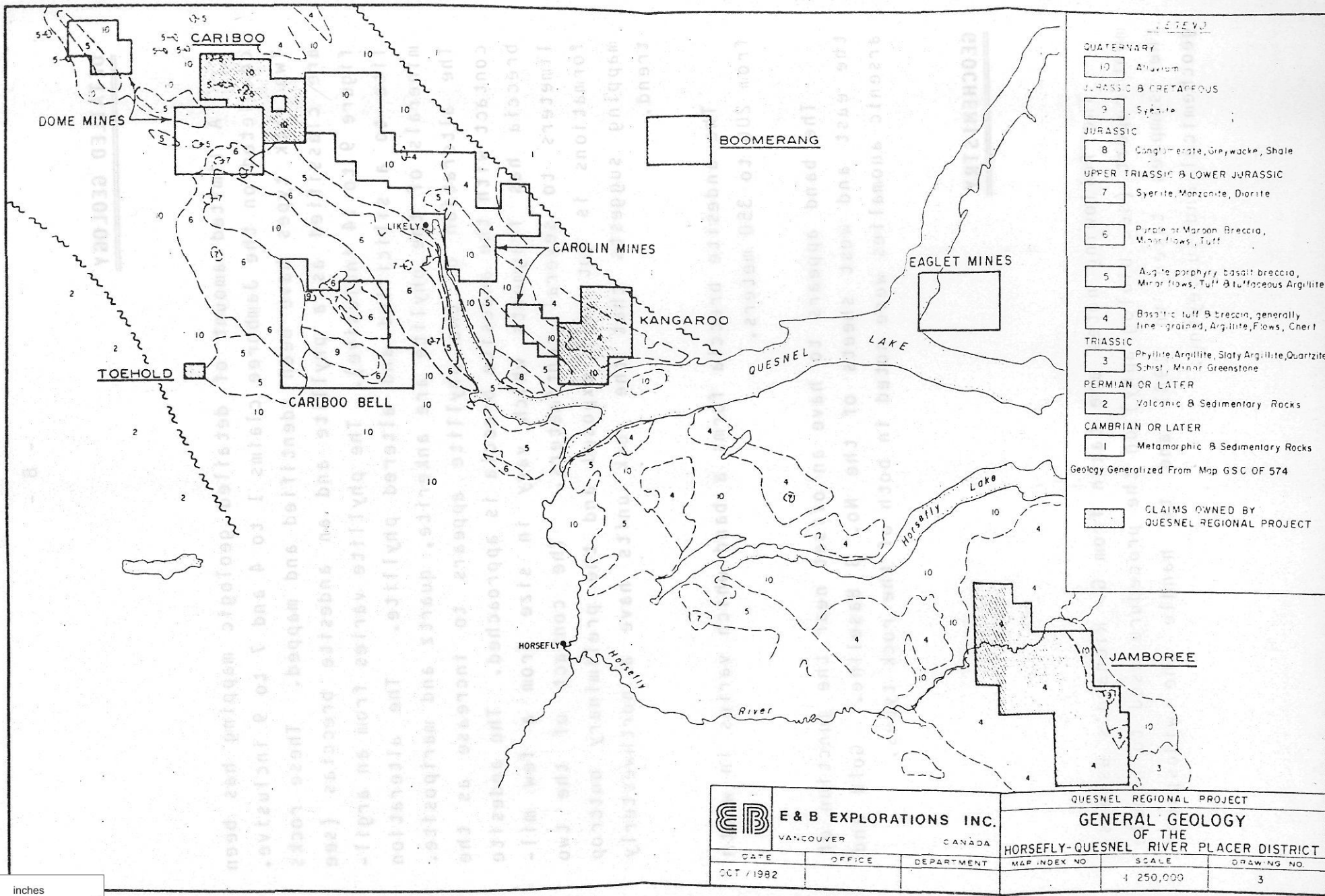


FIGURE 2  
 JAMBOREE CLAIMS OWNED BY QUESNEL  
 REGIONAL JOINT VENTURE  
 PROJECT  
 Horsefly Area, B.C.  
 CARIBOO MINING DIVISION



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## DETAILED GEOLOGY

A limited amount of detailed geologic mapping has been completed on the Jamboree claims 1 to 4 and 7 to 9 inclusive. Two rock types have been identified and mapped. These rocks are classified as a phyllite and an andesite breccias (see figure 9 to 14 inclusive). The phyllite varies from an argillite to a silicified and altered phyllite. The alteration minerals of the phyllite are ankerite, quartz and mariposite. The alteration of the phyllite appears to increase as the contact with the andesite breccia is approached. The andesite breccia has fragments which vary in size from a few millimeters to several centimeters. The contact of the two formations is not well exposed and the preliminary outcrop mapping suggests that the rock units have a northwesterly trend.

The andesite breccia forms a band which varies in width from 200 to 350 meters.

The band appears to have an offset near the junction of the east and west sheets of the No. 3 Baseline. Gold and arsenic anomalies were noted in both of the rock types.

## GEOCHEMISTRY

The following notes are taken from G. Richard's assessment report (see bibliography) on the procedure used to handle the samples taken in 1981 and to handle the widespaced geochemical and surveying.



"Widespread geochem lines have been completed on a part of the property in order to define areas requiring detailed mapping and sampling. Sampling was completed by geologists and experienced geo-technicians.

Soil samples were collected from pits 15-25 cm deep dug with the aid of a hand pick. About 300 grams of "B" horizon soil or the best approximation available was collected from each pit using a stainless steel spoon or scoop and transferred to an appropriately identified gusseted kraft paper sample bag.

Silt samples were collected where available, on streams or drainages traversed or crossed by traverse lines. Three to five hundred grams of active silt were collected, using a stainless steel spoon or scoop, and transferred to an appropriately marked gusseted kraft sample bag. Where sediments were of a coarse nature, a correspondingly larger sample was collected in order to ensure an adequate supply of fine material for analysis.

Rock chip samples were usually 300 to 500 grams in size and typically consisted of several (three to five or more) rock chips from an outcrop. Where systematic outcrop sampling has been done the weight and number of chips is often larger over specific intervals.

Silts and soils were dried and sieved and the -80 mesh fraction, or a portion of it, retained for analysis.

Rock chip samples were crushed and pulverized with a portion of the -100 mesh product retained for analysis.

Arsenic determinations were made using perchloric-nitric acid digestion followed by a standard atomic absorption hydride finish.

Gold determinations were made using a fire assay preconcentration followed by neutron activation analysis.

Arsenic and gold values obtained from the soil and silt samples and a few rock chips are shown on figures 4 and 6 to 14 inclusive. There is a good correlation with highly anomalous geochemical values and the inferred structural mineralized zone associated with rusty soils.

Although incomplete, this survey has outlined a large anomalous arsenic pattern with several contained zones of highly anomalous gold.

In 1982 additional samples were taken to fill in anomalous areas and to investigate the Jamboree 18 claim which was staked in 1982. These samples have been plotted on figures 7 and 8 and 9 to 14 inclusive."



E & B EXPLORATIONS INC.  
CANADA

QUESNEL REGIONAL PROJECT

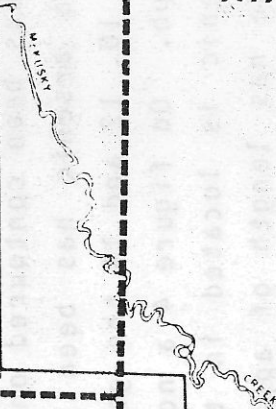
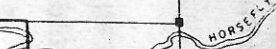
JAMBOREE PROPERTY

# INDEX MAP

DATE	BY	DEPARTMENT	MAP INDEX NO.	SCALE	DRAWING NO.
1980				1:50,000	5

### LEGEND

- AREA OF 1:10,000 Scale MAPPING
- AREA OF 1:2500 Scale (DETAIL) MAPPING



DRAWING No. 3  
DRAWING No. 2

DOREEN LAKE

OFFSET LAKE SHEET

DRAWING No. 1

JAMBOREE 13 JAMBOREE 14

JAMBOREE 12 JAMBOREE 5 JAMBOREE 6

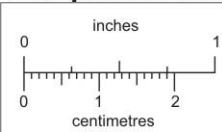
JAMBOREE 16 JAMBOREE 1 JAMBOREE 2

JAMBOREE 4 BASELINE 3 WEST SHEET BASELINE 3 EAST SHEET JAMBOREE 3

JAMBOREE 15 JAMBOREE 18 JAMBOREE 7 JAMBOREE 8

JAMBOREE 9 JAMBOREE 10

JAMBOREE 11



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

Check samples of the anomalous geochemical areas were taken on the Offset Lake maps (figures 13 and 14). The results of the check soil and rock samples are included in appendix A. The samples were assayed by different assayers and checked those taken by JMT Services Corp. within the limits expected for soil samples.

The soil samples were not assayed for copper. However, since copper is known to occur in this belt of rocks (Cariboo-Bell property) the soil samples, if available, should be assayed for their copper content.

### RESULTS OF THE SURVEYS

The results of the geochemical surveys are compiled on figure 4. The gold values were contoured on 10 and 50 ppb gold and the arsenic values on 30 ppm arsenic on figures 4, 6, 7 and 8. The basic data is presented on figures 6 to 14 and the index map for these sheets is figure 5. On figures 9 and 11, the arsenic has been contoured on 30, 100 and 200 ppm and on figure 13 the arsenic has been contoured on 30 and 100 ppm. On figures 10, 12 and 14 the gold has been contoured on 10, 20, and 50 ppb. On figure 4 a northwest trending zone of plus 30 ppm arsenic is located in the centre of the claim group. This zone has length of approximately 12,000 meters and a width which varies from 500 to 2,500 meters. The gold anomalies, where the detailed surveys have been completed, are irregular and vary from one sample anomalies to an area 1,500 by 3,500 meters. It is noted that the areas located between the plus 10 ppb gold anomalies should also be considered as areas of potential. These gold anomalies can only be investigated by the systematic drilling of fences of holes.

On figure 6 two traverses were completed on the southern portion of the sheet. A two sample arsenic anomaly of plus 30 ppm arsenic was noted. Four soil samples contained in excess of 10 ppb gold. In the northwestern corner of figure 6, just east of the area covered by the Offset Lake map sheets, one soil sample contained 35 ppb gold and one soil sample contained 79 ppm As. One sample in this area but included in the Offset Lake Sheet contained 179 ppb Au.

On figure 7 the southeastern portion of the major arsenic anomaly is covered by the Offset Lake map sheet figures 13 and 14. Three large anomalous areas of arsenic and gold, one gold bearing outcrop (the Doreen showing), three one-sample anomalies containing plus 30 ppm As and a one sample anomaly containing 57 ppb Au remain to be investigated.

On figure 8 the south-central portion has been investigated by the surveys indicated on the No. 3 Baseline Sheets, figures 9 to 12 inclusive. The large gold anomaly located on the western side of figure 7 continues onto the southwestern portion of figure 8. This anomaly has an approximate length of 1900 meters and a width of 1200 meters. Fourteen small gold anomalies and ten isolated arsenic anomalies, remain to be investigated in detail.

On figures 9 to 14, the Baseline 3 and Offset Lake Sheets, the grid lines have 100 to 400 meter spacings. The gold and arsenic anomalies in general are located in the same areas. Additional fill-in lines of geochemical surveys and geologic mapping will be required to complete the data required for a drilling program.

Check samples of soil and rock were taken from the areas containing anomalous arsenic and gold values. The results these samples are plotted on figures 13 and 14. The assay results agreed within the limits expected for soil samples. The assay certificates are included in Appendix A.

Two outcrops located near Doreen Creek, on figure 7, were sampled. One outcrop was located in the wall of a gravel quarry. The samples gave the following results:

11205 - Cu 0.097, Ag 0.12, Au 0.005 - 0.3 M channel  
11207 - Cu 0.084, Ag 0.17, Au 0.020 - 0.3 M channel

An outcrop or a large boulder located approximately 50 meters to the south and in the bottom of a road was sampled. The four samples contained the following:

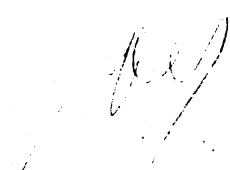
11208 - Ag	0.12,	Au 0.120 - 1.0M channel
11209	0.10,	0.023 - gouge next to 11208 - grab
11210	0.07,	0.002 - 1.0 M channel
11211	0.10,	0.052 - 0.8 M channel

The showing located in the road was poorly exposed and the dimensions and strike of the gold bearing zone could not be determined. This zone was not a formal quartz vein but appeared to be an area of a silicification. Additional work is warranted on this outcrop.

PROPOSED PROGRAM OF EXPLORATION

A program of exploration is warranted on the zones containing anomalous gold values. Geological mapping, soil and magnetometer surveying and percussion drilling are warranted on the Jamboree claims. The magnetometer survey is expected to outline the phyllite-andesite contact. The percussion drill samples should be taken in 2 or 3 meter length and a composite sample made and assayed over a distance of 6 to 8 meters. If there are no gold values in the composite sample it would not be necessary to assay the individual samples. A bulldozer will be needed to construct roads and to dig trenches.

The estimated expenditure for the work of Stage 1 is \$ 90,000. The data from the Stage 1 Program will be evaluated to determine if a Stage 2 Program of exploration is warranted. The second stage of exploration, if warranted, will be a drilling program to investigate the anomalous gold-bearing areas which remain from the Stage 1 exploration program. The estimated expenditure for Stage 2 drilling is \$ 210,000, and the total cost for Stage 1 and Stage 2 is \$ 300,000 .



ESTIMATE OF EXPENDITURES FOR STAGE 1

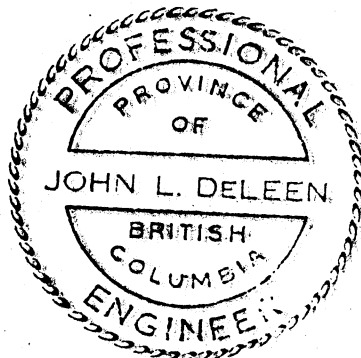
Mapping and Soil Sampling

2 geologists; 12 days @ \$225/day	\$ 5,400	
2 helpers; 12 days @ \$125/day	3,000	
Assaying	2,000	
Transportation	1,500	
Hotels and Meals	<u>3,100</u>	
	\$ 15,000	\$ 15,000

Percussion Drilling

Bulldozer; 5 days @ \$1,000/day	\$ 6,000	
Percussion drilling @ \$23.00/meter; 2,000 m.	46,000	
Assaying	10,000	
Travel	3,000	
Hotel and meals	3,000	
Engineering and Supervision	5,000	
Miscellaneous	<u>2,000</u>	
	\$ 75,000	<u>\$ 75,000</u>
		<u><u>\$ 90,000</u></u>

Respectfully submitted,



*John L. Deleen*  
John Deleen, P. Eng.  
October 12, 1982



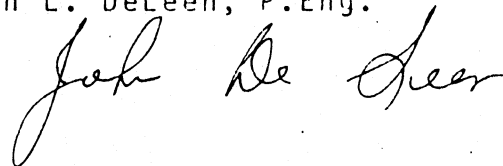
CERTIFICATE

I, John L. DeLeen, of the City of Vancouver, in the Province of British Columbia, hereby certify the following:

1. I am a Geological and Mining Engineer with an office at 1015 - 837 West Hastings Street, Vancouver, B.C.
2. I am a graduate of the University of British Columbia with a B.A.Sc., (1943) and M.A.Sc., (1946) degrees in Geological Engineering. In 1950, I obtained the degree of Mining Engineer from the University of California.
3. I have practised my profession since 1946.
4. I am a member of the Association of Professional Engineers of British Columbia.
5. I have no interest, direct or indirect, in the Jamboree Project or in Monte Christo Resources Ltd., nor do I expect to receive any such interest in the future.
6. This report is based upon personal examination of the property on September 16, 1982 and upon the reports of the British Columbia Department of Mines and private reports OF E & B Explorations Inc.
7. I consent to the use of this report in a Statement of Material Facts.

DATED at Vancouver, B.C. this 20th day of October, 1982.

John L. DeLeen, P.Eng.



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APPENDIX A

Geochemical and Fire Assay Certificates  
on check samples taken from the  
Jamboree Claims

# MIN-EN Laboratories Ltd.

705 WEST 15th STREET,  
NORTH VANCOUVER, B.C., CANADA V7M 1T2  
TELEPHONE (604) 980-5814

## ANALYTICAL REPORT

Project ..... Date of report **Oct. 1, 1982**  
File No. **2-737** ..... Date samples received **Sept. 24/82.**  
Samples submitted by: .....  
Company: **E & B Explorations**  
Report on: **9 soils, 3 rocks** ..... Geochem samples

**8** ..... Assay samples

Copies sent to:

- E & B Explorations, Vancouver, B.C.**
- .....
- .....

Samples: Sieved to mesh **-80 soil** ..... Ground to mesh **-100** .....

Prepared samples stored  discarded

rejects **rk.** stored  discarded  **soil** .....

Methods of analysis: **Geochem As-Spectrophotometric., Au-Aqua Regia.**

**A.A., Assays Cu, Ag-Acid digestion-chemical analysis.**

**Au-Fire Assay.**

Remarks: .....

SPECIALISTS IN MINERAL ENVIRONMENTS







20. STATUTORY RIGHTS OF RESCISSION

Sections 60 and 61 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

April 11, 1983

(Date)

Lorne E. Ross, Director  
& Promoter

L. E. Ross

Claude W. Dansey, Director  
& Promoter

C. W. Dansey

Maria T. Kotrly, Director

Maria T. Kotrly

CERTIFICATE OF THE AGENT:

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

April 11, 1983

(Date)

Yorkton Securities Inc.  
Per:

[Signature]