

Cariboo-Likely
093A/11

821823

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
(Development Section)

STATEMENT OF MATERIAL FACTS (#121/84)

EFFECTIVE DATE: December 3, 1984

MT. CALVERY RESOURCES LTD.,
1027, 470 Granville Street, Vancouver, British Columbia, V6C 1V5
(604) 687-1658

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

2500 - 595 Burrard Street, Vancouver, B.C. V7X 1L1

ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

GUARANTY TRUST COMPANY OF CANADA

2nd Floor, 800 West Pender Street, Vancouver, B.C., V6C 2V7

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S
SECURITIES IN BRITISH COLUMBIA

OFFERING: 400,000 Common Shares

| | <u>Estimated Price to Public</u> | <u>Estimated Brokers' Commission</u> | <u>Estimated Net Proceeds to Issuer</u> |
|------------|--|--|---|
| Per Share: | \$0.65 | \$0.04875 | \$0.60125 |
| Total: | \$260,000 | \$19,500 | \$240,500 |

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

Agents will receive warrants to buy shares and any shares so acquired are hereby qualified for sale at the market price prevailing at the time of the sale. For further details see Item 1.

AGENTS

CANARIM INVESTMENT CORPORATION
LTD.
#2200 - 609 Granville Street
Vancouver, B.C.
V7Y 1H2

OSLER, WILLS, BICKLE LIMITED
1409 - 1177 West Hastings St.,
Vancouver, B.C.
V6E 2K3

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.

1. PLAN OF DISTRIBUTION

Offering

The Issuer by its Agents hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 400,000 common shares of the Issuer (the "Shares"). The Offering will take place on a day (the "Offering Day") not more than thirty (30) business days after the date (the "Effective Date") this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers for British Columbia (the "Superintendent").

The price of the Shares (the "Offering Price") will be agreed upon by the Issuer and the Agent provided that the Offering Price shall not be fixed at a discount of more than 10% below the average market price for the shares of the Issuer as determined by the Exchange, and shall not be less than \$0.65 per share.

The purchaser of any Shares will be required to pay regular commission rates as specified in the rules and by-laws of the Exchange.

Appointment of Agents

The Issuer, by an agreement (the "Agency Agreement") dated November 13, 1984 appointed the following as its agents (the "Agents") to offer the Shares to the public as follows:

| <u>Name of Agents</u> | <u>Participation</u> |
|--|----------------------|
| Canarim Investment Corporation Ltd. | 300,000 Shares |
| Osler Wills Bickle Limited | 100,000 Shares |

The Issuer will pay the Agents a commission of 7-1/2% of the selling price of the Shares.

The Agents have agreed to purchase from their respective portions of the Offering any of the Shares which remain unsubscribed for at the conclusion of the Offering Day and, in consideration therefor, the Issuer has agreed to allot and issue to the Agents, immediately following the Offering Day in proportion to their participation in the Offering, non-transferable share purchase warrants (the "Agents' Warrants") entitling the Agents to purchase a total of 150,000 common shares of the Issuer. The Agents may exercise any of the Agents' Warrants within one hundred and twenty (120) days after the Offering Day at a price which is at a premium over the Average Trading Price, as determined in accordance with the rules and policies of the Exchange.

The Issuer has granted the Agents a right of first refusal with respect to any further public equity financing which it may require during the twelve (12) month period following the Effective Date.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced broker-dealers, brokers and investment dealers who may or may not be offered part of the commissions or bonuses derived from this Offering.

The obligations of the Agents under the Agency Agreement may be terminated prior to the Offering Day, at the Agents' discretion, on the basis of their assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

Agents' Warrants

The Agents' Warrants will be non-transferable and will contain among other things, anti-dilution provisions and 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 the payment of stock dividends.

The Directors, Officers and other Insiders of the Issuer may purchase shares from this Offering.

There are no payments in cash, securities or other considerations being made, or to be made, to a promoter, finder or any other person in connection with the Offering.

Estimated Proceeds of the Offering

The Issuer cannot estimate with certainty the price at which the Shares will sell, but if all the Shares are sold at the minimum price of \$0.65 per Share, the Issuer will receive gross proceeds of \$260,000 which, after deduction of commissions of \$19,500, will net the Issuer \$240,500.

Additional Offering

This Statement of Material Facts also qualifies for sale to the public through the facilities of the Exchange at the market price prevailing for the shares of the Issuer at the time of the sale, for a period of one hundred and twenty (120) days from the Offering Day, any Shares purchased by the Agents pursuant to their guarantee and any of the shares of the Issuer which may be acquired by the Agents on the exercise of the Agents' Warrants. The Issuer will not receive any proceeds

from the sale of any such shares by the Agents, all of which proceeds will, in such event, accrue to the Agents.

Greater than 5% holders of the Agents:

The greater than 5% shareholders of Canarim Investment Corporation Ltd. are as follows:

Intercan Holdings Ltd.* and Michael Wayne Murphy.

*The greater than 5% shareholders of Intercan Holdings Ltd. are A.E. Turton Investments Ltd., wholly owned by Alfred E. Turton, as to 40%, The MacLachlan Investments Corporation, wholly owned by Peter M. Brown, as to 40%, Petersham Holdings Ltd., wholly owned by Brian D. Harwood, as to 15% and Channing Investments Corporation, wholly owned by Charles Channing Buckland, as to 5%.

Those persons holding an interest of not less than 5% of the capital of Osler, Wills, Bickle Limited are V.J. Len Gaudet, J. Barry Curtis, Ronald R. White, James A. Price, John E. Sharpe, Timothy H. Dunn, Michael F. Doherty and P.A. Chestnitt.

2. HOW THE NET PROCEEDS OF THE ISSUE ARE TO BE SPENT

As at September 30, 1984 the Issuer had a working capital deficiency of approximately \$29,273. The Issuer will realize \$240,500.00 after payment of commissions from the sale of the Shares if they are sold at the minimum price of \$0.65 per share. These funds will be spent, in the order of priority as follows:

| | |
|---|---------------------|
| (a) To pay the cost of this offering (estimated) | \$ 15,000.00 |
| (b) To pay accounts payable | \$ 37,738.00 |
| (c) To pay the costs of the Phase II Exploration Program to be carried out on the Cariboo-Likely Property as recommended in the attached engineering report by John Deleen, M.A., P. Eng., dated September 26, 1984 | \$150,000.00 |
| (d) Working Capital | \$ <u>37,762.00</u> |
| TOTAL | <u>\$240,500.00</u> |

Any proceeds received by the Company from the exercise of the Agents' warrants shall be added to the working capital of the Issuer.

3. MATERIAL NATURAL RESOURCE PROPERTIES

(1) Summary of Material Mining Properties

- Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.
- Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

| Group | Property Name | Issuer's Acquisition and Exploration Costs to Date (in \$) | Shares Issued to Date | Planned Expenditure from Funds Available upon Completion of the Offering |
|-------|-------------------------------|--|-----------------------|--|
| I | NIL | NIL | NIL | NIL |
| II(a) | Cariboo-Likely Property | \$426,192 | 50,000 | \$150,000 |
| (b) | CPW Property | \$ 35,526 | NIL | NIL |
| (c) | McKee Lake Gold Gold Property | \$ 25,715 | NIL | NIL |
| III | NIL | NIL | NIL | NIL |

GROUP II - PRESENTLY HELD PROPERTIES WHICH ARE CURRENTLY PRODUCING OR BEING EXPLORED, OR UPON WHICH EXPLORATION IS PLANNED WITHIN THE NEXT YEAR

1. Cariboo-Likely Property, Cariboo Mining Division, British Columbia

By an agreement dated January 30, 1984 made between the Issuer and Carolin Mines Ltd. ("Carolin"), a public company having an address at 5th Floor - 535 Howe Street, Vancouver, British Columbia, Carolin granted the Issuer an option (the "Carolin Option") to acquire a 50% right, title and interest in and to the Cariboo-Likely Property consisting of 42 mineral claims (494 units) located in the Cariboo Mining Division of British Columbia.

In order to exercise the Carolin Option the Issuer must issue to Carolin an aggregate of 200,000 shares of the Issuer and incur \$700,000 in exploration and development expenditures as follows:

(a) Share Consideration

(i) 50,000 shares on receipt of regulatory approval, which shares have been issued;

(ii) 50,000 shares on or before December 31, 1984;

(iii) 50,000 shares on or before June 30, 1985;

(iv) 50,000 shares on or before December 31, 1985.

(b) Exploration and Development Expenditures:

(i) \$300,000 to be incurred prior to December 31, 1984;

(ii) \$400,000 to be incurred prior to December 31, 1985.

The allotment and issue of additional shares pursuant to the Option is subject to the Issuer filing with the Vancouver Stock Exchange acceptable engineering reports recommending further work on the Property.

Upon earning its 50% interest in the Cariboo-Likely Property operations on the Property will be carried out jointly by the Issuer and Carolin with the Issuer being the operator. See Item 7 hereof for details of a transaction whereby Teck Corporation, a public Canadian corporation, may become the operator of the property at their election.

The Property is subject to the payment to a predecessor owner, Robert E. Mickle ("Mickle"), of cash payments of \$5,000 on or before the 1st day of October and the 1st day of April in each year prior to the Property being placed into production and thereafter is subject to the payment to Mickle of the greater of:

(a) \$10,000 per year; and

(b) a royalty as follows to a maximum of \$1,000,000:

(i) if the projected rate of production for a mill on the Property is greater than 2,000 tons per day, he shall be paid the sum of 20¢ per ton of ore milled;

(ii) if the projected rate of production is less than 2,000 tons per day but greater than 50 tons per day, then Mickle shall receive 30¢ per ton of ore milled; and

(iii) if the projected rate of production is less than 50 tons per day, then Mickle shall be paid 1% of the net smelter returns received from the sale of minerals from the property.

Pursuant to an agreement (the "Contributors' Agreement") made as of May 7, 1984 between the Issuer, certain investors (the "Investors") and Welcome North Mines Ltd., a public British Columbia corporation, as the operator (the "Operator"), the Investors agreed to incur an aggregate of \$305,000 of Canadian Exploration Expenses (as defined in the Income Tax Act of Canada), in connection with exploration work carried out on the Cariboo-Likely Property during 1984. In consideration of such expenditures, the Issuer has issued to the Investors an aggregate of 305,000 shares of the Issuer at a deemed price of \$1.00 each.

The \$305,000 provided to the Issuer by the Investors together with approximately \$88,692 of the Issuer's funds, as at September 30, 1984, were used to carry out an exploration program on the Cariboo-Likely Property during 1984. The program consisted of a geochemical survey over the entire property as well as limited mapping, trenching and geophysical surveying. This work, as outlined in the report of John Deleen, M.E., P. Eng., dated September 26, 1984 (the "Deleen Report") which is appended hereto, outlined six large areas containing anomalous values of gold as well as anomalous values of arsenic and copper.

\$150,000 of the proceeds from the issue described herein will be used by the Issuer to carry out the Phase II exploration recommendations of the Deleen Report. This program consists of carrying out a VLF-EM survey, doing fill-in geochemical soil sampling, geologic mapping, trenching and percussion drilling.

The Cariboo-Likely Property has no known ore reserves at this time.

2. CPW Claim, Cariboo Mining Division, British Columbia

By an agreement dated November 2, 1984 (the "Mariner-Whitecap Agreement") made between the Issuer and Mariner Joint Venture ("Mariner") of 981 West 17th Avenue, Vancouver, B.C. and

Whitecap Energy Inc. ("Whitecap") a private British Columbia corporation with an address at 5th Floor, 609 Granville Street, Vancouver, B.C., Mariner and Whitecap granted the Company an option (the "CPW Option") to acquire, subject to the rights described below, a 100% right, title and interest in and to the CPW mineral claim located in the Cariboo Mining Division of British Columbia (the "CPW Property").

In order to exercise the CPW Option the Issuer must make cash payments and issue shares in its capital as follows:

(a) Cash Payments to Whitecap

\$13,000 (which has been paid);

(b) Cash Payments to Mariner

- (i) \$3,000 (which has been paid)
- (ii) \$30,000 on or before March 31, 1985
- (iii) \$30,000 on or before March 31, 1986
- (iv) \$50,000 on or before March 31, 1987

(c) Share Consideration to Mariner

- (i) 25,000 shares on receipt of regulatory approval which shares have been issued;
- (ii) 25,000 shares on or before March 31, 1985;
- (iii) 25,000 shares on or before March 31, 1986;
- (iv) 25,000 shares on or before March 31, 1987.

The allotment and issue of additional shares pursuant to the CPW Option is subject to filing with the Vancouver Stock Exchange of acceptable engineering reports recommending further work on the CPW Property.

The Mariner-Whitecap Agreement provides that upon the CPW Option being exercised, Whitecap may within a 30-day period following such exercise elect to either retain a 20% working interest in the CPW Property by paying 20% of all future costs or retain a 10% net profits royalty interest in the property.

Additionally, the Mariner-Whitecap Agreement provides that upon issuance of a production notice by the Issuer, consisting of a feasibility report recommending that the CPW Property be placed into commercial production along with written notice from the Issuer of its intention to proceed to commercial production, Mariner may elect to either retain a 10% working interest in the CPW property by paying 10% of all future costs or retain a 2% net smelter return royalty interest in the CPW property. Upon delivery of such production notice the Issuer is obligated

to issue to Mariner an additional 100,000 shares. The Issuer may at its election acquire Mariner's 2% net smelter return interest, for a purchase price of \$1,500,000.

Each issuance of shares made under the Mariner-Whitecap Agreement by the Company will be subject to the Company receiving approval therefor from the Exchange, such approval being predicated upon the Exchange being provided with engineering reports acceptable to it which recommend that further work be carried out on the Property.

The Mariner Joint Venture, comprised of Dale E. Wallster, Norman W. Stacey and John P. MacMillan is at arm's-length with the Company. Whitecap is at arm's-length with the Company.

See Item 7 for details of a transaction whereby Teck Corporation, a public Canadian corporation, may become the Operator of this property. Pursuant to such transaction Teck Corporation has agreed to acquire 200,000 shares of the Issuer at a price of \$1.00 per share. The \$200,000 received from this transaction will be used by the Issuer to carry out the Phase I exploration recommendations of John Deleen in the attached engineering report, in respect of the Madre Zone located on the CPW claim. This program consists of bulldozing, trenching, and road building, sampling and a VLF-EM survey as well as 450 metres of diamond drilling and 1,100 metres of rotary drilling and is estimated to cost \$200,000.

3. McKee Lake Gold Property, Cariboo Mining Division,
Province of British Columbia

The Issuer, by letter agreement dated October 27, 1983 made with Austin McMillan of 751 Pigeon Avenue, Williams Lake, British Columbia and Lawrence R. Jones of P.O. Box 306 Horsefly, British Columbia (collectively the "Owners"), acquired an option (the "McKee Lake Option") to purchase a 100% right, title and interest in and to the McKee Lake Property, consisting of the C.G.1-9, Cruise 1 and 2, and Swamp mineral claims, located in the Cariboo Mining Division of the Province of British Columbia, subject to the reservation by the Owners of a 15% net profits royalty interest from production.

Under the agreement the McKee Lake Option will be exercised at such time as the Issuer has paid \$78,000 to the Owners on or before December 1, 1988 as follows:

- (a) \$3,000 upon execution (paid);
- (b) \$5,000 on or before December 1, 1984;

- (c) \$10,000 on or before December 1, 1985;
- (d) \$15,000 on or before December 1, 1986;
- (e) \$20,000 on or before December 1, 1987;
- (f) \$25,000 on or before December 1, 1988.

Pursuant to an agreement dated February 8, 1984 (the "Talon Option Agreement") made between the Issuer and Talon Energy Corporation ("Talon") and the Owners, the Issuer assigned to Talon the right to earn a 50% interest in and to the McKee Lake Property. Talon will earn such 50% interest by:

- (a) paying the Issuer \$10,000 (which has been paid);
- (b) advancing to the Issuer \$213,000 to be expended by the Issuer on exploration, development and payments to the Owners, as follows:
 - (i) \$28,000 by February 28, 1984 (which has been advanced;
 - (ii) \$75,000 on or before November 15, 1984 (of which \$5,000 has been advanced to date); and
 - (iii) \$110,000 on or before November 15, 1985.

At such time as Talon has earned its 50% interest, the McKee Lake Property will be explored on a joint venture basis with each of the Issuer and Talon having a 50% interest in the property.

As at the date hereof approximately \$33,000 has been expended with respect to the McKee Lake Property.

During November 1983, a soil sampling grid was established and sampled over the McKee Property and 634 samples were collected and analyzed for gold, arsenic and copper. Copper geochemical anomalies with correspondingly weak gold values were outlined. Further geochemical "fill-in" sampling was done in August, 1984, however, analysis of these samples is subject to receipt of further funds from Talon.

Talon Energy Inc. has requested an extension of time to provide the balance of funds due under the Talon Option Agreement by November 15, 1984, and the Company is presently considering such an amendment to the Talon Option Agreement.

The McKee Lake Gold Property has no known ore reserves at this time.

4. PARTICULARS OF NON-RESOURCE ASSETS

None.

5. CORPORATE INFORMATION

- (1) The Issuer was incorporated by Memorandum and Articles under the Company Act of British Columbia on March 26, 1956 under the name Jericho Mines Ltd. (N.P.L.). On April 13, 1973 the Issuer changed its name to New Jericho Development Corporation Ltd. (N.P.L.), and on March 10, 1981 changed its name to its present name.

On April 13, 1973, the Issuer consolidated its authorized and issued capital on a 5 for 1 basis, converted its shares from par value shares to shares without par value and increased its authorized capital to 5,000,000 common shares without par value.

On June 17, 1981, the Issuer consolidated its authorized and issued capital on a 4 for 1 basis, altered its memorandum to delete the maximum price of \$1.00 at which the Issuer's shares could be sold and increased its authorized capital to its present 10,000,000 common shares without par value

- (2) The authorized capital of the Issuer consists of 10,000,000 common shares without par value. There are 2,865,995 common shares issued and outstanding as at the date hereof.

All the Issuer's shares, including those offered by this Statement, are common shares. Such shares are not subject to any future call or assessment and they all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the shares and they all rank pari passu, each with the other, as to all benefits that might accrue to the holder thereof.

- (3) The Issuer has not issued any shares since the date of the latest financial statements included in this Statement except that 25,000 shares have been issued to the Mariner Joint Venture pursuant to the Mariner-Whitecap Agreement as described in Item 3 under the heading "CPW Claim, Cariboo Mining Division, British Columbia".

6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED EQUITY SHARES

(1) Directors, Officers and Promoters

| <u>Name, Address and Position</u> | <u>Chief Occupation and Employer for Previous Five Years</u> | <u>Shares Beneficially Owned</u> |
|--|--|----------------------------------|
| JOHN SEBASTIAN BROCK 6010 Gleneagles Place West Vancouver, B.C. V7V 1W2 President and Director | President, Welcome North Mines Ltd., | 117,500 free* |
| HECTOR HUGH WALLER 317 Chemainus Road R.E. #2 Ladysmith, B.C. V0R 2E0 Director | Mining Executive, Independently Employed | 93,750 escrow 20,000 free |
| JOHN LESLIE MAY 2025 Flynn Place North Vancouver, B.C. V7P 3H8 Director | President of Teck Explorations Limited | 93,750 escrow 104,350 free |
| IRENE M. WILSON 8531 Ash Street Richmond, B.C. V6Y 2S5 Secretary and Director | Corporate Secretary | 45,300 free** |

* Of these Shares, 6,000 Shares are held by John S. Brock Ltd., and 25,000 Shares are held by Catchexis Investments Ltd., both of which corporations are controlled by John S. Brock.

** Of these Shares, 15,000 shares are held by Wellgate Holdings Ltd. a corporation controlled by Irene Wilson.

Members of the Audit Committee of the Issuer are: Hector H. Waller, John L. May and John S. Brock.

(2) Relationship of Directors, Officers or Promoters of the Issuer to other Reporting Companies

| <u>Name of Director/Officer/Promoter</u> | <u>No. of Other Public Companies* of which (s)he is currently a director/officer/promoter</u> |
|--|---|
| John S. Brock, director | four |
| John L. May, director | six |
| Hector H. Waller, director | six |
| Irene M. Wilson, director | four |

*A list of the names of such public companies is available for inspection at the location and during the times specified in Item 9(5).

None of the companies referred to above were struck off the Register of Companies by the British Columbia Registrar of Companies or other similar authority during the periods that the directors/officers/promoters were directors, officers or promoters of same.

(3) Remuneration of Directors, Officers, Promoters or Insiders of the Issuer Within the Past Year

No remuneration was paid or payable by the Issuer within the past year to the directors, officers, promoters or insiders of the Issuer.

(4) Other Holders of more than 10% of the Issued Equity Shares of the Issuer

To the knowledge of the directors and senior officers of the Company, there are no persons who or corporations which beneficially own, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Issuer.

7. OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

Directors' Options

The Issuer has the following Directors' Stock Options outstanding pursuant to Option Agreements entered into between the Issuer and each of the Directors dated November 8, 1983 and expiring on November 7, 1988:

| <u>DIRECTOR</u> | <u>NUMBER OF SHARES</u> | <u>PRICE PER SHARE</u> |
|-----------------|-------------------------|------------------------|
| John S. Brock | 30,300 | 35¢ |
| Hector Waller | 30,300 | 35¢ |
| John May | 30,300 | 35¢ |

Teck Corporation Agreement

By an agreement dated November 2, 1984 (the "Teck Agreement") with Teck Corporation ("Teck"), a public Canadian corporation with an office at 1199 West Hastings Street, Vancouver, British Columbia, the Issuer has arranged, subject to regulatory approval, a private placement of 200,000 shares of the Issuer at a price of \$1.00 per share. Proceeds of the private placement, consisting of \$200,000, are intended to be used by the Issuer to carry out the Phase I exploration recommendations, in respect of the CPW claim, of John Deleen in his engineering report dated September 26, 1984, a copy of which is attached hereto.

The private placement will take place following receipt of regulatory approvals. The Teck Agreement also provides for the grant to Teck of the following share purchase options ("Teck Options"):

| <u>Shares Subject to Option</u> | <u>Price</u> | <u>Exercise Date</u> |
|---------------------------------|--------------|----------------------------------|
| 235,000 shares | \$1.50/share | any time up to March 1, 1985 |
| 165,000 shares | \$1.50/share | any time up to September 1, 1985 |
| 600,000 shares | \$2.00/share | any time up to March 1, 1986 |
| 400,000 shares | \$2.50/share | any time up to March 1, 1987 |
| 400,000 shares | \$2.50/share | any time up to September 1, 1987 |
| 400,000 shares | \$2.50/share | any time up to March 1, 1988 |
| 400,000 shares | \$2.50/share | any time up to September 1, 1988 |

| <u>Shares Subject to Option</u> | <u>Price</u> | <u>Exercise Date</u> |
|---------------------------------|-------------------------|--|
| 3,300,000 shares | \$1.00 in the aggregate | any time up to the day which is five business days following the arrangement by Teck of production financing to place all or any part of the Cariboo-Likely Property or CPW Property into commercial production. |

In order to exercise any of the Teck Options, Teck must have fully exercised all prior Teck Options granted by the Teck Agreement. Once Teck exercises the initial Teck Option and purchases 235,000 shares of the Issuer thereunder, Teck may elect at any time to become the operator for purposes of exploration and development of the Cariboo-Likely Property and the CPW Property.

The Teck Agreement also provides for the majority of the proceeds from exercise of the Teck Options to be directed by the Issuer towards exploration and development expenses on the Cariboo-Likely Property and the CPW Property with the remainder going to general working capital. Details of these commitments are as follows:

| | <u>Shares</u> | <u>Price</u> | <u>Exploration and Development Expenditures</u> | <u>Allocated to Working Capital</u> |
|------------|---------------|--------------|---|-------------------------------------|
| 1st Option | 235,000 | \$1.50 | \$ 300,000 | \$ 52,500 |
| 2nd Option | 165,000 | \$1.50 | \$ 200,000 | \$ 47,500 |
| 3rd Option | 600,000 | \$2.00 | \$1,000,000 | \$200,000 |
| 4th Option | 400,000 | \$2.50 | \$ 850,000 | \$150,000 |
| 5th Option | 400,000 | \$2.50 | \$ 850,000 | \$150,000 |
| 6th Option | 400,000 | \$2.50 | \$ 850,000 | \$150,000 |
| 7th Option | 400,000 | \$2.50 | \$ 850,000 | \$150,000 |

The Teck Agreement provides for Teck to obtain increasingly greater representation on the Board of Directors of the Issuer as the Teck Options are exercised. At the present time John May represents Teck on the four person Board of the Issuer.

Teck may appoint a further representative to the Board of the Issuer after exercising option #2 on September 1, 1985 and a further representative after exercising option #5 on September 1, 1987. The Teck Agreement also restricts the ability of the Issuer to increase the size of the Board of Directors of the Issuer or issue shares other than those shares the issuance of which the Issuer is committed to.

These restrictions and the shares which Teck may acquire by exercising the Teck Options could lead to a change of control of the Issuer with Teck becoming a controlling shareholder. For this reason management of the Issuer intends to seek shareholder approval of the transaction.

8. SECURITIES OF THE ISSUER HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

(1) Escrow Shares

375,000 shares of the Issuer are held in escrow by The Guaranty Trust Company of Canada. 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 transfer or record any tradings of the shares without the prior consent of the Superintendent of Brokers or the Vancouver Stock Exchange.

In the event the Issuer loses, abandons or fails to obtain title to all or part of the property for which it allotted the shares, the Issuer shall declare any such event to the Superintendent of Brokers and the Vancouver Stock Exchange by way of a Directors' resolution, and the holders of the shares, the trustee thereof and the Issuer have agreed that such number of the shares as the Superintendent of Brokers stipulates shall become subject to cancellation and shall be surrendered to the Issuer by way of gift for cancellation.

(2) Pooled Shares

There are no shares of the Issuer in pool.

(3) Other Securities

The 305,000 shares of the Issuer issued by way of private placement to certain investors in connection with \$305,000 of Canadian Exploration Expenses incurred by such investors on the Issuer's Cariboo-Likely property (see heading "Cariboo-Likely Property" under Item 3) are held by such investors pursuant to a one year hold period imposed by the Superintendent of Brokers expiring on May 7, 1985.

9. PARTICULARS OF ANY OTHER MATERIAL FACTS

(1) Legal Proceedings

There are no legal proceedings to which the Issuer or its properties are a party nor are there pending any such legal proceedings.

(2) Proposed Property Acquisition

There are no properties proposed to be acquired for which regulatory approval is not being sought under this Statement.

(3) Changes in Liabilities

The liabilities of the Issuer have not significantly increased or altered subsequent to the date of the financial statements included in this Statement.

(4) Other Material Facts

The only other material fact not previously disclosed herein is that the Issuer has received the approval of the Vancouver Stock Exchange for the issuance of 15,000 shares to David Heino, prospector, as a finder's fee in respect of mineral discoveries related to work conducted on the Cariboo-Likely and CPW Claims during 1984. An application for a Section 55 Determination providing for the issuance of these shares will be made in the near future.

(5) Inspection of Documents

All contracts, technical reports and lists of reporting companies referred to in this Statement may be inspected at the Issuer's registered office, #2500 - 595 Burrard Street, Vancouver, British Columbia, during normal business hours during the period of primary distribution of the securities offered hereby and for the period of thirty days thereafter.

10. STATUTORY RIGHTS OF RESCISSION

The British Columbia Securities Act provides purchasers with the right to rescind a contract for the purchase of securities where the statement of material facts and any existing amendments thereto either contain a misrepresentation or are not delivered to the purchaser before delivery of the written confirmation of sale. For further information concerning these rights, and the time limits within which they must be exercised, refer to Sections 60 and 61 of the Securities Act or consult a lawyer.

MT. CALVERY RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1983

MT. CALVERY RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1983

INDEX

| | Page |
|--|--------|
| Auditors' Report | 1 |
| Consolidated Balance Sheet | 2 |
| Consolidated Statement of Deficit | 3 |
| Consolidated Statement of Loss | 4 |
| Consolidated Statement of Deferred Costs | 5 |
| Consolidated Statement of Changes in Financial Position | 6 |
| Notes to Consolidated Financial Statements | 7 - 10 |

Goodman
Parker
& Associates

CERTIFIED GENERAL ACCOUNTANTS

SUITE 606, 470 GRANVILLE STREET
VANCOUVER, B.C. V6C 1V5
TELEPHONE (604) 669-2736

1

AUDITORS' REPORT

To the Shareholders of
Mt. Calvery Resources Ltd.

We have examined the consolidated balance sheet of Mt. Calvery Resources Ltd. as at December 31, 1983 and the consolidated statements of loss, deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1983 and the results of its operations 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.

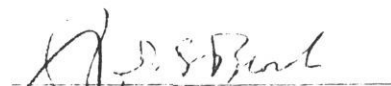
Goodman, Parker & Associates
Certified General Accountants

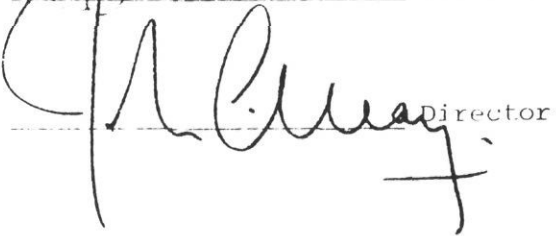
Vancouver, B.C.
March 26, 1984

MT. CALVERY RESOURCES LTD.
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31, 1983

| | <u>1983</u> | <u>1982</u> |
|--|--------------------|--------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 122,969 | \$ 11,569 |
| Accounts receivable | 10,349 | - |
| | <u>133,318</u> | <u>11,569</u> |
| MINERAL PROPERTIES (Note 3) | 47,750 | 40,000 |
| DEFERRED COSTS | 11,617 | - |
| INCORPORATION COSTS | <u>1,555</u> | <u>-</u> |
| | <u>\$ 194,240</u> | <u>\$ 51,569</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable | \$ 15,364 | \$ 17,161 |
| Due to Flexible Service & Management Limited | - | 25,560 |
| Advances from directors | 9,000 | - |
| | <u>24,364</u> | <u>42,721</u> |
| ADVANCES FROM DIRECTORS | <u>-</u> | <u>9,000</u> |
| | <u>24,364</u> | <u>51,721</u> |
| SHAREHOLDERS' EQUITY | | |
| SHARE CAPITAL (Note 4) | | |
| Common shares without par value | | |
| Authorized: 10,000,000 shares | | |
| Issued: 2,425,395 shares | 2,311,670 | 2,065,380 |
| DEFICIT | <u>(2,141,794)</u> | <u>(2,065,532)</u> |
| | <u>169,876</u> | <u>(152)</u> |
| | <u>\$ 194,240</u> | <u>\$ 51,569</u> |

APPROVED BY THE DIRECTORS:

 Director

 Director

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1983

| | <u>1983</u> | <u>1982</u> |
|--|--------------------|--------------------|
| BALANCE - BEGINNING OF YEAR | \$2,065,532 | \$2,048,768 |
| Net loss for the year | 43,471 | 16,764 |
| Exploration and development costs attributable to properties investigated | <u>32,791</u> | <u>-</u> |
| BALANCE - END OF YEAR | <u>\$2,141,794</u> | <u>\$2,065,532</u> |

See accompanying notes

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF LOSS

FOR THE YEAR ENDED DECEMBER 31, 1983

| | <u>1983</u> | <u>1982</u> |
|---------------------------|------------------|------------------|
| REVENUE | | |
| Option payment | \$ 5,000 | \$ 5,000 |
| Gas revenue - net | - | (684) |
| Interest | <u>2,870</u> | <u>358</u> |
| | <u>7,870</u> | <u>4,674</u> |
| EXPENSES | | |
| Audit | 5,125 | 975 |
| Licenses and listing fees | 3,218 | 930 |
| Office | 980 | - |
| Printing | 6,952 | 1,342 |
| Legal | 14,733 | 13,809 |
| Management fees | 2,000 | - |
| Transfer agent | <u>18,333</u> | <u>4,382</u> |
| | <u>51,341</u> | <u>21,438</u> |
| LOSS FOR THE YEAR | <u>\$ 43,471</u> | <u>\$ 16,764</u> |

See accompanying notes

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFERRED COSTS

FOR THE YEAR ENDED DECEMBER 31, 1983

| | <u>1983</u> | <u>1982</u> |
|---|------------------|-------------|
| Assays | \$ 606 | \$ - |
| Camp maintenance | 1,522 | - |
| Field supplies | 245 | - |
| Maps, printing and drafting | 2,814 | - |
| Salaries | 24,213 | - |
| Surveys | 7,000 | - |
| Sundries | 1,497 | - |
| Travel and lodgings | <u>6,511</u> | <u>-</u> |
| TOTAL EXPLORATION AND DEVELOPMENT COSTS | 44,408 | - |
| COSTS WRITTEN OFF TO DEFICIT | <u>32,791</u> | <u>-</u> |
| DEFERRED COSTS - END OF YEAR | <u>\$ 11,617</u> | <u>\$ -</u> |

See accompanying notes

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1983

| | <u>1983</u> | <u>1982</u> |
|--|------------------|-------------------|
| SOURCE OF WORKING CAPITAL | | |
| Allotment of shares - for cash | \$242,540 | \$ - |
| - for property | 3,750 | - |
| Sale of oil and gas interest | <u>-</u> | <u>15,000</u> |
| | <u>246,290</u> | <u>15,000</u> |
| USE OF WORKING CAPITAL | | |
| Loss for the year | 43,471 | 16,764 |
| Current portion of directors' advances | 9,000 | - |
| Exploration and development costs | 44,408 | - |
| Acquisition of mineral properties | 7,750 | - |
| Incorporation costs of subsidiary | <u>1,555</u> | <u>-</u> |
| | <u>106,184</u> | <u>16,764</u> |
| INCREASE (DECREASE) IN WORKING CAPITAL | 140,106 | (1,764) |
| WORKING CAPITAL (DEFICIENCY) - BEGINNING OF YEAR | <u>(31,152)</u> | <u>(29,388)</u> |
| WORKING CAPITAL (DEFICIENCY) - END OF YEAR | <u>\$108,954</u> | <u>\$(31,152)</u> |
| REPRESENTED BY: | | |
| Current Assets | \$133,318 | \$ 11,569 |
| Current Liabilities | <u>(24,364)</u> | <u>(42,721)</u> |
| | <u>\$108,954</u> | <u>\$(31,152)</u> |

See accompanying notes

MT. CALVERY RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1983

1. NATURE OF OPERATIONS

The company is in the process of exploring and developing its mineral properties but, on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the company to obtain the necessary financing to complete development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, Mt. Calvery Resources Inc., a company incorporated in the U.S.A., consolidated from October 28, 1983, the date of incorporation.

(b) Deferred Exploration and Development Costs

Exploration and development costs relating to mineral properties are deferred until such time as mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit-of-production basis or written off.

(c) Administrative Costs

All administrative costs are written off in the period they are incurred except for those administrative costs which directly relate to mineral properties. Administrative costs relating to mineral properties are deferred until such time as mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit-of-production basis or written off.

(d) Option Agreements

From time to time, the company acquires properties pursuant to the terms of option agreements. Because options are exercisable entirely at the discretion of the optionee, the amounts payable are not recorded as a liability. Option payments are recorded as mineral property costs when the payments are made.

cont'd...

MT. CALVERY RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1983

2. (e) Loss Per Common Share

Loss per common share has not been calculated as it would not be meaningful at this stage in the company's operations.

3. MINERAL PROPERTIES

| | <u>1983</u> | <u>1982</u> |
|--|------------------|------------------|
| Jericho Claims, Kamloops Mining Division, B.C. (Note 3a) | \$ 40,000 | \$ 40,000 |
| TKX Claims, Wenatchee Mining District, Washington, U.S.A. (Note 3b) | 3,750 | - |
| McKee Lake Gold Property, Cariboo Mining Division, B.C. (Note 3c) | <u>4,000</u> | <u>-</u> |
| | <u>\$ 47,750</u> | <u>\$ 40,000</u> |

- (a) The company has granted sole and exclusive possession of the Jericho claims to Highmont Mining Corp. Ltd. and Teck Corporation Ltd. in consideration of an annual payment of \$5,000 until commencing to mine ore from the claims. Upon written notice from Highmont-Teck of their intent to mine ore from Jericho claims, the company will transfer to Highmont-Teck an undivided 70% interest in these claims.
- (b) By an agreement dated May 12, 1983, the company acquired a 100% interest in the TKX property comprised of TKX 4 - 12 and TKX 30 mineral claims located in Chelan County, Wenatchee Mining District, State of Washington, from three directors and an individual for 375,000 escrow shares (93,750 shares to each vendor).
- (c) Pursuant to a letter of agreement dated October 27, 1983, the company holds the right to purchase 100% of all rights, title and interest in the McKee Lake Gold Property for \$3,000 down payment and an additional \$75,000 payable as follows:

\$ 5,000 on December 1, 1984
 10,000 on December 1, 1985
 15,000 on December 1, 1986
 20,000 on December 1, 1987
 25,000 on December 1, 1988.

cont'd...

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1983

3. MINERAL PROPERTIES (cont'd...)

In addition, the vendors of the property have rights to a 15% net profits interest from production from the property until a total of 2 million dollars has been received. If the property has not commenced production on or before December 1, 1989 the vendors shall be entitled to receive advance royalties at the rate of \$25,000 per year commencing December 1, 1989 and each December 1st thereafter until the earlier of December 1st, 2,000 or commencement of production from the property. At anytime on or before November 1, 1993 the company has a right to purchase vendors' net profits interest for one million dollars.

4. SHARE CAPITAL

The issued share capital of the company at December 31, 1983 was as follows:

| | <u>Number</u> | <u>Amount</u> |
|-----------------------------|------------------|--------------------|
| Balance - Beginning of year | 433,465 | \$2,065,380 |
| Rights offering (Note 4a) | 1,616,930 | 242,540 |
| Escrow shares (Note 3b) | <u>375,000</u> | <u>3,750</u> |
| | <u>2,425,395</u> | <u>\$2,311,670</u> |

- (a) During the year the company issued 1,616,930 shares of the company under Rights Offering entitling the shareholders to subscribe for and purchase two shares at a price of 15¢ per share.
- (b) Effective November 8, 1983, five year stock options were granted to directors and employees of the company to purchase 151,500 shares of the company at \$0.35 per share.

5. SUBSEQUENT EVENTS

- (a) Subsequent to the year end employees exercised their stock options to purchase 35,300 shares of the company at \$0.35 per share.
- (b) Subsequent to the year end the company granted an option to Talon Energy Corporation to acquire a 50% interest in the McKee Lake Gold Property for \$10,000. Under the terms of the agreement Talon is to advance \$213,000 by November, 1985 for exploration and development expenditures in order to maintain the agreement in good standing.

cont'd...

MT. CALVERY RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1983

5. (c) By an agreement dated January 30, 1984, the company has an option to acquire a 50% interest in the Cariboo-Likely Property situated in the Cariboo Mining Division, B.C. for and in consideration of the allotment and issue of 200,000 shares of the company and incurring exploration and development costs on the property totalling \$700,000 by December 31, 1985. The agreement is subject to approval by the regulatory authorities.

6. RELATED PARTY TRANSACTIONS

During the year the company paid \$2,000 management fees and reimbursed \$41,408 for exploration and development costs to a company which is a shareholder of the company and has a director in common with the company.

Other related party transactions are disclosed elsewhere in these financial statements.

MT. CALVERY RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

INDEX

| | <u>Page</u> |
|--|-------------|
| Consolidated Balance Sheet | 1 |
| Consolidated Statement of Deficit | 2 |
| Consolidated Statement of Loss | 3 |
| Consolidated Statement of Deferred Costs | 4 |
| Consolidated Statement of Changes in Financial Position | 5 |
| Notes to Consolidated Financial Statements | 6-8 |

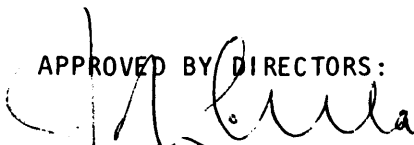
MT. CALVERY RESOURCES LTD.

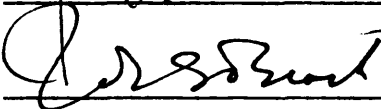
CONSOLIDATED BALANCE SHEET

SEPTEMBER 31, 1984

(Unaudited)

| | SEPTEMBER 30 1984 | DECEMBER 31, 1983 |
|---|----------------------|----------------------|
| | \$ | \$ |
| A S S E T S | | |
| CURRENT | | |
| Cash and term deposits | 5,620 | 122,969 |
| Accounts receivable | 2,845 | 10,349 |
| | <u>8,465</u> | <u>133,318</u> |
| MINERAL PROPERTIES (Note 3) | 143,956 | 47,750 |
| DEFERRED COSTS | 373,416 | 11,617 |
| INCORPORATION COSTS | 1,555 | 1,555 |
| | <u>527,392</u> | <u>194,240</u> |
| | ===== | ===== |
| L I A B I L I T I E S | | |
| CURRENT | | |
| Accounts payable | 37,738 | 15,364 |
| Advance from directors | | 9,000 |
| | <u>37,738</u> | <u>24,364</u> |
| | ===== | ===== |
| S H A R E H O L D E R S ' E Q U I T Y | | |
| CAPITAL STOCK (Note 4) | | |
| Authorized 10,000,000 Common Shares with no par value | | |
| Issued and fully paid 2,840,995 shares (1983 - 2,425,395 shares) | 2,670,380 | 2,311,670 |
| DEFICIT | 2,180,726 | 2,141,794 |
| | <u>489,654</u> | <u>169,876</u> |
| APPROVED BY DIRECTORS: | <u>527,392</u> | <u>194,240</u> |
| | ===== | ===== |


 Director


 Director

MT. CALVERY RESOURCES LTD.
 CONSOLIDATED STATEMENT OF DEFICIT
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984
 (Unaudited)

| | 9 months to September 30 1984 | 12 months to December 31 1983 |
|-------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| BALANCE - BEGINNING OF PERIOD | 2,141,794 | 2,065,532 |
| Net loss for the period | 38,932 | 43,471 |
| Deferred costs written off | | 32,791 |
| BALANCE - END OF PERIOD | 2,180,726 | 2,141,794 |
| | ===== | ===== |

MT. CALVERY RESOURCES LTD.
 CONSOLIDATED STATEMENT OF LOSS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

| | 9 months to September 30 1984 | 12 months to December 31 1983 |
|------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| REVENUE | | |
| Option payments | 15,000 | 5,000 |
| Interest | 4,365 | 2,870 |
| | <u>19,365</u> | <u>7,870</u> |
| EXPENSES | | |
| Accounting and audit | 1,307 | 5,125 |
| Bank charges and interest | 91 | |
| Donations | 500 | |
| Insurance | 1,000 | |
| Legal fees | 8,829 | 14,733 |
| Licences and taxes | | 3,218 |
| Management fees | 16,500 | 2,000 |
| Printing and reproduction | 10,031 | 6,952 |
| Stationery supplies, postage | 890 | 980 |
| Subscription and memberships | 4,034 | |
| Stock Exchange | 3,435 | |
| Telephone and telegraph | 143 | |
| Transfer agent | 11,055 | 18,333 |
| Travel and accommodation | 482 | |
| | <u>58,297</u> | <u>51,341</u> |
| LOSS FOR THE PERIOD | 38,932 | 43,471 |
| | ===== | ===== |

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFERRED COST
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

| | 9 months to September 30 1984 | 12 months to December 31 1983 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| DEFERRED COSTS DURING THE PERIOD | | |
| Assays and geochemical analysis | 81,693 | 606 |
| Camp maintenance | 8,991 | 1,522 |
| Consulting fees | 5,220 | |
| Expediting | 1,072 | |
| Field equipment and supplies | 6,243 | 245 |
| Maps, prints and drafting | 20,180 | 2,814 |
| Miscellaneous | 686 | 1,497 |
| Project management fees | 39,020 | |
| Salaries and wages | 87,177 | 24,213 |
| Surveys - geochemical, geophysical & other | 118,688 | 7,000 |
| Transportation | 15,431 | 6,511 |
| Trenching and roads | 5,398 | |
| | <u>389,799</u> | <u>44,408</u> |
| Less: Expenses recovered | 28,000 | - |
| | <u>361,799</u> | <u>44,408</u> |
| NET EXPENDITURES DURING THE PERIOD | | |
| BALANCE - BEGINNING OF PERIOD | 11,617 | - |
| | <u>373,416</u> | <u>44,408</u> |
| Less: Costs written off to deficit | | 32,791 |
| | <u>373,416</u> | <u>11,617</u> |
| BALANCE - END OF PERIOD | ===== | ===== |

MT. CALVERY RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

| | 9 months to September 30 1984 | 12 months to December 31 1983 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| SOURCE OF WORKING CAPITAL | | |
| Issue of Capital Stock | 358,710 | 246,290 |
| USE OF WORKING CAPITAL | | |
| Acquisition of mineral properties | 96,206 | 7,750 |
| Exploration and development costs | 361,799 | 44,408 |
| Loss for the period | 38,932 | 43,471 |
| Repayment of advances from directors | | 9,000 |
| Incorporation costs of subsidiary | | 1,555 |
| | 496,937 | 106,184 |
| INCREASE (DECREASE) IN WORKING CAPITAL | (138,227) | 140,106 |
| WORKING CAPITAL (DEFICIENCY) - BEGINNING OF PERIOD | 108,954 | (31,152) |
| WORKING CAPITAL (DEFICIENCY) - END OF PERIOD | (29,273) | 108,954 |
| | ===== | ===== |
| REPRESENTED BY: | | |
| Current assets | 8,465 | 133,318 |
| Current liabilities | 37,738 | 24,364 |
| WORKING CAPITAL (DEFICIENCY) - END OF PERIOD | (29,273) | 108,954 |
| | ===== | ===== |

MT. CALVERY RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984
(Unaudited)

1. NATURE OF OPERATIONS

The company is in the process of exploring and developing its mineral properties but, on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the company to obtain the necessary financing to complete development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, Mt. Calvery Resources Inc., a company incorporated in the U.S.A., consolidated from October 28, 1983, the date of incorporation.

(b) Deferred Exploration and Development Costs

Exploration and development costs relating to mineral properties are deferred until such time as mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit-of-production basis or written off.

(c) Administrative Costs

All administrative costs are written off in the period they are incurred except for those administrative costs which directly relate to mineral properties. Administrative costs relating to mineral properties are deferred until such time as mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit-of-production basis or written off.

(d) Option Agreements

From time to time, the company acquires properties pursuant to the terms of option agreements. Because options are exercisable entirely at the discretion of the optionee, the amounts payable are not recorded as a liability. Option payments are recorded as mineral property costs when the payments are made.

cont'd...

MT. CALVERY RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

2. (e) Loss per Common Share

Loss per common share has not been calculated as it would not be meaningful at this stage in the company's operations.

3. MINERAL PROPERTIES

| | <u>1984</u> | <u>1983</u> |
|---|----------------|---------------|
| | \$ | \$ |
| Jericho Claims, Kamloops Mining Division, BC | 40,000 | 40,000 |
| Lem Claim, Cariboo Mining Division BC | 960 | |
| TKX Claims, Wenatchee Mining District, Washington, USA | 3,750 | 3,750 |
| Cariboo-Likely Claims, Cariboo Mining Division, BC | 77,980 | |
| McKee Lake Gold Property, Cariboo Mining Division BC | 5,190 | 4,000 |
| CPW Claims, Cariboo Mining Division BC | 16,076 | |
| | <u>143,956</u> | <u>47,750</u> |
| | ===== | ===== |

The company owns, or is acquiring under options, mineral properties or interests therein, located in British Columbia and Washington, USA. These options do not involve firm commitments and no liability has been provided.

Certain of the company's mineral properties are subject to option agreements under the terms of which the company may relinquish interests in these properties in return for cash payments and other consideration. These options do not involve firm commitments and no receivables are recognized unless the optionee has agreed to make the option payment.

MT. CALVERY RESOURCES LTD.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1984

(Unaudited)

4. CAPITAL STOCK

| | <u>Number of Shares</u> | <u>\$</u> |
|--|-----------------------------|-----------|
| Authorized - 10,000,000 Common Shares with no par value | | |
| Issued and fully paid - | | |
| Balance - Beginning of period | | |
| Issued for cash | 2,050,395 | 2,307,920 |
| Issued for mineral properties | 375,000 | 3,750 |
| | 2,425,395 | 2,311,670 |
| | | |
| | <u>Number of Shares</u> | <u>\$</u> |
| Issued during the period | | |
| For cash | 365,600 | 326,210 |
| For mineral properties | 50,000 | 32,500 |
| | 2,840,995 | 2,670,380 |
| Balance - End of Period | ===== | ===== |

Pursuant to an agreement dated May 7, 1984, the company sold 61 CEE units which entitled the unit holder to earn 5,000 common shares in the capital of the company by incurring Canadian Exploration Expenses on certain of the company's mineral properties at the rate of one common share for every \$1.00 of CEE incurred. As at September 30, 1984, 305,000 shares had been issued for \$305,000 CEE incurred.

During the period, stock options were exercised on 60,600 shares. As at September 30, 1984, stock options on 90,900 shares are outstanding. These options, granted to certain directors and employees at a price of \$.35 per share, expire on November 7, 1988.

5. RELATED PARTY TRANSACTIONS

During the period, the company paid \$55,404 management and project management fees of which \$34,043 was paid by CEE contributors to a company which is a shareholder of the company, and has a director in common with the company.

Other related party transactions are disclosed elsewhere in these financial statements.

SUMMARY REPORT

ON THE

CARIBOO-LIKELY PROJECT

**COVERING THE EXPLORATION PROGRAM COMPLETED
DURING THE PERIOD APRIL 1 TO SEPTEMBER 15, 1984**

**CARIBOO MINING DIVISION
NTS 93A/11W, 12E
LATITUDE 52° 39'; LONGITUDE 121° 36'**

**MT. CALVERY RESOURCES LTD.
1027 - 470 GRANVILLE STREET
VANCOUVER, B.C.
V6C 1V5**

BY

JOHN DELEEN, M.E., P.ENG.

VANCOUVER, B.C.

SEPTEMBER 26, 1984

TABLE OF CONTENTS

| | PAGE |
|---|------|
| I. Summary and Conclusions | 1 |
| II. Introduction | 2 |
| III. Location and Access | 4 |
| IV. Claims and Claim Groups | 5 |
| V. Regional Geology | 7 |
| VI. Geology of the Cariboo-Likely Project Area | 7 |
| VII. Work Completed on the Cariboo-Likely Project..... | 10 |
| VIII. Description of Target Areas | 13 |
| 1. Kangaroo Creek Area | 13 |
| 2. North Grid Area | 13 |
| 3. Gold Creek Area | 14 |
| 3a) Gold Creek Zone | 14 |
| 3b) Sawmill Zone | 15 |
| 3c) Murderer Creek Zones | 15 |
| 4. Grogan-Fisher-Likely Creek Area | 16 |
| 5. Spanish Mountain Area | 17 |
| 6. Cedar Creek Area | 20 |
| IX. Recommended Exploration Program | 20 |
| X. Estimate of Expenditures | 21 |
| XI. Certificate | 22 |
| XII. Bibliography | 23 |
| XIII. Appendix A - Assay Certificate - following page ... | 23 |
| Appendix B - Claim Summary - following page | 23 |

LIST OF FIGURES
(AT END OF REPORT)

- Figure 1 Location Map
- 2 Location of Claims
- 3 Claim Map
- 4 Regional Geology
- 5 Generalized Geology of the Cariboo-Likely Project Area
- 6 Areas Investigated Prior to 1984
- 7 Compilation Map
- 8 Kangaroo Creek Target Area
- 9 North Grid and LK Prospects
- 9a LK Prospect - Plan of Trenches
- 10 Gold Creek Target Areas
- 11 Grogan-Fisher-Likely Creek Target Area
- 12 Spanish Mountain Gold Zones
- 12a Madre Zone - Preliminary Sampling
- 12b Trench Sampling Map
- 13 Cedar Creek Target Area

I. SUMMARY AND CONCLUSIONS

The Cariboo-Likely project consists of 553 claims which are held by option and Letter of Agreement. The claims are located in the historic and still active Likely Placer District of the Cariboo Mining Division in British Columbia. The claims are underlain by an assemblage of Triassic to Jurassic mafic lavas, volcanoclastic sediments, small stocks and phyllitic sediments. Prior to 1981, exploration work completed in selected areas by various companies to find lode gold mineralization had included soil geochemistry, limited diamond drilling, trenching and reconnaissance geological mapping.

The published results of the work completed by Dome mines on their QR gold deposit stimulated exploration for gold deposits in the area. In February 1981, an airborne magnetometer and EM survey was completed by Carolin Mines over the Likely Project area. This work outlined eight geophysically anomalous areas. By October 1981, four of these areas had been investigated by geochemical surveys, and anomalous gold values had been found in the four areas. The anomalous gold values were often associated with anomalous arsenic values. Carolin Mine's work outlined coincident geophysical and geochemical anomalies of impressive magnitude within geological settings similar to that of Dome Mines' nearby QR gold deposit. The QR deposit is reported to contain reserves of 2 million tons of 0.2 ounces of gold per ton, minable by open pit methods.

Mt. Calvery acquired the Cariboo-Likely Project from Carolin as well as other claim groups in the area during the spring of 1984. During the period May through September 15, Mt. Calvery Resources Ltd. had completed geochemical sampling of the entire property as well as a limited program of mapping, trenching and geophysical surveying. The work outlined six large areas

containing anomalous values of gold, often with associated induced polarization and magnetic responses, as well as anomalous values of arsenic and copper. The source of one of the major gold bearing anomalies, the Spanish Mountain Gold Zone, which was located on the recently optioned CPW claim, was sampled. This zone, the Madre, contains gold values in silicified and pyritized phyllite, sheared and silicified graphitic shale and quartz veins. The preliminary samples were taken in old road cuts and hand trenches over a length of 200 meters. The gold values from grab samples varied from trace to 1.138 ounces of gold per ton with the chip samples, over 3 meters in width, varying from trace to 0.63 ounces of gold per ton.

During the period September 1 to 15, 1984, two large backhoe trenches (Figure 12b) were completed within the Madre zone. The results of this work are encouraging as the assay results confirm the initial sampling on the Madre zone (Figure 12a). Eleven zones located in the trenches were sampled and the average of the zones ranged from 22 meters that averaged 0.080 ounces to 2 meters that averaged 0.376 ounces of gold per ton. Limited mapping and prospecting completed in the area has shown that the stratabound gold mineralization in the phyllite extends beyond the area investigated by trenching.

A program of geologic mapping, geophysical surveying, trenching and drilling is recommended for the next stage of the exploration. The estimated expenditure is \$350,000.

In the opinion of the writer, the venture described in this report is considered to be of sufficient merit to make the work recommended a worthwhile undertaking.

II. INTRODUCTION

The Cariboo-Likely Project, which covers an area of approximately 13,000 hectares, is located in the Likely Placer Mining District of British Columbia. The original 198 claim units were optioned from R.E. Mickle by Aquarius Resources Ltd. and Carolin Mines Limited in 1980. An additional 198 claim units were acquired during 1980, 1981 and 1982. Carolin Mines purchased the Aquarius interest in 1982. Mt. Calvery Resources later optioned the Carolin claims in January 1984. Mt. Calvery Resources optioned additional claim blocks in the area pursuant to the Carolin/Mickle agreement, optioned the CPW Property and acquired the right to purchase the Peso B and E claims, making a total of 553 claims units now under its control.

These claims were acquired on the premise that local bedrock gold deposits produced the District's placer gold. Added encouragement was received when an airborne magnetometer and EM survey, followed by geochemical surveys, was completed in 1981. Eight geophysical anomalies were found by the survey. Four of the geophysical anomalies were investigated by geochemical surveys and were found to contain anomalous gold values (Figure 6).

A small trenching program for assessment purposes was completed over portions of the anomalous areas in 1982. These trenches either failed to reach bedrock or exposed barren volcanic rocks. The information obtained from the program did not explain the above anomalies. No physical work was completed on the claim groups from September 1982 to May 1984.

Mt. Calvery Resources Ltd. optioned the claims of the

Cariboo-Likley Project in January 1984 and during the period April 1 to September 15, 1984, completed the following work on the claim groups;

- a) 359 kilometers of a geochemical grid completed and 7440 soil samples taken at 50 meter spacings. All of the claims in Figure 3, not investigated prior to 1984, were investigated by geochemical surveys.
- b) Completed a claim survey (topofil and compass) of all of the claims.
- c) Completed 47 pits and trenches by a backhoe, collecting 184 trench profile soil samples.
- d) Completed 70.2 km of induced polarization and magnetometer surveying in 3 areas.
- e) Geologically mapped (1:5000 scale) over half the property, and prospected and sampled all areas shown to be geochemically anomalous.

The work completed by Mr. Calvery Resources added to the information obtained by Carolin Mines in 1981 and 1982. Additional gold, arsenic and copper soil anomalies were found. The areas of interest on the claim group have been divided into the following six areas (Figure 7).

1. Kangaroo Creek - area of copper-gold anomalies in soil.
2. North Grid and LK Prospects - gold values in bedrock and soils and coincident IP anomalies.

3. Gold Creek Target Area - gold and arsenic soil anomalies and gold values in quartz veins.
4. Grogan-Fisher-Likely Creek area - gold in soil and IP anomalies.
5. Spanish Mountain - gold anomalies in soil and gold values in phyllites, shear zones and quartz veins.
6. Cedar Creek - gold, arsenic and copper anomalies in soil and gold in quartz veins.

III. LOCATION AND ACCESS

The Property is located immediately adjacent to the town of Likely, which is located on the eastern shore of Quesnel Lake (Figures 1 & 2). Most of the claims are located to the south of the Cariboo River and to the northeast of the Quesnel River (Figure 2). The Property is located in the Cariboo Mining Division of British Columbia at Latitude $52^{\circ} 39'$ and Longitude $121^{\circ} 36'$.

The area is readily accessible from Highway 97 at 150 Mile House by 75 km of all-weather gravel road to Likely (Figure 1). All-weather roads lead from Likely to Quesnel Forks, Keithly Creek and Spanish Lake through the central portion of the Property. Numerous logging roads, which vary from good two-wheel drive roads to overgrown walking paths, provide access to all parts of the Property. Logging has been extended to the east boundary of the claims located on the northern side of the Cariboo River, but present access to the Kangaroo Creek drainage is by foot or helicopter.

Elevations vary from 604 m on the Quesnel River to 1500 m on the eastern side of the claim group.

IV. CLAIMS AND CLAIM GROUPS

The Cariboo-Likely Project consists of 525 claim units which are owned by Carolin Mines subject to an underlying vendor agreement with R. Mickle (Figure 3). Mt. Calvary Resources, by way of an option agreement, has the right to acquire 50 percent interest in the claims of Carolin Mines Ltd. Four claim units of the CPW claim, the former Mariner Claims, have been optioned from The Mariner Joint Venture and Whitecap Energy Ltd. Mt. Calvary Resources Ltd., by way of an option agreement, has the right to acquire a 70 percent interest in the CPW claim. Discussions are being held with the owners of the Peso B and Peso E claims and a Letter of Agreement to purchase these claims has been completed. The total number of claim units in the Cariboo-Likely project is 553 units.

The data on the claims presently held under option or by Letter of Agreement are listed in the Claim Summary in Appendix B.

V. REGIONAL GEOLOGY

The regional geology of the Likely area is shown on Figure 4. In general, the district is underlain by a series of volcanic and sedimentary rocks which have been partially metamorphosed to schist, greenstone and quartzite. There are few areas of outcrop in the Likely area; consequently, detailed geologic mapping has not been completed on the property. In the Moorehead-Likely area (Figure 5) the District Geology Map, compiled from GSC Map 920, BCDM Map 20 and Bailey et al, outlines the distribution of the major lithologic assemblages underlying the claim group. Stratigraphically, the units underlying the claims can be divided into a series

of calcareous argillites, sandstones and conglomerates of Upper Triassic age. Overlying this sedimentary sequence are a series of seven Jurassic units. The lower units are basaltic flows and breccias. The intermediate units are limestones, mudstones, greywackes and conglomerates. The upper unit is maroon coloured basaltic flows and breccias. This sequence has been intruded by stocks and sills of monzonite and syenite.

The gold mineralization of Dome's QR deposit is reported to occur with pyrite in the contact zone between sediments and basaltic volcanic rocks near the margins of an intrusive. The copper-gold mineralization on the Cariboo Bell claims occurs within intrusive rocks. While there are a few areas of outcrop on the claims of the Cariboo-Likely project, the gold mineralization found to date, in the Spanish Mountain area, occurs in quartz veins and with pyrite in phyllites.

VI. GEOLOGY OF THE CARIBOO-LIKELY PROJECT AREA

The following notes on the geology of Cariboo-Likely claims were completed by R. Hrkac in 1981 (see reference in bibliography).

"Rocks on the claim group include a series of sediments and metamorphic rocks: argillites, phyllites, quartzites, slates, schists and greenstones. These rocks are generally exposed on the margins of the Property in steep sided valleys.

The main rock unit on the Property is a volcanic series of andesitic and basaltic flows, agglomerates and tuffs. The volcanic sequence has been intruded by small dykes and sills of diorite, syenite and rhyolite. The outcrops of the basalt and andesite were found to contain pyrrhotite and pyrite. Some gold values were obtained in quartz veins in the rhyolite dykes."

JUNE, DUG, EASY, 4,6,7 MINERAL CLAIMS

The June, Dug, Easy 4, 6 and 7 mineral claims, located in the west-central portion of the claim group, are underlain by olivine-augite basalts and agglomerates (Figure 6). The volcanics are cut by northeast-trending rhyolite dykes. Anomalous gold values are related to the dykes and their contained quartz veinlets. However, to date, no significant portion of the dykes has proven to be economic.

The basalts are dark green, fine to medium-grained, and at time porphyritic, containing tabular augite phenocrysts. Calcite amygdulès and fine calcite veinlets are common. Finely disseminated pyrite is present in amounts less than one percent. The agglomerates, with fragments up to 8 x 10 cm, are composed of the basalts described above. When tested with HCL, a moderate to strong reaction occurs in both the basalts and the agglomerates.

On the EASY 4 and June (Figure 6) mineral claims, the basalts contain epidote alteration as patches, veinlets and replacement of augite. Here calcite veinlets are more numerous, and up to two cm in thickness. Despite the increase in alteration, pyrite remains a minor constituent.

The basalts are intruded by vertical to steeply-dipping rhyolite dykes striking from N25E to N80E. Most are one to two metres wide. On the EASY 7 (Figure 6) claim the attitude of a dyke was N85W/75S while on the JUNE claim, opposite Kangaroo Creek, a rhyolite dyke, was noted to have an attitude of N70W/90.

The rhyolite is pale, grey-green, fine-grained and contains

white and clear quartz grains and green feldspar. It weathers to a prominent rusty-orange colour that penetrates one to three cm into the rock, both at surface and along joints and fractures. Approximately one percent pyrite is present as cubes and fine disseminated grains. Quartz veinlets having a width of from one to five millimetres are common. While most of the veins are vertical and strike at right angles to the strike of the dykes, a few veins have a random orientation. The weathered surfaces of the rhyolite reacts with HCl, however, there is little or no reaction with HCl on the fresh surface of the rhyolite. The basalts adjacent to the dykes are altered to a medium green, fine-grained rock.

Intermittent exposures of andesite occur along the Keithley Creek road from Likely Gulch to the north end of Poquette Lake. The andesite is medium green, fine to medium-grained with minor epidote and calcite alteration and little or no reaction with HCl. It contains less than one percent finely, disseminated pyrite.

South of Gold Creek, (Figure 6) the andesite is cut by rhyolite dykes that have an average width of one meter. The dykes strike northeasterly, and have vertical to steep southeasterly dips. They are identical to the rhyolites previously described.

A major fault zone is well exposed along the Spanish Lake Road south of Gold Creek, near the mouth of Gold Creek and along a road cut north of Gold Creek and west of Poquette Creek. Within the fault, the andesite and rhyolite flows are sheared into haphazard blocks, and numerous rust-coloured earthy gouge zones occur from several mm to 0.5 metres wide. They are commonly occupied by quartz veinlets up to several centimetres in width.

At Gold Creek, the fault has cut a zone consisting of rhyolite with some andesite, and contains a series of vertical, east-west shears one to seven centimetres in width which contain reddish, earthy gouge flanking quartz veinlets. Channel samples taken by R.H. Beaton in 1979, Godfrey in 1980, and Mt. Calvery Resources 1984 and Asarco 1984 has shown that gold values occur in the gouge zones, quartz veins and rhyolite.

VII. WORK COMPLETED ON THE CARIBOO-LIKELY PROJECT

In order to define target areas on the claims of the Cariboo-Likely Project, an airborne magnetometer and EM survey was completed by Carolin Mines and Aquarius Resources in February, 1981 and eight geophysical anomalies (Figure 6) were identified as priority targets as follows:

1. T-1 : EM Anomaly on JUN 9 Claim
2. T-2 : EM Anomaly on Easy 6 Claim
3. T-3 : EM Anomaly on Easy 1 Claim
4. T-4 : Magnetic and EM Anomaly on Easy 5, Easy 3 and JUN 10 Claims
5. T-5 : Magnetic Anomaly on Easy 4 and Easy 1 claims
6. T-6 : Magnetic Anomaly on June, Dug and Rose 3 claims
7. T-7 : Magnetic Anomaly on Jul 1 Claim
8. T-8 : Magnetic Anomaly on JUN 9 and Dug claims

Four of these geophysical anomalies, T-2, T-4, T-5 and T-6 were investigated by geochemical surveys completed in 1981. All of these anomalies were found to contain anomalous gold values.

With the exception of the areas investigated by Carolin Mines in 1981 and 1982, the geochemical survey completed by Mt.

Calvery Resources covered the entire group of claims. Six large areas containing anomalous values of precious metals, often with anomalous values of copper and/or arsenic were outlined (Figure 7). The parameters used for the contouring of the geochemical samples were those used in 1981. The same assayer and system of sample preparation and assaying was used in 1984. Approximately 2500 soil samples were taken prior to 1984 and approximately 7500 soil samples were taken in 1984 for a total of 10,000 soil samples. The histograms of the data were included in the writer's report dated March 17, 1984. The assay distribution parameters are included in Table I.

TABLE I

ASSAY DISTRIBUTION PARAMETERS

| ELEMENT | MEAN | | RANGE | THRESHOLD |
|----------------|-------------|-----|------------------|------------------|
| GOLD | 40.05 ppb | 5 | ppb - 89,000 ppb | 40 ppb |
| SILVER | 0.25 ppm | 0.1 | ppm - 5.3 ppm | 0.6 ppm |
| ARSENIC | 46.0 ppm | 3 | ppm - 1,827 ppm | 75 ppm |
| COPPER | 48.6 ppm | 6 | ppm - 779 ppm | 85 ppm |
| ZINC | 92.5 ppm | 6 | ppm - 599 ppm | 120 ppm |
| LEAD | 11.1 ppm | 1 | ppm - 155 ppm | 16 ppm |
| COBALT | 19 ppm | 2 | ppm - 104 ppm | 35 ppm |
| NICKEL | 30.5 ppm | 5 | ppm - 132 ppm | 50 ppm |

In 1984 the soil samples were assayed for gold, arsenic, copper and silver.

The results of the geochemical survey for gold had a pattern expected for gold mineralization as follows:

1. high gold and arsenic values are not always coincident. (1981 and 1984 surveys).
2. the copper in general appears to be related to the gold mineralization. (1981 and 1984 surveys).

The results of the geochemical surveys are plotted on Figures 8 to 13.

Induced polarization and magnetometer surveys, Figures 9 and 11, and backhoe trenching Figures 9, 9a, 10 and 12b were also completed on the claims of the Cariboo-Likely Project.

The work on the Cariboo-Likely Project was completed during the period April 1 to September 5, 1984. Expenditures, as documented by Mt. Calvary Resources Ltd., to August 31, 1984 were \$380,241. The expenditures for a small program of trenching and sampling completed during the period of September 8 to 15 is expected to cost approximately \$15,800 making the total expenditures to September 30, 1984, approximately \$400,000.

VIII. DESCRIPTION OF TARGET AREAS

The locations of six targets are noted on Figure 7.

1) Kangaroo Creek Target Area (Figures 6, 7 & 8)

A reconnaissance grid geochemical survey (Figure 8), completed on the property north of the Cariboo River, in 1984 outlined eleven areas containing anomalous gold values in excess of 40 ppb and four areas containing anomalous gold values in excess of 200 ppb. A major copper anomaly, with coincident gold anomalies, was located just west of Kangaroo Creek. The copper anomaly has a length of approximately 700 metres and a width of approximately 200 meters. The general trend of the ice movement and the anomalies is N45°W. However, the copper anomaly has a N25°W trend and consequently it is thought to be due to the weathering of a bedrock source. The airborne EM survey completed in 1981 did not locate an anomaly over the area of anomalous copper (Figure 6). The T1 EM anomaly (Figures 6 & 8) found in 1981 appears to be located near a geochemical gold anomaly. There was no geochemical anomaly located over the T8 magnetic anomaly. No fieldwork, other than the collecting of the soil samples, has been completed in the Kangaroo Creek area. This area is one of difficult access at the present time and the field camp will have to be supported by helicopter.

A program of fill-in geochemical sampling, geological mapping, geophysical surveying and prospecting will be required to complete the initial investigation of the anomalous areas in the Kangaroo Creek Area.

2) North Grid Target Areas (Figure 6, 7, 9 & 9a)

The lines of the 1981 North Grid (Figure 6) were extended to

the margins of the claims. The anomalies found by geochemical and IP surveys are illustrated on Figure 9. An area of 5400 by 270 metres contains 34 gold-bearing anomalies. Coincident IP anomalies are located on 2 of these anomalies. One IP anomaly does not have a coincidental gold anomaly. Some backhoe trenching was completed, however, only 3 of the trenches (Figures 9 and 9a) reached bedrock. The 3 bedrock trenches contained anomalous gold values in a highly altered east-west trending shear zone in a basaltic bedrock.

The T6 magnetic anomaly (Figure 6) appears to be located on a dioritic intrusion located in the central part of Figure 9.

Further exploration work recommended on the North Grid target area is a VLF-EM survey followed by drilling program. Fences of drill holes to test the bedrock (airtrack or rotary drill) will be required to properly evaluate the anomalous areas.

3) Gold Creek Target Areas (Figures 7 and 10)

Three zones of interest on Figure 10 are the Gold Creek zone, the Sawmill zone and the Murderer Creek zone as follows:

3a) GOLD CREEK ZONE

The Gold Creek Zone is located at the intersection of east-west and north-south trending shear zones which contain quartz veins. The rocks of the Gold Creek zone are silicified tuffs and volcanoclastics. Samples taken by Mt. Calvery Resources returned an average of 0.13 ounces of gold per ton across a width of 9.0 meters on the east-west shear zone. An 8.0 meter sample was taken across

the north-south shear zone. It returned an assay of 0.067 ounces of gold per ton. This zone was partially drilled by Silver Standard Mines in 1978. Their drilling failed to obtain the gold values obtained on the surface.

A series of 10 drill holes is recommended to test the Gold Creek Zone.

3b) SAWMILL ZONE

This zone is located 800 meters north and 200 meters east of the Gold Creek outcrop. The Sawmill Zone is a poorly defined area that contains non-coincidental arsenic and gold soil anomalies (Figure 10). The arsenic anomaly defines the northern contact of the diorite stock with the volcanic and sedimentary rocks. An IP anomaly located in the area appears to outline a zone of weakly pyritized argillites. Seven backhoe trenches were completed on this zone and 2 of the trenches contained anomalous gold values that increased with depth. One trench contained 5 ppb at the surface and increased to 245 ppb gold at bedrock. The second trench contained 288 ppb at the surface and 1942 ppb gold at bedrock. This area appears to have geologic setting similar to the QR deposit located 12 kilometers to the northwest.

A program of geophysical surveying (VLF-EM), trenching and drilling is warranted at the Sawmill Zone.

3c) MURDERER CREEK ZONES

The three zones of anomalous gold and/or arsenic in the Murderer Creek area are indicated on Figure 10.

The Murderer Creek anomaly, Zone No. 1, (Figure 10) was investigated by three bedrock trenches which exposed altered rocks. All of the trenches indicated an increase in arsenic and gold with depth. The gold increased from 5 to 100 ppb and the arsenic from 244 to 544 ppm. The bedrock samples contained 15-90 ppb gold and 30 to 300 ppm arsenic.

On Murderer Creek anomaly No. 2, six trenches were completed and only one trench reached bedrock. The bedrock samples of this trench contained background values of gold.

On Murderer Creek anomaly No. 3, the gold values in the soil varied from 90 to 340 ppb and the arsenic from 1427 to 1827 ppm. No trenching was completed on this zone.

No gold bearing anomaly was found on the T5 magnetic anomaly outlined in the 1981 airborne survey.

The anomalies of the Murderer Creek area (Figure 10) may indicate a mineralized contact zone located between the sedimentary and volcanic rocks and dipping to the west or a steep mineralized structure.

A VLF-EM survey is recommended to determine the possible strike and dip of stratigraphy or structures hosting the Murderer Creek mineralization. The survey would be followed by fences of drill holes.

4) GROGAN-FISHER-LIKELY CREEKS AREA (Figure 7 and 11)

Ten gold bearing anomalies and one large IP anomaly are

located in this area. The IP anomaly is thought to represent an area of pyritized argillites. All of the gold bearing anomalies warrant further exploration.

A VLF-EM survey, using the established grid lines, is recommended for the first step in the exploration. A drilling program would be required, after the survey is completed, in order to complete the investigation of the anomalies on Figure 11.

5) Spanish Mountain Gold Zones (Figures 7, 12a and 12b)

The gold bearing northwest trending anomalies on this sheet cover an area of 4500 by 2000 meters. The source of the anomalies appears to be northwest trending gold-bearing sheared and altered phyllitic shales and siltstones located on the CPW claim (Figure 12). Preliminary rock samples were taken in old and new hand trenches over a 200 metre length along an old road on the CPW claim (Figure 12a). The assay results indicated that the gold bearing host rock was a pyritized phyllite containing small quartz veins. The assays of the preliminary samples taken by Mt. Calvery Resources Ltd. from the gold bearing zones (the Madre Zone) are shown on Figure 12a. Some check samples were taken by the writer. These samples checked, within limits, the results of the samples taken by Mt. Calvery Resources as follows:

| Sample No. | Width | Oz Au/T | |
|------------|--------|------------------------|----------------------|
| | | Results by Mt. Calvary | Results by J. Deleen |
| 5593 | 1.28 M | 0.147 | 0.008 |
| 5595 | 3.0 M | 0.063 | 0.062 |
| 5597 | 1.28 M | 0.107 | 0.089 |
| 5598 | 1.28 M | 0.086 | 0.275 |
| 5599 | 1.28 M | 0.141 | 0.039 |
| 5600 | 1.2 M | 0.013 | 0.009 |
| 6401 | 1.2 M | 0.497 | 0.126 |
| | | 0.151 | 0.087 |

A trenching program was completed during the week of September 8 to 15, 1984 in the area of Figure 12a (See Figure 12b).

The north trench was 85 meters and the south trench 150 meters in length. Two hundred and ten-one meter channel samples and three one meter square panel samples were taken. The gold bearing intercepts obtained by the sampling (Figure 12b) are as follows:

| NORTH TRENCH | Length (Meters) | Average Gold in Oz/T |
|--------------|------------------------|----------------------|
| | 8.0 | 0.058 |
| | 22.0 | 0.080 |
| | 11.0 (in 22.0m sample) | 0.143 |
| | 2.0 | 0.376 |

SOUTH TRENCH

| | |
|------------------------|-------|
| 4.0 | 0.085 |
| 3.0 | 0.070 |
| 14.0 | 0.050 |
| 7.0 | 0.067 |
| 4.0 (in 7.0 m sample) | 0.094 |
| 3.0 | 0.031 |
| 3.0 | 0.178 |
| 15.0 | 0.095 |
| 4.0 (in 15.0 m sample) | 0.199 |
| 6.0 (in 15.0 m sample) | 0.087 |

The extent of the gold bearing sedimentary sequence exposed in the north and south trenches is unknown. Prospecting and panning of crushed rock samples completed in the area of the trenches has indicated that the gold bearing sediments extend beyond the limits of the trenched area.

In reviewing the extraordinary length of the gold bearing anomalies (in excess of 4 kilometers) it is believed that there is more than one source for the gold anomaly. If the source of the gold is the Madre Zone (Figures 12a and 12b) and the direction of the ice movement was to the northwest, then the anomalies should die out towards the northwest. However, this is not the case as anomalous areas containing in excess of 400 ppb gold were found 4 kilometers northwest of the Madre zone - suggesting several sources for the gold.

The work recommended is trenching, detailed geologic mapping, VLF-EM surveying and drilling.

6. Cedar Creek Target Area (Figures 7 and 13)

The Cedar Creek target area contains gold, arsenic and copper anomalies over an area of 3200 by 1100 meters. The area is covered by an extensive mantle of overburden. Trenches located on the northern and southern sides of the Cedar Creek contain large arsenopyrite bearing quartz veins carrying low gold and silver values. The T7 magnetic anomaly (Figure 6) found in 1981 appears to be located near the northern end of a plus 40 ppb gold anomaly.

The work recommended for the Cedar Creek Area is a VLF-EM survey followed by a percussion drilling program.

IX. RECOMMENDED EXPLORATION PROGRAM

In summary, the work completed by Mt. Calvary Resources has found new areas and has extended the known areas containing anomalous gold values. The exploration work has located the apparent source of some of the gold bearing anomalies originating in the Spanish Mountain area. The large size and intensity of the gold and arsenic geochemical anomalies and the attractive gold values obtained from the Madre and Gold Creek Zones warrant a major program of exploration.

A program of VLF-EM surveys, fill-in geochemical soil sampling, geologic mapping, trenching and percussion drilling is recommended on the claims of the Cariboo-Likely Project. The estimated expenditure for this phase of exploration is \$350,000, staged in Phase I for \$200,000 and in Phase II for \$150,000.

ESTIMATE OF EXPENDITURES**PHASE I****Madre Zone, CPW Claim - (November/December 1984)**

| | |
|---|-----------|
| 1. Bulldozer, trenching, road building | \$ 13,500 |
| 2. Sampling, assaying, shipping | 13,500 |
| 3. Diamond Drilling - 450 m @ \$60/m | 30,000 |
| 4. Rotary Drilling - 1100 m @ \$33/m | 40,000 |
| 5. Drill Core/Cuttings, Assaying & Shipping | 17,000 |
| 6. Grid establishment, 11.0 km | 2,500 |
| 7. VLF-EM Survey, 11.0 km | 2,500 |
| 8. Wages, 2 geologists, 2 assistants | 32,000 |
| 9. Room & Board, 4 men, 6 weeks | 5,000 |
| 10. Communications | 1,000 |
| 11. Transportation - 2 - 4 x 4 rentals | 3,000 |
| 12. Drafting, report preparation | 10,000 |
| 13. Management Fees @ 10% | 17,000 |
| 14. Contingencies | 13,000 |

\$200,000
=====

PHASE II**Cariboo-Likely Project - (May, June, July 1985)**

| | |
|---|----------|
| 1. Excavation trenching, 100 hours @ \$90/hr | \$ 9,000 |
| 2. VLF-EM Survey, 100 km @ \$75/km + expenses | 10,000 |
| 3. Geochemical Survey fill-in 1000 samples @ \$10 | 10,000 |
| 4. Helicopter support (Kangaroo Creek) | 2,500 |
| 5. Transport - 2 - 4 x 4 rental trucks + fuel | 6,500 |
| 6. Room & Board (4 men) | 6,000 |
| 7. Wages (geologists, prospector, 2 assistants) | 33,000 |
| 8. Property payments - assessment work, options | 15,000 |
| 9. Rotary drilling - 2,000 ft. @ \$11/ft | 22,000 |
| 10. Assaying - 600 samples @ \$5/sample and 70 samples @ \$10/sample | 10,000 |
| 11. Sample shipment | 2,500 |
| 12. Field equipment, supplies | 2,000 |
| 13. Communications | 500 |
| 14. Consulting fees | 3,000 |
| 15. Drafting, report preparation | 5,000 |
| 16. Management Fees 10% | 13,000 |

\$150,000
=====

Respectfully submitted,

John Deleen
John Deleen, P.Eng.
September 26, 1984



DELEEN CONSULTING GEOLOGISTS LTD.

1024 - 470 GRANVILLE STREET
VANCOUVER, B.C. CANADA V6C 1V5

TELEPHONE (604) 685-5533

22

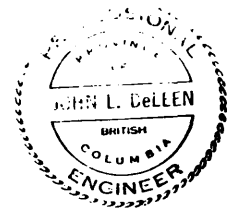
CERTIFICATE

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 1024-470 Granville Street, Vancouver, B.C. V6C 1V5
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 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 Mt. Calvary Resources Ltd., nor do I expect to receive any such interest in the future.
6. This report is based upon examination of the property in June 1981, October 1982, fieldwork in the area in 1983, a property examination on August 29, 1984, and upon the reports listed in the bibliography.

DATED at Vancouver, B.C. this 26th day of September 1984.

John L. DeLeen, P.Eng.



BIBLIOGRAPHY

BAILEY, D.G., 1975

Geology of the Morehead Lake Area, South-Central British Columbia, B.C. Dept. of Mines, Geological Fieldwork, 1975, p. 59-65.

BEATON, R.H., (1979a)

Geochemical Soil Survey, Grid 1, Easy 1 M.C., Cariboo M.D., Private Mutual Resources Ltd., 5 pp.

CAMPBELL, K.V. and CAMPBELL, R.B. 1970

Quesnel Lake Map Area, British Columbia (93a)
Geological Survey of Canada, Paper 71-1, Part A, p. 32-35.

CAMPBELL, R.B., 1961

Quesnel Lake Sheet (West Half) British Columbia
Geological Survey of Canada, Map 3-1961, Scale 1:253,440

CAMPBELL, R.B., 1978

Quesnel Lake Sheet (West and East Halves) British Columbia
Geological Survey of Canada, Open File 574, Scale 1:125,000

CAMPBELL, R.B. and TIPPER, H.W., 1970

Geology and Mineral Exploration Potential of the Quesnel Trough, British Columbia CIM Bulletin, Volume 63, p. 785-790.

COCKFIELD, W.E. and WALKER, J.F. 1932

Geology and Placer Deposits of the Quesnel Forks Area,
Geological Survey of Canada, Summary Report 1932 Part A1,
p. 76-94.

DELEEN, JOHN 1981

Recommendations for the Investigation of the Airborne Anomalies on the Likely Property, Private Report to Carolin Mines Ltd., July 27, 1981, 8pp.

DELEEN, JOHN 1982

Summary Report on the Likely Project, Private Report for Carolin Mines Ltd., June 30, 1982.

DELEEN, JOHN 1984

Summary Report on the Cariboo-Likely Project, Private Report for Mt. Calvery Mines Limited, March 17, 1984.

GODFREY, J.D., 1980

A Survey of the Mineral Prospects of the Likely District of British Columbia.

HODGSON, C.J., BAILES, R.J. AND VERZOSA, R.S. 1976

Cariboo Bell: A Porphyry Copper Deposit in an Alkalic Sub Volcanic Setting, CIM, C.S. Ney, Sec. Vol. 15, p. 3838-396.

HRKAC, R.A., 1980

The Likely Project, Geological Evaluation, Private Report for Carolin Mines Ltd., July 1980, 7 pp.

HRKAC, R.A. 1981

The Likely Project, Proposed Surface Evaluation of Airborne EM and Magnetic Anomalies, Private Report for Carolin Mines Ltd., June 1981, 19 pp.

RICHARDSON, P.W.

Geochemical Report on the Likely Project, Assessment Report, May 21, 1982.

RICHARDSON, P.W. AND SHELDRAKE, R.

Report on a Helicopter EM and Magnetometer Survey, Likely Project by Apex Airborne Surveys Ltd., May 15, 1981, Private Carolin Mines Report.

SCHMIDT, A.J.

Geochemical Assessment Report, 1984 Cariboo-Likely Project, September 1984.

WALCOTT, P.

Induced Polarization and Magnetometer Survey, 1984 Cariboo-Likely Project, August 1984.

APPENDIX A

ASSAY CERTIFICATE

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 TELEX 04-53124

DATE RECEIVED: SEPT 7 1984

DATE REPORT MAILED: *Sept 13/84*

ASSAY CERTIFICATE

- SAMPLE TYPE: ROCK CHIPS AU** AND AG** BY FIRE ASSAY

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER

DELEEN CONSULTING GEOLOGISTS

FILE # 84-2539

PAGE 1

| SAMPLE# | AG** OZ/T | AU** OZ/T |
|---------|--------------|--------------|
| 5593 | .04 | .008 |
| 5595 | .09 | .062 |
| 5597 | .08 | .089 |
| 5598 | .09 | .273 |
| 5599 | .04 | .039 |
| 5600 | .02 | .009 |
| 6401 | .07 | .126 |

APPENDIX B

CLAIM SUMMARY

MT. CALVERY RESOURCES LTD.
CLAIM SUMMARY as at: September 30, 1984

Joint Venture
 (Carolin Mines, MCY)

CARIBOO-LIKELY PROJECT

| NTS | CLAIM NAME | RECORD NUMBER | RECORDING DATE | DUE DATE | No. of UNITS/ CLAIMS | TOTAL |
|----------------|------------|---------------|----------------|----------------|----------------------------|-------|
| 93A/11 & 12 | AST | 5101 | Sept. 6, 1983 | Sept. 6, 1987* | 20 | 20 |
| | AUG 1 | 1149 | Aug. 31, 1979 | Aug. 31, 1988* | 6 | 6 |
| ** | CENTRE | 6207 | June 5, 1984 | June 5, 1985 | 4 | 4 |
| ** | DE 1 | 5624 | Dec. 14, 1983 | Dec. 14, 1984 | 1 | 1 |
| ** | DOWN | 6206 | June 5, 1984 | June 5, 1985 | 4 | 4 |
| | DUG | 999 | May 22, 1979 | May 22, 1986* | 12 | 12 |
| | DAVE FR. | 6182 | June 22, 1984 | June 22, 1988* | 1 | 1 |
| | E 2 | 4321 | May 17, 1982 | May 17, 1987* | 6 | 6 |
| | EASY 1 | 877 | Nov. 2, 1978 | Nov. 2, 1987* | 20 | |
| | 3 | 879 | Nov. 2, 1978 | Nov. 2, 1987* | 15 | |
| | 4 | 880 | Nov. 2, 1978 | Nov. 2, 1986* | 20 | |
| | 5 | 881 | Nov. 2, 1978 | Nov. 2, 1987* | 6 | |
| | 6 | 923 | Dec. 7, 1978 | Dec. 7, 1987* | 20 | |
| | 7 | 1007 | May 23, 1979 | May 23, 1987* | <u>20</u> | 101 |
| | EJL | 4592 | Nov. 25, 1982 | Nov. 25, 1988* | 2 | 2 |
| | GAP | 6302 | July 26, 1984 | July 26, 1985 | 2 | 2 |
| | HEP FR. | 6309 | June 29, 1984 | June 29, 1988* | 1 | 1 |
| | J 1 | 4406 | July 29, 1982 | July 29, 1986* | 10 | |
| | 2 | 4407 | July 29, 1982 | July 29, 1986* | <u>10</u> | 20 |
| | JUL 1 | 1852 | Aug. 8, 1980 | Aug. 8, 1987* | 9 | 9 |
| | JUN 6 | 1794 | July 7, 1980 | July 7, 1985* | 20 | |
| | 7 | 1795 | July 7, 1980 | July 7, 1985* | 20 | |
| | 8 | 1796 | July 7, 1980 | July 7, 1986* | 20 | |
| | 9 | 1797 | July 7, 1980 | July 7, 1986* | 20 | |
| | 10 | 1798 | July 7, 1980 | July 7, 1987* | 18 | |
| | 11 | 1799 | July 7, 1980 | July 7, 1986* | <u>18</u> | 116 |
| | JUNE | 1050 | June 28, 1979 | June 28, 1986* | 20 | 20 |
| | LAKE 1 | 3994 | Aug. 24, 1981 | Aug. 24, 1987 | 8 | 8 |
| | MARCH 1 | 1531 | Mar. 17, 1980 | Mar. 17, 1987* | 20 | |
| | 2 | 1532 | Mar. 17, 1980 | Mar. 17, 1987* | <u>4</u> | 24 |
| ** | MARH 3 | 5898 | Mar. 14, 1984 | Mar. 14, 1985 | 1 | 1 |
| | MARK FR. | 6183 | June 22, 1984 | June 22, 1988* | 1 | 1 |
| | NOB 1 | 5389 | Nov. 12, 1983 | Nov. 12, 1987* | 6 | 6 |
| | NOR 1 | 5386 | Nov. 12, 1983 | Nov. 12, 1987* | 1 | 1 |
| | NORE 1 | 5387 | Nov. 12, 1983 | Nov. 12, 1987* | 6 | 6 |

** Claims that overstate prior claims and will be allowed to lapse.

MT. CALVERY RESOURCES LTD.
CLAIM SUMMARY as at: September 30, 1984

Joint Venture
 (Carolin Mines, MCY)

CARIBOO-LIKELY PROJECT

| NTS | CLAIM NAME | RECORD NUMBER | RECORDING DATE | DUE DATE | No. of UNITS/ CLAIMS | TOTAL |
|------|------------|---------------|----------------|----------------|----------------------------|------------|
| NOV | 4 | 1366 | Dec. 6, 1979 | Dec. 6, 1987* | 20 | |
| | 5 | 5388 | Nov. 12, 1983 | Nov. 12, 1986* | 15 | |
| | 6 | 5390 | Nov. 12, 1983 | Nov. 12, 1986* | 20 | |
| | 7 | 5391 | Nov. 12, 1983 | Nov. 12, 1986* | <u>8</u> | 63 |
| NOVR | 1 | 5554 | Nov. 29, 1983 | Nov. 29, 1986* | 12 | |
| | 2 | 5571 | Dec. 2, 1983 | Dec. 2, 1986* | <u>8</u> | 20 |
| ** | RIDGE | 6308 | June 29, 1984 | June 29, 1985 | 16 | 16 |
| | ROSE 1 | 3993 | Aug. 24, 1981 | Aug. 24, 1986* | 2 | |
| | 2 | 3992 | Aug. 24, 1981 | Aug. 24, 1986* | 12 | |
| | 3 | 4196 | Dec. 15, 1981 | Dec. 15, 1986* | 15 | |
| | 4 FR | 4197 | Dec. 15, 1981 | Dec. 15, 1986* | <u>1</u> | 30 |
| ** | TOWN | 6205 | June 5, 1984 | June 5, 1985 | 4 | 4 |
| | TY | 1051 | June 29, 1979 | June 29, 1987* | 20 | 20 |
| | | | | | | <u>525</u> |
| | | | | | | ===== |

* Certificate of Work not yet received.

** Claims that overstate prior claims and will be allowed to lapse.

Grouping of Claims

Kangaroo Group

Jun 6
 Jun 7
 Jun 8
 Jun 9
 Rose 1
 Rose 2

Rose Group

June
 Dug
 Rose 3
 Rose 4 FR
 Novr 1
 Novr 2
 Ast 1
 Nob 1
 Nore 1

Murderer Group

Easy 4
 Easy 6
 Easy 7
 Nov 6
 Nov 7
 Marh 3

Airstrip Group

Easy 1
 E 2
 Easy 3
 Easy 5
 Ty
 EJJ
 Aug 1
 Lake 1
 Dave Fr.
 Mark Fr.
 Hep FR

Spanish Group

Nov 4
 March 1
 March 2
 Jun 10
 Jun 11
 Nov 5
 Nor 1
 Gap

Boswell Group

Jul 1
 J 1
 J 2

Ungrouped

DE 1
 Town
 Down
 Centre
 Ridge

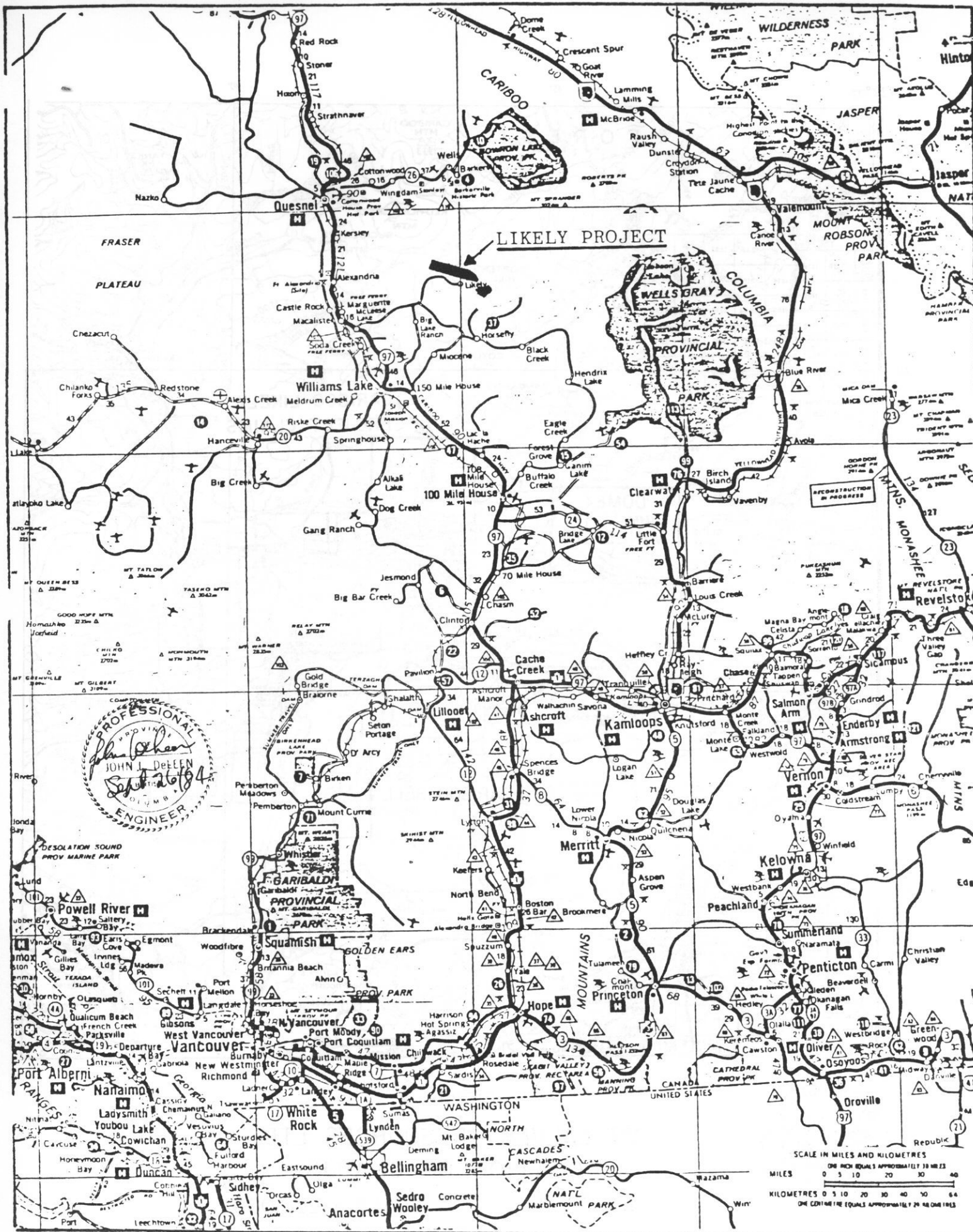
CLAIM SUMMARY
as at September 30, 1984

| Claim Name | Record No. | No. Units | Recording Date | Due Date |
|-------------------|-------------------|------------------|-----------------------|-----------------|
| CPW | 4541 | 4 | Nov. 1, 1982 | Nov. 1, 1993 |

Located in the Cariboo Mining Division, British Columbia

| Claim Name | Record No. | No. Units | Recording Date | Due Date |
|-------------------|-------------------|------------------|-----------------------|-----------------|
| Peso B | 488 | 18 | Sept. 21, 1977 | Sept. 21, 1985 |
| Peso E | 491 | 6 | Sept. 21, 1977 | Sept. 21, 1985 |

| | |
|--|--------------------------------|
| TOTAL FROM CAROLIN MINES | 525 |
| TOTAL FROM MARINER J.V. & WHITE CAP ENERGY | 4 |
| TOTAL FROM PESO B AND E | 24 |
| TOTAL | <u>553</u> Claims Units |
| | === |



LOCATION OF LIKELY PROJECT - FIGURE 1

122°00'

45'

30'

45'

52°30'

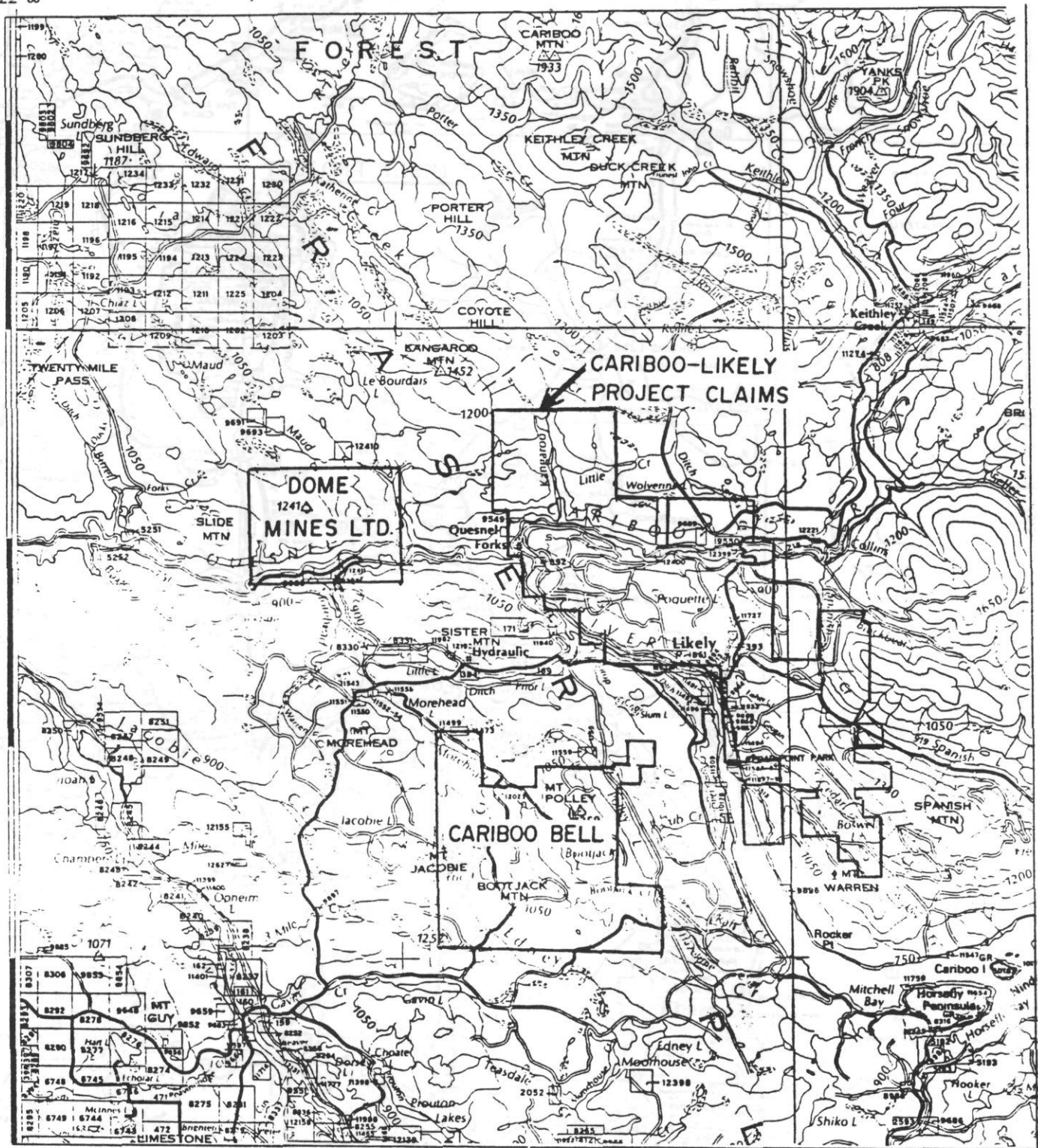


FIGURE 2

MT. CALVERY RESOURCES LTD.
LOCATION OF CLAIMS

MAP: 93A

SCALE 1: 250,000

11W & 12E



MT. CALVERY RESOURCES LTD.
 CARIBOO - LIKELY GOLD
 PROJECT
 Cariboo Mining Division B.C.

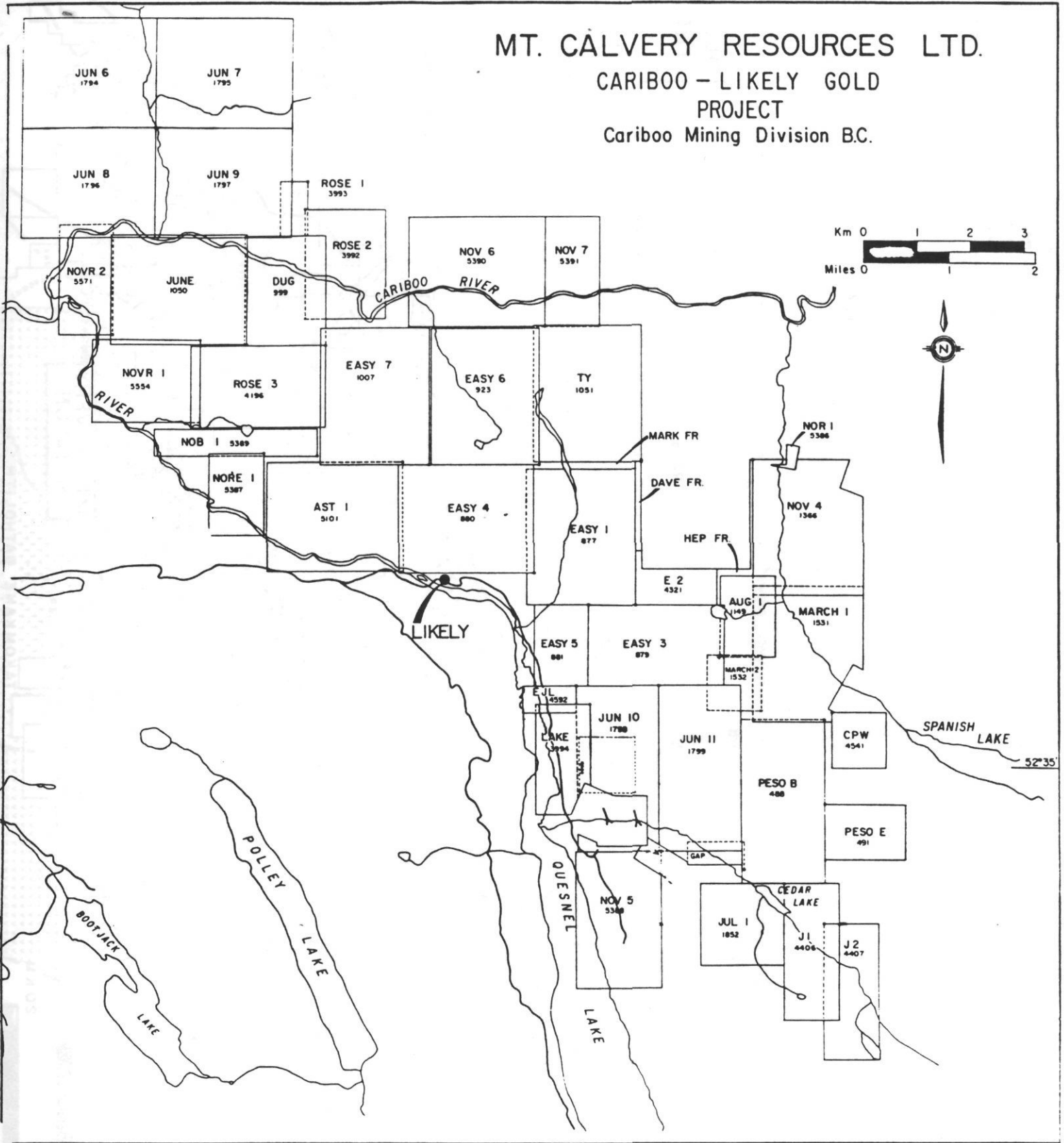






FIGURE 3
 CLAIM MAP

CARIBOO-QUESNEL GOLD BELT

FIGURE 4

REGIONAL GEOLOGY

MT. CALVERY RESOURCES and CAROLIN MINES

-  PLACER GOLD
-  GOLD SOIL ANOMALY
-  GOLD MINERALIZATION
-  PORPHYRY COPPER GOLD MINERALIZATION

JURASSIC

-  SYENITE, DIORITE, SUB-VOLCANICS
-  BASALT, ANDESITE, ARGILLITE

U. TRIASSIC

-  METASEDIMENTS / METAVOLCANICS

QUESNEL
TROUGH

GEOLOGY AFTER GSC OF 574

Revised FEB 1984

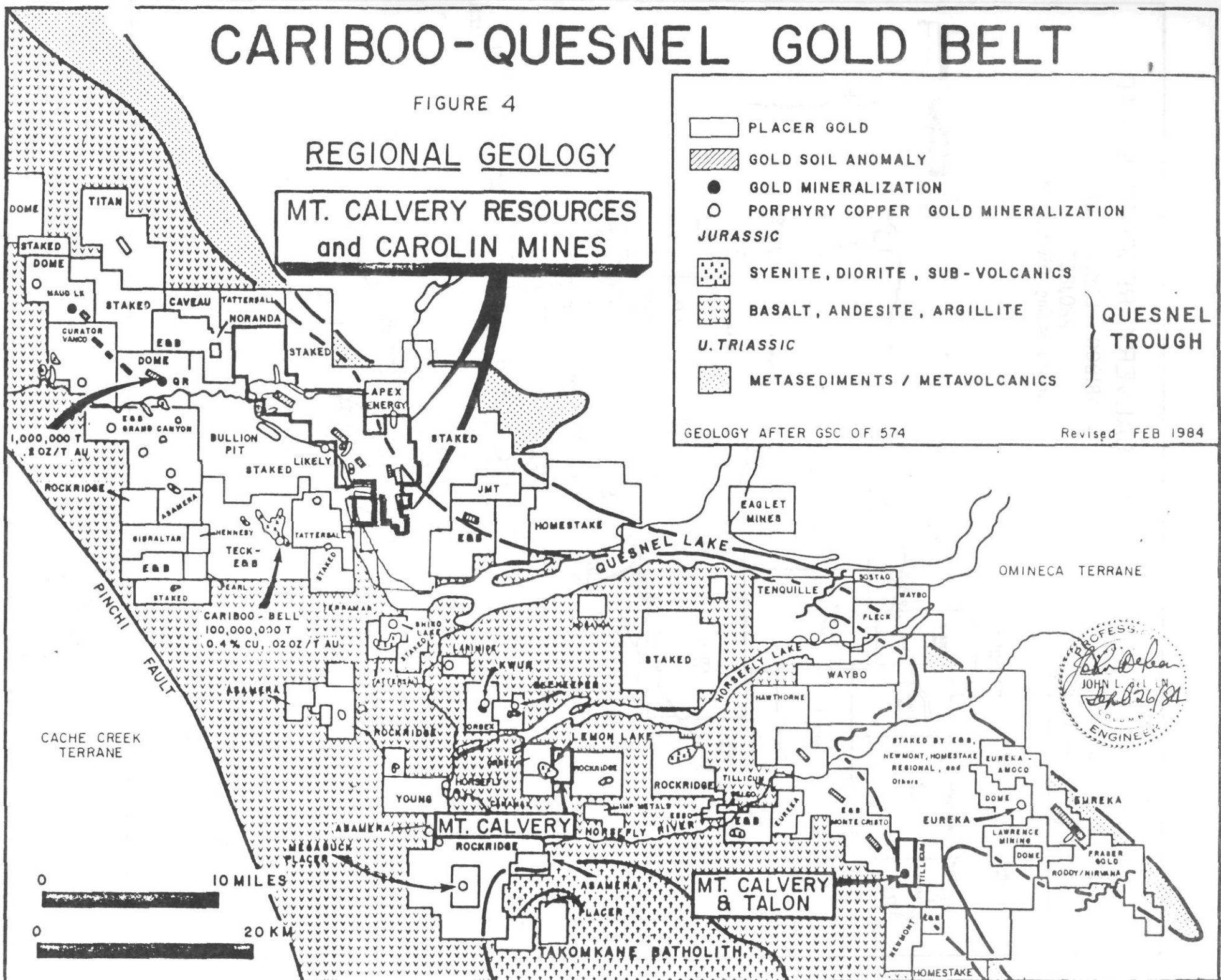
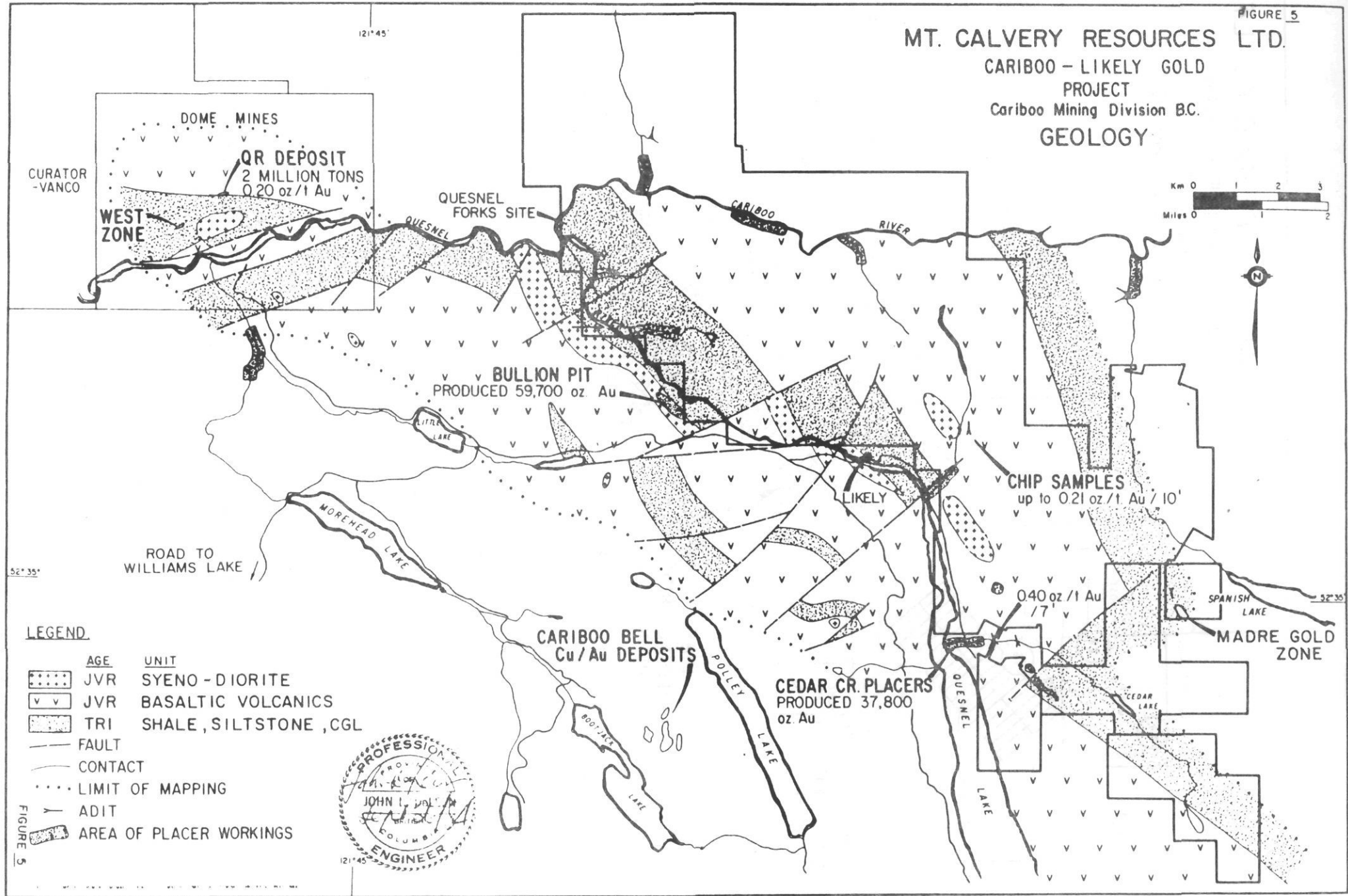


Figure 4

MT. CALVERY RESOURCES LTD. CARIBOO - LIKELY GOLD PROJECT Cariboo Mining Division BC. GEOLOGY

121° 45'



CURATOR
-VANCO

DOMES MINES

QR DEPOSIT
2 MILLION TONS
0.20 oz / 1 Au

WEST ZONE

QUESNEL FORKS SITE

CARIBOO RIVER

BULLION PIT
PRODUCED 59,700 oz Au

LITTLE LAKE

ROAD TO WILLIAMS LAKE

MOREHEAD LAKE

LIKELY

CHIP SAMPLES
up to 0.21 oz / 1 Au / 10'

0.40 oz / 1 Au / 17'

SPANISH LAKE

MADRE GOLD ZONE

CARIBOO BELL
Cu / Au DEPOSITS

CEDAR CR. PLACERS
PRODUCED 37,800
oz Au

QUESNEL LAKE

CEDAR LAKE

LEGEND

- | AGE | UNIT |
|-----|---------------------------|
| | JVR SYENO - DIORITE |
| | JVR BASALTIC VOLCANICS |
| | TRI SHALE, SILTSTONE, CGL |
| | FAULT |
| | CONTACT |
| | LIMIT OF MAPPING |
| | ADIT |
| | AREA OF PLACER WORKINGS |



121° 45'

52° 35'

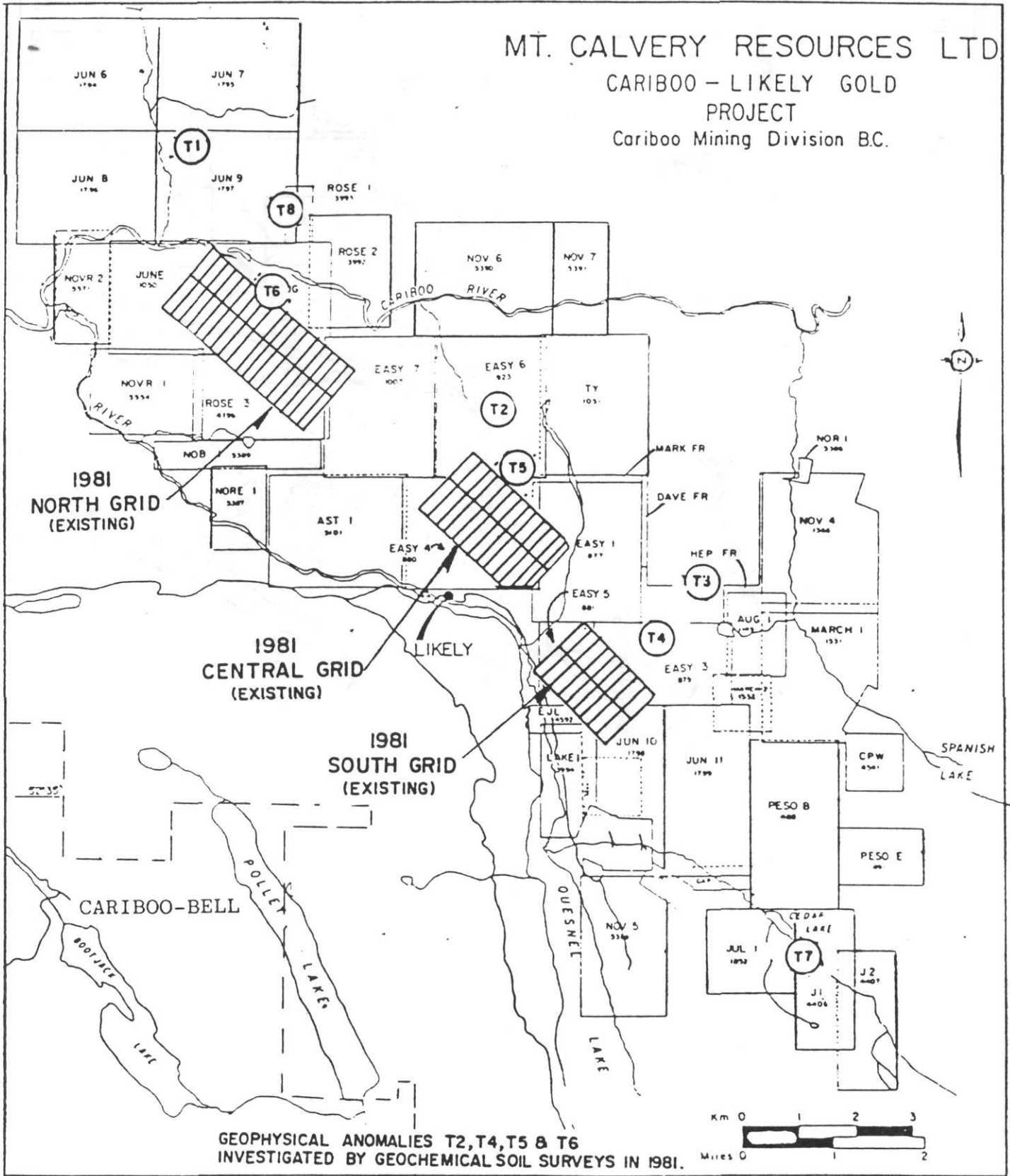
52° 35'

FIGURE 5

MT. CALVERY RESOURCES LTD

CARIBOO - LIKELY GOLD PROJECT

Cariboo Mining Division B.C.

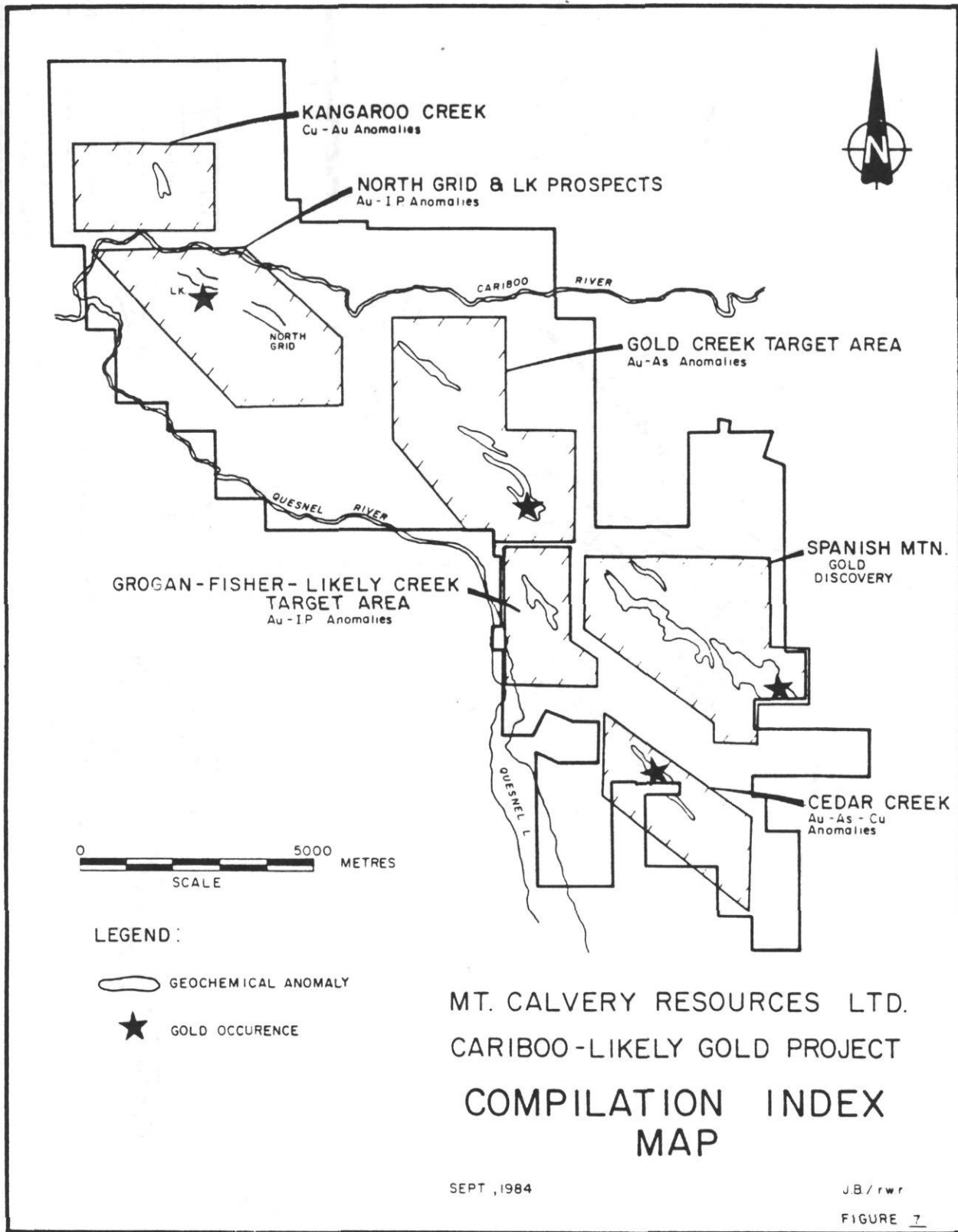


GEOPHYSICAL ANOMALIES T2, T4, T5 & T6
INVESTIGATED BY GEOCHEMICAL SOIL SURVEYS IN 1981.



FIGURE 6

GRID AREAS INVESTIGATED AND
AIRBORNE ANOMALIES FOUND IN 1981



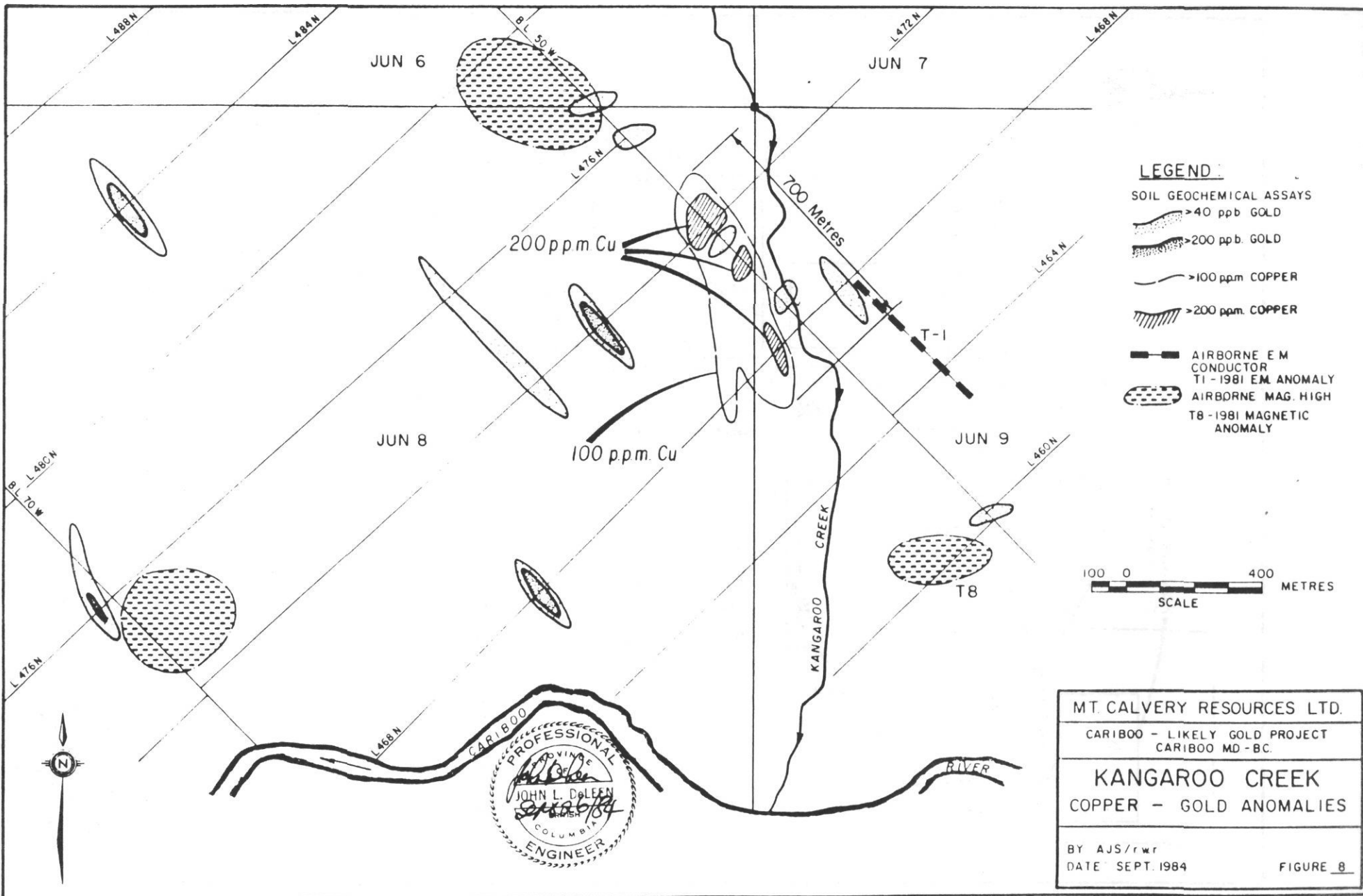


Figure 8

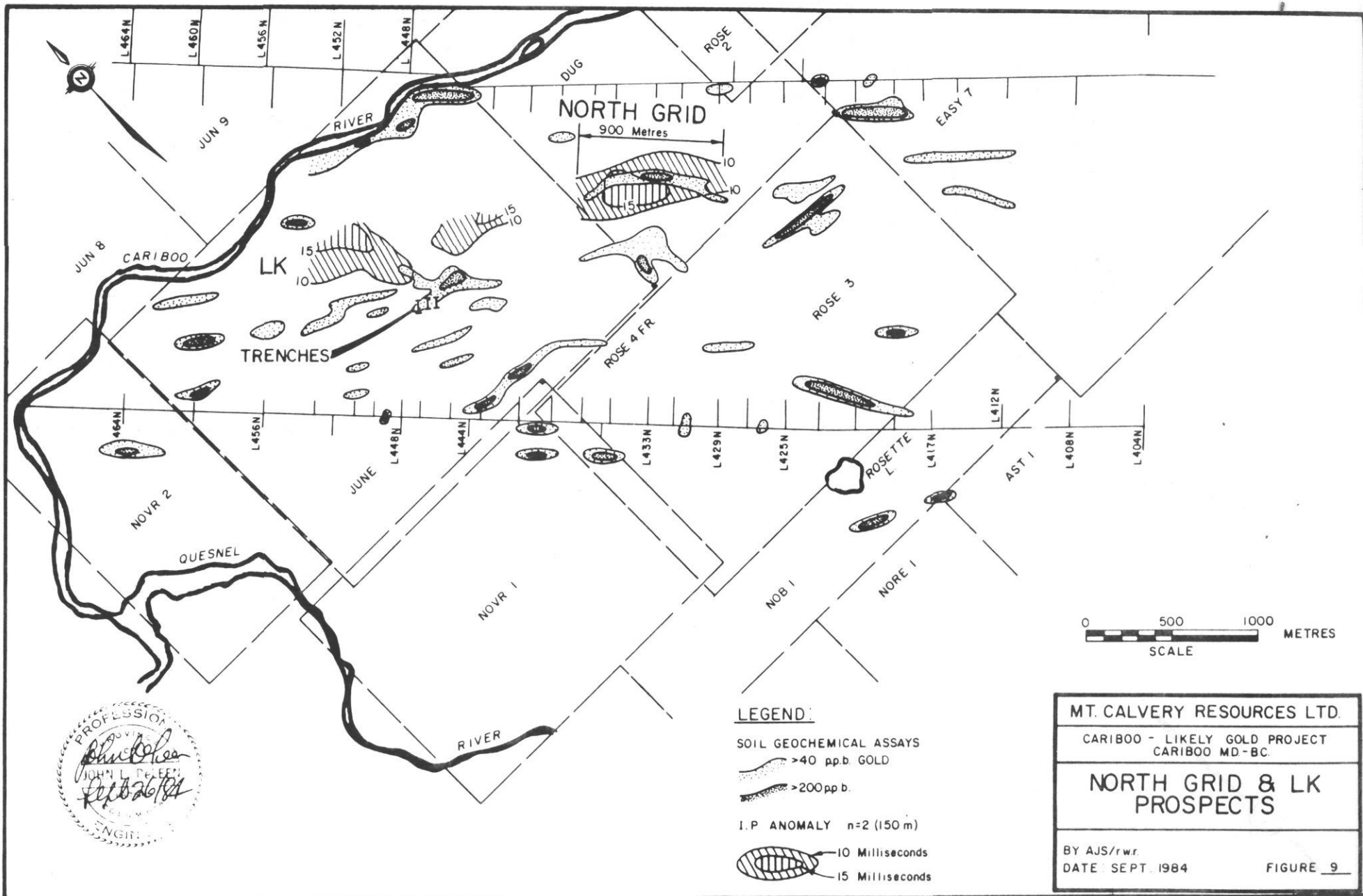
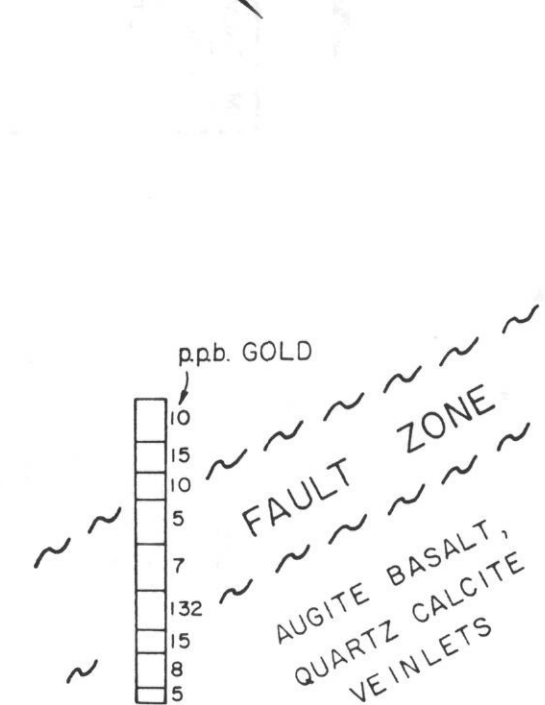


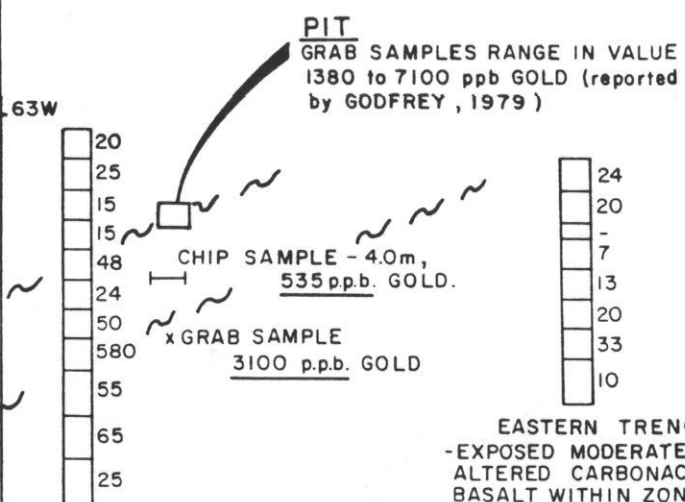
Figure 9



L 447 N



WESTERN TRENCH
 - EXPOSED HIGHLY ALTERED
 (CARBONATE & EPIDOTE) BASALT
 WITHIN ZONE.



CENTRAL TRENCH
 - EXPOSED INTENSELY SILICIFIED
 AND CARBONATIZED BASALT.

EASTERN TRENCH
 - EXPOSED MODERATELY
 ALTERED CARBONACEOUS
 BASALT WITHIN ZONE.

63+50 W

LEGEND:



| | |
|--|------------------|
| MT. CALVERY RESOURCES LTD. | |
| CARIBOO - LIKELY GOLD PROJECT CARIBOO M.D.-B.C. | |
| LK PROSPECT PLAN OF TRENCHES | |
| BY: AJS/r.w.r. | DATE: SEPT. 1984 |
| FIGURE 9A | |

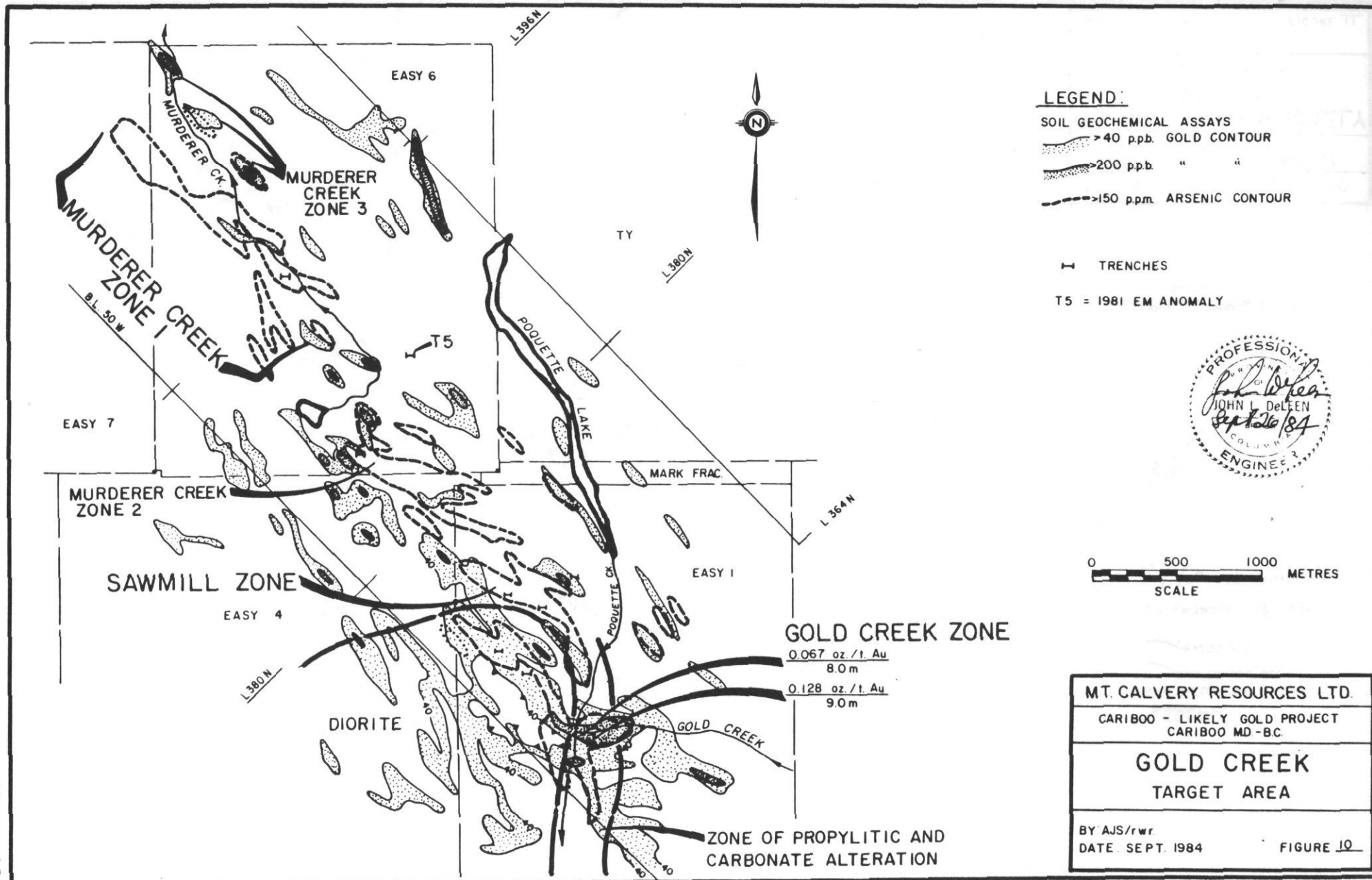


Figure 10

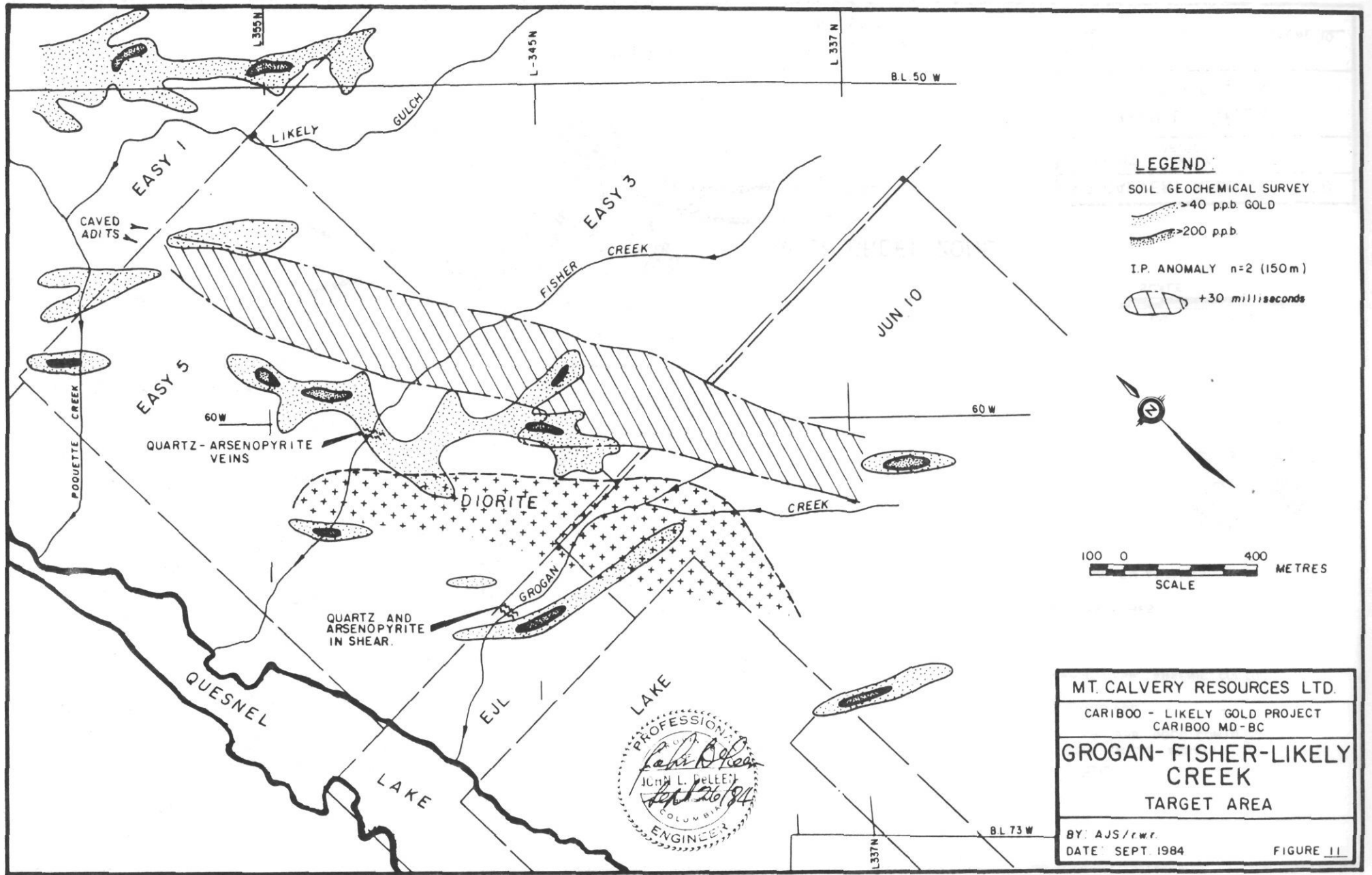


Figure 11

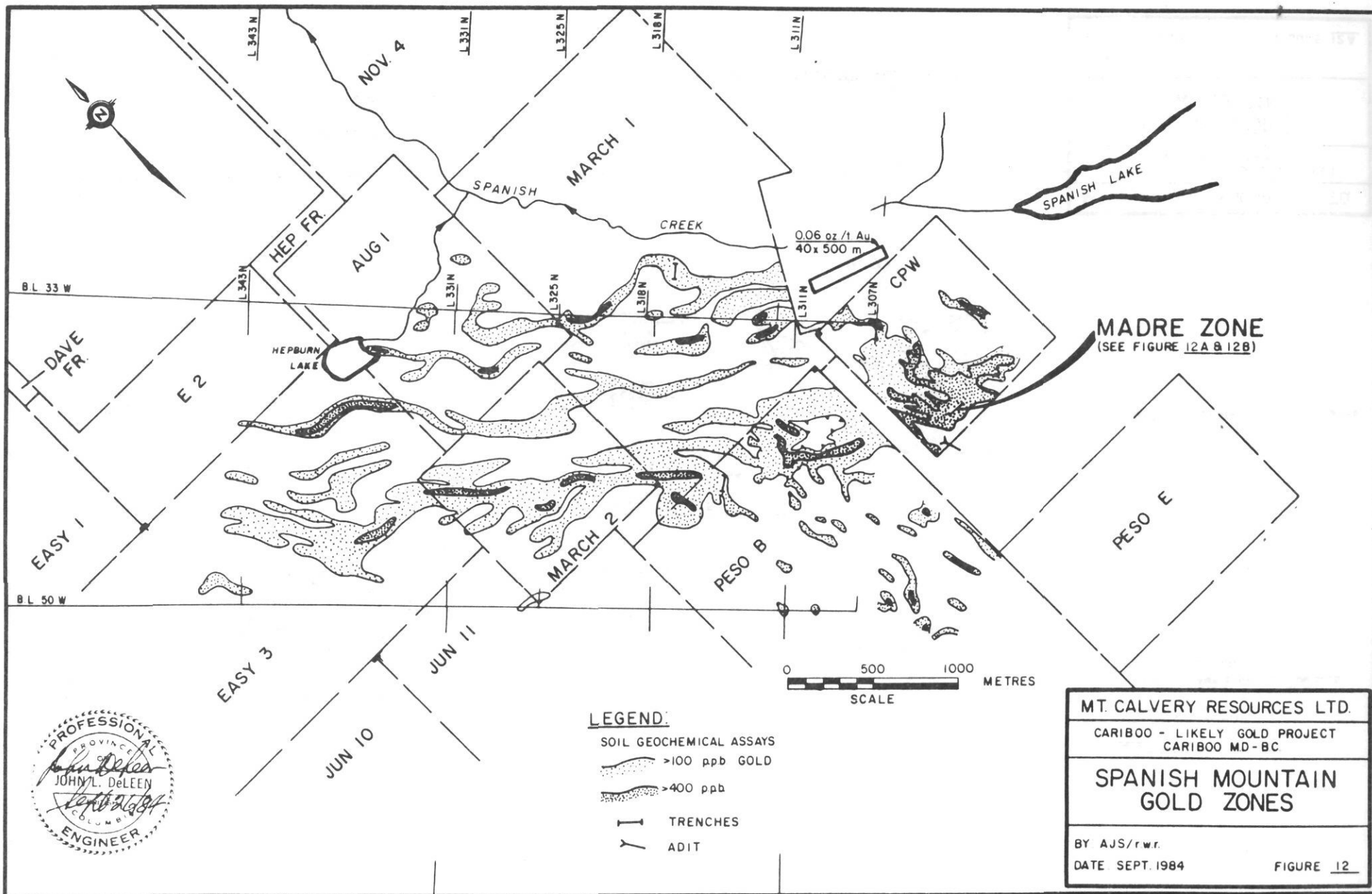


Figure 12

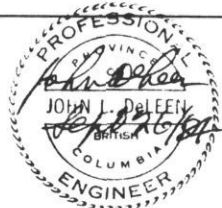
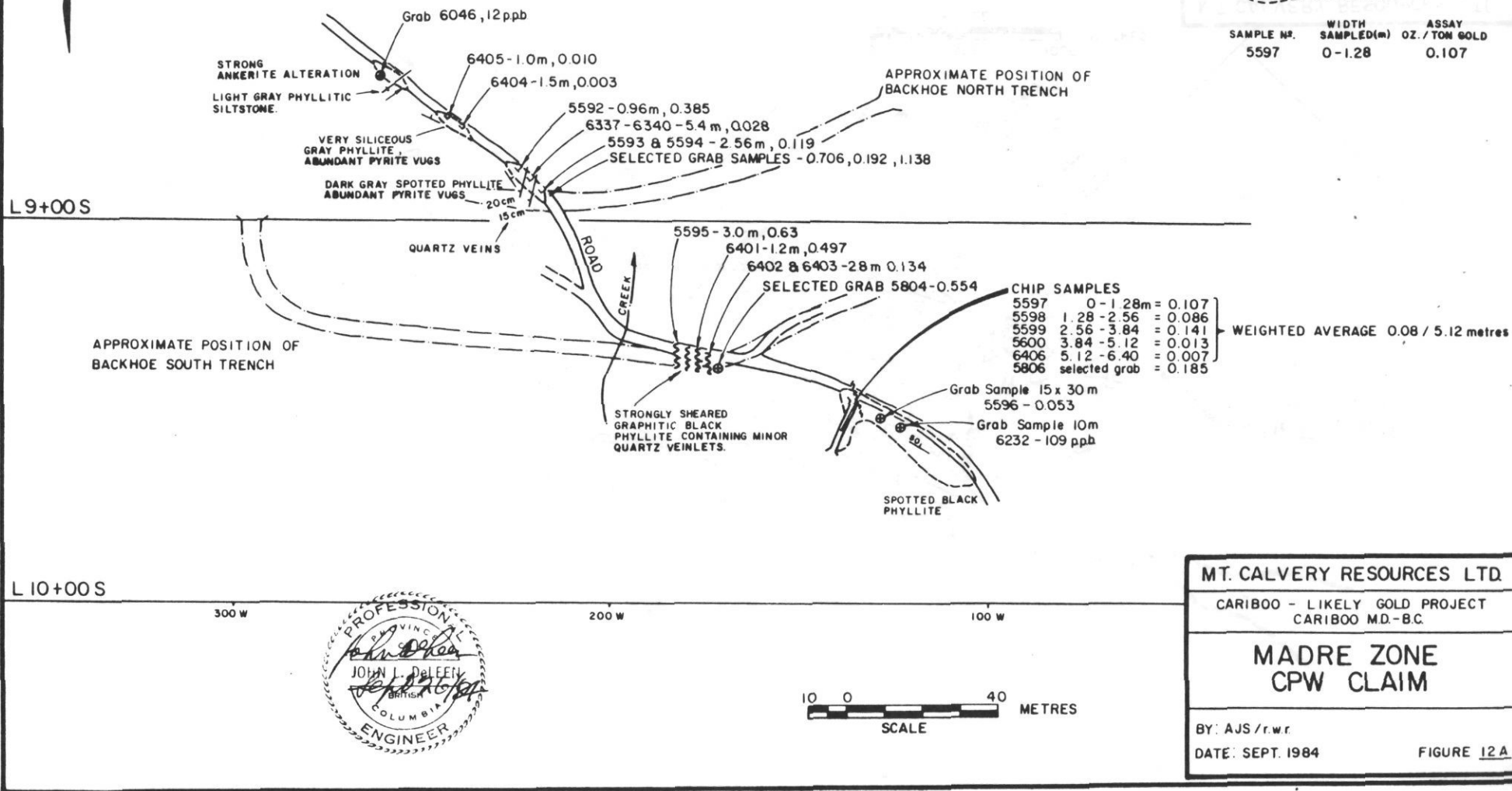




LEGEND:

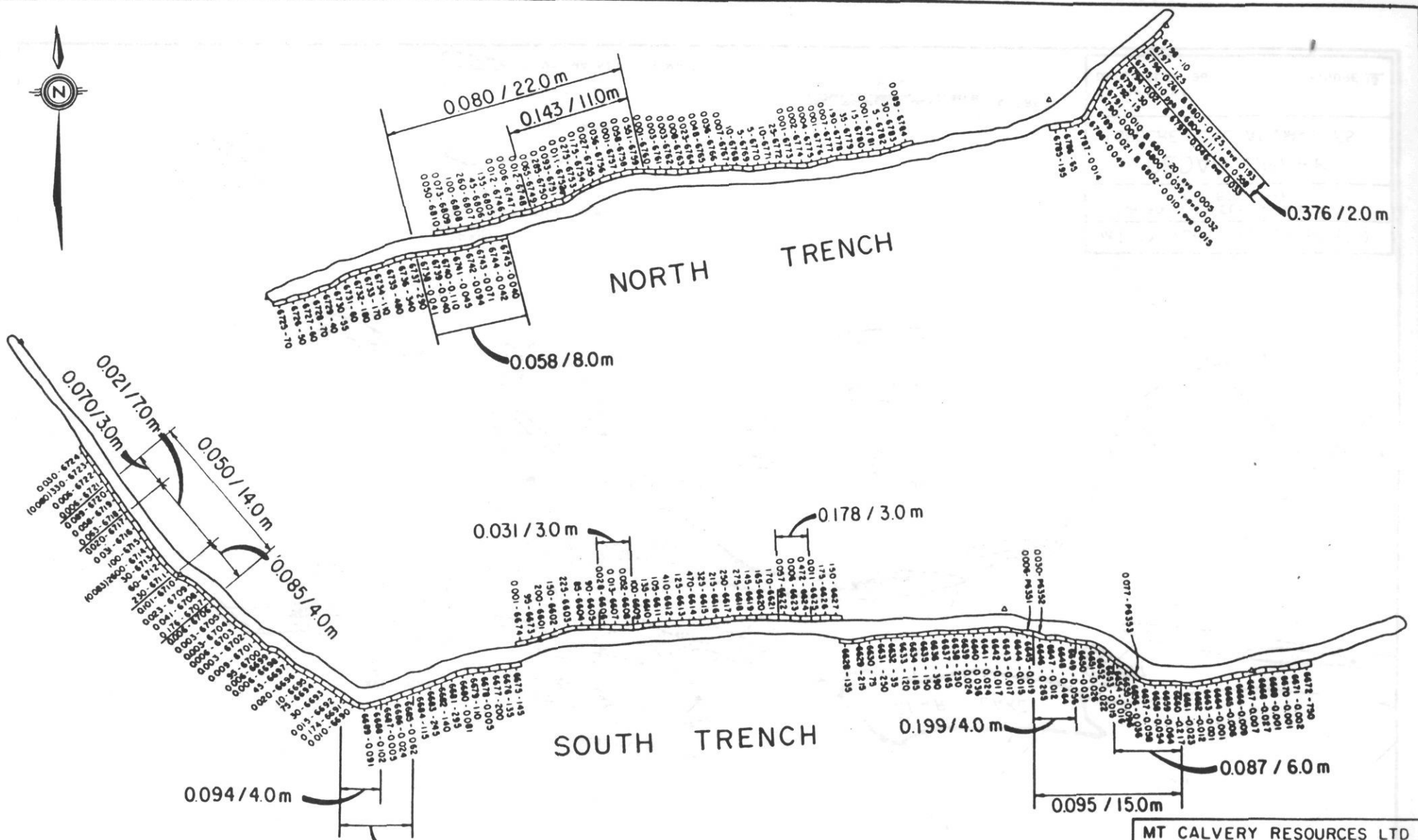
OUTCROP

| SAMPLE N ^o . | WIDTH SAMPLED(m) | ASSAY OZ./TON GOLD |
|-------------------------|------------------|--------------------|
| 5597 | 0-1.28 | 0.107 |



| | |
|--|------------|
| MT. CALVERY RESOURCES LTD. | |
| CARIBOO - LIKELY GOLD PROJECT CARIBOO MD.-BC. | |
| MADRE ZONE CPW CLAIM | |
| BY: AJS / r.w.r. | FIGURE 12A |
| DATE: SEPT. 1984 | |

Figure 12A



SOUTH TRENCH

NORTH TRENCH

LEGEND

- 6696-640 (0020) SAMPLE NUMBER ppb GOLD (OZ / TON GOLD)
- 6671-0002 SAMPLE NUMBER - OZ / TON GOLD
- 0095 / 15m OZ / TON GOLD / SAMPLE WIDTH
- P6353-0077 PANEL SAMPLE (1m²) - OZ / TON GOLD

| | |
|----------------------------|------------|
| MT CALVEY RESOURCES LTD | |
| MADRE GOLD ZONE | |
| SPANISH MTN AREA | |
| TRENCH SAMPLING MAP | |
| | |
| SCALE 1:200 | |
| DATE SEPT 26/1996 | FIGURE 12B |
| By AJS/rw | |



Figure 12B

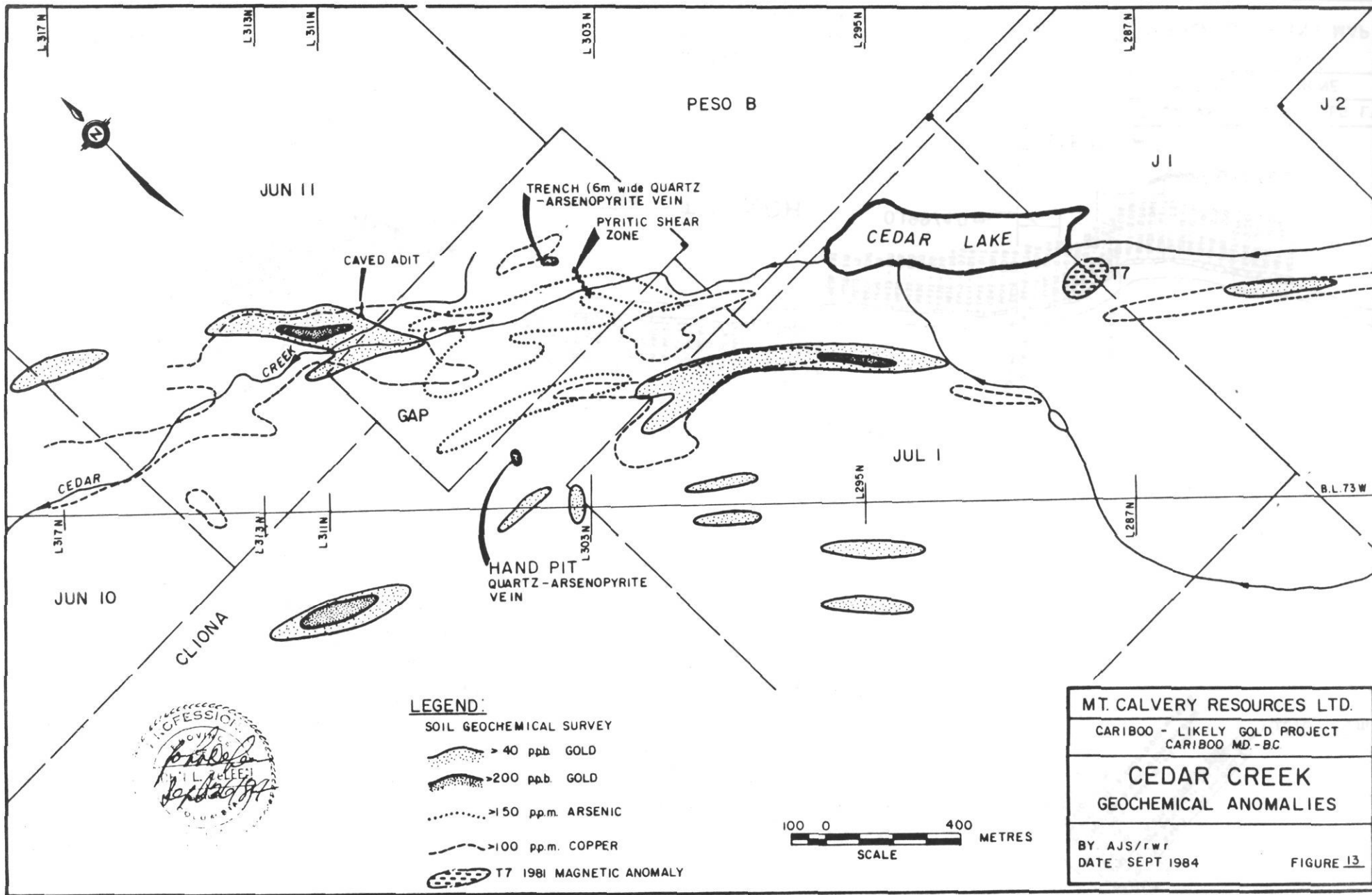


Figure 13

DELEEN CONSULTING GEOLOGISTS LTD.

1024 - 470 GRANVILLE STREET
VANCOUVER, B.C. CANADA V6C 1V5

TELEPHONE (604) 685-5533

October 1, 1984

Mt. Calvary Resources Ltd.
#1027-470 Granville Street
Vancouver, British Columbia
V6C 1V5

Gentlemen:

Mt. Calvary Resources Ltd. is hereby given permission to reproduce my report on the Cariboo-Likely Project dated September 26, 1984, or any part of it, for filing with a Prospectus or Statement of Material Fact, or other documents as required by the Regulatory Authorities, provided, however, that no portion may be used out of context in such a manner as to convey a meaning differing from that set out in the whole.

Yours truly,

DELEEN CONSULTING GEOLOGISTS LTD.

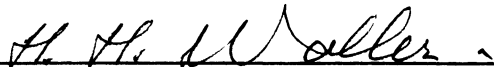


John Deleen, P.Eng.


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.

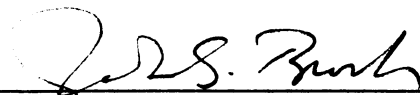
Dated: November 13, 1984



HECTOR WALLER
Director



JOHN L. MAY
Director



JOHN S. BROCK
President and Director



IRENE WILSON
Secretary and Director

CERTIFICATE OF THE AGENTS

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.

Dated: November 13, 1984

CANARIM INVESTMENT CORPORATION LTD.

Per: 

OSLER, WILLS, BICKLE LIMITED

Per: 
