

THE SECURITIES OFFERED FOR SALE THROUGH THIS PROSPECTUS MAY ONLY BE LAWFULLY OFFERED FOR SALE IN THOSE JURISDICTIONS IN WHICH THIS PROSPECTUS HAS BEEN ACCEPTED FOR FILING AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

DATED: November 30, 1986

**FARAWAY GOLD MINES LTD.**  
680 St. Andrews Road  
West Vancouver, British Columbia

**PUBLIC OFFERING: 450,000 Common Shares**

Shares	Price to Public	Commissions	Net Proceeds to be received by the Issuer
Per Share	60¢	9¢	51¢
Total	\$270,000	\$ 40,500	\$229,500*

\*less the cost of issue estimated to be \$20,000

THERE IS NO MARKET FOR THE SHARES OF THE COMPANY. THESE SHARES ARE SPECULATIVE SECURITIES. SEE "SPECULATIVE ASPECTS" PAGES 10 & 11.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTY IS SITUATE, ITS EXISTENCE AND AREA COULD BE IN DOUBT.

THIS ISSUE IS SUBJECT TO A MINIMUM SUBSCRIPTION. SEE REFERENCE TO SAME ON PAGE 2.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JULY 8, 1986 INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 18.90% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 55.71% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 13 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS, CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO THE ITEM "CONFLICT OF INTEREST" ON PAGE 5 FOR COMMENTS AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

SUBSCRIPTIONS FOR THE SECURITIES WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART AND THE RIGHT IS RESERVED TO CLOSE THE SUBSCRIPTION BOOK WITHOUT NOTICE.

WE, AS AGENT, OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS.

**MCDERMID ST. LAWRENCE LIMITED**  
**10th Floor, 675 West Hastings Street**  
**Vancouver, British Columbia**

**EFFECTIVE DATE: JANUARY 9, 1986**

FARAWAY GOLD MINES LTD.

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## **NAME AND INCORPORATION OF COMPANY**

Faraway Gold Mines Ltd. (the "Company") was incorporated on February 22, 1984 under the Company Act of the Province of British Columbia by registration of its Memorandum and Articles.

The address of the head office of the Company is 680 St. Andrews Road, West Vancouver, British Columbia.

The address of the registered and records office of the Company is 960-789 West Pender Street, Vancouver, British Columbia.

## **SHARE OFFERING AND PLAN OF DISTRIBUTION**

### **Offering**

The Company by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") Four Hundred and Fifty Thousand (450,000) common shares (the "Shares") of the Company at a price of 60¢ per share. The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Company, with the consent of the Exchange, within a period of 180 days from the date upon which the shares of the Company are conditionally listed on the Exchange ("the Effective Date").

### **Appointment of Agent**

The Company, by an agreement (the "Agency Agreement") dated August 28, 1985, and updated as of January 7, 1986 appointed McDermid St. Lawrence Limited, 10th Floor, 675 West Hastings Street, Vancouver, British Columbia, as its agent ("Agent") to offer the Shares through the facilities of the Exchange.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Company fulfilling all listing requirements of the Vancouver Stock Exchange on or before July 8, 1986, including prescribed distribution and financial requirements.

The Agent will receive a commission of 9¢ per share.

The Agent reserves 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 Agent under the Agency Agreement may be terminated on or before the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

The Company has granted the Agent a right of first refusal to provide future equity financing to the Company for a period of 12 months from the Effective Date.

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

Directors, officers and other insiders of the Company may purchase shares from this Offering.

#### **Minimum Subscription**

In the opinion of the Company's directors it will be necessary that all shares offered by this Prospectus be sold to net the Company \$229,500 in order to carry out the recommendations set forth under the heading "Use of Proceeds", provide for the Vancouver Stock Exchange listing application fee and adequate working capital.

All monies received from the sale of shares sold pursuant to this Prospectus in British Columbia during the 180 day period following the date of acceptance for filing of this Prospectus by the Superintendent of Brokers shall be held in trust by Pacific Corporate Services Limited 50-475 Howe Street, Vancouver, B.C. and if the objective of \$229,500 is not attained within 180 days, all monies will be returned in full to the subscribers without interest or deduction.

**DESCRIPTION OF SHARES**

The Company's authorized capital is 10,000,000 common shares without par value.

All shares of the Company, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

**SHARE CAPITAL STRUCTURE**

Designation of Security	Amount Authorized	Amount Outstanding as of May 31, 1985	Amount Outstanding as of the date hereof	Amount Outstanding If All Shares are Sold
Common Shares	10,000,000	1,930,300	1,930,300	2,380,300

**PRIOR SALES**

Since the incorporation of the Company to the date of this Prospectus, the Company has sold the following shares for cash:

Number of Shares	Price Per Share	Commissions Paid	Net Cash Received
750,000	1¢	Nil	\$ 7,500.00
687,999	15¢	Nil	\$103,199.85
196,000	25¢	Nil	\$ 49,000.00
296,300	30¢	Nil	\$ 88,890.00
<u>1</u>	\$1.00	Nil	<u>\$ 1.00</u>
1,930,300			\$248,590.85

Of the 196,000 shares indicated as being sold for 25¢ per share, only 20,000 shares were actually sold for 25¢ cash per share. The remaining 176,000 shares were issued at a deemed price of 25¢ per share as payment for services rendered to the Company.

The 687,999 shares sold at 15¢ per share and 196,000 shares sold at 25¢ per share, a total of 883,999 shares, are held in pool by Pacific Corporate Services Limited subject to automatic release as follows:

- (a) 25% of the shares on the date shares commence trading on the Vancouver Stock Exchange (the "approval date");
- (b) 25% of the shares three months following the approval date;
- (c) 25% of the shares six months following the approval date;
- (d) the balance of the shares nine months following the approval date.

In the event that a listing has not been effected on the Vancouver Stock Exchange within 12 months from the date of the Prospectus and primary distribution under the Prospectus has ceased, all 883,999 shares shall be subject to automatic release by the trustee.

The Company has issued 750,000 principals' shares (escrowed) for one cent per share.

#### **DIRECTORS AND OFFICERS**

<b>Name and Address</b>	<b>Principal Occupation During Past Five Years</b>
<b>Lorne Harvey SPENCE*</b> Box 338, Pinantan Lake Kamloops, B.C. Director & President	Self-employed driller; principal of L. Spence Percussion Drilling Ltd.; director and president of Dafrey Resources Inc.
<b>Brent Allan GRIFFIN*</b> 324 Arbutus Street New Westminster, B.C. Director	Hardrock geologist, mining equipment salesman with Wesdrill Equipment Ltd. since 1975
<b>Barry Donald SPETON*</b> 1356 West 48th Avenue Vancouver, B.C. Director	Solicitor; director of Argyle Ventures Inc., Gamin Resources Inc., Panorama Petroleums Ltd., and Yankee Petroleums Ltd.

**Sheela Ruth SUSE**  
680 St. Andrews Road  
West Vancouver, B.C.  
Secretary

Self-employed accountant

\* Members of the Company's audit committee.

### **Conflict of Interest**

The directors of the Company are directors of other companies engaged in the exploration and development of mineral properties.

In order to avoid the possibility of conflict of interest which may arise between their duties to the Company and to other companies on whose Boards they serve, the directors have agreed to the following:

- (a) Participation in mining ventures offered to them will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate. Accordingly, such participations may first be offered or vended to others without notice to the Company.
- (b) If participating interests are offered to the Company by companies on which they serve as directors or officers, they will disclose this interest to the Company and abstain from voting on the approval of the proposed contract or transaction.
- (c) If participating interests are formulated by or through the other companies in which they are involved, they will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

### **REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

During the financial year ended May 31, 1985 management fees of \$18,000 were paid to L. Spence Percussion Drilling Ltd., a non-reporting British Columbia company whose principal is Lorne H. Spence, a director of the Company. L. Spence Percussion Drilling Ltd. also carried



out a program of percussion drilling on the Company's property at a cost of \$137,035. This debt was satisfied by the payment of \$92,427 in cash and the issuance of 176,000 shares at a deemed price of 25¢ per share, prior to May 31, 1985, the remaining \$608 being paid subsequent to May 31, 1985.

L. Spence Percussion Drilling Ltd. will not be involved in the recommended work program discussed in this Prospectus under the heading "Description of Business and Property of Company".

The Company entered into an agreement dated June 1, 1985 whereby it agreed to pay Mr. Lorne Spence, President and a director of the Company, the sum of \$1,500 per month for rendering management services to the Company. The agreement is for a term of two years, after which time it is renewable for one year periods subject to shareholder approval. Mr. Spence will also be reimbursed for out-of-pocket expenses incurred on behalf of the Company.

As principal of the law firm which provides legal services to the Company, Barry D. Speton, a director of the Company, participates in legal fees paid by the Company. During the fiscal year ended May 31, 1985 the Company paid the sum of \$958.67 in legal fees to Mr. Speton's firm.

Upon acceptance of this Prospectus for filing by the Superintendent of Brokers the Company anticipates paying Speton & Company approximately \$15,000 for legal fees in connection with the preparation of this Prospectus.

#### **INTEREST OF MANAGEMENT OR OTHERS IN MATERIAL TRANSACTIONS**

The directors and senior officers of the Company have no interest in any other material transactions in which the Company has participated or intends to participate at this time, save and except as disclosed in this Prospectus, and, in particular, those matters disclosed under the heading "Description of Business and Property of Company".

## DESCRIPTION OF BUSINESS AND PROPERTY OF COMPANY

### Business

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Company owns or has interests in the properties described under the heading "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

### The Property

**Sam Mineral Claim  
Omenica Mining Division  
Province of British Columbia**

By an agreement dated November 26, 1984 between Kengold Mines Ltd., Box 622, Smithers, B.C. and the Company, Kengold granted the Company an option to purchase the Sam located mineral claim (16 units), record number 2459, expiry date February 12, 1986, for \$100,000 payable as follows:

- (i) \$4,000 on execution of the agreement (paid);
- (ii) \$6,000 on June 15, 1984 (paid);
- (iii) \$10,000 on December 31, 1984 (paid);
- (iv) \$15,000 on December 31, 1985;
- (v) \$20,000 on December 31, 1986;
- (vi) \$20,000 on December 31, 1987;
- (vii) \$25,000 on December 31, 1988;

and work to be carried out to a value of \$225,000 as follows:

- (i) \$25,000 by December 31, 1984 (done);
- (ii) \$50,000 by December 31, 1985 (done);
- (iii) \$50,000 by December 31, 1986;
- (iv) \$50,000 by December 31, 1987;
- (v) \$50,000 by December 31, 1988;

provided that sums expended in any year over the minimum requirement shall be credited to the minimum annual expenditure required for subsequent years.

The principal of Kengold Mines Ltd. is Lorne B. Warren, Box 662, Smithers, B.C.

There is a royalty of 5% of net smelter returns reserved to Kengold Mines Ltd. The agreement defines "net smelter returns" as the actual proceeds received by the

Company from a smelter or other place of sale in respect of all smelter treating ore removed by the Company from the Sam mineral claim, as evidenced by its returns or settlement sheets, after deducting from the proceeds all freight or other transportation costs from the shipping point to the smelter or other place of sale without any other deduction whatsoever.

### **Location and Access**

The Sam mineral claim is situated 32 km southeast of the municipality of Houston in west-central British Columbia. The geographic centre of the claim is at 54 degrees 11' North latitude and 126 degrees 19' West longitude. Houston is on Provincial Highway 16 and the northern CN rail line. The town of Smithers, 64 km northeast of Houston, has daily scheduled airline service from Vancouver. Access to the property is by 38 km of good surface gravel road linking Houston with the Equity silver mine. Old logging roads and bulldozer trails provide access to the northeast and central parts of the claim.

### **History**

In a report on the Sam mineral claim dated July 10, 1985 by N. C. Carter, Ph.D., a copy of which is attached hereto, Dr. Carter states:

"The discovery of the Sam Goosly silver-copper deposit (now the Equity silver mine) in 1968 was the result of a persistent exploration effort in the area by Kennco Explorations (Western) Ltd. A window of Mesozoic rocks within an extensive area of Tertiary volcanic rocks, originally mapped by Lang (1942) in the Goosly Lake area, was selected by Kennco in the early 1960's for a regional geochemical survey.

Equity Mining Capital, a private company, acquired an option on the property in 1972 and carried out an underground bulk testing program on the Main Zone and drilling which delineated the Southern Tail Zone. Further drilling was done in participation with Placer Development, and later with Granby Mining in 1977. In late 1978, Placer Development undertook a joint venture with Equity and a production decision was announced in early 1979. Mining of the Southern Tail Zone began in late 1980 at a milling rate of 5000 tonnes per day.

News of the Sam Goosly discovery in late 1968 - early 1969 resulted in the staking of claims by companies and individuals throughout the general area. The present Sam claim was the northern part of a much larger block held by Dorita Silver Mines Ltd. This company carried out geological and geochemical surveys between 1969 and 1971 prior to abandoning the claims. The area of the present claim was relocated in 1971 by Payette River Mines Ltd. and a geophysical (IP) survey was carried out (Cochrane, 1971). Four percussion holes were drilled in 1974 (MacDonald, 1974) to test a chargeability anomaly detected by the IP survey.

The present claim was located in 1980 and optioned to Carpenter Lake Resources Ltd. who conducted a limited amount of soil geochemistry. In 1983, J.P. Elwell, P. Eng., recommended a vertical diamond drill hole to test the IP anomaly defined by Payette River Mines, but this was not done and the option lapsed."

### **Mineralization**

In his July 10, 1985 report Dr. Carter states:

"Metallic minerals in drill cuttings from holes southwest of the main road include principally iron sulfides (pyrite and marcasite - Littlejohn, 1984), which occur as very fine disseminations coincident with the zone of quartz-sericite alteration. Other metallic minerals which have been noted include magnetite (mainly associated with Tertiary volcanics and basic dykes), sphalerite, minor galena and molybdenite and a grey metallic mineral which may be tetrahedrite.

Concentrations of pyrite (marcasite) are generally in the order of 2-3% but may range between 5 and 10% over significant lengths in many of the holes drilled to date. Higher concentrations (15-20-30%) are present in some holes over lengths ranging between several metres and 30 metres.

Many of the zones of higher sulfide content have significant zinc, silver and lesser copper values. An example is hole 17 at the northeast end of the sulfide/alteration zone, in which a section between 21 and 33 metres averaged 600 ppm zinc, 78

ppm copper and 16 ppm silver. The first 3 metres of this interval returned values of 920 ppm zinc, 204 ppm copper and 50 ppm silver (1.60 oz/ton). The 45-48 metre section in this hole contained 850 ppm zinc, 120 ppm copper and 28 ppm silver and values to the bottom of the hole at 106 metres ranged between 2.2 and 8 ppm silver and 208 to 2500 ppm zinc.

Hole 12, 60 metres southwest of hole 17, averaged 4010 ppm zinc, 39 ppm copper and 6.9 ppm silver between 64 and 118 metres and included a 9 metre section of 9200 ppm zinc, 62 ppm copper and 16.3 ppm silver. Hole 40, 150 metres southeast, returned average values of 142 ppm zinc, 15 ppm copper and 8.75 ppm silver between 18 and 30 metres.

A number of other holes (16, 20, 24, 25 and 30) had significant zinc and silver values over lengths of between 3 and 22 metres ranging from 2.1 - 20 ppm silver and 380 - 2500 ppm zinc."

#### **Work Done**

The Company drilled 15 percussion drill holes in 1984 and a further 25 holes in early 1985. Most holes were drilled to depths of 100 metres, the deepest at 121 metres. Samples of drill cuttings were collected at three metre intervals for visual examination and geochemical analysis. Cost of work done was \$181,264. The drilling indicated a geological environment similar to that hosting the Equity deposit. Dr. Carter has stated in his July 10, 1985 report that "results from the recent percussion drilling program are considered to be significant and additional exploratory work is warranted. It is recommended that the alteration zone defined to date be further tested by four diamond drill holes to render a better understanding of the setting and style of mineralization. Additional percussion drilling should be undertaken to further define the alteration zone. Estimated cost of the recommended program is \$150,000."

From the proceeds of the Offering herein the Company intends to carry out Dr. Carter's recommendations.

THERE IS NO SURFACE OR UNDERGROUND PLANT OR EQUIPMENT ON THE SAM MINERAL CLAIM. THE SAM MINERAL CLAIM IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

### SPECULATIVE ASPECTS

Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. There is no assurance that any production will be obtained. If production is obtained prices received are subject to market fluctuations.

No survey has been made of the located mineral claims in which the Company has an interest and in accordance with the mining laws of the jurisdiction in which the claims are situate, their precise location and area may be in doubt.

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

### USE OF PROCEEDS

The Company will receive proceeds of \$229,500 from this Offering. As at the date of this Prospectus, the Company had cash on hand of approximately \$3,000 which, when added to the net proceeds of this Offering, would provide the Company with an aggregate of \$232,500 available funds.

The principal purposes for which the funds will be used are as follows:

(a)	Costs of this issue including legal, audit and printing	\$ 20,000
(b)	Reserve for December 31, 1985 payment re Sam mineral claim	\$ 15,000
(c)	To carry out the program of work on the Sam mineral claim recommended by N.C. Carter, Ph.D., P. Eng. in his July 10, 1985 report	\$150,000
(d)	Working capital and general corporate purposes	<u>\$ 47,500</u>
	TOTAL	\$232,500

The proceeds from the sale of shares offered by this Prospectus are intended to be used for the purposes set forth above and in carrying out the above program of work and the Company will not discontinue or depart from the recommended program of work unless advised in writing by its consulting engineers to do so. Should the Company contemplate any such change or departure, notice thereof will be given to all shareholders. If such a change occurs during the primary distribution of shares via this Prospectus, an amendment thereto will be filed.

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

Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the members of the Company must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

In the event of any material change in the affairs of the Company during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed. Following completion of the primary distribution of the shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Company in accordance with the requirements of the appropriate regulatory authorities.

#### **PROMOTERS**

Lorne H. Spence, a director and president of the Company, is the Company's promoter. In the Company's non-reporting stage Mr. Spence purchased 700,000 principal's shares at 1¢ per share (escrowed), 460,000 shares at 15¢ per share (pooled), and 166,000 shares at 25¢ per share (pooled).

L. Spence Percussion Drilling Ltd., whose principal is Lorne H. Spence received \$137,035 for drilling and other exploration services carried out on behalf of the Company. L. Spence Percussion Drilling Ltd. also received \$18,000 in management fees paid by the Company during the year ended May 31, 1985.

**ESCROWED SHARES**

As of the date of this Prospectus, 750,000 shares are held in escrow by Pacific Corporate Services Limited, 830-625 Howe Street, Vancouver, B.C., subject to the direction or determination of the Superintendent of Brokers and Vancouver Stock Exchange. The escrow agreement provides that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, 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 and Vancouver Stock Exchange.

<u>Designation of Class</u>	<u>Number of Shares Held In Escrow</u>	<u>Percentage of Class</u>
Common	750,000	38.85%

**PRINCIPAL HOLDERS OF SECURITIES**

As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns 10% or more of the Company's shares:

<b>Name and Address</b>	<b>Type of Ownership</b>	<b>Class of Shares</b>	<b>Number of Shares</b>	<b>% of Shares Outstanding</b>
Lorne H. Spence Box 338, Pinantan Lake, Kamloops, B.C.	beneficial, direct	common	1,326,001	68.69%

All directors and senior officers of the Company beneficially own of record, directly or indirectly, 72.84% of the shares outstanding.

**OPTIONS TO PURCHASE SECURITIES**

Pursuant to agreements dated August 15, 1985 the Company granted the following incentive stock options exercisable at 60¢ per share to August 15, 1988:



<b>Directors</b>	<b>No. Granted</b>
Barry D. Speton	59,507
Brent A. Griffin	59,507

<b>Employees</b>	<b>No. Granted</b>
Lorne H. Spence	97,591
Sheela Suse	21,423

The options are subject to regulatory authorities' and shareholders' approval.

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor for the Company is Robert J. Hallam, Chartered Accountant, 2949 Rosemont Drive, Vancouver, British Columbia.

The Registrar and Transfer Agent for the Company is Pacific Corporate Services Limited, 830-625 Howe Street, Vancouver, British Columbia.

#### **MATERIAL CONTRACTS**

There are no material contracts entered into by the Company other than as disclosed in this Prospectus.

Material contracts may be inspected at the Company's registered office, 960-789 West Pender Street, Vancouver, British Columbia during normal business hours, during the period of primary distribution of the securities being offered under this Prospectus.

#### **OTHER MATERIAL FACTS**

There are no other material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

#### **PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

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

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

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

FARAWAY GOLD MINES LTD.

FINANCIAL STATEMENTS

MAY 31, 1985

- Auditors' Report
- STATEMENT I - Balance Sheet
- STATEMENT II - Statement of Deficit
- STATEMENT III - Statement of Deferred Exploration,  
Development and Other Expenses
- STATEMENT IV - Statement of Change in Financial  
Position
- Notes to Financial Statements

Robert J. Hallam  
Chartered Accountant

# Robert J. Hallam

CHARTERED ACCOUNTANT

2949 Rosemont Drive  
Vancouver, B.C. V5S 2C7  
Phone: (604) 435-3439

## AUDITOR'S REPORT

To the Shareholders of  
Faraway Gold Mines Ltd.

I have examined the balance sheet of Faraway Gold Mines Ltd. as at May 31, 1985 and the statements of deferred exploration, development and other expenses and change in financial position for the year then ended. My examination was made in accordance with generally accepted accounting standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at May 31, 1985 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.



CHARTERED ACCOUNTANT

Vancouver, B.C.  
July 10, 1985

FARAWAY GOLD MINES LTD.  
BALANCE SHEET  
AS AT MAY 31, 1985

[note 1(c)]  
Feb 22/84  
date of incorp.  
to May 31, 1984

	<u>1985</u>	
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,306	\$ 377
Due from shareholders	751	1,994
	<u>2,057</u>	<u>2,371</u>
FIXED ASSETS [note 2]	700	-
MINERAL CLAIMS [note 3]	20,000	3,000
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES	<u>225,960</u>	<u>11,204</u>
	<u>\$248,717</u>	<u>\$16,575</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 6,201	\$ -
<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL [note 4]		
Authorized:		
10,000,000 shares without par value		
Issued:		
1,930,300 shares [1984 151,000 shares]	248,591	22,650
DEFICIT	<u>( 6,075)</u>	<u>(6,075)</u>
	<u>242,516</u>	<u>16,575</u>
	<u>\$248,717</u>	<u>\$16,575</u>

APPROVED BY THE DIRECTORS:

 Director

 Director

The accompanying notes form an integral part of these financial statements.  
Robert J. Barron  
Chartered Accountant

STATEMENT II

FARAWAY GOLD MINES LTD.  
STATEMENT OF DEFICIT  
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	[note 1(c)] Feb 22/84 date of incorp. to May 31, 1984
DEFICIT, BEGINNING	\$6,075	\$ -
DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENSES WRITTEN OFF	<u>-</u>	<u>6,075</u>
DEFICIT, ENDING	<u>\$6,075</u>	<u>\$6,075</u>

The accompanying notes form an integral part of these financial statements.

Robert J. Hallam  
Chartered Accountant

FARAWAY GOLD MINES LTD.  
STATEMENT OF DEFERRED EXPLORATION,  
DEVELOPMENT AND OTHER EXPENSES  
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	[note 1(c)] Feb 22/84 date of incorp. to May 31, 1984 <u>                    </u>
<b>EXPLORATION AND DEVELOPMENT</b>		
Camp expenses	10,068	-
Depreciation	300	-
Drilling and exploration expenses	138,868	8,872
Engineering reports	1,488	-
Equipment rental	6,800	-
Filing, recording and permits	1,974	-
Fuel and gas	7,385	-
Labour and truck expense	8,768	-
Management fees	18,000	-
Snow Ploughing	560	1,600
Travel and accommodation	<u>5,053</u>	<u>6,075</u>
	<u>199,264</u>	<u>16,547</u>
 <b>ADMINISTRATION</b>		
Accounting, legal and audit	11,056	-
Bank charges	87	45
Office expense, rent and postage	2,356	587
Telephone	<u>1,993</u>	<u>100</u>
	<u>15,492</u>	<u>732</u>
 <b>EXPENSES FOR THE PERIOD</b>	 <u>214,756</u>	 <u>17,279</u>
 <b>DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENSES, BEGINNING</b>	 11,204	 -
 <b>EXPENSES WRITTEN OFF TO DEFICIT</b>	 <u>          -</u>	 <u>6,075</u>
 <b>DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENSES, ENDING</b>	 <u>\$225,960</u>	 <u>\$ 11,204</u>

Robert J. Hallam  
Chartered Accountant

FARAWAY GOLD MINES LTD.  
 STATEMENT OF CHANGE IN FINANCIAL POSITION  
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	[note 1(c)] Feb 22/84 date of incorp. <u>to May 31, 1984</u>
<b>SOURCE OF WORKING CAPITAL</b>		
Issuance of shares	<u>\$225,941</u>	<u>\$22,650</u>
 <b>APPLICATION OF WORKING CAPITAL</b>		
Deferred exploration, development and other expenses	214,756	17,279
Charges not affecting working capital:		
Depreciation	(300)	-
Purchase of fixed assets	1,000	-
Purchase of mineral claims	<u>17,000</u>	<u>3,000</u>
	<u>232,456</u>	<u>20,279</u>
 INCREASE (DECREASE) IN WORKING CAPITAL	 ( 6,515)	 2,371
 WORKING CAPITAL (DEFICIENCY), BEGINNING	 <u>2,371</u>	 <u>-</u>
 WORKING CAPITAL (DEFICIENCY), ENDING	 <u>\$( 4,144)</u>	 <u>\$ 2,371</u>

The accompanying notes form an integral part of these financial statements.

**Robert J. Hallam**  
 Chartered Accountant



FARAWAY GOLD MINES LTD.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

[a] Deferred Exploration, Development and other Expenses

The company is in the exploration stage with respect to its mineral claims and accordingly follows the practice of capitalizing all costs, including administration costs, relating to the exploration for and development of mineral properties and crediting all initial recoveries received against the costs of related properties. At such time as commercial production commences, these net deferred costs will be charged to operations on a unit-of-production method based on estimated recoverable reserves. The aggregate costs, including a proportioned share of deferred administration costs, related to abandoned mineral claims are to be charged to deficit at the time of abandonment.

[b] Depreciation

Fixed assets are depreciated at 30% per annum using the diminishing balance method.

[c] Comparative Figures

The accounting periods reflected in the financial statements are not comparative and are shown for information purposes only.

2. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 1985</u>	<u>1984</u>
Automotive	\$1,000	\$300	\$700	\$nil

3. MINERAL CLAIMS

In 1984 the corporation entered into an option agreement to acquire the SAM mineral claim, record number 2459, in the Omineca Mining Division, British Columbia in consideration of the following:

Robert J. Hallam  
Chartered Accountant

FARAWAY GOLD MINES LTD.  
 NOTES TO FINANCIAL STATEMENTS  
MAY 31, 1985

3. MINERAL CLAIMS - continued

[a] The sum of \$100,000 payable:

\$ 4,000 on execution  
 6,000 on June 15, 1984  
 10,000 on December 31, 1984  
 15,000 on December 31, 1985  
 20,000 on December 31, 1986  
 20,000 on December 31, 1987  
25,000 on December 31, 1988

\$100,000

[b] A work commitment of \$25,000 by December 31, 1984 with an additional \$50,000 by December 31 of each of four successive years thereafter. There is provision for a carryover of excessive work expenditures.

[c] A royalty of 5% of net smelter returns.

4. SHARE CAPITAL

	<u>Number of Shares</u>	<u>Amount</u>
For cash	1,754,300	\$204,591
For work	<u>176,000</u>	<u>44,000</u>
	<u>1,930,300</u>	<u>\$248,591</u>

687,999 shares sold at \$0.15 per share and 196,000 shares sold at \$0.25 per share; a total of 883,999 shares are held in pool by Pacific Corporate Services Limited subject to automatic release as follows:

- [a] 25% of the shares on the date shares commence trading on the Vancouver Stock Exchange [the "approval date"];
- [b] 25% of the shares three months following approval date;
- [c] 25% of the shares six months following approval date;
- [d] the balance of the shares nine months following the approval date.

In the event that a listing has not been effected on the Vancouver Stock Exchange within twelve months from the date of the Prospectus and a primary distribution under the Prospectus and primary distribution under the Prospectus has ceased, all 883,999 shares shall be subject to automatic release by the trustee.

Robert J. Hallam  
 Chartered Accountant

FARAWAY GOLD MINES LTD.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 1985

4. SHARE CAPITAL - continued

The company has issued 750,000 principals' shares [escrowed] for one cent per share. These shares are held in escrow by Pacific Corporate Services Limited subject to the direction or determination of the Superintendent of Brokers and the Vancouver Stock Exchange.

5. RELATED PARTY TRANSACTIONS

[a] From incorporation, February 22, 1984 to May 31, 1985, drilling and other exploration costs were incurred with respect to goods and services provided by a director, Lorne Spence, and/or a company owned by him, in the amount of \$137,035. In part payment of the foregoing 176,000 shares in the capital stock of the company were issued to Lorne Spence for \$44,000.

[b] A management fee in the amount of \$18,000 was paid to L. Spence Percussion Drilling Ltd. as from incorporation, February 22, 1984 to May 31, 1985. Lorne Spence is a director of the company and the owner of L. Spence Percussion Drilling Ltd.

Robert J. Hallam  
Chartered Accountant

GEOLOGICAL REPORT  
ON THE  
SAM MINERAL CLAIM  
Omineca Mining Division  
British Columbia

for  
FARAWAY GOLD MINES LTD.

by  
N.C. CARTER, Ph.D. P.Eng.

Victoria, B.C.

July 10, 1985

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## SUMMARY

Faraway Gold Mines Ltd. holds the Sam mineral claim of 16 units near Goosly Lake 32 km southeast of Houston in west-central British Columbia.

The Sam claim adjoins the Equity Silver mine property on the west. Conventional access to most of the claim area is afforded by old logging roads. The claim area is one of relatively gentle relief and overburden cover is extensive, particularly in the south part of the claim.

The Equity silver-copper-antimony-gold deposit (current reserves - 21.6 million tonnes grading 109 g/t silver, 0.85 g/t gold, 0.35% copper and 0.08% antimony) is a tabular zone conformable with host felsic pyroclastic rocks of late Mesozoic age. These are exposed in an erosional window within an extensive area of Tertiary volcanic rocks and are intruded by a quartz monzonite stock and a gabbroic plug which bracket the mineral deposit. The Equity deposit has a distinctive mineralogy and alteration mineral assemblage and a marked lithogeochemical signature for most elements.

Some 40 percussion drill holes on the Sam property indicate a geological environment similar to that hosting the Equity deposit. Mesozoic volcanic rocks were intersected in most holes drilled; in most cases these are fine-grained grey dacites which are locally overlain by a thin veneer of Tertiary volcanic rocks.

A quartz-sericite alteration zone in the central part of the

property trends northeast and is at least 200 metres wide and 350 metres long based on drilling to date. Within this alteration zone, concentrations of iron sulfides (pyrite,marcasite) range from a minimum 2 to 3% to as much as 30% over lengths of up to 30 metres. Other metallic minerals noted include magnetite, sphalerite, minor galena and molybdenite and possibly tetrahedrite.

Zones of higher sulfide content have strongly anomalous zinc, silver and lesser copper values, including 10 metre sections in two holes with values ranging from 600 - 4010 ppm zinc, 6.9 - 16 ppm silver and 39 - 78 ppm copper. Highest values obtained to date are 3 metre sections of 50 ppm silver (1.6 oz/ton) and 15,000 ppm zinc (1.5%).

Results from the recent percussion drilling program are considered to be significant and additional exploratory work is warranted. It is recommended that the alteration zone defined to date be further tested by four diamond drill holes to render a better understanding of the setting and style of mineralization. Additional percussion drilling should be undertaken to further define the alteration zone.

Estimated cost of the recommended program is \$150,000.00.

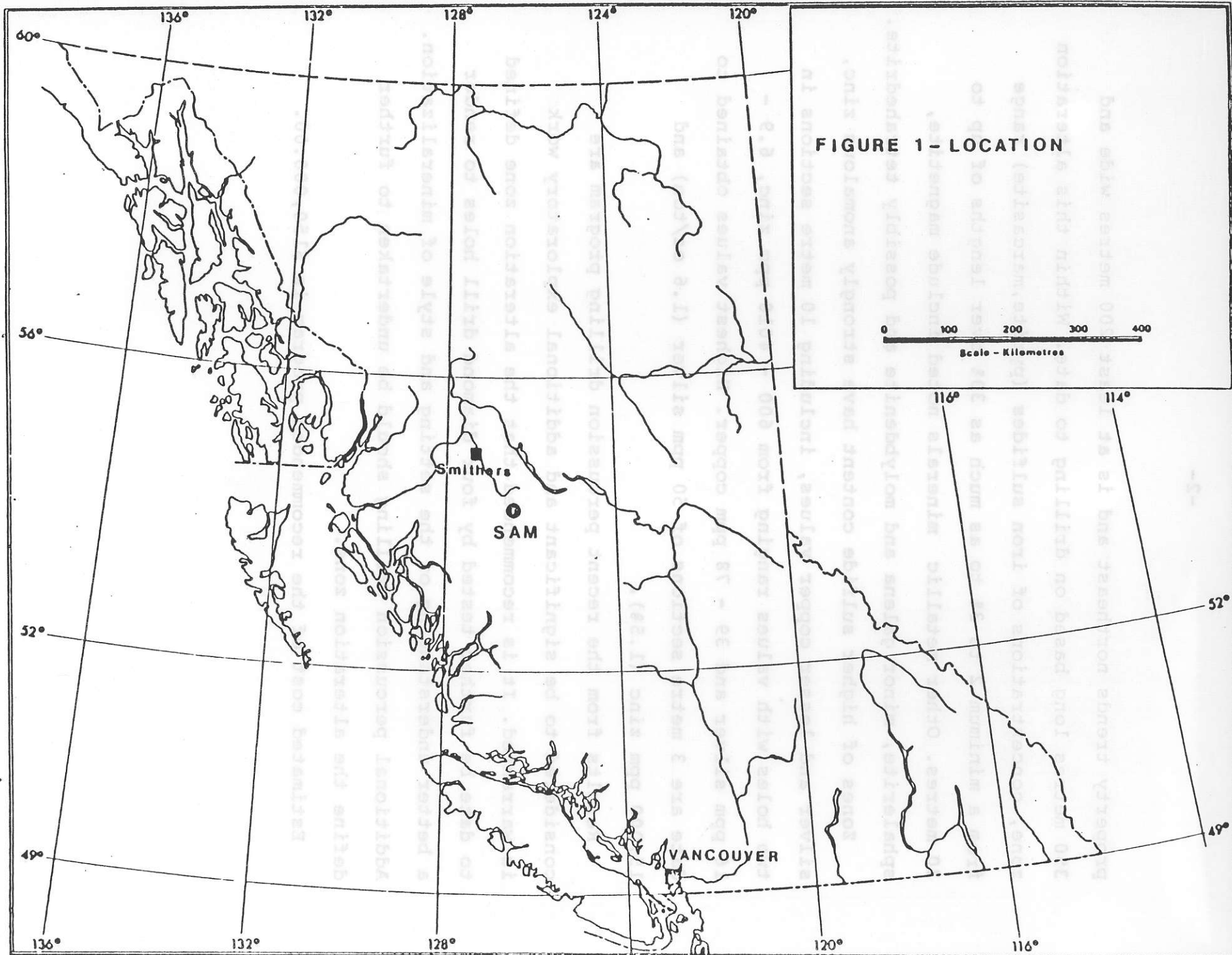


FIGURE 1 - LOCATION

0 100 200 300 400  
Scale - Kilometres

116°

114°

-3-

52°

49°

116°

VANCOUVER

Smithers

SAM

60°

136°

132°

128°

124°

120°

56°

52°

49°

136°

132°

128°

120°



## INTRODUCTION

Faraway Gold Mines Ltd. owns the Sam mineral claim adjacent to the Equity Silver mine in west-central British Columbia.

This report, prepared at the request of Faraway Gold Mines Ltd., is based on a brief visit to the claim September 19, 1984, and on an examination of drill cuttings from two recent percussion drilling programs on the property. In addition, the writer has a good background knowledge of the general area which includes numerous examinations of the Equity (Sam Goosly) property between 1969 and 1983.

Extensive published and unpublished information pertaining to the Equity deposit and the general area is available. References to much of this information are listed at the end of this report. The writer has made use of a recent report on the property by J.P. Elwell, P.Eng. and prepared a report on adjacent claims for Normine Resources Ltd. and Amir Mines Ltd. February 12, 1985. These two companies had access to some of the percussion drill cuttings from the Sam claim and commissioned some geochemical analyses and a petrographic report, the results of which have been used in the preparation of this report.

## LOCATION AND ACCESS

The Sam mineral claim is situated 32 km southeast of the municipality of Houston in west-central British Columbia (Figure 1). The geographic centre of the claim is at 54°11 North

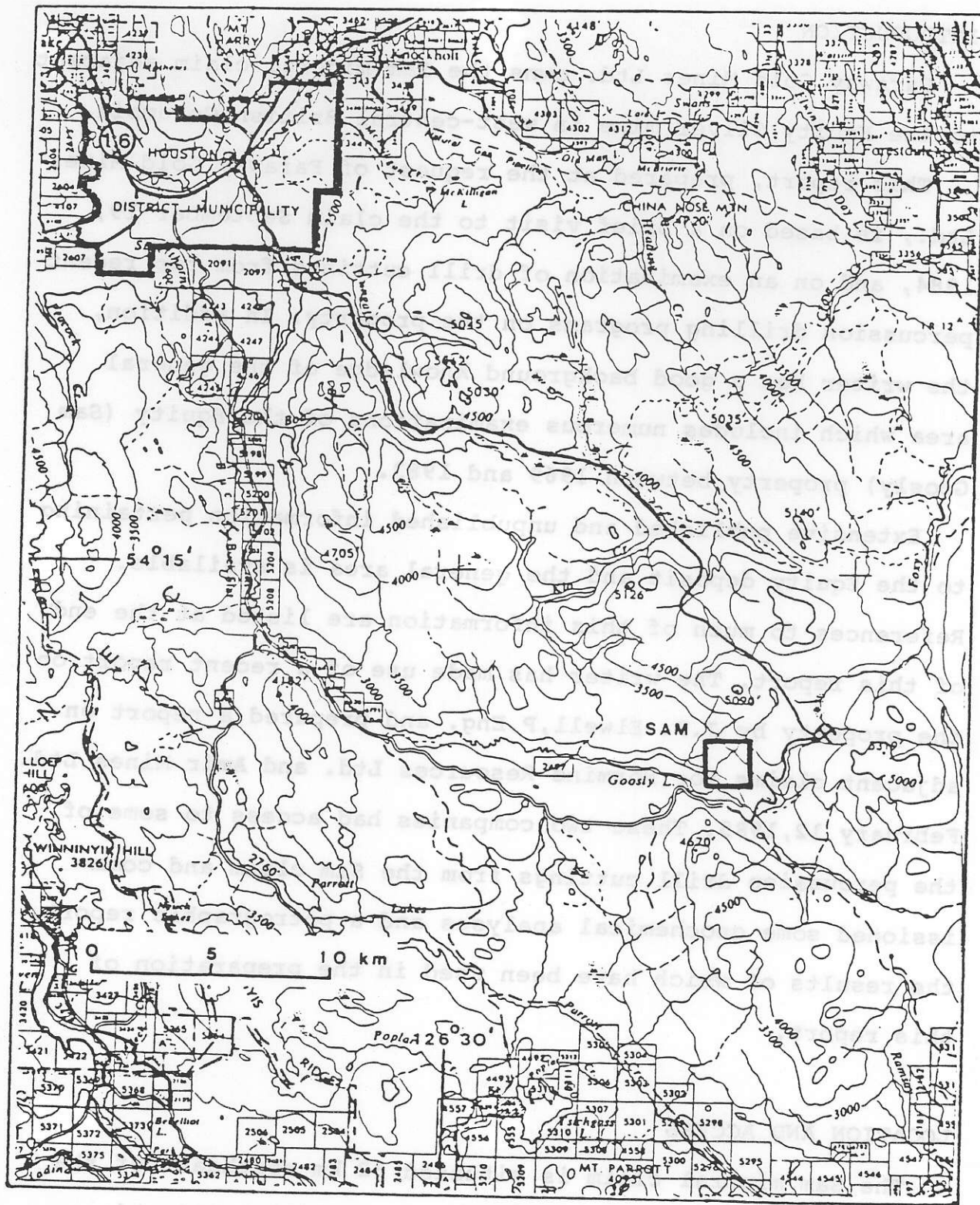


FIGURE 2- LOCATION - SAM MINERAL CLAIM

latitude and 126°19' West longitude.

Houston is on Provincial highway 16 and the northern CN rail line. The town of Smithers, 64 km northeast of Houston, has daily scheduled airline service from Vancouver.

Access to the property is by 38 km of good surface gravel road linking Houston with Equity mine (Figure 2). Old logging roads and bulldozer trails provide access to the northeast and central parts of the claim (Figure 3).

#### MINERAL PROPERTY

The Sam property is comprised of one modified grid mineral claim of 16 units in the Omineca Mining Division.

The claim is believed to have been located in accordance with procedures specified in the Mineral Act Regulations for the Province of British Columbia. The writer did not examine claim posts or lines during the visit to the property. It is apparent (Figure 3) that the southern margin of the claim is in part an overstaking of previously held ground.

Details of the claim are as follows:

Name of Claim	Units	Record Number	Expiry Date
SAM	16	2459	February 12, 1986

#### PHYSICAL FEATURES

The Sam claim is on a southwest slope within an upland plateau of moderate relief (Figure 3). Elevations range from 900 metres at Goosly Lake to 1240 metres near the legal corner

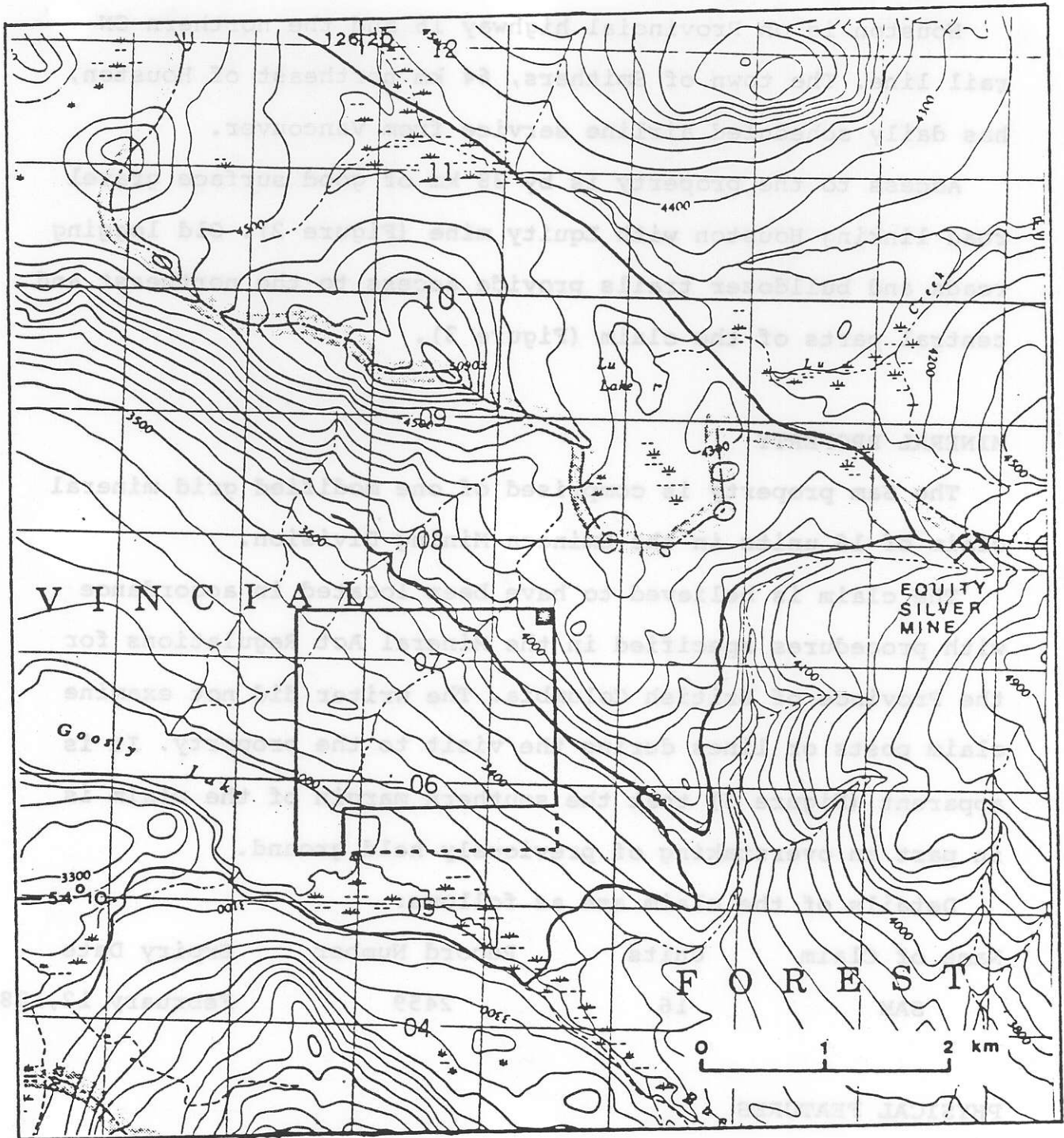


FIGURE 3 SAM MINERAL CLAIM

post at the northeast corner of the claim.

The most prominent relief in the immediate area is north of the claim where rocky ridges display poorly developed columnar jointing at higher elevations. The former logging road into the northeast part of the claim is along the break in slope below which the topographic gradient decreases and overburden is extensive.

Much of the original forest cover of jackpine and spruce has been removed by forest fire and recent logging. Small second growth jackpine is extensive in old burn areas.

#### HISTORY

The discovery of the Sam Goosly silver-copper deposit (now Equity mine) in 1968 was the result of a persistent exploration effort in the area by Kennco Explorations (Western) Ltd. A window of Mesozoic rocks within an extensive area of Tertiary volcanic rocks, originally mapped by Lang (1942) in the Goosly Lake area, was selected by Kennco in the early 1960's for a regional geochemical survey.

Stream sediments in drainages northeast of Goosly Lake were found to be slightly anomalous in copper, zinc and fluorine (Ney et al, 1972). More detailed work in 1967 disclosed the presence of a small quartz monzonite stock containing weak copper-molybdenum mineralization, with an enveloping pyrite shell developed in volcanic rocks marginal to the intrusion. Soil sampling showed areas anomalous in silver, partly coincident

with copper and molybdenum anomalies, but best developed over an area east of the quartz monzonite stock where tetrahedrite had been noted in volcanic rocks. Subsequent drilling outlined the mineralized zone which was later to become the Sam Goosly or Equity ore body.

Equity Mining Capital, a private company, acquired an option on the property in 1972 and carried out an underground bulk testing program on the Main Zone and drilling which delineated the Southern Tail Zone. Further drilling was done in participation with Placer Development, and later with Granby Mining in 1977. In late 1978, Placer Development undertook a joint venture with Equity and a production decision was announced in early 1979. Mining of the Southern Tail Zone began in late 1980 at a milling rate of 5000 tonnes per day.

News of the Sam Goosly discovery in late 1968 - early 1969 resulted in the staking of claims by companies and individuals throughout the general area. The present Sam claim was the northern part of a much larger block held by Dorita Silver Mines Ltd.

This company carried out geological and geochemical surveys between 1969 and 1971 prior to abandoning the claims. The area of the present claim was relocated in 1971 by Payette River Mines Ltd. and a geophysical (IP) survey was carried out (Cochrane, 1971). Four percussion holes were drilled in 1974 (MacDonald, 1974) to test a chargeability anomaly detected by the IP survey.

The present claim was located in 1980 and optioned to

Carpenter Lake Resources Ltd. who conducted a limited amount of soil geochemistry. In 1983, J.P. Elwell, P.Eng., recommended a vertical diamond drill hole to test the IP anomaly defined by Payette River Mines, but this was not done and the option lapsed. Faraway Gold Mines Ltd., a private company, acquired an option on the claim and drilled 15 percussion drill holes in 1984 and a further 25 holes in early 1985. Most of these holes were drilled to depths of 100 metres; the deepest hole was 121 metres.

Samples of drill cuttings were collected at 3 metre intervals for visual examination and geochemical analysis. Procedures employed in the collection of these samples are not known to the writer.

#### REGIONAL GEOLOGICAL SETTING AND MINERAL DEPOSITS

The Goosly Lake area is within the Intermontane tectonic belt which is comprised principally of Mesozoic volcanic and sedimentary rocks cut by intrusive rocks ranging in age from early Jurassic to mid-Tertiary. More specifically, the area is in the northern part of the Nechako Trough, a subdivision of the Intermontane belt, in which the Mesozoic sequences are overlain by extensive areas of Tertiary volcanic rocks.

This is particularly evident in the area south of Houston where much of the region is underlain by a gently dipping sequence of Tertiary volcanic rocks and related intrusive centres. According to Church (1973, 1985) these are contained within the

Buck Creek basin or caldera structure and are comprised of two major Eocene sequences, the Goosly Lake trachytic andesite flows and pyroclastic rocks and the slightly younger Buck Creek basaltic andesite flows and breccias.

Feeders for the Goosly Lake volcanics are gabbroic plugs and stocks aligned in an east-northeast direction with the central feeder or intrusive complex marginal to the Equity deposit (Church, 1971, 1973, 1985). Buck Creek volcanic centres occupy the outer edge of the Tertiary basin postulated by Church.

Mesozoic layered rocks are exposed within and adjacent to the broad area of Tertiary rocks. These range in age from mid-Jurassic to late Cretaceous and are intruded by late Jurassic to early Tertiary granitic and gabbroic stocks and plugs. Jurassic to early Cretaceous volcanic and lesser sedimentary rocks (Hazelton and Skeena Groups) are found south of Houston, in the Burns Lake area and in erosional windows within the Tertiary cover rocks. One of these erosional windows northeast of Goosly Lake exposes rocks which host the Equity deposit. Late Cretaceous rocks, referred to as the Tip Top Hill Volcanic Rocks (Church, 1971, 1973), and occurring in the Owen Lake area and north of Goosly Lake, are porphyritic andesites and pyroclastic rocks with some rhyolites.

The area south of Houston is noted for a variety of mineral deposit types including porphyry copper and molybdenum associated with small granitic intrusions and polymetallic precious and base metal vein and replacement deposits developed in Jurassic and



Cretaceous volcanic rocks.

To date, the most significant mineral deposit in this area is that currently being mined by Equity Silver. This silver-copper deposit is hosted by a Mesozoic homoclinal north-striking west-dipping sequence comprised of four principal divisions (Cyr et al, 1984). From oldest to youngest these are a basal clastic division of conglomerate, sandstone and siltstone, a felsic pyroclastic division of lapilli tuffs, breccia and dust tuffs, a sedimentary-volcanic division of epiclastic volcanic rocks and chert pebble conglomerates and a volcanic flow division of andesite and dacite flows. This sequence is from 2400 to 4300 metres thick (Cyr et al, 1984) and is believed to be of early Cretaceous (Skeena Group) age, based on fossil evidence from lithologically similar sequences elsewhere in the region.

Intruding this sequence are an Eocene (57 m.y.) quartz monzonite stock with weak copper-molybdenum mineralization on the west, a slightly younger (49 m.y.) gabbro-monzonite intrusive complex on the east and a series of dykes between the two.

The Equity deposit is a tabular zone conformable with host rocks of the pyroclastic division. Iron-copper-silver-antimony sulfides (pyrite, pyrrhotite, chalcopyrite, tetrahedrite) and lesser galena and sphalerite occur as disseminations, fracture and breccia fillings and veins over a strike length of 1500 metres. Three principal zones have been defined, of which one, the Southern Tail Zone, is mined out. Current reserves of the Main

Zone are 21.6 million tonnes of 109 g/t silver, 0.85 g/t gold, 0.35% copper and 0.08% antimony. A distinctive clay alteration zone surrounds the deposit and includes quartz, sericite, andalusite, tourmaline, scorzalite, corundum and some dumortierite (Wojdak and Sinclair, 1984).

The deposits are situated midway between the quartz monzonite and gabbroic intrusions and the sulfide zones are cut by three types of post-mineral dykes and sills (Cyr et al, 1984) which are apparently related to the gabbro intrusive complex.

Original geophysical surveys over the deposit yielded mixed results. IP surveys outlined a broad anomalous area due principally to disseminated sulfides but did not indicate the main zones (Ney et al, 1972). Ground and airborne electromagnetic surveys were similarly unsuccessful in pin-pointing the zone.

Soil geochemical surveys over the property defined areas anomalous in silver (+5 ppm) which were found to have been transported west of the ore zone (Ney et al, 1972). Overburden depths were in the order of 4 to 8 metres. Heavy mineral sampling of stream sediments in the drainage emanating from the deposit yielded strong arsenic, gold and silver anomalies (Barakso and Tegart, 1982).

Litho-geochemistry has been the most useful geochemical tool in the Goosly Lake area. Published results of these data (Church and Barakso, 1973; Church et al, 1976; Kowalchuk et al, 1984) show concentric high values for most base metals and silver and gold over the Equity deposit. Pathfinder elements, including arsenic

and mercury, were also found to be good indicators, although higher mercury values have been dispersed outward from the deposit by later intrusive activity.

Three hypotheses have been advanced for the origin of the Equity deposit. Church (1971,1985) believes the ore minerals were deposited by hydrothermal solutions related to the gabbro-monzonite complex, while Ney et al (1972) propose a volcanogenic origin associated with processes related to the evolution of the felsic volcanic (pyroclastic) division with subsequent remobilization of sulfides by the two later intrusive events. A third proposal is that the deposits are related to the intrusion of the quartz monzonite, based partly on similar radiometric ages for alteration minerals associated with the mineralization (Cyr et al,1984; Wojdak and Sinclair,1984).

An appreciation of all three concepts regarding the origin of the Equity deposit is necessary for planning an effective program to search for similar deposits.

#### PROPERTY GEOLOGY AND MINERALIZATION

Overburden cover is prevalent over much of the Sam claim; percussion drilling indicates an average thickness of about 12 metres in the north central part of the claim.

Best bedrock exposures are along the main access road in the northeast part of the claim (Figure 4). Here, grey-green Goosly Lake volcanic rocks of Eocene age have a pronounced trachytic texture imparted by the alignment of 4 mm white feldspar

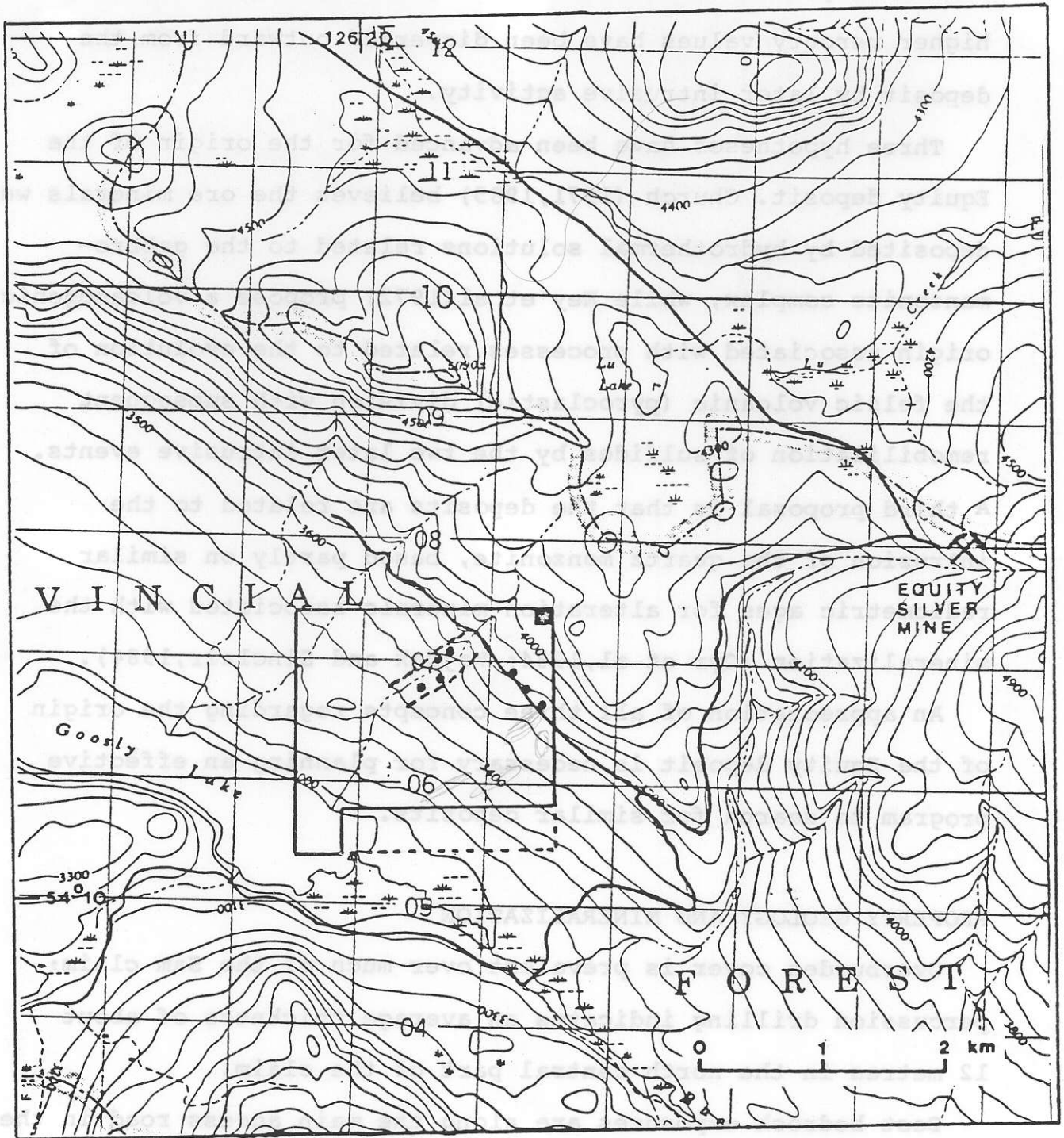


FIGURE 4 SAM MINERAL CLAIM

● Area of Percussion Drilling

--- Sulfide/Alteration Zone

phenocrysts. Percussion drilling in this area indicates the presence of similar rocks in the upper parts of the holes. The prominent hill north of the claim (Figure 4) is capped by slightly younger columnar jointed Buck Creek andesites.

The distribution of these Tertiary volcanic rocks is marked by higher magnetic susceptibilities on aeromagnetic maps of the area. Conversely, areas of lower magnetic response are underlain by older, Mesozoic layered rocks, exposed in erosional windows around the Equity deposit and an area north of Goosly Lake which includes the overburden covered part of the Sam claim.

One exposure of older rocks is known in the western part of the Sam claim. This has been mapped as Tip Top Hill andesite and dacite breccia of late Cretaceous age by Church (1971).

Recent percussion drilling gives an indication of the nature of the bedrock in parts of the claim. As previously noted, the initial holes were along the main access road and these intersected Tertiary volcanic rocks in the upper portions. Thirty holes were drilled within an area 400 to 700 metres southwest of the main road in the north central part of the claim (Figure 4). The majority of these holes were vertical (three at  $-60^\circ$ ) and were drilled on both sides of a creek at 30 to 75 metre centres (Figure 5).

Principal rock type in this area is a very fine grained grey dacite which is variably altered. The rock is composed mainly of very fine grained (0.1 mm or less-Littlejohn, 1984) plagioclase and subordinate quartz. Occasional phenocrysts of plagioclase

and quartz may be as large as 1 mm. Mafic minerals are notably lacking in most of the drill cuttings seen by the writer.

Principal alteration of the grey dacite takes the form of sericite which in some cases is so intense as to render the rock a buff to white colour. Much of the quartz is probably of secondary origin as well. This alteration zone trends northeast (Figure 4) and is at least 200 metres wide and has been traced over a distance of 350 metres. The indicated width of the zone may in fact be greater in view of the fact that previous percussion drilling by Payette River Mines, some distance to the east, intersected similarly altered material with abundant pyrite content (MacDonald, 1974). Other alteration minerals noted within the zone on the Sam claim include carbonate and green tourmaline.

Sericite-quartz alteration affects the grey dacites - Tertiary volcanic rocks along the main access road and in holes 19, 20 and 21 (Figure 5) are unaltered, as are 3 metre wide basic dykes intersected in some of the drill holes.

Metallic minerals in drill cuttings from holes southwest of the main road (Figures 4 and 5) include principally iron sulfides (pyrite and marcasite - Littlejohn, 1984), which occur as very fine disseminations coincident with the zone of quartz-sericite alteration. Other metallic minerals which have been noted include magnetite (mainly associated with Tertiary volcanics and basic dykes), sphalerite, minor galena and molybdenite and a grey metallic mineral which may be tetrahedrite.

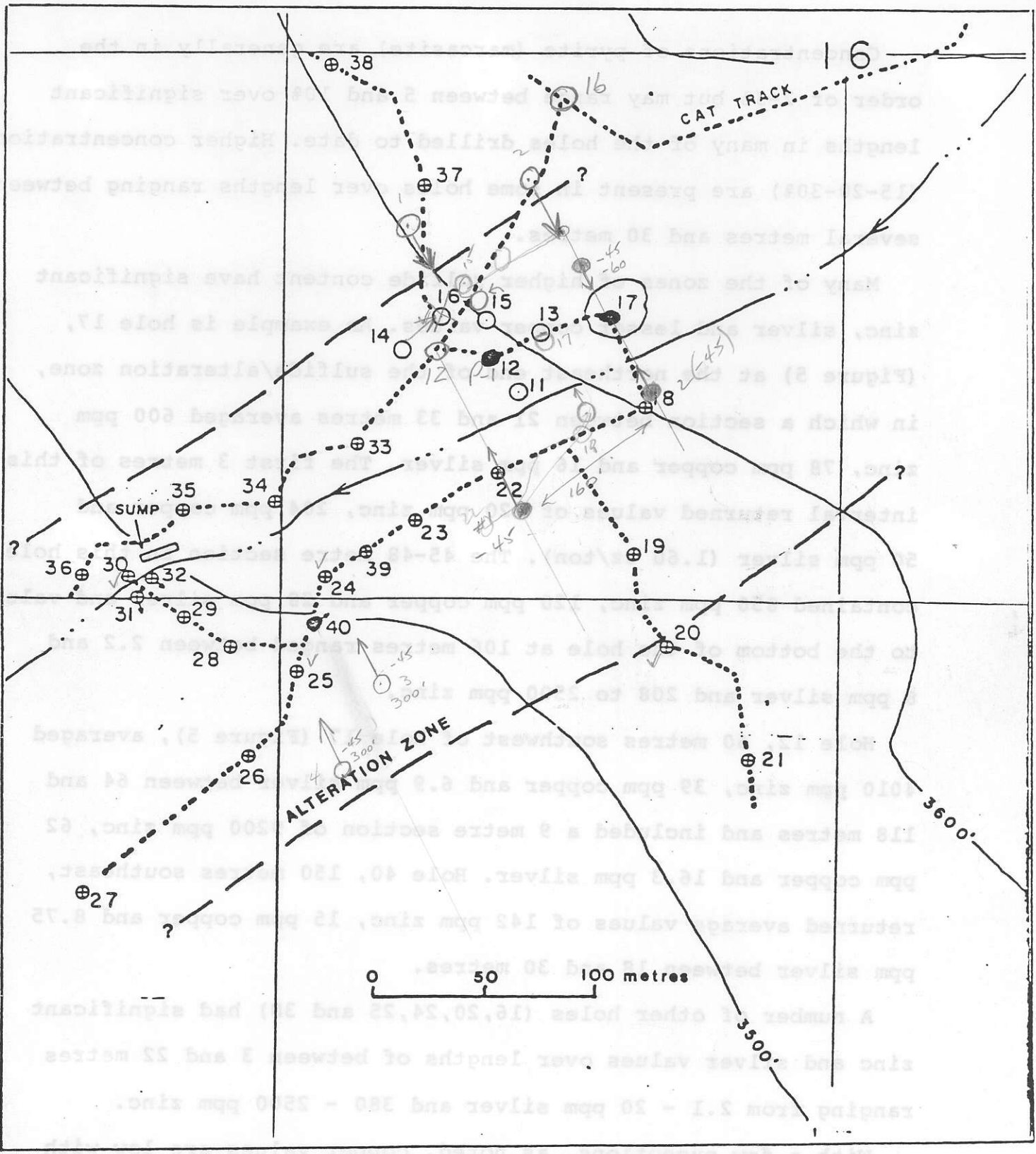


FIGURE 5 PERCUSSION DRILL HOLE LOCATIONS

Concentrations of pyrite (marcasite) are generally in the order of 2-3% but may range between 5 and 10% over significant lengths in many of the holes drilled to date. Higher concentrations (15-20-30%) are present in some holes over lengths ranging between several metres and 30 metres.

Many of the zones of higher sulfide content have significant zinc, silver and lesser copper values. An example is hole 17, (Figure 5) at the northeast end of the sulfide/alteration zone, in which a section between 21 and 33 metres averaged 600 ppm zinc, 78 ppm copper and 16 ppm silver. The first 3 metres of this interval returned values of 920 ppm zinc, 204 ppm copper and 50 ppm silver (1.60 Oz/ton). The 45-48 metre section in this hole contained 850 ppm zinc, 120 ppm copper and 28 ppm silver and values to the bottom of the hole at 106 metres ranged between 2.2 and 8 ppm silver and 208 to 2500 ppm zinc.

Hole 12, 60 metres southwest of hole 17 (Figure 5), averaged 4010 ppm zinc, 39 ppm copper and 6.9 ppm silver between 64 and 118 metres and included a 9 metre section of 9200 ppm zinc, 62 ppm copper and 16.3 ppm silver. Hole 40, 150 metres southeast, returned average values of 142 ppm zinc, 15 ppm copper and 8.75 ppm silver between 18 and 30 metres.

A number of other holes (16,20,24,25 and 30) had significant zinc and silver values over lengths of between 3 and 22 metres ranging from 2.1 - 20 ppm silver and 380 - 2500 ppm zinc.

With a few exceptions, as noted, copper values are low with an average of about 30 ppm for the preceding hole sections.



This is only slightly above background value of 17 ppm for rocks in the general area as reported by Church et al (1976).

Silver and zinc values must be considered significant, particularly when compared with the regional background values of 0.8 ppm for silver and 61 ppm for zinc (Church et al, 1976). In many cases the values indicated by percussion drilling on the Sam claim are at or above threshold values of 19 ppm silver and 391 ppm zinc reported for Mesozoic rocks hosting the Equity deposit. Copper is distinctly lower than the threshold value of 1304 ppm.

#### CONCLUSIONS

Recent percussion drilling on the Sam mineral claim has disclosed the presence of Mesozoic volcanic rocks which have similarities to those which host the Equity silver deposit.

These similarities include volcanic rocks of predominantly dacite composition, the presence of relatively unaltered basic dykes which cut the older volcanics, a large and apparently persistent zone of quartz-sericite alteration which hosts finely disseminated iron sulfides in amounts of up to 30%, and the presence of significant silver and zinc values which range up to 1.6 oz/ton and 1.5 % respectively. It is significant that these better values are from a percussion hole at the northeast extremity of the zone drilled to date.

While there is some debate as to the origin of the Equity deposit, it seems clear that the style and setting of this type

of deposit has been due to specific sequences of geological events which may be difficult to duplicate elsewhere than in the general Goosly Lake area.

For this and other reasons as outlined above, the Sam mineral claim is an attractive prospect which warrants additional exploration work to adequately test its potential.

#### RECOMMENDED PROGRAM

The zone of quartz-sericite alteration which hosts significant concentrations of iron sulfides should be tested by at least four diamond drill holes to gain a better understanding of the nature of the host rocks and style of mineralization.

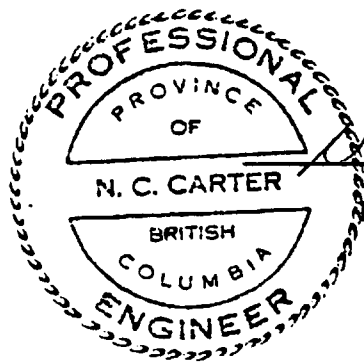
It is recommended that these holes be spaced at uniform intervals northwest of, and parallel to the long axis of the zone as defined to date and drilled at  $-45^{\circ}$  angles to the southeast. Hole depths should be in the order of 150 metres to adequately penetrate the zone.

Because of extensive overburden cover, soil geochemistry is considered to be of little value in further defining the limits of the alteration zone. Trenching is also considered to be impractical. Additional percussion drilling is recommended.

Pending the results of the recommended drilling programs, an IP survey could be considered as a first step in assessing the remainder of the claim.

COST ESTIMATE

Diamond drilling - 4 holes @ 150 metres - 600 metres @ \$70/metre	\$42,000.00
Percussion drilling - 25 holes @ 100 metres - 2500 metres @ \$25/metre	\$62,500.00
Assaying and geochemical analysès	\$12,500.00
Engineering, supervision	\$15,000.00
Contingencies	\$18,000.00
	<hr/>
Total	<u>\$150,000.00</u>



*N. C. Carter Ph.D. P. Eng.*

N.C. Carter, Ph.D. P.Eng.

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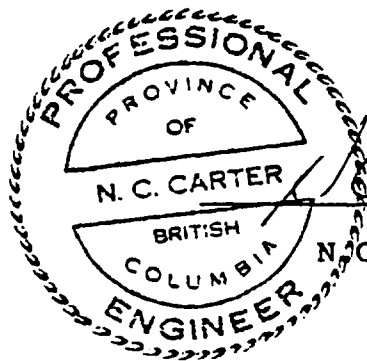
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CERTIFICATE

I, NICHOLAS C. CARTER, do hereby certify that:

1. I am a Consulting Geologist resident at 1410 Wende Road, Victoria, British Columbia,
2. I am a graduate of the University of New Brunswick with B.Sc.(1960), Michigan Technological University with M.S. (1962), and the University of British Columbia with Ph.D. (1974),
3. I am a registered Professional Engineer in the Association of Professional Engineers of British Columbia,
4. I have practised my profession in eastern and western Canada and in parts of the United States over the past 24 years,
5. This report is based on a personal examination of the Sam mineral claim on September 19, 1984, on examination of drill cuttings and logs of percussion drill holes on the property, on published and unpublished reports and maps, and on my background knowledge of the general area, .
6. I have no direct or indirect interest in the Sam mineral claim or in Faraway Gold Mines Ltd.
7. Permission is hereby granted to Faraway Gold Mines Ltd. to use this report in support of a Prospectus or any other document to be submitted to the office of the Superintendent of Brokers and the Vancouver Stock Exchange.

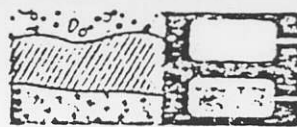


N.C. Carter, Ph.D. P.Eng.

Victoria, B.C.  
July 10, 1985

APPENDIX 'A'

GEOCHEMICAL ANALYSES



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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM	NOTE
Z S 1 10-20		28	60	0.2		Z S 8 10-20		29	72	<0.2	
Z S 1 20-30		37	68	0.3		Z S 8 20-30		35	73	0.2	
Z S 1 30-40		30	59	0.2		Z S 8 30-40		80	90	0.3	
Z S 1 40-50	S1	20	52	0.2		Z S 8 40-50		76	100	0.2	
						Z S 8 50-60	S.8	36	71	0.2	
Z S 1 50-60		35	70	0.2		Z S 8 60-70		43	78	0.2	
Z S 1 60-70		45	91	1.8		Z S 8 70-80		73	93	0.2	
Z S 1 60-90		35	120	<0.2		Z S 8 80-90		83	98	0.2	
Z S 2 10-20		36	70	0.2		Z S 8 90-100		73	95	0.2	
Z S 2 20-30		31	60	0.2		Z S 8 100-110		79	104	0.2	
Z S 2 40-50	S2	38	60	0.2		Z S 9 5-10		27	89	0.3	
Z S 2 50-60		30	52	<0.2		Z S 9 10-20		30	82	0.2	
Z S 2 60-70		25	55	<0.2		Z S 9 20-30	S.9	34	71	<0.2	
Z S 3 30		69	102	0.6		Z S 9 30-40		28	70	0.2	
Z S 3 30-40	S3	26	75	0.2		Z S 9 40-50		26	72	0.3	
Z S 4 10-20	S4	28	66	0.2		Z S 10 10-20		40	81	0.3	
Z S 4 20-30		25	70	0.2		Z S 10 20-30	S-10	41	82	0.2	
Z S 5 10-20		27	76	0.2		Z S 10 30-40		35	80	<0.2	
Z S 5 20-30		47	83	0.2		Z S 10 40-50		42	82	<0.2	
Z S 5 30-40	S5	81	100	0.2		Z S 24 20-20		21	92	<0.2	
Z S 5 40-45		72	91	0.2		Z S 24 40-50	S-24	20	77	<0.2	
Z S 5 5-10		67	85	0.2		Z S 24 50-60		20	100	0.2	
Z S 5 10-20		72	100	0.2		Z S 24 60-70		20	240	1.0	
Z S 5 20-30		56	87	0.2		Z S 25 20-30		18	70	<0.2	
Z S 5 30-40		38	91	<0.2		Z S 25 30-40		16	70	<0.2	
Z S 6 40-50	S6	24	80	0.2		Z S 25 40-50		19	89	0.4	
Z S 6 50-60		39	90	<0.2		Z S 25 200-210	S-25	21	500	1.4	
Z S 6 60-70		43	75	0.2		Z S 25 210-220		18	255	0.7	
Z S 6 70-80		42	74	0.2		Z S 25 220-230		19	250	0.6	
Z S 6 80-90		39	70	<0.2		Z S 25 230-240		26	215	0.5	
Z S 6 90-100		36	70	0.2		Z S 25 240-250		17	238	0.7	
Z S 6 100-110		31	70	0.2		Z S 25 250-260		20	620	0.6	
Z S 7 10-20		29	70	0.2		Z S 25 260-270		29	890	0.9	
Z S 7 20-30		31	70	0.2		Z S 25 270-280		23	525	0.8	
Z S 7 30-40	S7	32	71	0.3		Z S 25 10-20		30	70	0.2	
Z S 7 40-50		47	73	0.2		Z S 26 20-30	S-26	6	65	0.6	
Z S 7 50-60		34	68	<0.2		Z S 26 30-40		24	75	0.5	
Z S 7 60-70		33	71	<0.2		Z S 26 40-50		21	61	0.5	
Z S 7 70-80		38	89	0.2		Z S 25 50-60		27	63	0.6	
Z S 8 5-10		29	80	<0.2		Z S 26 60-70		14	90	0.4	





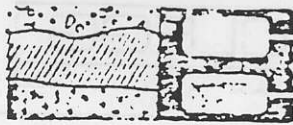
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PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM
PREFIX SPH 24						Z 190-200		36	263	1.0
Z 70-80		19	240	0.2		PREFIX SPH 26				
Z 80-90		17	204	<0.2		Z 330-340		23	148	0.3
Z 90-100		17	280	0.8		Z 340-350		20	132	0.2
Z 100-110		17	303	1.0		Z 350-360		25	128	0.2
Z 110-120		14	143	1.8		Z 360-370		36	109	0.2
<del>Z 120-130</del>		<del>20</del>	<del>179</del>	<del>20.0</del>		PREFIX SPH 27				
Z 130-140		24	326	1.1		Z 270-280		35	129	0.4
Z 140-150		17	167	0.5		Z 280-290		40	128	0.4
Z 150-160		15	154	0.6		Z 290-300		37	127	0.5
Z 150-170		24	720	1.0		Z 300-310		33	121	0.3
Z 170-180		33	500	0.5		Z 310-320		39	117	0.2
Z 180-190		44	297	0.6		Z 320-330		34	132	0.2
Z 190-200		34	258	1.0		Z 330-340		34	124	0.3
Z 200-210		24	383	0.7		Z 340-350		45	155	0.3
Z 220-230		27	450	1.0		Z 350-360		41	162	0.3
<del>Z 230-240</del>		<del>22</del>	<del>290</del>	<del>2.2</del>		Z 360-370		27	134	0.4
<del>Z 240-250</del>		<del>19</del>	<del>195</del>	<del>2.0</del>		Z 370-380		27	143	0.5
<del>Z 250-260</del>		<del>14</del>	<del>161</del>	<del>1.4</del>		Z 380-390		30	120	0.6
Z 260-270		12	220	2.2		Z 390-400		34	155	0.4
Z 270-290		20	276	2.0		PREFIX SPH 28				
Z 280-290		20	222	1.4		Z 280-290		17	276	0.5
Z 290-300		17	202	1.4		Z 290-300		15	304	0.4
Z 300-310		17	490	1.2		Z 300-310		10	193	0.4
Z 300-310		17	359	1.8		PREFIX SPH 29				
PREFIX SPH 25						Z 30-40		8	159	<0.2
<del>Z 50-60</del>		<del>40</del>	<del>1070</del>	<del>3.8</del>		Z 40-50		6	74	<0.2
<del>Z 60-70</del>		<del>20</del>	<del>475</del>	<del>1.4</del>		Z 50-60		5	118	<0.2
Z 70-80		13	495	0.6		Z 60-70		7	395	0.8
Z 80-90		10	149	0.4		Z 70-80		20	910	1.2
Z 90-100		10	162	0.6		Z 80-90		15	318	0.6
Z 100-110		10	126	0.2		Z 90-100		7	184	0.4
Z 110-120		19	246	0.5		Z 100-110		5	165	0.6
Z 120-130		22	195	0.4		Z 110-120		14	313	0.5
Z 130-140		55	252	1.0		Z 120-130		13	142	0.2
Z 140-150		25	267	1.2		Z 130-140		21	150	<0.2
<del>Z 150-160</del>		<del>21</del>	<del>364</del>	<del>2.0</del>		Z 140-150		9	129	<0.2
<del>Z 160-170</del>		<del>20</del>	<del>100</del>	<del>2.1</del>		PREFIX SPH 30				
Z 170-190		30	860	2.2		Z 30-40		13	100	0.2
Z 180-190		17	207	0.6		Z 40-50		27	81	1.5





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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	Ag PPM
Z S 26 70-90		14	182	0.6		Z S 27 150-170		25	268	1.1
Z S 26 80-90		14	150	0.5		Z S 27 170-180		25	242	0.8
Z S 26 90-100		16	230	0.5		Z S 27 190-190		55	190	0.6
Z S 26 100-110		5	54	0.4		Z S 27 190-200		53	170	0.5
Z S 26 110-120		11	335	0.8		Z S 27 200-210		52	187	0.5
Z S 26 120-130		16	230	1.2		Z S 27 210-220		53	205	0.5
Z S 26 130-140		9	230	1.4		Z S 27 220-230		48	158	0.5
Z S 26 140-150		10	86	0.6		Z S 27 230-240		46	162	0.5
Z S 26 150-160		6	96	0.4		Z S 27 240-250		45	222	0.6
Z S 26 160-170		15	112	0.6		Z S 27 250-260		36	228	0.7
Z S 26 170-180		6	90	0.3		Z S 27 260-270		31	180	0.5
Z S 26 180-190		15	112	0.4		Z S 27A 150-160		7	85	0.2
Z S 26 190-200		34	168	0.3		Z S 28 20-30		23	112	<0.2
Z S 26 200-210		8	103	0.2		Z S 28 30-40		19	80	1.2
Z S 26 210-220		6	110	0.9		Z S 28 40-50		28	80	0.2
Z S 26 220-230		6	66	0.5		Z S 28 50-60		30	90	0.3
Z S 26 230-240		6	80	0.5		Z S 28 60-70		25	70	0.5
Z S 26 240-250		6	110	0.4		Z S 28 70-80		24	78	0.5
Z S 26 250-260		11	92	0.5		Z S 28 80-90		29	82	0.2
Z S 26 260-270		7	100	0.5		Z S 28 90-100		21	90	<0.2
Z S 26 270-280		7	100	0.5		Z S 28 100-110		30	100	<0.2
Z S 26 280-290		8	140	0.5		Z S 28 110-120		44	94	<0.2
Z S 26 290-300		14	160	0.6		Z S 28 120-130		24	82	0.3
Z S 26 300-310		20	410	1.3		Z S 28 130-140		24	99	<0.2
Z S 26 310-320		27	270	0.9		Z S 28 140-150		16	114	0.3
Z S 26 320-330		27	190	0.8		Z S 28 150-160		26	140	1.0
Z S 27 20-30		33	362	0.9		Z S 28 160-170		28	182	1.6
Z S 27 30-40		6	150	0.2		Z S 28 170-180		16	152	0.6
Z S 27 40-50		9	150	0.3		Z S 28 180-190		17	70	0.5
Z S 27 50-60		7	137	0.3		Z S 28 190-200		13	55	0.3
Z S 27 60-70		14	100	0.3		Z S 28 200-210		8	52	<0.2
Z S 27 70-90		16	99	0.2		Z S 28 210-220		5	49	<0.2
Z S 27 90-90		12	112	0.2		Z S 28 220-230		10	150	0.4
Z S 27 90-100		12	167	0.3		Z S 28 230-240		11	100	0.6
Z S 27 100-110		9	91	0.3		Z S 28 240-250		12	109	0.6
Z S 27 110-120		77	135	0.4		Z S 28 250-260		7	100	0.4
Z S 27 120-130		6	100	0.2		Z S 28 260-270		19	90	0.3
Z S 27 130-140		5	91	0.3		Z S 28 270-280		20	115	0.6
Z S 27 140-150		16	300	0.7		Z S 28 280-290		20	145	0.4
Z S 27 150-160		22	860	0.9		Z S 29 30-40		27	90	<0.2



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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Zn PPM	As PPM	NOTES
Z S 29 150-160	S <sup>29</sup>	8	138	0.3	
Z S 29 160-170		4	120	0.2	
Z S 29 170-180		4	102	0.2	
Z S 29 180-190		4	109	0.4	
Z S 29 190-200		15	210	0.9	
Z S 29 200-210	S <sup>29</sup>	19	410	1.3	
Z S 29 210-220		17	190	0.6	
Z S 29 220-230		9	115	0.4	
Z S 29 230-240		7	90	0.3	
Z S 29 240-250		8	100	0.4	
Z S 29 260-270	S <sup>29</sup>	7	120	0.6	
Z S 29 280-290		25	114	0.9	
Z S 30 60-70		20	560	0.7	
Z S 30 70-80		16	1500	1.8	
Z S 30 80-90		16	640	1.7	
Z S 30 90-100	S <sup>30</sup>	22	1640	1.7	
Z S 30 100-110		19	390	1.0	
Z S 30 110-120		31	1080	1.0	
Z S 30 120-130		15	110	0.8	
Z S 30 130-140		14	60	0.6	
Z S 30 140-150	S <sup>30</sup>	23	70	0.9	
Z S 30 150-160		15	100	0.6	
Z S 30 160-170		21	90	1.0	
Z S 30 170-180		16	86	1.0	
Z S 30 180-190		20	150	1.4	
Z S 30 190-200	S <sup>30</sup>	36	140	1.2	
Z SPH17 50-60		20	218	0.9	
Z SPH17 60-70		15	70	2.5	
Z SPH17 70-80		204	920	50.0	
Z SPH17 80-90		27	900	4.4	
Z SPH17 90-100	S <sup>17</sup>	27	420	3.5	
Z SPH17 100-110		55	224	6.8	
Z SPH17 110-120		18	170	2.1	
Z SPH17 120-130		83	193	1.9	
Z SPH17 130-140		58	130	2.2	
Z SPH17 140-150	25	97	2.1		

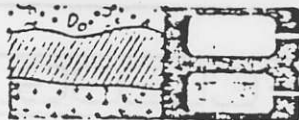


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PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE
PREFIX S-11-						Z 90-100		19	<0.2	248	
Z 30-40		19	1.0	400		Z 100-110		18	0.3	610	
Z 40-50		13	<0.2	69		Z 110-120		16	1.0	420	
Z 50-60		14	0.2	550		Z 130-140A		16	0.8	288	
Z 60-70		13	<0.2	324		Z 130-140B		21	1.0	750	
Z 70-80		13	0.2	340		Z 140-150		21	0.4	312	
Z 80-90		14	0.7	196		Z 150-160		20	0.3	200	
Z 90-100		19	1.2	500		Z 160-170		19	0.6	142	
Z 100-110		18	0.8	390		Z 180-200		17	0.7	320	
Z 110-120		26	1.6	1120		Z 200-210		21	2.3	650	
Z 120-130		20	0.8	610		Z 210-220		30	4.3	4300	
Z 130-140		16	0.4	350		Z 220-230		20	2.6	1380	
Z 140-150		16	0.3	340		Z 230-240		25	3.3	3100	
Z 150-160		16	0.2	284		Z 240-250		84	23.0	15000	
Z 160-170		15	0.2	350		Z 250-260		56	15.0	7200	
Z 180-190		12	0.2	310		Z 260-270		46	11.0	5400	
Z 190-200		14	0.3	540		Z 270-280		37	8.0	4000	
Z 200-210		24	2.1	1440		Z 280-290		33	7.2	3200	
Z 210-220		24	1.2	920		Z 290-300		36	5.9	3200	
Z 220-230		27	1.5	1550		Z 300-310		34	5.7	3300	
Z 230-240		22	1.4	1040		Z 310-320		28	5.4	3200	
Z 240-250		20	1.4	540		Z 320-330		34	5.6	3000	
Z 250-270		23	1.4	570		Z 330-340		38	5.1	2500	
Z 270-280		22	1.2	490		Z 340-350		41	4.6	2600	
Z 280-290		27	0.4	410		Z 350-360		42	4.8	2800	
Z 290-300		21	0.6	450		Z 360-370		42	4.0	2100	
Z 300-310		22	0.4	410		Z 370-380		42	4.7	2500	
Z 310-320		25	0.5	400		Z 380-390		29	4.6	2800	
Z 320-330		21	0.5	370		PREFIX S-14-					
Z 330-340		15	0.5	300		Z 15-20		20	0.6	200	
PREFIX S-12-						Z 20-30		12	0.5	102	
Z 20-30		10	0.6	48		Z 30-40		13	0.3	96	
Z 30-40		10	<0.2	73		Z 40-50		24	0.4	106	
Z 40-50		12	<0.2	56		Z 50-60		17	0.3	54	
Z 50-60		39	0.5	190		Z 60-70		16	<0.2	48	
Z 70-80		53	<0.2	168		Z 70-80		16	<0.2	50	
Z 80-90A		22	3.2	610		Z 80-90		15	<0.2	60	
Z 70-80B		23	<0.2	140		Z 90-100		15	<0.2	60	
Z 30-90A		19	0.8	304		Z 100-110		15	<0.2	72	
Z 80-90B		20	<0.2	225		Z 110-120		14	0.4	180	

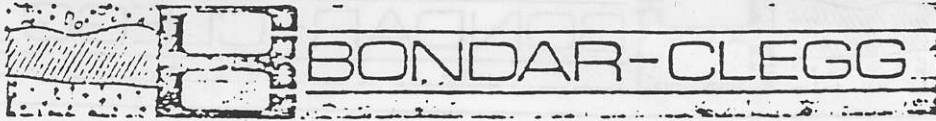


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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE
Z 120-130		15	0.5	160		Z 150-160		30	1.4	1960	
Z 130-140		14	0.4	130		Z 160-170		16	0.7	700	
Z 140-150		11	0.3	116		Z 170-180		19	1.4	1640	
Z 150-160		12	0.3	106		Z 180-190		44	1.2	980	
Z 160-170		25	0.8	400		Z 190-200		20	1.7	2000	
Z 170-190		62	0.7	620		Z 200-210		29	1.0	850	
Z 180-190		64	0.9	216		Z 210-220		27	0.8	510	
Z 190-200		36	0.4	236		Z 220-230		26	1.0	600	
Z 200-210		30	0.2	280		Z 230-240		27	0.8	600	
Z 210-220		30	<0.2	220		Z 240-250		28	0.8	520	
Z 220-230		24	<0.2	128		Z 250-260		37	1.2	610	
Z 230-240		23	<0.2	350		PREFIX S-20-					
Z 240-250		23	<0.2	440		Z 20-30		23	<0.2	96	
Z 250-260		25	<0.2	200		Z 30-40		23	<0.2	105	
Z 260-270		24	<0.2	124		Z 40-50		20	<0.2	96	
Z 270-280		39	<0.2	138		Z 50-60		20	<0.2	112	
Z 280-290		43	<0.2	130		Z 60-70		18	<0.2	108	
Z 290-300		30	<0.2	165		Z 70-80		15	0.3	132	
Z 300-310		27	0.3	250		Z 80-90		14	1.4	140	
Z 310-320		29	0.2	225		Z 90-100		15	0.2	540	
Z 320-330		20	0.4	248		Z 100-110		14	0.2	260	
Z 330-340		16	0.4	276		Z 110-120		13	<0.2	105	
Z 340-350		16	0.3	275		Z 120-130		26	<0.2	104	
Z 350-360		14	0.4	280		Z 130-140		15	<0.2	120	
Z 360-370		17	0.5	348		Z 140-150		21	0.4	192	
Z 370-380		35	0.4	220		Z 150-160		15	0.7	480	
Z 380-390		28	0.4	285		Z 160-170		13	1.2	176	
PREFIX S-16-						Z 170-180		20	1.8	88	
Z 30-40		40	0.2	410		Z 180-190		42	2.4	1300	
Z 40-50		29	0.8	540		Z 190-200		30	2.1	1780	
Z 50-60		29	0.7	630		Z 200-210		21	4.0	1100	
Z 60-70		26	0.5	770		Z 210-220		28	2.4	680	
Z 70-80		20	0.5	370		Z 220-230		14	0.2	142	
Z 80-90		26	0.4	420		Z 230-240		16	1.5	160	
Z 90-100		25	0.4	440		Z 240-250		20	2.0	132	
Z 110-120		19	<0.2	112		Z 250-260		21	1.8	212	
Z 120-130		26	0.8	288		Z 260-270		30	1.9	740	
Z 130-140		18	1.4	430		Z 270-280		22	1.3	670	
Z 140-150		29	5.3	1180		Z 280-290		18	1.5	620	
Z 150-160		32	2.0	2000		Z 290-300		19	0.8	490	



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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE
PREFIX S-21-						Z 70-90		4	<0.2	170	
Z 20-30		36	<0.2	82		Z 90-90		5	<0.2	100	
Z 30-40		31	<0.2	96		Z 90-100		68	<0.2	250	
Z 40-50		26	<0.2	115		Z 100-110		80	<0.2	390	
Z 50-60		22	<0.2	216		Z 110-120A		16	0.9	236	
Z 60-70		12	<0.2	104		Z 110-120B		13	0.4	196	
Z 70-80		13	<0.2	44		Z 120-130		10	0.2	265	
Z 80-90		25	<0.2	60		Z 130-140		14	<0.2	192	
Z 90-100		12	<0.2	45		Z 140-150		30	0.6	185	
Z 100-110		10	<0.2	60		Z 150-160		27	0.2	210	
Z 110-120		44	1.0	88		Z 160-170		28	0.2	145	
Z 120-130		21	2.3	244		Z 170-180		27	0.5	390	
Z 130-140		32	0.6	350		Z 180-190		28	1.1	500	
Z 140-150		40	0.6	370		Z 190-200		25	0.2	296	
Z 150-160		34	0.4	240		Z 200-210		25	<0.2	260	
Z 170		14	0.2	116		Z 210-220		26	<0.2	152	
Z 170-180		24	0.7	225		Z 220-230		23	<0.2	270	
Z 180-190		29	0.5	152		Z 230-240		26	<0.2	236	
Z 190-200		22	0.4	150		Z 240-250		39	<0.2	316	
Z 200-210		20	0.2	116		Z 250-250		26	0.2	330	
Z 210-220		18	0.5	110		Z 260-270		28	0.2	245	
Z 220-230		15	1.0	150		Z 270-280		29	0.3	208	
Z 240-250		24	1.2	394		Z 280-290		23	<0.2	276	
Z 250-260		26	1.6	320		Z 290-300		28	<0.2	244	
Z 260-270		24	1.8	500		PREFIX S-34-					
Z 270-280		30	1.1	276		Z 10-20		23	<0.2	100	
Z 280-290		35	1.0	440		Z 20-30		4	<0.2	156	
Z 290-300		18	0.8	220		Z 30-40		11	<0.2	195	
Z 300-310		29	1.0	540		Z 40-50		5	<0.2	130	
Z 310-320		25	0.8	250		Z 50-60		4	<0.2	118	
Z 320-330		36	1.8	222		Z 60-70		2	<0.2	110	
Z 330-340		27	2.2	350		Z 70-80		10	0.2	130	
Z 340-350		27	1.1	490		Z 80-90		20	1.3	400	
PREFIX S-33-						Z 90-100		20	0.4	290	
Z 10-20		30	0.2	130		Z 100-110		19	0.3	244	
Z 30		25	<0.2	116		Z 110-120		19	<0.2	220	
Z 40		46	<0.2	264		Z 120-130		25	<0.2	316	
Z 40-50		16	<0.2	170		Z 130-140		18	<0.2	100	
Z 50-60		5	<0.2	168		Z 140-150		19	<0.2	89	
Z 60-70		4	<0.2	130		Z 150-160		18	<0.2	104	



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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE
Z 160-170		14	<0.2	102		Z 20-30		8	<0.2	118	
Z 170-180		14	<0.2	86		Z 30-40		8	<0.2	64	
Z 190-199		12	<0.2	72		Z 40-50		1	<0.2	81	
Z 190-200		14	<0.2	100		Z 50-60		12	<0.2	74	
Z 200-210		18	0.3	248		Z 60-70		1	<0.2	62	
Z 210-220		20	<0.2	129		Z 70-80		3	<0.2	63	
Z 220-230		22	<0.2	132		Z 80-90		1	<0.2	68	
Z 230-240		20	<0.2	110		Z 90-100		11	0.2	60	
Z 240-250		22	<0.2	110		Z 100-110		70	<0.2	174	
Z 250-260		29	<0.2	95		Z 110-120		55	1.4	190	
Z 260-270		22	<0.2	85		Z 120-130		19	2.4	94	
Z 270-280		23	<0.2	128		Z 130-140		15	0.5	44	
Z 280-290		17	0.2	228		Z 140-150		18	0.6	160	
Z 290-300		21	0.5	240		Z 150-160		19	0.6	67	
PREFIX S-35-						Z 160-170		18	0.8	43	
Z 30-40		21	<0.2	150		Z 170-180		14	0.6	57	
Z 40-50		10	1.9	940		Z 180-190		10	<0.2	78	
Z 50-60		8	0.6	560		Z 190-200		13	<0.2	79	
Z 60-70		4	0.5	400		Z 200-210		10	<0.2	90	
		5	0.4	650		Z 210-220		6	<0.2	84	
Z 70-80		5	0.2	312		Z 220-230		6	0.4	102	
Z 80-90		5	<0.2	200		PREFIX S-37-					
Z 90-100		6	<0.2	127		Z 30-40		17	<0.2	80	
Z 100-110		15	<0.2	103		Z 40-50		36	<0.2	68	
Z 110-120		15	<0.2	108		Z 50-60		9	0.4	98	
Z 120-130		16	<0.2	140		Z 60-70		11	0.2	237	
Z 130-140		15	<0.2	103		Z 70-80		10	0.2	187	
Z 140-150		15	<0.2	220		Z 80-90		10	0.2	145	
Z 150-160		18	<0.2	263		Z 90-100		10	0.5	140	
Z 160-170		16	<0.2	212		Z 100-110		10	<0.2	115	
Z 170-180		16	<0.2	142		Z 110-120		10	<0.2	60	
Z 180-190		16	<0.2	123		Z 120-130		10	<0.2	42	
Z 190-200		16	<0.2	123		Z 130-140		7	0.8	52	
Z 200-210		16	<0.2	180		Z 140-150		7	2.4	3600	
Z 210-220		16	<0.2	131		Z 150-160		22	0.6	460	
Z 230-240		15	<0.2	314		Z 160-170		9	0.2	197	
Z 240-250		14	<0.2	344		Z 170-180		14	0.8	218	
PREFIX S-36-		15	<0.2	460		Z 180-190		41	<0.2	700	
Z 10-20		17	<0.2	220		Z 190-200		40	0.2	290	
						Z 200-210		29	0.2	374	





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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTE
Z 210-220		27	0.2	500		Z 170-180		24	1.0	290	S-39
Z 220-230		20	0.6	880		Z 180-190		21	0.8	232	
Z 230-240		26	0.4	920		Z 190-200		24	0.7	174	
Z 240-250		25	0.5	530		PREFIX S-29-					
Z 250-260		49	0.2	280		Z 60-70		17	0.8	353	
Z 260-270		25	0.5	970		Z 70-80		19	1.2	920	S-39
Z 270-280		30	0.6	353		Z 80-90		19	1.0	385	
Z 280-290		15	0.6	232		Z 90-100		22	1.0	128	
Z 290-300		15	0.4	178		Z 100-110		21	1.0	95	
Z 300-310		27	1.6	273		Z 110-120		25	1.3	115	
Z 310-320		21	1.8	388		Z 120-130		20	1.3	84	S-39
Z 320-330		18	1.1	460		Z 130-140		20	0.8	84	
Z 330-340		21	2.1	290		Z 140-150		18	0.7	180	
Z 340-350		19	2.9	158		Z 150-160		23	3.0	312	
Z 350-360		15	1.4	440		Z 160-170		15	1.0	263	
Z 370-380		21	1.4	320		Z 170-180		14	1.0	150	S-40
Z 380-390		17	0.8	126		Z 180-190		16	1.2	149	
Z 390-400		14	0.4	82		Z 190-200		17	0.9	378	
Z 400-410		11	0.2	81		PREFIX S-40-					
Z 410-420		17	0.4	94		Z 20-30		19	0.2	88	
Z 430-440A		20	0.4	82		Z 30-40		17	0.2	70	S-40
Z 430-440B		32	0.2	99		Z 40-50		15	0.2	62	
Z 440-450		37	0.4	148		Z 50-60		17	0.2	77	
Z 450-460		32	0.4	160		Z 60-70		17	18.0	213	
Z 460-470		32	0.4	160		Z 70-80		11	6.6	80	
PREFIX S-38-						Z 80-90		19	5.2	145	S-40
Z 30-40		26	0.2	93		Z 90-100		11	5.2	128	
Z 40-50		15	1.0	74		Z 100-110		17	1.9	122	
Z 50-60		5	4.1	40		Z 110-120		15	1.6	244	
Z 60-70		8	1.2	128		Z 120-130		10	1.0	157	
Z 70-80		7	0.8	188		Z 130-140		10	0.9	92	S-35
Z 80-90		10	0.6	400		Z 140-150		30	2.0	810	
Z 90-100		12	0.7	415		Z 150-160		44	1.0	990	
Z 100-110		21	0.9	675		Z 160-170		40	1.7	620	
Z 110-120		23	1.0	880		Z 170-180		34	1.5	368	
Z 130-140		16	0.7	600		Z 180-190		24	1.2	282	S-35
Z 140-150		25	0.7	210		Z 190-200		23	1.6	258	
Z 150-160		20	0.7	220		Z 200-210		25	2.2	309	
Z 160-170		20	0.6	156		Z 210-220		31	2.5	224	
Z 170-180		21	0.8	200		Z 220-230		35	1.8	190	

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SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Ag PPM	Zn PPM	NOTES
PREFIX SPH-17-					
Z 150-160		120	28.0	850	
Z 160-170		36	8.0	243	
Z 170-180		47	5.8	252	
Z 180-190		34	3.6	218	
Z 190-200		54	5.0	215	
Z 200-210		54	4.8	208	
Z 210-220		41	6.2	231	
Z 220-230		39	5.5	276	
Z 230-240		36	3.5	217	
Z 240-250		26	3.9	215-	
Z 250-260		35	6.0	2500-	
Z 260-270		34	4.9	1090-	
Z 270-280		42	4.3	820-	
Z 280-290		45	3.2	610	
Z 300		26	2.7	387-	
Z 300-310		37	2.4	490-	
Z 310-320		32	3.0	393	
Z 320-330		39	3.0	367	
Z 330-340		34	3.2	342	
Z 340-350		27	2.2	394	
PREFIX SPH-19-					
Z 20-30		45	<0.2	85	
Z 30-40		28	<0.2	88	
Z 40-50		23	<0.2	84	
Z 50-60		20	<0.2	80	
Z 60-70		19	<0.2	87	
Z 70-80		25	0.2	200	
Z 80-90		24	<0.2	185	
Z 90-100		30	<0.2	237	
Z 100-110		24	<0.2	287	
Z 120-130		35	0.2	286	

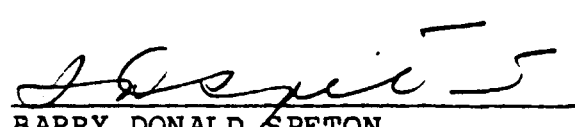
CERTIFICATE OF THE DIRECTORS AND PROMOTER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act, and the regulations under it.

November 30, 1985.  
Date

  
\_\_\_\_\_  
LORNE HARVEY SPENCE  
Director & Promoter

  
\_\_\_\_\_  
BRENT ALLEN GRIFFIN  
Director


  
\_\_\_\_\_  
BARRY DONALD SPETON  
Director

CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act, and the regulations under it.

November 30, 1985.  
Date

MCDERMID ST. LAWRENCE LIMITED  
Per:

  
\_\_\_\_\_

Those persons holding more than a 5% interest in McDermid St. Lawrence Limited are Warring P. Clarke, J. Lawrence Goad, Keith N. Aune, Robert L. Harrison, Robert J. Rose, James A. Tartaglia, John A. Wheeler, W.H. Wayne Latta, Leonard E. Fiessel and William D. Taylor.