

Tapin Copper Mines Limited

(N. P. L.)

840876

Bugaboo Creek
area

+ Sillimacheen

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PROGRESS REPORT

March, 1974

In the last report to shareholders, we advised that it was management's intention to concentrate primarily on oil, gas and uranium ventures.

This past December, the Company purchased three producing oil wells in the Pembina field in Alberta from Great Plains Company of Canada Ltd. Tapin Copper Mines Ltd is now registered in Alberta as an extra-provincial company and effective March 1, 1974 has assumed full ownership of the wells. C. J. Gilders, P.Eng., consultant, advises that Tapin Copper Mines Ltd should net approximately \$13,697.00 for 1974 production, at the price of \$3.96 per barrel, but with the recent indication that the well head price should be set at \$6.00 per barrel, commencing April 1, 1974, it would net the Company \$26,256.00.

Negotiations are presently underway for the acquisition of further producing oil and gas properties in Alberta.

In the uranium field, Tapin Copper Mines Ltd has successfully purchased an 85% interest in 21 uranium placer leases in the vicinity of Bugaboo Creek, in the Golden Mining District of British Columbia, for the nominal sum of \$4,431.12.

Mr. C.R. Saunders, P.Eng., consultant with Dolmage Campbell & Associates Ltd., Vancouver, B.C. reports the following on the Company's placer uranium leases on the headwaters of Malloy Creek and Vowell Creek located approximately 60 miles east of Revelstoke, B.C. containing significant amounts of uranium and niobium. Access is provided by means of dirt road from the village of Sillimacheen, which is situated about 30 miles south of Golden, British Columbia on Highway No. 95.

The Bugaboo batholith has been eroded producing deposition of radioactive sands, particularly in Vowell and Malloy Creeks.

A report by our consultants, Dolmage Campbell & Associates Ltd states that previous exploration work by various companies indicated Malloy and Vowell Creeks to have the most economic potential in the area. Detailed exploration, consisting of drilling and sampling of 98 holes concentrated in the most favourable areas was subsequently carried out. Although insufficient assaying was completed on the sampling, within the data limitations, a reasonable calculation of the reserve potential on each creek by M.J.M. Black, P.Eng., consultant for Dillingham Mining Corp, who previously held these leases, indicates the following:

	Volume (cu.yds)	U ₃ O ₈	Nb ₂ O ₅	ThO ₂	Magnetite	Ilmenite
			(Pounds per cu.yds)			
Malloy Ck	12,200,000	0.039	0.165	0.116	13.5	1
Vowell Ck	12,750,000	0.038	0.25	0.056	10.00	3

Gross value of this material at projected prices of \$20 per lb. uranium and current prices for the other constituents is approximately \$1.20 per cu. yd. Total operating costs are estimated to be from a minimum of 30¢ to a maximum of 70¢ per cu. yd.

A further calculation based on scintillometer readings of the samples indicates 22,500,000 cu. yds in Malloy Creek and 19,000,000 cu. yds. in Vowell Creek, indicating a total of 41,500,000 cu. yds.

Preliminary metallurgical testing indicates favourable recoveries for uranium and niobium being 80% and 75% as determined by Quebec Metallurgical Industries.

The Consultant's recommended programme of work to further determine the economic possibilities of our leases is at an estimated cost of \$48,000.00. This work programme includes

analysis of all samples from earlier drilling, detailed reserve calculations, study of alternate mining methods and costs, thorough mineralogical analysis of the black sands, marketing studies and further exploration and recovery test work.

It is suggested that this operation could be put in production with a capital cost ranging from 1.5 to 3 million dollars using an 8 cu. yd. dredge, working 200 days per year and mining approximately 1.2 - 1.5 million cu. yds. per operating season.

At present, management is negotiating with a number of major oil and gas and mining companies to participate in the final stages of exploration, which we hope will lead to production in the near future.

To further enhance your Company's position, negotiations are presently proceeding for the acquisition of an encouraging uranium property in Ontario in a known uranium-occurring area. It is expected a decision will be made in a few months.

BONNET PLUME PROPERTY - YUKON TERRITORY

Tapin Copper Mines Ltd has recently acquired the J17-24 claim group (eight claims) in the Bonnet Plume area, Yukon Territory, where Barrier Reef Resources Ltd., have reported extensive outcrops containing zinc sulphides in bedded carbonate rocks.

The property is situated approximately eleven miles to the west of the Barrier Reef G0Z property adjacent to the west of Cypress Resources and adjacent to the east of Nadaleen Syndicate.

Barrier Reef have reported assays ranging from 1% to 49% zinc in sulphides over varying significant lengths in a mineralized zone traced for a distance of 4,400 feet along strike with an apparent average thickness of 25 to 40 feet.

The favourable geological horizon appears to underly the J17-24 claim group and zinc mineralization has been reported to occur on the adjacent Cypress Mines property.

Numerous other mining companies have and are acquiring holdings in the area and a great deal of exploration activity is anticipated.

Tentative plans are to carry out an exploration program in the area when conditions permit.

The proposed amendments to the B.C. Minerals Act as set out in Bill 31 is of concern to us for our B.C. holdings, as they must be to everyone in the industry, operator and shareholder alike. While it is too early to assess the full impact, it is apparent that if implemented, it would create hardships on financing new mine production and its ultimate profitability. The Government may take a "second look" at the proposed new legislation to still achieve the aims of providing increased Government revenues without jeopardizing the continued existence of the mining industry itself.

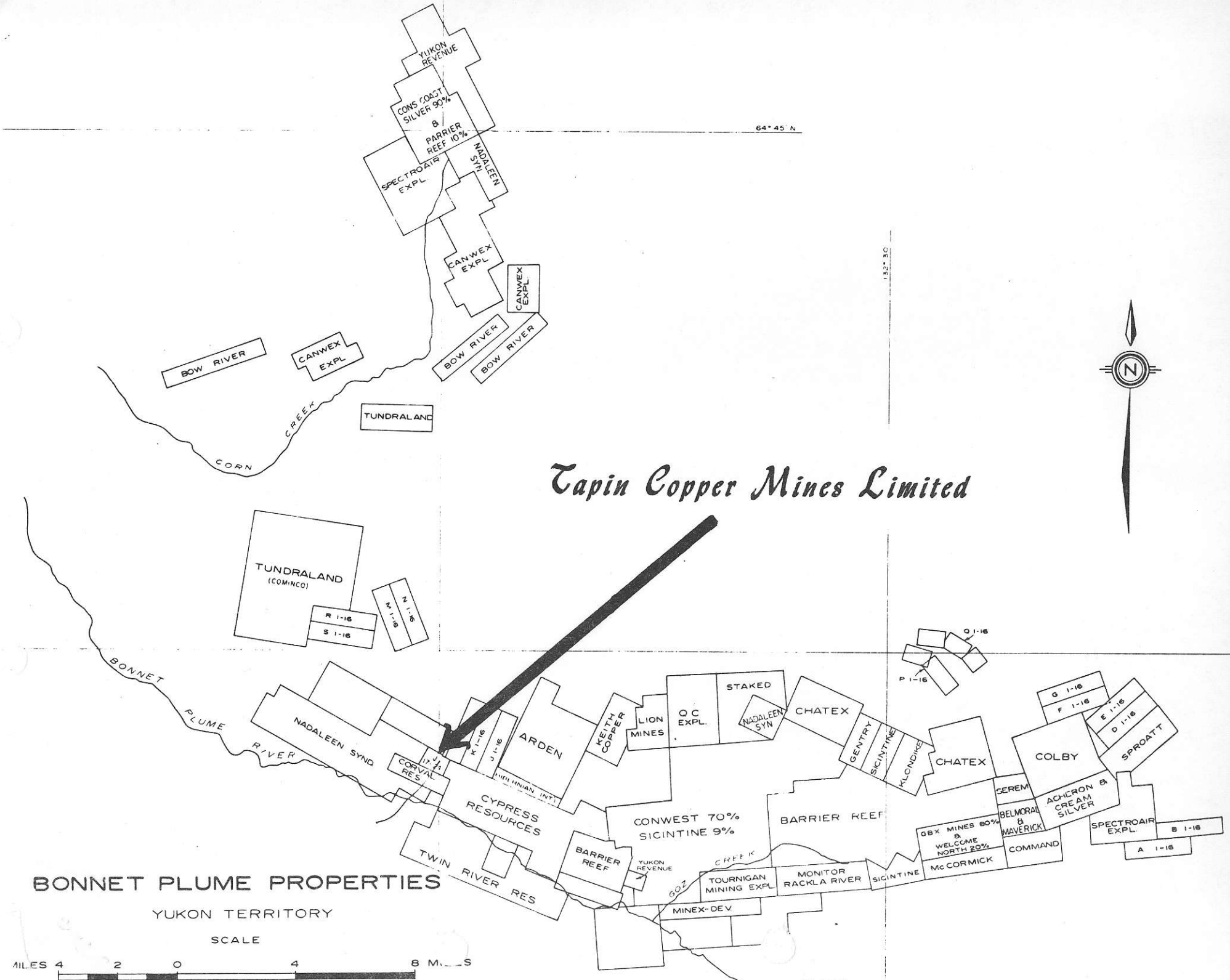
Without clear guidelines from the Government regarding the basis for determining average metal prices, and the removal of some ambiguous requirements in the Bill, it is difficult to determine precise production costs and revenues accurately.

It remains our intention to continue our development program within the framework of governing legislation. It is our belief that it is not the intention of this Government to eliminate new and profitable mines from being brought into production and we intend to proceed accordingly.

ON BEHALF OF THE BOARD OF DIRECTORS



R. T. Aronec
President



Tapin Copper Mines Limited

BONNET PLUME PROPERTIES

YUKON TERRITORY

SCALE

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