

680216

82K

471

B2K/11W

INTERIM REPORT

ON

C. T. EXPLORANDA LTD.

PROPERTIES

TROUT LAKE, B.C.

Livgard Consultants Ltd.

E. Livgard

August, 1977, Vancouver, B.C.

INDEX

INTRODUCTION	1.
CONCLUSIONS	2.
SUMMARY	3.
RECOMMENDATIONS	4.
ESTIMATED COSTS OF RECOMMENDATIONS	6.
GEOLOGY	8.
SILVER CUP-BLIND VEIN	8.
SUNSHINE	9.
TOWSER	9.
YULL 1500 LEVEL	10.
TOWSER 1500 LEVEL	11.
NETTIE L	12.
AJAX	12.
WORK PERFORMANCE	14.
SOIL SURVEY	15.
DIAMOND DRILLING	16.
DRILL RESULTS	17.
MAPS	
SILVER CUP SURFACE TOPOGRAPHY WITH UNDERGROUND OUTLINE 1:1000	
TOWSER SURFACE TOPOGRAPHY WITH UNDERGROUND OUTLINE 1:1000	
NETTIE L SURFACE TOPOGRAPHY WITH UNDERGROUND OUTLINE 1:1000	
# 7 LEVEL SILVER CUP GEOLOGY (FROM UNSIGNED WORK SHEETS) 1:250	
# 4 LEVEL NETTIE L GEOLOGY (FROM UNSIGNED WORK SHEETS) 1:250	
COMPOSITE YULL 1500 L-TOWSER WITH GEOLOGY AND PROPOSED DRIFTING AND DRILLING 1:500	
SOIL SURVEY MAPS	1" = 100M
APPENDIX	
REFERENCES	21.
CERTIFICATE	19.

INTRODUCTION

The writer was asked by Mr. R.F.J. Newsom, President of C.T. Exploranda Ltd. to prepare a progress report on the company's properties in the Lardeau area, at the request of the Vancouver Stock Exchange.

The under ground drifting program has not yet reached the beginning of its objective. The preparatory evaluation on the recently acquired Nettie L - Ajax properties has reached the stage where surface and under ground base maps in the metric system have been prepared but the geological information on these maps has not been correlated or confirmed. The surface soil survey program was started and located some very high anomalous values on the edge of the surveyed area and the program must be continued to find the possible source of the anomaly. The Silver Cup rehabilitation program has not yet started waiting for the upper road to dry up. In view of the above to give a progress report with an evaluation and recommendations at this stage has been exceptionally difficult and unsatisfactory work.

The usual back ground information has been left out although no report has been written on the Nettie L - Ajax properties in recent years setting out this information. A partial list of references of information available on the Nettie L - Ajax has been included, that available on the Silver Cup has not.

This report sets out the work done since last Fall, evaluates the property at its present stage and repeats recommendations given before with some additions and alterations.

CONCLUSIONS

The work to date has given an understanding of the geology and ore controls on the property. It has indicated with fair accuracy exploration targets on the projected intersections of structures and on extension of mineralization on known structures.

These are sufficiently numerous and have in the past given production of such grade that the outlined exploration program has a reasonable chance of locating economic concentrations of mineral. The area immediately ahead of the present drifting is considered the most favourable because of its extensive similarity to the geological conditions which created the ore bodies in the old Silver Cup and Blind Veins. The present work is at an average of 1500 feet lower elevation and therefore about that much deeper on the structure. This is reflected in the mineralogy which does not carry as good silver values. This is to some extent compensated for by good but erratic silver values in Freibergite generally associated with Sphalerite. The present workings have easy access with mostly good road in contrast to the workings above Towser which can only be reached by 4 wheel drive vehicle for 2-3 months during the summer. This increases the importance of the work at the present location and it is the writer's opinion that considerable mineralization of good grade must be encountered here before other parts of the property with difficult access become important.

Recent drifting has encountered encouraging mineralization where it was not expected as the drift nears its primary objective.

SUMMARY

This report is written before the Yuill-Towser drifting program is completed and conclusions have therefore been difficult to arrive at. The writer concludes that, as the geological conditions immediately ahead of the present working area have extensive similarity to the geological conditions which prevail around the old Silver Cup - Blind Vein ore bodies, the area is a favourable one.

The structures on #7 level in the old Silver Cup Mine shows several cross-veins striking northerly and dipping steeply east intersecting the Silver Cup - Blind Veins. The ore mined on this level lies in the cross-veins or in the main veins at and near cross-veins. A favourable exploration target exists at the intersection between these cross-veins and the Yuill vein.

The Sunshine stope near the portal of #7 level also lies at a vein intersection area and the downward projection of the ore that was mined here has not been located on #8 level 200 feet below. This is another favourable exploration target.

The Towser vein is a cross-vein similar to the cross-veins found on #7 level and its intersection with the Silver Cup structure is considered a very favourable exploration target. The drifting this year has opened up about 400 feet of the Towser vein and some mineralization was encountered. Samples from this mineralization are in for analysis. The drift has about 100 feet to go to reach the downward projection of the ore mined in the old Towser stope and its intersection with the Silver Cup structures should lie about 300 feet ahead of that.

The Yuill vein was opened up for 660 feet last fall and mineralization of relatively low grade was encountered.

The drifting program this year has been unsatisfactory in its slow progress and it has probably therefore been costly.

The Diamond Drill program which completed 1848 feet encountered little mineralization of interest and limited some of the mineralization located in the Yuill drift to a small vertical extent.

The drilling from the Y 1450 adit did not encounter mineralization of interest on the Yuill vein or the Silver Cup structure.

The Nettie L-Ajax property has not yet been evaluated in a separate report, but map preparation work has started. Old reports and mine maps suggest that several interesting exploration targets may exist.

A surface soil sampling program of limited extent has encountered anomalous values and should be extended.

RECOMMENDATIONS

The recommendations contained here should if carried out give sufficient and fairly definite information as to the potential of the property. All the main known mineralized zones will have been sampled and evaluated. The major favourable exploration targets, now quite well known, will have been explored. Following this program a comprehensive, detailed and careful assessment of the property must be made.

The general recommendations are in the writer's experience very important for the success of an exploration program and the Directors should pay particular attention to them.

- A Decisions regarding exploration and development on the property must be taken on their own merit and not in any way be influenced by promotional considerations.
 - B The Property Manager must have full responsibility, authority and the financial means to carry out the desired program. He should not be unduly interfered with from Head Office.
1. The most important part of the program will be to complete the drifting, another 450 feet should be driven and follow this with 3000 feet of Diamond Drilling of the Silver Cup structure - Towser Vein junction and surrounding area. The drifting and follow-up drilling should not be separated but treated as one program, as the drifting alone checks only one of several available targets. The proposed program is outlined on the 1:500 scale map.
 2. An evaluation report should be prepared on the Nettie L - Ajax property. Some rehabilitation work should be done first to allow access to parts of the old Nettie L workings and the Ajax zinc stope for sampling and mapping purpose. This work need not be extensive.
 3. The # 7 Adit level should be rehabilitated to allow diamond drilling of the cross-veins and Yuill structure intersection. The rehabilitation would consist of clearing rock falls and putting in sprags to make the back safe in loose areas. The diamond drilling may make use of some old drill holes that require deepening. 1200 feet of drilling in three holes is recommended

4. The # 8 level requires no rehabilitation other than further clearing out of the portal. It is recommended that the downward extension of the Sunshine mineralization be drilled. 800 feet of drilling is recommended in ten holes.
5. The surface soil sampling program should be continued to outline the area of anomalous values. 5 line miles should be surveyed. When the results are available Bulldozer trenching should be carried out in an attempt to locate the source. It is estimated that two days of cat work will be required to give access and do the trenching.
6. Minor rehabilitation should be carried out in the Towser and Sunshine slopes to give access for sampling.
7. Comprehensive evaluation reports on various programs should be obtained as they are completed.

ESTIMATED COSTS OF RECOMMENDATIONS

1 A	450 feet drifting @ \$120.00/ft.	\$ 54,000
B	Diamond drilling 3000' @ \$12.00/ft. (incl. air)	36,000
C	Support costs	6,000
		<hr/>
		\$ 96,000
2 A	Minor rehabilitation Nettie L - Ajax	\$ 3,000
B	Mapping and sampling of accessible old workings	2,000
C	Report and maps	2,000
		<hr/>
		\$ 7,000
3 A	Rehabilitation of # 7 level to diamond drill stations # 7L 2 men - 6 weeks	\$ 4,800
	Vehicle, accommodation and supplies	3,000
B	Diamond drilling 1200' @ \$12.00/ft.	14,400
C	Support cost	6,000
		<hr/>
		\$ 28,200
4 A	Diamond drilling # 8L 800' @ \$12.00/ft.	\$ 9,600
B	Support Costs	4,000
		<hr/>
		\$ 13,600
5	Soil survey - 5 line miles @ \$200.00/mile	\$ 1,000
	Travel, evaluation, report	500
	Bulldozer work - 20 hrs @ \$60.00/hr.	1,200
		<hr/>
		\$ 2,700

6	Sunshine and Trowser stopes rehabilitation mapping and sampling	\$ 2,000
7	Evaluation reports	\$ 5,000
		<hr/>
	Total Estimated Costs	\$154,500
	Contingencies 10%	15,500
		<hr/>
		<u>\$169,000</u>

GEOLOGY

SILVER CUP - BLIND VEIN

The number 7 level was entered last year after relatively minor rehabilitation consisting of shoveling aside slough at the # 7 portal and several rock falls further along the drift. A short examination only was carried out as the writer considers the workings dangerous due to a Drummy, loose hanging wall. For more extensive work the hanging wall should be better secured with sprags. The examination served however, to in some measure confirm the geology as appearing on geological maps of the # 7 level acquired this Spring. These maps are under ground work sheets and are unsigned and undated but appear to the writer to have been done in a competent manner by a geologist. The conclusions that may be drawn from the maps are of considerable importance. They show the parallel Silver Cup and Blind Veins striking N40 W being intersected by a series of cross-veins striking about N5 W and dipping steeply to the East. The recorded dips are 85°, 85°, and 70°.

The ore mined in the past at and immediately above #7 level was located exclusively in the cross-veins and in the Silver Cup or Blind Veins at and near such intersections. These intersections are therefore very important. The writer believes that the cross-veins are tension fractures between the Silver Cup - Blind Veins and the parallel Yuill vein 350 to 400 feet to the North East. The cross-veins and Yuill vein intersection would lie about 500 feet further North West than the workings on the Silver Cup - Blind Veins. This area has to the writer's knowledge never been investigated either on the surface or under ground. A series of diamond drill holes, drilled in 1952 by Granby, extended 250 feet into the footwall and hanging wall all along # 7 level. These holes were therefore too short to reach the Yuill vein which lies 350 to 400 feet away.

The intersection of the Yuill vein and the series of cross-veins would extend over a length of about 250 feet measured along the Yuill vein. This is a very favourable exploration target.

The Silver Cup - Blind Vein area also has unexplored possibilities using this new (?) ore control picture.

SUNSHINE

The sunshine workings lie near the portal of #7 level and it appears that the ore control in the area is the intersection of the Silver Cup structure with a cross-vein which strikes North and dips 30 to 40 East. The area was partly rehabilitated last fall and some very encouraging assays were obtained. Old maps indicate that #6 level, about 100' higher, was quite extensive (290'). The level is not accessible, but could be opened with relatively little work and should be mapped and sampled.

The downward extension of the intersection has been underhand stoped down about 20 - 30 feet. The projection down to # 8 level 200' below is uncertain due to two factors - the dip of the cross-vein (30 - 40) and the dip of the Silver Cup structure. The downward projection of the Silver Cup structure indicates that the #8 level may have been driven 50 feet in the footwall, perhaps on the Blind Vein. This is however, very uncertain as the geology on #7 and #8 levels fits very well.

The vein intersection may lie about 120 feet ahead of the end of the #8 level drift or 40 feet in the hanging wall of the drift or somewhere between these two points. This question could best be resolved by diamond drilling. This exploration target is considered to be very favourable.

TOWSER

The Towser surface and under ground workings were mapped last year. The Towser Vein lies along a tension fracture between the Yuill Vein and probably the Silver Cup structure, although it has not been traced to its intersection with the Silver Cup structure due to overburden. The Towser Vein strikes parallel with the cross-veins in the old Silver Cup workings.

The old workings lie on the main Towser vein. A vein intersection lies about 100 feet Southeast of the workings. This is not the important Towser-Silver Cup intersection which may lie about 100 feet further Southeast. The continuation of the Towser vein toward the Silver Cup structure is not clear and the Towser vein apparently has been deflected by the intersection visible in the old drift. Considerable mineralization is visible in the old workings and on surface. The old workings should be rehabilitated to give access for sampling. Relatively minor work would be required.

YUILL - 1500 LEVEL

The work carried out on the Yuill vein from last fall and now proceeding on the Towser vein has opened up about 660 feet of the Yuill structure. It is a zone of highly silicious graphitic schist varying in width from 16 feet to 50 feet at its junction with the Towser vein. Minor mineralization has been encountered along its full length while mineralization of significance was encountered at its junction with the Towser vein.

The samples on this mineralization were compiled and discussed in the writer's report, Under Ground Work on the Silver Cup property Oct-Nov 1976 dated Dec. 9th, 1976.

The hanging wall mineralized zone has been extended by about 20 feet in three more drift rounds. Visual examination by the writer suggests that this mineralization is as good or better than that sampled. Mineralization was still good in the drift face at the writer's last visit 6 weeks ago. Since then reports from the property indicate possible minor faulting has been encountered. The heading does not advance very fast as it is only used for a spare heading as work is progressing on the Towser drift.

TOWSER 1500 LEVEL

Drifting is in progress on the Towser vein. The drift face is now about 500 feet past the Yuill Towser junction and about 100 feet remain to be drifted to reach the downward projection of the ore mined in the old workings. The last 150 feet has encountered continuous mineralization where it was not expected. Assays taken by the property manager, give an average of 3.41 oz. Ag, 3.26% Pb, 0.70% Zu and .082 oz. Au per ton over a length of 90 feet and a width of 2 feet. One assay gave 50 oz. Ag over a four foot width. This assay has been left but as it appears to be an erratic high.

This mineralization is largely confined in a vein 4 inches wide, but the property manager reports that it has widened out to 7 inches in the last drift rounds.

The mineralization is narrow but as the main objective is still 100 feet ahead, the writer considers it very encouraging.

NETTIE L

The old Nettie L and Ajax mines were recently acquired by the company. These properties lie about 5 miles Northwest of the Silver Cup Mine in the Silver Cup Anticline. The main structure is the Silver Cup Fault. On the Nettie L claim the main structure shows in surface outcrops as a zone of quartz (50-70 %), Siderite and rock fragments. Some streaks and patches of sphalerite were also noted. This zone has been cut under ground and according to old reports it is 60 feet wide in the #4 level cross-cut.

Samples across 60 feet show an average of 0.375 oz Ag, 0.28 % Pb and 0.69% Zn. These are too low for any economic consideration.

Another vein which lies close to the above zone was exposed in several trenches in 1952. These trenches were in part well mineralized over a length of 275 feet. The depth of this vein is apparently shallow as it does not show in the #1 level cross-cut.

Most of the ore mined in the past came from what was called the cross-vein. This actually consists of two veins and together with the main zone they form a triangle which diminishes downward as the veins come closer. The triangle is about 150 feet along its largest dimension on the bottom # 4 level. The three veins should join about 50-60 feet below #4 level and this is undoubtedly a very favourable location for good grade mineralization. Mineralization has also been noted on old maps in several other parts of the mine and there are references in old reports to "milling ore" being left in the old stopes. The writer gets the impression that these are remnants of small extent.

AJAX

The Ajax workings consist of several adit levels, inclines and raises which do not seem to follow definite leads and suggests that an understanding of the geology was lacking when the work was done. The main feature of interest is the Ajax vein which dips opposite to and toward the main zone. Above their junction the vein has been described by D. Burns, Manager 1951, as being traced for 140 feet and containing a large amount of Sphalerite and minor silver and lead over widths of 5 to 15 feet. Zinc was not a desirable commodity at the time these mines were active and that is probably why this vein was left after minor stoping. The distance between this stope back and surface is not large and it does not appear in workings at lower depth.

NETTIE L - AJAX DUMPS

The dumps at the portals are reported to in part contain good values particularly in zinc. A tonnage of 8000 is given by D. Burns but records of the grade is not available.

The information available on the Nettie L and Ajax mines must be correlated and evaluated. The information can not be fully relied on until it has been in substantial part been confirmed. The dumps should be measured and sampled. The Ajax zinc stope and the # 1 level of the Nettie L may be accessible with minor work.

WORK PERFORMANCE

At the beginning of this year the company initiated a study into the cost of second hand mining equipment and drift cost versus drift contracting cost. The study was well carried out, but the decision to purchase second hand equipment was hasty and with the help of hindsight was a costly one.

The drifting program this spring has been unsatisfactory and much too slow due among other things to bad performance by the compressor which was purchased. This was changed and the new compressor has also given some problems. Changes in management at the property and difficulty in obtaining good miners has cost much time and therefore been very costly. The performance has improved the last month. The company should compare its cost versus drift advance in order to evaluate its performance.

The diamond drilling program was also unsatisfactory and took far too long due to problems with the drill and change of drill contractor.

SOIL SURVEY

A soil survey was carried out in a small part of the area between the present workings and Lardeau Creek extending from the Ajax Quartzite on the Northeast and Southwest, thus covering a short distance of the core of the Silver Cup Anticline. Little outcrops are found in the area and soil horizons are generally well developed. The survey found anomalous values in Silver, Lead and Zinc. The Anticline core area did not as expected contain the best values. These were found at the Southwest limb of the Ajax Quartzite above the logging road along Lardeau Creek. The anomalous area shows some high values 33 P.R.M. Silver and the survey should be extended to better outline the Source area. Following the extended survey cat trenching should be carried out to attempt to locate the source.

DIAMOND DRILLING

The Diamond Drill program consisted of a total of 1848 feet in 14 holes.

Holes # 1 and # 2 were drilled below the mineralized zone termed the footwall zone. Hole #1 intersected little mineralization. Hole #2 gave a good grade intersection. Hole #3 above the zone intersected low grade. It must be concluded that this mineralized zone is of limited extent although if it has a Southeast plunge it may extend downward.

Holes #4 to #7 were drilled from the Towser drift above and below mineralization in the Yuill vein. The results were disappointing, and no values of importance were intersected. The mineralized zone in and near the face of the Yuill drift could not be easily drilled from any good location and at least one of the holes did not reach the vein. A conclusion about the extent of this zone must await further drilling from the now extended Trowser drift.

Drill holes # 8, 9 and 10 were drilled from the Yuill drift ahead of the Towser drift primarily to locate the structure and guide the drifting. Unexpected mineralization was cut in Hole # 9 100 feet ahead of the location of the drift. The intersection gave 7.9 oz. silver over 3.6 feet. When drifting was resumed it was guided to this intersection, but it proved to be scattered and irregular without much extent.

Drilling from Y 1450 level failed to intersect mineralization of note on the Yuill vein. Old reports mention mineralization in this area but this must be of very local extent, or extend northwesterly only and not into the area drilled.

One hole was drilled to the Silver Cup structure. It intersected minor mineralization consisting mainly of zinc in a few narrow fractures.

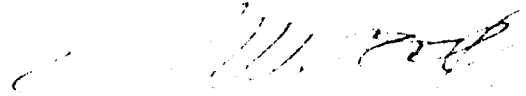
DIAMOND DRILL RESULTS

			oz Ag	% Pb	% Zn	oz Au
D.D.H 150 #1	48-52	4.0'	.15	1.73	.08	.004
	52-55.5	3.5'	1.13	.79	.45	.01
	55.5-56	0.5'	4.08	1.73	5.03	.028
150 #2	48-53.7	5.7'	.1	.01	.01	.002
	53.7-54.5	0.8'	81.22	10.02	9.59	.128
	54.5-57	2.5'	.02	.03	.01	.002
150 #3	82-87	5.0'	.24	.02	.09	.002
	87-92.2	5.2'	.3	.11	.06	.002
	92.2-93.6	1.4'	10.44	5.11	1.69	.192
	93.6-96.6	3.0'	1.16	1.08	.39	.012
150 #4						
	48.5-51.5	3.0'	.60	.16	.09	.158
	51.5-55.0	3.5'	2.81	2.05	7.74	.164
150 #5			NIL			
150 #6						
	58.7-59.2	0.5'	40.36	10.39	6.64	.112
	88.5-89.1	0.6'	9.46	1.16	4.87	.016
	104-109	1.0'	.77	1.08	.31	.002
150 #7	20-22	2.0'	1.57	.49	1.12	.002
	28-31	3.0'	1.64	.12	.09	.03
	31-35.5	4.5'	1.22	.06	.02	.008
	35.5-37	1.5'	.61	.49	.97	.016
	62.5-66.5	4.0'	.07	.02	.01	.002
	66.5-67.5	1.0'	1.66	.14	.32	.016
	67.5-71	3.5'	.2	.01	.01	.01
	73-74	1.0'	.66	.37	.22	.004
	86-87.5	1.5'	.29	.04	6.77	.084
	93-93.7	0.7'	1.82	.01	.06	.004

			oz Ag	%Pb	%Zn	oz Au
D.D.H 150 #8	31.5-33.5	2.0'	.47	.35	.2	.086
	33.5-35.5	2.0'	.28	.14	.12	.01
	35.5-37.5	2.0'	2.12	.89	6.37	.112
150 #9	85.6-87.8	2.2'	11.04	1.74	1.45	.01
	87.8-89.2	1.4'	2.88	1.23	.40	.06
150 #10			NIL			

145 #1	Nil	Yuill Vein	
#2	Nil	Yuill Vein	
#3	Nil	Silver Cup Vein	347' depth
#4	Nil	Yuill Vein	

Respectfully submitted,



Livgard Consultants Ltd.
E. Livgard, B.Sc., P. Eng.

REFERENCES

NETTIE L MINE

Report on Nettie L. Mine
Ferguson, B.C.

D. Burns Oct. 2nd, 1950

B.C. Department of Mines

Bull 2 1914 P41-42

The mineral resources of the Lardeau and Trout Lk Mining
Division

Report on the Nettie L Mine

C. Riley R.P.E.
Mining Geoc

July 20th, 1951

Report on Trout Lake Mines Ltd.
Ferguson, B.C. Properties

Colin A. Campbell
Mining Engineer
Dec. 6th, 1955

Interim Report on Nettie L Mine

Trout Lake Mines Ltd.
Nelson, B.C. March 3rd, 1952

W. S. Hamilton P.Eng.

LIVGARD CONSULTANTS LTD.

COQUITLAM, B.C.

CERTIFICATE

I, EGIL LIVGARD, of 1199 West Pender St., Vancouver, British Columbia.

DO HEREBY CERTIFY:

1. I am a Consulting Geological Engineer.
2. I am a graduate of the University of British Columbia, B.Sc., 1960. Geological Sciences.
3. I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. From 1960 to 1962 I was employed as Geologist with United Keno Hill Mines, Elsa. Yukon Territories.

From 1962 to 1963 I was employed as Geologist with the Geologic Survey of Norway.

From 1963 to 1966 I was employed as Mine Geologist and Engineer at the Portage Mine, Chibougamau, Quebec.

From 1966 to 1968 I was employed as Chief Geologist and Engineer at Utica Mines, Keremeos, B.C.

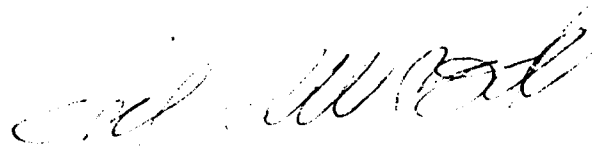
From 1968 to 1970 I was employed by S & N Mine Management, Consultants, Vancouver, B.C.

From 1970 to the present I have been self-employed as a Consultant in Vancouver, B.C.

5. This report is based on work carried out on the properties by the writer during several extended visits during the past 18 months, the latest 6 weeks ago. It is also based on old reports as listed in the references and of reports listed in previous reports by the writer on the property. The maps accompanying this report are compilations of information from McElhanney Surveys (Topography from existing photographs) and geology and under ground openings from published material and company surveys. The under ground geology on Nettie L #4 level and Silver Cup #7 level is from unsigned undated geological worksheets and subject to review. The red colouring on the geology maps denotes veins and not necessarily mineralization. The geology of Y 1500 level, the exploration target projection, the soil survey and the proposed drifting and diamond drilling is the writer's own work.

6. I have not, directly or indirectly received, nor do I expect to receive, any interest, directly or indirectly in the properties here described, or in any company that has an interest in these properties, or in any affiliate, and I do not beneficially own, directly or indirectly, any securities in any such company.

DATED at Coquitlam, British Columbia, this 15th day of Dec 19 77



Egil Livgard B.Sc., P.Eng.
Coquitlam, B.C.

20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

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

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

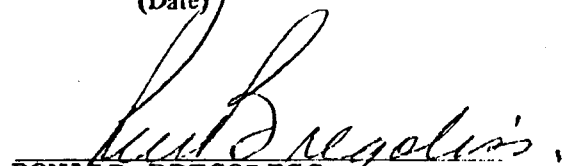
21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

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

August 30th, 1977


(Date)


RICHARD NEWSOM


RONALD BREGOLISS


T. A. DERBYSHIRE


DONALD WINES


BRIAN HAGAN

CERTIFICATE OF THE UNDERWRITER(S):

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

August 31st, 1977

(Date)

BRINK, HUDSON & LEFEVER LTD.

Per: "FRANCIS A. LEFEVER"

Per: "BRIAN D. GRAVES"

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

<u>NAME AND ADDRESS</u>	<u>CHIEF OCCUPATION</u>	<u>NO. OF SHARES OF ISSUER BENEFICIALLY OWNED</u>
RICHARD FRANK JOHN NEWSOM #408-10736 150th Street Surrey, B.C. PRESIDENT/DIRECTOR	RANCHER/BUSINESSMAN Self-employed	288,000
BRIAN JOSEPH HAGAN 1003 East Toledo Street Bellingham, Washington USA 98225 VICE-PRESIDENT/DIRECTOR	Chemical Engineer Georgia Pacific Ltd.	95,500
RONALD WILLIAM BREGOLISS Campbell Creek Farm Kamloops, B.C. DIRECTOR	Secretary-Bregoliss Construction Company	15,000
THOMAS ALBERT DERBYSHIRE 4791 Wintergreen Road Richmond, B.C. SECRETARY-TREASURER/ DIRECTOR	Airline Pilot Canadian Pacific Airlines	239,000
DONALD ALAN WINES 2105 Niagara Drive Bellingham, Washington USA 98225 DIRECTOR	Chemical Engineer Georgia Pacific Ltd.	45,000

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER

The Issuer was incorporated in British Columbia on July 15th, 1969.

The last Annual Report was filed with the Registrar of Companies for the Province of B.C. on August 13, 1977. All filings required to be made by the Issuer under the Securities Act and Companies Act of B.C. are up-to-date.

The latest audited Financial Statements of the Issuer are dated February 28, 1977 and will be placed before the Annual General Meeting on September 19, 1977. The latest unaudited statement is dated June 30, 1977. The audited Financial Statements of February 28, 1976 were placed before the members of the Issuer at its Annual General Meeting of June 18, 1976.

There is no business which the Issuer is restricted from carrying on, however, the Issuer is primarily engaged in the business of acquiring and developing natural resources properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER

The authorized capital of the Issuer consists of 5,000,000

shares without par value, of which 1,911,956 shares have been issued as fully paid. By Special Resolution of the Issuer dated February 27th, 1976 the issued and outstanding shares of the Issuer were consolidated on the basis of 1 new share for every 4 old shares. As at August 18th, 1977, 80,238 old shares remain outstanding.

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

In June of 1976, 200,000 shares were issued at 85¢ each and in October 1976, 200,000 shares were issued at 95¢ each, and in January and February, 1977, the Issuer issued 250,000 shares at a high of \$1.85 and a low of \$1.75 to net the Issuer \$416,078.89, and in May of 1977, 100,000 shares were issued at \$1.75 each.

30,000 shares were issued to Susan Hillier, 63 Wellesley Street East, Toronto, Ontario, pursuant to an Agreement dated March 19th, 1976, whereby the Issuer acquired an option to acquire nineteen (19) located mineral claims situate in the Mayo Mining Division, Yukon Territory. See Items 10 and 11 hereof.

20,000 shares were issued to Stubert Lake Contracting Ltd. pursuant to an Agreement dated November 24th, 1976 to obtain a release of a Mechanic's Lien in the sum of \$44,000.00.

10,000 shares were issued to Orville Burkinshaw pursuant to an Option Agreement dated March 21st, 1977 in connection with the Nettie L group of mineral claims.

750,000 Escrow Shares were issued in consideration of the Issuer acquiring a group of mineral claims being the "Cindy Fraction 1 and 2" and "Sandy 6 - 9" and "Cindy 7 and 8", situate in the Revelstoke Mining Division, in the Province of British Columbia. The Escrowed Shares were issued to the following individuals:

<u>NAME OF SHAREHOLDER</u>	<u>NO. OF SHARES</u>	<u>NAME OF SHAREHOLDER</u>	<u>NO. OF SHARES</u>
Sea To Sea Investments Ltd. 202-900 W. Pender St. Vancouver, B.C.	332,500	Ronald W. Bregoliss Campbell Creek Farm Kamloops, B.C.	15,000
Thomas A. Derbyshire 4791 Wintergreen Rd. Richmond, B.C.	332,500	Scotchvest Holdings 2063 Lakeshore Blvd. W. Toronto, Ontario	10,000
Brian Hagan 1003 East Toldeo St. Bellingham, Washington	15,000	Ivan Thompson 302-3420 Auchienachie Duncan, B.C.	15,000
Murray Zulps 1375 Cottonwood Cres. North Vancouver, B.C.	15,000	John Strepchuk 1621 Duncan Ave. Penticton, B.C.	15,000

The Richard F. J. Newsom Family (R.F.J. Newsom being the President of the Issuer) are the controlling shareholders of Sea To Sea Investments Ltd.