

*Bill: This is the "statement of material facts" filed with
the Vancouver stock exchange. John
24/7/75*

896233
Valley Copper

Item 12

The majority of the mineral claims comprised in the company's property were acquired by the company from Northwest Ventures Ltd., Huestis Mining Corporation Ltd. (N.P.L.), The Buttle Lake Mining Co. Ltd. (N.P.L.), Herman H. Huestis, Patrick M. Reynolds, John A. McLallen, William H. McLallen, William D. Rorison and Frank Cooke, Sr. by an agreement dated January 2, 1964 between the above-named parties and The Consolidated Mining and Smelting Company of Canada Ltd. (now Cominco Ltd.) for 2,520,000 common shares of the Company's capital stock. Under that agreement Cominco was committed to incorporate the company and to incur certain expenditures for which it would obtain shares of the company, and acquired options on further shares of the company. By further agreements dated February 8, 1965 with B.X. Mining Co. Ltd., and August 11, 1965 with George Burdett additional mineral claims were acquired by the company in consideration for the issue of a total of 510,000 shares of the company's capital stock. The total 3,030,000 shares issued for properties which have been escrowed with the Bank of Montreal in Trail, British Columbia have all been released by the authority of the Superintendent of Brokers. The company has also acquired a number of mineral claims through staking and recording pursuant to the Mineral Act. The agreement of January 2, 1964 as amended by the agreement of February 8, 1965 and a further agreement of January 4, 1966 terminated on March 31, 1967, by which time Cominco had become entitled to, and has since received, a total of 522,249 shares of the company. By an agreement dated May 1, 1967 between the company and Cominco Ltd., Cominco undertook to incur expenditures of \$40,000 for which it would receive 80,000 shares of the company and acquired options on a further 5,400,000 shares for its expenditures at the rate of one share for each 50 cents of expenditure up to December 31, 1977. Under that agreement 967,751 shares of the company were reserved for further property acquisitions from Cominco or third parties. Subsequently by agreement dated July 12, 1968 Cominco assigned to the company an agreement with Arlington Silver Mines Ltd. (N.P.L.) in consideration for the company's agreement to add the said 967,751 shares to those available for acquisition by Cominco in return for its expenditures and for the company's agreement that expenditures on the Arlington property would constitute expenditures for purposes of the agreement of May 1, 1967. If Cominco exercises all its outstanding options, which now include all the unissued shares of the company, Cominco can acquire a total of 6,970,000 shares of the company. To date Cominco has acquired a total of 650,000 shares under the agreement of May 1, 1967 as amended, and its total holding is therefore, 1,172,249 shares.

VALLEY COPPER MINES LIMITED (NON-PERSONAL LIABILITY)

ENGINEERS REPORT

(As attached)