



CONTACT INFORMATION

Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

The following file is part of the

Arizona Department of Mines and Mineral Resources Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.

09/18/86

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: EL TIGRE

ALTERNATE NAMES:

MARICOPA COUNTY MILS NUMBER: 165

LOCATION: TOWNSHIP 5 N RANGE 9 W SECTION 27 QUARTER SW
LATITUDE: N 33DEG 44MIN 37SEC LONGITUDE: W 113DEG 11MIN 25SEC
TOPO MAP NAME: BIG HORN MTS. - 15 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:
GOLD LODE

BIBLIOGRAPHY:

USGS BIG HORN MTS. QUAD
ADMMR EL TIGRE MINE FILE
ELSING, M & HEINEMAN R AZBM BULL 140 P 94
WILSON E, CUNNINGHAM J & BULL 137 P 157-162
ADMMR "U" FILE AG 8

Arizona Department of Mines and Mineral Resources

FIELD VISIT

May be Reproduced

1. Information from: **Field Visit**
Address:
2. Mine: **El Tigre** 3. ADMMR Mine File **El Tigre**
4. County: **Maricopa** 5. District
AzMILS No. **165**
6. Township Range Sec(s)
7. Location:
8. No. of Claims - Patented Unpatented
9. Owner (if different from above)
10. Address:
11. Operating Company:
12. Pertinent People and/or Firm:
13. Commodities:
14. Operational Status:
15. Summary of information received, comments, etc.:

Confirmed recent trenching and drilling of Canex or Billiton circa 1988. At least seven holes were drilled and six trenches 12" wide, 12" - 48" deep, 10 - 70 feet long were cut. Most of the drilling was to the north and east of the workings. Numerous new drill roads since Nyal's previous visit have been constructed; at least one has been reclaimed.

Access to underground near surface stopes is dangerous. Ground is slabby. We wonder the reason for drilling to the east because the structure at the surface dips off to the west at a moderate angle. *POSSIBLE STRUCTURE (1)*
SYNCLINAL FORM.

Date: February 8, 1990

Ken Phillips and Nyal Niemuth
Signature ADMMR

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

VERBAL INFORMATION SUMMARY

1. Information from: Parry Willard

Company:

Address: 3821 N. Bear Creek Circle

Tucson, AZ 85749

2. Phone: 749-2101

3. Mine: EL TIGRE

4. ADMMR Mine File: Same

5. County: Maricopa

6. Summary of information received, comments, etc.:

Mr. Willard reports drilling by Can-Ex (c) and Billiton (c) identified a 50,000 ton resource of gold mineralization at the El Tigre. This occurs in the dipping zone penetrated by the old underground works. To the south across the wash a rotary hole drilled in the granite intersected 140' of .01 - .02 oz/ton Au. As this was not cored little was learned of the nature or controls on the mineralization. Although Billiton has withdrawn from the joint venture Can-Ex plans additional work on the property.

Date: September 29, 1988

Nyal J. Niemuth, Mining Engineer



CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

PRESIDENT'S LETTER TO SHAREHOLDERS

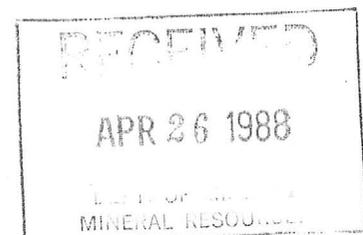
1987 proved a significant year for the company. Five of Can-Ex's gold properties in S.W. Arizona have been optioned to Billiton Minerals (U.S.A.), Inc., who are currently active in the exploration of these properties. In addition, the company has secured an option to purchase the Socorro Reef Gold Mine and surrounding area. Initial sampling and geologic results have indicated the presence of a large and rich gold and silver bearing formation. Exploration of this area is continuing.

The company has ample funds to conduct its programs. 1988 promises to be an exciting and rewarding year for Can-Ex.

On Behalf of the Board
CAN-EX RESOURCES LTD.

G.L. Anselmo, B.A.
President

April 12, 1988



CAN-EX RESOURCES LTD.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 1987

CAN-EX RESOURCES LTD.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 1987

	<u>Page</u>
Auditors' Report	1
Consolidated Balance Sheet	2
Consolidated Statement of Deficit	3
Consolidated Statement of Deferred Exploration, Development and Administrative Expenditures	4
Consolidated Statement of Changes in Financial Position	5
Notes to Consolidated Financial Statements	6

Thorne Ernst & Whinney

Chartered Accountants

2500 - 1177 West Hastings Street
Vancouver, British Columbia, Canada
V6E 2L9

(604) 685-3511
Telex: 04-55177

AUDITORS' REPORT

To the Shareholders of
Can-Ex Resources Ltd.

We have examined the consolidated balance sheet of Can-Ex Resources Ltd. as at November 30, 1987 and the consolidated statements of deficit, deferred exploration, development and administrative expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at November 30, 1987 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.

Thorne Ernst & Whinney

January 29, 1988

CAN-EX RESOURCES LTD.

CONSOLIDATED BALANCE SHEET

	November 30	
	<u>1987</u>	<u>1986</u>
ASSETS		
CURRENT ASSETS		
Cash and term deposit	\$ 363,164	\$ 56,690
MINERAL PROPERTIES AND DEVELOPMENT (note 1)		
Claims and options	696,519	579,421
Deferred exploration, development and administrative expenditures	<u>1,308,441</u>	<u>1,079,144</u>
	<u>2,004,960</u>	<u>1,658,565</u>
	<u>\$2,368,124</u>	<u>\$1,715,255</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 22,364	\$ 133,011
Payable to related parties (note 2)	<u>5,549</u>	<u>91,709</u>
	<u>27,913</u>	<u>224,720</u>
LONG-TERM DEBT		
Payable to related party (note 2)	<u>111,018</u>	<u>111,018</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 3)	2,297,604	1,430,932
Deficit	<u>(68,411)</u>	<u>(51,415)</u>
	<u>2,229,193</u>	<u>1,379,517</u>
	<u>\$2,368,124</u>	<u>\$1,715,255</u>
COMMITMENTS (note 5)		
SUBSEQUENT EVENT (note 6)		

APPROVED BY THE BOARD:

 Director

 Director

CAN-EX RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFICIT

	Year ended November 30	
	<u>1987</u>	<u>1986</u>
Deficit at beginning of year	\$51,415	\$30,453
Write-off of share issue costs	<u>16,996</u>	<u>20,962</u>
DEFICIT AT END OF YEAR	<u>\$68,411</u>	<u>\$51,415</u>

CAN-EX RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION,
DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

	Year ended November 30	
	<u>1987</u>	<u>1986</u>
Exploration and development		
Arizona properties		
Gold Crown prospect	\$ 3,474	\$ 2,075
Pump prospect	5,078	5,438
Overshot prospect	3,041	1,893
Gold Hill West prospect	9,630	4,542
Big Horn property	37,532	106,126
Socorro Reef property	<u>14,404</u>	<u>-</u>
	73,159	120,074
British Columbia property		
American Boy property	<u>38,674</u>	<u>41,566</u>
	<u>111,833</u>	<u>161,640</u>
Administrative		
Accounting and audit	5,200	5,437
Finance activities	6,064	10,918
Interest, bank charges and exchange	(2,687)	28,294
Interest revenue	(6,229)	-
Legal	38,185	589
Management services	30,000	30,000
Miscellaneous (recoveries)	649	(133)
Office supplies and support	22,439	23,005
Printing and publicity	4,970	82,996
Reporting	15,565	4,157
Transfer agent fees	<u>3,308</u>	<u>3,507</u>
	<u>117,464</u>	<u>188,770</u>
NET EXPENDITURES FOR THE YEAR	229,297	350,410
Deferred exploration, development and administrative expenditures at beginning of year	<u>1,079,144</u>	<u>917,707</u>
	1,308,441	1,268,117
Recovery on forgiveness of debt	<u>-</u>	<u>188,973</u>
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES AT END OF YEAR	<u>\$1,308,441</u>	<u>\$1,079,144</u>

CAN-EX RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended November 30	
	1987	1986
CASH PROVIDED BY (USED FOR):		
FINANCING		
Common shares issued		
For cash	\$796,672	\$533,407
In settlement of debt	70,000	200,000
Share issue costs	(16,996)	(20,962)
Recovery from forgiveness of debt	-	188,973
	<u>849,676</u>	<u>901,418</u>
INVESTMENTS		
Exploration, development and administrative expenditures	(229,297)	(350,410)
Mineral claims and options	<u>(117,098)</u>	<u>(228,541)</u>
	(346,395)	(578,951)
Increase (decrease) in accounts payable and accrued liabilities	<u>(110,647)</u>	<u>48,508</u>
	<u>(457,042)</u>	<u>(530,443)</u>
INCREASE IN CASH POSITION	392,634	370,975
Cash position at beginning of year	<u>(35,019)</u>	<u>(405,994)</u>
CASH POSITION AT END OF YEAR	<u>\$357,615</u>	<u>\$(35,019)</u>
Cash position is comprised of:		
Cash and term deposit	\$363,164	\$ 56,690
Less current payable to related parties	<u>(5,549)</u>	<u>(91,709)</u>
	<u>\$357,615</u>	<u>\$(35,019)</u>

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 1987

GENERAL

The Company was incorporated under the Company Act of British Columbia and is engaged in the exploration and development of mineral properties in the State of Arizona, United States and British Columbia.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Continuing operations

The Company's continuing operations remain dependent upon the existence of economically viable and recoverable ore reserves in its mineral properties and the ability of the Company to obtain the necessary financing to meet its obligations upon demand, to complete exploration and achieve profitable production and a sustained cash flow.

Basis of consolidation

The consolidated financial statements include the accounts of its wholly-owned subsidiary, Can-Ex Resources (U.S.), Inc.

Mineral properties and development

The Company capitalizes costs of acquiring, exploring and developing mineral claims and options and capitalizes administrative costs until such time as the properties are placed into production or abandoned; at that time costs are amortized on a unit-of-production basis or written off.

The carrying value of mineral properties and development represents costs incurred to date and does not necessarily reflect present or future values.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian funds at the rate of exchange in effect at the year end. Mineral properties and development are translated at the rates in effect when the related expenditures are made.

1. MINERAL PROPERTIES AND DEVELOPMENT

(a) Mineral claims and options

The Company's mineral claims and options consist of the following Arizona and British Columbia properties. Substantially all of the costs incurred to date relate to the Arizona properties.

Arizona properties

Gold Crown prospect

This gold prospect, consists of 10 contiguous mining claims, located in the Big Horn District, Maricopa County, Arizona, U.S.A., and comprises the Gold Crown and Gold Crown Nos. 1 - 9 claims. The property is situated some 20 kilometres south of Aguila, a small village approximately 100 kilometres west of Phoenix on Highway 60.

Pump prospect

This gold prospect consisting of 18 contiguous mining claims is located in the Big Horn District, Maricopa County, Arizona, U.S.A., and comprises the Pump Mine, Pump Mine 1 - 6, and Pump 1 - 11 claims. The property is situated 24 kilometres south of Aguila, Arizona.

Overshot prospect

This property consists of 8 contiguous mining claims located in the Ellsworth Mining Division, La Paz County, Arizona, U.S.A., known as the Overshot and Overshot 2 - 8 claims. The property is a gold prospect situated approximately 15 kilometres south of Salome adjacent to the old Harquahala Mine.

Gold Hill West prospect

This gold prospect consists of 30 mining claims located in the Ellsworth Mining District, La Paz County, Arizona, U.S.A., comprising the Gold Hill West 1 - 8, Gold Hill West 18A through 28A and 30A to 40A. The property is situated some 12 kilometres southeast of Salome, Arizona.

Big Horn property

This gold property consists of 107 full sized and fractional federal lode mining claims and one federal placer mining claim in the Big Horn District, Maricopa County, Arizona, U.S.A. The property was acquired in three separate parcels known as the Mollie D which comprises 71 claims, the Knabe which comprises 23 claims, and the El Tigre which comprises 14 claims. The property is situated approximately 24 kilometres south of Aguila, Arizona.

1. MINERAL PROPERTIES AND DEVELOPMENT (Continued)

(a) Mineral claims and options (Continued)

Arizona properties (Continued)

Socorro Reef property

This gold property, acquired during 1987, consists of 58 unpatented mineral claims located in La Paz County, Arizona, U.S.A., comprising the White Eagle #1 - #12, Reef #3 - #22, Reef #44, #46, #48, #50, #53, #55, #57, #59, #61, #63, #65, #67, #69, #71, Iron Door #1 - #6, Tres Padres #1, Henry Bell #1, Palo Verde #1, Yellow Gold #1 and Blue Bird #1 and #2. The property is situated approximately 6 kilometres south of Salome, Arizona.

British Columbia properties

American Boy property

The Company is the sole beneficial owner of 25 contiguous mineral claims located in the Omineca Mining Division of the Province of British Columbia, comprising the Janelle, Cindy Lou, Roosevelt Recovery, Silver Bell, AB-1 through AB-8, AB-13 through AB-21, AB-23, AB-24, Cassiar Swift Water and Cassiar Clear Water claims. The property is situated in central British Columbia 10 kilometres northeast of Hazelton, B.C.

Mohawk property

This property consists of four mineral claims known as the Mohawk, Bunker Hill, F.N. Fraction and Lucky Jim claims which adjoin the American Boy property. The claims are located 3 kilometres northeast of New Hazelton, B.C., in the Omineca Mining Division of the Province of British Columbia.

Under the terms of option agreements, the Company is committed to make minimum expenditures on the properties and to make option payments to a maximum aggregate amount for each property to maintain the properties in good standing. The Company may abandon its interests and cease to make payments at any time.

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. MINERAL PROPERTIES AND DEVELOPMENT (Continued)

(a) Mineral claims and options (Continued)

	Annual fixed payment <u>U.S. \$</u>	Annual contingent payment <u>U.S. \$</u>	Aggregate payment <u>U.S. \$</u>
Arizona properties			
Gold Crown prospect	\$ 3,600	7.5% of net	\$ 50,000
Pump prospect	3,600	smelter returns in excess of \$3,600	50,000
Overshot prospect	12,000	7.5% of net smelter	1,000,000
Gold Hill West prospect	12,000	returns in excess of \$12,000	1,000,000
Big Horn property			
Mollie D parcel	6,000	7% of net smelter returns in excess of \$6,000	500,000
El Tigre parcel			
	-	15% of net profits	3,000,000
		Royalty of 2% of net profits subsequent to payment of aggregate amount	
Knabe parcel			
	-	15% of net profits	2,000,000
		Royalty of 2% of net profits subsequent to payment of aggregate amount	
Socorro Reef property	42,000	5% of net smelter returns	5,500,000
	<u>\$79,200</u>		

The Company has also agreed to issue up to 75,000 shares of the Company to the optionors of the Knabe parcel (see note 3(i)).

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. MINERAL PROPERTIES AND DEVELOPMENT (Continued)

(a) Mineral claims and options (Continued)

	<u>Annual fixed payment Cdn.\$</u>	<u>Annual contingent payment Cdn.\$</u>	<u>Aggregate payment Cdn. \$</u>
British Columbia properties			
American Boy prospect	-	5% of net smelter returns	No fixed limit
Mohawk property	\$ 1,000	15% of net profits in excess of \$1,000	\$1,000,000
	<u>\$ 1,000</u>		

Minimum aggregate future expenditures (Canadian dollars) required in the next five years to maintain the properties in good standing are as follows:

	<u>Option payments</u>	<u>Work commitments</u>
1988	\$104,700	\$115,600
1989	104,700	119,700
1990	104,700	119,700
1991	104,700	119,700
1992	104,700	119,700

As at November 30, 1987, the Company was in arrears on the option payment on the Mohawk property. However, by verbal agreement with the property owners, the Company is not in default and consequently retains its interest in the property.

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. MINERAL PROPERTIES AND DEVELOPMENT (Continued)

(b) Deferred exploration, development and administrative expenditures
 Total cumulative expenditures to November 30, 1987 are as follows:

	Balance November 30, 1986	Gross expenditures during year	Balance November 30, 1987
Exploration and development expenditures			
Arizona properties			
Gold Crown	\$ 58,876	\$ 3,474	\$ 62,350
Pump	127,419	5,078	132,497
Overshot	59,685	3,041	62,726
Gold Hill West	52,328	9,630	61,958
Big Horn property	106,126	37,532	143,658
Socorro Reef property	-	14,404	14,404
	<u>404,434</u>	<u>73,159</u>	<u>477,593</u>
British Columbia property			
American Boy	280,107	38,674	318,781
	<u>684,541</u>	<u>111,833</u>	<u>796,374</u>
Deferred administrative costs	<u>394,603</u>	<u>117,464</u>	<u>512,067</u>
	<u>\$1,079,144</u>	<u>\$229,297</u>	<u>\$1,308,441</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. RELATED PARTY TRANSACTIONS

(a) Operations

The Company has had related party transactions with Tri-Con Mining Ltd. and Tri-Con Mining (Arizona), Inc. (the "Tri-Con Group"), both of which are controlled by a director of the Company. The Tri-Con Group carries on business as mining exploration and development contractors and is employed by the Company under annual contract to carry out all its field work programmes and to provide most administrative and management services. Substantially all of the Company's expenditures are incurred by the Tri-Con Group on behalf of the Company.

Under the current contract, exploration field work is charged at cost plus 25%. Cost includes a 12% mark-up for office overhead and services of officers and directors of the Tri-Con Group are charged at the rate of \$52 per hour. In addition, a management fee of \$2,500 per month is charged by the Tri-Con Group.

	Aggregate amount charged by Tri-Con Group for services
Year ended November 30, 1987	\$171,820
Year ended November 30, 1986	316,310

(b) Property acquisitions

In 1982 the Company purchased from the Tri-Con Group mineral claims and options totalling \$218,518. The Company paid cash of \$50,000, incurred debt of \$161,018 and issued 750,000 escrow shares (valued at \$7,500) as consideration. Also, as consideration, the Tri-Con Group shall receive a 5% royalty on net smelter returns from the sale or other disposition of all minerals produced from the mineral claims. These claims and options were purchased at the Tri-Con Group's cost.

In accordance with the agreement, on August 17, 1985, \$50,000 of the \$161,018 debt became due and payable. The remaining \$111,018 is payable after the Company has expended \$500,000 for exploration on the American Boy property and the Pump prospect.

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. RELATED PARTY TRANSACTIONS (Continued)

(b) Property acquisitions (Continued)

On April 14, 1986, the Company acquired an option to purchase the Mollie D claim parcel of the Big Horn property through the assignment of Tri-Con's interest in an option agreement. The Company has agreed to pay to Tri-Con a net smelter return royalty of 5% effective on payment of the purchase price of \$500,000 U.S. to the former property owner. The purchase price is payable by way of the greater of monthly payments of \$500 U.S. and a 7% net smelter return royalty.

(c) Payable to (receivable from) related parties - current

	<u>1987</u>	<u>1986</u>
Tri-Con Mining Ltd. Open account	\$(264,449)	\$(113,694)
Tri-Con Mining (Arizona), Inc.	<u>269,998</u>	<u>205,403</u>
	<u>\$ 5,549</u>	<u>\$ 91,709</u>

The open account with Tri-Con Mining Ltd. and the payable to Tri-Con Mining (Arizona), Inc. bear interest at bank prime.

On March 21, 1986, the Company issued 1,000,000 shares at a price of \$0.20 per share to Tri-Con Mining Ltd. in settlement of \$200,000 of the Company's current liabilities. Tri-Con Mining Ltd. also forgave debt owed by the Company totalling \$188,973.

(d) Payable to related parties - long-term

	<u>1987</u>	<u>1986</u>
Tri-Con Mining Ltd. Property purchase	<u>\$111,018</u>	<u>\$111,018</u>

The amount payable to Tri-Con Mining Ltd. with respect to the property purchase is non-interest bearing.

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. CAPITAL STOCK

(a) Authorized share capital
10,000,000 common shares of no par value

(b) Issued and outstanding
The issued capital stock is as follows:

	<u>Number of shares</u>	<u>Amount</u>
Balance at November 30, 1986	4,099,000	\$1,430,932
Year ended November 30, 1987		
Shares issued		
As option payments for mineral claims (note 3(d))	154,638	86,597
For cash on exercise of share purchase options (note 3(e))	187,100	46,775
For settlement of accounts payable (note 3(f))	200,000	70,000
For cash (note 3(g))	990,000	393,300*
For cash (note 3(h))	<u>600,000</u>	<u>270,000**</u>
Balance at November 30, 1987	<u>6,230,738</u>	<u>\$2,297,604</u>

*Net of commissions of \$18,000

**Net of commissions of 30,000

\$48,000

(c) Escrowed shares
750,000 common shares issued in 1982 for mineral properties (note 1(b)) are subject to an escrow agreement and cannot be released without the consent of regulatory authorities.

(d) Shares issued as option payments
Pursuant to agreements of December 19, 1986, the Company issued 123,611 shares to the optionors of the Gold Hill West, Overshot, Gold Crown and Pump prospects in settlement of option payments owing to December 31, 1986, which total \$49,800 U.S. The Company also issued 31,027 shares in settlement of the January 1, 1987 Knabe parcel property payment of \$12,500 U.S.

3. CAPITAL STOCK (Continued)

(e) Share purchase options exercised

On March 27, 1986, the Company granted 117,550 share purchase options to directors and 117,550 share purchase options to employees, all exercisable at \$0.25 per share. During the year options of 187,100 were exercised resulting in all options having now been exercised.

(f) Shares issued in settlement of debt

On March 31, 1987 the Company arranged a loan for \$70,000 to pay the Company's accounts payable. The loan was repaid during the year by the issuance of 200,000 shares at a price of \$0.35 per share.

(g) Public share issuance

On July 31, 1987, the Company sold 600,000 units in a public offering pursuant to a Statement of Material Facts netting the Company \$222,000. The agents involved in the public offering were granted non-transferable warrants entitling them to purchase a total of 300,000 shares at a price of \$0.46 per share expiring on January 25, 1988. On August 19, 1987, all of these warrants were exercised netting the Company \$138,000.

Pursuant to the Agency agreement dated June 30, 1987 the Company granted the agent an option to purchase 90,000 shares at \$0.37 per share (Greenshoe option). On September 11, 1987 this option was exercised netting the Company \$33,300.

(h) Private placement of shares and warrants

On October 15, 1987 the Company issued 600,000 units at \$0.50 each to two European investors which netted the Company \$270,000. Each unit consisted of one common share and one non-transferable warrant entitling the holder to purchase one common share at a price of \$0.55 exercisable on or before October 14, 1988. These warrants remain outstanding.

(i) Shares as option payments

On May 12, 1986, the Company negotiated an option to purchase the Knabe claim parcel of the Big Horn property. The Company issued 25,000 shares to the optionors and agreed to issue a further 25,000 shares after each expenditure of \$100,000 U.S. on the property to a maximum of 100,000 shares. If the Company has not expended \$100,000 U.S., \$200,000 U.S. and \$300,000 U.S. on the property by January 1, 1987, 1988, and 1989 respectively, the optionors' entitlement to each group of 25,000 shares will lapse and the optionors will become entitled to the greater of \$12,500 U.S. or

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. CAPITAL STOCK (Continued)

(i) Shares as option payments (Continued)

the cash equivalent based on market prices of 12,500 shares on each of those respective dates. As the Company had not expended \$100,000 U.S. on the property by January 1, 1987, the optionors' entitlement to those 25,000 shares has lapsed. Consequently, the Company incurred a liability of \$12,500 U.S. which was settled during the year by the issue of shares as described in note 3(d). The January 1, 1988 exploration commitment was not met and the \$12,500 U.S. liability was paid by cash subsequent to November 30, 1987.

4. INCOME TAXES

At November 30, 1987, the Company had the following losses and investment tax credits carried forward available to reduce future years' income for tax purposes and income taxes, respectively. The tax effect of these losses and tax credits has not been recorded in the accounts.

Losses carried forward and investment tax credits for U.S. income tax purposes available until:

	<u>Losses carried forward</u>	<u>Investment tax credit</u>
1997	\$ 5,500	-
1998	140,000	\$1,731
1999	199,500	1,267
2000	92,000	358
2001	60,500	-
2002	<u>291,000</u>	<u>-</u>
Operating losses carried forward for tax purposes	<u>\$788,500</u>	<u>\$3,356</u>

Losses carried forward for Canadian income tax purposes are as follows:

1988	\$ 30,453
1993	20,962
1994	<u>64,996</u>
	<u>\$116,411</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. COMMITMENTS

The Company and its subsidiary are committed under various option agreements to make minimum expenditures on all the properties and to make minimum option payments on certain of the properties as disclosed in note 1(a). Under the agreements, the Company and its subsidiary are also required, as discussed in note 1(a), to make further payments to optionors on a basis related to production should the properties be developed.

The Company is also committed under the Knabe property agreement to issue 25,000 shares if the Company has expended \$300,000 U.S. on the property by January 1, 1989.

The Company would be required to issue 600,000 shares if all warrants outstanding at November 30, 1987 were exercised (note 3(h)).

6. SUBSEQUENT EVENT

(a) Property acquisition

On January 24, 1988, the Company acquired an option to purchase the Gold Hill East prospect through the assignment of Tri-Con's interest in an option agreement. The Company has agreed to pay to Tri-Con 5% of net profits derived from operations conducted on the prospect and \$62,750 U.S. as reimbursement for costs incurred by Tri-Con in the acquisition and maintenance of the prospect.

Under the terms of the option agreement, the Company is committed to make minimum expenditures on the property of \$3,000 U.S. per year and to make the following option payments to a maximum aggregate amount to maintain the property in good standing:

<u>Annual fixed payment</u>	<u>Annual contingent payment</u>	<u>Aggregate payment</u>
<u>U.S. \$</u>	<u>U.S. \$</u>	<u>U.S. \$</u>
\$12,000	7.5% of net smelter returns in excess of \$12,000	\$1,000,000
<u> </u>		<u> </u>

6. SUBSEQUENT EVENT (Continued)

(b) Granting of option

On January 25, 1988, the Company granted a three-year option to an independent third party to purchase an 80% undivided interest in its Gold Hill West prospect, Gold Hill East prospect and Big Horn property. Under the terms of the agreement, the Company will receive \$50,000 U.S. upon approval of the agreement by regulatory authorities. The option is exercisable for a three-year period and if exercised will result in payment of \$500,000 U.S. to the Company. The agreement will reduce the Company's future option payments by \$30,000 U.S. and minimum work commitments by \$16,700 U.S. in each of the next three years and all of the Company's committed annual contingent payments on these properties except for 5% of net smelter returns in respect of the Mollie D parcel (notes 1(a) and 6(a)).

EL TIGRE MINE

MARICOPA COUNTY

NJN WR 7/25/86: Ron Gilcrest, Portland, Oregon, reported that Can-ex Resources Ltd., P O Box 12542, Vancouver, BC Canada V6E 3X2, (604) 682-2269, (c) is going to be active at the El Tigre (file), Kanabe 4 (file), Mollie Davenport (file) and Lucky (card), Maricopa County. They are planning on conducting geochemical and geophysical surveys to be followed by churn drilling. Can-ex's major shareholder is Tricon Resources Ltd (c).

RRB WR 8/8/86: Visited the properties acquired by Can-ex Resources Ltd (El Tigre, Knabe, etc) south of Aguila, Maricopa County. No one was on the property.

EL TIGRE MINE

MARICOPA COUNTY

RRB WR 2/4/83: Phillip Evans and Douglas Evans, Box 176, Aguila, Arizona 85320 report that they are filing claims on the El Tigre Mine in Section 27, T5N R9W, Big Horn District, Maricopa County.

RRB WR 3/18/83: Dan Patch, P.O. Box 124, Quartzsite, Arizona 85346, phone 927-6577, reports that he is considering the purchase of the El Tigre Mine out of Aguila from John Brusco. He also reports that he has acquired the Gold Nugget east of Quartzsite and that he is leasing out the Jackpot claim in the NW $\frac{1}{4}$, Section 9, T3N R18W and that the lessess's are operating it. He is also connected with the Copperstone property and reports that Amoco has resumed drilling.

MG WR 4/29/83: Discussed the Gold Nugget property, La Paz County and the El Tigre Mine, Maricopa County with Mr. and Mrs. Dan Patch, P.O. Box 124, Quartzite, AZ 85346, phone 927-6577. They will look at files on these properties in the Phoenix office.

NJN WR 5/13/83: Assisted Doug Evans in filling out location forms and map for claims to be located in Section 27, T5N R9W. These claims will cover the El Tigre Mine, Maricopa County.

NJN WR 1/13/84: Gene Pantuso (c) of Ken/Pan Ltd (c), 2182 E. Alton Ave., Irvine California 92714 (new mailing address), P.O. Box 18823, Irvine, California 92713 Ph: 714-660-1744, called seeking data on the El Tigre Mine, Maricopa County. He reported that this property is now covered by the Vance Claims, owned by Douglas Evans. He will have Bob Kennealy visit to see our data.

NJN WR 3/ 2/84: John LaRue visited and reported he has leased the Gold Belle claims in Sec. 27, T5N R9W covering the north part of the El Tigre Mine, Maricopa County.

CAN-EX

EL TIGRE P-1
SOCORRO REEF
KNABE P-1
MOLLY DAVENPORT P-1

12 1/2
CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

RECEIVED

AUG 04 1988

DEPT. OF MINES &
MINERAL RESOURCES

PRESS RELEASE

- CAN-EX REGAINS 100% OWNERSHIP OF ARIZONA -
GOLD PROPERTIES
- DRILL INDICATES INCREASED TONNAGES AND GRADES -

The company has recently recaptured a 100% interest in its S.W. Arizona gold properties by their return from Billiton Minerals, U.S.A., Inc. Prior work done by Can-Ex as well as drilling performed by Billiton on the El Tigre property has increased potential ore reserves to approximately 50,000 tons of 0.1 to 0.3 ounces of gold per ton. This would equate to some 5,000 to 15,000 ounces of gold. Drilling by Billiton intersected a flat lying zone with assays as high as 0.51 ounces of gold per ton across ten feet. The zone of interest is open to extension.

Also, Billiton's work on the Knabe and Molly D properties identified geophysical and geological targets, from which the drainage has been placer gold mined to bedrock. These areas therefore become prime drilling targets for in place gold mineralization. The company will continue accumulating and interpreting this incoming data before formulating an on-going program.

SOCORRO REEF PROGRAM

The recently acquired Socorro Reef Property has yielded good results in the first phase of drilling by extending a gold bearing surface zone to a depth of 200 feet (limit of drilling). The over all vertical extent is now in excess of 300 feet and a strike length of some 250 feet has been studied in detail, with 1500 feet of the zone being identified by prospecting and channel sampling. The drill results have shown a vertical system of approximately 5 to 15 feet in width with grades ranging from 0.01 to 0.43 ounces of gold per ton. Surface sampling of this zone disclosed 10 to 20 foot widths with grades ranging from 0.01 to 1.73 ounces of gold per ton.

7/25/88

(OVER)

COPY:

CHARLES M. DONAHUE
MINING ENGINEER
PHOENIX, ARIZONA
JUNE 27, 1925

Mr. Wm. M. Elmer
Tiger Mines, Inc.
Aguila, Arizona

Dear Sir:

I herewith submit my final report on the property of your company, recently examined at your request:

HOLDINGS:

Nine lode claims and one millsite, held by location and assessment work in accordance with the State and U.S. Laws. The claims are divided into two groups, -one Lode Claim and one Mill-site; and eight claims in a southeasterly direction from the present camp location.

TOPOGRAPHY:

The mine is located in the west foothills of the Little Big-Horn Range of Mountains. These foothills are low and rolling at the mine; are easy of access by tracks or autos. There is a good desert road with east grade from the paved highway, to the mine. (About 13 miles south, and then 5 miles east, of Aguila.)

GEOLOGY:

The country rock of this area is of Pre-Cambrian complex, -granite, gneiss and schist. On the claims, the principal rock is granite gneiss, which has been intruded by the diorite on the east, and by an andesite dike on the west. The diorite extends easterly and westerly, while the andesite trends northeasterly and southwesterly. The intrusion of the diorite is the evident cause of the fissure; and to its influence the mineralization is due.

The faults show on the east and west sides of the block and are the cause of the series of step-faults in the vein; three throws being apparent from six to eight feet.

The vein in shaft No. 1 shows no influence as yet of the steps; but depth may show them to extend to the andesite. Where the shaft reaches the ore; the ore is twisted and crushed.

HYDRATION:

The composition of the ore is ideal for smelted and cyanide treatment; the ore being an easily crushed quartz, impregnated with iron oxides. At some points, magnetite is in evidence; but no mineral shows, which would render the ore difficult or impossible of treatment.

I believe from my samplings, that the ore in the lower workings is firmest and that in future depth an average can be arrived at much better than in the broken up and crushed zone now influenced by fractures and faults.

EQUIPMENT:

There is no equipment in 1925.

DEVELOPMENT:

A great deal of work has been done on the group; principally on the #1 claim where the ore is exposed on a ridge along the southerly half of the claim. This ore was first opened along the south point of the ridge; and followed along the east and west slopes of the hill.

A series of tunnels on the ore give an excellent opportunity to determine the deposition, with the strike and dip of the vein; and to sample the deposit. Approximately, the ore is developed in an area of three acres, in what is referred to as Block, as per Sketch #1.

Along the west side of the ridge, four shafts have been sunk. The main workings are now No. 1 and No. 2 - 200' and 197' respectively. The others, of shallower depths, have been abandoned. Number 3 shaft is sunk along the north slope of the ridge, approximately 600' from No. 2 shaft. The ore shows well in the bottom of No. 1; and is a nice, strong vein... the upraise shows 16' of ore.

SAMPLING:

My sampling, was done first, with the view of determining the tonnage and value of the ore in sight; -and secondly, to determine the probable and possible tonnage indicated by the various openings on the property.

The samplings were channel cut on new carves, and carefully placed in new sacks; and kept under my supervision.

I found the average width of milling ore in the various blocks under the ridge to be about three feet; so am using this figure in estimating ore tonnage in these blocks. (See Sketch No. 1).

In the shafts, the ore in No. 1 averaged five (5) feet in width. In No. 2 it is three (3) feet wide. In the various tunnels, 3' wide. In shaft No. 3 my sampling cuts were five (5) feet wide. In the tunnels of the Block, much ore is still left hanging; and foot walls of mill grade.

APPROXIMATE PRODUCTION RECORD.

Bullion recovered from ores milled by Sisson Bros. as per statement made by E. L. Sisson, from whom the property was purchased:-
 300 tons of ore ----- \$22,000.00
 Ore milled by The El Tigre Mining Co. ----- 4,200 tons
 Ore, good, bad and indifferent --- averaging from \$6.00 to \$40.00
 ---3,200 tons
 Ore milled by Leasers who sorted the ore, ---970 tons, which averaged \$36.00 per ton
 Above by Assayer Chas. A. Diehl, Phoenix, Arizona
 Samples submitted by Mr. C. M. Donahoe, E.M.

COPY OF ASSAY REPORT ON SAMPLES FROM EL TIGRE MINE-Gold then \$20.00 oz.

No.	No. 1 Shaft	No. 2 Shaft	No. 3 Shaft	No. BLOCK	REMARKS:
11	\$ 6.20	1. 18.40	20 \$41.00	5	\$ 6.80
12	11.80	2. .80	21 32.60	6	3.60
13	.60	3. 14.40	22 33.68	7	5.00
14	296.40	4. 3.00	23 .80	8	2.40
15	166.80	A. 268.00	A 33.60	9	.40
34	1.40	A. 41.40		10	.20
35	177.00	A. 64.40		16	178.30
36	255.60			17	220.40
37	84.80			18	2.40
38	.40			19	178.20
	47.00			24	.20
	<u>\$2,078.00</u>	<u>\$431.20</u>	<u>\$141.68</u>	26	5.60
11	98.00	61.60	\$ 28.33	27	6.60
2	49.00	30.80		28	1.00
	<u>\$1,225.00</u>	<u>\$523.60</u>	<u>\$170.01</u>	29	4.30
				30	44.20
				31	61.60
				32	.80
				33	10.20
				39	3.60
				40	.60
					\$ 35.40
				21	39.74
				2	20.00

REMARKS:

Samples marked 'A' were taken during preliminary examination.
 Ore from Block averaged six (6) feet.
 No. 289 D CHAS. A. DIEHL, Phoenix, Arizona
 Phone 4447 Arizona Assay Office, 315 North First Street
 P. O. Box 1148

June 23, 1925

VALUATION:

As stated under Sampling, I am using three (3) feet as the average of the mill ore in the Block. This ground I have divided in three sections, -marked A, B, and C. This is "ore in sight". Sections D and E are extremely probable ore of the same width as measured at available points:

Section A has a tonnage of 3,498 tons.
Section B has a tonnage of 10,500 tons.
Section C has a tonnage of 12,366 tons.

As stated above Sections D and E are extremely probable, but I am not figuring their value until further development is done.

In estimating value of ore in sight, in the shaft sections, I am using depth from the point where the ore enters No. 1 shaft--about 50 feet; therefore 140 feet of ore.

In estimating the ore in sight, I am taking Sections A, B, and C, in one block; with an average thickness of three feet as sampled.

The total figures 26,634 tons. The values vary as the ore has been crushed, and twisted by intrusions; rendering channel cuts hard to make on account of the soft ore running. The values are good, and considerable ore can be milled over the three-foot width.

At the bottom of Shaft No. 1 the ore is changing; evidently getting away from the crushed zone. The vein is firm and strong.

I consider the values all very high; but such class of ore as now exposed....a mill test is the only way to get an average tonnage value.

From No. 1 shaft, I am leaving out all the ore to the east towards Sections D and E, as extremely probable ore; and am not making valuation at present, -although No. 3 shaft shows top ore to have excellent value.

At No. 1 shaft, my average factor is \$49.00 over five (5) feet of width; and Sections F and G, -100 feet on each side of the shaft--gives tonnage of about 12,000 tons at \$49.00 or \$568,000.00.

Taking average width at three feet, and Section 1 at 140 feet deep, 100 feet towards No. 1 shaft, gives a tonnage of about 3,500 tons at \$30.80, -or \$107,800.00.

Section A	3,498	tons		
Section B	10,500	tons		
Section C	<u>12,366</u>	tons		
	26,364	tons	\$20.00	\$527,280.00

This is to certify that the samples submitted to me for assay by
MR. C. M. DONAHOE contains as follow per ton of 2,000 lbs. Avoir.

MARKS:

GOLD:
Ounces-Hundredths.

VALUE:
At \$20.00 per oz.

33	0.51	\$ 10.20
34	0.57	.40
35	3.35	177.00
36	13.28	265.60
37	4.24	34.30
38	0.02	.40
39	0.18	3.60
40	0.03	.40

Finis:

Charges \$40.00 Paid.
Assayer Chas. A. Diehl

1-8-64

5777

3 *[faint handwritten scribbles]* 40 - 0

7-11-58
LAS

EL TIGRE MINE (TIGER)
(Sec. ~~21~~ (SW Corner) T5N, R9W)

: 27

EL TIGRE GOLD MINING COMPANY

MARICOPA COUNTY
VULTURE DIST.
(BIG HORN MTNS.)

GOLD

SEE: ARIZ. BUREAU OF MINES TECH. SER. 37,
BULL. 137, 1934, p 163

ABM Bull. 140, p. 94

"U" File

MILS Sheet sequence number 0040130269

C O P Y for

Harry Williams
H - S - H

CHARLES M. DONAHUE,
MINING ENGINEER,
PHOENIX, ARIZONA,
JUNE 25th, 1925.

Mr. Wm. M. Ebner,
Tiger Mines, Inc.,
Aguila, Arizona.

Dear Sir:-

I hereby submit my final report on the property of your company, recently examined at your request:

HOLDINGS:

Mine lode claims and one millsite, held by location and assessment work in accordance with the State and U.S. laws. The claims are divided into two groups, - one Lode Claim and one Millsite; and eight claims in a southeasterly direction from the present camp location.

TOPOGRAPHY:

The mine is located in the west foothills of the Little Big-Horn Range of mountains. These foothills are low and rolling at the mine; and are easy of access by trucks or auto. There is a good desert road with easy grade from the paved highway, to the mine. (About 13 miles south, and then 3 miles east, of Aguila).

GEOLOGY:

The country rock of this area is of Pre-Cambrian complex, - granite, gneiss, and schist. On the claims, the principal rock is granite gneiss, which has been intruded by the diorite on the east; and by an andesite dike on the west. The diorite extends easterly and westerly, while the andesite trends northeasterly and southwesterly. The intrusion of the diorite is the evident cause of the fissure; and to its influence the mineralization is due.

The faults show on the east and west sides of the block, and are the cause of the series of step-faults in the vein; three throws being apparent from six to eight feet.

The vein in shaft No. 1, shows no influence as yet of the steps; but depth may show them to extend to the andesite. Where the shaft reaches the ore; the ore is twisted and crushed.

MINERALOGY:

The composition of the ore is ideal for amalgamated and cyanide treatment; the ore being an easily crushed quartz, impregnated with iron oxides. At some points, magnesite is in evidence; but no mineral shows, which would render the ore difficult or complex of treatment.

I believe, from my samplings, that the ore in the lower workings is firmer; and that in future depth an average can be arrived at much better than in the broken up and crushed zone now influenced by intrusions and faults.

EQUIPMENT: There is no equipment in 19 (illegible).

h

DEVELOPMENT:

A great deal of work has been done on the group; principally on the #1 claim where the ore is exposed on a ridge along the southerly half of the claim. This ore was first opened along the south point of the ridge; and followed along the east and west slopes of the hill.

A series of tunnels on the ore give an excellent opportunity to determine the deposition, with the strike and dip of the vein; and to sample the deposit. Approximately, the ore is developed in an area of three acres, in what is referred to as Block, as per Sketch #1.

Along the west side of the ridge, four shafts have been sunk. The main workings are now No. 1 and No. 2. - 200' and 197' respectively. The others, of shallower depth, have been abandoned. Number 3 shaft is sunk along the north slope of the ridge, approximately 800' from No. 2 shaft. The ore shows well in the bottom of Number 1; and is a wide, strong vein ... the upraise shows 16 feet of ore.

SAMPLING:

My sampling was done first, with the view of determining the tonnage and value of the ore in sight; - and secondly, to determine the probable and possible tonnage indicated by the various openings on the property.

The samples were channel cut on new canvas, and carefully placed in new sacks; and kept under my Supervision.

I found the average width of milling ore in the various blocks under the ridge to be about three feet; so am using this figure in estimating ore tonnage in these Blocks (See Sketch No. 1).

In the shafts, the ore in No. 1 averaged five (5) feet in width. In No. 2 it is three (3) feet wide. In the various tunnels, 3' wide. In Shaft No. 3, my sampling cuts were five (5) feet wide. In the tunnels of the Block, much ore is still left hanging; and foot walls of mill grade.

VALUATION:

As stated under Sampling, I am using three (3) feet as the average of the mill ore in the Block. This ground I have divided in three sections - marked A, B, and C. This is "ore in sight". Sections D and E are extremely probable ore of the same width as measured at available points;

Section A	has a tonnage of	3,498	tons.
Section B	" " " "	10,600	"
Section C	" " " "	12,366	"

As stated above, D and Section E are extremely probable; but I am not figuring their value until further development is done.

In estimating value of ore in sight, in the shaft sections, I am using depth from the point where the ore enters No. 1 shaft -- about 60 feet; therefore 140 feet of ore.

In estimating the ore in sight, I am taking Sections A, B, and C in one block; with an average thickness of three feet as sampled.



The total figures 26,634 tons. The values vary as the ore has been crushed, and twisted by intrusions; rendering channel cuts hard to make on account of the soft ore running. The values are good, and considerable ore can be milled over the three-foot width.

At the bottom of Shaft No. 1, the ore is changing; evidently getting away from the crushed zone. The vein is firm and strong.

I consider the values all very high; but such class of ore as now exposed...a mill test is the only way to get an average tonnage value.

From No. 2 shaft, I am leaving out all the ore to the east towards Sections D and E, as extremely probable ore; and am not making valuation at present - altho No. 3 shaft shows top ore to have excellent value.

At No. 1 shaft, my average factor is \$49.00 over five (5) feet of width; and Sections F and G, - 100 feet on each side of the shaft - gives tonnage of about 12,000 tons at \$49.00 or \$568,000.00.

Taking average width at three feet, and Section 1 at 140 feet deep, 100 feet towards No. 1 shaft, gives a tonnage of about 3,500 tons at \$30.80 - or \$107,800.00.

Section A - -	3,428 tons	
B - -	10,500 "	
C - -	<u>12,364 "</u>	
	26,364 tons at \$20.00	\$527,280.00
Section F - -	6,000 tons at \$49.00	568,000.00
G --	<u>6,000 tons</u>	
	12,000 tons	
Section I - -	3,500 tons at \$30.00	<u>107,000.00</u>
		\$1,202,280.00

I am not figuring Section H, as this is also probable ore; being between the 100 foot lines South of No. 2 shaft, and North of No. 1 shaft.

A great deal of ore can be expected in the development of Sections D, E, and H; but at present no width can be determined to estimate the tonnage. The length is about 270 feet.

As mentioned previously, an ideal test would be a mill run on various points; - this can be followed out later.

You have ore of sufficient value to warrant a plan at this time; while the indicated mine is below No. 1 shaft workings.

4

RECOMMENDATIONS:

From past experiences, I advise moving the mill and camp to a location near the mine, a site near the boarding house being an excellent location. I believe water can be developed from a driven well; but if this should fail, plenty of water can be pumped from the present well to the mine much more economically than handling of ore to the present mill site.

I believe new development should be confined to sinking No. 1 shaft to at least 500 feet; then drifting on the vein, both North and South. At this shaft - the deepest workings on the property, the vein shows very strong, with excellent values.

CONCLUSIONS:

Your property shows great merit. Conditions are similar to other Gold Camps in Arizona, in the desert district. Hot, dry days in summer, and fine winter weather. The distance from the railroad is short; with good roads connecting.

You have a valuable property, warranting the expenditure of at least half a million dollars to develop and equip.

I unhesitatingly advise you to go ahead on the outlined plan.

Very respectfully yours,

/Signed/ CHARLES M. DONAHOE, E.M.,
Registered Engineer No. 189.



APPROXIMATE PRODUCTION RECORD

Bullion recovered from ores milled by Sisson Bros., as per statement made by E. L. Sisson, from whom the property was purchased.

300 tons of ore - - - - - \$22,000.00

Ore Milled by The El Tigre Mining Co. - 4,200 tons.

Ore, good, bad and indifferent...averaging from \$6.00 to \$40.00 - 3,200 tons

Ore, milled by Leasors who sorted the ore, -- 970 tons; which averaged \$36.00 per ton.

Above by Assayer - Chas. A. Diehl, Phoenix, Ariz., April 6, 1925.

Samples submitted by Mr. C. M. DONAHOE, E.M.

COPY OF ASSAY REPORT ON SAMPLES FROM EL TIGRE MINE -- GOLD then @ \$20.00 oz.				Blocks Remarks	
No.	No. 1 Shaft	No. 2 Shaft	No. 3 Shaft	No.	
11	\$ Illegible	Illegible	Illegible	5	\$ 6.80
12	11.80	2 .80	21 32.60	6	3.60
13	.60	3 14.40	22 33.68	7	5.00
14	296.40	4 3.00	23 .80	8	2.40
15	166.80	A 268.00	A 33.60	9	.40
34	1.40	A 41.40		10	.20
35	177.00	A 64.40		16	176.80
36	255.60			17	220.40
37	84.80			18	2.40
38	.40			19	278.20
A	47.00			24	.20
	\$ 1,078.00	431.20	141.68	26	5.60
11	98.00	7 61.60	5 28.33	27	6.60
2	49.00	2 30.80		28	1.00
	1,225.00	523.60	170.01	29	4.80
				30	44.20
				31	61.60
				32	.80
				33	10.20
				39	3.60
				40	.60
					\$ 835.40
				21	Illeg.
				2	"

REMARKS:

Samples marked "A" were taken during preliminary examination.
Ore from Block averaged six (6) feet.

No. 289 D

CHAS. A. DIEHL
ARIZONA ASSAY OFFICE
315 North First Street

Phoenix, Ariz.

June 23, 1925

P.O. Box 1148

Phone 4447

This is to certify that the samples submitted to me for Assay by Mr. C. M. DONAHOE contain as follows, per ton of 2,000 lbs. Avoir.

MARKS	GOLD	VALUE
	Ounces - Hundths	At \$20.00 per oz.
33	0.51	\$ 10.20
34	0.57	1.40
35	3.35	177.00
36	13.28	265.60
37	4.24	84.80
38	0.02	.40
39	0.18	3.60
40	0.03	.60

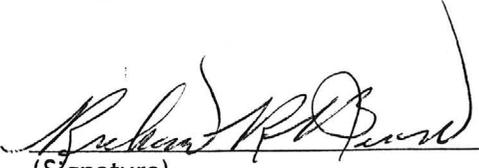
Charges \$40.00 Paid
/s/ Assayer Chas. A. Diehl

A Z A DEPARTMENT OF MINER I SOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

1. Information from: Ben Walser
Address: 3110 Park Lane, Dallas, Texas
2. Mine: WALSER'S MATILDA (El Tigre Mine). No. of Claims - Patented _____
Unpatented 3
4. Location: _____
5. Sec. 27 Tp. 5N Range 9W 6. Mining District Vulture Big Horn
7. Owner: Ben Walser & Ben Walser Jr.
8. Address: Same as above
9. Operating Co.: _____
10. Address: _____
11. President: _____ 12. Gen. Mgr.: _____
13. Principal Metals: Au 14. No. Employed: _____
15. Mill, Type & Capacity: _____
16. Present Operations: (a) Down (b) Assessment work (c) Exploration
(d) Production (e) Rate _____ tpd.
17. New Work Planned: Improve access

18. Misc. Notes: _____

Date: 3/6/81


(Signature)
R. R. Beard

(Field Engineer)



CAN-EX

CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

January 26, 1987

Dear Perspective Shareholder:

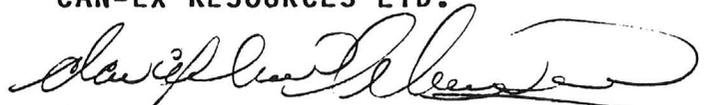
Thank you for your recent request for information on Can-Ex Resources Ltd., as forwarded to us by World Investment News.

Enclosed, for your perusal, is a copy of our current brochure; a Research Report; our December 5, 1986, News Release; and a reprint of a most recent World Investment News article.

You will note from the enclosures, that the Company continues to move steadily ahead in exploration and development of the Big Horn Gold Property to production.

We look forward to updating you as we progress. Thank you for your kind interest.

Yours truly,
CAN-EX RESOURCES LTD.



David E. Chowen, B. Comm.
Director
V.P. Administration

DEC:cz
Enclosure

CAN-EX RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED MAY 31, 1987
(Unaudited)
(Prepared by Management)

- Consolidated Balance Sheet
- Consolidated Statement of Deferred Exploration,
Development and Administrative Expenditures
- Consolidated Statement of Changes in Financial Position
- Notes to Consolidated Financial Statements

CAN-EX RESOURCES LTD.

CONSOLIDATED BALANCE SHEET
(Unaudited)
(Prepared by Management)

	May 31 1987	November 30 1986
	<u>1987</u>	<u>1986</u>
ASSETS		
CURRENT ASSET		
Cash	\$ 106	\$ 56,690
MINERAL PROPERTIES AND DEVELOPMENT		
Claims and options	621,752	579,421
Deferred exploration, development and administrative expenditures	<u>1,164,455</u>	<u>1,079,144</u>
	<u>1,786,207</u>	<u>1,658,565</u>
	\$1,786,313	\$1,715,255
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable and accrued liabilities	\$ 92,467	\$ 133,011
Payable to related parties	<u>104,826</u>	<u>91,709</u>
	197,293	224,720
LONG-TERM DEBT		
Payable to related party	111,018	111,018
SHAREHOLDER'S EQUITY		
Capital stock (note 2)	1,529,417	1,430,932
Deficit	<u>(51,415)</u>	<u>(51,415)</u>
	<u>1,478,002</u>	<u>1,379,517</u>
	\$1,786,313	\$1,715,255
	=====	=====
Commitment (note 3)		
Subsequent Event (note 4)		

APPROVED BY THE BOARD:

Director

Director

CAN-EX RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATIVE EXPENDITURES

(Unaudited)
(Prepared by Management)

	Six Months Ended May 31	
	1987	1986
EXPLORATION AND DEVELOPMENT		
Arizona properties		
Gold Crown prospect	\$ 659	\$ 61
Pump prospect	917	1,802
Overshot prospect	603	-
Gold Hill West prospect	1,032	-
Big Horn property	35,401	-
British Columbia property		
American Boy property	1,268	8,992
	<u>39,880</u>	<u>10,855</u>
ADMINISTRATIVE		
Accounting and audit	2,200	-
Finance activities	4,968	9,514
Interest, bank charges and exchange	(3,916)	25,008
Legal	9,756	-
Management services	15,000	15,000
Office supplies and support	5,465	1,701
Printing and publicity	2,438	6,115
Property evaluation	5,400	-
Reporting	2,360	2,387
Transfer agent fees	1,760	1,326
	<u>45,431</u>	<u>61,051</u>
NET EXPENDITURES FOR THE PERIOD	85,311	71,906
Deferred exploration development and administrative expenditures at beginning of period	1,079,144	917,707
Recovery from forgiveness of debt	<u>-</u>	<u>(188,973)</u>
DEFERRED EXPLORATION DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES AT END OF PERIOD	<u>\$1,164,455</u> =====	<u>\$ 800,640</u> =====

CAN-EX RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Unaudited)
(Prepared by Management)

	Six Months Ended May 31	
	1987	1986
<hr/>		
CASH PROVIDED BY (USED FOR):		
FINANCING ACTIVITIES		
Shares issued in settlement of debt	\$ -	\$ 200,000
Shares issued for cash		
on exercise of share purchase options	11,888	-
Shares issued as option payments		
for mining claims	86,597	-
Recovery from forgiveness of debt	-	188,973
	<u>98,485</u>	<u>388,973</u>
INVESTMENT ACTIVITIES		
Exploration, development and		
administrative expenditures	(85,311)	(71,906)
Mineral claims and options	(42,331)	(49,206)
	<u>(127,642)</u>	<u>(121,112)</u>
Less increase (decrease) in		
accounts payable and accrued liabilities	(40,544)	30,759
	<u>(168,186)</u>	<u>(90,353)</u>
DECREASE IN CASH POSITION	(69,701)	298,620
Cash position at beginning of period	<u>(35,019)</u>	<u>(405,994)</u>
CASH POSITION AT END OF PERIOD	\$ (104,720) =====	\$ (107,374) =====

(Cash position is defined to include cash less
current payable to related parties)

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)
(Prepared by Management)

1. BASIS OF PRESENTATION

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting of normally recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods.

2. CAPITAL STOCK

(a) Authorized Share Capital
10,000,000 common shares of no par value

(b) Issued and Outstanding
The issued capital stock is as follows:

	Number of Shares	Amount
Balance at November 30, 1986	4,099,000	\$1,430,932
Shares issued on exercise of share purchase options	47,550	11,888
Shares issued as option payments for mineral claims (note 2(e))	154,638	86,597
Balance at May 31, 1987	<u>4,301,188</u> =====	<u>\$1,529,417</u> =====

(c) Share Purchase Options

On March 27, 1986, the Company granted 117,550 share purchase options to directors and 117,550 share purchase options to employees. The options are exercisable at \$0.25 per share and will expire March 27, 1988. Employee options of 95,550 have been exercised to May 31, 1987.

(d) Shares Issued as Option Payments

Pursuant to agreements of December 19, 1986, the Company issued 123,611 shares to the optionors of the Gold Hill West, Overshot, Gold Crown and Pump prospects in settlement of option payments owing to December 31, 1986, which total \$49,800 U.S. The Company also issued 31,027 shares in settlement of the January 1, 1987 Knabe parcel property payment of \$12,500 U.S.

CAN-EX RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(Prepared by Management)

3. COMMITMENTS

On March 31, 1987, the Company arranged a loan agreement for \$70,000. The funds from the loan are to be used to pay the Company's accounts payable. The loan will be repaid by the issuance of 200,000 shares at the price of \$0.35 per share. The issuance of the shares is subject to regulatory approval.

4. SUBSEQUENT EVENT

On July 27, 1987 the Company sold 600,000 shares in a public offering on the Vancouver Stock Exchange. The shares sold at \$.40 and the offering netted the company \$222,000.

The agents involved in the offering have been granted a Greenshoe option to purchase up to 90,000 shares at \$.37 in order to cover any over-subscription of the offering. The Greenshoe option expires September 11, 1987.

The agents have also been granted a non-transferable warrant entitling them to purchase a total of 300,000 shares at a price of \$.46 expiring on January 25, 1988.

**CAN-EX**

CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

INTERIM REPORT

FOR SIX MONTHS ENDED MAY 31, 1987

PRESIDENTS LETTER TO THE SHAREHOLDERS

Today Can-Ex completed a financing which will retire debts and leave some \$220,000 in the treasury.

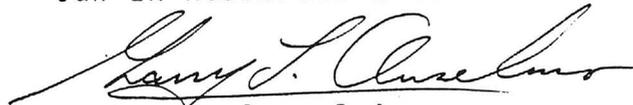
These funds are, for the most part, earmarked for drilling on the Big Horn Gold Property in S.W. Arizona. Here, the company has made significant gold discoveries and a drilling program is being planned.

As the Company has been approached by various mining companies in relation to the Big Horn Property, it is currently reviewing its options in regard to a possible venture with a major partner.

In any event, we expect substantial activity in the near term and believe positive results are near at hand.

We will keep shareholders informed of our progress as we take the next step in the development of Can-Ex's precious metal holdings.

On Behalf Of The Board
Can-Ex Resources Ltd.



G. L. Anselmo, B.A.
President

July 27, 1987



EL 7 re 4)

CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

PRESS RELEASE

- ARIZONA GOLD PROPERTIES -

- CAN-EX OBTAINS APPROVAL ON -

AGREEMENT WITH BILLITON MINERALS (U.S.A.), INC.

The Vancouver Stock Exchange has approved the agreement between Billiton Minerals (U.S.A.), Inc. a wholly-owned subsidiary of Shell Mining Company, itself a subsidiary of Shell Oil Company which is controlled by the Royal Dutch/Shell Group and Can-Ex Resources (U.S.), Inc. a wholly owned subsidiary of Can-Ex Resources Ltd.

The agreement gives Billiton a three year option to acquire an 80% working interest in the Big Horn and Gold Hill East and West properties near Wenden and Salome, Arizona. ? See also ?

Billiton must spend a minimum of \$125,000 (U.S.) on the properties per annum for each of the three years. If Billiton exercises its option on one or more of the properties it will pay Can-Ex \$500,000 U.S. and enter into a joint operating agreement with Can-Ex on an 80% Billiton/20% Can-Ex basis, with Billiton as operator. Billiton has advised Can-Ex that it is preparing to drill on the El Tigre portion of the Big Horn Property.

On Behalf of the Board
CAN-EX RESOURCES LTD.

G.L. Anselmo, B.A.
President

March 11, 1988

MAR 16 1988

1-8-64

5

3

7-14-58
LAS

EL TIGRE MINE (TIGER)
(Sec. ~~34~~ (SW Corner) T5N, R9W)

: 27

EL TIGRE GOLD MINING COMPANY

MARICOPA COUNTY
VULTURE DIST.
(BIG HORN MTNS.)

GOLD

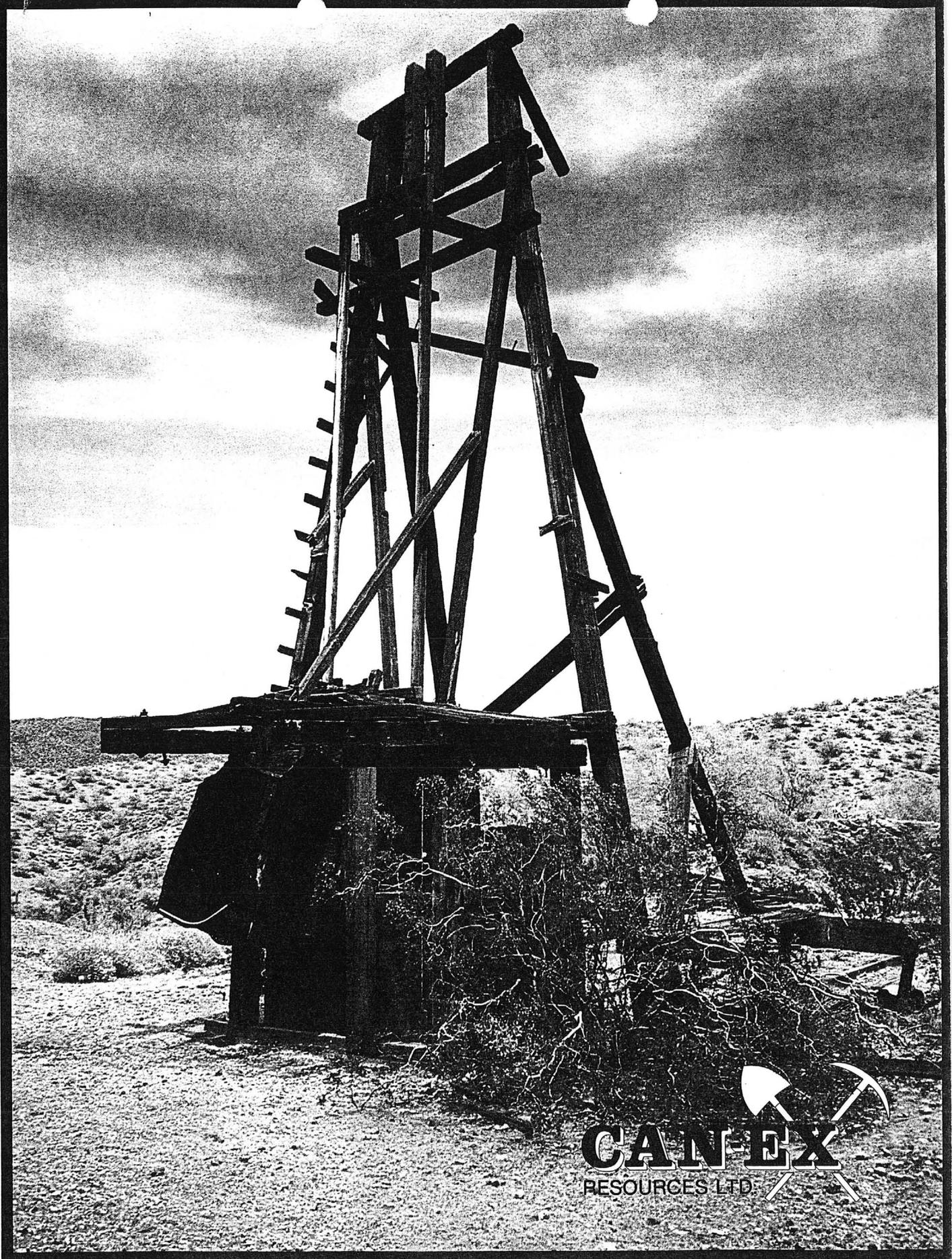
SEE: ARIZ. BUREAU OF MINES TECH. SER. 37,
BULL. 137, 1934, p 163

ABM Bull. 140, p. 94

"U" File

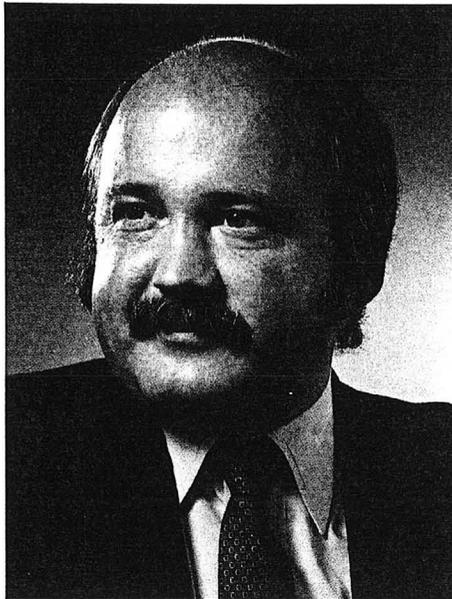
MILS Sheet sequence number 0040130269

El Tigre Mine (S) Maricopa Co - 0111 K C. 2/20/05



CANEX
RESOURCES LTD.

A MESSAGE FROM THE PRESIDENT



Can-Ex Resources Ltd., founded in 1982, and its wholly owned U.S. subsidiary, Can-Ex Resources (U.S.) Inc. are precious metal mining companies with property holdings in the U.S.A. and Canada.

The Company has the option to purchase a 100% interest in all its gold properties in S.W. Arizona, which it fully intends to exercise should field results continue to be positive, and owns 100% interest in its silver-gold property near Smithers, British Columbia.

The Company has begun work on the recently optioned Big Horn gold property located 14 road miles south of Aguila, Arizona. The three square mile property contains five old mines and preliminary work has disclosed significant gold mineralization. The property is amenable to a heap leaching type operation and work is being done towards achieving an operation of this nature. Various mining companies have expressed an interest in participating with Can-Ex on this highly interesting gold project.

Financial arrangements have been successfully concluded with Can-Ex's fiscal agent, C.M. Oliver & Company Ltd. of Vancouver, British Columbia. Funds allocated for exploration work from the \$481,000 guaranteed financing will be used to complete a

recommended drilling program on the Big Horn gold property.

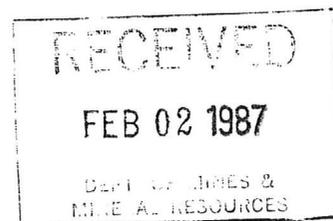
Can-Ex shares trade on the Vancouver Stock Exchange under the symbols CXZ, and the Company, subject to certain jurisdictional restrictions, is qualified under "Blue Sky" regulations for secondary non-issuer trading in most of the United States.

Can-Ex looks forward to the challenge ahead and the potential reward of precious metal development and production. We welcome you, the prospective shareholder, to join us in our ventures.

On behalf of the Board
CAN-EX RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "G.L. Anselmo". The signature is fluid and cursive, written over a horizontal line.

G.L. Anselmo, B.A.
President



CORPORATE DATA

DIRECTORS:

Garry L. Anselmo, B.A.
David E. Chowen, B.Comm.
James F. Dixon, L.L.B.

OFFICERS:

Garry L. Anselmo, B.A.
President
James D. Mann, C.A.
Secretary

AUDITORS:

THORNE RIDDELL
25th Floor,
1177 West Hastings Street,
Vancouver, B.C. V6E 2L9

REGISTRAR & TRANSFER AGENT:

GUARANTY TRUST COMPANY
OF CANADA
800 West Pender Street,
Vancouver, B.C. V6C 1J8
(604) 681-0151

SOLICITORS:**(Canada)**

John R. Mackay
DAVIS & COMPANY
2800 Park Place,
666 Burrard Street
Vancouver, B.C. V6C 2Z7

ATTORNEYS:**(U.S.A.)**

J. P. Tangen
Attorney at Law
Suite 303,
105 Municipal Way,
Juneau, Alaska 99801

CONSULTANTS:**(Canada)**

TRI-CON MINING LTD.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

CONSULTANTS:**(U.S.A.)**

TRI-CON MINING (ARIZONA) INC.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

BANKS:

BANK OF MONTREAL
Main Branch
First Bank Tower,
595 Burrard Street,
Vancouver, B.C. V7Z 1L7

**ALASKA NATIONAL BANK
OF THE NORTH**

Box 60730,
Fairbanks, Alaska 99706

HEAD OFFICE:

Box 12542, Suite 2580,
25th Floor, Oceanic Plaza,
Vancouver, B.C. V6E 3X2
(604) 682-2269

**REGISTERED OFFICE &
RECORD OFFICE:**

2800 Park Place,
666 Burrard Street,
Vancouver, B.C. V6C 2Z7

CAPITALIZATION:

Authorized: 10,000,000 shares,
no par value
Outstanding: 3,351,000 shares at
August 31, 1986

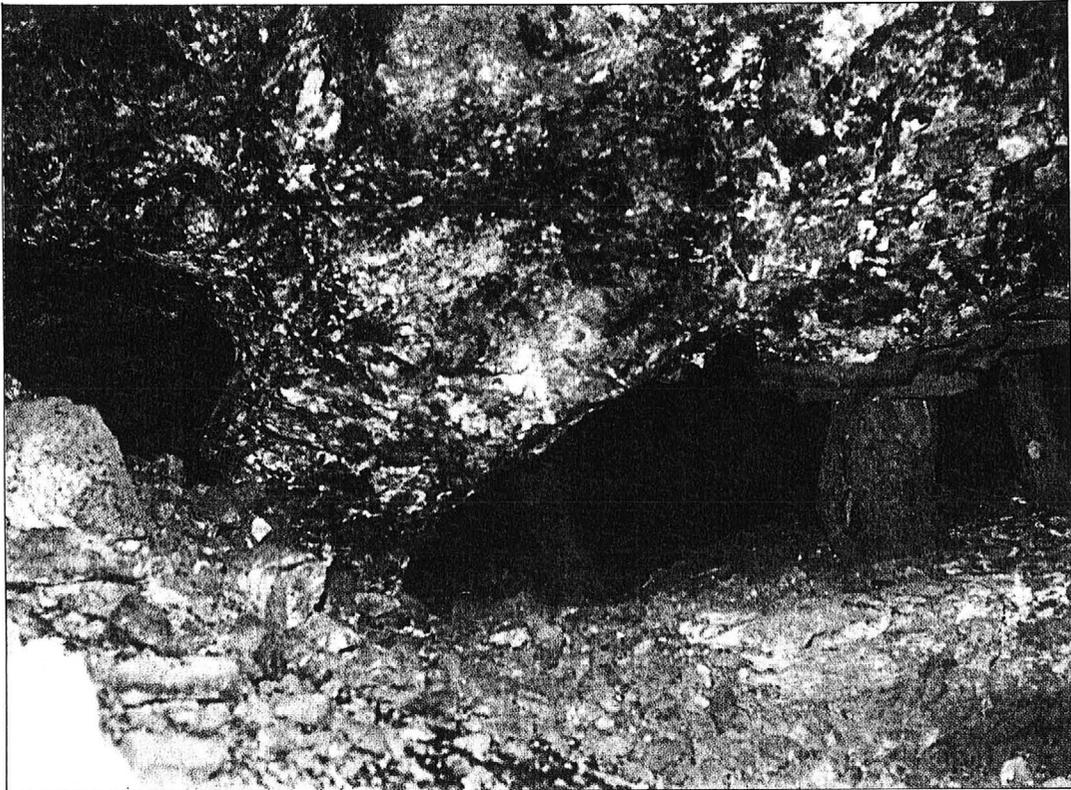
SHARES LISTED:

Vancouver Stock Exchange
— Symbol — CXZ

The Vancouver Stock Exchange Has Neither Approved
Nor Disapproved The Information Contained Herein.



Old underground stopes at El Tigre Mine. Can-Ex assays from this area ran up to **1.2 oz. gold/ton**.
Extensive alteration exists throughout this area.



Old underground stopes at El Tigre Mine. Can-Ex assays from this area ran up to **1.2 oz. gold/ton.**
Extensive alteration exists throughout this area.

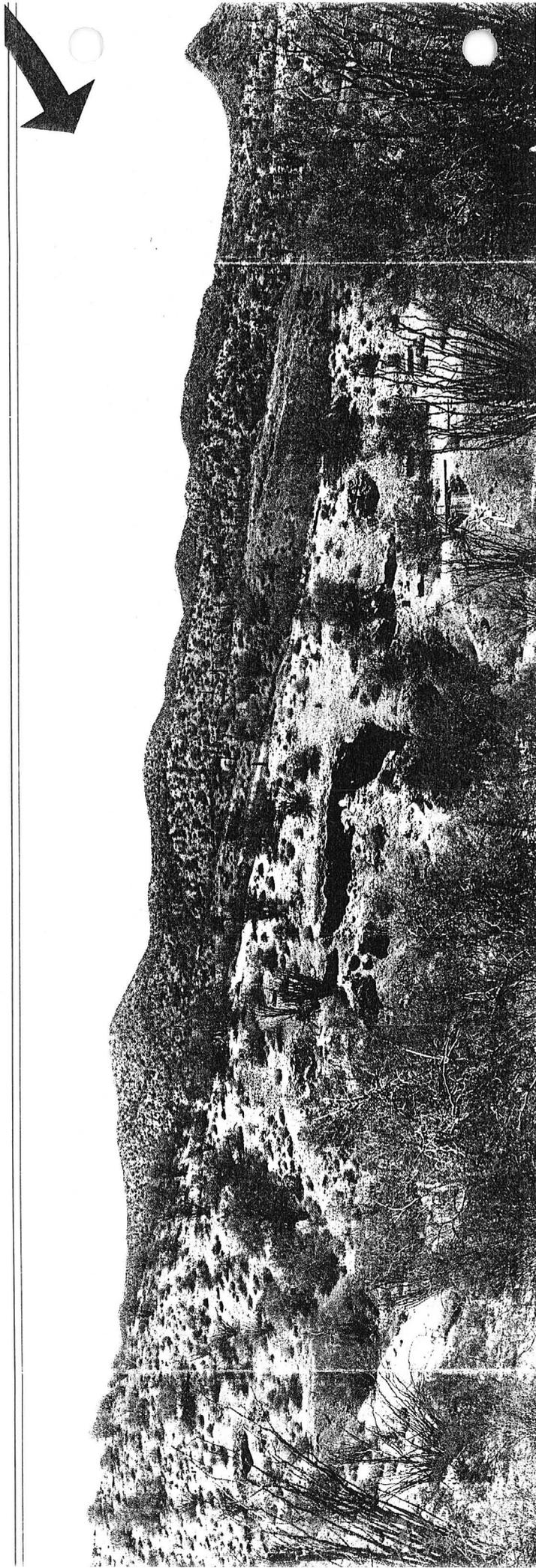


Can-Ex consultant, Gordon House, examining **altered dump rock** at old Mollie Davenport Mine.

ALTERED RED ZONES ARE GUIDE TO GOLD ON CAN-EX BIG HORN GOLD PROJECT



Altered Megabreccia Zone is future gold exploration target near old Knabe Mine.



El Tigre Mine Carr-Ex's first heap leach target. Note coverings on Carr-Ex High Grade Mine within area of extensive alteration.

PROGRESS REPORT**JULY 1987**

The Company has recently completed a financing which will provide the necessary funds to advance to Phase II drilling at the Big Horn Project in S.W. Arizona.

With results from Phase I of up to 40 ft. averaging 0.15 oz. gold per ton, Can-Ex is anticipating exciting news from the Phase II drilling program. The deepest hole drilled in Phase I was 55 feet. Phase II drilling will be as deep as 300 feet, as surface mapping suggests the presence of several flat-lying "stacked" gold-bearing horizons. The Phase II program will be directed primarily towards expansion and definition of the North Shaft Zone with emphasis on the deeper drilling; one Phase I hole bottomed at 0.16 oz. gold per ton!

The locations and assays from the significant Phase I holes in the North Shaft Zone on the old El Tigre Mine portion of the property are shown overleaf. Underground sampling in the same area, which represents only a portion of the vertical extent of the zone, yielded assays up to 0.78 oz. gold per ton. Can-Ex will also drill on the South Zone, where underground samples assayed up to 1.2 oz. gold per ton.

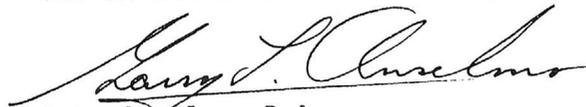
Elsewhere on this 3 sq. mi. property, Can-Ex will continue to investigate the Mollie D. - Knabe Area (see map) which is an altered zone over 30 times as large as the altered zone surrounding the El Tigre Mine. Can-Ex believes that the Mollie D. - Knabe altered zone may be overlying a large epithermal precious metal deposit.

If the results of Phase II drilling are encouraging, Can-Ex will proceed with production planning for an open-pit heap leach operation on its Big Horn Gold Project.

Can-Ex has been approached by several major mining companies who have expressed an interest in the Project and offer the potential for larger and more timely production should drill results continue to be positive.

RECEIVED

AUG 06 1987

DEPT. OF MINES &
MINERAL RESOURCESOn Behalf of the Board
Can-Ex Resources Ltd.G.L. Anselmo, B.A.
President

For further information, contact the Company's Fiscal Agent:

CONTINENTAL CARLISLE DOUGLAS at (604)682-4450

BLACKWELL-SUCHY, Inc.

RESEARCH REPORT

CAN-EX RESOURCES LTD.

Symbol: CXZ Market: Vancouver Stock Exchange
Current Price: C\$0.85
US\$0.61

Price Ranges: Canadian Dollars (US\$0.7210)

	High	Low
1986	C\$1.23	C\$0.10
1985	0.35	0.12
1984	0.75	0.15
1983	1.35	0.65

Capitalization:
Shares Authorized: 10,000,000
Shares Outstanding: 3,351,000
Fully Diluted: 4,001,000



Introduction

Can-Ex Resources Ltd. is a junior mining company with gold and silver properties located in the U.S. and Canada. Its most promising prospect is the Big Horn property in Arizona. This could be in production as an open-pit, heap-leach gold mine within a very short period of time should results of the current exploration program prove successful.

Based on our analysis, Can-Ex represents an excellent situation for investors who seek to participate on the ground floor of an opportunity that has the potential of becoming a producing gold mine in a short timeframe. There is the likelihood of continued growth over the long-term because the company holds other promising properties.

Background

Can-Ex, based in Vancouver, British Columbia, was incorporated in 1982. All operations are conducted by Tri-Con Mining Ltd., a private mining consulting firm that holds 46.9% of the issued shares of Can-Ex.

Holdings

The focus of Can-Ex's present activity is the optioned Big Horn property in Arizona that includes five old mines: the El Tigre, Mollie Davenport, Knabe, Lucky, and the Wisconsin. Can-Ex's gold properties were put on the shelf with the fall in gold prices. Now, with gold prices on the rise, the company has acquired the Big Horn property and is focusing its efforts to examining the property's potential as an open-pit, heap-leach gold mine.

Other prospects include the nearby Pump, Gold Crown, Gold Hill, and Overshot gold properties, and the American Boy and Mohawk silver properties in west-central British Columbia.

Big Horn Property

The Big Horn is located 15 miles south of Aguila, Arizona, and Highway 60. Accumulated over a period of two years under one owner for the first time, the Big Horn covers three square miles of land (1,800 acres) in southwest Arizona.

The property is easily accessible using a 15-mile gravel road from the highway at the town of Aguila. Water is proven to be abundant.

No problems in permitting are foreseen, and the climate will allow work to proceed year-round.

The area, known as the Big Horn Mining District, saw mining activity in the early 1900s. The El Tigre mine was discovered in 1914 and worked until 1924. It was about this same time that other mines in the region were worked at grades reportedly greater than one ounce of gold per ton, although no production records exist.

Five former mines on three separate parcels of land comprise the Big Horn. The El Tigre, the last of three separate parcels optioned by Can-Ex, adjoins the Knabe property to the south. To the west of the Knabe is the Mollie Davenport property and to the southeast is the Lucky. Each is named after their respective mines with the exception of the Mollie Davenport, which also contains the Apache and Wisconsin mines.

These former mines are located in the upper plate of a detachment fault. Many of the drainages, which are located near the old mines, were in the past dry placer mined for gold and have been cleaned to bedrock.

The El Tigre mine has a recorded gold production of 2,300 ounces, although management believes this figure was significantly higher based on observations of past mining activity.

Because of this history, the El Tigre was a much sought-after property by major mining companies. Subsequent to Can-Ex's acquisition, a few of these companies have expressed an interest in a joint venture arrangement and will be permitted to examine the property.

Geology

The Big Horn lies in an overthrust and detachment fault belt extending from Southern California northeast through Arizona. Along this belt are located numerous past-producing gold mines and some current heap-leach gold mines. The property was acquired by the previous owners because of its red coloration, due to the presence of hematite, an alteration mineral that in this region is often associated with gold.

A total of eight hematite-sericite-quartz alteration zones are known on the property. These flat-lying zones and associated stockworks have anomalous gold values. Due to the extent of the alterations zones as seen on surface, it is believed there could exist a large tonnage of heap-leachable gold-bearing ore if the grade proves economic.

Earlier production from the El Tigre was from a high-grade, flat-lying vein or ledge varying from a few inches to more than 10 feet in thickness. This vein deposit was associated with a larger zone of hematite alteration. Both the hanging wall and the footwall of the mined area carry lower grade gold values that are an attractive target for an open-pit, heap-leach operation.

The ore body is exposed for a length of 1,500 feet on the surface then dips underground and has a potential thickness of approximately 100 feet from the hematite footwall to the hanging wall of the high-grade vein. How far it extends down dip to the southwest is not known; drilling will fill in this information. As the El Tigre is exposed on surface in the northeast corner of the Big Horn property, approximately two miles of strike length is tied up. The rock found on the El Tigre appears to be readily amenable to heap leaching.

The Vulture mine, 20 miles east-northeast of the Big Horn, is found

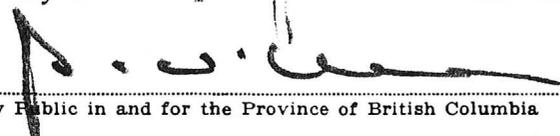
CANADA
PROVINCE OF BRITISH COLUMBIA
To Wit;

TO ALL TO WHOM THESE PRESENTS MAY COME
BE SEEN OR KNOWN:

I, Dr. BERNARD . . . HOETER a Notary Public
by Royal authority duly appointed, residing at the City of Vancouver in the
Province of British Columbia, do certify and attest that the paper writing hereto annexed, marked
with my Notarial Seal, is a true copy of a photocopy of copy ~~an original document~~ produced
to me by W.J. Salisbury purporting to be a
letter from Charles M. Donahue, Mining Engineer
to Mr. Wm. M. Ebner

signed by Charles M. Donahoe and
dated the 25th day of June A.D. 19 25 The said copy having
been compared by me with the said ~~original document~~ ^{submitted copy}, an act whereof being requested I have granted
under Notarial form and seal of office to serve and avail as occasion may require.

Dated at Vancouver B.C., this 2nd day of September A.D. 19 64
(SEAL)


A Notary Public in and for the Province of British Columbia

REPORT AND DESCRIPTION OF GOLD PROPERTY.

El Tigro Gold Mining Company.

LOCATION.

This property is located in the Vulture Mining District, Maricopa County, Arizona and is along the same line of outcrop as the Vulture, Pump, and Narquahala mines.

This property consists of eight (8) mining claims, all contiguous; most of the work has been done on the claims numbered 1, 2 and 4.

OUTCROP OF VEIN.

The vein has an outcrop for a distance of over 1500 feet and a trend from the northwest to the southeast. On the northwest end of the blanket portion of the vein is where most of the work has been done and ore mined. The vein averages all the way from one to three feet in thickness and is the richest near or on the footwall. The blanket portion of the vein has a width of about 100 feet on the northwest end widening to over 1000 feet on the southeast end, or as far as the same has been exposed by tunnels and open cuts along the outcrop, and most all of the ore that has been mined and milled comes from this position of the vein. There are about 600 feet of tunnels and crosscuts exposing the blanket vein and for a distance of 800 feet from northwest to southeast.

SHAFTS.

On the northeast portion or along the line of footwall, the ledge takes a sudden turn and straightening up to an angle of from 35 to 45 degrees. On the line of the footwall there are three shafts at a distance of 470 feet between the northwest and the southeast extremities. The shaft designated as No. 1 on the map is at this writing 95 feet in depth from the surface, showing a vein approximately 18 feet in thickness with a porphyry footwall and a layer of from several inches to eighteen inches of green schist between the footwall and the ore. Eight samples taken from this shaft give an average value of \$12.00 in gold. Shaft No. 2 has a depth of about 30 feet from the surface. The width of the vein has not been ascertained as there are no crosscuts, but it is the size of the shaft, the same being in ore on all sides. Shaft No. 3 as shown on the map is 470 feet distant from Shaft No. 1 and is down 25 feet from the surface. At this writing the same is being operated by leasers and there is a showing of about $3\frac{1}{2}$ to 5 feet of ore and I am informed by the leasers that it is high-grade, of which I have no doubt.

LOCATION OF MILL AND MILL.

Three miles in a northwesterly direction connected by a good road is located the milling plant which consists of a ten stamp Fraser & Chalmers mill together with engine and all necessary equipment to make same a complete plant. Fourteen hundred feet in a northerly direction from the mill is located the pumping plant and I am informed that there is ample water to operate a large plant. There is also at the mill a boarding house, blacksmith shop, several cottages and I am informed that everything is equipped with a full complement of tools. The Company also owns several trucks, automobiles etc, etc.

REMARKS.

From my examination of the above property, more particularly the mining claims, I am of the opinion that the shaft now being dug, should be continued to 500 feet depth and from the general characteristic of the formation

PRELIMINARY REPORT

On the property owned by the EL. TIGHE GOLD MINING CO.

LOCATION.

This property is situated in the Vulture mining district, Maricopa County, Arizona, 16 miles southwest of the station Aguila on the Parker cut-off of the Santa Fe Railroad, easily reached by good auto roads.

COMPANY'S MINING ACRES.

This property consists of 170 acres in one group, or 170 acres, about 1300 feet in width and 2000 feet in length.

GEOLOGICAL SYNOPSIS.

The vein or ledge is a true fissure of quartz and talc, well oxidized, carrying hematite with an outcrop of about 1500 feet and from 2 to 8 feet in width, with a course to the southwest. The vein lies between the direct contact of birdseye porphyry and the footwall of a diorite hanging wall. To the southeast lies a flow of deeply seated andesite, while to the northwest are granites and basalt. From the apex to a distance of 400 feet is known as a blanket vein with a dip of about 70 degrees to the northwest then straightens to an angle of 45 degrees.

WORKINGS.

Most of the development work consists of some 400 to 500 feet of tunnels and crosscuts on that portion of the vein that lies in the blanket form, covering an area of 125 feet in width, and 200 feet in length, from which there has been extracted about 1500 tons of high grade gold ore, and leaving from 2 to 6 feet of a commercial grade of milling ore. A tunnel is being driven 200 feet north of these old workings and at the present time is in 100 feet to the east, with a crosscut 40 feet to the north; back 50 feet from the breast of the tunnel is also being driven. Where the vein straightens to 45 degrees two shafts have been sunk, one to a depth of 75 feet, the other to a depth of 50 feet, and about 100 feet apart. The vein here is from 6 to 8 feet wide and carries values of milling grade ore. Up to the present time there has been no development work done from either of these shafts. There are also open cuts along on the vein showing good values.

MINE EQUIPMENT.

The equipment at the mine consists of a boarding house, sleeping quarters, blacksmith shop, tools, rails, ore cars, ore bin etc.

MILL.

A ton 1000-lb stamp mill, operated by a 20 H P gas engine is situated three miles northwest of the mine on two mining claims and two millsites.

MILLING EQUIPMENT.

There is an ore bin of 200 tons capacity; one storage tank 6000 gals; one fuel tank 200 gallons; with all necessary tools and equipment. Also a boarding house, four cottages, store room, blacksmith shop, office and garage. Also a water tank for camp use. There are two trucks; one touring car.

WATER SUPPLY.

There are two wells, 1400 feet from the mill, one 45 feet deep, the other about 225 feet deep, operated by a 12 H P gas engine. These wells give sufficient water for any and all purposes. A 4 inch pipe line connects the wells with the mill and storage tank.

together with the values obtained by assays from the samples taken from the shaft and other portions of the property, I have no hesitancy in saying that the future prospect of this property is such as would lead me to believe that with the proper development work it will eventually become one of the large producers of the world.

Respectfully submitted,

(Signed) H.H. Corlett, M.E.

Salt Lake,
January 26th, 1922.

Salt Lake,
January 26th, 1922.

Dear Sir:

Copy of this sent to your superintendent at Agula, Arizona as per your request.

By examination of the blanket ledge of the El Tigre Gold Mining Company property conducted during my stay extending from Tunnel No. 1 to Tunnel No. 3 as designated on the map, I have to report the following results:

38 samples taken both underground where the ore has been extracted, and from the surface over an area covering a least ten acres, I have the following to report:

Samples averaging from blanks to thirty odd dollars give an average of \$5.00 gold.

The estimated tonnage contained in this block of ground which may be designated as the overburden, covering the blanket ledge and averaging from 8 to 12 feet in thickness, contains approximately 260,000 tons.

I have not taken into consideration that portion of the blanket ledge that is still intact, but my sampling has been confined to the underground workings where the ore has been extracted and to the surface which indicates that it is all fairly mineralized as some of the pits were excavated through to the underground workings and in places where the ore is still in place for a depth of from two to five feet.

This, I would consider could be cheaply mined in an open cut manner and would pay handsome dividends with a large tonnage mill.

Respectfully submitted,

(Signed) H.H. Corlett, M.E.

REMARKS.

Out of twelve assays I have taken 6-ft cuts, vein averaging 2-1/2 ft in width, lins at about 70 degrees in the north tunnel and crosscut I received an average of \$36.00 per ton gold. Out of a run of 230 tons of ore there was \$23.00 per ton recovered. All work at the mine has been hand work up to this time, but much better results could be had by modern methods of mining as this property has all the indications of becoming a large producer. I recommend this property to anyone who might be interested as it is one of the best I have examined in years.

(Signed) F.E. Crowder, M.E.

SBS. 05000000

LOCATION NOTICE FOR MINING CLAIM

MIN CLAIM (MC)

73254

MAR 5 1981 4 55 Claim (Name and Number, if used) WALSER'S MATILDA # 8 LOCATOR OR OWNER (Name, Address and Zip Code) BEN WALSER JR 3110 PARK DALLAS TEXAS



Type of Claim: Placer, Lode, Millsite, Tunnelsite. Date of Location of Claim: March 5th, 1981

Type of Notice: Relocation Notice. If an Amendment or Relocation, Claim was named EL TIENE. recorded at Docket, Page, Mining District, MARICOPA County, Arizona.

General Course of Claim is from the to the. Layout of Claim: Claim is 1500 feet long and 600 feet wide. Distance from location monument to each end of the Claim is 300 feet in a WEST direction and 300 feet in a EAST direction.

Locality of Notice of Claim and Monument with reference to some natural object or permanent monument: 300 FT SW OF MAIN TUNNEL. Effective Date of Notice: 3/5/81. Signature of Locator: Ben Walser

- INSTRUCTIONS Within 90 days of location of claim: 1. Complete above portion of form and post on location monument, and 2. Complete two additional copies of entire form, including map on backside, record one with County Recorder and file other with proper BLM office.

Types of Monuments: Location Monument is made of ROCK STAND, 2"x4" WOOD 4' TALL, and Corner and End Monuments are made of: SAME

Description of Claim: To observe the perimeter of the Claim begin at the SE corner and travel in a W direction 600 feet to the SW corner monument, thence in a N direction 1500 feet to the NW corner monument, thence in a E direction 600 feet to the NE corner monument, thence in a S direction 1500 feet to the SE corner monument, thence

Location of Claim: The Claim lies in the SW quarter of section 27. Township SN, Range 9W, G & SR B&M. Mining District or Cadastral Subdivision, MARICOPA County, Arizona. The CENTER corner of the claim lies 600 feet in a WEST direction from the public or established survey monument or permanent natural object described as: THE MAIN TUNNEL

This instrument was recorded or filed at the request of: Ben Walser, 3110 Park Ln #128, Dallas, Texas 75220

CERTIFICATE OF RECORDATION OR FILING: I certify that this instrument was filed or recorded on the date, at the time, in the docket, beginning with the page number, and with the fee number and file number stamped in the top space of this instrument. If the instrument is of multiple pages, the docket and page set forth represent the first page of that instrument and that instrument extends through Docket 45067 Page 742

The recording official is directed to return this instrument of a copy thereof to the above person.

Official Certifying Recordation: Bill Hendon. Deputy: Larry Oung 300

LOCATION NOTICE FOR MINING CLAIM

MIN CLAIM (LIC) 73253

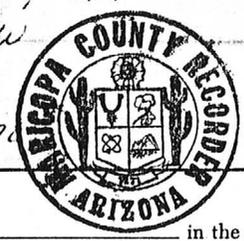
MAR 5 1981 -4 55

MN-1a © LawForms 3-80

Claim (Name and Number, if used) WALSER'S MATILDA #7 LOCATOR OR OWNER (Name, Address and Zip Code) BEN WALSER JR. 3110 PARK LN DALLAS TEXAS 75220

Type of Claim [] Placer [] Lode [] Millsite [x] Tunnelsite

Date of Location of Claim March 5th, 1981



Type of Notice [] Amendment to [] Original Notice [x] Relocation Notice If an Amendment or Relocation, Claim was named EL TIGRE in the prior notice recorded at Docket Page Mining District; MARICOPA County, Arizona.

General Course of Claim is from the to the Layout of Claim

Claim is 1500 feet long and 600 feet wide. Distance from location monument to each end of the Claim is 300 feet in a WEST direction and 300 feet in a EAST direction.

Locality of Notice of Claim and Monument with reference to some natural object or permanent monument 200 FT SOUTH OF MAIN TUNNEL

Effective Date of Notice 3/5/81 Signature of Locator Ben Walser

INSTRUCTIONS Within 90 days of location of claim: 1. Complete above portion of form and post on location monument, and 2. Complete two additional copies of entire form, including map on backside, record one with County Recorder and file other with proper BLM office.

Types of Monuments Location Monument is made of ROCK STAND, 2x4" WOOD 4" TALL, and Corner and End Monuments are made of: SAME

Description of Claim To observe the perimeter of the Claim begin at the SE corner and travel in a W direction 600 feet to the SW corner monument, thence in a N direction 1500 feet to the NW corner monument, thence in a E direction 600 feet to the NE corner monument, thence in a S direction 1500 feet to the SE corner monument, thence

Location of Claim The Claim lies in the S.W. quarter of section 27

Township NORTH 5N, Range 9W, G & SR B&M

Mining District or Cadastral Subdivision, MARICOPA County, Arizona.

The CENTER corner of the claim lies 200 feet in a SOUTH direction from the public or established survey monument or permanent natural object described as: THE MAIN TUNNEL

This instrument was recorded or filed at the request of: Ben Walser, 3110 Park Ln #128, Dallas, Texas 75220

CERTIFICATE OF RECORDATION OR FILING I certify that this instrument was filed or recorded on the date, at the time, in the docket, beginning with the page number, and with the fee number and file number stamped in the top space of this instrument. If the instrument is of multiple pages, the docket and page set forth represent the first page of that instrument and that instrument extends through Docket 15067 Page 790

The recording official is directed to return this instrument or a copy thereof to the above person.

Official Certifying Recordation Deputy [Signature]

MAR 5 1981 -4 55

LOCATION NOTICE FOR MINING CLAIM

MIN CLAIM (MC)

73255

MN-1a © LawForms 3-80

Claim (Name and Number, if used) WALSER'S MATILDA #9 LOCATOR OR OWNER (Name, Address and Zip Code) BEN WALSER, JR 3110 PARK LN DALLAS TEXAS 75220

Type of Claim: [] Placer [] Lode [] Millsite [x] Tunnelsite Date of Location of Claim March 5th 1981

3110 PARK LN DALLAS TEXAS 75220



Type of Notice: [] Amendment to [] Original Notice [x] Relocation Notice If an Amendment or Relocation, Claim was named EL TIGRE recorded at Docket _____, Page _____, Mining District, MARICOPA County, Arizona.

General Course of Claim is from the _____ to the _____ Layout of Claim

Claim is 1500 feet long and 600 feet wide. Distance from location monument to each end of the Claim is 300 feet in a WEST direction and 300 feet in a EAST direction.

Locality of Notice of Claim and Monument with reference to some natural object or permanent monument 300 FT W 300 OF MAIN TUNNEL

Effective Date of Notice 3/5/81 Signature of Locator Ben Walser

INSTRUCTIONS Within 90 days of location of claim: 1. Complete above portion of form and post on location monument, and 2. Complete two additional copies of entire form, including map on backside, record one with County Recorder and file other with proper BLM office.

Types of Monuments Location Monument is made of Rock Slab 2"x4" wood 4' tall, and Corner and End Monuments are made of SAME

Description of Claim To observe the perimeter of the Claim begin at the SE corner and travel in a W direction 600 feet to the SW corner monument, thence in a N direction 1500 feet to the NW corner monument, thence in a E direction 600 feet to the NE corner monument, thence in a S direction 1500 feet to the SE corner monument, thence

Location of Claim The Claim lies in the SW quarter of section 27 Township 5N Range 9W G & SR B&M

Mining District or Cadastral Subdivision, MARICOPA County, Arizona.

The CENTER corner of the claim lies 900 feet in a WEST direction from the public or established survey monument or permanent natural object described as: THE MAIN TUNNEL

This instrument was recorded or filed at the request of: Ben Walser 3110 Park Ln #108 Dallas, Texas 75220

CERTIFICATE OF RECORDATION OR FILING I certify that this instrument was filed or recorded on the date, at the time, in the docket, beginning with the page number, and with the fee number and file number stamped in the top space of this instrument. If the instrument is of multiple pages, the docket and page set forth represent the first page of that instrument and that instrument extends through Docket 15067 Page 284

The recording official is directed to return this instrument or a copy thereof to the above person.

Official Certifying Recordation BILL HENRY Deputy Darin Ong 3.00

S T O C K H O L D E R S '
S E C O N D A N N U A L R E P O R T
E L T I G R E G O L D M I N I N G C O .

The El Tigre Gold Mining Co. is a Corporation organized under the laws of the State of Arizona, with a capital stock of \$150,000 divided into 150,000 shares of \$1.00 each. 114,000 shares of the capital stock have been issued and are outstanding. The remainder is designated as Treasurer's Stock owned by the Corporation, to be sold from time to time for development, and equipment purposes, and 15,000 shares of the same are now offered to the Stockholders only as set out farther on in this report.

The Company's property is located in the Vulture Mining District, Maricopa County, Arizona, sixteen miles in a southwesterly direction from Aguila, a station on the Parker cut off of the Santa Fe railroad, north of the Harquehala range of mountains, and in the foothills of the Little Big Horn range.

The elevation at the mine is 2400 feet, and at the mill which is located three miles in a northwesterly direction, the elevation is 2,150 feet, giving a downhill haul for the ore.

The mining property is connected with the mill by a good automobile and truck road and consists of eight mining claims of about 150 acres in area.

The milling plant, or mill, is located upon a 20 acre lode claim, and the pumping plant upon a 5 acre mill site.

The improvements at the pumping plant consist of one drilled well 255 feet deep one dug well 45 feet deep, one 12 Horse Power engine, and a giant pump, connected with the milling plant by a 4" water pipe line, 1450 feet in length where the water is discharged into a large tank holding 4,500 gallons. The pipe line continuing from this point for a distance of 350 feet, is discharged into an 800 gallon high reservoir, from which the water is piped to the boarding house and the other buildings for domestic and fire purposes.

The improvements on the milling plant consist of an ore bin, 250 tons capacity; located on a hillside, at the foot of the ore bin and connected with the same, is the building, containing a 20 Horse Power engine, together with circulating pump, circulating tank, and fuel tank, the latter being located some distance outside of the engine room. A ten stamp Frazier & Chalmers stamp mill, consisting of two mortars, containing 5 stamps each, weighing 1,000 pounds apiece, automatic ore feeders, amalgam tables, rock breaker, shafting pulleys, etc.

The ore is automatically dumped at the top of the ore bin, where it goes by gravity through the ore bin gates into the ore feeders, where it is automatically fed into the stamps.

The other improvements consist of automobile and truck shed, storehouse, boarding house, two cottages, guest house, and two sleeping tents; office, blacksmith and machine shop.

The Company owns one three-ton automatic dump Packard Truck, one 1-ton Ford Truck, and one Ford automobile. A full complement of tools for the pumping plant, the mill and engine room, blacksmith and machine shop, and for each truck and automobile.

EL TIGRE GOLD MINING COMPANY
REPORT OF AUDITING COMMITTEE

To January 16, 1922

RECEIPTS

Received from Sale of Stock	\$26.225.00
Received from Sale of Bullion	
Clean Up #1 to #20 inclusive	11.334.97
Received from Sale of 3 HP Engine	50.00
Profit on Leasing	41.91
Hauling Manganese	285.29
Gasoline Sold to Contractors	18.29
Miscellaneous Corrections	18.50
Miscellaneous Receipts	64.40
Received on Notes	2.000.00
	<u>\$40.038.36</u>

EXPENDITURES

Equipment	\$30.756.20
Mining	3.842.66
Milling	4.928.91
Development	9.108.55
Road Building	1.095.00
Expense	3.746.38
Note Paid	1.037.50
	<u>\$54.515.20</u>

Signed:

T. J. Protheroe

T. C. Kratz

Ellis W. Bliss

January 18, 1922

For the benefit of the Stockholders it may be well to explain the different expenditures.

The account designated as Equipment consists entirely of moneys paid and expended in the erection and installation of the ten stamp mill, the engine, the mill building and all the machinery together with water tanks, tools and pipe lines; also the pumping plant together with the engine pump, buildings and tools. It also includes all buildings of every nature and description, both at the mine and at the mill, together with the trucks and automobiles.

Mining consists of that which is directly charged to mining and extracting the ore at the mine.

Milling includes the charges for hauling the ore to the mill, the expense of milling the same, pumping the water and every item connected therewith including express on bullion to the mint.

Development includes those charges and expenditures in the sinking of shafts and driving of tunnels.

The Expense Account is such as has not been segregated and includes railroad fares, litigation, assessment work and other expenditures which will later be charged to the proper departments.

The item of Road Building speaks for itself and is moneys expended in the last eighteen months in building extensions and repairing the roads, but not the original charge of building the same in the first place.

The equipment at the mine consists of one boarding house, sleeping quarters, ore bunkers, cars, track, tools, etc.

The development at the mine consists of shafts and tunnels aggregating about 800 feet.

The apex or outcrop of the ledge has been traced for a distance of 1600 feet, and has been opened up at intervals with tunnels and open cuts.

The ore body, or about 30 acres of it, is what is usually termed a blanket ledge, and tilts to the North and Northwest at an angle of 20 to 25 degrees, and carries values from the bottom or foot wall to the surface or grass roots, and varies in thickness from 3 to 15 feet and will all pay a handsome profit with a large mill.

Running parallel to the outcrop the ore body takes a sudden dip and assumes an upright position of about 60 degrees, going down and widening in depth.

The rock on the foot wall is a wide, deep seated birdseye porphyry, and the hanging wall is schist and dyorite, forming what is termed a contact lode.

Shaft No. 1 is now being sunk by contract and on the 100 foot level shows a lode 9 feet in thickness carrying good values and having widened from 18" near the surface to the thickness indicated.

Located 107 feet in a northeasterly direction from Shaft No. 1 is Shaft No. 2. This shaft is down about 50 feet from the surface, was originally followed along the hanging wall side, carries fair values and as far as known, the ore is about 7 feet thick although no work has been done on this since the property was acquired from the locators, owing to its being located in an unfavorable position.

Two hundred feet in a northeasterly direction from Shaft No. 2 is located Shaft No. 3. This shaft is sunk perpendicular to a depth of 36 feet, where it cuts the ore body and is now being sunk and drifted on by leasers and carries very high grade ore. All three of the shafts are located on the same foot wall and in the same formation and identical contact.

The tunnel marked No. 1 is driven on the blanket ledge in a southeasterly direction for a distance of 170 feet, together with a cross cut on each side 90 feet long to the north and to the South, all showing ore of good value.

This is the second annual report, and as it contains a full description of the property, together with the improvements and developments to the present time, it would be well for the Stockholders to preserve the same, as it was gotten out for the express information to those who have never visited the plant.

At a Stockholders' meeting duly called and held on the 19th day of January 1922, it was voted that the Company dispose of 15,000 shares of its Treasury stock and the same to be offered to the Stockholders of record only, for a period of fifteen days at a price of Fifty cents (50¢) per share. This leaves over 20,000 shares in the Treasury.

El Tigre Gold Mining Co.

Mining Properties:
Aguila, Arizona

Office of the Secretary
6404 Hollywood Blvd.

Hollywood, California

January 26, 1922

Mr. Chas. W. Trainer
323 East Nutwood,
Englewood, Cal.

Dear Mr. Trainer;-----

The officers of El Tigre G. M. Co. take pleasure in handing you herewith the Second Annual Report to the Stockholders of this Corporation. In addition to this, there is the Auditing Committee's report of the Corporation's financial standing from the beginning of incorporation, or since October 1919. These reports are intended as information and data appertaining to the Corporation's affairs and Stockholders are therefore requested to file them away for future reference as the subject matter therein conveyed will not be repeated in future reports.

It is desirous to explain the importance of the sale of the 15,000 shares of Treasury Stock as mentioned in Notice and the request that Stockholders take advantage of this unprecedented price.

The purpose for which this stock is sold and money raised is for two reasons: First, to pay for the sinking of Shaft No. 1 which is being sunk 200 feet under contract. The expense of this work will be approximately \$2800.00. Second, for the purpose of having our mining claims officially surveyed by a U. S. Deputy Mineral Surveyor, the cost of which will run in the neighborhood of \$2400.00. This work will constitute the first step toward procuring a U. S. Patent.

Shaft No. 1 was originally started and sunk to a depth of 34 feet by parties who held a lease on the royalty plan, last summer. They cut the ledge and then made a raise to the old workings extracting 17 tons of ore that gave a result of \$23.85 per ton as shown by the U. S. Mint receipts. This shaft is now being sunk to 250 feet below the surface, and at this writing, at the 100 foot level, shows a lode (vein) 9 feet in thickness, carrying good values, and having widened from 18 inches near the surface to the thickness indicated.

The property as originally located and marked by "monuments" by the "locators" is always open to some question. When the property is officially surveyed and marked by the U. S. stakes, the question of title as a rule is settled.

The Company's property is becoming more valuable as work progresses and therefore, subject to controversy, which might end in litigation if the proper steps are not taken to prevent same.

The value of ore taken from Shaft No.3 is mentioned in the report.

The proportion that each Stockholder is entitled to is two (2) shares for every fifteen shares held, and a response is requested from every Stockholder within the time limit as to whether or not they desire to take their proportion and all stock not taken will be sold to remaining Stockholders.

Shaft No.3 was dug on the leasing plan to a depth of thirty-six (36) feet where a two (2) foot ledge was cut and the leasers gave up. This shaft is now being sunk and drifted on by a set of leasers, the ledge having widened to four feet, and eight tons milled recently from this shaft, gave a net result of \$35.32 per ton as shown by the Mint receipts. This shaft is still being worked by the leasers, the ore continually widening and carrying very high values.

Shaft No. 2 was originally started by the locators and no work has been done on the same by this Company owing to its location.

Shaft No. 1 was originally started on the leasing plan and disclosed ore of good value, an upraise from the bottom of the perpendicular shaft giving returns of ore milled \$23.85 per ton. A contract was let on Shaft No. 1 about two months ago, from a point where the original shaft cut the ledge, to be driven to a depth of two hundred (200) feet. The contractors have driven seventy (70) feet and the ledge has widened from five feet to nine feet carrying good values all the way and increasing with every foot in depth.

Up to the present time all of the ore mined and milled by the Company has been taken from the blanket vein, which carries the better values on the bottom or next to the foot wall. Mining ore from this blanket ledge is not only expensive, but to a certain extent dangerous because it is so near the surface and is simply a waste of time in mining the same, as it carries a fair value and will pay handsome profit from foot wall to grass roots with a large mill of 100 tons capacity or more, but will not pay with a ten stamp mill. This blanket ledge is referred to by all mining engineers, who have made an examination, as being a steam shovel proposition.

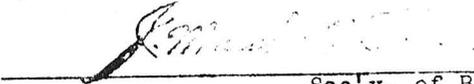
We have quite a number of leasers who are getting out ore all the time and we are extracting ore from the different portions of the mine and expect in a short time to be in a position to keep our mill going continuous for twenty-four hours per day.

You will find enclosed herewith a map of the mining properties, one showing all of the claims drawn on a very small scale; one showing a portion of Claim No. 1 and three cross sections showing all three of the shafts together with Tunnel No. 10.

Respectfully submitted,

By The Board of Directors

Dated at Hollywood, Cal.
The 28th Day of January, 1922



Sec'y. of Board

OFFICE OF THE SECRETARY
214 Creque Bldg., 6404 Hollywood Blvd.,
Hollywood, California.

* * * * *

January 18, 1926.

TO THE STOCKHOLDERS OF THE
EL TIGRE GOLD MINING COMPANY:

You are hereby notified, that C. Martin Stoddard, of Phoenix, Arizona, has been appointed by the Board of Directors of this Corporation, to act as Trustee, for the purpose of exchanging certificates for shares of stock, of the El Tigre Gold Mining Company, for those of The Tiger Mines, Incorporated, on the basis of three (3) shares of Tiger Mines, Incorporated for each one (1) share of El Tigre Gold Mining Company.

You are hereby requested to endorse, in blank, your certificate or certificates of stock, of the El Tigre Gold Mining Company, place in the enclosed self-addressed envelope, and mail. Please be sure to register the same before mailing.

The said Trustee will hold your new certificate or certificates, until after February the 1st, 1926, when it is hoped that a pro rata distribution of the remaining funds of the first payment for the purchase of the property will be made.

You will receive your new certificate for shares of stock of The Tiger Mines, Incorporated, together with a check for your proportion, direct from the Trustee.

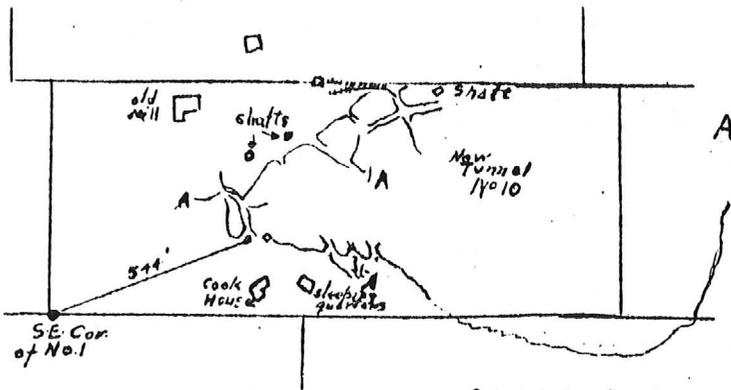
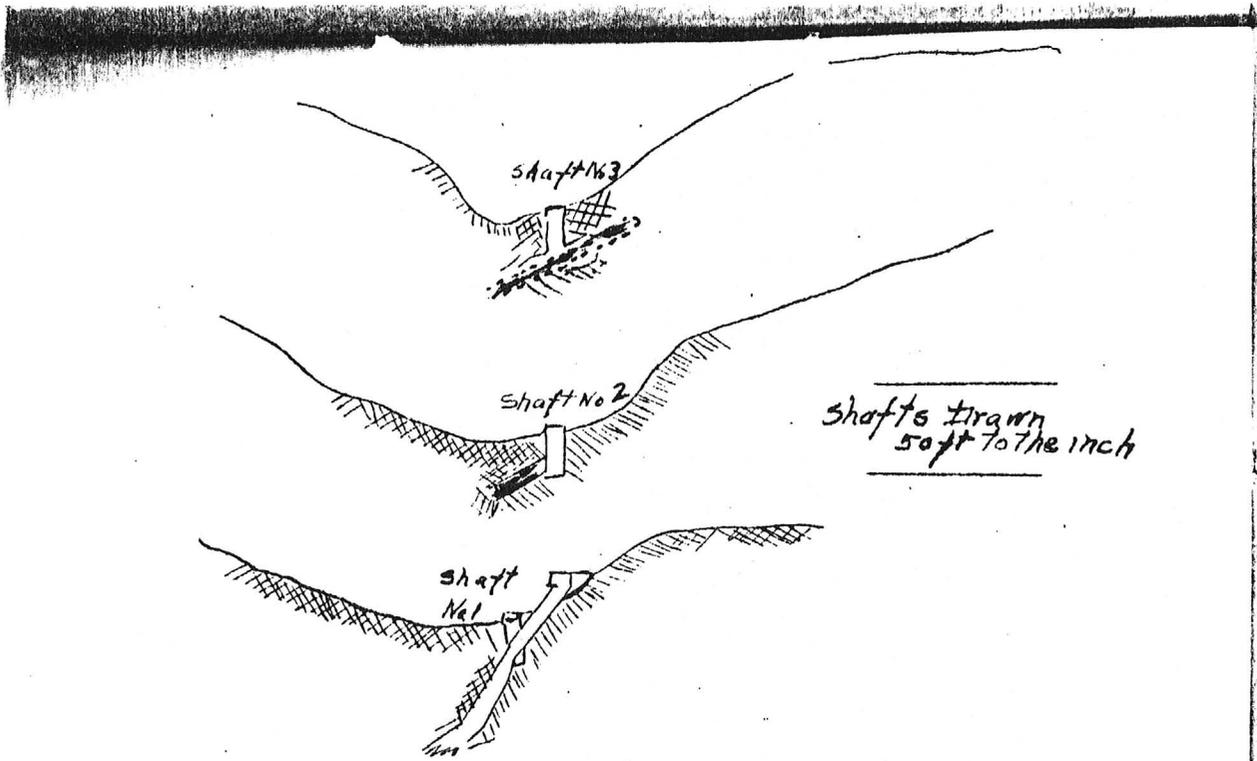
You will find enclosed, a notice of a Stockholders' Meeting, to be held in the City of Phoenix, State of Arizona, on the 3rd day of February, 1926, for the purpose of considering the voluntary dissolution of the El Tigre Gold Mining Company, which company has neither assets nor liabilities, and to transact any other business which may properly come before such meeting.

You will also find enclosed herewith, a proxy blank, which you will please sign and date, and fill in the number of shares you own in the El Tigre Gold Mining Company, and enclose the same with your stock certificate or certificates, in the self-addressed envelope, to be mailed to C. Martin Stoddard, Drawer 1321, Phoenix, Arizona.

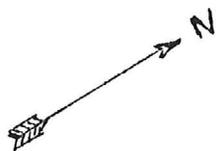
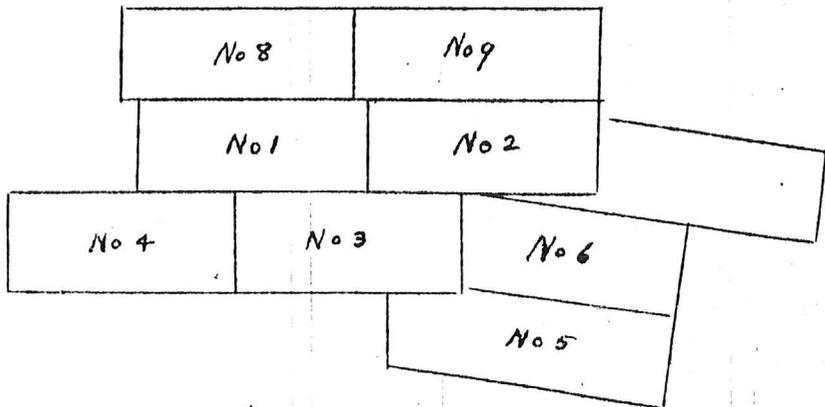
It is hoped that the first payment for the sale of the property, which falls due on February 1st, will be carried out, and the distribution made as stated above, when you will be furnished with a statement of the entire transaction.

Yours respectfully,

J. Marshall Phillips
Secretary.



CLAIM NO. 1
scale one inch = 400 ft.



MAP SHOWING ELTIGER
GOLD MINING MINES
scale one inch = 1000 ft

SECOND ANNUAL REPORT

to the

STOCKHOLDERS

of the

EL TIGRE GOLD MINING COMPANY

-----0-----

Oct. 1919 to Jan. 16, 1922
