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VBO file

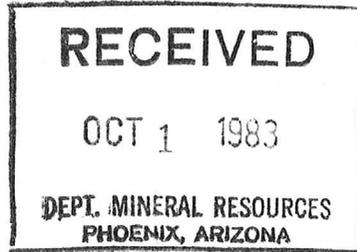
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REA GOLD CORPORATION

September 6 1983

United States Department of
the Interior
Bureau of Land Management
Phoenix District Office
2929 West Clarendon Avenue
Phoenix, AZ 85017
U.S.A.



Attention: Mr. Richard Park

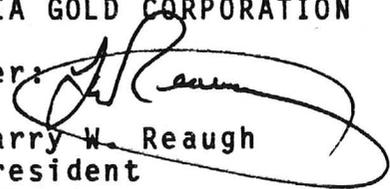
Dear Richard:

Further to our telephone conversation today I am enclosing the recent results we have received from our exploration on the Verdstone vein in Yuma County, Arizona. Rea Gold has recently joint-ventured the B.V.O. property with Lincoln Resources Inc. and expects to commence the second stage of exploration by late September or early October. Trenches and any unused drill roads will be reclaimed at that time. Before work commences a plan of operation and a field examination will be conducted by personnel from the B.L.M. and representatives from Rea/Lincoln. We are also looking into the bonding [\$10,000] that will be required prior to exploration work in Arizona and I thank you in advance for sending me the list of bonding companies we may use for our purposes.

Sincerely

REA GOLD CORPORATION

per:


Larry W. Reaugh
President
LWR/ejm



REA GOLD CORPORATION

July 4 1983

NEWS RELEASE

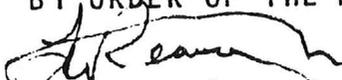
REVERSE CIRCULATION INCREASES RECOVERY AND MINERALIZED WIDTHS ON REA'S GOLD/SILVER B.V.O. PROPERTY IN YUMA COUNTY, ARIZONA.

In order to improve the recovery of core from the drilling on the B.V.O. property in Yuma County, Arizona, the company has now switched to reverse circulation drilling and has thereby increased ore recovery to 100%. In addition, the new drilling contract has reduced drilling costs to 50% of previous costs. To test earlier drilling results three holes have been redrilled in the Verdstone vein yielding better results than indicated by earlier drilling. Assay results on the three holes located beside previous diamond drilled holes [RC 1 through 3 and V-13, V-38 and V-18] are, as follows:

<u>Hole No.</u>		<u>Footage</u>	<u>True Width</u>	<u>Gold</u>	<u>Silver</u>
R.C. - 1	] same	75-100	25'	.467	4.60
	]	100-110	10'	.069	.75
V-13	] location	73-98	25'	.485	4.21
R.C. - 2	] same	80-90	10'	.079	1.15
V-38	] location	-	-	Nil	Nil
R.C. - 3	] same	145-155	10'	.023	.45
V-18	] location	-	-	Nil	Nil

The Verdstone vein is open to the East, West and South. Further results will be released as they are received.

BY ORDER OF THE BOARD


Larry W. Reaugh
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

GOLD & SILVER EXPLORATION and MINING DEVELOPMENT
Suite 15-817 Granville St. Vancouver, B.C. V6Z 1K8, Canada (604) 684-7527

REAGOLD

REA GOLD CORPORATION

May 6 1983

NEWS RELEASE

HOLE V36 ASSAYS .860 OZ. AU/TON AND 6.14 OZ. AG/TON OVER TRUE WIDTH OF 9.5 FEET

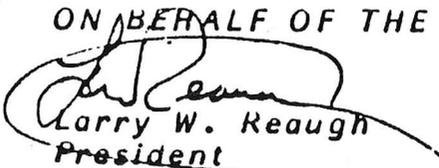
Larry W. Reaugh, President of Rea Gold Corporation, is pleased to announce assay results on the company's B.V.O., Yuma County, Arizona, property as follows:-

<u>Hole Number</u>	<u>Footage</u>	<u>True Width</u>	<u>Au.</u>	<u>Ag.</u>
V32	180-195	15'	.070	.69
V33	175-181	6'	.100	.40
	183-189	6'	.034	.19
V36	72.5-82	9.5'	.860	6.14

With the drilling of V32 and V33, the mineralization section of the vein has increased to 300 feet in strike length to the West, V32 is 50 feet West of V31 and V33 is 100 feet West of V31. V36 is located 50 feet West of V13. The zone is open to the East, West and South.

Lincoln Resources Inc. may earn a 51% interest by advancing \$400,000 for exploration on or before July 1 1983.

ON BEHALF OF THE BOARD


Larry W. Reaugh
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



15 - 817 Granville Street
 Vancouver, B.C. V6Z 1K8
 Telephone: 684-7527

April 20 1983

NEWS RELEASE

DRILL INDICATED TONNAGE CONSISTS OF 115,000 TONS OF .301 OZ/TON GOLD AND 2.33 OZ/TON SILVER [A VALUE OF APPROXIMATELY \$18,000,000 U.S.] ON REA PETRO'S B.V.O. YUMA COUNTY, ARIZONA PROPERTY

Larry W. Reaugh, President of Rea Petro Corporation, is pleased to announce that drilling to date has indicated 115,000 tons of mineralized material on their Verdstone vein as reported by F. Marshall Smith, P.Eng.

The Verdstone vein is open to the southeast and west and grade and tonnage calculations are based on a cut-off of .10 oz/ton gold. Drilling is continuing to delineate the mineral potential of the Verdstone property. Drill summary results to date are as follows:

<u>Hole No.</u>	<u>Footage</u>	<u>True Width</u>	<u>Gold</u>	<u>Silver</u>
V-1	49-64	15.0 ft.	.435	2.79
V-2	55-63	8.0 ft.	.120	1.45
	67-68	1.0 ft.	.220	.73
V-3	45-63	18.0 ft.	.483	3.44
V-6	59-62	3.0 ft.	.139	.21
	67-74	7.0 ft.	.163	.24
V-8	68-73	5.0 ft.	.105	.69
V-10	119-124	5.0 ft.	.082	.10
V-11	88-93	5.0 ft.	.142	.43
	93-110	17.0 ft.	.049	.15
V-12	82-85.5	3.5 ft.	.269	1.82
	85.5-96	10.5 ft.	.055	.29
V-13	73-98	25.0 ft.	.485	4.21
V-14	75-85	10.0 ft.	.339	.81
	86-101	16.0 ft.	.096	.30
V-15	80-91	11.0 ft.	.323	1.54
V-16	80-97	17.0 ft.	.425	14.18
[V-16 checked by another lab]	80-97	17.0 ft.	.606	13.09
	97-102	5.0 ft.	.071	.30
V-17	101-141	40.0 ft.	.112	.65
V-22	227-247	20.0 ft.	.032	.13
V-25	227-233	6.0 ft.	.193	2.72
	236-247	11.0 ft.	.047	.15

<u>Hole No.</u>	<u>Footage</u>	<u>True Width</u>	<u>Gold</u>	<u>Silver</u>
V-26	106-109	3.0 ft.	.149	.50
	111-116	4.0 ft.	.045	.20
V-27	95.5-101.5	6.0 ft.	.124	.74
V-28	84-111	27.0 ft.	.195	2.01
V-29	204-247	43.0 ft.	.302	.76
V-30	189-193	4.0 ft.	.219	.80
	204-206.5	2.5 ft.	.076	.39
	229-232	3.0 ft.	3.165	16.45
V-31	181.5-189	7.5 ft.	.200	.73
	201-210	9.0 ft.	.061	.36
	215-223	8.0 ft.	.205	.60

The mineralized zone is thickening as the drilling extends further south. As stated in the Victor Ryback-Hardy, P.Eng. report dated December 14 1981 the 3-1/2 B.V.O. claims [70 acres] have a potential of containing 2 million tons or more grading .20 to .40 oz/ton gold. Rea presently controls 6800 acres containing 60 low PH caps in the area, six of which are known to be mineralized.

ON BEHALF OF THE BOARD



Larry W. Reaugh
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



57,000 LB BULK SAMPLE FROM
VEIN AT SHAFT AVERAGED
0.485 OZ/TON GOLD
4.34 OZ/TON SILVER

⊙ V9
-/-/-

⊙ V4
-/-/-

⊙ V1, V2, V3 ⊙ V6, V7 ⊙ V8
V1- 8/ 435/ 278 V6- 3/ 195/ 21
V2- 8/ 120/ 45 V7- 55/ 90/ 23 V7- 5/ 105/ 59
V3- 8/ 482/ 344 V7- -/-/-

⊙ V5
-/-/-

⊙ V12, V13, V14
⊙ V15, V16 ⊙ V17, V18
V12- 3.5/ 289/ 181 V15- 5/ 142/ 43
V13- 10.5/ 685/ 29 V17- 17/ 049/ 18
V14- 25/ 485/ 821 V18- 40/ 339/ 8
V15- 11/ 323/ 154 V16- 18/ 091/ 30
V17- 17/ 806/ 1308
V18- 8/ 71/ 30

⊙ V10
8/ 088/ 10

⊙ V21
-/-/-

⊙ V20
-/-/-

⊙ V19
-/-/-

⊙ V18
-/-/-

⊙ V17
40/ 112/ 88

⊙ V26
3/ 149/ 30
5/ 046/ 20

⊙ V27
8/ 125/ 74

⊙ V28
27/ 198/ 20

⊙ V23
-/-/-

⊙ V33

⊙ V32

⊙ V31
1.5/ 20/ 73
9/ 08/ 56
8/ 20/ 80

⊙ V30
4/ 319/ 80
2.5/ 078/ 38
3/ 588/ 448

⊙ V29
4.5/ 308/ 77

⊙ V25
8/ 193/ 187

⊙ V22
20/ 038/ 15

⊙ V24
-/-/-

NOTES:

- 1 LOWER GRADE SECTIONS OF V6, V10, V11, V12, V14 AND V16 HAVE NOT BEEN PREVIOUSLY REPORTED
- 2 DRILL HOLE V8 HAD INSUFFICIENT CORE RECOVERY TO DETERMINE GRADE
- 3 DRILL HOLE V4 IS LOCATED WEST OF THE BUCHANAN MAIN ORE SHOOT
- 4 DRILL HOLE V5 IS LOCATED EAST OF THE RED HILL ORE SHOOT TOO HIGH IN THE SYSTEM TO CONTAIN GOLD MINERALIZATION
- 5 DRILLING TO DATE INDICATES 15,000 TONS OF OPEN PIT RESERVES AT 0.301 OZ/TON GOLD AND 2.23 OZ/TON SILVER

LEGEND:

- ⊙ - DIAMOND DRILL HOLE - INCLINED
- ⊙ - DIAMOND DRILL HOLE - VERTICAL
- ⊠ - SHAFT
- /-/- - NO DISCERNABLE MINERALIZATION
- V15-17/806/1308 - SILVER, Ag, OZ/TON
- GOLD, Au, OZ/TON
- ASSAY INTERVAL FEET
- DRILL HOLE
- V16 - DIAMOND DRILL HOLE IDENTIFICATION

- - - ORE ZONE

REA GOLD CORPORATION

B.V.O. PROJECT
VERDSTONE CLAIM
YUMA COUNTY, ARIZONA

DIAMOND DRILL HOLE PLAN

FEET 0 20 40 60 80

SCALE 1" = 60' DATE APRIL 1983

September 7, 1983

Verdstone Property
Reserve Estimate Update

This report contains details of the recent update to the "Reserve Estimate Based on Drill Hole Cross Sections" for the Verdstone Property of Rea Gold Corporation. The initial reserve estimate report was dated May 11, 1983.

The drill hole data base was enlarged by the inclusion of the following holes:

1. RCV 83-13, to replace hole V 82-13 (poor recovery)
2. RCV 83-18, to replace hole V 82-18 (poor recovery)
3. RCV 83-31, to replace hole V 82-31 (poor recovery)
4. RCV 83-38, to fill in between holes V 82-10 and V 82-14
5. RCV 83-39, to extend the proven ore zone to the south
6. RCV 83-40, to verify mineralization in hole V 82-6

As a result of the expansion of the data base, the reserve estimates have been revised upwards. The current estimates are:

<u>Cut Off</u>	<u>Tons</u>	<u>Average Au/ton</u>	<u>Average Ag/ton</u>
0.03 oz/ton	144000	0.215	1.75
0.10 oz/ton	56770	0.451	3.70

The decrease in Au grade for the lower cut off compared to the previous estimate is due to the mixing of high grade material over 5 foot sample intervals in the reverse circulation holes. Although the indicated grade decreases, tonnage and reliability increase due to this process.



R. S. Taylor, P. Eng.

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ C.030 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NC.	INTER-SECTION	WIDTH N-S	AREA	LENGTH E-W	VOLUME CU.FT.	CU FT. /TON	TONS	-----GRADE VALUES-----	
										AU -0Z/T-	AG -0Z/T-
9+50E	V31-01	RCV31	5.0	100	500	50	25000	10.0	2500	0.132	1.80
9+50E	V31-02	RCV31	5.0	100	500	50	25000	10.0	2500	0.040	0.70
9+50E	V31-03	RCV31	5.0	100	500	50	25000	10.0	2500	0.036	0.50
9+50E	V31-04	RCV31	5.0	100	500	50	25000	10.0	2500	0.078	1.40
9+50E	V31-05	RCV31	5.0	100	500	50	25000	10.0	2500	0.078	1.00
9+50E	V31-06	RCV31	5.0	100	500	50	25000	10.0	2500	0.078	0.80
SUBTOTAL									15000	0.074	1.03
10+00E	V39-01	RCV39	5.0	100	500	50	25000	10.0	2500	0.311	3.50
10+00E	V39-02	RCV39	5.0	100	500	50	25000	10.0	2500	0.059	0.60
10+00E	V39-03	RCV39	5.0	100	500	50	25000	10.0	2500	0.033	0.30
10+00E	V39-04	RCV39	5.0	100	500	50	25000	10.0	2500	0.037	1.10
10+00E	V39-05	RCV39	5.0	100	500	50	25000	10.0	2500	0.046	1.00
10+00E	V39-06	RCV39	5.0	100	500	50	25000	10.0	2500	0.077	0.30
10+00E	V30-01	V30	4.0	103	410	50	20500	10.0	2050	0.219	0.80
10+00E	V30-02	V30	2.5	103	256	50	12813	10.0	1281	0.076	0.34
10+00E	V30-03	V30	3.0	103	308	50	15375	10.0	1538	3.165	16.45
SUBTOTAL									19869	0.343	2.23
10+50E	V29-01	V29	1.5	100	150	50	7500	10.0	750	0.069	0.16
10+50E	V29-02	V29	2.0	100	200	50	10000	10.0	1000	0.100	0.31
10+50E	V29-03	V29	2.0	100	200	50	10000	10.0	1000	0.081	0.46
10+50E	V29-04	V29	1.0	100	100	50	5000	10.0	500	0.149	0.59
10+50E	V29-05	V29	2.5	100	250	50	12500	10.0	1250	0.190	0.64
10+50E	V29-06	V29	4.5	100	450	50	22500	10.0	2250	0.935	3.11
10+50E	V29-07	V29	4.0	100	400	50	20000	10.0	2000	0.089	0.28
10+50E	V29-08	V29	5.5	100	550	50	27500	10.0	2750	0.955	0.07
10+50E	V29-09	V29	5.0	100	500	50	25000	10.0	2500	0.049	0.10
10+50E	V36-01	V36	4.5	100	450	50	22500	10.0	2250	1.620	11.00
10+50E	V36-02	V36	5.0	100	500	50	25000	10.0	2500	0.172	1.76
SUBTOTAL									18750	0.515	2.09
11+00E	V13-01	RCV13	5.0	23	115	50	5750	10.0	575	0.806	2.60
11+00E	V13-02	RCV13	5.0	24	120	50	6000	10.0	600	0.642	8.20
11+00E	V13-03	RCV13	5.0	35	175	50	8750	10.0	875	0.421	5.90
11+00E	V13-04	RCV13	5.0	58	290	50	14500	10.0	1450	0.351	4.30
11+00E	V13-05	RCV13	5.0	59	295	50	14750	10.0	1475	0.113	2.00
11+00E	V13-06	RCV13	5.0	105	525	50	26250	10.0	2625	0.098	0.60
11+00E	V13-07	RCV13	5.0	105	525	50	26250	10.0	2625	0.040	0.90

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ 0.030 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NO.	INTER-SECTION	WIDTH N-S	AREA	LENGTH E-W	VOLUME CU.FT.	CU FT. /TON	TONS	GRADE VALUES	
										AU -OZ/T-	AG -OZ/T-
11+00E	V12-01	V12	4.5	68	304	50	15201	10.0	1520	0.269	1.82
11+00E	V15-01	V15	3.0	49	147	50	7350	10.0	735	0.059	0.20
11+00E	V16-01	V16	3.0	16	49	50	2457	10.0	246	0.240	0.89
11+00E	V16-02	V16	4.0	29	116	50	5800	10.0	580	0.501	23.60
11+00E	V16-03	V16	2.0	60	120	50	6000	10.0	600	1.210	45.80
11+00E	V16-04	V16	4.0	55	220	50	11000	10.0	1100	0.416	11.30
11+00E	V16-05	V16	4.0	55	220	50	11000	10.0	1100	0.103	1.78
11+00E	V16-06	V16	5.0	55	275	50	13750	10.0	1375	0.070	0.30
11+00E	V17-01	V17	0.2	100	17	50	850	10.0	85	0.039	0.14
11+00E	V17-02	V17	5.0	100	500	50	25000	10.0	2500	0.156	1.13
11+00E	V17-03	V17	6.0	107	642	50	32100	10.0	3210	0.080	0.19
11+00E	V25-01	V25	6.0	100	600	50	30000	10.0	3000	0.193	2.72
11+00E	V25-02	V25	5.0	100	500	50	25000	10.0	2500	0.050	0.20
11+00E	V25-03	V25	6.0	100	600	50	30000	10.0	3000	0.045	0.10
SUBTOTAL									31776	0.187	3.03
11+50E	V01-01	V1	2.0	24	48	50	2423	10.0	242	0.043	0.40
11+50E	V01-02	V1	3.0	24	72	50	3611	10.0	361	0.732	1.39
11+50E	V01-03	V1	1.5	33	49	50	2442	10.0	244	0.173	3.42
11+50E	V01-04	V1	1.5	26	39	50	1958	10.0	196	0.346	5.03
11+50E	V01-05	V1	4.0	23	94	50	4678	10.0	468	0.210	1.91
11+50E	V01-06	V1	1.0	14	14	50	713	10.0	71	0.083	0.99
11+50E	V01-07	V1	5.0	27	133	50	6663	10.0	666	0.035	2.12
11+50E	V11-01	V11	5.0	63	316	50	15775	10.0	1578	0.030	0.06
11+50E	V11-02	V11	5.0	56	278	50	13900	10.0	1390	0.142	0.43
11+50E	V11-03	V11	6.7	59	397	50	19869	10.0	1987	0.069	0.15
11+50E	V11-04	V11	4.3	55	236	50	11797	10.0	1180	0.059	0.17
11+50E	V14-01	V14	5.0	68	342	50	17083	10.0	1708	0.040	0.14
11+50E	V14-02	V14	5.0	71	354	50	17700	10.0	1770	0.313	2.30
11+50E	V02-01	V2	2.5	25	63	50	3160	10.0	316	0.294	5.70
11+50E	V02-02	V2	1.5	26	39	50	1969	10.0	197	0.080	0.76
11+50E	V02-03	V2	2.0	28	57	50	2825	10.0	283	0.044	0.30
11+50E	V02-04	V2	2.0	28	56	50	2796	10.0	280	0.110	0.60
11+50E	V02-05	V2	1.0	29	29	50	1470	10.0	147	0.220	0.73
11+50E	V26-01	V26	5.0	93	463	50	23158	10.0	2316	0.180	3.86
11+50E	V26-02	V26	3.0	96	289	50	14448	10.0	1445	0.294	1.49
11+50E	V26-03	V26	3.0	99	297	50	14844	10.0	1484	0.074	0.10
11+50E	V26-04	V26	3.0	93	278	50	13904	10.0	1390	0.051	0.05
11+50E	V26-05	V26	2.0	86	172	50	8617	10.0	862	0.050	0.08
11+50E	V26-06	V26	3.0	94	282	50	14100	10.0	1410	0.037	0.01
11+50E	V03-01	V3	4.0	39	157	50	7838	10.0	784	1.065	5.80



WRIGHT ENGINEERS LIMITED

1444 ALBERNI STREET
VANCOUVER, B.C. V6G 2Z4

W.E.L. DRILLHOLE ANALYSIS SYSTEM

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ C.030 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NO.	INTER-SECTION	WIDTH		LENGTH	VOLUME	CU FT.	TONS	GRADE VALUES	
				N-S	AREA					E-W	CU.FT.	7TON	TONS	AU -OZ/T-	AG -OZ/T-
11+50E	V03-02	V3	3.0	40	120	50	5984	10.0	598	0.201	0.52
11+50E	V03-03	V3	5.0	41	204	50	10180	10.0	1018	0.410	4.15
11+50E	V03-04	V3	6.0	41	245	50	12243	10.0	1224	0.298	2.72
11+50E	V03-05	V3	1.0	40	40	50	2000	10.0	200	0.050	0.12
SUBTOTAL									25814	0.180	1.41
12+00E	AD11	AD11	2.5	21	52	50	2599	10.0	260	0.485	4.34
12+00E	V38-01	RCV38	5.0	117	585	50	29250	10.0	2925	0.073	2.00
12+00E	V38-02	RCV38	5.0	118	588	50	29375	10.0	2938	0.084	0.30
12+00E	V40-01	RCV40	5.0	24	120	50	6000	10.0	600	0.072	0.50
12+00E	V40-02	RCV40	5.0	23	115	50	5750	10.0	575	0.039	0.30
12+00E	V40-03	RCV40	5.0	22	110	50	5500	10.0	550	0.070	0.30
12+00E	V27-01	V27	2.5	105	263	50	13125	10.0	1313	0.194	1.11
12+00E	V27-02	V27	3.5	105	368	50	18375	10.0	1838	0.082	0.47
12+00E	V06-01	V6	3.0	18	54	50	2700	10.0	270	0.139	0.21
12+00E	V06-04	V6	4.0	15	60	50	3000	10.0	300	0.216	0.26
12+00E	V06-05	V6	1.5	15	23	50	1125	10.0	113	0.103	0.22
12+00E	V06-06	V6	2.5	40	100	50	5000	10.0	500	0.031	0.11
12+00E	V09-01	V9	5.0	70	350	50	17500	10.0	1750	0.034	0.21
SUBTOTAL									13930	0.092	0.82
12+50E	V08-01	V8	4.0	88	350	50	17500	10.0	1750	0.105	0.69
13+00E	V10-01	V10	5.0	100	500	50	25000	10.0	2500	0.082	0.10
8+50E	V33-01	V33	3.0	100	300	50	15000	10.0	1500	0.130	0.60
8+50E	V33-02	V33	3.0	100	300	50	15000	10.0	1500	0.060	0.20
8+50E	V33-03	V33	3.0	100	300	50	15000	10.0	1500	0.043	0.20
SUBTOTAL									4500	0.078	0.33



WRIGHT ENGINEERS LIMITED

1444 ALBERNI STREET
VANCOUVER, B.C. V6G 2Z4

W.E.L. DRILLHOLE ANALYSIS SYSTEM

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ 0.030 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NO.	INTER-SECTION	WIDTH N-S	AREA	LENGTH E-W	VOLUME CU.FT.	CU FT. /TON	-----GRADE VALUES-----			
									TONS	AU -OZ/T-	AG -OZ/T-	
9+CCE	V32-01	V32	5.0	100	500	50	25000	10.0	2500	0.092	0.43	
9+DCE	V32-02	V32	3.0	100	300	50	15000	10.0	1500	0.080	0.27	
9+ODE	V32-03	V32	5.0	100	500	50	25000	10.0	2500	0.057	0.33	
9+ODE	V32-04	V32	3.0	100	300	50	15000	10.0	1500	0.040	0.19	
9+ODE	V32-05	V32	4.0	100	400	50	20000	10.0	2000	0.101	1.87	
SUBTOTAL									10000	0.075	0.63	
TOTALS									10.0	143889	0.215	1.75



WRIGHT ENGINEERS LIMITED
1644 ALBERNI STREET
VANCOUVER, B.C. V6G 2Z4

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ 0.100 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NO.	INTER-SECTION	WIDTH N-S	AREA	LENGTH E-W	VOLUME CU.FT.	CU. FT. /TON	GRADE VALUES		
									TONS	AU -OZ/T-	AG -OZ/T-
9+50E	V31-D1	RCV31	5.0	100	500	50	25000	10.0	2500	0.132	1.80
10+00E	V39-01	RCV39	5.0	100	500	50	25000	10.0	2500	0.311	3.50
10+00E	V30-D1	V30	4.0	103	410	50	20500	10.0	2050	0.219	0.80
10+00E	V30-D3	V30	3.0	103	308	50	15375	10.0	1538	3.165	16.45
SUBTOTAL									6088	1.001	5.86
10+50E	V29-02	V29	2.0	100	200	50	10000	10.0	1000	0.100	0.31
10+50E	V29-04	V29	1.0	100	100	50	5000	10.0	500	0.149	0.59
10+50E	V29-05	V29	2.5	100	250	50	12500	10.0	1250	0.190	0.64
10+50E	V29-06	V29	4.5	100	450	50	22500	10.0	2250	0.935	3.11
10+50E	V29-08	V29	5.5	100	550	50	27500	10.0	2750	0.955	0.07
10+50E	V36-01	V36	4.5	100	450	50	22500	10.0	2250	1.620	11.00
10+50E	V36-02	V36	5.0	100	500	50	25000	10.0	2500	0.172	1.76
SUBTOTAL									12500	0.737	3.02
11+00E	V13-01	RCV13	5.0	23	115	50	5750	10.0	575	0.606	2.60
11+00E	V13-02	RCV13	5.0	24	120	50	6000	10.0	600	0.642	8.20
11+00E	V13-03	RCV13	5.0	35	175	50	8750	10.0	875	0.421	5.90
11+00E	V13-04	RCV13	5.0	58	290	50	14500	10.0	1450	0.351	4.30
11+00E	V13-05	RCV13	5.0	59	295	50	14750	10.0	1475	0.113	2.00
11+00E	V12-01	V12	4.5	68	304	50	15201	10.0	1520	0.269	1.82
11+00E	V16-01	V16	3.0	16	49	50	2457	10.0	246	0.240	0.89
11+00E	V16-02	V16	4.0	29	116	50	5800	10.0	580	0.501	23.60
11+00E	V16-03	V16	2.0	60	120	50	6000	10.0	600	1.210	45.80
11+00E	V16-04	V16	4.0	55	220	50	11000	10.0	1100	0.416	11.30
11+00E	V16-05	V16	4.0	55	220	50	11000	10.0	1100	0.103	1.78
11+00E	V17-02	V17	5.0	100	500	50	25000	10.0	2500	0.156	1.13
11+00E	V25-01	V25	6.0	100	600	50	30000	10.0	3000	0.193	2.72
SUBTOTAL									15621	0.315	5.78
11+50E	V01-02	V1	3.0	24	72	50	3611	10.0	361	0.732	1.39
11+50E	V01-03	V1	1.5	33	49	50	2442	10.0	244	0.173	3.42
11+50E	V01-04	V1	1.5	26	39	50	1958	10.0	196	0.346	5.03
11+50E	V01-05	V1	4.0	23	94	50	4678	10.0	468	0.210	1.91
11+50E	V11-02	V11	5.0	56	278	50	13900	10.0	1390	0.142	0.43
11+50E	V14-02	V14	5.0	71	354	50	17700	10.0	1770	0.313	2.30



WRIGHT ENGINEERS LIMITED

1444 ALBERNI STREET
VANCOUVER, B.C. V6C 2Z4

PROJECT : 1245 REA GOLD CORPORATION

CLIENT: REA GOLD CORPORATION

ORE RESERVE ESTIMATE
TONNAGE & GRADE BY BLOCKS

CUTOFF @ C.100 ON ASSAY # 1

SECTION	BLOCK NO.	DDH NO.	INTER-SECTION	WIDTH N-S	AREA	LENGTH E-W	VOLUME CU.FT.	CU FT. /TON	GRADE VALUES			
									TONS	AU -OZ/T-	AG -OZ/T-	
11+50E	V02-01	V2	2.5	25	63	50	3160	10.0	316	0.294	5.70	
11+50E	V02-04	V2	2.0	28	58	50	2796	10.0	280	0.110	0.60	
11+50E	V02-05	V2	1.0	29	29	50	1470	10.0	147	0.220	0.73	
11+50E	V26-01	V26	5.0	93	463	50	23158	10.0	2316	0.180	3.86	
11+50E	V26-02	V26	3.0	96	289	50	14448	10.0	1445	0.294	1.49	
11+50E	V03-01	V3	4.0	39	157	50	7838	10.0	784	1.065	5.80	
11+50E	V03-02	V3	3.0	40	120	50	5984	10.0	598	0.201	0.52	
11+50E	V03-03	V3	5.0	41	204	50	10180	10.0	1018	0.410	4.15	
11+50E	V03-04	V3	6.0	41	245	50	12243	10.0	1224	0.298	2.72	
SUBTOTAL									12556	0.315	2.67	
12+00E	ADIT	ADIT	2.5	21	52	50	2599	10.0	260	0.485	4.34	
12+00E	V27-01	V27	2.5	105	263	50	13125	10.0	1313	0.194	1.11	
12+00E	V06-01	V6	3.0	18	54	50	2700	10.0	270	0.139	0.21	
12+00E	V06-04	V6	4.0	15	60	50	3000	10.0	300	0.216	0.26	
12+00E	V06-05	V6	1.5	15	23	50	1125	10.0	113	0.103	0.22	
SUBTOTAL									2255	0.219	1.22	
12+50E	V08-01	V8	4.0	88	350	50	17500	10.0	1750	0.105	0.69	
8+50E	V33-01	V33	3.0	100	300	50	15000	10.0	1500	0.130	0.60	
9+00E	V32-05	V32	4.0	100	400	50	20000	10.0	2000	0.101	1.87	
TOTALS									10.0	56770	0.451	3.70



WRIGHT ENGINEERS LIMITED

1444 ALBERNI STREET
VANCOUVER B.C. V6G 2Z4



J. R. Mitchell
Public Lands Coordinator

AUG 31 '83

August 25, 1983

Mr. Dean H. Zeller
Acting District Manager
Phoenix District
Bureau of Land Management
2929 West Clarendon Avenue
Phoenix, AZ 85017

Re: Lower Gila South RMP
Mineral Update on WSA's

	INFO	ACTION	INITIAL
DIST MGR	1		
AST DM			3
PA			
ADMIN			
OPER			
FIN			bow
RES MGT	2		
P & EC			
FRA			
LGRA	3	X	2/22
KRA			

Send acknowledgment
to ARCC.

Dear Mr. Zeller:

Atlantic Richfield Company would like to provide the BLM with updated mineral information on several Wilderness Study Areas currently being evaluated by BLM in the Lower Gila South RMP. We have utilized the Energy and Mineral Resources Evaluation form published by BLM in the Federal Register on July 27, 1983. The notice states that BLM will use this form for gathering energy and mineral information on wilderness study areas and other lands managed by the BLM.

While several comments are provided on the evaluation form itself, we would like to point out some additional comments on Little Horn Mountains West. This area should be recommended as unsuitable for wilderness for the following reasons:

- o There are well over 100 claims in the area held by various concerns
- o As a result of a grid drilling program, several graded roads criss-cross the WSA; and a heavily used road bisects the area
- o These roads can be seen from the air at 35,000 feet
- o Through the drill program, a major geological breakthrough of the area has taken place, indicating the excellent mineral value of the area

We are also interested in several other WSAs and are stringently opposed to a wilderness recommendation

Mr. Dean H. Zeller
August 25, 1983
Page 2

for them. These areas include: Little Horns, Eagletails, and New Water Mountains. Like Little Horn Mountains West, these areas have high to extremely high potential for precious metal deposits. In view of their mineral potential, these areas should be recommended as unsuitable for wilderness management; but rather, left open for mineral exploration and possible development, along with other resource uses.

Should you have any questions regarding our information or would like to meet to discuss our concerns, please contact us.

Sincerely,


J. R. Mitchell
Attachments

ENERGY AND MINERAL RESOURCES EVALUATION

1. State b. County
Arizona

c. District d. Resource Area e. Planning Unit
Yuma

f. Wilderness Study Area Name Number
Face Mountain 2-136

2. RESOURCES
List Names of Resources
NONFUELS FUELS

Silver, Gold

3. Geologic Characteristics

Detachment terrain mineralization similar to Bronco-Verdstone-Oakland is possible. Several shafts and prospects shown within northern most part of this WSA, Yellow Medicine area.

4. Energy/Mineral Potential evaluation and basis for interpretation

This WSA has medium favorability for the above referenced commodities. Face Mtn. consists of mid-Tertiary to Quaternary volcanic rocks; a major prospective structure probably occurs at moderate to shallow depth.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

ENERGY AND MINERAL RESOURCES EVALUATION

1. State	b. County	
Arizona		
c. District	d. Resource Area	e. Planning Unit
Yuma		
f. Wilderness Study Area Name	Number	
Little Horns	2-127	

2. RESOURCES
List Names of Resources

NONFUELS	FUELS
----------	-------

Silver, Gold

3. Geologic Characteristics

This area is adjacent to and along the trend of known detachment related, high grade mineralization defined at Bronco-Verdstone-Oakland.

4. Energy/Mineral Potential evaluation and basis for interpretation

This WSA has high favorability for those commodities referenced above. This is highly prospective terrain as indicated by regional and detailed geology and geophysical data. This WSA is adjacent to area with known high grade deposit drill-proven; all features characteristic of that area occur in 2-127

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ENERGY AND MINERAL RESOURCES EVALUATION

1. State	b. County	
Arizona		
c. District	d. Resource Area	e. Planning Unit
Yuma		
f. Wilderness Study Area Name	Number	
New Water Mountains	2-125	

2. RESOURCES

List Names of Resources

NONFUELS

FUELS

Silver, Gold

3. Geologic Characteristics

North-northwest projection of Bronco-Verdstone-Oakland type permissive terrain. Excellant potential for B-V-O type mineralization based on projection of regional structures. Similar to 2-128.

4. Energy/Mineral Potential evaluation and basis for interpretation

This area has high favorability for the above referenced commodities.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

ENERGY AND MINERAL RESOURCES EVALUATION

1. State	b. County	
Arizona		
c. District	d. Resource Area	e. Planning Unit
Yuma		
f. Wilderness Study Area Name	Number	
Little Horn Mtn West	2-126A	

2. RESOURCES

List Names of Resources

NONFUELS

FUELS

Silver, Gold

3. Geologic Characteristics

A major, drill-indicated reserve exists within the southern 2/3 of this WSA. A heavily-used road bisects the area. Use will continue. The Bronco-Verdstone-Oakland property comprises the southern 2/3 of this WSA and contains a significant drilled reserve. Active exploration continues to a highly prospective zone that extends both west and east to southeast of the deposit.

4. Energy/Mineral Potential evaluation and basis for interpretation

This WSA has high favorability for the above referenced precious metals. Mineralization is controlled by regional structures that underly much of the terrain east to southeast of the Kofa Mountains, and project toward WSA's 2-128, 129, 136, 138, 142/144, 157, 164, 163, and 172. This area is generally unexplored because recognition of this deposit type occurred only about 2 years ago.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

ENERGY AND MINERAL RESOURCES EVALUATION

1. State		b. County	
Arizona			
c. District	d. Resource Area	e. Planning Unit	
Yuma			
f. Wilderness Study Area Name		Number	
East Clanton Hills		2-129	

2. RESOURCES
List Names of Resources

NONFUELS	FUELS
----------	-------

Silver, Gold

3. Geologic Characteristics

This area is along the as-yet unexplored trend of known high-grade gold and silver mineralization controlled by structures of regional extent.

4. Energy/Mineral Potential evaluation and basis for interpretation

This WSA has medium favorability for gold and silver deposits. Detachment terrain epithermal precious metals targets are possible.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ENERGY AND MINERAL RESOURCES EVALUATION

1. State	b. County	
Arizona		
c. District	d. Resource Area	e. Planning Unit
Yuma		
f. Wilderness Study Area Name	Number	
Table Top	2-172	

2. RESOURCES
List Names of Resources

NONFUELS

FUELS

Silver, Gold, Copper

3. Geologic Characteristics

Immediately north of Volcol Mtns; known bulk tonnage copper deposit. Prospective terrain, may contain targets under shallow alluvial cover.

4. Energy/Mineral Potential evaluation and basis for interpretation

This WSA has medium favorability for the above referenced commodities. Pinal schist - T volcanic and RE granite terrain permissive for disseminate and vein deposits.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ENERGY AND MINERAL RESOURCES EVALUATION

1. State	b. County	
Arizona		
c. District	d. Resource Area	e. Planning Unit
Yuma		
f. Wilderness Study Area Name	Number	
Woolsey Peak	2-142/144	

2. RESOURCES
List Names of Resources

NONFUELS	FUELS
----------	-------

Silver, Gold

3. Geologic Characteristics

B-V-O type mineralization possible; however, mostly post-mineral basalt. Exploration would be difficult.

4. Energy/Mineral Potential evaluation and basis for interpretation

Medium favorability for above commodities.

() If more information is available please put a check

5. References

USGS Publication

7. For more information contact (name)	Address (include zip code)	Telephone Number (include area code)
J. R. Mitchell	555 17th Street Denver, CO 80202	(303) 575-7577

C E R T I F I C A T E

I, Alex Burton, do hereby certify that I am an independent consulting geologist with offices at 810-626 West Pender Street, Vancouver, B.C. V6B 1V9.

- 1) I certify that I am a geology graduate of the University of British Columbia and am a Registered Professional Engineer in B.C. with Certificate No. 6262.
- 2) I have practised my profession for over 25 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and other countries.
- 3) I have no interest or holdings of any sort in REA PETRO CORPORATION and LINCOLN RESOURCES INC., or any claims listed in this Report, nor do I expect to receive any.
- 4) I consent to the use of this Report by Rea Petro Corporation and Lincoln Resources Inc. in any prospectus or statement of material facts.

Dated in Vancouver this 21st day of February, 1983.


A. D. K. BURTON
BRITISH
ALEX BURTON, P. Eng.,
Consulting Geologist

BURTON CONSULTING INC.

20. STATUTORY RIGHTS OF RESCISSION

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

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

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

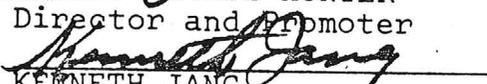
21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

together with the Statement of Material Facts, accepted for filing November 8, 1982, The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

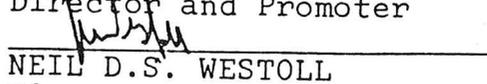
January 31, 1983

(Date)

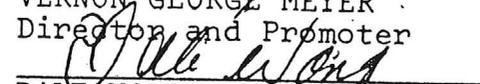

 ROBERT GEORGE HUNTER
 Director and Promoter

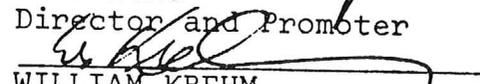

 KENNETH JANG
 Director and Promoter


 BO MORTIL
 Director and Promoter


 NEIL D.S. WESTOLL
 Director


 VERNON GEORGE MEYER
 Director and Promoter


 DALE WONG
 Director and Promoter


 WILLIAM KREHM
 Director and Promoter

CERTIFICATE OF THE UNDERWRITER(S):

together with the Statement of Material Facts accepted for filing November 8, 1982, To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

January 31, 1983

(Date)

CANARIM INVESTMENT CORPORATION LTD.

By:



W.K. - RBC
see p. 1 et al.



Form 12

Securities Act

Date Accepted
For Filing March 7,
1983

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
86A/82

AMENDMENT NO. 1 TO
STATEMENT OF MATERIAL FACTS

of LINCOLN RESOURCES INC. dated October 28, 1982 and accepted for
filing November 8, 1982.

RESOURCE SECTION

Name of Section

LINCOLN RESOURCES INC.

Name of Issuer

#1440 - 625 HOWE STREET, VANCOUVER, BRITISH COLUMBIA V6C 2T6

Address of Head Office of Issuer

#901 - 1199 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA, V6E 2R1

Address of Registered Office of Issuer

#901 - 1199 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA, V6E 2R1

Address of Records Office (Section 39 - Company Act)

THE CANADA TRUST COMPANY
1055 DUNSMUIR STREET, VANCOUVER, BRITISH COLUMBIA, V7X 1P3

Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

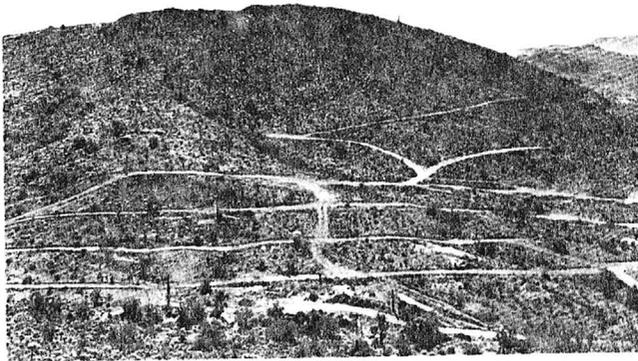
RECEIVED

MAR 14 1983

S. W. U. S. EXPL. DIV.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits
of the securities offered hereunder and any representation to the contrary is an offence.

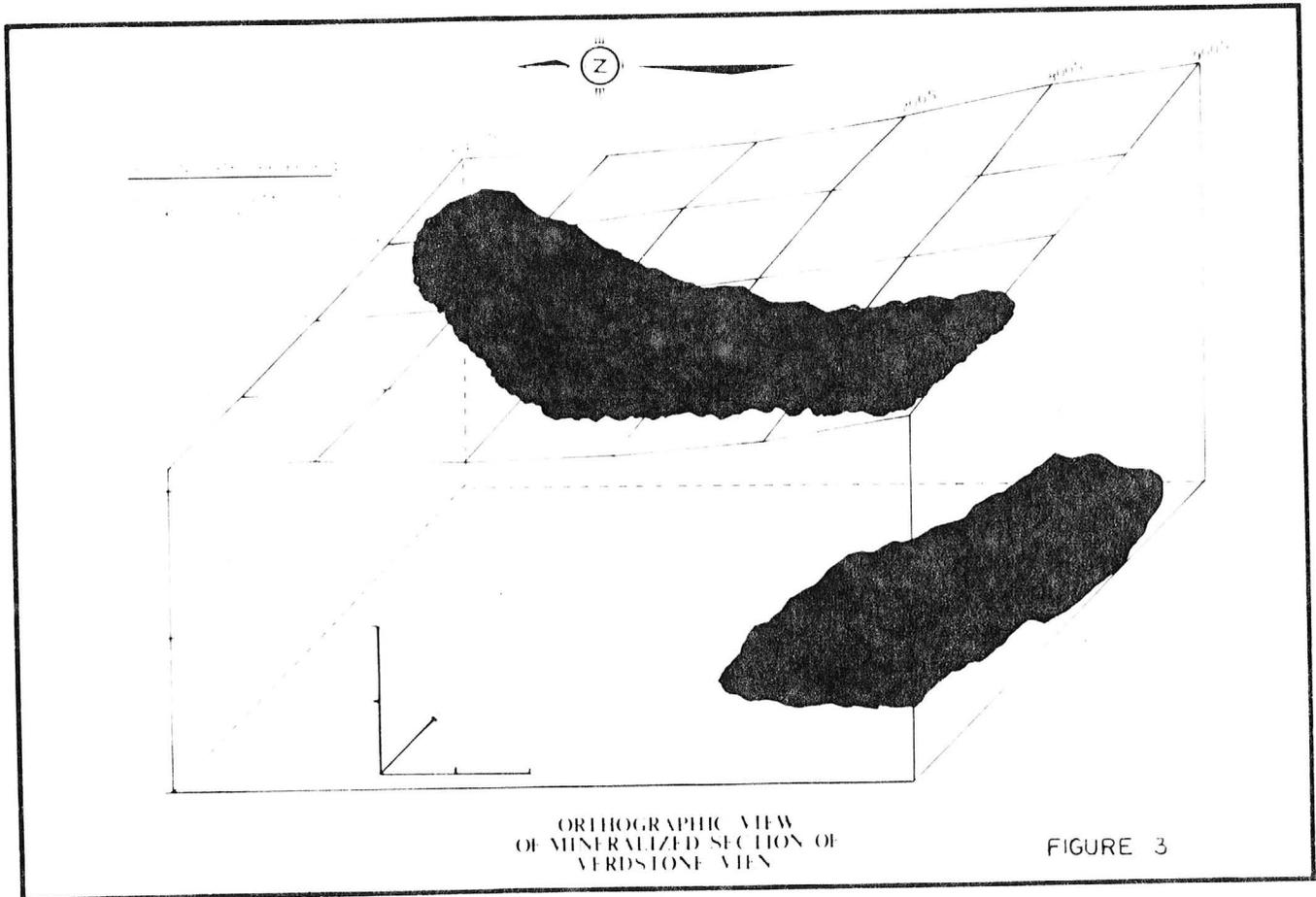
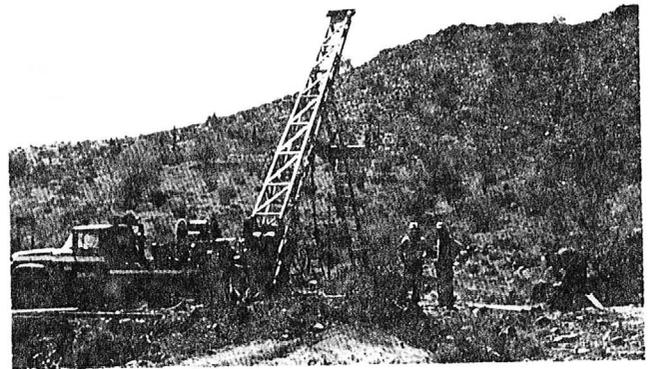
B.V.O. Property



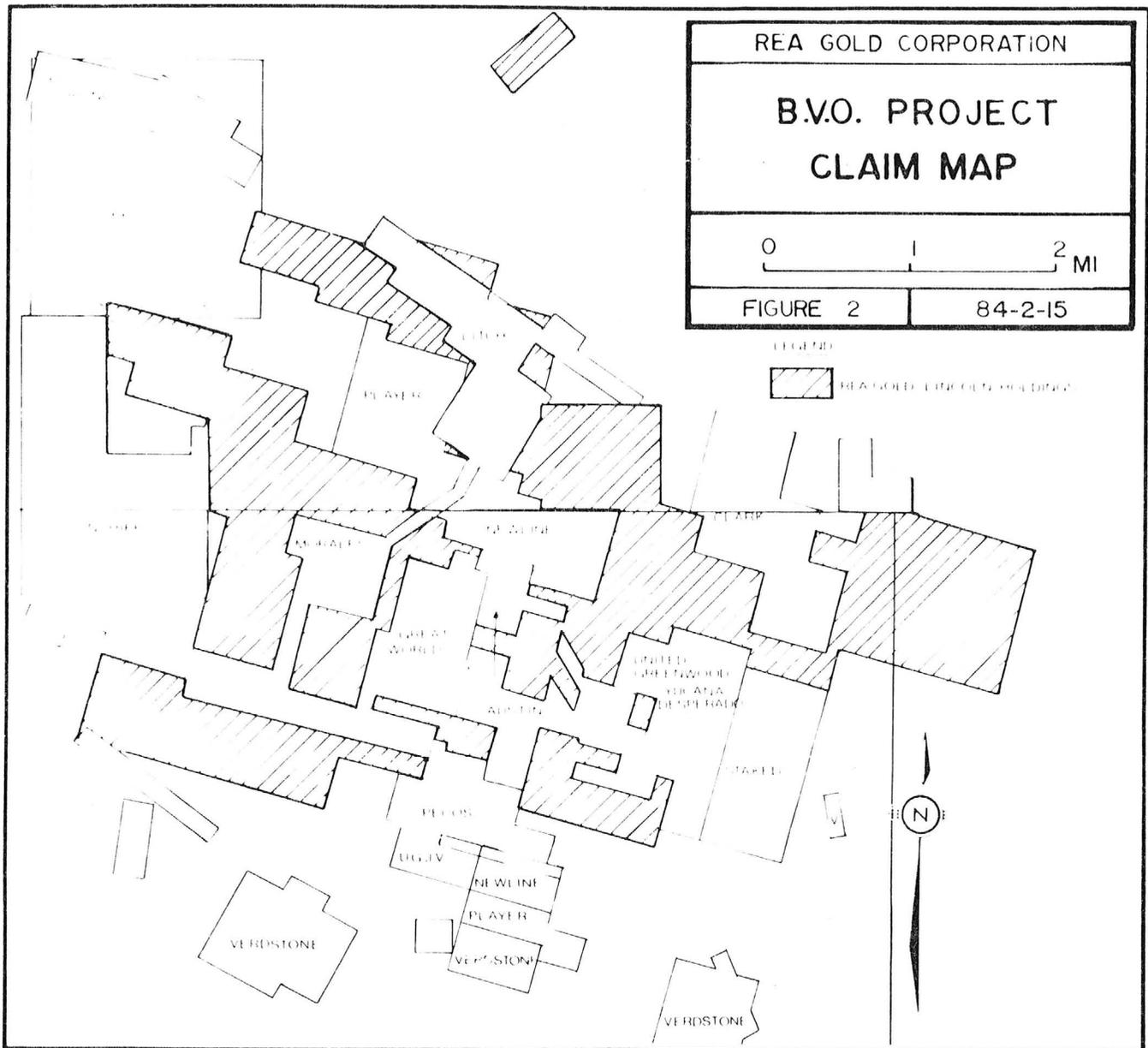
Exploration on the property commenced in 1931. In the intervening years it was family held until recently being obtained by Holland Petroleum Corporation, Dallas, Texas. A considerable amount of work had been done, four shallow depth shafts were sunk on the Oakland and two each on the Bronco and Verdstone. A 28 ton select sample was shipped to ASARCO smelter at Hayden, Arizona during 1940. It assayed 0.46 ounces per ton Au. and 4.7 ounces per ton Ag.

Bronco, Verdstone, Oakland Properties Yuma County, Arizona, U.S.A.

The B V O claim groups comprising some 7,000 acres are located about 95 miles west of Phoenix, Arizona. The area is known as Little Horn Mountain, Yuma County, Arizona. Access is via I-10 and the Hovatter Road turnoff and then 24 miles south by dirt road to the Oakland property.



B.V.O. Property



During July 1983, Lincoln Resources entered into a joint venture with Rea Gold Corporation whereby Lincoln earned a 51% interest in the B.V.O. property for the expenditure of \$400,000 (plus 250,000 shares of Rea Gold at \$1.00 per share) on exploration and development. The results are such that geological analysis has advanced to the point where we now possess a high degree of accuracy in predicting the location of major structures and mineralized zones within the Verdstone vein system. Drilling to date indicates ore reserves for the Verdstone area of 267,500 tons with an average grade of 150 ounces per ton Au, and 1.95 ounces per ton Ag.



LINCOLN RESOURCES INC.

1440 - 625 HOWE STREET, VANCOUVER, B.C. V6C 2T6 PHONE: (604) 684-2710

Ticker Symbol LNN

STATEMENT OF EXPENDITURES JANUARY 1 - 31, 1983

BANK - January 1, 1983

\$502,537.56

EXPLORATION:

Empire Mine (U.S.)	\$ 64,155.55
Assays - Misc.	12.50
Engineering Fees	4,239.89
Rea Petro	251,107.34
Sporan Enterprises	7,412.50
	<u>325,927.28</u>

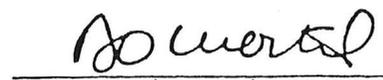
ADMINISTRATION:

Vehicle & Travel	2,138.87
Delivery Service	97.50
Office Supp. & Sundry	817.40
Telephone	834.65
Legal & Audit	3,094.11
Shareholder Information	3,587.45
Listing Fees	1,285.00
Equipment rentals	1,040.05
Business Licence	43.00
Miscellaneous	1,030.00
	<u>13,968.03</u>
	<u>340,895.31</u>

BANK - January 31, 1983

\$165,045.10


Robert G. Hunter, President


Bo Mortil, Director



LINCOLN RESOURCES INC.

1440 - 625 HOWE STREET, VANCOUVER, B.C. V6C 2T6 PHONE: (604) 684-2710

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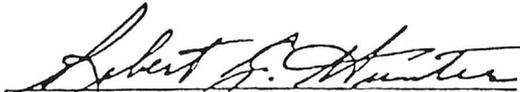
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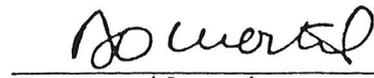
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BANK - January 31, 1983

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Robert G. Hunter, President


Bo Mortil, Director

(b) Sunnyside Claim

Pursuant to Amending Agreements dated November 30, and December 8, 1982, the balance of (US)\$90,000. due on the close of escrow has been paid: As to (US)\$30,000., by increasing the percentage of monthly gross revenues payable to the vendor from 10% to 15%, as to (US)\$10,000. by payment in cash, and as to (US)\$50,000. by the issuance of 39,063 shares in the capital stock of the Issuer.

Escrow has closed and the Issuer has title to the claim, subject to a Deed of Trust to secure the unpaid balance of the purchase price of (US)\$3,375,000.

The Statement of Material Facts of LINCOLN RESOURCES INC. (the "Issuer") dated October 28, 1982 and accepted for filing November 8, 1982, is amended in the following respects:

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER

- (a) Neil D.S. Westoll, Ph.D., of 82 Chartwell Road, Oakville, Ontario, was appointed a Director of the Issuer on December 21, 1982. His chief occupation is Senior Geological Consultant, Hill, Goettler, De LaPorte Limited, Mining and Geological Consultants, 904 - 80 Richmond Street, West, Toronto, Ontario. He beneficially owns no shares of the Issuer.
- (b) Directors have exercised options to purchase, in the aggregate, 100,000 shares of the Issuer, yielding \$78,000. to the Issuer.
- (c) Based upon recommendations made by the Issuer's Engineering Consultants, Hill, Goettler, De LaPorte Limited, the Issuer purchased 100,000 units of an offering of Silver Lake Resources Inc., an Ontario mining company, for a price of \$75,000. Each unit consisted of one common share and one Share Purchase Warrant. The acquisition was paid for from funds derived from the exercise of Directors' options.

As of the Effective Date of this Amendment, the Issuer has sold all of the shares and 30,000 of the Warrants for a net of approximately \$223,000., or a profit on the transaction of approximately \$148,000. The balance of the Warrants have expired.

- (d) As at the date of this Amendment, Series "D" Warrants of the Issuer have been exercised to purchase 100,000 shares of the Issuer, yielding \$225,000. to the Issuer for working capital.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

- (a) B.V.O. Project, Yuma County, Arizona

The Issuer has agreed to participate in the exploration and development of lode mining claims (the "Property") situate in the Sheep Tanks Mining District, Yuma County, Arizona. The property consists of a lease and option to purchase a 90% interest in 3½ unpatented lode mining claims, an option to purchase seven unpatented lode mining claims and approximately 320 additional unpatented lode mining claims.

During the past year a total of 1,924 feet of HQ drilling, in 16 holes, has been completed on the Verdstone claim, one of the claims comprising the Property. Assaying and geochemical analysis of all drilled material was carried out, as were backhoe and grader trenching of vein structures and detail mapping of a portion of the Verdstone Claim.

The drilling delineated a significant shallow gold-silver bearing epithermal vein. Eleven of the holes penetrated gold-silver mineralization, grading better than 0.10 oz./ton gold within 100 feet of the surface. The cost of work done during the past year was \$249,819., none of which was incurred by the Issuer.

F. Marshall Smith, P.Eng., Consulting Geologist Geochemist, of 6580 Mayflower Drive, Richmond, British Columbia, has recommended further mapping and diamond drilling to delineate the strike and dip extent of the mineralized zone on the Verdstone claim in his "Summary Report First Phase Drilling Verdstone Claim BVO Project Yuma County Arizona" which Report is dated April 20, 1982, as amended November 9, 1982, and which forms a part of this Amendment.

Alex Burton, P.Eng., of Burton Consulting Inc., 810 - 626 West Pender Street, Vancouver, British Columbia, in his "Report on the Verdstone Property" prepared for Rea Petro Corporation and dated January 10, 1983 calculated a minimum of 25,000 tons of "probable ore" grading 0.326 ounces of gold per ton and 3.6 ounces of silver per ton from 11 drill holes. Mr. Burton confirmed Mr. Smith's recommendations and budget. Mr. Burton's Report also forms a part of this Amendment.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

(a) B.V.O. Project, Yuma County, Arizona

The Issuer acquired its right to participate in the Property by letter agreement dated December 29, 1982 entered into with Rea Petro Corporation of 15-817 Granville Street, Vancouver, British Columbia ("Rea Petro"). Rea Petro is a reporting company listing on the Vancouver Stock Exchange.

The Issuer will participate in the exploration and development of the Property by purchasing 250,000 shares of Rea Petro at \$1.00 per share, the entire proceeds of which will be used exclusively to carry out the preliminary evaluations of the Property in accordance with the Report of F.M. Smith, P.Eng. If the preliminary evaluation proves successful and the Issuer elects to participate further in the development of the Property, but not later than July 4, 1983, the Issuer will enter into a joint venture with Rea Petro and will have earned a 51% interest in Rea Petro's interest in the Property when the Issuer has placed \$400,000. in trust for that purpose, which funds will be used to carry out further exploration on the Property. Subsequent funds required for the further development of the Property will then be contributed in the ratio of 51% by the Issuer and 49% by Rea Petro.



REA GOLD CORPORATION

April 24 1984

N E W S R E L E A S E

DRILL INDICATED RESERVES ON THE REA/LINCOLN JOINT VENTURE
ARE 267,250 TONS AVERAGING .150 OZ/TON AU AND 1.95 OZ/TON AG.

Larry W. Reaugh, President of Rea Gold Corporation is pleased to announce that Charlton International, consulting geological firm of Missoula, Montana have reported drill indicated reserves at the B.V.O. property located in Yuma County, Arizona are 267,250 tons averaging .150 oz/ton Au and 1.95 oz/ton Ag. Charlton International further reports that exploration and development work in 1983-84 has defined:

- 1) an extensive zone of gold-silver mineralization on the Verdstone property,
- 2) a large quartz stockwork zone adjacent to the Verdstone mineralization, and
- 3) extension of the favorably altered host rocks of Verdstone mineralization to 850' east of the main shaft.

Compilation of geologic data from 46 drill holes and detailed mapping demonstrate that the Verdstone gold-silver deposit is 500 feet long, 250 feet wide and 10 to 135 feet thick. Furthermore, drill information from 16 of the holes (35%) implies that the mineralization extends below tested depths as well as in both directions along strike.

Geologic mapping also has defined a 600-foot long by 250-foot wide zone of banded chalcedony-quartz-calcite stockwork on the adjacent Bronco property. This new zone is significant because epithermal precious metals deposit modelling suggests that it is the shallow part of the Verdstone hydrothermal system.

----- 2

Detailed mapping of six sections centered on the Verdstone-Oakland properties demonstrates that a 1200 foot thick sequence of tuff and clastic andesites is the host of the precious metals mineralizations. This sequence crops out for more than 5,000 feet along strike. Moreover, it is structurally repeated at least three times across strike over a distance of 8,000 feet.

Outcrop mapping of an area 2200' by 1800' at the Verdstone property indicates that moderately to strongly argillized tuffs which host drilled mineralization extend 850 feet east of the original shaft. Six hundred feet of this strike length is untested by excavation or drilling. This eastern extension ranges from 150-250 feet wide in outcrop.

ON BEHALF OF THE BOARD


Larry W. Reaugh
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

BRONCO, VERDSTONE, OAKLAND PROPERTIES, (B.V.O.)
YUMA COUNTY, ARIZONA, U.S.A

1. OWNERSHIP

Information supplied by Rea Gold Corporation verifies that it originally acquired a 90% interest in the mining rights, the owner having retained 10%. Since then Rea Gold has sold 51% of its interest to Lincoln Resources to finance further exploraton.

2. LOCATION

The property is located about 95 miles due west of Phoenix, Arizona (Figure 1.) and consists of some 7,000 acres (Figure 2.). The area, known as Little Horn Mountain, Yuma County, Arizona (Township 15, Range 14 W, Sections 3 and 10), has access via Interstate 10 (I 10) at the Hovatter Road turnoff (94 miles west of Phoenix), then 24 miles south by dirt road to the Oakland property. Local trails supply access to the Bronco-Verdstone property. The nearest centers are Yuma and Goodyear. There is, however, no direct road to Yuma. Food, water and fuel are available at the ARCO gas station on I-10 at the Vicksburg turn off approximately 7-1/2 miles west of the Hovatter Road turnoff.

Other services required during exploration development and even for production are readily available. Trailer campsites operate close by. A major electric power transmission line and a gas pipeline are located about 15 miles from the property. Railhead is about 35 miles north of the property at Salome (Atcheson-Topeka and Santa Fe).

Arizona Mining regulations allow a mine operator to appropriate water for mining purposes without actually possessing the water rights. This is not the case for exploration and development. Water would have to be trucked in but is not an excessive cost item.

The area is remote so there will be little, if any, environmental conflict. There are, however, to the southwest, substantial areas of Federal Reserve (U.S.

Military Proving Grounds), which have restricted access and are excluded from development.

The topography varies from gently sloping to mountainous. The climate is arid with hot summers, very low humidity, moderate winters, no snow and limited rain. Vegetation is sparse.

3. HISTORY

The property was discovered in 1931 by Robert Davis, the grandfather of a partner, R.L. Fancher, and had been owned by the partners and members of their families until more recently obtained by the Ramacore Corporaton, Dallas, Texas. A considerable amount of exploration and development work has been done. Four shallow shafts have been sunk on the Oakland and two on each of the Bronco and Verdstone.

During 1940 some 28 tons of selected ores from a small area of the Verdstone were shipped to the ASARCO smelter at Hayden Arizona. It assayed 0.46 ounces per ton Au and 4.7 ounces per ton Ag. Some large chunks of high grade ore from the Oakland property have assayed over 24 ounces per ton Au.

4. GEOLOGY

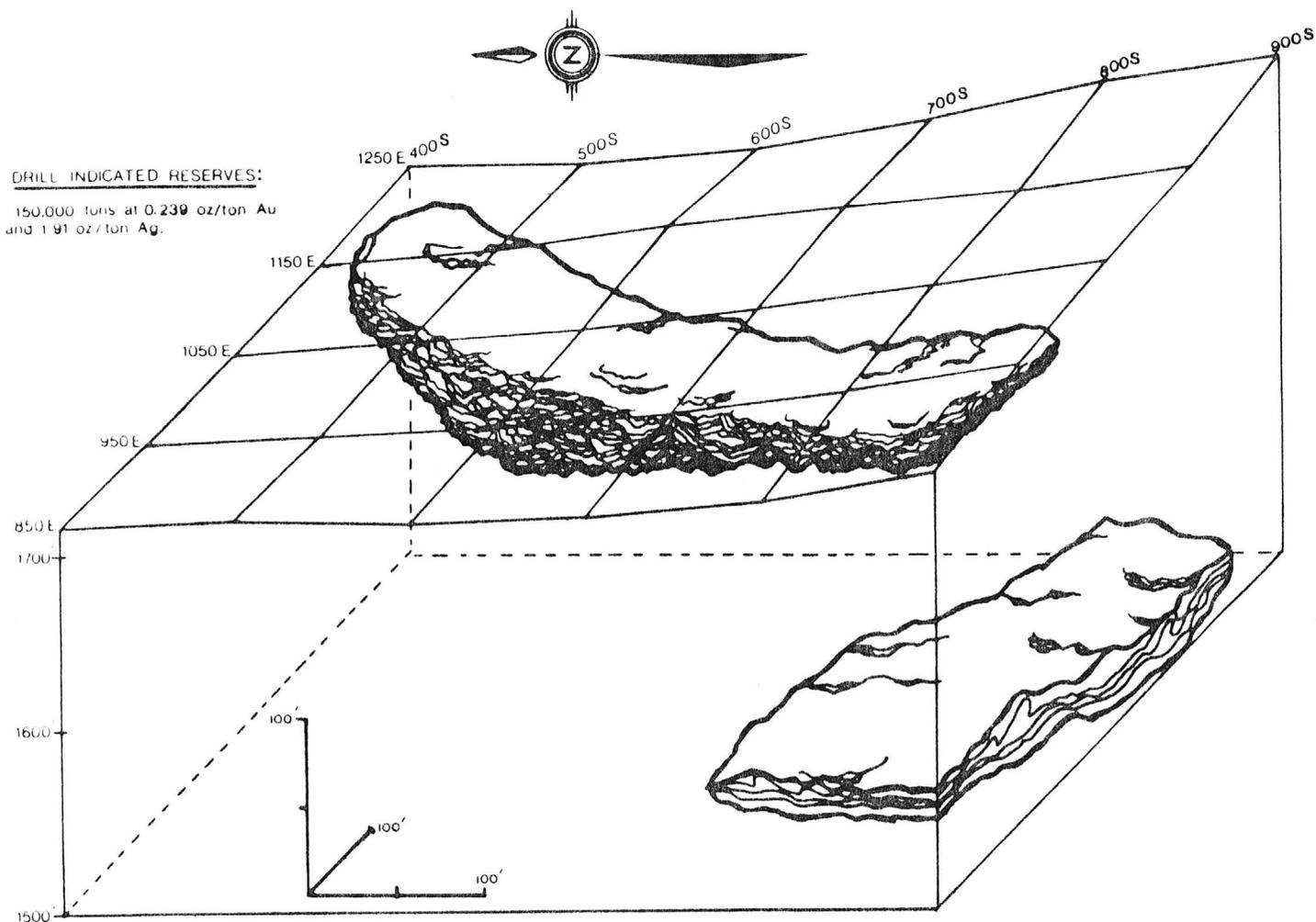
The ridges in the area are capped by 3 to 7 feet of Quaternary basalt flows. The slopes are strewn with a cover of remnant and wind eroded boulders of basalt over top the less resistant Kofa Volcanics.

The Cretaceous Kofa Formation is composed of felsic to intermediate breccias and tuffs. Numerous volcanic necks form prominent landmarks throughout the region. These vents are apparently the source of the Kofa Volcanics.

Within the property area the volcanic-sedimentary stratigraphy consists of a complex of tuffs, mud flows, ash flows, agglomerates, pumaceous tuffs, and diabase dykes. The bedrock exposures are restricted mainly to the higher slopes while the lower slopes are predominantly covered by calcareous cemented bedrock fragments. The composition of

the Kofa volcanics is predominantly andesite with some rhyolite intrusions. The northern section of the property tends to dip at 30° north whereas the southern part tends to be flat to southerly dipping. Several quartz-carbonate filled breccia zones cross the mineral claims in a NNW direction.

i) The Verdstone Property (Figure 3.) is located in the Cretaceous Kofa Volcanics and contains a volcanic neck of reddish-brown rhyolite breccia which has undergone strong hydrothermal alteration. Assay results indicate this type of rock carries the best gold values. The volcanic neck is located about 250 feet west of the mine workings. Volcanics adjacent to the neck also carry gold and silver values.



ORTHOGRAPHIC VIEW
OF MINERALIZED SECTION OF
VERDSTONE VEIN

FIGURE 3

The mineralized zone is hypothesized to occur within a thrust fault that strikes roughly east-west and dips shallowly to the south. The brecciated thrust zone has been subsequently kaolinized, mineralized and faulted. The later faults are normal, steeply dipping and also strike east-west. There may be later north-south striking normal faults as well.

Free-milling gold in the quartz veins and their mineralized brecciated wall rocks runs from 0.03 to 3.52 ounces per ton. Silver occurring as chlorides and sulphides runs from 0.12 to 53.8 ounces per ton. Surface assays surrounding the orebody for distances up to 275 feet run 0.02 ounces in Au and 0.32 ounces in Ag per ton.

Two vertical shafts, 80 and 100 feet in depth carry good gold and silver mineralization from top to bottom with the ores present in the shaft bottoms.

ii) The Oakland Property- is located on the Cretaceous Kofa Volcanics about 5,000 feet SSE from the Verdstone property and contains a volcanic neck about 150 feet west of the mine shaft. On the property the volcanics consist of rhyolite and andesite breccias. In general, the rock types and structures are similar at the Verdstone and Oakland properties; the rock units may be continuous between them. The mineralized fault zones are characterized by the presence of grey calcite on the Oakland property in contrast to the overlying kaolin at Verdstone. Two silicified quartz vein systems, each 12 to 18 inches wide accompanied by shear zones intersect near the southern perimeter of the mine workings. One vein strikes NE to SW and dips at 45° to the NW. The other vein strikes NE to SW and dips at 63° to the NW. Both veins are highly metalized with gold and silver. Additionally the mineralized brecciated wall rocks, extending some 10 feet on each side of the quartz veins, have undergone strong hydrothermal alteration, and carry good gold and silver values.

The heaviest concentration of free - milling gold and silver occurs in the two quartz vein intersections. The richest and best gold and silver values are on the north side of the intersection of the two quartz veins, and in the shear zone

and mineralized brecciated wall rocks. Unaltered rocks in the orebody carry fair values in gold and silver. The free - milling gold assays from 0.02 to 2.42 ounces per ton. Silver which occurs as chlorides and sulphides runs from 0.16 to 9.43 ounces per ton. Areas surrounding the ore body also carry values. Samples taken just below the surface crust assay 0.02 ounces per ton Au and 0.80 ounces per ton Ag. Some areas of the shaft are very high grade in both gold and silver.

iii) Bronco property - is located on the Cretaceous Kofa Volcanics and lies about 600 feet NE of the neck of the Verdstone property. The volcanics consist of rhyolite, rhyolite breccias, andesite, andesite breccias and tuffs. All the rock types carry gold and silver values. The brecciated rhyolite and andesite rocks are silicified and have undergone strong hydrothermal alteration in areas in and adjacent to the ore deposit. The 200 foot wide ore zone lies between two 80 foot shafts which are 750 apart and are located on the long axis (east-west) center - line of the claim. The ore zone consists of many highly silicified rhyolite and andesite brecciated areas that were highly altered by mineralized hydrothermal solutions.

These brecciated areas contain numerous gold and silver mineralized quartz veins and stringers that vary in width from 1 to 6 inches. General strike is east and west, dipping north at 80°. Good gold and silver mineralization is observable for 300 feet beyond the eastern shaft and for 450 feet beyond the western shaft. Limited assays indicate good values.

The broken, angular and shattered mineralized rhyolite and andesite host rock material with its silicified quartz veins constitutes the bulk of the ore zone. It is easily mined, crushed and milled. Gold and silver values start on surface and continue to the shaft bottom and possibly below. The heaviest gold and silver mineralization occurs in the quartz veins and their associated rhyolite and andesite breccias. High grade gold and silver occurs in short drifts driven northward from both shaft bottoms. Free milling gold assays from 0.06 to 1.19 ounces per ton. Silver occurring as chlorides and sulphides runs from 0.03 to 4.0 ounces per ton. Unaltered rocks in the ore body and in the areas

surrounding the ore zone carry gold values up to 0.03 ounces per ton with silver ranging from 0.04 to 0.80 ounces per ton. Geophysical survey indicates that strong mineralization is present over the entire principal claim area to depths of up to 200 to 250 feet. This finding could substantially increase the ore tonnages and the mineralization value of the property.

4. EVALUATION

There is little doubt that the deposits on all three claim systems are epithermal in nature. Shipments from within the district from similiar type deposits range from 40,000 tons from the Northstar property at 1.40 ounces per ton Au and 0.60 ounces of Ag per ton to 3.8 million tons from the Oatman properties, with values of 0.58 Au and 0.17 Ag ounces per ton. Extrapolating regional epithermal history and geology one can say that the epithermal character present on the Bronco, Verdstone and Oakland claims mimics the epithermal systems known to be present in the district.

A careful analysis of sampling and drilling programs and property mapping indicates that the B.V.O. property is an excellent exploration site. As a result of diamond drilling (8,000 feet) ore reserves in the order of 150,000 tons at 0.23 ounces per ton Au and 1.97 ounces per ton Ag are indicated. It is felt that 500,000 tons of similar grade material is available.

The report by Charlton International (August 1983) concurs that the Verdstone-Oakland properties are excellent exploration target areas.

Charlton also noted that the lack of production in the B.V.O. distict as compared to the Oatman district is due to the degree of erosion in the former, i.e., the lack of major surface deposits in the B.V.O. district resticted exploration for buried deposits therein.

5. RECOMMENDATIONS

We believe this property warrants extensive exploration, mapping and geophysical programs, complemented by diamond drilling. In order to achieve early production decisions the Verdstone and then Oakland properties should be given

priority.

The existing joint venture should seek participation with a Major company with the following characteristics:

- a) financial and corporate stability
- b) experience in epithermal mining
- c) proven small scale (gold) operating expertise.

The property warrants enthusiasm and should be explored and developed towards a production decision.

6. BUDGET

Given the types of decisions being sought a joint venture budget of Five Hundred Thousand (\$500,000.00) Dollars for 1984-85 fiscal year is not excessive.

BIBLIOGRAPHY

Morgan, George W., (P. Eng.), Phoenix Arizona, - Bronco, Oakland, Verdstone Mining Property, September 28-1979.

Grant, Norman A., (P. Eng.), Studio City, California - Bronco, Oakland, Verdstone Property, November 21 1981.

Ryback, Hardy V., (P. Eng.), Richmond, British Columbia, Canada - Report on the Bronco, Oakland, Verdstone claims, December 14 1981.

Smith, F.M., (P. Eng.), Reno, Nevada - Report for Rea Petro (now Rea Gold) Corporation, on the Geology and Mineralization at Bronco, Oakland and Verdstone properties, January 8 1982.

Hill, Goettler, De Laporte Limited, Toronto, Ontario, Second Stage Economic Evaluation of the Bronco, Verdstone, Oakland property of Rea Petro (Rea Gold) Corporation, September 1982.

Charlton International, (Douglas W. Charlton, Senior Geologist) - Rea Gold Corp./Lincoln Resources, Geologic Progress Report I, B.V.O. properties, Yuma County, Arizona - August 1983.

C E R T I F I C A T E

I, Alex Burton, do hereby certify that I am an independent consulting geologist with offices at 810-626 West Pender Street, Vancouver, B.C. V6B 1V9.

- 1) I certify that I am a geology graduate of the University of British Columbia and am a Registered Professional Engineer in B.C. with Certificate No. 6262.
- 2) I have practised my profession for over 25 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and other countries.
- 3) I have no interest or holdings of any sort in REA PETRO CORPORATION and LINCOLN RESOURCES INC., or any claims listed in this Report, nor do I expect to receive any.
- 4) I consent to the use of this Report by Rea Petro Corporation and Lincoln Resources Inc. in any prospectus or statement of material facts.

Dated in Vancouver this 21st day of February, 1983.


A. D. K. BURTON
BRITISH
ALEX BURTON, U.P. Eng.
Consulting Geologist

BURTON CONSULTING INC.

20. STATUTORY RIGHTS OF RESCISSION

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

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

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

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

together with the Statement of Material Facts accepted for filing November 8, 1982. The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

January 31, 1983

(Date)


ROBERT GEORGE HUNTER

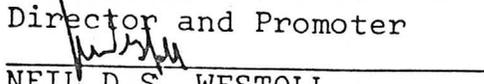
Director and Promoter


KENNETH JANG

Director and Promoter


BO MORTIL

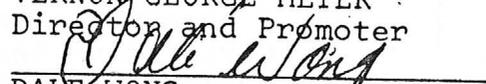
Director and Promoter


NEIL D.S. WESTOLL

Director


VERNON GEORGE MEYER

Director and Promoter


DALE WONG

Director and Promoter


WILLIAM KREHM

Director and Promoter

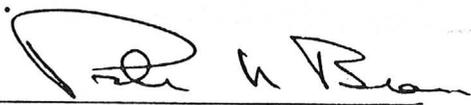
CERTIFICATE OF THE UNDERWRITER(S):

together with the Statement of Material Facts accepted for filing November 8, 1982, To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

January 31, 1983

(Date)

CANARIM INVESTMENT CORPORATION
LTD.

By: 



LINCOLN RESOURCES INC.

1440 - 625 HOWE STREET, VANCOUVER, B.C. V6C 2T6 PHONE: (604) 684-2710

Ticker Symbol LNN

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Pursuant to Amending Agreements dated November 30, and December 8, 1982, the balance of (US)\$90,000. due on the close of escrow has been paid: As to (US)\$30,000., by increasing the percentage of monthly gross revenues payable to the vendor from 10% to 15%, as to (US)\$10,000. by payment in cash, and as to (US)\$50,000. by the issuance of 39,063 shares in the capital stock of the Issuer.

Escrow has closed and the Issuer has title to the claim, subject to a Deed of Trust to secure the unpaid balance of the purchase price of (US)\$3,375,000.

During the past year a total of 1,924 feet of HQ drilling, in 16 holes, has been completed on the Verdstone claim, one of the claims comprising the Property. Assaying and geochemical analysis of all drilled material was carried out, as were backhoe and grader trenching of vein structures and detail mapping of a portion of the Verdstone Claim.

The drilling delineated a significant shallow gold-silver bearing epithermal vein. Eleven of the holes penetrated gold-silver mineralization, grading better than 0.10 oz./ton gold within 100 feet of the surface. The cost of work done during the past year was \$249,819., none of which was incurred by the Issuer.

F. Marshall Smith, P.Eng., Consulting Geologist Geochemist, of 6580 Mayflower Drive, Richmond, British Columbia, has recommended further mapping and diamond drilling to delineate the strike and dip extent of the mineralized zone on the Verdstone claim in his "Summary Report First Phase Drilling Verdstone Claim BVO Project Yuma County Arizona" which Report is dated April 20, 1982, as amended November 9, 1982, and which forms a part of this Amendment.

Alex Burton, P.Eng., of Burton Consulting Inc., 810 - 626 West Pender Street, Vancouver, British Columbia, in his "Report on the Verdstone Property" prepared for Rea Petro Corporation and dated January 10, 1983 calculated a minimum of 25,000 tons of "probable ore" grading 0.326 ounces of gold per ton and 3.6 ounces of silver per ton from 11 drill holes. Mr. Burton confirmed Mr. Smith's recommendations and budget. Mr. Burton's Report also forms a part of this Amendment.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

(a) B.V.O. Project, Yuma County, Arizona

The Issuer acquired its right to participate in the Property by letter agreement dated December 29, 1982 entered into with Rea Petro Corporation of 15-817 Granville Street, Vancouver, British Columbia ("Rea Petro"). Rea Petro is a reporting company listing on the Vancouver Stock Exchange.

The Issuer will participate in the exploration and development of the Property by purchasing 250,000 shares of Rea Petro at \$1.00 per share, the entire proceeds of which will be used exclusively to carry out the preliminary evaluations of the Property in accordance with the Report of F.M. Smith, P.Eng. If the preliminary evaluation proves successful and the Issuer elects to participate further in the development of the Property, but not later than July 4, 1983, the Issuer will enter into a joint venture with Rea Petro and will have earned a 51% interest in Rea Petro's interest in the Property when the Issuer has placed \$400,000. in trust for that purpose, which funds will be used to carry out further exploration on the Property. Subsequent funds required for the further development of the Property will then be contributed in the ratio of 51% by the Issuer and 49% by Rea Petro.

The Statement of Material Facts of LINCOLN RESOURCES INC. (the "Issuer") dated October 28, 1982 and accepted for filing November 8, 1982, is amended in the following respects:

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER

- (a) Neil D.S. Westoll, Ph.D., of 82 Chartwell Road, Oakville, Ontario, was appointed a Director of the Issuer on December 21, 1982. His chief occupation is Senior Geological Consultant, Hill, Goettler, De LaPorte Limited, Mining and Geological Consultants, 904 - 80 Richmond Street, West, Toronto, Ontario. He beneficially owns no shares of the Issuer.
- (b) Directors have exercised options to purchase, in the aggregate, 100,000 shares of the Issuer, yielding \$78,000. to the Issuer.
- (c) Based upon recommendations made by the Issuer's Engineering Consultants, Hill, Goettler, De LaPorte Limited, the Issuer purchased 100,000 units of an offering of Silver Lake Resources Inc., an Ontario mining company, for a price of \$75,000. Each unit consisted of one common share and one Share Purchase Warrant. The acquisition was paid for from funds derived from the exercise of Directors' options.

As of the Effective Date of this Amendment, the Issuer has sold all of the shares and 30,000 of the Warrants for a net of approximately \$223,000., or a profit on the transaction of approximately \$148,000. The balance of the Warrants have expired.

- (d) As at the date of this Amendment, Series "D" Warrants of the Issuer have been exercised to purchase 100,000 shares of the Issuer, yielding \$225,000. to the Issuer for working capital.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

- (a) B.V.O. Project, Yuma County, Arizona

The Issuer has agreed to participate in the exploration and development of lode mining claims (the "Property") situate in the Sheep Tanks Mining District, Yuma County, Arizona. The property consists of a lease and option to purchase a 90% interest in 3½ unpatented lode mining claims, an option to purchase seven unpatented lode mining claims and approximately 320 additional unpatented lode mining claims.