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

December 1, 1983

Ms. Jan Brown
Suite 1012
470 Granville Street
VANCOUVER, B.C.
V6Y 1V5

Dear Ms. Brown:

Thank you for your recent inquiry into the current status and ongoing direction of Can-Ex Resources Ltd.

As you know, the Company has completed its first financing and is fully listed on the Vancouver Stock Exchange (CXZ). Exploration programs, as specified in the enclosed prospectus, are well under way. We have enclosed, as well, an informational brochure and copies of three initial news releases.

We look forward to advising you of the Company's progress.

Yours truly,
Can-Ex Resources Ltd.

David E. Chowen, B.Comm.
Corporate Secretary

DEC/pal
Encl.



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NEWS RELEASE
No. 1

AUGUST 24, 1983 REPORT IN GEORGE CROSS NEWSLETTER NO. 163(1983)

CAN-EX RESOURCES LTD.

EXPLORATION AND ASSESSMENT WORK UNDERWAY IN PREPARATION FOR FULL FALL PROGRAM

Two of the gold properties held by Can-Ex Resources Ltd. in Arizona are the: Overshot and the Gold Hill West, which are located about five miles south of Salome, La Paz county, about 80 miles west northwest of Phoenix. The company has recently started a preliminary exploration program, including assessment work, in preparation for an extensive program in the Fall.

The Harquahala mine which lies adjacent to the Overshot property has estimated production of 200,000 oz. gold plus 180,000 oz. silver. This ore was extracted from structures related to two northerly striking vein faults which dip toward each other. The area between the veins is complexly faulted. This created a low grade stockwork gold deposit. The Overshot property shows similar geologic structures.

The Overshot property has demonstrated that the rock is amenable to heap leaching through small tonnage tests by the previous owner. The exploration of the property is planned to test for the larger tonnage heap leach material as well as for quartz veins carrying high grade gold values. Mapping and sampling of the old showings is the first step of the program.

The Gold Hill West property is on the same geological trend as the Harquahala and holds the same dual gold potential. Detail mapping of a limestone formation and related geology is planned prior to selection of drill targets.

Can-Ex Resources Ltd. recently completed a prospectus offering of 600,000 shares at \$1.00 with the shares listed on the Vancouver Stock Exchange August 17, 1983, symbol CXZ.

Can-Ex has programs underway on its other properties. (See map overleaf.)

August 24, 1983
Silverado Mines Ltd.

G.L. Anselmo, B.A.
President



CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
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NEWS RELEASE
No. 2

AUGUST 31, 1983 REPORT IN GEORGE CROSS NEWSLETTER NO. 168(1983)

CAN-EX RESOURCES LTD.

ARIZONA GOLD SEARCH PROGRAM PLANNED

Assessment work and preliminary exploration are underway on the Pump mine and the Gold Crown mine properties of Can-Ex Resources Ltd. located 11 miles south of Aguila, Maricopa county, 60 miles north west of Phoenix, Arizona.

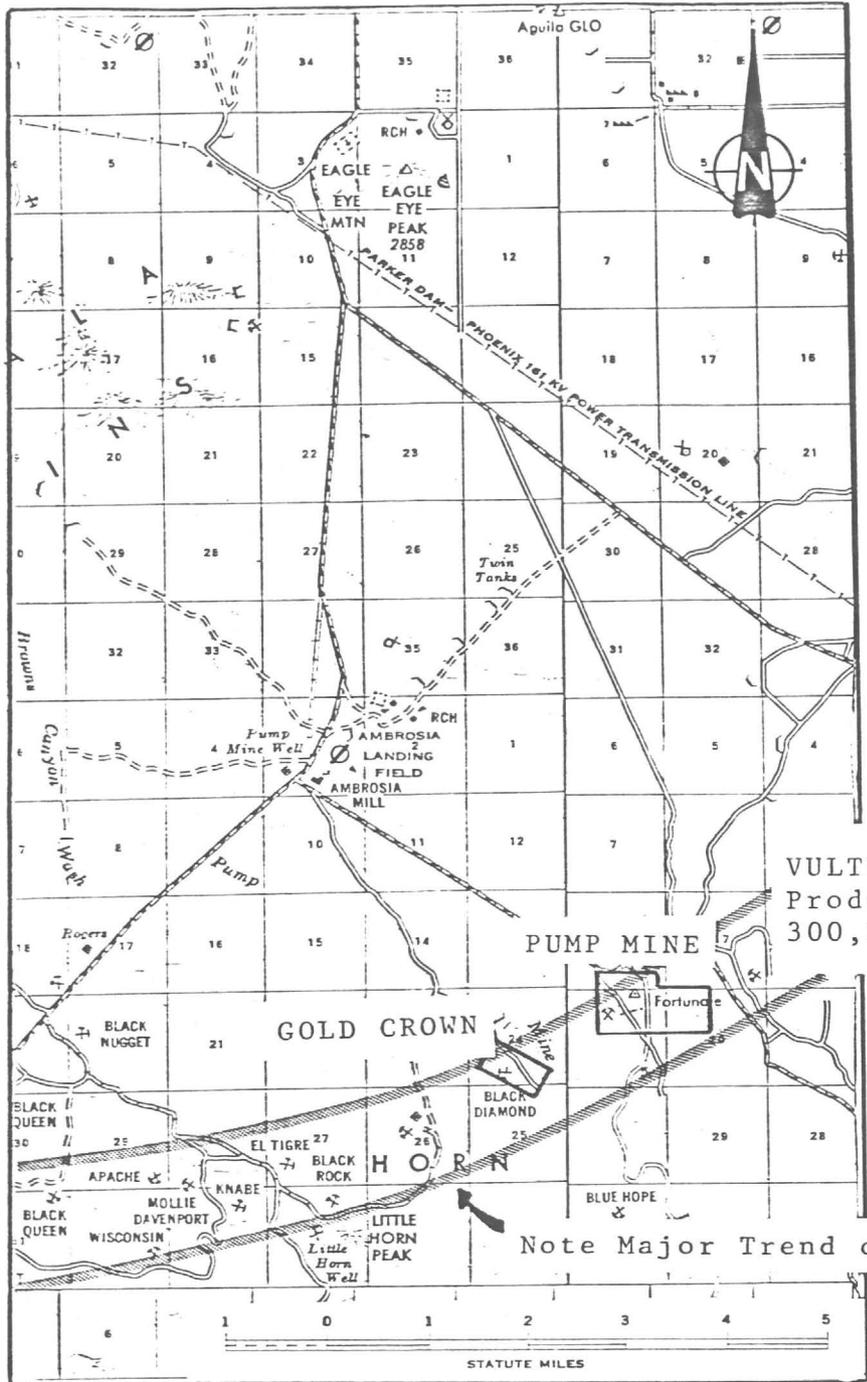
In U.S. Bureau of Mines reports, the shaft on the Pump mine is reported to have a decline depth of 320 feet on the dip of the vein. The vein has a length of 4,000 feet on surface which has been established by a number of shafts and open cuts. At present the main shaft is accessible to a depth of 160 feet. The Mines Bureau report states, "The ore in the upper levels has been oxidized to a considerable extent,..... The ore in the lower levels is oxidized very little and the gold is associated almost entirely with sulphides of iron, copper, lead and zinc." Can-Ex work has located no sulphide ore down to 160 feet or on the dumps which indicates that there is probably ore in place below the 160 foot level. The circular also states, "During January 1937 stoping was started on the deeper levels where the ore consists almost entirely of gold bearing sulphides. Recovery dropped so low that it was considered advisable to stop operating...." These records show a good exploration target below the area of stoping. Mill heads were about 0.35 oz. gold per ton with the 50 ton per day capacity mill operating for a five month period.

The Gold Crown property is a few thousand feet southwest of the Pump mine on the same regional trend. There are several shafts and pits on the claims one of which is reported to have yielded some very high grade gold ore. A wash which cuts across the vein was placer mined. (See property location map overleaf.)

The most significant mine in the area of the Pump and Gold Crown is the Vulture mine, about 12 miles east. It produced over 300,000 oz. of gold. The El Tigre mine, a couple of miles to the southwest of the Gold Crown, also had some production. These mines are all on a major regional trend.

September 1, 1983
Can-Ex Resources Ltd.

G.L. Anselmo, B.A.
President



VULTURE MINE 10 Miles →
 Produced over
 300,000 oz. GOLD

Note Major Trend of Mines and Prospects



WEST-CENTRAL ARIZONA GOLD PROJECT

PUMP MINE and GOLD CROWN Properties



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BOX 12542, OCEANIC PLAZA
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VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

NEWS RELEASE

No. 3

SEPTEMBER 26, 1983 REPORT IN GEORGE CROSS NEWSLETTER NO. 186 (1983)

CAN-EX RESOURCES LTD.

SECOND PHASE OF EXPLORATION PLANNED FOR HAZELTON, B.C.

LARGE ACREAGE SILVER PROJECT

Can-Ex Resources Ltd. has recently completed the first phase of recommended work on the American Boy silver-lead-zinc property located 10 miles north of Hazelton, B.C. The program has included geological mapping, soil sampling, and geophysical surveys. The work located a number of targets, and diamond drilling of several of these is planned in the next work phase which is to start in the next month.

The American Boy silver property is only 1 mile east of the Silver Standard Mine which has recorded production of over 7,000,000 ounces of silver and 15,000 ounces of gold from high grade veins.

The American Boy property was first developed in the period 1910 - 1920 with further work in the early 1950's. Several hundred tons of high-grade silver ore have been shipped in the past.

The claims cover about 8 square miles and there are 10 known silver-gold veins. Geochemical surveying suggests the presence of many more veins. (See property location map overleaf.)

September 27, 1983
Can-Ex Resources Ltd.

David E. Chowen, B.Comm.
Director



CAN-EX RESOURCES LTD.

CORPORATE DATA

DIRECTORS: Garry L. Anselmo, B.A.
David E. Chowen, B.Comm.
Gary G. Pelzer, C.A.
Peter J. Frohloff
Robert Wayne Morgan

OFFICERS: Garry L. Anselmo, B.A.
President
David E. Chowen, B.Comm.
Secretary

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

**REGISTRAR &
TRANSFER AGENT:** GUARANTY TRUST
COMPANY OF CANADA
800 W. Pender Street,
Vancouver, B.C. V6C 1J8
(604) 681-0151

**SOLICITORS:
(Canada)** John R. Mackay
DAVIS & COMPANY
15th Floor,
The Burrard Building
1030 West Georgia Street,
Vancouver, B.C. V6E 3C2
(604) 687-9444

**ATTORNEYS:
(U.S.A.)** J. P. Tangen
ROBERTSON, MONAGLE,
EASTAUGH & BRADLEY
210 Ferry Way,
Juneau, Alaska 99802
(907) 586-3340

**CONSULTANTS:
(Canada)** TRI-CON MINING LTD.
Box 12542 - Suite 2580
25th Floor, Oceanic Plaza
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2
(604) 689-8971

**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
(604) 689-8971

BANKS: CANADIAN IMPERIAL BANK
OF COMMERCE
1066 West Hastings Street,
Vancouver, B.C. V6E 3X1
(604) 664-2892

ALASKA NATIONAL BANK
OF THE NORTH
Box 60730,
Fairbanks, Alaska 99706

HEAD OFFICE: Box 12542, Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2
(604) 682-2269

**REGISTERED
OFFICE &
RECORD OFFICE:** 14th Floor,
The Burrard Building,
1030 West Georgia Street,
Vancouver, B.C. V6E 3C2

CAPITALIZATION: Authorized: 10,000,000
shares, no par value
Outstanding: 1,751,000
shares
Cash on Hand:
at February 15, 1983
\$22,936

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



Can-ex Resources Ltd. makes its debut into the public sector as a Mining Company invested in four past producing gold mines in Arizona and one past producing silver mine in British Columbia.

The properties have been worked on recently and significant findings have been encountered on them all. Various assay samples from both underground and surface as well as soil samples have been taken from the properties and are currently being analyzed for gold and silver. Results of this work will be released soon.

Can-ex is presently setting up to drill for reserves on these properties. The consulting-service firm, Tri-Con Mining Ltd. and Inc. has a drill on the Arizona properties and a drill on the B.C. property.

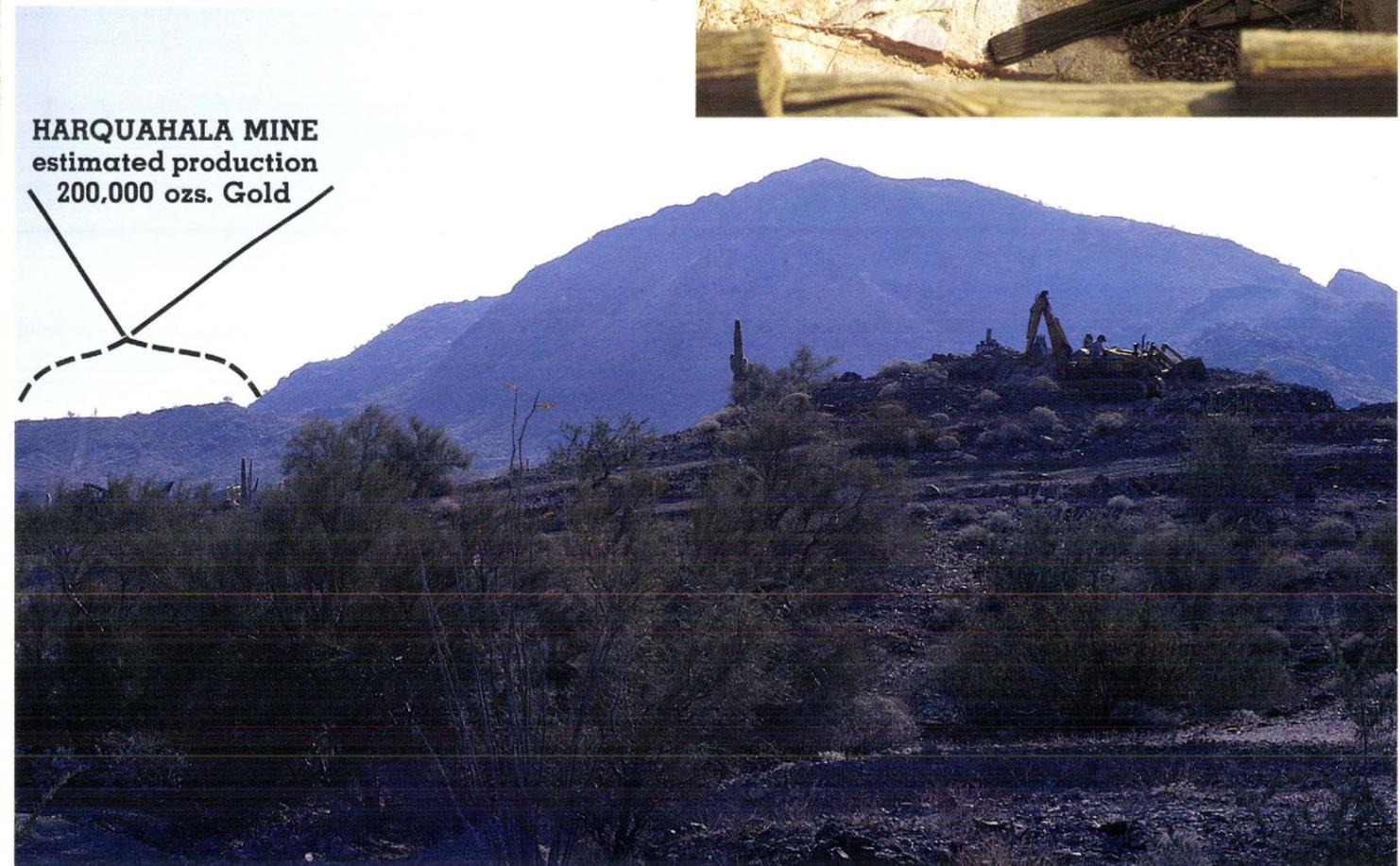
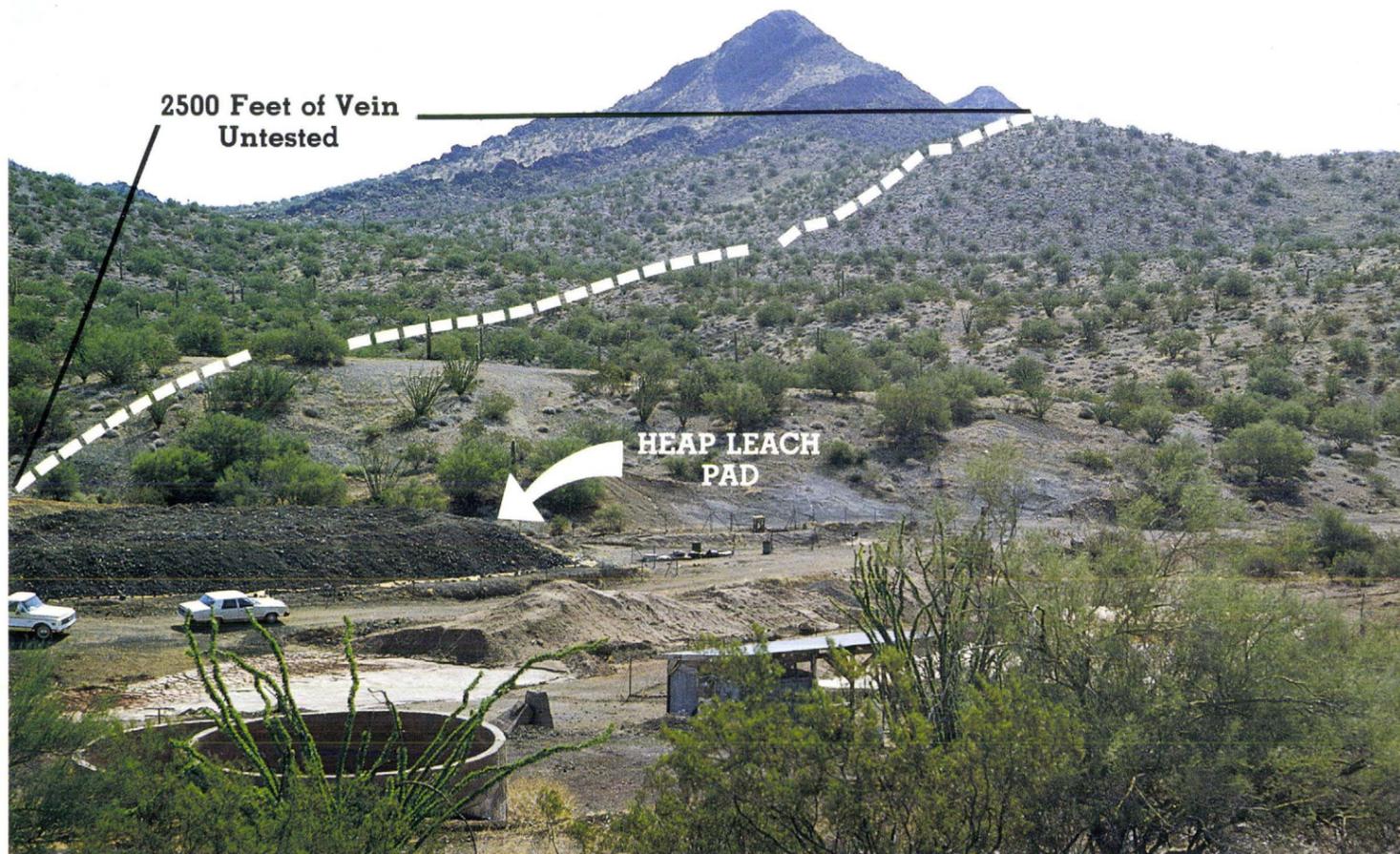
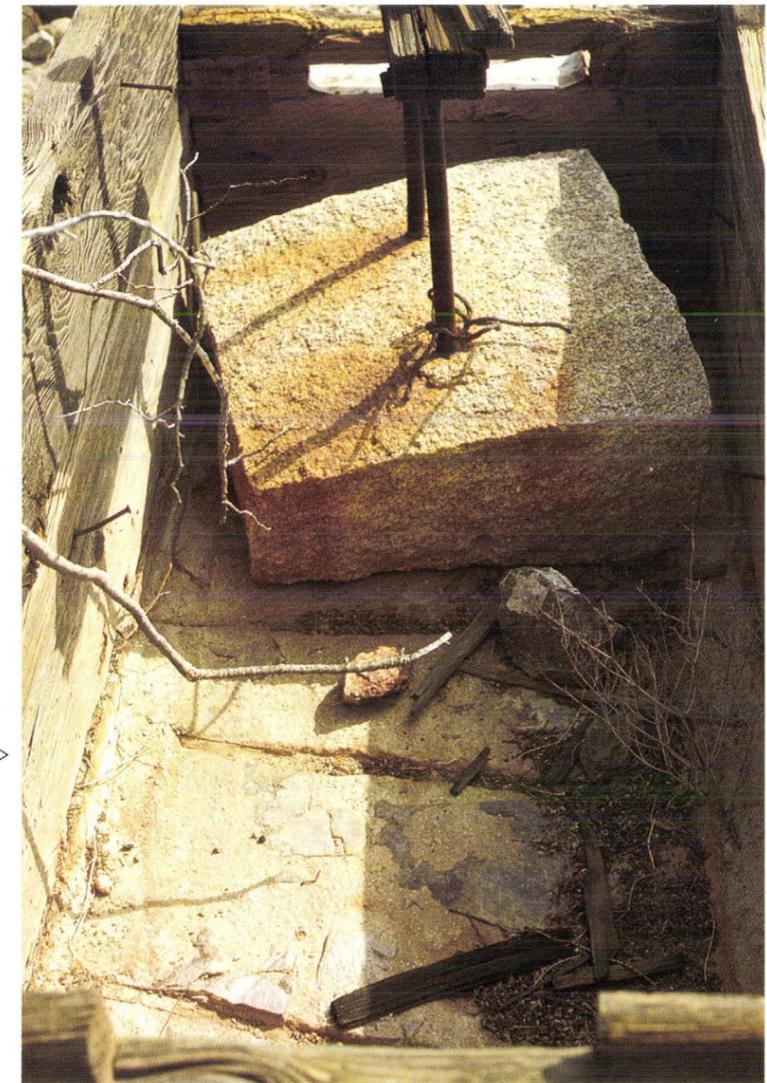
The directors of Can-ex bring to the Company considerable experience in both marketing and property management. They have successfully managed Silverado Mines Ltd. for eleven years and have operated the consulting firm of Tri-Con Mining Ltd. for fifteen years.

We look forward to significant findings on our properties and to success in the production of precious metals.

Part of Pump Mine Area — note Heap Leach Pad of 1981 test program. Gold bar at left was derived from this test. Bar weighed 81 ounces and contained 45 ounces of gold and 25 ounces of silver. The test has proven that the extremely low cost method of Heap Leach extraction is viable on the property.

Old Arrastre used to separate coarse gold from quartz. Such old time, hand built devices attest to the high grade nature of the gold ore.

Can-ex's overshot property with former producing gold mine in background. Backhoe at right center of photo is on outcrop with features similar to the Harquahala Mine.



EFFECTIVE DATE: June 10, 1983

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL THE SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NEW ISSUE

PROSPECTUS

CAN-EX RESOURCES LTD.

Incorporated under the laws of the
Province of British Columbia

DATED: APRIL 20, 1983
600,000 Shares

| | Price to Public | Maximum* Broker's Commission | Minimum* Net Proceeds to be received by Issuer** |
|-----------------|--------------------|------------------------------------|---|
| Per Share | \$1.00 | \$0.10 | \$0.90 |
| Total | \$600,000 | \$60,000 | \$540,000 |

* The total broker's commission may be less than that set out and the net proceeds correspondingly higher, depending upon the number of shares sold by brokers (see page 1 "Plan of Distribution").

** Before deducting the cost of the issue estimated not to exceed \$15,000.

THERE IS NO MARKET FOR THE COMMON SHARES OF THE ISSUER.

THE SHARES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE SECURITIES AS THE ISSUER'S MINERAL PROPERTIES ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAMMES ARE AN EXPLORATORY SEARCH FOR ORE.

THE BOUNDARIES OF THE MINERAL PROPERTIES REFERRED TO IN THIS PROSPECTUS HAVE NOT BEEN SURVEYED AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPLICABLE JURISDICTION, THEIR PRECISE LOCATION AND AREA MAY BE IN DOUBT.

REFERENCE SHOULD BE MADE TO ITEM 11, "PRINCIPAL HOLDERS OF SECURITIES", FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS, DIRECTORS, SENIOR OFFICERS, AND CONTROLLING PERSONS WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO ITEM 8, "DIRECTORS AND OFFICERS", FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF JUNE 10, 1983. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED ON PAGE 1 UNDER THE CAPTION "PLAN OF DISTRIBUTION".

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| CERTIFICATE OF THE ISSUER | |

CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act of the Province of British Columbia and the regulations thereunder.

DATED APRIL 20, 1983

| | |
|--|--|
|  GARRY LEROY ANSELMO President, Director & Promoter |  DAVID ELMOR CHOWEN Secretary & Director |
|  ROBERT WAYNE MORGAN Director |  PETER JURGEN FROHLOFF Director |

(1) PLAN OF DISTRIBUTION

The Issuer, by this Prospectus, offers for a period of 180 days from the date ("Effective Date") of acceptance of this Prospectus by the Superintendent of Brokers for British Columbia ("Superintendent") to sell to the public 600,000 shares of the Issuer at a price of \$1.00 per share. The shares will be sold by the trading directors of the Issuer who will not receive a commission or other remuneration for the sale of such shares. Shares of this issue may also be sold by registered brokers or broker-dealers and the Issuer has agreed to pay a commission of \$0.10 per share with respect to any shares sold by registered brokers or broker-dealers. The directors of the Issuer may purchase some of the shares offered hereunder.

Minimum Subscription

If all of the shares being offered hereunder are not sold within 180 days from the Effective Date, all funds will be returned to the purchasers without deduction. In the event of an over-subscription for the shares offered, the shares may be pro-rated among the subscribers. All funds received from the sale of the shares will be held in trust by Guaranty Trust Company of Canada, 800 West Pender Street, Vancouver, British Columbia, until the full amount of \$600,000 has been raised and notice of the release of the funds is given to the Superintendent, at which time the full amount of the money received less \$2,125 and any commission payable will be paid to the Issuer. The \$2,125 will continue to be held in trust by Guarantee Trust Company of Canada to be used to pay the application fee for listing the Issuer's shares on the Vancouver Stock Exchange ("Exchange").

(2) USE OF PROCEEDS TO ISSUER

The minimum net proceeds to be received by the Issuer will be \$540,000 and the principal purposes for which these funds are to be spent are as follows:

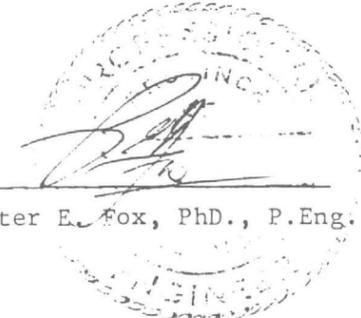
- | | |
|--|----------|
| (a) To pay the cost of this issue, including legal, audit and printing costs estimated at... | \$15,000 |
| (b) To pay the Vancouver Stock Exchange Listing fee... | 2,125 |
| (c) To pay accounts payable at the date of this Prospectus... | 21,448 |

| | |
|--|------------------|
| (d) To carry out the exploration program on the Issuer's American Boy property as recommended by P.E. Fox Phd. P. Eng., in his report dated October 6, 1982 which forms a part of this Prospectus... | 168,000 |
| (e) To carry out the exploration program on the Issuer's Overshot Prospect as recommended by P.E. Fox Phd. P. Eng., in his report dated October 19, 1982 which forms a part of this Prospectus... | 16,000 |
| (f) To carry out the exploration program on the Issuer's Gold Crown Prospect as recommended by P.E. Fox Phd. P. Eng., in his report dated October 14, 1982 which forms a part of this Prospectus... | 31,500 |
| (g) (i) To carry out Stage I of the exploration program on the Issuer's Pump Mine Prospect as recommended by P.E. Fox Phd. P. Eng., in his report dated October 15, 1982 which forms a part of this Prospectus... | 64,000 |
| (ii) If warranted by the results of Stage I, to carry out Stage II of the recommended exploration program for this Prospect... | 31,000 |
| (h) (i) To carry out Stage I of the exploration program on the Issuer's Gold Hill West Prospect as recommended by P.E. Fox Phd. P. Eng., in his report dated October 18, 1982 which forms a part of this Prospectus... | 40,000 |
| (ii) If warranted by the results of Stage I, to carry out Stage II of the recommended exploration program for this Prospect... | 67,500 |
| (i) To provide working capital... | <u>83,427</u> |
| TOTAL... | <u>\$540,000</u> |

CERTIFICATE

I, Peter Edward Fox, certify to the following:

1. I am a consulting geologist residing at 3743 Roblin Place, North Vancouver, British Columbia.
2. I am a Professional Engineer registered with the Association of Professional Engineers in British Columbia.
3. My academic qualifications are:
B.Sc. and M.Sc., Queens University, Kingston, Ontario
PhD., Carleton University, Ottawa, Ontario.
4. I have been engaged in geological work for fifteen years since graduation.
5. I have no interest, direct or indirect, in the properties, shares or securities of Can-Ex Resources Ltd. nor do I expect to receive any.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts.



Peter E. Fox, PhD., P.Eng.

Vancouver, British Columbia
October 18, 1982.

REFERENCES AND BIBLIOGRAPHY

BANCROFT, H., (1911) Reconnaissance of the Ore Deposits in Northern Yuma County, Arizona, U.S.G.S. Bulletin 451

KEITH, S.B., (1978) Index of Mining properties in Yuma County, Arizona. State of Arizona, Bureau of Geology and Mineral Technology Bulletin 192.

WILSON, E.D., CUNNINGHAM, J.B., and BUTLER, G.M., (1967) Arizona lode gold mines and gold mining, Arizona Bureau of Mines Bulletin 137.

Any additional funds received from this offering due to the non-payment of commission will be added to the working capital of the Issuer.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

Should the Issuer intend to use the proceeds to acquire other than trustee type securities, approval by the shareholders of the Issuer must first be obtained, and notice of the intention filed with the securities regulatory authorities having jurisdiction over the sale of the securities offered by this Prospectus.

The Issuer may, pursuant to the written recommendations of a qualified engineer or geologist, abandon in whole or in part any of its property or may alter, as work progresses, the recommended work programmes, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money not so expended for the purpose of conducting work or examining other properties acquired by the Issuer after the date of this Prospectus, although the Issuer has no present plans in this regard. If any such event occurs during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed. If any such event occurs subsequent to completion of the primary distribution, shareholders will be notified.

(3) SHARE CAPITAL STRUCTURE

The Issuer is authorized to issue 10,000,000 shares without par value, of which 1,751,000 shares are presently issued and outstanding.

All the shares of the Issuer, including those offered by this Prospectus, are common shares, they are not subject to any future call or assessment, and they all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the shares, and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the shares.

| Designation of Shares | Shares authorized | Outstanding on date of balance sheet herein | Outstanding on date of Prospectus | Outstanding after Offering |
|-----------------------|-------------------|---|-----------------------------------|----------------------------|
| Common | 10,000,000 | 1,751,000 | 1,751,000 | 2,351,000 |

(a) Shares sold for cash at the date of the Prospectus

| <u>Number of Shares</u> | <u>Price</u> | <u>Commission Paid</u> | <u>Cash Received</u> |
|-------------------------|--------------|------------------------|----------------------|
| 1,001,000 | \$0.15 | nil | \$150,150 |

These shares are subject to a pooling agreement, see Item (10).

(b) Shares issued for property at the date of the Prospectus

A total of 750,000 shares in the capital stock of the Issuer have been issued for the properties of the Issuer at a deemed value of \$0.01 per share. These shares are escrowed to the order of the Superintendent of Brokers.

(4) NAME AND INCORPORATION OF ISSUER

The Issuer was incorporated under the laws of the Province of British Columbia by memorandum on September 20, 1982 under the name of Can-Ex Resources Ltd.

The Issuer's head office address is Box 12542, 2580 - 1066 West Hastings Street, Vancouver, British Columbia, and its registered and records offices are at 1400 - 1030 West Georgia Street, Vancouver, British Columbia.

The Issuer is the sole beneficial and registered owner of all the issued and outstanding shares of Can-Ex Resources (U.S.) Inc., of 2nd Floor, 210 Ferryway, Juneau, Alaska, U.S.A., 99801, a company incorporated under the laws of the State of Alaska, U.S.A.

(5) DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Issuer's principal business which it carries on or intends to carry on is the acquisition, exploration and development of resource properties.

American Boy Property

The Issuer is the sole beneficial owner of 14 contiguous mineral claims located in the Omenica Mining Division of the Province of British Columbia, more particularly described as:

RECOMMENDED PROGRAM AND SPECIFICATIONS

STAGE I

| | | |
|--|-----------------------------|-----------|
| (1) <u>Geological mapping, sampling</u> Underground and surface, one geologist and sampler, 6 weeks Geologist, 45 days @ \$300/day Sampler, 10 days @ \$100/day Support, 55 mandays @ \$27/day | \$ 13,500 1,000 1,500 | \$ 16,000 |
| (2) <u>Refurbish underground workings, allow</u> | | 8,000 |
| (3) <u>Diamond Drilling or rotary/percussion</u> Allow 100 metres @ \$80/m | | 8,000 |
| (4) <u>Assays</u> 100 @ \$15/sample | | 1,500 |
| (5) <u>Engineering and Supervision</u> Estimated cost + 20%, allow | | 6,500 |
| TOTAL ESTIMATE STATE I | | \$ 40,000 |

STATE II

Contingent on the successful completion of Stage I above.

| | | |
|---|--|-----------|
| (1) <u>Drilling</u> 700 metres @ \$80/m | | \$ 56,000 |
| (2) <u>Assays</u> 100 @ \$15/sample | | 1,500 |
| (3) <u>Engineering and supervision, allow</u> | | 10,000 |
| TOTAL ESTIMATE STATE II | | \$ 67,500 |
| TOTAL STAGES I AND II | | \$107,500 |

Prepared by
FOX GEOLOGICAL CONSULTANTS LTD.

P.E. Fox, Rhd., P.Eng.

October 18, 1982

EXPLORATION POTENTIAL

Encouraging assays taken over significant widths and lengths have been obtained from both the lower and upper drifts. Gold appears to be present, both has low grade zones and has restricted, high grade zones or shoots within the shear systems. Although not fully established, gold content also appears to increase with depth, probably a result of local leaching and concentration of gold within the oxidized zone. Hence high grade shoots may or may not continue downwards into the protore material below the water table. It is notable that the distribution of gold host rocks is similar to the Harquahala mine, from which significant amounts of gold were recovered from high grade shoots. The low grade material at Gold Hill West is also potential heap-leach material.

A drill program to explore the property is fully warranted. In addition, surface and underground geological mapping, sampling and topographic control should be implimented in order to firm drill targets and establish structure, ore controls and gold distribution prior to selecting final drill sites. The following program allows for 800 metres of drilling but does not specify drill locations at the present time.

| <u>Claim Name</u> | <u>Record No.</u> |
|-------------------|-------------------|
| Janelle | 319 |
| Cindy Lou | 320 |
| AB-1 - AB-4 | 3785 - 3788 |
| AB-5 - AB-8 | 4116 - 4119 |
| AB-9 - AB-12 | 4711 - 4714 |

The Issuer acquired this property by agreement dated September 30, 1982 from Tri-Con Mining Ltd. at a cost of \$21,415 representing the Vendor's out-of-pocket costs with respect to the property, an undivided one-half of 750,000 shares which are escrowed to the order of the Superintendent of Brokers and a royalty of 5% of the net smelter returns derived from the property against which the \$21,415 is to be credited. For a complete description of the purchase agreement see the heading "Tri-Con Agreement" at the end of this Item 5.

The property, covering an area of approximately 2050 hectares, is situated in central British Columbia ten kilometres northeast of Hazelton, B.C., and is readily accessible by a gravel surfaced access road from Highway #16.

The Issuer is required to perform annual assessment work in the amounts of \$9,316 for 1983 and 1984, \$17,016 for 1985, and \$17,416 for 1986 and subsequent years to meet the minimum requirements with respect to this Property.

According to the report of P.E. Fox, PhD. P.Eng., dated October 6, 1982 which forms a part of this Prospectus, the exploration potential of the prospect is regarded as excellent. The Prospect comprises eight silver-bearing veins explored and developed at various times since 1911. The veins fill north and northeasterly faults and fissure zones in a brownish weathering tuffaceous greywacke of the Bowser Group. All veins are banded, sharp-walled, composite veins that consist of quartz, siderite and 1% to 5% sulphides, mainly galena, sphalerite, arsenopyrite, tetrahedrite and pyrite. Gold is associated with arsenopyrite-bearing veins and silver with galena-sphalerite-tetrahedrite veins. The veins range from 10 centimetres to 1.5 metres thick within which ore-grade material is developed in narrow shoots up to 30 metres wide.

The Issuer intends to carry out the exploration program recommended by Mr. Fox in his report of October 6, 1982, at a cost of \$160,000. The program includes grid preparation, geological mapping, geochemical soil survey, EM-16 survey, backhoe trenching, diamond drilling and assaying. Preliminary work on the soil survey has been commenced but the samples have not yet been assayed and, accordingly, no results are available.

There is no surface or underground plant or equipment and no known body of commercial ore on the property. The proposed program is an exploratory search for ore.

Arizona Properties

By agreement with Tri-Con Mining Ltd. made the 30th day of September 1982 the Issuer acquired all of the outstanding shares of Can-Ex Resources (U.S.) Inc. which company holds options to purchase four mineral properties situated in Arizona, U.S.A. The cost to the Issuer of these four properties was \$189,603 representing the Vendor's out-of-pocket costs of \$25,042 for property payments and \$186,309 for exploration work, as described below, totalling \$211,351 less \$21,748 of proceeds from the sale of gold recovered from the properties, an undivided one-half interest in 750,000 shares which are escrowed to the order of the Superintendent of Brokers and a royalty equal to 5% of the net smelter returns derived from the properties against which the \$189,603 is to be credited. For a complete description of the purchase agreement see the heading "Tri-Con Agreement" at the end of this Item 5. A full description of the four properties including a description of work carried out by the Vendor and work proposed to be carried out by the Issuer is as follows:

(a) Pump Prospect

This gold prospect consisting of 18 contiguous federal mining claims is located in the Big Horn District, Maricopa County, Arizona, U.S.A., and is known as the Pump Mine, Pump Mine 1-6, and Pump 1-11 claims. The property is situated 24 kilometres south of Aquila, Arizona. A well maintained, gravel-surfaced road leading south from Aquila, and a short seven-kilometre mine road, provide access to the property.

During 1981, Tri-Con Mining Ltd. carried out an extensive exploration program consisting of trenching rotary drilling and related surface and underground exploration and then acquired and assembled a small portable milling plant for the testing of high-grade ores mined from the property and also constructed a heap leach plant to test low-grade ores on the property and carried out a successful test on 2,500 tons of material at a cost of approximately \$176,974. From these pilot operations gold to the value of \$21,748 was recovered.

The Option Agreement is for a term of 15 years from May 19, 1981 and calls for monthly payments of \$372 (\$300 U.S.) on the 1st day of each month (\$4,467 (\$3,600 U.S.) per year) and a royalty of 7.5% of the proceeds from the sale of all ores, minerals or other materials recovered from the property, such payments to be credited to the total purchase price of \$62,000 (\$50,000 U.S.). Option payments made to

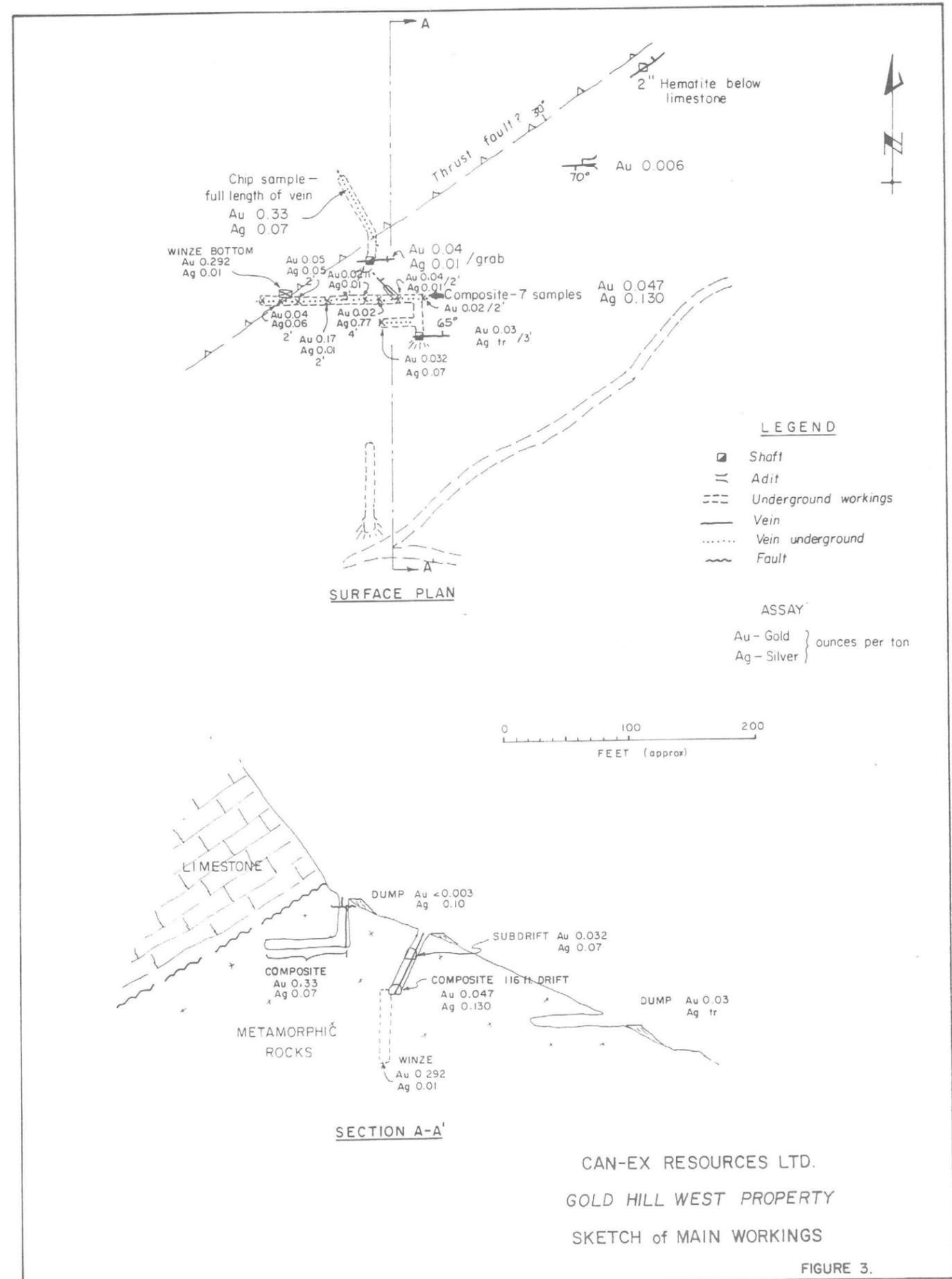


TABLE II
GOLD HILL WEST - TABLE OF ASSAYS

| NO. | WIDTH | GOLD OZ/TON | SILVER OZ/TON | DESCRIPTION | SAMPLER |
|-------|---------|-----------------|------------------|--|------------------------|
| 957 | 9" | 0.012 | trace | * Footwall of vein | W.G. Stevenson, P.Eng. |
| 958 | 14" | 0.030 | trace | * Mid-vein | " " " |
| 959 | 12" | 0.018 | trace | * Hanging wall of vein | " " " |
| | | | | * (on surface at lower shaft) | |
| 86701 | - | <0.003 | 0.10 | Hematite-stained dump material Upper shaft | A. Homenuk, P.Eng. |
| 18820 | 12" | 0.044 | 0.01 | Upper shaft | P.E. Fox, P.Eng. |
| 18821 | 2' | 0.006 | 0.01 | East pit | " " " |
| 18827 | - | 0.032 | 0.07 | Subdrift S. shaft | H. Randall * |
| 18828 | 2' | 0.020 | 0.01 | S. Drift, 0' | " " |
| 18829 | 2' | 0.040 | 0.01 | S. Drift 25' | " " |
| 18830 | 4' | 0.021 | 0.77 | S. Drift 35' | " " |
| 18831 | 3' | 0.023 | 0.01 | S. Drift 50' | " " |
| 18832 | 2' | 0.165 | 0.01 | S. Drift 75' | " " |
| 18833 | 2' | 0.046 | 0.04 | S. Drift 100' | " " |
| 18834 | 2' | 0.038 | 0.06 | S. Drift 116' | " " |
| 18835 | - | 0.039 | 0.01 | S. Drift footwall 116' | " " |
| 18836 | - | 0.293 (0.219)** | 0.01 | Botton winze | " " |
| 18837 | 116' | 0.048 | 0.13 | Drift composite | " " |
| 18838 | 30' (?) | 0.303 (0.334)** | 0.07 | Upper drift, length uncertain | " " |
| 18839 | - | 0.333 (0.321)** | 0.07 | Composite upper drift | " " |

NOTES - * Randall samples submitted to Acme Analytical Laboratories Limited by P.E. Fox,
** Check samples by fire assay, others by atomic absorption.

the date of this Prospectus total \$9,006 (\$7,300 U.S.). In addition to these payments, the Issuer is required to perform annual assessment work in the amount of \$2,232 (\$1,800 U.S.) to meet the minimum requirements with respect to the Property. The Option Agreement provides that any claims located in the future by the Optionor or the Optionee within one mile of the premises shall also become subject to its terms. The Optionor may terminate the option on notice if the Optionee is in default more than 60 days and the Optionee may terminate 60 days after written notice.

The Pump Mine was an active gold producer in the 1920's and 1930's. Most of the production was obtained from a 150-foot inclined shaft with levels developed at 60 feet and 120 feet. Several stopes were developed upward from both levels. Other test pits and numerous small shafts and trenches were excavated along the strike of the Pump vein. There is no surface or underground plant or equipment and no known body of commercial ore on the Property.

Based on a report dated October 15, 1982 prepared by the Issuer's consulting engineer, P.E. Fox, PhD. P. Eng., (a copy of which report forms a part of this Prospectus) the Issuer intends to carry out an exploratory search for ore. The report recommends a two-stage work program, Stage I of which includes geological mapping, EM-16 surveys, sampling, and diamond drilling at a cost of \$64,000. Stage II is contingent upon the successful completion of Stage I and includes further diamond drilling at a cost of \$31,000. The Issuer has commenced the recommended program by carrying out underground and surface sampling but as yet these samples have not been analyzed or assayed.

(b) Gold Crown Prospect

This is a gold prospect consisting of 10 contiguous federal mining claims located in the Big Horn District, Maricopa County, Arizona, U.S.A., and known as the Gold Crown and Gold Crown Nos. 1 - 9 claims. The property is situated some 20 kilometres south of Aquila, a small village approximately 100 kilometres west of Phoenix on Highway 60. A well maintained, gravel-surfaced road leading south from Aquila, together with a short service road, provide access to the property.

During 1981 Tri-Con Mining Ltd. carried out an exploration program consisting of mapping, sampling, trenching and testing material recovered from the property in the mill on the Pump Prospect at a cost of approximately \$3,589.

The Option Agreement is for a term of 15 years from May 19, 1981 and calls for monthly payments of \$372 (\$300 U.S.) on the 1st day of each month (\$4,467 (\$3,600 U.S.) per year) and a royalty of 7.5% of the proceeds from the sale of all

ores, minerals or other materials recovered from the property, such payments to be credited to the total purchase price of \$62,000 (\$50,000 U.S.). Monthly option payments made to the date of this Prospectus total \$7,772 (\$6,300 U.S.). In addition to these payments, the Issuer is required to perform annual assessment work in the amount of \$1,240 (\$1,000 U.S.) to meet the minimum requirements with respect to the Property. The Option Agreement provides that any claims located in the future by the Optionor or the Optionee within one mile of the premises shall also become subject to its terms. The Optionor may terminate the option on written notice if the Optionee is in default more than 60 days and the Optionee may terminate 60 days after written notice.

Prior work on the property consists of three test pits, an inclined shaft and connecting stope, and considerable placer work done on a dry wash that trends northerly from the showings. Extensive sampling programs have been done in recent years but no significant work has been done since the early exploration. There is no surface or underground plant or equipment and no known body of commercial ore on the Property.

Based on a report dated October 14, 1982 prepared by the Issuer's consulting engineer, P.E. Fox, Ph.D. P. Eng., (a copy of which report forms a part of this Prospectus) the Issuer intends to carry out an exploratory search for ore. The report recommends a program of geological mapping, EM-16 surveys and a limited percussion or rotary drill program at a cost of \$31,500. The Issuer has commenced the recommended program by carrying out underground and surface sampling but as yet these samples have not been analyzed or assayed.

(c) Overshot Prospect

This property consists of 8 contiguous federal mining claims located in the Ellsworth Mining Division, Yuma 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 2 kilometres east. A well maintained, gravel-surfaced road and local mine road provide access to the property.

The Option Agreement is for a term of 15 years from September 22, 1982 and calls for monthly payments of \$1,240 (\$1,000 U.S.) on the 1st day of each month commencing October 1, 1982 (\$14,883 (\$12,000 U.S.) per year) and a royalty of 7.5% of the proceeds from the sale of all ores, minerals or other materials recovered from the property, such payments to be credited to the total purchase price of \$1,240,000 (\$1,000,000 U.S.). Monthly option payments made to the date of this Prospectus total \$3,701 (\$3,000 U.S.).

shoots in hematite-rich, oxidized and sheared Paleozoic sediments. Sheared and altered rocks within the Harquahala deposit were not exploited but Bancroft (1911) suggested that low-grade gold in the granitic rocks might be profitably mined. Other nearby deposits include the Golden Eagle and Socoro mine.

DESCRIPTION OF THE PROSPECT

The Gold Hill West prospect comprises a sequence of sheared, fractured and altered metasediments that form an eroded pediment slope at the base of a sequence of well-bedded, cliff-forming limestone (Figure 3). The latter is barren and is separated from the mineralized rocks by a north-dipping fault. The limestones appear to form a barren, hangingwall plate that has overthrust mineralized rocks below. All of the mineralized rocks are intensely oxidized, no remnants of the protore remain.

Gold values of significance appear confined to hematite-rich shear zones 0.5 to 1.5 metres thick. These appear to strike easterly in the south shaft workings but trend northerly in the upper shaft below the overthrust limestone (Figure 3). Significant gold values were obtained from most pits and shafts on the property. The best assays were obtained at depth 3 to 4 metres below surface. All sample data are given in Table II and Figure 3. The east-west vein in the south workings returned 0.02 oz/ton to 0.17 oz/ton gold over two to four-foot widths. A composite sample assayed 0.047 oz/ton gold. A single sample taken from the bottom of the winze (Figure 3) returned 0.292 oz/ton gold. The upper shaft returned a composite sample, for the full length of the vein (approximately 10 metres) of 0.33 oz/ton gold. These workings are no longer accessible hence check assays could not be obtained. The sampler, H. Randall, collected the samples on an independent basis, hence they are deemed reliable (all samples are atomic absorption assays with appropriate fire assay checks performed by Acme Analytical Laboratories Limited, Vancouver, B.C.).



In addition to these payments, the Issuer is required to perform annual assessment work in the amount of \$992 (\$800 U.S.) to meet the minimum requirements with respect to the Property. The Option Agreement provides that any claims located in the future by the Optionor or the Optionee within one mile of the premises shall also become subject to its terms. The Optionor may terminate the option on notice if the Optionee is in default more than 60 days and the Optionee may terminate 60 days after written notice.

The most recent work on the Property was carried out by H.L. Lee, the owner of the claims, who attempted to mine and heap leach material derived from the main showings. The recovery was not sufficient to cover operating costs and the plant was closed. There is no surface or underground plant or equipment and no known body of commercial ore on the Property.

Based on a report dated October 19, 1982 prepared by the Issuer's consulting engineer, P.E. Fox, Ph.D. P. Eng., (a copy of which report forms a part of this Prospectus) the Issuer intends to carry out an exploratory search for ore. The report recommends a limited program of geological mapping and geophysical work with follow-up trenching if needed at a cost of \$16,000. The Issuer has commenced the recommended program by carrying out underground and surface sampling but as yet these samples have not been analyzed or assayed.

(d) Gold Hill West Prospect

This is a gold prospect consisting of 30 federal mining claims located in the Ellsworth Mining District, Yuma County, Arizona, U.S.A., and known as the Gold Hill 1 - 8, Gold Hill 18A through 28A and 30A to 40A. The property is situated some 12 kilometres southeast of Salome, Arizona. A gravel-surfaced road leading south from Salome, and a connecting 2.5 kilometre service road, provide access to the property.

During 1981 Tri-Con Mining Ltd. carried out an exploration program consisting of sampling, mapping, trenching and diamond drilling at a cost of approximately \$5,746.

The Option Agreement as amended by agreement dated September 22, 1982, is for a term of 15 years from May 20, 1981 and calls for monthly payments of \$1,240 (\$1,000 U.S.) on the 1st day of each month (\$14,883 (\$12,000 (U.S.) per year) and a royalty of 7.5% of the proceeds from the sale of all ores, minerals or other materials recovered from the property, such payments to be credited to the total purchase price of \$620,000 (\$500,000 U.S.). Monthly option payments made to the date of this Prospectus total \$14,187 (\$11,500 U.S.). In addition to these payments, the Issuer is required to

perform annual assessment work in the amount of \$3,720 (\$3,000 U.S.) to meet the minimum requirements with respect to the Property. The Option Agreement provides that any claims located in the future by the Optionor or the Optionee within one mile of the premises shall also become subject to its terms. The Optionor may terminate the option on notice if the Optionee is in default more than 60 days and the Optionee may terminate 60 days after written notice.

Recent work on the property has been largely confined to sampling programs conducted by various operators, the results of which are set out in the Engineering Report of P.E. Fox, PhD. P. Eng., dated October 18, 1982 a copy of which report forms part of this Prospectus. There is no surface or underground plant or equipment and no known body of commercial ore on the Property.

In his report Mr. Fox recommends a two-stage exploration program. Stage I of the program consists of geological mapping, sampling and drilling at a cost of \$40,000. Stage II is contingent upon the successful completion of the first stage and consists of further drilling at a cost of \$67,500.

The Issuer intends to carry out the recommended program in its exploratory search for ore and has commenced the recommended program by carrying out underground and surface sampling but as yet these samples have not been analyzed or assayed.

Tri-Con Agreement

The Vendor of the above properties, Tri-Con Mining Ltd., is a non-reporting (private) company, the shares of which are owned as to 60% by Garry Leroy Anselmo of 8651 Dorval Road, Richmond, British Columbia, a director of the Issuer, as to 20% by David Elmor Chowen, of 5931 Kittiwake Drive, Richmond, British Columbia, also a director of the Issuer, and the balance of 20% by Alex Homenuke of 29825 Harris Road, Mt. Lehman, British Columbia.

The purchase agreement between the Issuer and Tri-Con Mining Ltd. dated September 30, 1982 pursuant to which the Issuer acquired the American Boy Property and the Arizona Properties provides for a purchase price of:

- (i) 750,000 shares of the Issuer which are escrowed to the order of the Superintendent of Brokers;
- (ii) \$211,018 representing the out-of-pocket costs of Tri-Con Mining Ltd. for property payments and work carried out by it on the properties which is payable as an advance royalty as to \$50,000 on the execution of the agreement, a further \$50,000 on the later of the date by which not less than \$250,000 has been

HISTORY AND PREVIOUS WORK

Much of the early work on the prospect, a series of small pits, two shafts and a short adit, was done early in the century. The main shaft (south shaft) is about fifty feet deep with a sub-level twenty feet from the collar and a 116-foot drift driven west from the shaft bottom. In addition, a short winze was sunk from the drift approximately 100 feet from the shaft. A second shaft (the north shaft), some 30 feet deep, was collared 75 feet northwest of the main shaft. A northerly drift was developed from this shaft for 30 feet in a northwesterly direction.

Recent work has been largely confined to sampling programs conducted by various operators. H. Randall conducted the most comprehensive program to date and his data are included herein.

GEOLOGICAL SETTING

The Gold Hill West prospect lies in the southern Harquahala Mountains, a sequence of folded Paleozoic and Mesozoic sedimentary rocks. The latter rocks comprise a continuous depositional sequence some 3000 metres thick. The Paleozoic rocks are predominantly carbonate rocks with lesser quantities of quartzite, shale and conglomerate. The Mesozoic rocks are mainly rhyodacite, volcanoclastic rocks and arkose. At the south end of the range, the Mesozoic rocks overlie a complex assemblage of intrusive and metamorphic rocks, part of a large metamorphic core complex of mid-Tertiary (?) age.

There are numerous precious metal prospects throughout the Harquahala Mountains and most have received some development work at various times. Mining and development work invariably concentrated on near-surface, oxidized parts of auriferous protore, presumably to recover free milling gold produced during oxidation of the protore material. The Harquahala mine, four kilometres southeast, produced approximately 120,000 ounces of gold between 1891 and 1923. The Harquahala production came from numerous high-grade

TABLE I
CLAIM DATA - GOLD HILL WEST PROSPECT
Ellsworth Mining District,
Yuma County, Arizona

| NAME | LOCATION DATE | RECORDING DATE | DOCKET # | PAGE # | BLM # | |
|----------------|---------------|----------------|------------|--------|---------|------------|
| Gold Hill West | 1 | Jan. 1/82 | Feb. 1/82 | 1265 | 511-512 | AMC 157696 |
| | 2 | " | " | " | 513-514 | AMC 157697 |
| | 3 | " | " | " | 515-516 | AMC 157698 |
| | 4 | " | " | " | 517-518 | AMC 157699 |
| | 5 | " | " | " | 519-520 | AMC 157700 |
| | 6 | " | " | " | 521-522 | AMC 157701 |
| | 7 | " | " | " | 523-524 | AMC 157702 |
| | 8 | " | " | " | 525-526 | AMC 157703 |
| | 18A | June 25/81 | June 26/81 | 1233 | 691-692 | AMC 134419 |
| | 19A | " | " | " | 693-694 | AMC 134420 |
| | 20A | " | " | " | 695-696 | AMC 134421 |
| | 21A | " | " | " | 697-698 | AMC 134422 |
| | 22A | " | " | " | 699-700 | AMC 134423 |
| | 23A | " | " | " | 701-702 | AMC 134424 |
| | 24A | " | " | " | 703-704 | AMC 134425 |
| | 25A | " | " | " | 705-706 | AMC 134426 |
| | 26A | " | " | " | 707-708 | AMC 134427 |
| | 27A | " | " | " | 709-710 | AMC 134428 |
| | 28A | " | " | " | 711-712 | AMC 134429 |
| | 30A | " | " | " | 713-714 | AMC 134430 |
| | 31A | " | " | " | 715-716 | AMC 134431 |
| | 32A | " | " | " | 717-718 | AMC 134432 |
| | 33A | " | " | " | 719-720 | AMC 134433 |
| | 34A | " | " | " | 721-722 | AMC 134434 |
| | 35A | " | " | " | 723-724 | AMC 134435 |
| | 36A | " | " | " | 725-726 | AMC 134436 |
| | 37A | " | " | " | 727-728 | AMC 134437 |
| | 38A | " | " | " | 729-730 | AMC 134438 |
| | 39A | " | " | " | 731-732 | AMC 134439 |
| | 40A | " | " | " | 733-734 | AMC 134440 |

expended by the Issuer on exploration work on the American Boy Property and the Arizona Pump Prospect and the date which is two years after the listing of the Issuer's shares on the Vancouver Stock Exchange, and the balance of \$111,018 upon the Issuer having spent not less than \$500,000 in carrying out exploration and development work on the American Boy and Arizona Properties, all of which amounts are to be credited against the royalty referred to in subparagraph (iii) hereof;

(iii) a royalty equal to 5% of the net smelter returns derived from the properties.

Tri-Con Mining Ltd. and Steve Homenuke of Box 991, British Columbia were partners in the development of the American Boy Property. Mr. Homenuke contributed both his time and money towards the exploration of the property and in consideration of his interest therein Tri-Con Mining Ltd. transferred 50,000 of the 750,000 escrowed shares to him.

(6) INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

The cost of incorporation of the Issuer was approximately \$600. Administrative expenses from the date of incorporation to December 31, 1982, totalled \$37,600 and development expenses for the same period totalled \$32,791.

(7) PROMOTERS

The Promoter of the Issuer is Garry Leroy Anselmo of 8651 Dorval Road, Richmond, British Columbia, a Director and the President of the Issuer.

Mr. Anselmo has received nothing of value from the Issuer except indirectly through a group of Companies which he controls as follows: Tri-Con Mining Ltd., Tri-Con Mining Inc., Tri-Con Mining (Arizona), Inc., Tri-Con Oil and Gas Inc., and Anselmo Holdings Ltd. (the "Tri-Con Group"). The Issuer acquired the properties described in Item 5 from Tri-Con Mining Ltd. in consideration of 750,000 shares which are escrowed to the order of the Superintendent of Brokers, \$211,018 payable as described in Item 5 under the heading "Tri-Con Agreement", and a royalty equal to 5% of the net smelter returns derived from the properties. The Tri-Con Group, as mining exploration and development contractors, will be carrying out the exploration programs recommended for the Issuer's properties at cost plus 25%. The time of the officers, directors and permanent employees of the Tri-Con Group will be charged to these projects at the rate of \$45 per hour. The foregoing costs are significantly below the industry's standards for work carried out in the areas

176 x 45 =
\$7920/mo

where the properties are located. In addition, the Issuer will pay the Tri-Con Group a management fee of \$1,500 per month.

(8) DIRECTORS AND OFFICERS

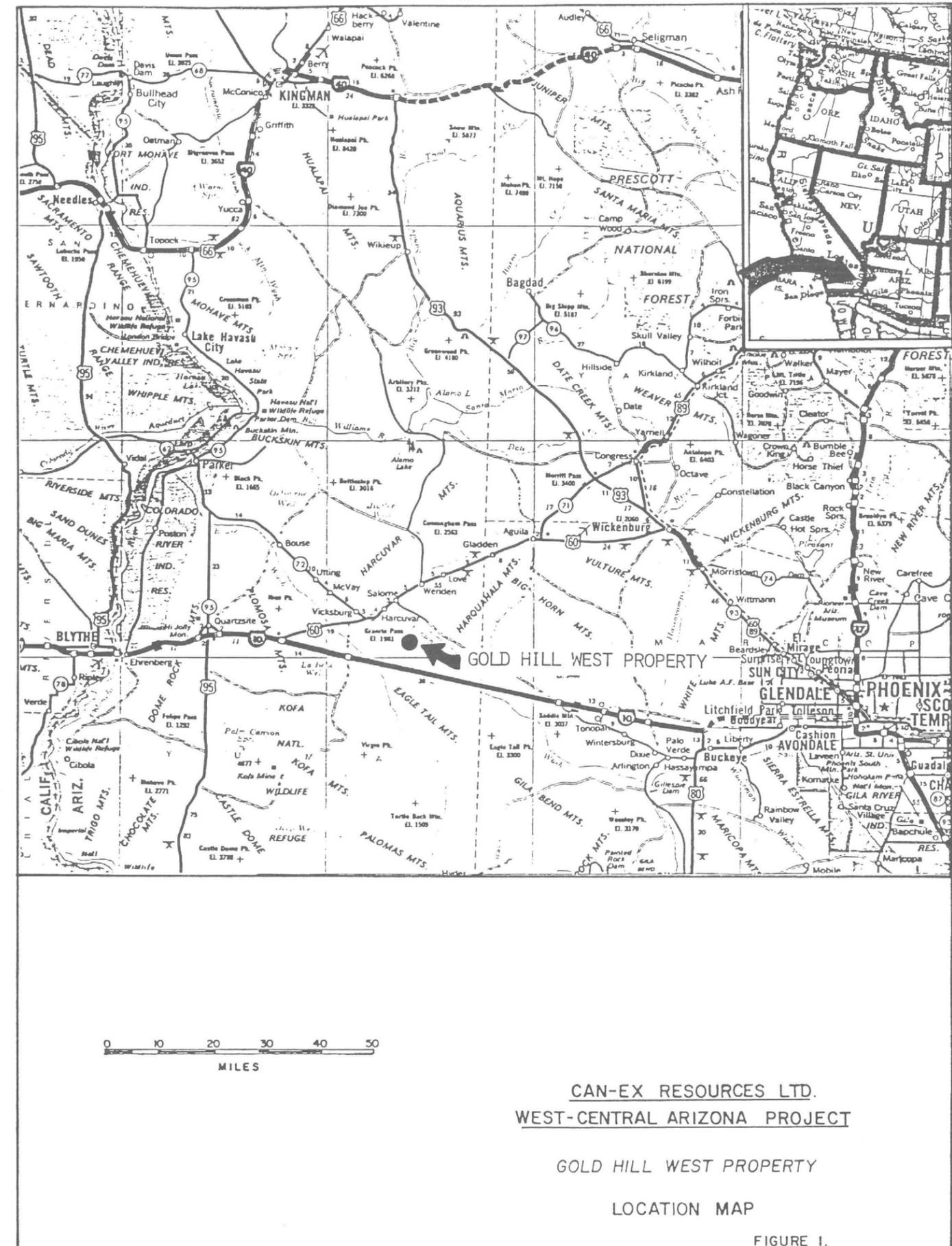
| <u>Name & Address</u> | <u>Position with Issuer</u> | <u>Principal Occupation for the past 5 years</u> |
|--|-----------------------------|---|
| *Garry Leroy Anselmo 8651 Dorval Road Richmond, B.C. V7C 3J3 | Director & President | President of Silverado Mines Ltd., and Tri-Con Mining Ltd. |
| David Elmor Chown 5931 Kittiwake Drive Richmond, B.C. V7E 3P1 | Director & Secretary | Corporate Secretary, Tri-Con Mining Ltd. August/76 to present |
| Robert Wayne Morgan 806-1075 Comox Street Vancouver, B.C. V6E 1K2 | Director | Stock-Broker, September/76 - May/82; Not presently employed |
| Peter Jurgen Frohloff 6657 Kent Crescent Delta, B.C. V4E 1K6 | Director | Self-employed real estate business, July/77 - August/82, Manager, Tri-Con Mining Ltd. September/82 to present |

*Mr. Anselmo has more than five years experience in mining exploration and development.

Messrs. Anselmo and Chown are also directors of other companies whose principal business is the acquisition, exploration and development of resource properties. It is possible, therefore, that a conflict may arise between their duty as a director of the Issuer and their duty as directors of such other companies. All such conflicts will be disclosed by them in accordance with the Company Act and they will govern themselves in respect thereof to the best of their abilities and in accordance with the obligations imposed by law.

(9) REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No direct remuneration has been paid and none is intended to be paid to any director or senior officer of the Issuer during the current financial year of the Issuer.



INTRODUCTION

This report provides an evaluation of the Gold Hill West prospect recently optioned by Can-Ex Resources Ltd. The report is based on an examination of various outcrops and surface showings on September 26, 1982. Underground workings developed many years ago are no longer safe for access, hence no examination of these was made. This report compiles all available assay information obtained from various sources and also makes recommendations for initial testing of the claims.

LOCATION, ACCESS, TERRAIN

The Gold Hill West prospect is situated in the southern Harquahala Mountains twelve kilometres southeast of Salome, Yuma County, Arizona (Figure 1). The Harquahala mine, a past producer, lies four kilometres to the southeast. A gravel surfaced road leading south from Salome and a connecting 2.5 kilometre service road provide direct access to the prospect. The property lies at an elevation of 635 metres (Figure 2). Rocky spurs and precipitous ridges to the west of the prospect rise to 760 metres. The prospect workings have been developed on a gentle, south-sloping bedrock surface at the base of a steep, brownish weathering limestone bluff.

CLAIMS AND OWNERSHIP

The property consists of thirty federal claims situated in the Ellsworth Mining District, Yuma County, Arizona. The Gold Hill 1-8 claims were optioned from H.L. Lee, Cottonwood, Arizona, and the Gold Hill 18A through 29A and 30A to 40A inclusive from Tri-Con Mining (Arizona), Inc. All claims are valid until September 1, 1983. A list of claims and pertinent recording information are given in Table I.

However, Mr. Anselmo, the President and a Director of the Issuer, controls the "Tri-Con Group" of companies as described in Item 7, and that group of companies will carry out the exploration programs on the Issuer's properties at cost plus 25% and in addition, the Issuer will pay the group a management fee of \$1,500 per month.

(10) ESCROWED SECURITIES

| Designation of Shares | Number of Shares Held in Escrow | % of Issued Shares |
|-----------------------|---------------------------------|--------------------|
| Common | 750,000 | 43% |

As of the date of this Prospectus, 750,000 shares are held in escrow by Guaranty Trust Company of Canada of 800 West Pender Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent or the Exchange. The escrow restrictions provide that the shares may not be traded in or dealt with in any manner whatsoever without the prior written consent of the regulatory authorities.

In the event the Issuer loses, abandons or fails to obtain title to all or part of the property for which it allotted the shares, the Issuer shall declare any such event to the Superintendent by way of a Directors' resolution, and the holders of the shares, the trustee thereof and the Issuer have agreed that such number of the shares as the Superintendent stipulates shall become subject to cancellation and shall be surrendered to the Issuer by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the registered office of the Issuer. See Item (5), "Description of Business and Property of Issuer", for a detailed description of the property for which these shares were issued.

There are 1,001,000 shares held subject to a Pooling Agreement by Guaranty Trust Company of Canada, 800 West Pender Street, Vancouver, British Columbia. Upon the shares of the Issuer being called for trading on the Exchange, the Pooling Agent shall forthwith release twenty-five percent of the shares from the provisions of the Pooling Agreement and shall release a further twenty-five percent every three months thereafter, each such release to be made pro-rata to the shareholders.

(11) PRINCIPAL HOLDERS OF SECURITIES

(a) To the knowledge of the Issuer, the following persons hold 10% or more of the issued shares of the Issuer as at the date of this Prospectus.

| <u>Name & Address</u> | <u>Class and Number of Shares</u> | <u>Type of Ownership</u> | <u>% of Issued Shares</u> |
|--|-------------------------------------|---|---------------------------|
| Garry Leroy Anselmo 8651 Dorval Road Richmond, B.C. V7C 3J3 | Common 700,000* | Indirect & Beneficial | 40% |
| Barry Gillmore 1645 Palmerston Ave. West Vancouver, B.C. V7V 2T9 | Common 200,000** | Direct & of Record | 11% |
| Robert Wayne Morgan 806-1075 Comox Street Vancouver, B.C. V6E 1K2 | Common 100,000** 87,000** | Direct & of Record Indirect & Beneficial | 11% |
| David Elmor Chowen 5931 Kittiwake Drive Richmond, B.C. V7E 3P1 | 200,000** | Direct & of Record | 11% |

*Escrowed
**Pooled

(b) The Promoters, Directors, Senior Officers and Controlling Persons as a group own, directly or indirectly, 1,117,000 shares in the capital stock of the Issuer, representing 64% of the issued shares. On completion of the sale of shares offered by this Prospectus, the Promoters, Directors, Senior Officers and Controlling Persons will own 48% of the issued shares of the capital stock of the Issuer. The shares being offered by this Prospectus represent 26% of the total shares which will be issued and outstanding on completion of this offering.

(12) PRIOR SALES

Reference should be made to Item (3) for particulars of shares sold for cash prior to the date of this Prospectus.

(13) INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference should be made to Items (5), (7) and (9) for particulars of the interests of management and others in material transactions.

RECOMMENDATIONS

A geological mapping, sampling and drill testing program is recommended to explore the prospect. Both the surface area and underground workings should be mapped in detail to firm drill targets and establish ore controls, structure, and gold distribution. The cost of this program is estimated at \$ 107,500.

SUMMARY

Can-Ex Resources Ltd. have acquired an option on the Gold Hill West gold prospect, a series of showings and underground workings situated in the Little Harquahala Mountains, twelve kilometres south of Salome, Arizona. The property consists of thirty federal claims located in the Ellsworth Mining District. All claims are valid until September 1, 1983. The property, situated on a bedrock and gravel pediment slope at the base of a prominent limestone scarp, is readily accessible by road from Salome.

The prospect comprises a number of small pits, a short adit and two shafts with connecting drifts (the north and south shafts). Gold occurs in several shear zones 0.5 to 1.2 metres thick and up to 35 metres long. Assays of this vein material range from 0.01 oz/ton to 0.33 oz/ton gold. A drift leading west for 35 metres from the south shaft returned an average assay of 0.048 oz/ton gold over an average width of 1 metre. A 10-metre drift developed from the north shaft, apparently excavated along a north-westerly-trending vein, returned an average of 0.33 oz/ton gold for the length of the vein.

CONCLUSIONS

Significant gold assays have been obtained from sheared, altered and mineralized metasediments below an overthrust carbonate unit. Assay data indicate that high grade shoots may be present within extensive zones of low grade gold. The exploration potential for exploiting both a vein type deposit together with a low grade, heap-leach operation is regarded as good. It is concluded that further test work is required to establish the full potential of the prospect.

(14) MATERIAL CONTRACTS

All material contracts may be inspected at the Issuer's registered office, 1400 - 1030 West Georgia Street, Vancouver, British Columbia, during normal business hours during the period of primary distribution of the securities offered hereby and for the period of thirty days thereafter.

(15) AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditor of the Issuer is Thorne, Riddell of 1177 West Hastings Street, Vancouver, B.C.

The Transfer Agent and Registrar of the shares of the Issuer is Guaranty Trust Company of Canada, 800 West Pender Street, Vancouver, B.C.

(16) OTHER MATERIAL FACTS

None.

(17) STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

Sections 60 and 61 of the Securities Act of the Province of British Columbia provide, in effect, that when a security is offered to the public in the course of primary distribution:

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty 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 prospectus or any amended prospectus offering such security contains an untrue statement of a 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 the expiration of ninety days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

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GEOLOGICAL REPORT ON THE
GOLD HILL WEST PROSPECT

by

P.E. Fox, PhD., P.Eng.
FOX GEOLOGICAL CONSULTANTS LTD.
410 - 675 West Hastings St.
Vancouver, B.C.

for

Can-Ex Resources Ltd.
2580 - 1066 West Hastings Street
Vancouver, B.C.

October 18, 1982.

CAN-EX RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS
FROM INCORPORATION ON SEPTEMBER 20, 1982
TO DECEMBER 31, 1982

Auditors' Report

Consolidated Balance Sheet

Consolidated Statement of Deferred Exploration, Development
and Administrative Expenditures

Consolidated Statement of Changes in Financial Position

Notes to Consolidated Financial Statements



AUDITORS' REPORT

To the Shareholders of
Can-Ex Resources Ltd.

We have examined the consolidated balance sheet of Can-Ex Resources Ltd. as at December 31, 1982 and the consolidated statements of deferred exploration, development and administrative expenditures and changes in financial position for the period from incorporation on September 20, 1982 to December 31, 1982. 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 December 31, 1982 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Vancouver, Canada
January 17, 1983

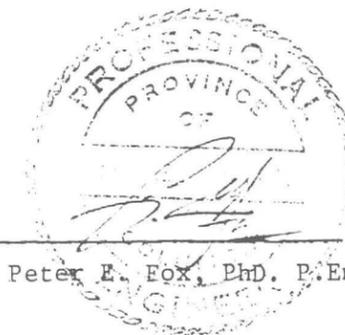
Thorne Riddell

Chartered Accountants

CERTIFICATE

I, Peter Edward Fox, certify to the following:

1. I am a consulting geologist residing at 3743 Roblin Place, North Vancouver, British Columbia.
2. I am a Professional Engineer registered with the Association of Professional Engineers in British Columbia.
3. My academic qualifications are:
B.Sc. and M.Sc., Queens University, Kingston, Ontario,
PhD., Carleton University, Ottawa, Ontario.
4. I have been engaged in geological work for fifteen years since graduation.
5. I have no interest, direct or indirect, in the properties, shares or securities of Can-Ex Resources Ltd. nor do I expect to receive any.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts.



Peter E. Fox, Ph.D. P.Eng.

Vancouver, British Columbia
October 19, 1982.

REFERENCES AND BIBLIOGRAPHY

BANCROFT, H., (1911) Reconnaissance of the Ore Deposits
in Northern Yuma County, Arizona,
U.S.G.S. Bulletin 451

KEITH, S.B., (1978) Index of Mining Properties in Yuma County,
Arizona. State of Arizona, Bureau of
Geology and Mineral Technology, Bulletin 192.

WILSON, E.D., CUNNINGHAM, J.B., and BUTLER, G.M., (1967)
Arizona Lode Gold Mines and Gold Mining,
Arizona Bureau of Mines Bulletin 137.

ASSETS

| | | | |
|--|--|---------------|------------------|
| CURRENT ASSETS | | | |
| Cash and term deposit | | \$ 5,186 | |
| Subscriptions receivable (note 2) | | <u>30,000</u> | \$ 35,186 |
| MINERAL PROPERTIES AND DEVELOPMENT (note 4) | | | |
| Claims and options | | 228,142 | |
| Deferred exploration, development and administrative expenditures | | <u>70,391</u> | <u>298,533</u> |
| | | | <u>\$333,719</u> |

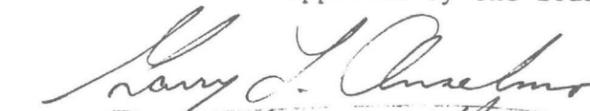
LIABILITIES

| | | | |
|--|--|--|-----------|
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued liabilities | | | \$ 15,051 |
| AMOUNT PAYABLE TO A RELATED PARTY (note 3) | | | 161,018 |

SHAREHOLDERS' EQUITY

| | | | |
|------------------------|--|----------------|------------------|
| CAPITAL STOCK (note 5) | | <u>157,650</u> | |
| | | | <u>\$333,719</u> |

Approved by the Board

 Director

 Director

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

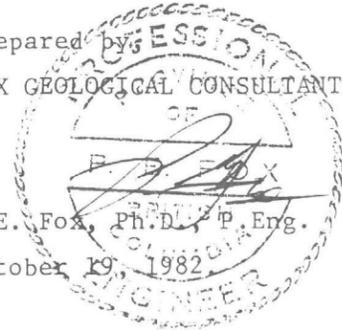
AND ADMINISTRATIVE EXPENDITURES

FROM INCORPORATION ON SEPTEMBER 20, 1982 TO DECEMBER 31, 1982

RECOMMENDED PROGRAM

| | | | |
|---|--------|----------|--|
| Exploration and development | | | |
| Arizona Properties | | | |
| Gold Crown prospect | | | |
| Geological fees and expenses | \$ 776 | | |
| Engineering fees and expenses | 688 | | |
| | | \$ 1,464 | |
| Pump prospect | | | |
| Geological fees and expenses | 2,254 | | |
| Engineering fees and expenses | 1,605 | | |
| | | 3,859 | |
| Overshot prospect | | | |
| Geological fees and expenses | 3,110 | | |
| Engineering fees and expenses | 917 | | |
| | | 4,027 | |
| Gold Hill West prospect | | | |
| Geological fees and expenses | 1,746 | | |
| Engineering fees and expenses | 1,377 | | |
| | | 3,123 | |
| British Columbia property | | | |
| American Boy property | | | |
| Geological fees and expenses | 2,409 | | |
| Geophysical fees and expenses | 1,303 | | |
| Geochemical fees and expenses | 14,630 | | |
| Engineering fees and expenses | 1,976 | | |
| | | 20,318 | |
| | | 32,791 | |
| Administrative | | | |
| Audit | 1,800 | | |
| Consulting | 9,602 | | |
| Administration fees | 4,500 | | |
| Legal | 7,915 | | |
| Miscellaneous | 1,529 | | |
| Office, secretarial and other | 5,396 | | |
| Printing and publicity | 3,924 | | |
| Travel and accommodation | 2,934 | | |
| | | 37,600 | |
| DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES AT END OF PERIOD | | \$70,391 | |

| | | |
|---|---------------------|------------------|
| (1) <u>Geological mapping, sampling</u> | | |
| One geologist, 12 days @ \$300/day | \$ 3,600 | |
| Sampler, 5 days @ \$150/day | 750 | |
| Support, 17 days @ \$ 25/day, allow | 400 | \$ 4,750 |
| (2) <u>EM-16 survey, allow</u> | | 3,800 |
| (3) <u>Assays</u> | | |
| 100 at \$15/sample | | 1,500 |
| (4) <u>Trenching</u> | | |
| Small bulldozer, 50 hrs @ \$65/hr. | | 3,250 |
| (5) <u>Engineering, supervision</u> | | |
| Allow cost + 20% | | 2,700 |
| | | <u>\$ 16,000</u> |
| | TOTAL COST ESTIMATE | |

Prepared by: 
 FOX GEOLOGICAL CONSULTANTS LTD.

P.E. Fox, Ph.D., P.Eng.
 October 19, 1982

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FROM INCORPORATION ON SEPTEMBER 20, 1982 TO DECEMBER 31, 1982

CONCLUSIONS

The Overshot prospect presents an interesting geological environment but little encouragement can be drawn from assay data collected to date. Altered and oxidized granitic rocks resemble those at the nearby Harquahala mine, but no clear targets warranting further work are obvious. Ore shoots mined at the Harquahala mine were all developed in sheared Paleozoic sediments. At the Overshot, similar host rocks are present both to the north and south of the mineralized zone but these are poorly exposed and not tested.

The low-grade zones indicated to date may represent potential leach material, if properly assessed and developed, but this aspect is also far from clear. A geological mapping and sampling program is thus required to define and firm the economic aspects of the prospect and to explore the sedimentary sequence to the north and south. In addition, an EM-16 orientation survey is required to evaluate this method as an exploration tool to trace and delineate the known prospect and to prospect areas along strike. Accordingly, a limited program of geological mapping and geophysical work with follow-up trenching (if needed) is recommended.

| | | | |
|---|--|----------------|------------------|
| WORKING CAPITAL PROVIDED BY | | | |
| Share capital issued for cash | | \$120,150 | |
| Share capital issued for property | | 7,500 | |
| Share capital issued for subscriptions receivable | | 30,000 | |
| Increase in amounts payable to a related party | | <u>161,018</u> | \$318,668 |
| WORKING CAPITAL APPLIED TO | | | |
| Exploration and development expenditures | | 32,791 | |
| Administrative expenditures | | 37,600 | |
| Mineral claims and options | | <u>228,142</u> | <u>298,533</u> |
| INCREASE IN WORKING CAPITAL POSITION, BEING | | | |
| WORKING CAPITAL AT END OF PERIOD | | | <u>\$ 20,135</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FROM INCORPORATION ON SEPTEMBER 20, 1982 TO DECEMBER 31, 1982

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of Can-Ex Resources (U.S.), Inc., a wholly-owned subsidiary, incorporated September 24, 1982 in the State of Alaska.

(b) Mineral properties and development

The company capitalizes costs of acquiring, exploring and developing mineral claims and options and 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.

(c) Translation of foreign currencies

Current assets and current liabilities denominated in foreign currencies are translated into Canadian funds at the rate of exchange in effect at the period end, mineral properties and development are translated at the rates in effect when the related expenditures were made.

2. SUBSCRIPTIONS RECEIVABLE

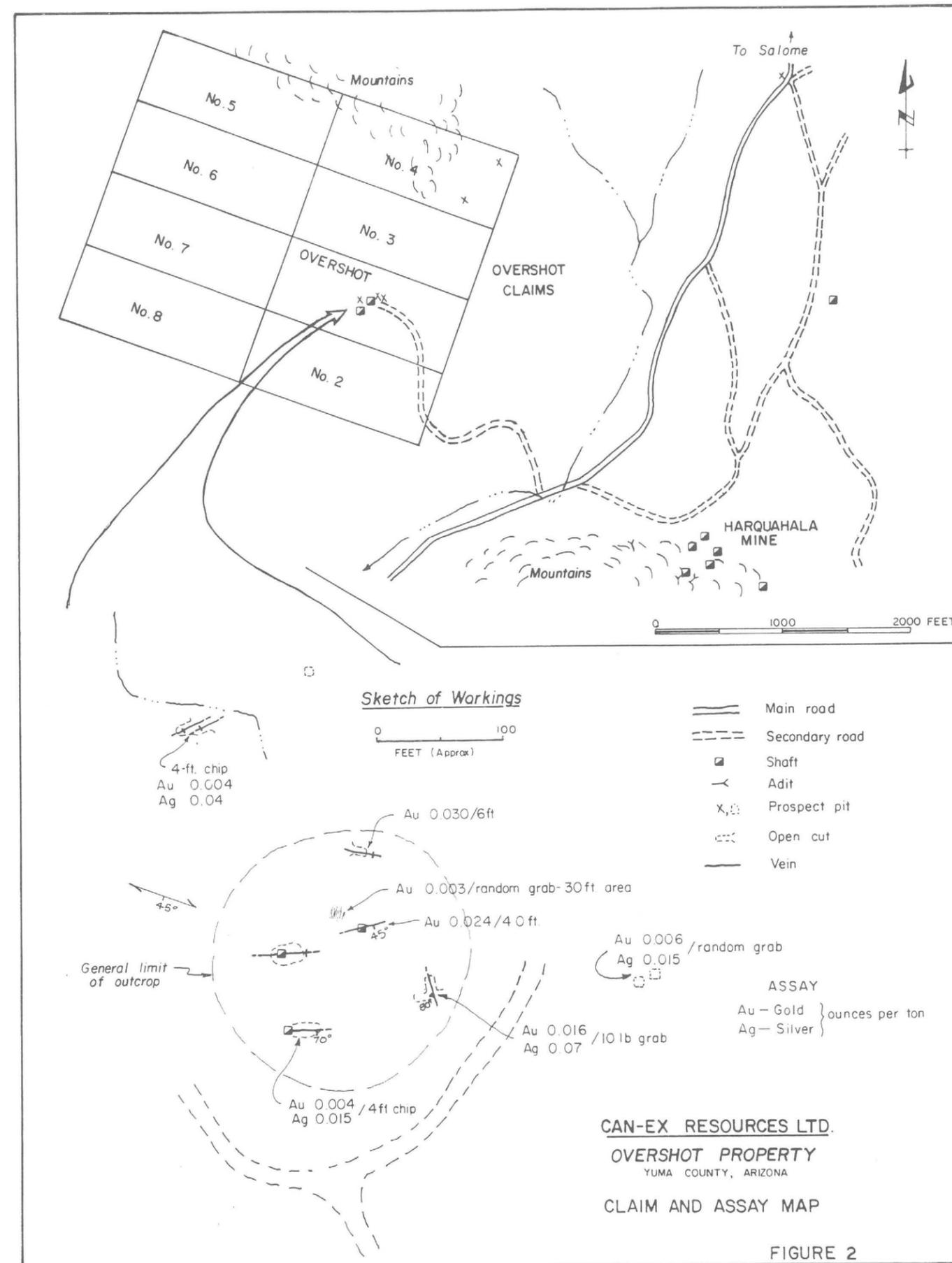
Subsequent to December 31, 1982 the company received payment of the full amount of \$30,000.

3. RELATED PARTY TRANSACTIONS

Related parties consist of Tri-Con Mining Ltd., Tri-Con Mining Inc., Tri-Con Mining (Arizona), Inc., Tri-Con Oil and Gas Inc. and Anselmo Holdings Ltd. (the "Tri-Con Group"), each of which is controlled by Mr. Garry Anselmo, a director of the company.

The Tri-Con Group carries on business as mining exploration and development contractors and has been employed by the company to carry out all its field work programmes and to provide certain administrative and management services.

The aggregate amount paid to the Tri-Con Group during the period ended December 31, 1982 for services rendered by the Group's personnel working on the company's projects amounted to \$49,049. This amount exceeds the costs incurred by the Tri-Con Group to render the services by \$7,600.



DESCRIPTION OF THE PROSPECT

The Overshot prospect consists of numerous small pits and shafts developed on an altered and mineralized granitic rock some 60 X 60 metres (Figure 2). The showings comprised narrow, hematite-rich shear zones up to 1-metre thick enclosed by a broad envelope of clay altered, quartz veined granite. The shears and veins trend westerly and generally dip steeply south. Six such vein-filled showings, along with fracture zones and broad areas of sheared rock, are known on the property. The mineralized granitic rocks here are similar to descriptions by Bancroft (1911) of granitic rocks exposed in the Harquahala mine. These rocks at the Harquahala deposit did not make ore at the time of mining (1891-1923) but Bancroft noted the potential of these rocks as possible ore.

Assays from various pits and outcrops range from 0.003 oz/ton to 0.030 oz/ton gold. Mining and leaching of some of this material by Lee indicated an average grade close to 0.030 oz/ton. An assay summary is given in Table II.

TABLE II
ASSAY DATA

| <u>Number</u> | <u>Length (ft)</u> | <u>Au (oz/t)</u> | <u>Ag (oz/t)</u> | <u>Sampler</u> |
|---------------|--------------------|------------------|------------------|-------------------|
| 18814 | 4' | 0.004 | 0.015 | P.E. Fox, P.Eng. |
| 18815 | Grab (10 lbs) | 0.016 | 0.07 | " " " |
| 18816 | Grab | 0.006 | 0.015 | " " " |
| 18817 | 4' | 0.004 | 0.04 | " " " |
| - | 6' | 0.030 | - | W. Murton, P.Eng. |
| - | Grab, 30' area | 0.003 | - | " " |
| - | 4' | 0.024 | - | " " |

3. RELATED PARTY TRANSACTIONS (continued)

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 won or got from all the mineral claims. These claims and options were purchased at the Tri-Con Group's costs.

At December 31, 1982, the following amount was payable to a company in the Tri-Con Group:

| | |
|---------------------|------------------|
| Tri-Con Mining Ltd. | <u>\$161,018</u> |
|---------------------|------------------|

This amount is payable after certain minimum expenditures have been made on certain of the properties as follows:

\$50,000 is payable on the later of the date by which \$250,000 has been expended by the company for exploration on the American Boy property and the Pump prospect, or two years after date of listing of the company's shares on the Vancouver Stock Exchange. The remaining \$111,018 is payable after the company has expended \$500,000 on the properties.

4. MINERAL PROPERTIES AND DEVELOPMENT

Mineral claims and options

The company's mineral claims and options consist of the following:

Arizona properties

Gold Crown prospect

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

Pump prospect

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

Overshot prospect

This property consists of 8 contiguous federal mining claims located in the Ellsworth Mining Division, Yuma 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 2 kilometres east.

4. MINERAL PROPERTIES AND DEVELOPMENT (continued)

Gold Hill West prospect

This is a gold prospect consisting of 30 federal mining claims located in the Ellsworth Mining District, Yuma County, Arizona, U.S.A., and known as the Gold Hill 1 - 8, Gold Hill 18A through 28A and 30A to 40A. The property is situated some 12 kilometres southeast of Salome, Arizona.

British Columbia property

American Boy property

The issuer is the sole beneficial owner of 14 contiguous mineral claims located in the Omenica Mining Division of the Province of British Columbia, more particularly described as:

| <u>Claim name</u> | <u>Record no.</u> |
|-------------------|-------------------|
| Janelle | 319 |
| Cindy Lou | 320 |
| AB-1 - AB-4 | 3785 - 3788 |
| AB-5 - AB-8 | 4116 - 4119 |
| AB-9 - AB-12 | 4711 - 4714 |

The property, covering an area of approximately 2,050 hectares, is situated in central British Columbia ten kilometres northeast of Hazelton, B.C.

Under terms of the options, the company is committed to make minimum expenditures on the properties and to make option payments. The options also require the company to make further payments contingent upon production from the properties.

| <u>Properties</u> | <u>Acquisition costs</u> | <u>Option payments during period</u> | <u>Total December 31, 1982</u> |
|-------------------|--------------------------|--------------------------------------|--------------------------------|
| Arizona | | | |
| Gold Crown | \$ 11,187 | \$1,111 | \$ 12,298 |
| Pump | 164,058 | 1,111 | 165,169 |
| Overshot | 938 | 3,701 | 4,639 |
| Gold Hill West | 17,170 | 3,701 | 20,871 |
| British Columbia | | | |
| American Boy | <u>25,165</u> | <u>-</u> | <u>25,165</u> |
| | <u>\$218,518</u> | <u>\$9,624</u> | <u>\$228,142</u> |

TABLE I

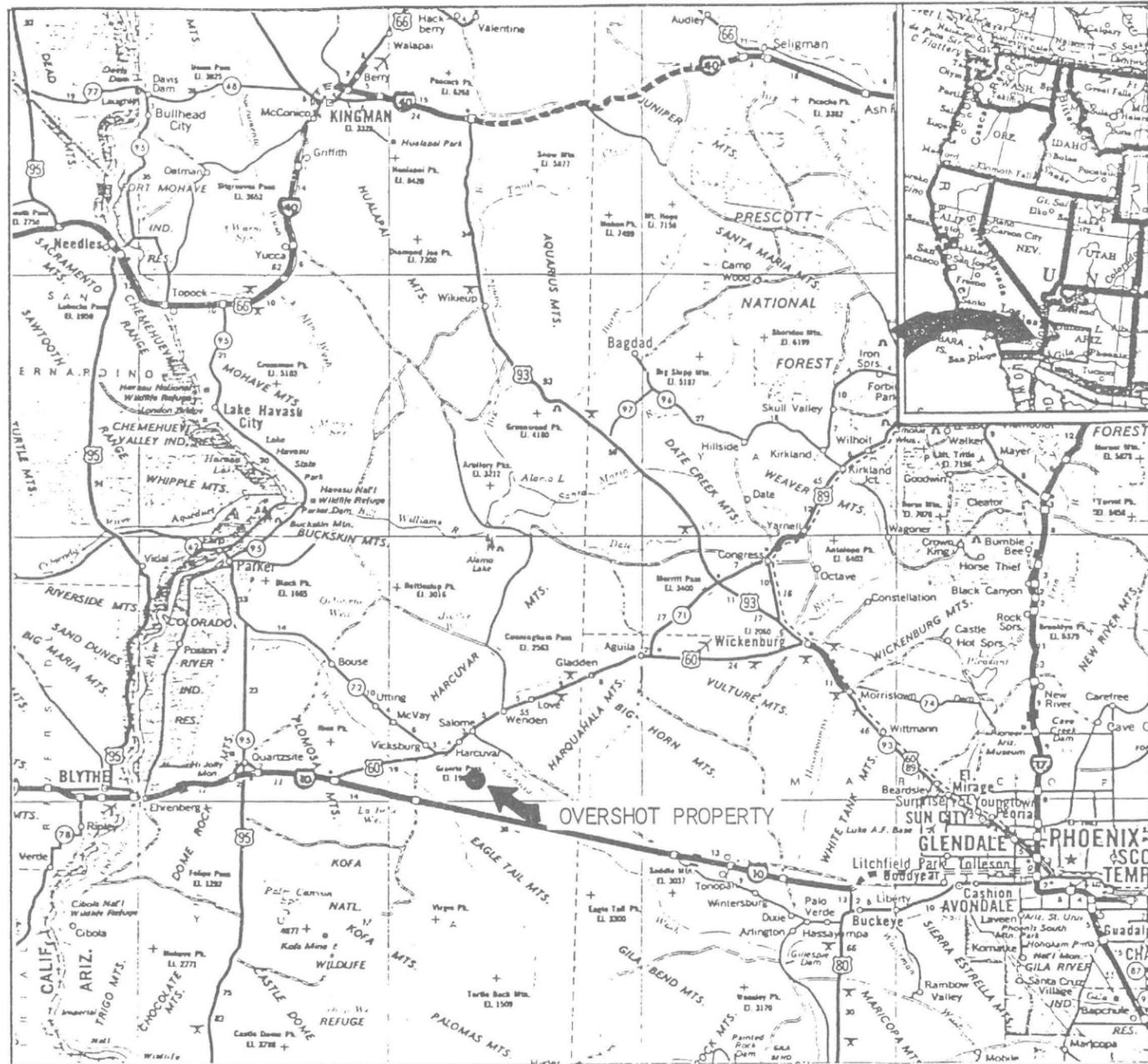
CLAIM DATA

| | <u>LOCATION DATE</u> | <u>RECORDING DATE</u> | <u>DOCKET #</u> | <u>PAGE #</u> | <u>BLM #</u> |
|------------|----------------------|-----------------------|-----------------|---------------|--------------|
| Overshot | Jan. 4/64 | Jan. 7/64 | 368 | 185 | AMC 52685 |
| Overshot 2 | Mar. 5/80 | Mar. 14/80 | 1152 | 510-511 | AMC 100437 |
| 3 | " | " | " | 512 | AMC 100438 |
| 4 | " | " | " | 513 | AMC 100439 |
| 5 | " | " | " | 514 | AMC 100440 |
| 6 | " | " | " | 515 | AMC 100441 |
| 7 | " | " | " | 516 | AMC 100442 |
| 8 | " | " | " | 517 | AMC 100443 |

GEOLOGICAL SETTING

The Overshot prospect is one of numerous gold prospects and small mines known throughout the Harquahala Mountains. The latter comprise a thick assemblage, +3000 metres, of Paleozoic and Mesozoic sediments and volcanics that, at the south end of the Harquahala Mountains, overlie a complex of metamorphic and intrusive rocks, apparently of mid-Tertiary age. The Paleozoic rocks, which host the Harquahala mine immediately east, comprise limestone, dolomite and lesser amounts of shale and conglomerate. These are cut by numerous granitic rocks of Mesozoic age.

Rocks in the prospect area comprise altered, mineralized and intensely oxidized granitic rocks, brown weathering dolomite and/or limestone and, to the south of the main showings, well-banded metasediments. Highly altered and sheared rocks outcrop in a wash at the extreme west end of the claim block.



CAN-EX RESOURCES LTD.
WEST-CENTRAL ARIZONA PROJECT

OVERSHOT PROPERTY
LOCATION MAP

FIGURE I.

4. MINERAL PROPERTIES AND DEVELOPMENT (continued)

Minimum aggregate future expenditures required in the next five years to maintain the options and properties in good standing are as follows:

| | Option payments | Work commitments |
|------|-----------------|------------------|
| 1983 | \$38,700 | \$17,500 |
| 1984 | 38,700 | 17,500 |
| 1985 | 38,700 | 25,200 |
| 1986 | 38,700 | 25,600 |
| 1987 | 38,700 | 25,600 |

5. CAPITAL STOCK

(a) Authorized share capital of the company is 10,000,000 common shares of no par value. Issued share capital is as follows:

| | Number of shares | Amount |
|---|------------------|------------------|
| Issued share capital for the period | | |
| For cash at \$.15 per share | 801,000 | \$120,150 |
| For mineral properties at \$.01 per share | 750,000 | 7,500 |
| For subscriptions receivable at \$.15 per share | 200,000 | 30,000 |
| | <u>1,751,000</u> | <u>\$157,650</u> |

(b) Escrow agreement

The 750,000 common shares issued for mineral properties are subject to an escrow agreement and cannot be released without the consent of regulatory authorities.

(c) Shares subject to a pooling agreement

The 1,001,000 common shares issued at \$.15 per share are subject to a pooling agreement. These shares are to be released from the provisions of the pooling agreement at the rate of 25% every three months. The first release will be on the date the company is called for trading on the Vancouver Stock Exchange.

GEOLOGICAL REPORT ON THE
AMERICAN BOY SILVER PROSPECT

by

P.E. Fox, PhD. P.Eng.
FOX GEOLOGICAL CONSULTANTS LTD.
410 - 675 West Hastings St.
Vancouver, B.C.

for

Can-Ex Resources Ltd.
2580 - 1066 West Hastings Street
Vancouver, B.C.

October 6, 1982.

INTRODUCTION

The Overshot prospect, optioned by Can-Ex Resources Ltd. from Tri-con Mining (Arizona), Inc., was examined on September 22 and 24, 1982. Results of this evaluation and recommendations for further work are given in this report.

LOCATION, ACCESS, TERRAIN

The Overshot property is situated in Yuma County, Arizona, approximately fifteen kilometres south of Salome (Figure 1). The prospect lies adjacent to the Harquahala Mine two kilometres east. A well maintained gravel-surfaced road and local mine road provide access to the prospect. The claims cover a low, rocky pediment slope incised by shallow, gravel-filled washes. Elevation of the property is approximately 650 metres.

CLAIMS AND OWNERSHIP

The property comprises eight contiguous federal claims comprising the Overshot and Overshot 2-8 claims (Table I). The claims are situated in the Ellsworth Mining Division. Sufficient Annual Labour was performed by H.L. Lee, and filed on August 19, 1982, to maintain the claims in good standing until September 1, 1983.

HISTORY AND PREVIOUS WORK

Numerous pits and small shafts, most of which have slumped or caved, were excavated on various showings early in this century, probably during the mining period of the nearby Harquahala Mine. More recently, H.L. Lee attempted to mine and heap-leach material derived from the main showings. The leach plant recovered an average grade of 0.030 oz/ton gold, not sufficient to cover operating costs, hence the plant was closed.

SUMMARY

The Overshot property is situated fifteen kilometres south of Salome, Yuma County, Arizona. The prospect, which lies two kilometres west of the old Harquahala gold deposit, comprises eight federal claims, all valid until September 1, 1983.

The prospect comprises numerous pits and small shafts, now largely caved or slumped. The host rocks consist of highly fractured, sheared, oxidized and clay-altered granitic rocks. Paleozoic metasediments outcrop to the north and south. Assays of the mineralized zone range from 0.003 oz/ton to 0.030 oz/ton gold. A recent heap-leach operation by H.L. Lee indicated a grade of 0.030 oz/ton gold for the material mined.

CONCLUSIONS

Extensive low grade gold is present throughout an altered and mineralized granitic rock, which is similar to some of the host rocks in the Harquahala mine nearby. The Paleozoic sediments, the main host at Harquahala, have not been explored. It is concluded that a limited mapping and sampling program should be done to fully test the prospect.

RECOMMENDATIONS

A program of geological mapping, sampling and an orientation EM-16 survey is recommended to test the potential of the property. The cost of the program is estimated at \$16,000.

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| ECONOMIC GEOLOGY ----- | 7 |
| #1 Vein ----- | 7 |
| #2 Vein ----- | 9 |
| #3 Vein ----- | 9 |
| #4 Vein ----- | 10 |
| #5 Vein ----- | 10 |
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| Other Veins ----- | 13 |
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SUMMARY

Can-Ex Resources Limited is in the process of acquiring the American Boy silver prospect, a series of silver-bearing veins that have been explored and developed by several workers since their discovery in 1910. The company owns fourteen contiguous mineral claims covering some 2050 hectares. The prospect is situated in central British Columbia ten kilometres northeast of Hazelton, B.C. The property is readily accessible by a gravel-surfaced access road from Highway #16.

The prospect comprises eight silver-bearing veins explored and developed at various times since 1911. Total ore shipments prior to 1950, mainly mined from the #4 vein, comprise 363 tons grading 39.5 oz/ton silver, 0.04 oz/ton gold, 10.5% lead and 2.1% zinc. The prospect lies 4 kilometres east of the Silver Standard Mine, a substantial silver producer that operated from 1922 to 1957 (7 million ounces of silver were produced during this period). The veins fill north and northeasterly faults and fissure zones in a brownish weathering tuffaceous greywacke of the Bowser Group. All veins are banded, sharp-walled, composite veins that consist of quartz, siderite and 1% to 5% sulphides, mainly galena, sphalerite, arsenopyrite, tetrahedrite and pyrite. Gold is associated with arsenopyrite-bearing veins and silver with galena-sphalerite-tetrahedrite veins. The veins range from 10 centimetres to 1.5 metres thick within which ore-grade material is developed in narrow shoots up to 30 metres wide.

CONCLUSIONS

The exploration potential of the prospect is regarded as excellent. The occurrence of a relatively large number of silver-bearing veins in a geological setting similar to the Silver Standard Mine together with a well mineralized zone on the #4 vein are compelling reasons to continue work on the prospect. Work done to date indicates that a combined geophysical and geochemical program would be effective in exploring for new veins. In addition, the #4 vein warrants further exploration at depth.

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GEOLOGICAL REPORT ON THE
OVERSHOT PROSPECT

by

P.E. Fox, PhD. P.Eng.
FOX GEOLOGICAL CONSULTANTS LTD.
410 - 675 West Hastings St.
Vancouver, B.C.

for

Can-Ex Resources Ltd.
2580 - 1066 West Hastings Street,
Vancouver, B.C.

October 19, 1982.

RECOMMENDATIONS

A diamond drilling and surface exploration program is recommended to test the property. Two diamond drill holes comprising 320 metres of diamond drilling are proposed to test the high grade shoot in the #4 vein. In addition, grid preparation, topographic control, geochemical overburden sampling and an EM-16 survey should be done on the remainder of the property to test for new vein systems. The cost of this program is estimated at \$160,000.

INTRODUCTION

This report concerns the American Boy silver prospect situated on Nine Mile Mountain, ten kilometres northeast of Hazelton, central British Columbia. The prospect, currently being acquired by Can-Ex Resources Ltd., comprises a series of silver-bearing veins, developed and maintained by Tri-Con Mining Limited, vendors of the property. The prospect is situated four kilometres east of an important silver deposit, the Silver Standard Mine, which produced some seven million ounces of silver since it commenced production in 1922. It is the intent of Can-Ex Resources to explore the American Boy property with the object of finding and developing new ore in a similar geological setting.

The writer examined the prospect on September 17, 1982. Results of this evaluation and related data compilation are given in this report. The writer acknowledges the efforts of Mr. A. Homenuke of Tri-Con Mining for his assistance in gathering most of the factual data contained herein. Much of the data has been obtained from Kindle (1954) and cited references in GSC Memoir 223.

LOCATION, ACCESS, TERRAIN

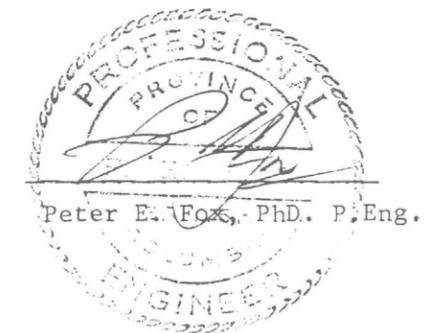
The property is situated in central British Columbia sixty kilometres northwest of Smithers, B.C. (Figure 1). It is readily accessible by a B.C. Telephone service road from Hazelton on Highway #16. The service road traverses the valley of Two Mile Creek and, by a series of steep switchbacks, climbs the west slopes of Nine Mile Mountain to the showings at an elevation of 750 metres. Numerous old tote roads and trails provide local access to much of the northern part of the claim block. Access to the south part is provided by a gravel road to Four Mile Mountain.

The prospect lies on steep valley sides of Two Mile Creek. Elevation ranges from 425 metres to 1365 metres. The valley slopes support an extensive growth of cedar and hemlock and at low elevations a thick tangle of underbrush. Overburden, a mixture of talus and glacial materials, is thin (1-5 metres).

CERTIFICATE

I, Peter Edward Fox, certify to the following:

1. I am a consulting geologist residing at 3743 Roblin Place, North Vancouver, British Columbia.
2. I am a Professional Engineer registered with the Association of Professional Engineers in British Columbia.
3. My academic qualifications are:
B.Sc. and M.Sc., Queens University, Kingston, Ontario;
PhD., Carleton University, Ottawa, Ontario.
4. I have been engaged in geological work for fifteen years since graduation.
5. I have no interest, direct or indirect, in the properties, shares or securities of Can-Ex Resources Ltd. nor do I expect to receive any.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts.



Vancouver, British Columbia
October 15, 1982.

PROGRAM SPECIFICATIONS

STAGE I

| | | | |
|--|----------|-------------------------------|------------------|
| (1) <u>Geological Mapping</u> | | | |
| One geologist, 10 days @ \$300/day | \$ 3,000 | | |
| Support | 500 | \$ 3,500 | |
| (2) <u>Topographic control and surveying, allow</u> | | 4,700 | |
| (3) <u>EM-16 Survey</u> | | | |
| 10 days @ \$200/day | 2,000 | | |
| Support | 500 | 2,500 | |
| (4) <u>Percussion/rotary drilling</u> | | | |
| Randall zone, allow 200m @ \$30/m | | 6,000 | |
| (5) <u>Diamond Drilling</u> | | | |
| a) Main shaft area, 200m @ \$75/m | \$15,000 | | |
| b) Showings E & W, allow 5 holes, 50 each at \$75/m | 18,700 | 33,700 | |
| (6) <u>Assays</u> | | | |
| Drilling - 200 @ \$15/sample | | 3,000 | |
| (7) <u>Engineering and Supervision</u> | | | |
| Estimated at cost + 20%, allow | | 10,600 | |
| | | <u>TOTAL ESTIMATE STAGE I</u> | <u>\$ 64,000</u> |

STAGE II

Follow-up drilling contingent on successful completion of Stage I.

| | | | |
|--|--|--------------------------------|------------------|
| (1) <u>Diamond drilling</u> | | | |
| 325 metres @ \$75/m, allow | | \$ 24,500 | |
| (2) <u>Assays</u> | | | |
| 100 @ \$15/sample | | 1,500 | |
| (3) <u>Engineering and Supervision</u> | | | |
| Estimated at cost + 20%, allow | | 5,000 | |
| | | <u>TOTAL ESTIMATE STAGE II</u> | <u>\$ 31,000</u> |
| | | <u>TOTAL STAGES I AND II</u> | <u>\$ 95,000</u> |

Prepared by,
FOX GEOLOGICAL CONSULTANTS LTD.



P.E. Fox, Ph.D. P.Eng.
October 15, 1982

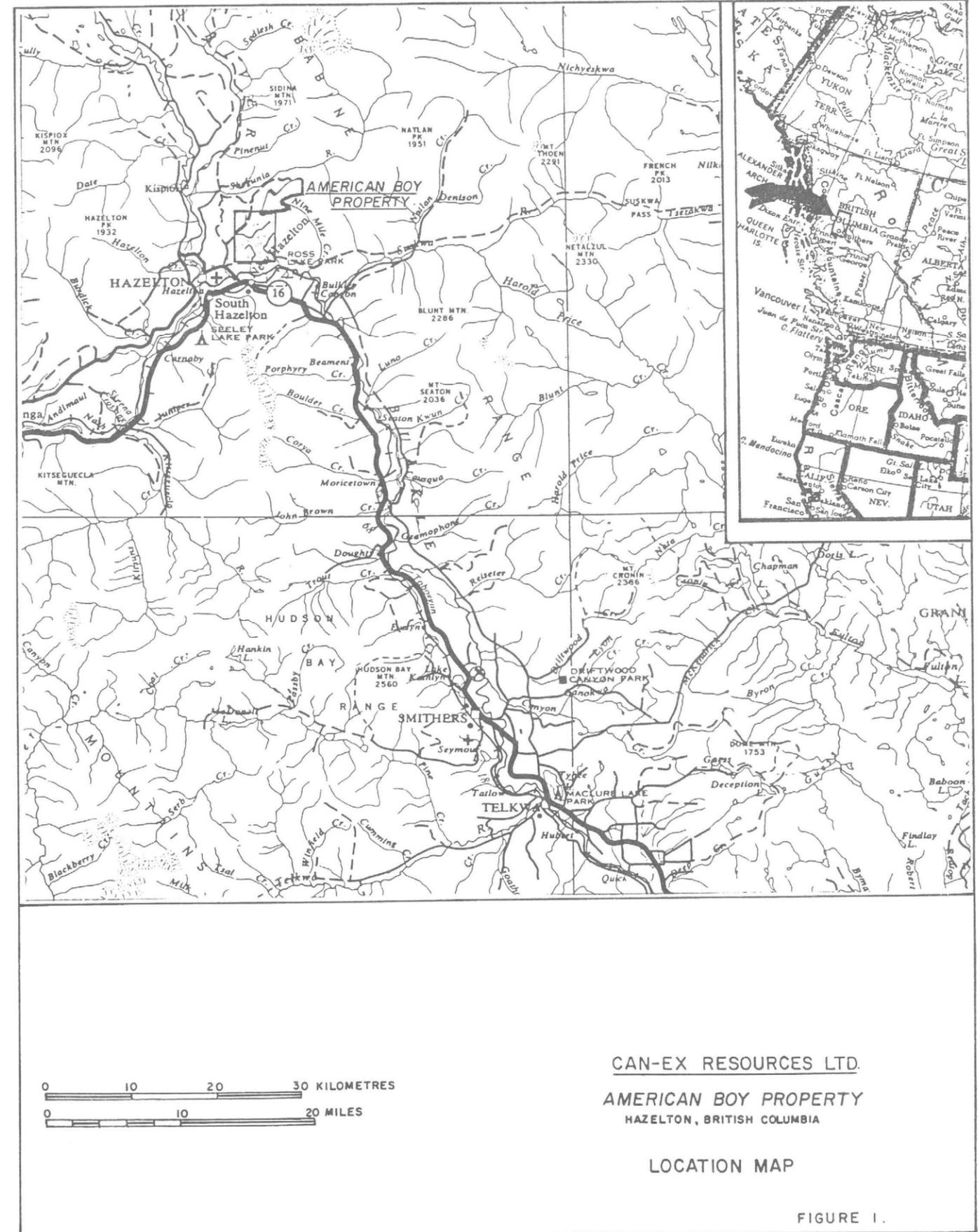


TABLE II, (continued)

| NO. | WIDTH | GOLD OZ./TON | SILVER | DESCRIPTION | SAMPLER |
|-------|---------|-----------------|--------|---------------------------------------|------------------------|
| P-12 | 4.0 ft. | 0.088 | 1.24 | 200 ft. W of Main Shaft - 50 ft. down | J.W. Murton, P.Eng. |
| P-13 | 2.5 ft. | 0.064 | 1.00 | 200 ft. W of Main Shaft - 25 ft. down | J.W. Murton, P.Eng. |
| P-14 | 2.5 ft. | 0.110 | 0.56 | 500 ft. W of Main Shaft | J.W. Murton, P.Eng. |
| H-1 | 1.8 ft. | 0.026 | 0.22 | Open cut, NW Splay | A.M. Homenuke, P.Eng. |
| H-2 | 2.0 ft. | 0.018 | 0.24 | Open cut, 40 ft. NW of H-1 | A.M. Homenuke, P.Eng. |
| H-3 | 4.0 ft. | 0.102 | 1.08 | Open cut, 100 ft. NW of H-1 | A.M. Homenuke, P.Eng. |
| H-4 | 1.8 ft. | 1.305 | 0.92 | Incline Shaft 200 ft. NW of H-1 | A.M. Homenuke, P.Eng. |
| P-16 | 2.0 ft. | 0.014 | 1.02 | Incline Shaft 200 ft. NW of H-1 | J.W. Murton, P.Eng. |
| P-15 | 2.5 ft. | 0.074 | 0.47 | Bottom of above Shaft | J.W. Murton, P.Eng. |
| P-17 | -- | 0.342 | 0.50 | 300 ft. NW of shaft, selected | J.W. Murton, P.Eng. |
| H-5 | 3.3 ft. | 0.004 | 0.03 | 300 ft. NW of shaft, selected | A.M. Homenuke, P.Eng. |
| P-18 | 1.0 ft. | 0.298 | 0.56 | 400 ft. N of P-17 | J.W. Murton, P.Eng. |
| 18822 | 3.0 ft. | 0.016 | 0.029 | North extension | P.E. Fox, PhD., P.Eng. |
| 18823 | 6.0 ft. | 0.016 | 0.014 | North extension | P.E. Fox, PhD., P.Eng. |
| 18824 | 2.5 ft. | 0.041 | 0.17 | Shaft at P-6 | P.E. Fox, PhD., P.Eng. |

CLAIMS

The property comprises a contiguous block of ten mineral claims comprising 79 units and four 2-post claims (Figure 2). All claims appear to have been staked in accordance with the Mineral Act and are owned by Tri-Con Mining Limited by right-of-location. AB 12 is largely overstaked on Crown Grant L5048. Claim data and expiry dates are given in Table 1. Sufficient work has been applied to maintain all claims in good standing until June/August 1983.

HISTORY AND PREVIOUS WORK

The American Boy property was first staked in 1910 by D.A. Harris and from 1911 to 1915, Harris Mines Limited carried out surface trenching and underground development on five separate veins from which 100 tons of high-grade silver ore was produced. A 15-ton shipment of ore in 1915 assayed 98 oz/ton silver, 0.04 oz/ton gold, 30% lead, and 14% zinc. In 1918, 240 tons of low-grade development ore was hauled to the Silver Standard gravity mill on Two Mile Creek. Further development work was done in 1927 but operations ceased shortly thereafter.

American Standard Mines acquired the property in 1950 and completed a program of stripping, diamond drilling and underground work. A new vein, (vein #6), was discovered in 1951. Pioneer Gold Mines of B.C. Limited did further stripping in 1952, and in 1955, J. Gallo shipped 21 tons of ore from the #6 vein. The latter graded 0.05 oz/ton gold and 74.6 oz/ton silver. Total shipments to the end of 1950 are 363 tons grading 0.04 oz/ton gold, 39.5 oz/ton silver, 10.5% lead, and 2.1% zinc. Other operators worked on the property in the late 1950's but no records are available.

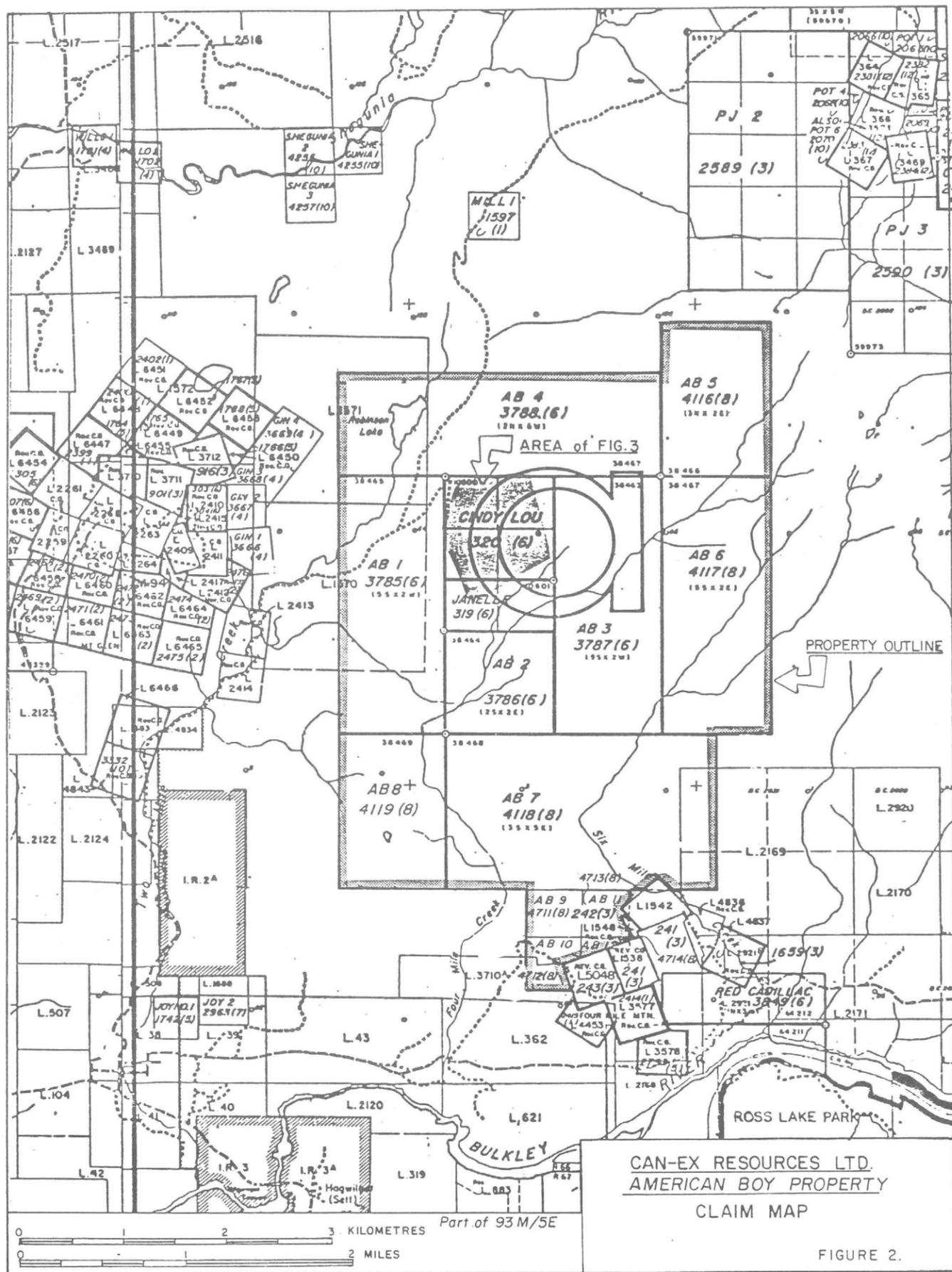
TABLE II
PUMP PROPERTY - TABLE OF ASSAYS

| NO. | WIDTH | GOLD OZ./TON | SILVER | DESCRIPTION | SAMPLER |
|------|---------|-----------------|--------|-------------------------------------|------------------------|
| P-1 | 2.5 ft. | 0.026 | 0.36 | Main Shaft, - 60 - Level East | J.W. Murton, P.Eng. |
| P-2 | 3.0 ft. | 0.003 | 0.12 | Main Shaft, - 60 - Level West | J.W. Murton, P.Eng. |
| P-3 | 1.2 ft. | 0.003 | 0.16 | Main Shaft, - 120 - Level West | J.W. Murton, P.Eng. |
| P-4 | 3.0 ft. | 0.158 | 0.72 | Main Shaft, - Bottom of shaft | J.W. Murton, P.Eng. |
| P-5 | 2.5 ft. | 0.090 | 0.60 | Main Shaft, - Top of shaft | J.W. Murton, P.Eng. |
| 965 | 2.5 ft. | 0.050 | 0.33 | Main Shaft, - 60 - Level East | W.G. Stevenson, P.Eng. |
| 966 | 0.8 ft. | 0.006 | 0.05 | Main Shaft, - 60 - Level, X-Cut | W.G. Stevenson, P.Eng. |
| 967 | 2.5 ft. | 0.002 | 0.32 | Main Shaft, - 120 - Level East | W.G. Stevenson, P.Eng. |
| 968 | 2.5 ft. | 0.004 | tr. | Main Shaft, - 120 - Level West | W.G. Stevenson, P.Eng. |
| 969 | 1.0 ft. | 0.425 | 0.17 | Main Shaft, - 60 - Level West | W.G. Stevenson, P.Eng. |
| P-6 | 4.0 ft. | 0.010 | 0.58 | Shaft, 250 ft. E of Main Shaft | J.W. Murton, P.Eng. |
| P-7 | 4.0 ft. | 0.003 | 0.20 | Pit, 600 ft. E of Main Shaft | J.W. Murton, P.Eng. |
| P-8 | -- | 0.028 | 0.30 | Dump, 900 ft. E of Main Shaft | J.W. Murton, P.Eng. |
| P-9 | 1.2 ft. | 0.044 | 0.32 | Shaft, 1,200 ft. E of Main Shaft | J.W. Murton, P.Eng. |
| P-10 | 2.0 ft. | 0.012 | 0.16 | Pit, 1,800 ft. E of Main Shaft | J.W. Murton, P.Eng. |
| P-11 | 3.0 ft. | 0.134 | 0.13 | Pit, 1,700 ft. E of Main Shaft | J.W. Murton, P.Eng. |

TABLE I: MINERAL CLAIMS

| Claim Name | Record No. | No. of Units | Record Date | Expiry Date |
|------------|------------|--------------|-------------|-------------|
| Janelle | 319 | 2 | June 8 | 1983 |
| Cindy Lou | 320 | 4 | June 8 | 1983 |
| AB #1 | 3785 | 10 | June 4 | 1983 |
| AB #2 | 3786 | 4 | June 4 | 1983 |
| AB #3 | 3787 | 10 | June 4 | 1983 |
| AB #4 | 3788 | 12 | June 4 | 1983 |
| AB #5 | 4116 | 6 | August 6 | 1983 |
| AB #6 | 4117 | 10 | August 6 | 1983 |
| AB #7 | 4118 | 15 | August 6 | 1983 |
| AB #8 | 4119 | 6 | August 6 | 1983 |
| AB #9 | 4711 | 1 | August 6 | 1983 |
| AB #10 | 4712 | 1 | August 6 | 1983 |
| AB #11 | 4713 | 1 | August 6 | 1983 |
| AB #12 | 4714 | 1 | August 6 | 1983 |

(Note: assessment work applied June 4, 1982 to AB 1-8
pending final approval)



POTENTIAL

The future potential of the Pump deposit lies in evaluating significant assays acquired from the main shaft area (from which most of the past production has been obtained) and appraising the significance of assays obtained from several pits and small shafts to the east and west. In addition, low-grade, bulk tonnage potential exists at the north end of the vein recently stripped and drilled by H. Randall. Accordingly, detailed geological mapping, EM-16 surveys and a sampling program should be undertaken to establish the extent and depth potential of the main Pump vein and to delineate and test the vein system(s) west of Pit P-12 (Figure 3). Two diamond drill holes, collared 300 feet and 450 feet respectively north of the main shaft, should be drilled to test the depth potential of the main zone. In addition, one hole should be collared on each of the showings at Pit P-11 (not shown in Figure 3), P-17, P-18, H-3 and H-5. Collar positions for these holes should be determined after geological mapping, EM-16 surveys and topographic controls have been completed. An initial program of rotary/percussion drilling should also be done on the north extension (area drilled by Randall) to test the low-grade bulk tonnage potential of this part of the Pump vein system.

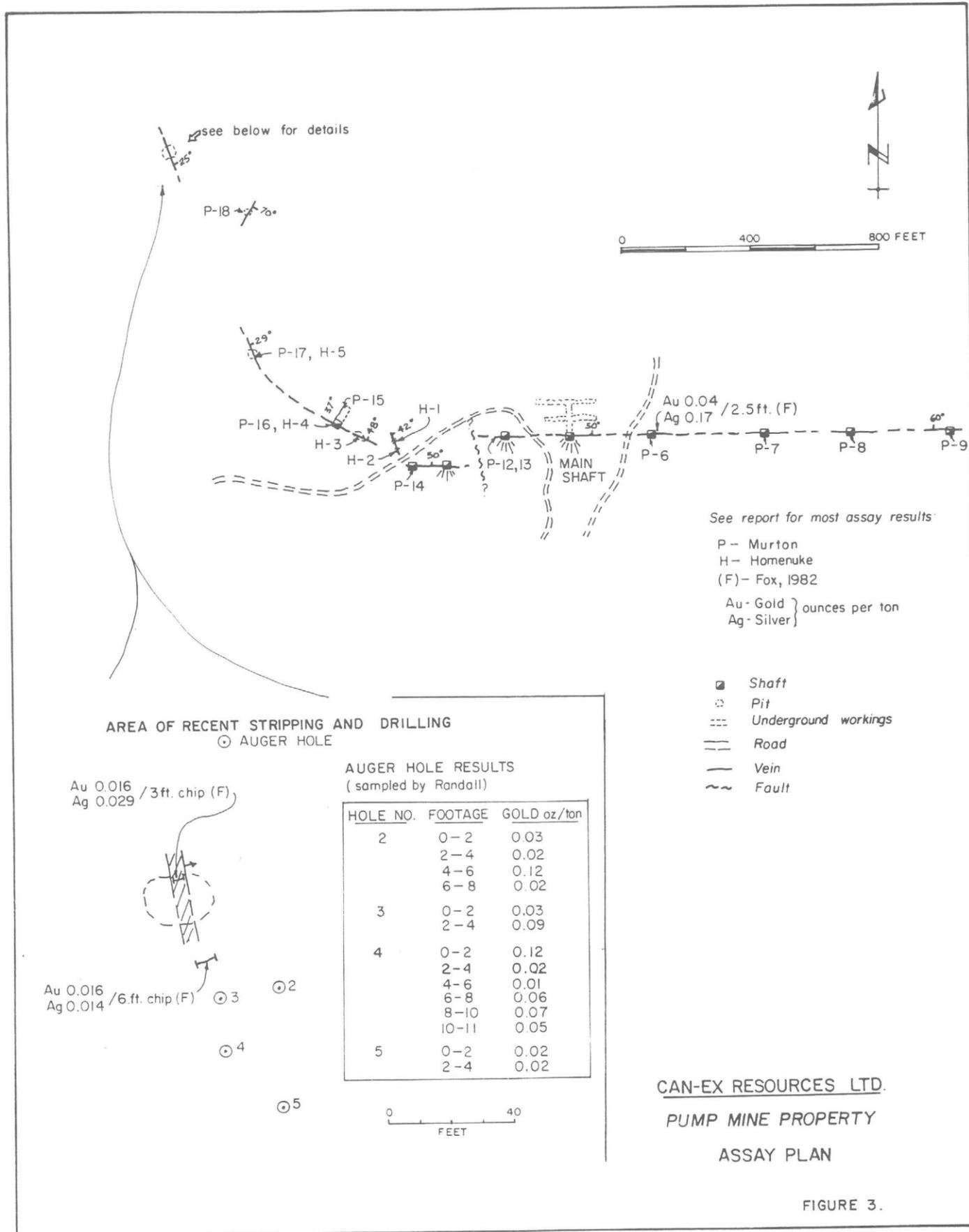


FIGURE 3.

G. Braun staked the property in 1967 and the Northwestern Midland Development Company Limited subsequently shipped 10 tons of stockpiled Wilfley Table concentrate. Tri-Con Mining Limited staked the property in 1976, and in 1978 and 1980 carried out backhoe trenching, sampling and limited electromagnetic surveying. The property was expanded to 85 units in 1981. During staking work and subsequent prospecting, one new vein was found, an old vein was re-discovered and mineralized float from a possible third vein was found on the B.C. Telephone service road. In addition, reconnaissance soil sampling was done on some of the claim lines. Exploration of the prospect has progressed to a point where systematic evaluation work is now necessary to fully establish the value of the property.

GEOLOGICAL SETTING

The claims are underlain by well-bedded sedimentary rocks of the Bowser Group, a thick succession of argillite, shale, conglomerate and tuffaceous sandstone that forms a large, complex depositional basin of Upper Jurassic age in north central British Columbia. The predominant lithology on the prospect and also host to most of the silver veins both here and at the Silver Standard Mine, is a brown weathering, grey, tuffaceous sandstone containing numerous shale partings up to one metre thick. The beds strike northerly and dip 15° west. Granitic bodies cut the Bowser sediments, one of these, a body of feldspar porphyry, is known on the Silver Standard property.

The Bowser rocks are gently folded about northeast-trending axes and are cut by numerous northerly-and northeasterly-trending faults. The latter commonly segment the productive veins, causing strike slip displacements of several metres.

ECONOMIC GEOLOGY

The prospect consists of eight quartz-carbonate-sulphide veins that fill northerly and northeasterly faults and fracture zones (Figure 3). All veins have been exploited in the past but the #4 vein (main vein) has been developed on two levels and has provided most of the production to date. All veins consist of quartz, lesser siderite and irregular disseminations, lenses, ribbons and coarse aggregates of sulphides, mainly galena, arsenopyrite, sphalerite, tetrahedrite and pyrite. The veins are sharp-walled, commonly banded, colloform, vuggy mixtures of quartz and sulphides and thin seams and partings of wall rock gouge and chlorite. Sulphides developed in two stages, an early quartz-siderite-pyrite arsenopyrite assemblage and a later stage of quartz, pyrite, galena, sphalerite and tetrahedrite. Gold is associated with arsenopyrite-bearing veins and silver with galena-sphalerite-tetrahedrite veins. The veins range from 10 cm to 1.5 m thick. Ore grade material developed to date is largely confined to restricted shoots within the veins. The shoots are best developed at vein intersections or at cross-cutting fissure zones.

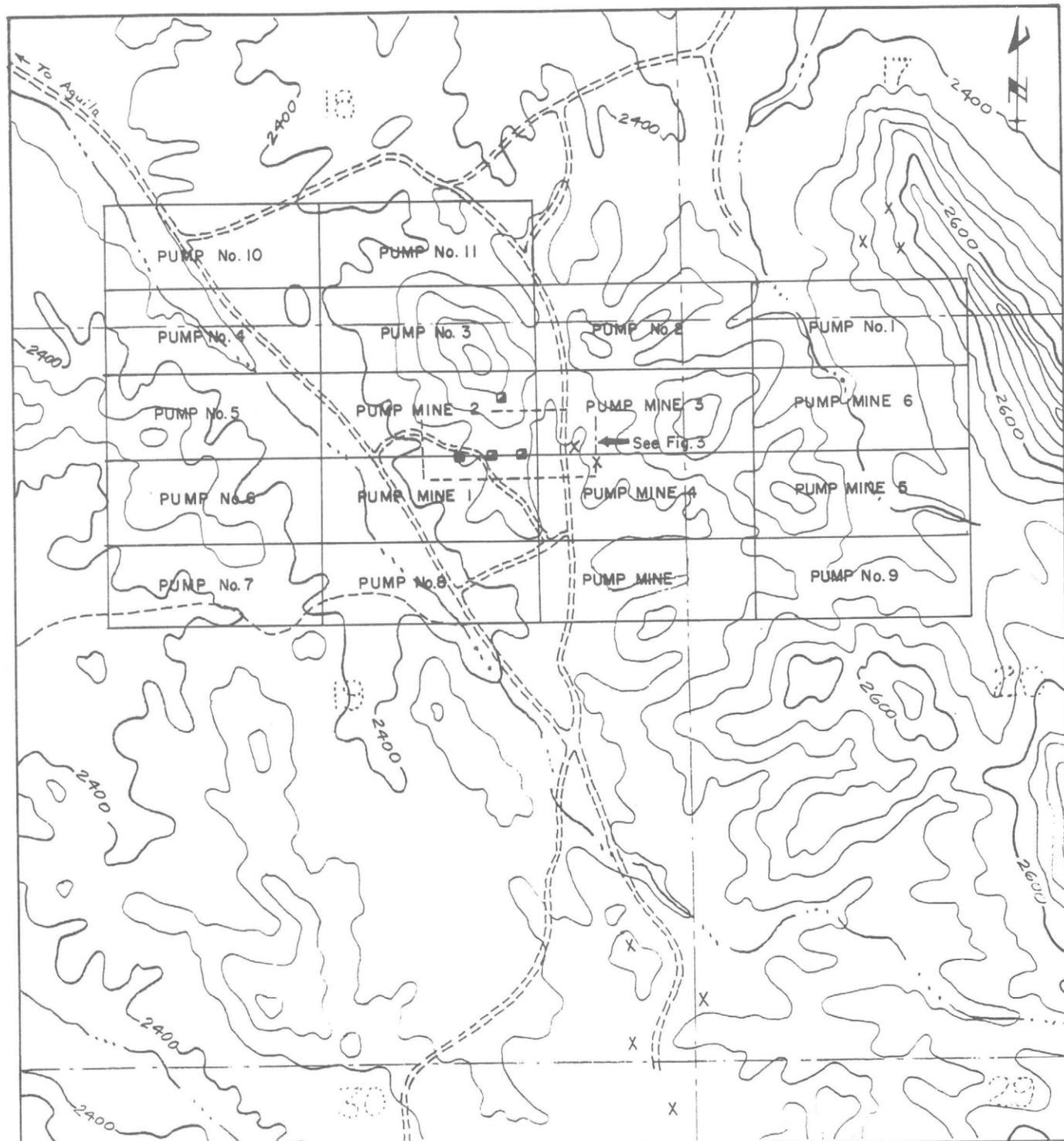
#1 Vein

The #1 vein is 100 metres long and varies from 1 to 1.5 metres thick. It has been explored by surface stripping and two inclined shafts thirty metres deep. The vein, which dips 60° east, consists of quartz, siderite, and 5% sulphides - galena, tetrahedrite and minor chalcopyrite. Some 106 metres of drifting was done in 1951 from an adit driven on the north slope of Nine Mile Mountain. The #1 vein is sparsely mineralized throughout. Assays taken from various samples are given in Table II. A sample cut by the writer across the vein, about 60 cm thick, returned precious metal assays of 24.07 oz/ton silver and 0.012 oz/ton gold.

DESCRIPTION OF THE PROSPECT

The Pump Gold zone comprises a quartz-filled, hematitic shear zone that strikes east-west and dips 60° north. The shear zone and vein material range from 30 centimetres to 1.2 metres thick. The gold appears to be confined to shoots and lenses within the vein system. The vein can be traced along strike through various pits and small shafts for a distance of 760 metres and probably extends to a stripped area 180 metres to the northwest. The vein is continuous for the eastern 450 metres but is offset 30 metres to the south by a northerly fault located 100 metres west of the main shaft. Farther west and north, the vein either changes strike to a northerly direction or represents a separate vein system west of Pit P-14 (Figure 3). Assay data obtained from various sources are given in Table II. Assays range from 0.003 oz/ton to 1.305 oz/ton gold. The best assays have been returned from samples taken from the main shaft area, from a small pit 515 metres east of the main shaft (not shown in Figure 3), and from an inclined shaft at H-3 (Figure 3). Significant assays were also obtained at site P-17, P-18 and H-5.

Auger cuttings taken from five holes drilled by H. Randall are given in Figure 3. Assays from these samples range from 0.02 oz/ton to 0.12 oz/ton gold. The average of these samples is 0.048 oz/ton gold over an area some 30 metres by 10 metres. Check samples taken by the writer five metres north of the drill area returned 0.016 oz/ton gold over three feet and 0.016 oz/ton gold over six feet. A 2.5-foot sample from the Pump vein at shaft P-6 (Figure 3) returned 0.04 oz/ton gold.



Part of Aguila Quadrangle
Contour Interval-40 ft.

0 1000 2000 FEET

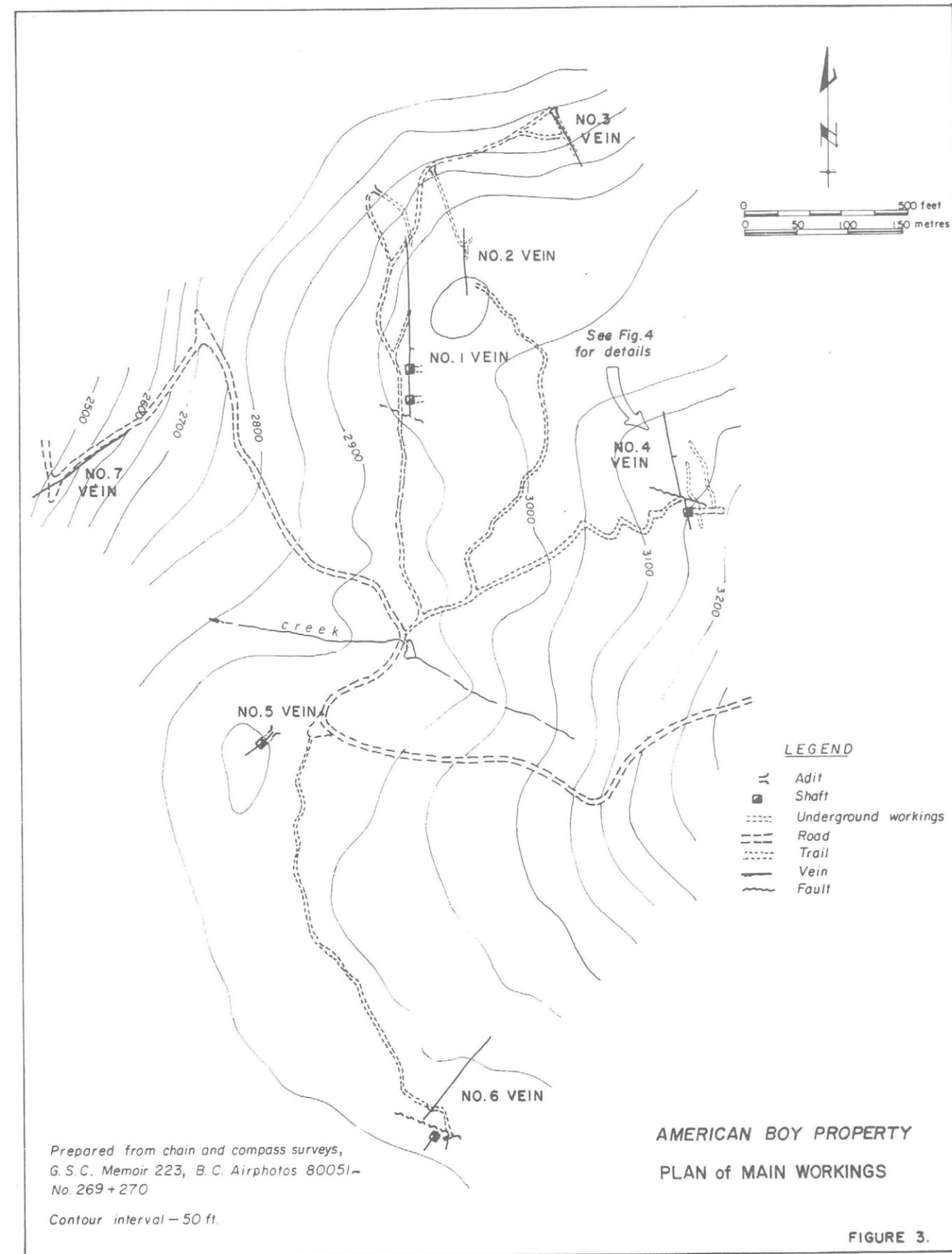
- ==== Road
- Trail
- Section line
- Shaft
- X Prospect Pit

CAN-EX RESOURCES LTD.

PUMP MINE PROPERTY
MARICOPA COUNTY, ARIZONA

CLAIM MAP

FIGURE 2



0 50 100 150 metres

LEGEND

- ┌ Adit
- Shaft
- Underground workings
- ==== Road
- Trail
- Vein
- Fault

Prepared from chain and compass surveys,
G. S. C. Memoir 223, B. C. Airphotos 80051-
No. 269+270

Contour interval - 50 ft.

AMERICAN BOY PROPERTY

PLAN of MAIN WORKINGS

FIGURE 3.

TABLE II

Assays from the #1 Vein

| <u>Length</u> | <u>Type</u> | <u>Ag(oz)</u> | <u>Au(oz)</u> | <u>Pb%</u> | <u>Zn%</u> | <u>Cu%</u> | <u>Source</u> |
|----------------------|-------------|---------------|---------------|------------|------------|------------|----------------|
| Grab from dump | | 8.82 | 0.015 | 2.39 | 0.26 | 0.18 | BCDM (1914) |
| Dump, north shaft | | 81.93 | 0.020 | 6.90 | 5.49 | 0.68 | " " |
| Grab from dump | | 299.50 | 0.116 | - | - | - | Tri-Con (1976) |
| 60 cm chip, s. shaft | | 24.07 | 0.012 | 4.52 | 1.56 | 0.15 | Fox (1982) |

#2 Vein

The #2 vein lies 60 metres east of the #1 vein system. The #2 vein has been developed by an 80-metre adit collared at the 772 metre elevation some 70 metres east of the portal to the #1 vein. All workings have caved and are not accessible. Kindle (1954) reports 103 metres of underground workings were developed on both the #2 vein system and a thin branch vein to the west. Both branches apparently vary from 10 cm to 30 cm thick and contain about 1% total sulphides. Assays are given in Table III.

TABLE III

Assays from the #2 Vein

| <u>Length</u> | <u>Type</u> | <u>Ag(oz)</u> | <u>Au(oz)</u> | <u>Pb%</u> | <u>Zn%</u> | <u>Cu%</u> | <u>Source</u> |
|---------------|-------------|---------------|---------------|------------|------------|------------|---------------|
| 20 cm | chip | 0.23 | trace | - | - | - | Kindle (1954) |

#3 Vein

The #3 vein, which is apparently an extension of the main vein (vein #4), is exposed in several trenches 121 metres east of the #2 vein adit. The vein was developed by numerous pits, now all slumped, for 60 metres along the strike of the vein. It is 30 cm thick and contains small amounts of galena and arsenopyrite. A dump sample taken by Kindle (1954) returned 1.453 oz/ton gold, 10.8 oz/ton silver and 13% lead.

HISTORY AND PREVIOUS WORK

The Pump Mine was an active gold producer in the 1920's and 1930's. Most of the production was obtained from a 150-foot inclined shaft with levels developed at 60 feet and 120 feet. Several stopes were developed upward from both levels. Other test pits and numerous small shafts and trenches were excavated along the strike of the Pump vein. In 1981, Tri-Con Mining (Arizona), Inc. heap-leached 2500 tons of dump material. The reported average grade obtained from this operation is 0.025 oz/ton gold. H. Randall stripped the north end of the Pump vein and subsequently drilled five auger holes to test the vertical extent of the zone.

GEOLOGICAL SETTING

West central Arizona forms a basin and range structure comprising a Precambrian metamorphic terrain, Paleozoic sedimentary rocks, extensive volcanic, igneous and sedimentary rocks of a Mesozoic age, and local accumulations of Cenozoic volcanic and sedimentary rocks. The entire sequence seems to be an uplifted metamorphic-structural-plutonic complex. The main elements of the complex are a mobile core zone of metamorphosed Precambrian to Cenozoic rocks, an overlying zone of mylonitic rock, and a high level, block-faulted terrain consisting of basement rocks and valley-fill fanglomerates and sediments. Plutonic rocks have developed throughout the evolution of the complex and are commonly present as groups of northwest-trending dykes and plutons related to a period of mid-Tertiary extension.

Numerous gold prospects, notably the Pump Deposit and nearby Gold Crown Prospect, are present throughout the Big Horn Mountains. The Pump deposit is underlain by gneissic Precambrian rocks.

TABLE I

PUMP PROSPECT - CLAIM DATA

Maricopa County, Arizona
Big Horn Mining District

| | LOCATION DATE | RECORDING DATE | DOCKET # | PAGE # | BLM # |
|-------------|---------------|----------------|----------|---------|------------|
| Pump Mine | Feb. 28/74. | March 4/74. | 10541 | 234 | AMC 72287 |
| Pump Mine 1 | " | " | " | 232 | AMC 72288 |
| 2 | " | " | " | 233 | AMC 72289 |
| 3 | " | " | " | 230 | AMC 72290 |
| 4 | " | " | " | 231 | AMC 72291 |
| 5 | " | " | " | 229 | AMC 72292 |
| 6 | " | " | " | 228 | AMC 72293 |
| Pump 1 | April 3/81. | April 17/81. | 15171 | 1312-13 | AMC 128636 |
| 2 | " | " | " | 1314-15 | AMC 128637 |
| 3 | " | " | " | 1316-17 | AMC 128638 |
| 4 | " | " | " | 1318-19 | AMC 128639 |
| 5 | " | " | " | 1320-21 | AMC 128640 |
| 6 | " | " | " | 1322-23 | AMC 128641 |
| 7 | " | " | " | 1324-25 | AMC 128642 |
| 8 | " | " | " | 1326-27 | AMC 128643 |
| 9 | " | " | " | 1328-29 | AMC 128644 |
| 10 | April 4/81. | " | " | 1330-31 | AMC 128645 |
| 11 | " | " | " | 1332-33 | AMC 128646 |

#4 Vein

The #4 vein (main vein, Figure 4) has received most of the development work done to date on the prospect. The vein has been explored by an inclined shaft, now caved, with levels developed at 100 feet and 160 feet. Development work ceased when water was encountered during excavation of the 300 level crosscut. Approximately 112 metres of underground workings include two stopes between the 100- and 160-foot levels and one stope on the 100 level. The vein is some 100 metres long, varies from 16 cm to 30 cm thick and consists of quartz, siderite, and about 2% total sulphides - arsenopyrite, galena, sphalerite and tetrahedrite. The vein is broken by numerous northeasterly faults that tend to offset vein segments several metres to the northeast. Most of the production appears to have been obtained from a northerly plunging ore shoot some 12 metres X 30 metres by 20 centimetres. An assay summary is given in Table IV.

#5 Vein

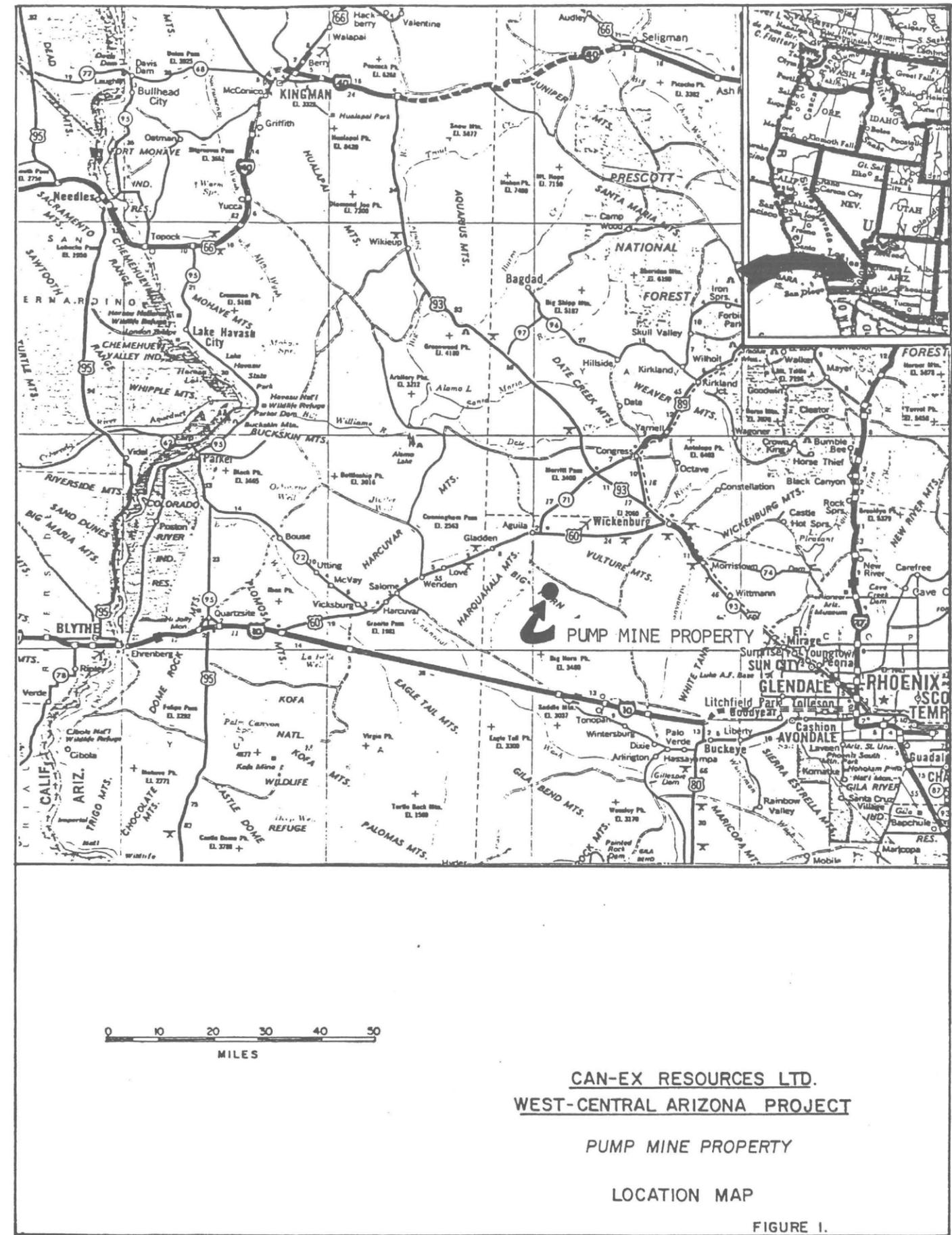
The #5 vein lies 485 metres southwest of the main vein. All of the workings are now caved. According to Kindle (1954), the old workings consist of a 75-metre shaft and connecting adit 20 metres in length. The vein is 36 cm thick and a sample of dump material collected by Kindle (1954) assayed 27.89 oz/ton silver, 0.01 oz/ton gold, 2.91% lead and 5.64% zinc. In addition, a 36-cm chip sample collected across the vein returned 5.38 oz/ton silver, and 0.01 oz/ton gold.

#6 Vein

The #6 vein, discovered in 1951, is 425 metres south of vein #5. A small tonnage was mined from open cuts and an inclined shaft in 1955. Tri-Con Mining sampled and trenched the vein in 1978 and 1980. The vein is some 100 metres long and about 30 centimetres thick. A sample of vein material taken by the writer over 25 centimetres returned 5.4 oz/ton silver, 0.010 oz/ton gold, 0.74% lead and 3.04% zinc. A second sample taken 60 metres north at the north end of the vein returned 0.23 oz/ton silver, and 0.007 oz/ton gold. An EM-16 survey conducted by Tri-Con personnel in 1980 showed a close correlation between the known vein outcrop and Fraser-filtered EM measurements.

TABLE IV
Assays from the #4 Vein

| Length | Type | Ag(oz) | Au(oz) | Pb% | Zn% | Cu% | Source |
|--------|------|--------|--------|-------|------|------|-------------------------------------|
| 30cm | chip | 1.04 | 0.054 | | | | Tri-con surface |
| 12 | | 5.46 | 0.084 | | | | " " |
| 37 | | 4.17 | 0.280 | | | | " " |
| 21 | | 0.46 | 0.132 | | | | " " |
| 24 | | 0.16 | 0.084 | | | | " " |
| 21 | | 0.10 | 0.124 | | | | " " |
| 21 | | 0.51 | 0.302 | | | | " " |
| 24 | | 0.38 | 0.440 | | | | " " |
| 40 | | 3.86 | 0.164 | | | | " " |
| 27 | | 7.79 | 0.084 | | | | " " |
| 20 | | 7.05 | 0.446 | | | | " " |
| - | Grab | 35.10 | 0.015 | 0.07 | 0.09 | 0.26 | Fox, 1982 |
| 15 | chip | 17.28 | 0.10 | 2.35 | Nil | | Kindle, 100 level |
| 23 | " | 12.02 | 0.23 | 2.35 | 4.98 | | Kindle, 160 level |
| 18 | " | 19.57 | 0.09 | 11.68 | 0.66 | | Kindle, 160 level, N. drift |
| 61 | " | 0.10 | trace | 0.70 | 1.2 | | Kindle, 160 level, shaft area |
| 51 | " | 19.64 | 0.02 | 13.41 | 1.63 | | Kindle, 160 level, at raise |
| 15 | " | 0.21 | 0.06 | | | | Kindle, 160 level, face of drift |
| 30 | " | 0.08 | 0.04 | Nil | Nil | | Kindle, 160 level drift |



INTRODUCTION

This report concerns the Pump Gold deposit, Big Horn Mining District, Arizona. The property, which is owned by option by Can-Ex Resources Ltd., was examined by the writer on September 9, 1982. Results of this appraisal and a compilation of pertinent background information are presented herein.

The Pump mine is an old underground producer and, more recently, a heap-leach operation. The deposit lies three kilometres northeast of the Gold Crown Prospect also owned by Can-Ex Resources Ltd.

LOCATION, ACCESS, TERRAIN

The Pump Gold deposit (Figure 1) is situated in Maricopa County, 24 kilometres south of Aquila, Arizona. A well maintained road leading south from Aquila and a short, seven-kilometre mine road provide access to the property. Numerous mine service roads lead to most points in the property.

The terrain comprises rocky spurs and outcrop areas separated by broad, gravel-filled washes. Relief is low, generally less than 100 metres. The mean elevation of the property is 750 metres.

CLAIMS AND OWNERSHIP

The prospect consists of eighteen contiguous federal claims comprising the Pump Mine, Pump Mine 1-6, and Pump 1-11 claims, (Figure 2). All claims are located in the Big Horn Mining District and all have received sufficient Annual Labour to maintain them to September 1, 1983. Claim information is given in Table I. The Pump Mine and Pump Mine 1-6 were optioned from A.R. Powell of Aquila, Arizona and the Pump 1-11 were staked by Tri-Con Mining (Arizona), Inc.

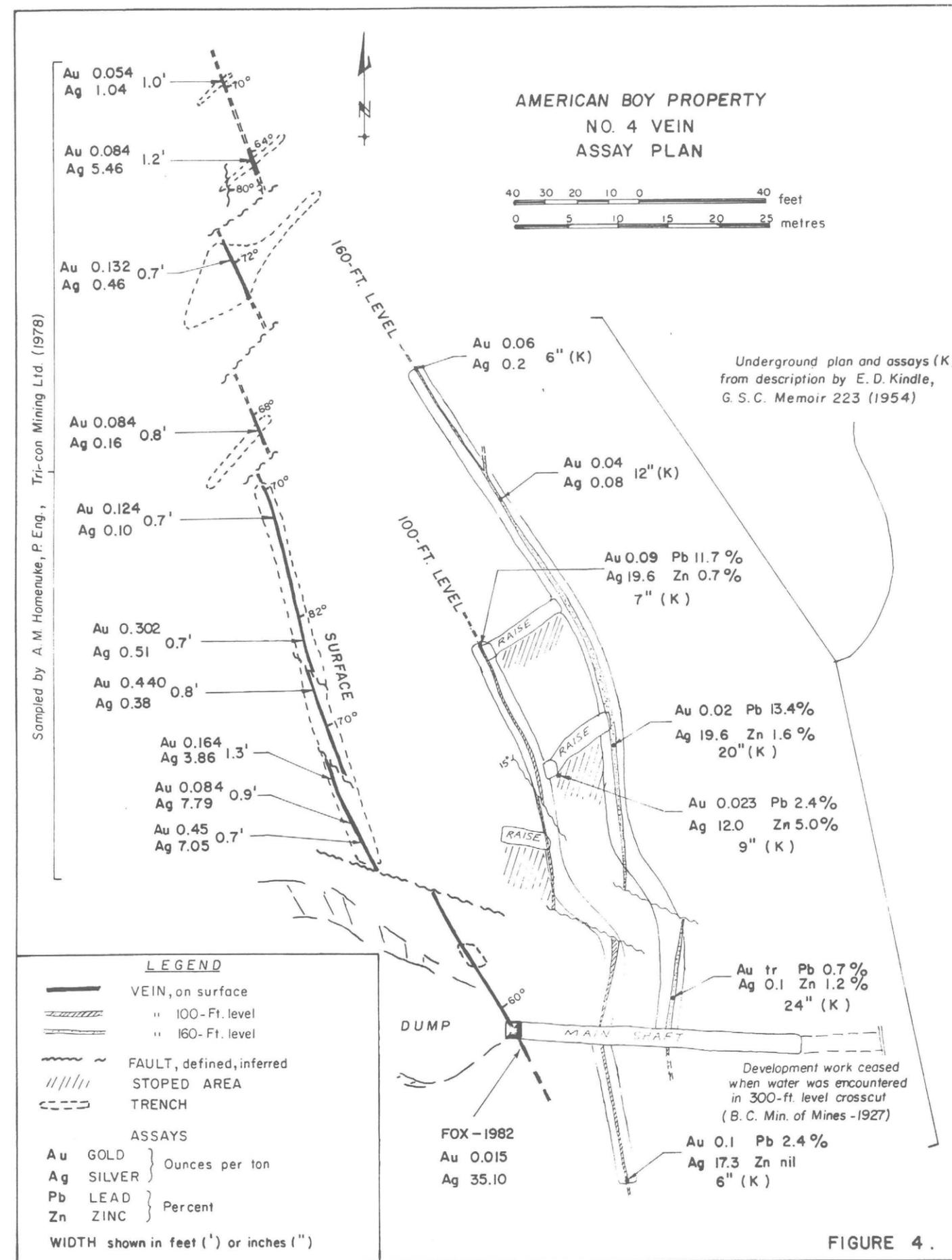


FIGURE 4.

Other Veins

The #7 vein is exposed in a drainage ditch adjacent to the B.C. Telephone access road 300 metres west of the #1 vein. Hand trenching by Tri-Con Mining in 1981 indicated a strike length of 60 metres. The vein is approximately 30 centimetres thick, strikes northeast, and dips steeply to the southeast. The #8 vein, situated farther west at the south end of Robinson Lake, was discovered in 1981, however no work has been done to evaluate the vein. Dump material associated with several old pits contains small amounts of galena and sphalerite. In addition, mineralized float material has been discovered along the access road east and uphill from the #4 vein. The source of the float material has not been located but may represent an extension of the #6 vein to the northeast.

EXPLORATION POTENTIAL

Exploration potential of the prospect lies in developing new vein systems and testing the #4 vein at depth. The similarity of the vein occurrences on the American Boy prospect with those of the Silver Standard Mine four kilometres west is important and, together with the high grade shoot in the #4 vein and the relatively large number of silver-bearing veins discovered to date, are compelling reasons to implement further work on the property.

Preliminary EM-16 work by Tri-Con Mining Ltd. indicates that this EM system along with a comprehensive program of geochemical soil sampling and follow-up trenching should be effective search techniques to test for new veins. In addition, the high grade shoot in the #4 vein, partly mined above the 160 level by previous workers, is an excellent exploration target and should be tested at depth. Accordingly, two diamond drill holes (Table V) are recommended to test the vein 100 feet and 200 feet respectively below the 160 level. An old diamond drill hole collared in the vicinity of the #4 vein was not positioned to test the high grade shoot. A cost estimate supporting this program is given below.

TABLE V

| | <u>Proposed Drill Program - #4 Vein</u> | | | | |
|----|---|---------------|----------------|------------|-------------------|
| | <u>N (m)*</u> | <u>E (m)*</u> | <u>Azimuth</u> | <u>Dip</u> | <u>Length (m)</u> |
| #1 | 39 | 83 | 270° | -60° | 138 |
| #2 | 53 | 115 | 270° | -60° | 182 |

* Coordinates relative to inclined shaft collar on #4 vein.

SUMMARY

The Pump Gold Prospect, which has been acquired by option by Can-Ex Resources Ltd., is situated in the Big Horn Mining District, Maricopa county, Arizona. The nearest settlement, Aquila, is located 24 kilometres to the north. The property consists of eighteen contiguous federal claims optioned from A.R. Powell and Tri-Con Mining (Arizona), Inc. All claims are valid until September 1, 1983.

The prospect is an old underground producer and, more recently, a heap-leach operation conducted by Tri-Con Mining (Arizona), Inc. Past production came from a 150-foot inclined shaft and connecting levels developed at the 60-foot and 120-foot levels. The Pump vein, which occurs in sheared gneissic rocks of Precambrian age, is 760 metres long, varies from 30 centimetres to 1.2 metres thick, and dips 60° north. The vein and its ancillary branches probably extends a further 180 metres northwest. Numerous assays obtained by various operators and consulting geologists range from 0.003 oz/ton to 1.305 oz/ton gold. Significant assay results were obtained from the main shaft area and from five pits to the east and west.

CONCLUSIONS

Further work is warranted to test the main shaft area and five pits and small showings to the east and west. In addition, the low-grade bulk tonnage potential of the north extension warrants drill testing.

RECOMMENDATIONS

A program of geological mapping, topographic surveying, EM-16 work and a combined diamond drilling-percussion drilling program is recommended to test the depth potential and bulk tonnage aspects of the deposit. The cost of this program is estimated at \$ 95,000.

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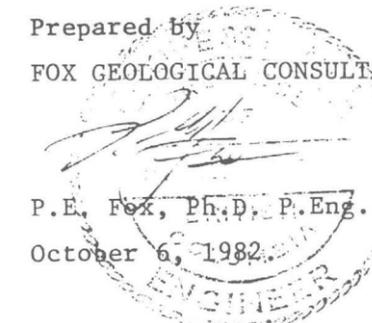
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PROGRAM SPECIFICATIONS AND COST ESTIMATE

| | | |
|------------------------------------|---|-------------------------------------|
| 1) <u>Grid preparation</u> | 200 km grid lines @ 100m intervals, flagged and rough cut, @ \$200/km | \$ 40,000 |
| 2) <u>Geological mapping</u> | One geologist, 10 days @ \$200/day | 2,000 |
| 3) <u>Geochemical soil survey</u> | Samples at 50m centres, 4000 samples for ICP & Au @ \$14 Collection costs @ \$2.00/sample | \$ 56,000 <u>8,000</u> 64,000 |
| 4) <u>EM-16 survey</u> | One operator, 25 days @ \$120/day Support costs | \$ 3,000 <u>1,000</u> 4,000 |
| 5) <u>Backhoe trenching</u> | Anomaly testing | 2,500 |
| 6) <u>Diamond drilling</u> | #4 vein, two holes, 320m @ \$100/m | 32,000 |
| 7) <u>Assaying</u> | Trench samples, allow Core | \$ 1,000 <u>500</u> 1,500 |
| 8) <u>Engineering, supervision</u> | Allow cost plus 10% | 14,000 |
| TOTAL ESTIMATE | | <u>\$ 160,000</u> |

Prepared by
FOX GEOLOGICAL CONSULTANTS LTD.

P.E. Fox, Ph.D., P.Eng.
October 6, 1982.



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GEOLOGICAL REPORT ON THE
PUMP MINE GOLD PROSPECT

by

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410 - 675 West Hastings St.
Vancouver, B.C.

for

Can-Ex Resources Ltd.
2580 - 1066 West Hastings Street
Vancouver, B.C.

October 15, 1982.

CERTIFICATE

I, Peter Edward Fox, certify to the following:

1. I am a consulting geologist residing at 3743 Roblin Place, North Vancouver, British Columbia.
2. I am a Professional Engineer registered with the Association of Professional Engineers in British Columbia.
3. My academic qualifications are:
B.Sc. and M.Sc., Queens University, Kingston, Ontario:
PhD., Carleton University, Ottawa, Ontario.
4. I have been engaged in geological work for fifteen years since graduation.
5. I have no interest, direct or indirect, in the properties, shares or securities of Can-Ex Resources Ltd. nor do I expect to receive any.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts.

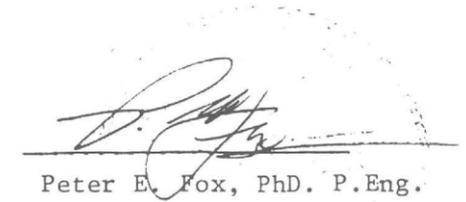


Vancouver, British Columbia
October 14, 1982.

CERTIFICATE

I, Peter Edward Fox, certify to the Following:

1. I am a consulting geologist residing at 3743 Roblin Place, North Vancouver, British Columbia.
2. I am a Professional Engineer registered with the Association of Professional Engineers in British Columbia.
3. My academic qualifications are:
B.Sc. and M.Sc., Queens University, Kingston, Ontario:
PhD., Carleton University, Ottawa, Ontario.
4. I have been engaged in geological work for fifteen years since graduation.
5. I have no interest, direct or indirect, in the properties, shares or securities of Can-Ex Resources Ltd. nor do I expect to receive any.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts.



Vancouver, British Columbia
October 6, 1982.

GEOLOGICAL REPORT ON THE
GOLD CROWN GOLD PROSPECT

by

P.E. Fox, PhD. P.Eng.
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410 - 675 West Hastings St.
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for

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2580 - 1066 West Hastings Street
Vancouver, B.C.

October 14, 1982.

REFERENCES

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core complexes, southern Arizona,
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- REHRIG, W.A. and REYNOLDS, S.J., 1980
Geologic and geochronologic reconnaissance
of a northwest-trending zone of metamorphic
core complexes in southern and western Arizona,
Geological Society of America, Memoir 153.

RECOMMENDED PROGRAM

| | | | |
|---------------------------------------|----------------|----------------------|--|
| 1) <u>Geological Mapping</u> | | | |
| One geologist, 10 days @ \$300 | \$3,000 | | |
| Support | <u>500</u> | \$ 3,500 | |
| 2) <u>Geophysics</u> | | | |
| EM-16 survey; 10 days @ \$200 | 2,000 | | |
| Support | <u>500</u> | 2,500 | |
| 3) <u>Drilling, rotary/percussion</u> | | | |
| 9 holes, 150', 50' X 100' grid | | | |
| (Figure 2). 1350' at \$10/ft | 13,500 | | |
| Support @ \$1.50/ft | <u>1,800</u> | 15,300 | |
| 4) <u>Assays</u> | | | |
| 135 samples at \$15, allow | | 2,100 | |
| 5) <u>Claim Maintenance</u> | | 400 | |
| 6) <u>Supervision and Engineering</u> | | | |
| Estimated at cost plus 20% | | 4,500 | |
| 7) <u>Contingency @ 12%</u> | | 3,200 | |
| | | <u>3,200</u> | |
| | TOTAL ESTIMATE | \$ 31,500 | |
| | | <u><u>31,500</u></u> | |

Prepared by
FOX GEOLOGICAL CONSULTANTS LTD.

P.E. Fox, Ph.D. P.Eng.
October 14, 1982.



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INTRODUCTION

The Gold Crown Prospect comprises a series of surface pits and mine openings owned by right-of-location and by option by Can-Ex Resources Limited of Vancouver. This report gives results of a property examination on September 9, 1982 and makes recommendations for a preliminary appraisal of the prospect.

LOCATION, ACCESS AND TERRAIN

The prospect is situated in the Big Horn mining district, Maricopa County, Arizona, some 20 kilometres south of Aquila, a small village approximately 100 kilometres west of Phoenix on Highway 60 (Figure 1). A well maintained, gravel-surfaced road leading south from Aquila, together with a short service road, provide access to the property. The terrain is gently rolling, relief is low (50 metres) and local elevations are 700 to 750 metres.

CLAIMS, OWNERSHIP

The property comprises nine contiguous federal claims located by Tri-Con Mining (Arizona), Inc., vendors of the property, on June 19, 1981. One claim, for which no records are available, was optioned from A.R. Powell, Aquila, Arizona. Sufficient work has been done to maintain the prospect to September 1, 1983. A claim list and pertinent recording data are given below.

TABLE I

TABLE OF ASSAYS

| NO. | WIDTH | GOLD OZ/TON | SILVER OZ/TON | DESCRIPTION | SAMPLER |
|-------|---------|----------------|------------------|--|---------------------------|
| C-1 | 2.0 ft. | 0.012 | 6.64 | Hanging wall of shear zone in pit west of shaft | Tri-Con Mining |
| C-2 | 2.0 ft. | 0.005 | 1.90 | Footwall of above dump | Tri-Con Mining |
| C-3 | - | 0.062 | 0.70 | Dump | Tri-Con Mining |
| 970 | - | 0.096 | 0.05 | Dump | W.G. Stevenson, P.Eng. |
| 18826 | 4.0 ft | 0.001 | 0.01 | Main shaft | P.E. Fox, P.Eng. |

POTENTIAL

Further exploration lies in evaluating the known occurrence and prospecting along strike for new shoots within the vein system. The extensive placer workings in a nearby wash together with significant assays obtained from dump material of the main shaft warrant further work. A program of geological mapping and EM-16 surveys should be effective in establishing strike extensions of the vein. In addition, a limited percussion or rotary drill program should be conducted to test the main shaft area and wash area immediately east.

CLAIM DATA

GOLD CROWN PROSPECT

| | LOCATION DATE | RECORDING DATE | DOCKET | PAGE # | BLM # |
|--------------|------------------|-------------------|--------|---------|------------|
| Gold Crown | | | | | AMC 72294 |
| Gold Crown 1 | June 19/81 | July 24/81 | 15403 | 1155-56 | AMC 136662 |
| 2 | " | " | " | 1157-58 | AMC 136663 |
| 3 | " | " | " | 1159-60 | AMC 136664 |
| 4 | " | " | " | 1161-62 | AMC 136665 |
| 5 | " | " | " | 1163-64 | AMC 136666 |
| 6 | " | " | " | 1165-66 | AMC 136667 |
| 7 | " | " | " | 1167-68 | AMC 136668 |
| 8 | " | " | " | 1169-70 | AMC 136669 |
| 9 | " | " | " | 1171-72 | AMC 136670 |

HISTORY AND PREVIOUS WORK

Prior work on the Gold Crown Prospect consists of three test pits, an inclined shaft and connecting stope, and considerable placer work done on a dry wash that trends northerly from the showings. Extensive sampling programs have been done in recent years but no significant work has been done since the early exploration.

GEOLOGICAL SETTING

Much of west central Arizona forms a basin and range structure comprising Precambrian gneissic and schistose rocks, Paleozoic sedimentary rocks (mainly carbonate units), extensive volcanic, igneous and sedimentary rocks.

The entire sequence is regarded by Davis (1980), Rehrig and Reynolds (1980), and others as an uplifted and arched metamorphic-structural-plutonic core complex comprising a mobile core zone of metamorphosed and granitized Precambrian to Cenozoic rocks overlain first by a pronounced zone of mylonitic rock and second by a block-faulted basement terrain with overlying valley-fill fanglomerates and sediments all of Tertiary age. Plutonic rocks have developed throughout the evolution of the complex and are commonly present as groups of northwest-trending dykes and plutons related to a period of mid-Tertiary extension.

Numerous gold prospects, notably the Gold Crown and Pump deposits, are present throughout the Big Horn Mountains, a westerly extension of the Vulture mining district near Wickenburg 75 kilometres to the east. The Gold Crown Prospect is underlain by gneissic rocks of Precambrian age and, more locally, by Cretaceous and Tertiary volcanic rocks.

DESCRIPTION OF THE PROSPECT

The Gold Crown Prospect (Figure 2) comprises several pits and a shaft decline developed on an easterly-trending vein. The vein probably joins a northerly shear zone exposed in a ten-metre pit 60 metres east of the main shaft. In addition, a wash separating the two pits (Figure 2) has been extensively worked for placer gold. The vein in the main pit comprises a gouge-filled, oxidized, hematite-stained, locally manganese-rich shear zone 1.2 metres thick. The hangingwall is a barren dioritic rock. Assay data obtained from various sources are given in Table I. Dump samples collected by W.G. Stephenson, P.Eng., an independent consultant, returned 0.06 oz/ton and 0.096 oz/ton gold respectively. The vein exposed in the main pit is poorly mineralized (Fox sample, 0.001 oz/ton gold). The dump material undoubtedly came from a small stope developed from the main shaft.

\$155 million. Ore reserves in the ground look cheap and good exploration potential exists at depth and also on surface in the surrounding area.

interesting and attractive stock for individual investors on pull back from current relatively elevated price levels. Warrants are available for the more aggressive.

REDPAIR

CAN-EX RESOURCES LTD.

Can-Ex Resources Ltd. is a Mining Company invested in four past producing gold mines in Arizona and one past producing silver mine in British Columbia.

The properties have been worked on recently and significant findings have been encountered on them all. Various assay samples from both underground and surface as well as soil samples have been taken from the properties and are currently being analyzed for gold and silver. Results of this work will be released soon.

Can-Ex is presently setting up to drill for reserves on these properties. The consulting-service firm, Tri-Con Mining Ltd. and TCA Inc. has a drill on the Arizona properties and a drill on the B.C. property.

The directors of Can-Ex bring to the Company considerable experience in both marketing and property management. They have successfully managed Silverado Mines Ltd. for eleven years and have operated the consulting firm of Tri-Con Mining Ltd. for fifteen years.

EXPLORATION AND ASSESSMENT WORK UNDERWAY IN PREPARATION FOR FULL FALL PROGRAM

Two of the gold properties held by Can-Ex Resources Ltd. in Arizona are the Overshot and the Gold Hill West, which

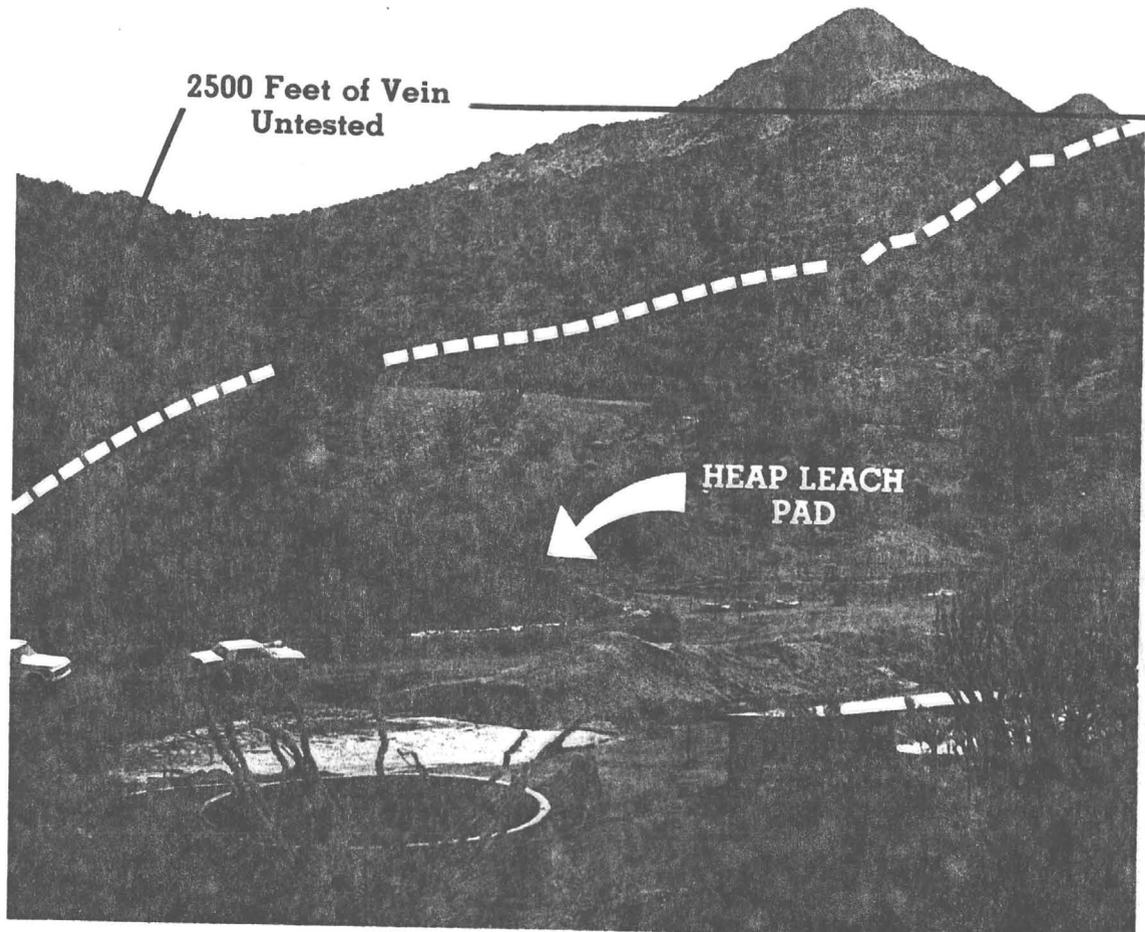
are located about five miles south of Salome, La Paz county, about 80 miles west northwest of Phoenix. The company has recently started a preliminary exploration program, including assessment work, in preparation for an extensive program in the Fall.

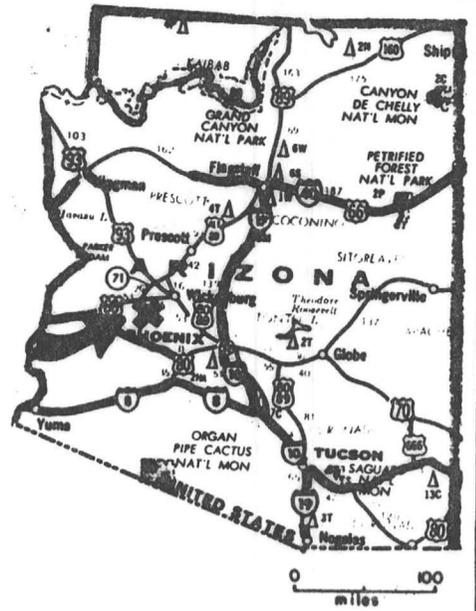
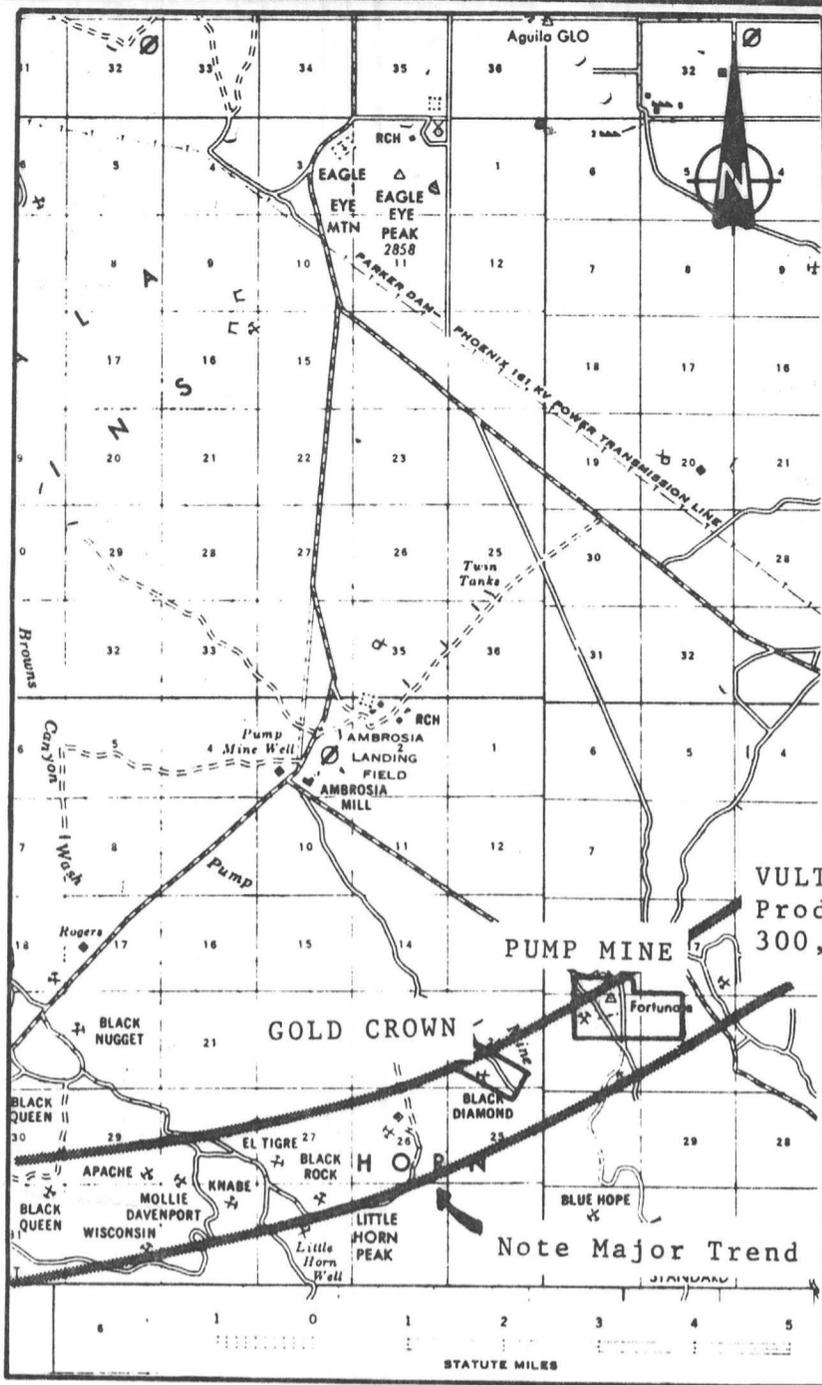
The Harquahala mine which lies adjacent to the Overshot property had estimated

production of 200,000 oz. gold plus 180,000 oz. silver. This ore was extracted from structures related to two northerly striking vein faults which dip toward each other. The area between the veins is complexly faulted. This created a low grade stockwork gold deposit. The Overshot property shows similar geologic structures.

Can-Ex Resources Ltd. recently completed a prospectus offering of 600,000 shares at \$1.00 with the shares listed on the Vancouver Stock Exchange August 17, 1983, symbol CXZ.

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VANCOUVER, B.C. V6E 3X2
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VULTURE MINE
Produced over 10 Miles
300,000 oz. GOLD

Note Major Trend of Mines and Prospects



WEST-CENTRAL ARIZONA GOLD PROJECT

PUMP MINE and GOLD CROWN Properties

CAN-EX RESOURCES LTD.