'81-#311-#9433

ASSESSMENT REPORT

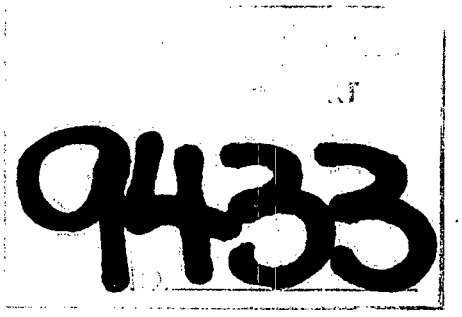
FOR

CANFIC SILVER MINES LTD

COMSTOCK GROUP

SLOCAN MINING DIVISION

BRITISH COLUMBIA

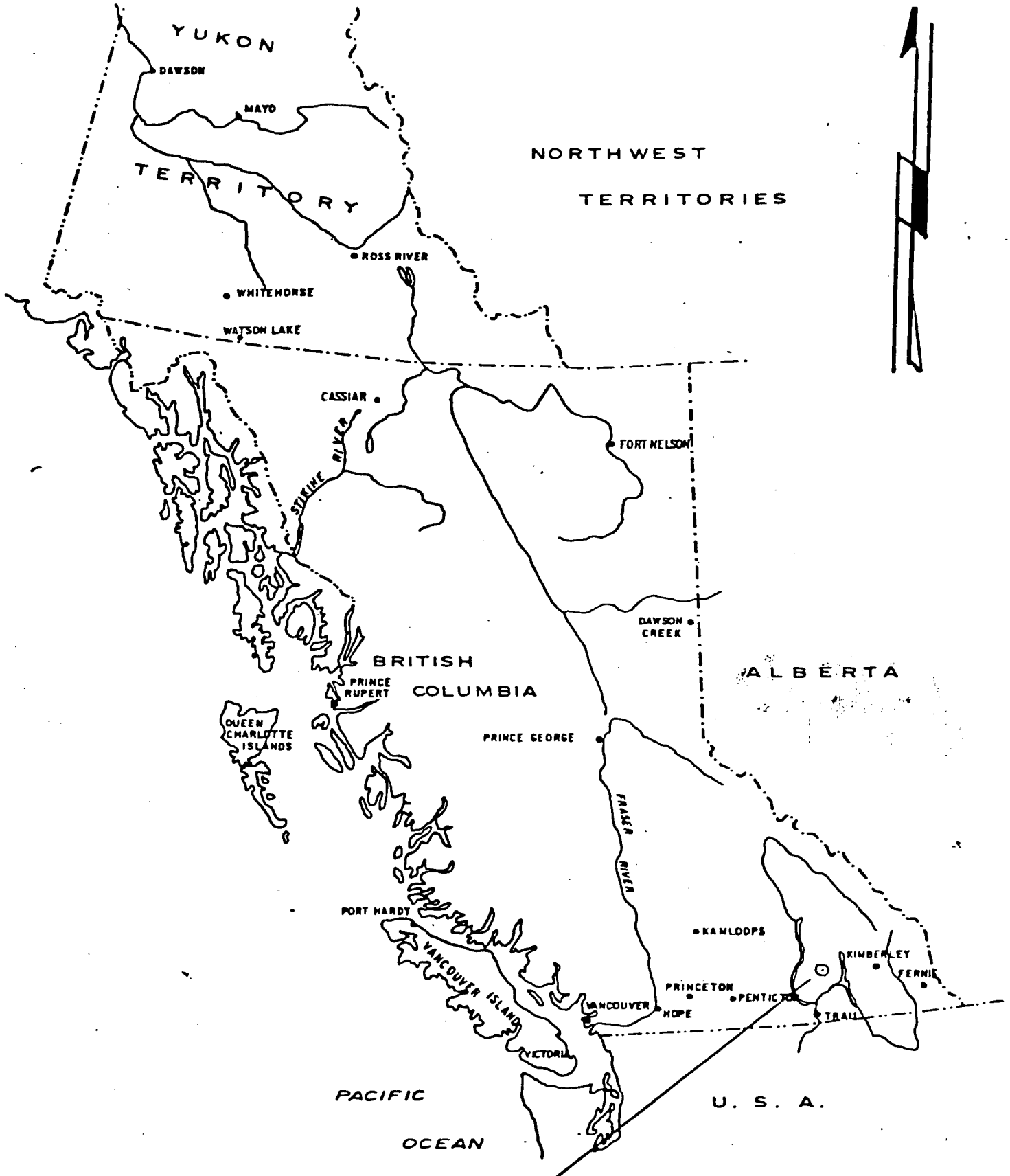


APRIL 23, 1981

BY: J. PAUL STEVENSON

GEOCHEMICAL-GEOPHYSICAL REPORT

LAT. 49° 55'
LONG. 117° 10'
NTS 82F/14E



COMSTOCK-VIRGINIA PROPERTY

LOCATION MAP
VANCOUVER BRITISH COLUMBIA

CANFIC SILVER MINES LTD.

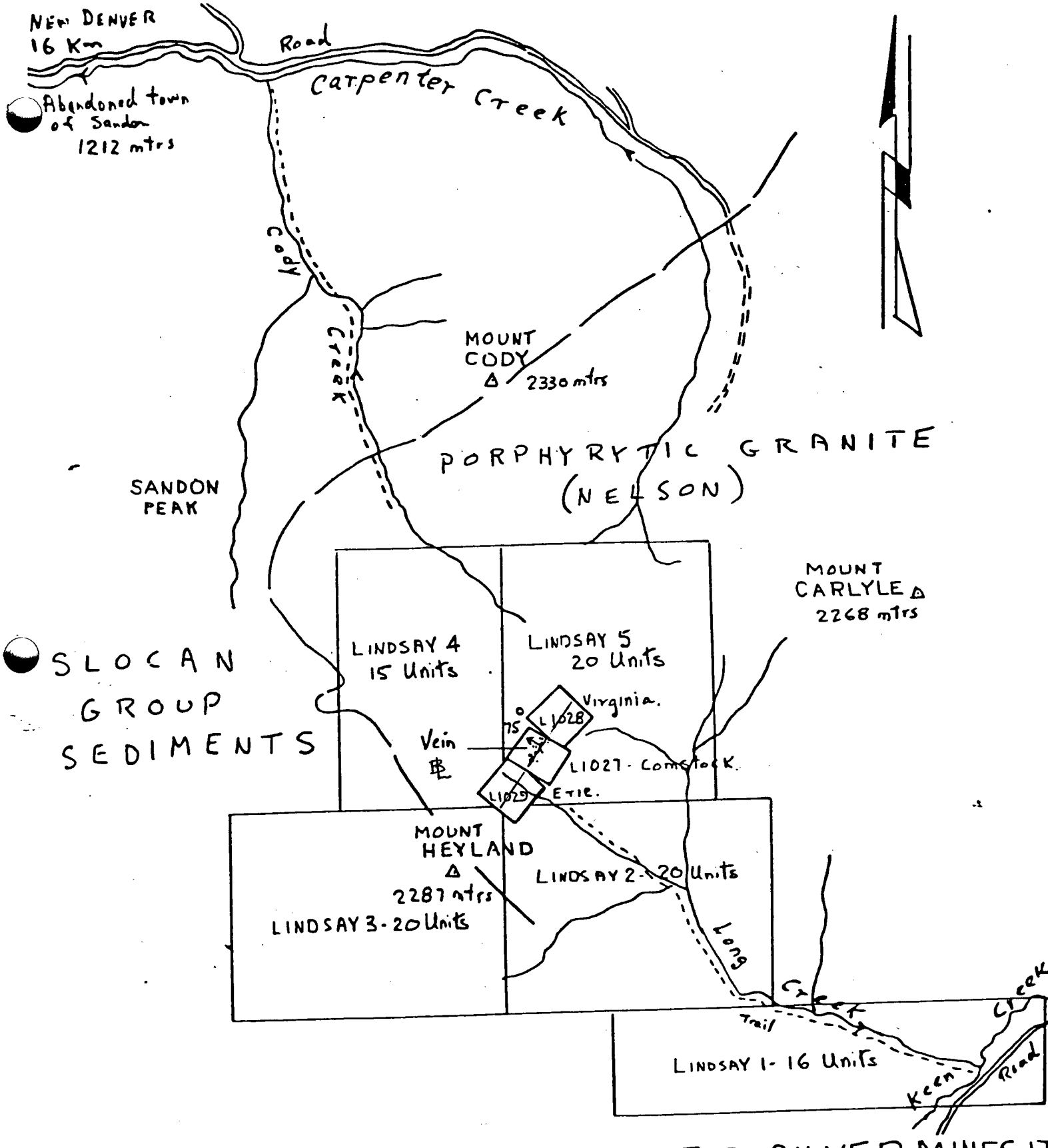
COMSTOCK-VIRGINIA PROPERTY

SCALE 1:12,672,000

0 200 Km

NTS.	DATE MAY. 1980	FIG. No. 1

1" = 200 MILES



CANFIC SILVER MINES LT

COMSTOCK-VIRGINIA LEAD-SILVER PROPER
SLOCAN MINING DIV, BRITISH COLUMBIA

SCALE 1:50000

0 1 2 3 Km

R.W. PHENDLER. P. ENG

MAY. 1980

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R.W. PHENDLER

TABLE OF CONTENTS

COST STATEMENT

Instrument Operator	14 days @ $100/day	$	1,400.00
Prospector	8 days @ $150/day	$	1,200.00
Samplers (includes opening adit)	28 days @ $75/day	$	4,200.00
Helicopter	5 hrs @ $448.70/hr	$	2,243.50
Truck	3050 km @.35/km	$	1,067.50
Fuel		$	402.54
Airlines		$	115.55
Accomodations		$	349.60
Food		$	846.07
Miscellaneous Supplies		$	~~1,329.97~~ 297.60
Transportation	3 trips to property	$	~~2,754.90~~
EM Report		$	300.00
EM 16 Rental		$	700.00
Draughting		$	200.00
Assay Lab Costs		$	2,580.30
Reproduction		$	40.00
Report Compilation		$	200.00
R W Phendler P. Eng	4 days @$250/day	$	1,000.00
R W Phendler P. Eng	4 days @$300/day	$	1,200.00
Typing of report	1 hr. @ $9/hr	$	9.00

Work occurred from June 27, 1980 to August 20, 1980

DEAKIN EQUIPMENT LTD.

831 POWELL STREET, VANCOUVER, B.C. V6A 1H7
TELEPHONE: 253-2685

INVOICE NUMBER
№ 39099

INVOICE

SOLD TO: Canlec Sales Limited Ltd
Paul Stevenson

SHIP TO: SAME

SHIPPING AND INVOICE DATE	SHIPPED VIA	PPD.	COLL.	PPD. CHG.	TERMS:	YOUR ORDER NO.	DATE ORDERED
June 30/80	C.O.D.	☐	☐	☐	1% 10 DAYS NET 30		June 2/80

QTY. B.O	QTY. ORDERED	DESCRIPTION	QTY. SHIPPED	UNIT PRICE	AMOUNT
	2	A775" Pinion 9-12 Tooth	2	201.25ea	402 50
	1	4"-2 Solenoid Valve	1	5990ea	5970
	1	321 - Contactor	1	3670ea	3670
	5	Mechanical Valve	5	2.20ea	11 00
	5	" Switch	5	1.20ea	6 00
	5	" Plug	5	1.65ea	825
	5	Utility Light	5	.52ea	260
	5	" Fuses	5	.88ea	440
	5	" Terminals	5	.35ea	175
	2	Solid Covers	2	1.00ea	200
	2	"O" Rings	2	1.20ea	240
	1	10" Cup Drive Unit	1	11.80ea	1180
	2	2 oz Counterbalance Cup	2	5.15ea	1030
	1	3 oz " " "	1	5.85ea	585
	1	9.5 oz Counterbalance	1	10.95ea	1095
	1	12 " "	1	12.10ea	1210
	1	2 oz Counterbalance	1	1.95ea	195
	5	7/16" x 2" Bolts	5	15.75ea	7875
	1	1/2" Nylon Rope	100	10.20ea	1020
	1	Cable Assembly	1	3.40ea	340
	2	440 Beer Chain	2	109.00ea	21800
	40	Cable Beer Chain Connector	40	2.25ea	9000
	1	5 oz. Counterbalance	1	14.10ea	1410
	1	" Counterbalance	1	1.50ea	150

FEDERAL TAX	FEDERAL TAX NO.	PROVINCIAL TAX NO.		
INCL. ☒ EXCL. ☐			TOTAL	1,006 20
			PROV. TAX	41025
			FREIGHT/POST.	—
			AMOUNT DUE	1,046 45

FILE COPY

DEAKIN EQUIPMENT LTD.

831 POWELL STREET, VANCOUVER, B.C. V6A 1H7
TELEPHONE: 253-2685

INVOICE NUMBER
№ 39100

INVOICE

SOLD TO: Ko-Lee Valves Ltd
Burl Clemens

SHIP TO: SAME

SHIPPING AND INVOICE DATE	SHIPPED VIA	PPD.	COLL.	PPD. CHG.	TERMS:	YOUR ORDER NO.	DATE ORDERED
JUNE 30/80	C.O.D	☐	☐	☐	1% 10 DAYS NET 30		June 27/80

QTY. B.O.	QTY. ORDERED	DESCRIPTION	QTY. SHIPPED	UNIT PRICE	AMOUNT
	2	2" Lunkenheimer	2	2.70 ea	5 40
	1	1 1/2" S.S. Lunkenheimer	1	3.45 ea	3 45
	2	1 1/2 cast iron globe	2	3.10 ea	6 20
	2	2" cast iron globe Lunkenheimer	2	6.91 ea	13 80
	1	1" cast iron gate Lunkenheimer	6.0	1.15 ea	69 00
	12	1" cast iron globe	12	1.15 ea	13 80

FEDERAL TAX	FEDERAL TAX NO.	PROVINCIAL TAX NO.		
INCL. ☒ EXCL. ☐		7	TOTAL	111 65
			PROV. TAX	4 47
			FREIGHT/POST.	—
			AMOUNT DUE	116 12

FILE COPY

R & B SEYMOUR RENTALS

A DIVISION OF DESTOBEL ENTERPRISES
154 RIVERSIDE DRIVE • NORTH VANCOUVER, B.C. V7H 1T9
Phone: 929-4080

RENTAL AGREEMENT

RENTED TO G. Miller Miner	DATE July 30/80
ADDRESS 1660 Riverside	TIME OUT 11 am ☑ A.M. ☐ P.M.
	TIME IN ☐ A.M. ☐ P.M.
CAR LICENSE DRIVER'S LIC. PHONE No. 929-7603	TO BE RETURNED ON

TYPE OF EQUIPMENT AND/OR MATERIALS	RENTAL PERIOD	RATE	AMOUNT
Floor Jack	6 day		

E. & O. E.

TAX	
DELIVERY	
PICK-UP	
TOTAL CHARGES	
DEPOSIT	114
BALANCE DUE ☐ RFD. ☐	

PLEASE TAKE NOTE:

An extra charge will be made if the equipment is not returned clean. **Rental will be charged from the time equipment leaves our premises until it is returned to same. Sundays are charged as rental days.** A day's rental is 8 hours. Up to 24 hours will be classed as 1½ days unless otherwise specified. Monthly rates constitute 28 days. In case of failure of the equipment notify us immediately. No adjustment of any kin will be made unless above is complied with.

I/We, the undersigned, do hereby rent and accept the above listed equipment and acknowledge that it is in good working condition and agree to pay a stipulated rental and agree to take care of all the said equipment and to use it in a proper manner and agree that in the event any of the rented equipment is lost or destroyed before it is returned, to promptly pay to the company the full value of such rented property, in cash, and if damaged or injured in any way, to pay an amount equal to the reasonable cost of repairing the same and further do hereby exonerate, indemnify and save harmless the company from all claims or liabilities to all parties for damage or loss to me/us or any person, persons or property in any way arising out of or during the use of said equipment. It is agreed that upon failure to pay rent or if default is made in any of the other terms, hereof, the company may at once take possession of said rented equipment wherever the same may be found and remove the same, and the company or its agents shall in no way be liable for any claims, for damages or injury in the removal of said equipment. The renter declares to have examined the hitch, safety chain and all connections of said rental equipment to motor vehicle and to have received it in a secure condition.

It is understood that the rental commences as of the date hereof and ends only when the rented equipment is returned or delivered at the office or shop of the said company.

Equipment must be returned clean.

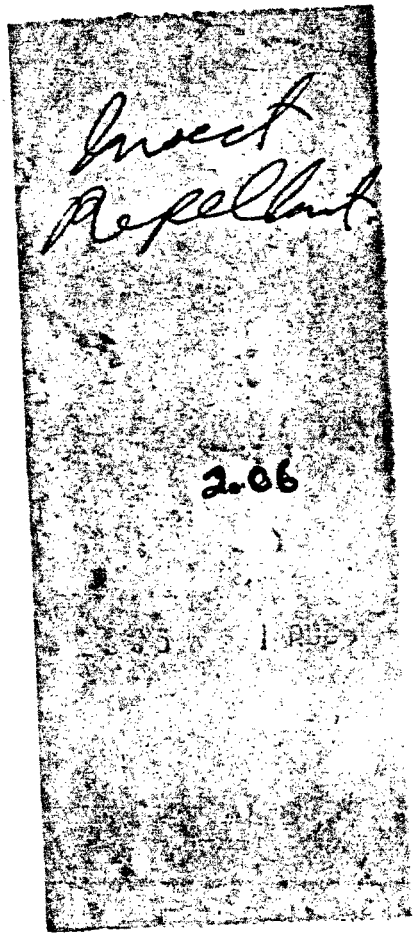
CASH PAYMENT ON RETURN OF GOODS UNLESS OTHERWISE ARRANGED

9803

CUSTOMER'S SIGNATURE

CUSTOMER'S COPY

STOCKFORMS 1007-4 RENTAL AGREEMENT


Insect
Repellant
2.06

1 motor mount
& batteries

flagging

NORM'S SPORT CENTER LTD.
300 BAKER ST.
NELSON, B.C. V1L 4H5
CANADA

Date Dec 1 19 86

M Urban Mines

SOLD BY	C.O.D.	CHARGE	ON ACCT.	ACCT. FWD.
1 Carabiner				
2 Crampons				
3 Ice hammer				
4 Harness				
5 Helmet				
6 Ice screw				
7 Ice axe				
8				
9				
10				
11				
12				
13				
14				
15				

50

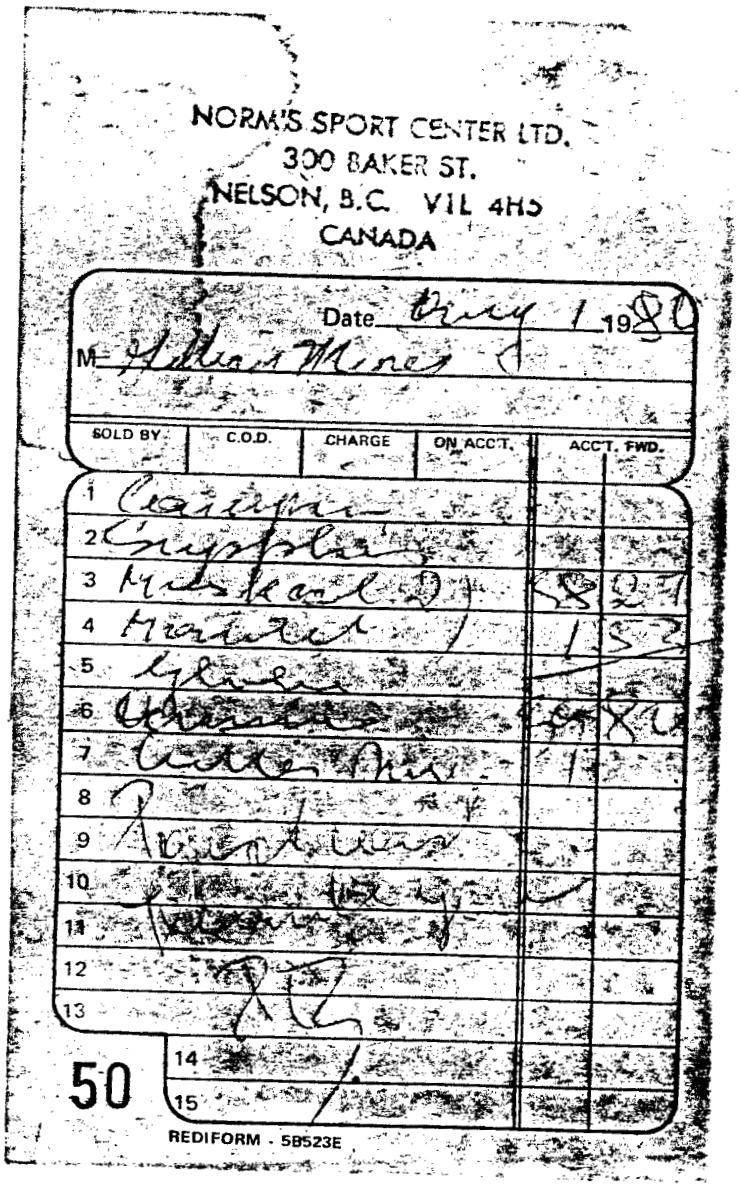
REDIFORM 5B523E

Stove handles
gloves for sampling

Nelson, B.C.

1 motor mount
4 batteries

flagging



NORM'S SPORT CENTER LTD.
300 BAKER ST.
NELSON, B.C. V1L 4H5
CANADA

Date Dec 1 1980

M Gilbert Mines

	SOLD BY	C.O.D.	CHARGE	ON ACCT.	ACCT. FWD.
1					
2					
3					
4					
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50

REDIFORM - 5B523E

Shovel handles
gloves for sampling

R: W. PHENDLER, P.Eng., GEOLOGICAL CONSULTANT,
EXPLORATION AND MINING
7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

July 18,1980

Canfic Silver Mines Ltd,

1090 1090 West Georgia Street,

Vancouver,B.C. V6E 3V7

Attention; Mr J. Dartnell

Invoice #134

Professional services of R.W.Phendler,P.Eng as follows:

Visit to Comstock-Virginia property on July 6,1980, attendance at meeting on June 30,1980 , check snow conditions and road access to property from Sandon on May 28,1980, general assistance in locating director, monitoring of program and preparation of progress report.

Equivalent of 4 days @ $250.00 per day - - - - - - - $1000.00

Recoverable expenses

July 14,1980 Assays Acme Labs $ 67.75

$1067.75

R. W. PHENDLER, P.Eng., GEOLOGICAL CONSULTANT,
EXPLORATION AND MINING
7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

February 1, 1981

Canfic Silver Mines, Ltd.
1090 - 109- West Georgia St.
Vancouver, B.C. V6E 3V7

I N V O I C E NO. 1 7 7

Professional Services of R.W. Phendler, P. Eng. for analyzing results of 1980 geochemical and geophysical program, preparation of letter report dated January 18, 1981 and conference on January 28, 1981.

Equivalent of 4 days time at $300/day.....$1,200.00

Recoverable expenses

Typing of report.... 1 hr. @ $9/hr..... 9.00

TOTAL = $,209.00

Paid by cheque #166
Feb 16/81

EDWARD LIPSETT LTD.
'Serving Vancouver since 1891'

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EXPLORATION REPORT

ON THE

LINDSAY CLAIMS

FOR

CANFIC SILVER MINES LTD.

BY

J. PAUL STEVENSON

NORTH VANCOUVER, B.C. NOVEMBER 4, 1980

CONTENTS

ILLUSTRATIONS

APPENDIX

Introduction

At the request of Mr. James Dartnell the writer staked the Lindsay mineral claims in the Kaslo area. Subsequently at the request of Mr. Dartnell, the writer provided the means for an exploration program on these claims, now owned by Canfic Silver Mines Ltd. The writer made several visits to the property and left a qualified man in charge of the project. A soil sample survey and an EM16 survey was completed. The middle adit on the crown grants was also opened. All work was subject to approval by Mr. Roy Phendler P. Eng, the company's consultant.

Location and Access

The Lindsay claims, including crown grants Virginia, Comstock, and Erie, are located at an elevation of 2,200 meters about 100 kilometers north of Nelson, in the Slocan Mining District.Access is by helicopter from the north or south. Okanagan Helicopters has a 206 B Jet Ranger based at Nelson, B. C. The south approach is the approach originally used. Access is by the Glacier Park access road on Keen Creek, thence by helicopter up Long Creek. A shorter access has been located. Road access now exists to upper Cody Creek and could be extended onto the claims.

Property Ownership

The Lindsay property consists of five mineral claims and three crown grants as below:

Lindsay 1
Lindsay 2
Lindsay 3
Lindsay 4
Lindsay 5
Crown Grant 1027
Crown Grant 1028
Crown Grant 1029

Canfic Silver Mines now owns the Lindsay claims and holds the crown grants under option from Mr. Frank Juhan.

Geochemical Soil Survey

Approximately 20 line kilometers was surveyed by acceptable sampling technique. The soil development is typical of alpine regions with poor strata development, wherever possible the top of the B horizon was sampled. The samples immediately north of and downslope from the portals are to be considered contaminated. The soil samples were delivered to Chemex Labs Ltd. in North Vancouver, B. C. The samples were dried, sorted, and sifted to -80 mesh. Results for Ag, Cu, Pb, Zn were obtained by atomic absorption testing. A total of 1374 soil samples were taken. 680 for Ag Pb Zn in this report. T.K.

Rock Geochemistry

The middle adit was chip sampled at 3 meter intervals. All sample locations were marked with red spray paint. A rock sample was taken at location 53N + 28W which appeared to contain sulphide (PbS) mineralization. Unfortunately this sample was removed from the truck.

Summary and Conclusions

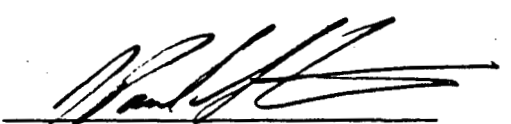
It is obvious that the area of interest on the Lindsay Group is much more extensive than the original showing. We can safely assume that more than one structure exists and that more work on the claims is necessary. The enclosed maps indicate three districts of interest and several prospective drill targets. It is apparent that some detailed geology is necessary and that development of this property will entail more "grass roots" exploration.

Disclaimer

The writer of this report is not a professional Engineer, nor is he associated with an engineering firm. All future work

should be undertaken only after the data has been reviewed by an engineer and the engineer has outlined a specific program for the property.

Respectfully submitted,



J. Paul Stevenson

Certificate

I, J. Paul Stevenson of 1650 Riverside Drive, North Vancouver, B. C. do hereby certify:

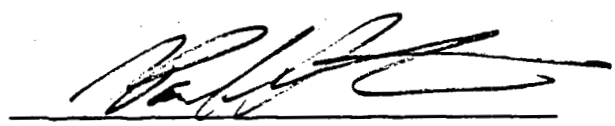
(1) That I have been involved in mineral exploration since 1965.

(2) That I have been engaged in prospecting and development in B.C., the Yukon, and the Northwest Territories.

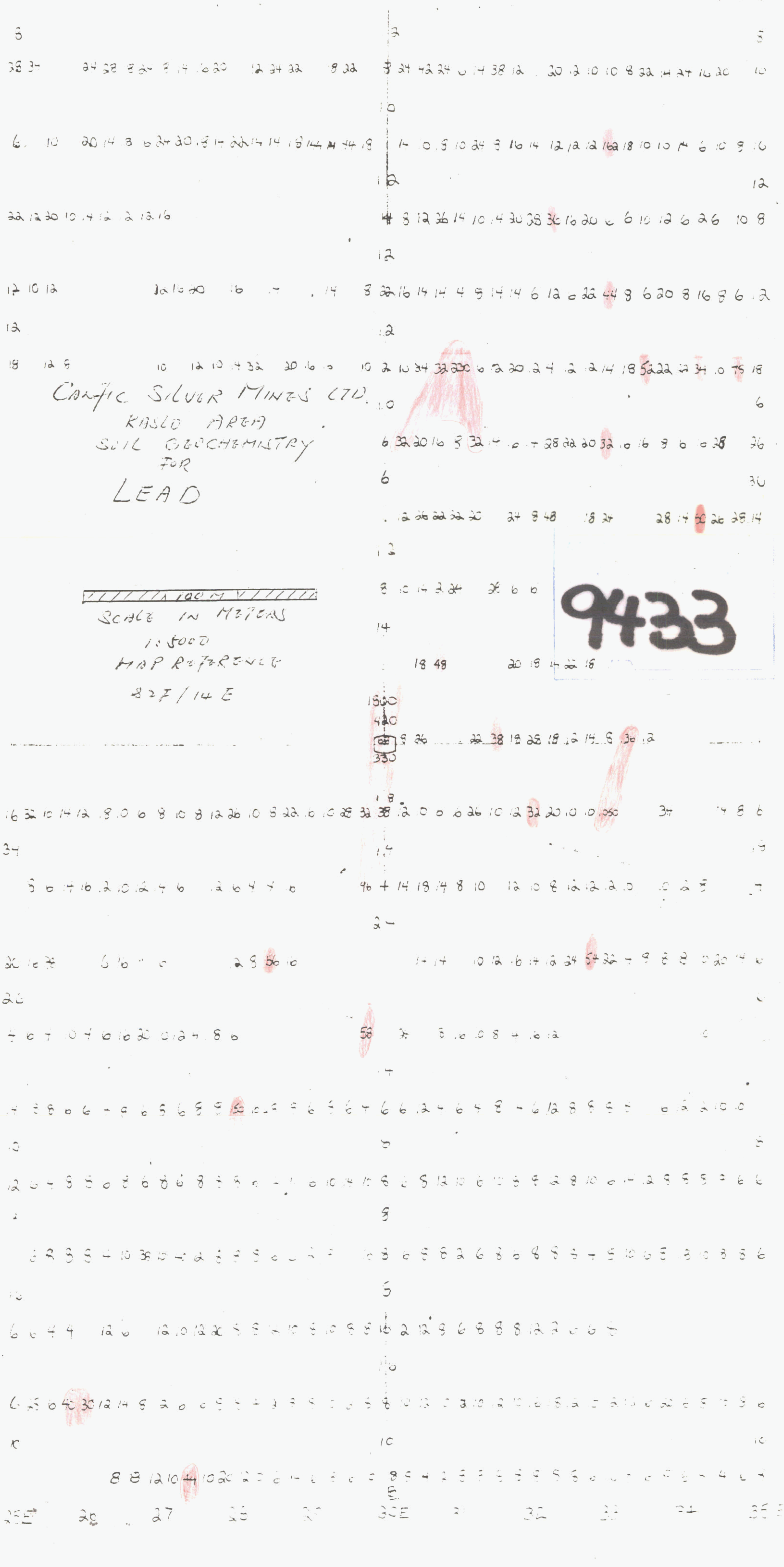
(3) That this program was managed by myself and that the party chiefs were qualified to direct the day to day work.

(4) That I am not a professional engineer or professional geologist.

(5) That I do not own any shares of Canfic Silver Mines Ltd. directly or indirectly.



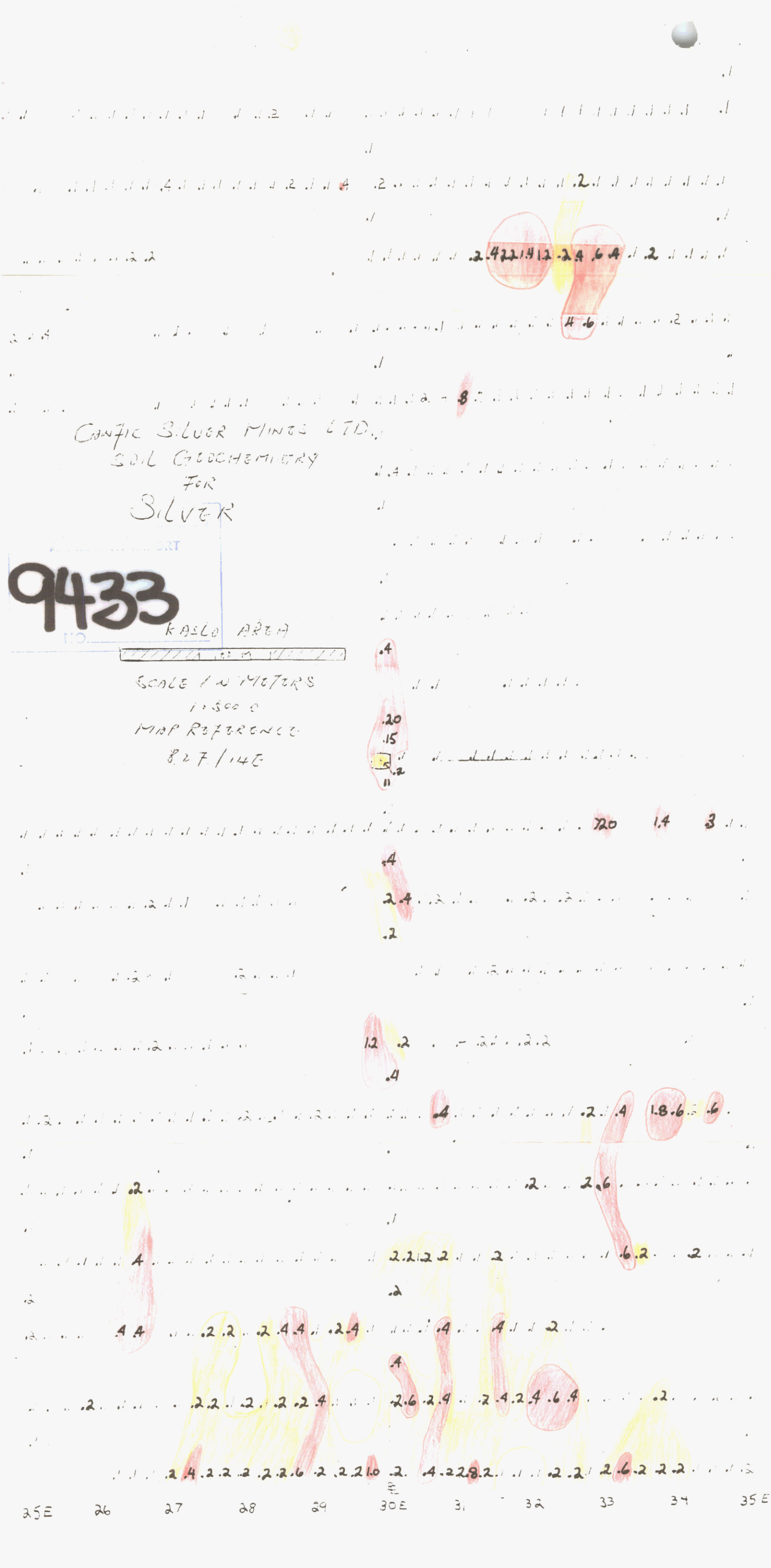
J. Paul Stevenson, Prospector


PACIFIC SILVER MINES LTD.
KASLO AREA
SOIL GEOCHEMISTRY
FOR
LEAD
9433
SCALE IN METERS
1:5000
MAP REFERENCE
82F/14E

CANFIC SILVER MINES LTD.
SOIL GEOCHEMISTRY
FOR
SILVER

KASLO AREA

SCALE 1 INCH = 400 METRES
1:500
MAP REFERENCE
82F/14E



GEOPHYSICAL REPORT
ON THE
LINDSAY CLAIMS

by DAVID S. COOTE
GEOPHYSICIST

CONTENTS

Introduction

This report discusses the survey procedure, compilation of data, and the interpretation of a very low frequency electro magnetic (VLF-EM) survey carried out on the Lindsay group during the 1980 field season. Approximately 20 line kms were surveyed.

The primary purpose of the VLF-EM survey was to locate potential veins and structures for localizing mineralization. The lines were run across strike of the one known structure.

Instrumentation and Theory

A standard Geonics EM-16 VLF-EM Receiver was used for the survey. This instrument is designed to measure the magnetic component of a very low frequency (VLF) electromagnetic field. The U. S. Navy submarine transmitter located at Seattle, Washington and transmitting at 18.6 KHz was used.

In all electromagnetic exploration, a transmitter produces an alternating magnetic field (primary) by a strong alternating current usually through a wire coil. If a conductive mass such as a sulphide body is within this magnetic field, a secondary alternating current is induced within it which in turn induces a secondary magnetic field that distorts the primary magnetic field. It is this distortion that the EM receiver measures. The VLF-EM uses a frequency range from 16 to 24 KHZ whereas most EM instruments use frequencies ranging from a few hundred to a few thousand Hz. Because of its relatively high frequency, the VLF-EM can pick up bodies of a low conductivity and therefore is more susceptible to clay beds, electrolyte-filling fault on shear zones and porous horizons, graphite, carbonaceous sediments, lithological contacts as well as sulphide bodies of too low a coductivity for the other EM methods to pick up.

Consequently, the VLF-EM has additional uses in mapping structure and in picking up sulphide bodies of too low a conductivity for conventional EM methods and too small for induced polarization. However, Its susceptibility to lower conductive bodies results in a number of anomalies, many of them difficult to explain and, thus, VLF-EM preferably should not be interpreted without a good geological knowledge of the property and/or other geophysical and geochemical surveys.

Survey Procedure

The VLF-EM survey was run on a grid in which the lines run at 120° - 300° at 100 meter intervals from a baseline running on strike with the initial view at 30°. Readings were taken every 25 meters and stations are marked with survey flagging with co-ordinates marked with felt pen. Care was taken in regard to technique to compensate for the steep terrain. Some areas were not surveyed due to steep cliffs. All readings were taken facing Seattle.

Compilation of Data

The readings were reduced by applying the Fraser Filter and plotted at a scale of 1:5000. Filtered data, as shown on the accompanying map are plotted between the reading stations. The positive filtered values were contoured at intervals of 5° starting at 5°.

The Fraser Filter is essentially a 4-point difference operator which transforms zero crossings into peaks, and a low pass smoothing operator which reduces the inherent high frequency noise in the data. Therefore, the noisy, non-contourable data are transformed into less noisy, contourable data. Another advantage of this filter is that a conductor that does not show up as a cross-over on the unfiltered data quite often will show up on the filtered data.

Discussion of Results

The major cause of VLF-EM anomalies, as a rule, are geologic structures such as a fault, shear and breccia zones. It is therefore logical to interpret VLF-EM anomalies to likely be caused by these structural zones. It is generally accepted that when VLF-EM anomalies correlate with sulphide mineralization the anomalies are usually reflecting the structure associated with the mineralization rather than the mineralization itself.

On the survey grid three main structures or trends are outlined. All three of these structures are parallel to the strike line of the discovery vein. Anomalies of higher intensity are found within these structures which may be significant.

Structure 1 : This anomaly runs along the west edge of the grid. Since these anomalies are not closed off completely, a future survey should be extended to the west.

Structure 2 : This long narrow structure runs through the middle of the grid almost parallel to the baseline. This anomaly disappears between lines 53N and 56N probably due to the increase in overburden. The most interesting part of the anomaly lies between lines 45N and 46N. This area should be investigated further. On line 41N there is a small large intensity anomaly, however due to insufficient data (because of cliffs) the significance cannot be fully assessed.

Structure 3 : This structure lies on the eastern side of the grid. Between 46N and 49 there is no data. On line 55N & 34E and 41N & 32E anomalies of higher intensity occur. These anomalies should definately be followed up.

Summary

It is apparent that this property warrants further work. Exploration of the many VLF-EM anomalies and soil anomalies (discussed elsewhere in this report) on the existing grid should be a priority. These low cost techniques should be extended over other areas of the property. The fact that two of the three main structures generally coincide with soil geochemistry is very significant. A future VLF-EM survey to the west would close off the existing western anomolous structure.

Certificate

I, David S Coote do hereby certify:

(1) That I am a practicing geophysicist with offices at 1451 Lennox, North Vancouver, B. C.

(2) That I am a graduate of the University of British Columbia (1972) and hold a BSc degree in Physics, Geophysics.

(3) That I have been practicing my profession in B. C., the Yukon and Northwest Territories, and Europe for nine years.

(4) That this report is compiled from data provided to me by Edward Lipsett Ltd.

(5) That I do not hold any interest in Canfic Silver Mines Ltd. or the Lindsay claims at this time, nor do I expect to receive any interest as a result of writing this report.

Date: October 9, 1980

David S. Coote
Geophysicist

CANTIC SILVER MINES LTD.

KASLO AREA

RECONN. E.M. SURVEY

100 M

SCALE IN METRES

1:5000

MAP REFERENCE

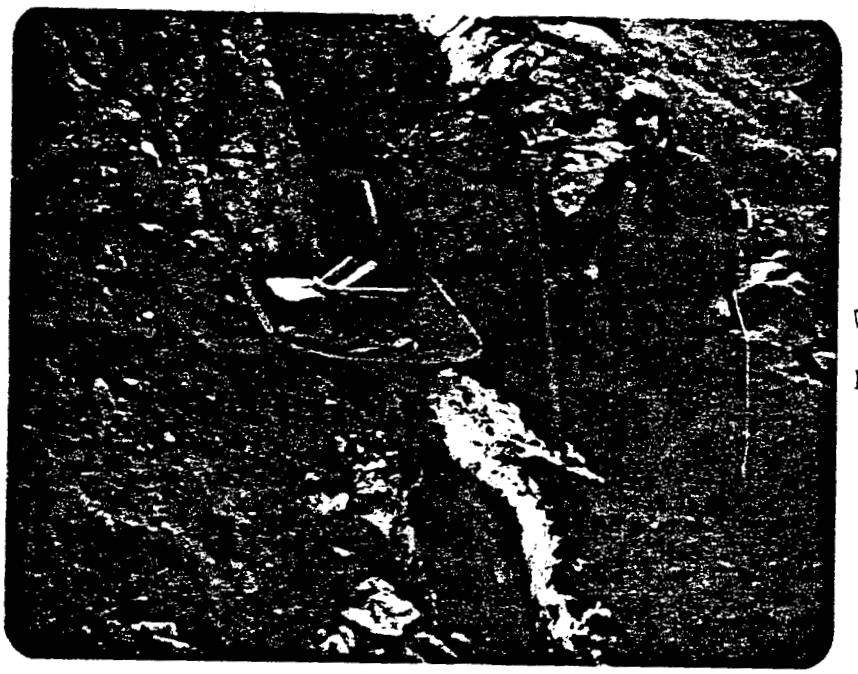
82 F/14E

9433

25E 26 27 28 29 30E 31 32 33 34 35

Inside the middle adit

high grade vein exposed



Wheel barrow of high grade

view of valley from the adits

Opening the middle adit

R. W. PHENDLER, P.Eng., GEOLOGICAL CONSULTANT,
EXPLORATION AND MINING
7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

January 18, 1981

The Directors,
Canfic Silver Mines, Ltd.
1090 - 1090 W. Georgia St.
Vancouver, B.C. V6E 3V7

Gentlemen:

Re: Report on 1980 Program -
Comstock - Virginia Property.

The 1980 exploration program consisted of geochemical and geophysical work and the rehabilitation of the 185' (56 meters) long middle adit, as per the recommendations in my report of May 16, 1980.

The surveys were conducted over approximately 20 kilometers (12 miles) of grid lines that covered an area 2 kilometers long by one kilometer wide, the long dimension striking northeast or parallel to the Comstock - Virginia vein. Geochemical samples and electromagnetic readings were taken at 25 meter intervals on the 100 meter spaced lines and soil samples were assayed for Ag, Pb, Zn and Cu.

SILVER - The presence of three anomalous areas were disclosed in the survey which warrant more detailed study. The portal area showed anomalous soil conditions over a strike length of 200 meters with an additional 100 meters indicated about 50 meters to the south.

The north anomaly measures about 200 meters by 50 meters with 5 anomalous soil samples and does not appear to be an extension of the principal Comstock - Virginia vein. Intermediate lines should be sampled to the north and south.

The south anomalous area consists of a number of northeasterly striking bands of anomalous values that cover about 600 meters by 300 meters. Additional sampling on intermediate lines and new cross lines to the south is required.

LEAD - The portal area where the Comstock - Virginia vein is located is clearly shown as a lead anomaly extending for 300 meters in a northeasterly direction. This anomaly is co-incident with the silver anomaly and shows the strength of the vein.

....2

A number of isolated samples show anomalous conditions for lead in the general north area and appear to be unrelated.

The south area shows three anomalous values, only one of which is co-incident with an anomalous silver value. Lead is considerably less mobile than silver and may not have been dispersed, if present in the area at all.

ZINC - The portal area anomaly is present, similar to that for silver and lead. Two hundred and fifty meters to the southeast are a number of anomalous values for zinc. This anomaly is evident on two adjacent lines and is co-incident with anomalous values in lead and silver and shall be designated the east zone.

The south zone is evident with a similar pattern to that shown for silver but much less extensive. Additional geochemical sampling is required as is some prospecting and mapping.

GEOPHYSICS

A very low frequency electromagnetic (VLF - EM) survey was conducted over the 20 kilometer grid. Four anomalies (conductors) were discovered, none of which overlie the Comstock - Virginia vein. In general, the major causes of anomalies are faults, shear zones or breccia zones, which may or may not be associated with mineralization.

Of the four anomalies discovered, only one (south area) is co-incident with a geochemical anomaly. The other E-M conductors lie (1) on the west edge of the grid (no geochemical anomalies)

(2) on the west part of the grid an elongated zone parallels the Comstock - Virginia vein and lies 150 meters to the west. This probably is related to a strong fault zone (no geochemical anomaly).

(3) A conductor was discovered on the northeast edge of the grid. No geochemical anomalies are located there but a weaker subsidiary conductor lying 100 meters to the west is co-incident with a major silver geochemical anomaly.

(4) Two isolated, small, but intense conductors were found on the south limit of the grid that coincide with both silver and zinc anomalies. Additional geochemical and E-M work is recommended to the south.

CONCLUSIONS

The geochemical survey was successful in that it showed the Comstock - Virginia vein to have a strike length of at least 300 meters. Additional anomalies in both silver and zinc were discovered which warrant additional exploration and in addition, more work is required to the south.

It appears that the Comstock - Virginia vein is associated with a relatively weak conductive zone, indicating that the most favourable place to explore for new veins is over geochemical anomalies co-incident with conductors of moderate intensity. The north silver anomaly appears to be most favourable.

R.W. Phendler, P. Eng.

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA R. W. PHENDLER

STATEMENT OF QUALIFICATIONS

I, J. Paul Stevenson, do certify:

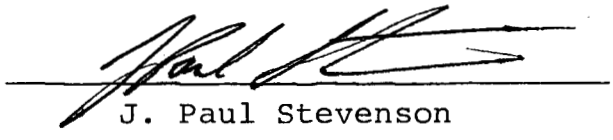
(1) That I have been engaged in various aspects of mining exploration since 1965,

(2) That over the past seven years I have directed and have been responsible for numerous exploration and development programmes,

(3) That all work was conducted in a professional manner and has been approved by R. Phendler, P.Eng.,

(4) That all costs can be verified with receipts and invoices.

Respectfully submitted May 8, 1981.



J. Paul Stevenson

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources
MINERAL RESOURCES BRANCH–TITLES DIVISION

MINERAL ACT

SUB-RECORDER
RECEIVED
APR 15 1981
M.R. # ..... $ .....
VANCOUVER, B.C.

STATEMENT OF EXPLORATION AND DEVELOPMENT

I, J. PAUL STEVENSON (Name) Agent for CANFIC SILVER MINES LTD (Name)

1650 RIVERSIDE DR. (Address) 1090, 1090 W. GEORGIA ST. (Address)

NORTH VANCOUVER, B.C. VANCOUVER, B.C.

Valid subsisting F.M.C. No. 209873 Valid subsisting F.M.C. No. .....

STATE THAT

1. I have done, or caused to be done, work on the COMSTOCK GROUP

LINDSAY 1, LINDSAY 2, LINDSAY 3, LINDSAY 4, LINDSAY 5, C.G. 1027, 1028, 1029 Claim(s)

Record No.(s) 1880, 1881, 1882, 1883, 1884, 1027, 1028, 1029

Situate at KASLO in the SLOCAN Mining Division,

to the value of at least TWENTY-TWO THOUSAND dollars. Work was done from the 14 day

of JULY 19 80, to the 20 day of AUGUST 19 80

2. The following work was done in the 12 months in which such work is required to be done:

(COMPLETE APPROPRIATE SECTION(S) A, B, C, D, FOLLOWING)

A. PHYSICAL (Trenches, open cuts, adits, pits, shafts, reclamation, and construction of roads and trails)

(Give details as required by section 13 of regulations.)

	COST
TOTAL PHYSICAL	

I wish to apply $ ..... of physical work to the claims listed below.

(State number of years to be applied to each claim, its month of record, and identify each claim by name and record no.)

.....

.....

.....

.....

B. PROSPECTING (Details in report submitted as per section 9 of regulations.)
(The itemized cost statement must be part of the report.)

COST

I wish to apply $ ..... of this prospecting work to the claims listed below.

(State number of years to be applied to each claim, its month of record, and identify each claim by name and record no.)

.....

.....

.....

.....

(For C and D sections, please turn over.)

C. DRILLI ...gulations.) ...report.)

D. GEOLC ...or 7 of regulations.) ...e report.)

		COST
.....	.....	.....
.2	.....	.....
.2 C K I	.....	.....
.OPEN	...d. VEIN	$22,000.00
	TOTAL OF C AND D	$22,000.00

Who was the operator (provided the financing)?

Name ....CANFIC....SILVER..MINES...LTD.....

Address ...1090..,..1090..West..GEORGIA...ST.....

...VANCOUVER,..B.C.....

Portable Assessment Credits (PAC) Withdrawal Request	AMOUNT
Amount to be withdrawn from owner(s) account(s):	
Name of Owner	
(May be no more than 30 per cent of value of the approved work submitted as assessment work in C and (or) D.) 1.	.....
2.	.....
3.	.....
4.	.....
TOTAL WITHDRAWAL	.....
TOTAL OF C AND (OR) D PLUS PAC WITHDRAWAL	.....

I wish to apply $ ...~~7600~~ 9,100.00 of this work to the claims listed below.

(State number of years to be applied to each claim, its month of record, and identify each claim by name and record no.)

..LINDSAY 1. APRIL	....1 year	1880	..1600
.LINDSAY 2. APRIL	...1 year	...1881	..2000
.LINDSAY 3. APRIL	....1 year	...1882	..2000
.LINDSAY 4. APRIL	...1 year	...1883	..1500
.LINDSAY 5. APRIL	...1 year	...1884	..2000
.....			

Value of work to be credited to portable assessment credit (PAC) account(s).

(May only be credited from the approved value of C and (or) D not applied to claims.)

	Name	AMOUNT
In owner(s) name. 1.	CANFIC SILVER MINES LTD	12,900.00
2.	.....	.....
3.	.....	.....
In operator(s) name (party providing the financing). 1.	.....	.....
2.	.....	.....
3.	.....	.....

.....

(Signature of Applicant)

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources
MINERAL RESOURCES BRANCH–TITLES DIVISION

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MINERAL ACT

FORM I

NOTICE TO GROUP

Mining Division ....SLOCAN..... Location ...KASLO.....

Name of group .....COMSTOCK GROUP..... Map No. 82F.14E...

We, the undersigned owners* of the following adjoining claims, desire to group them according to the provisions of the *Mineral Act*:–

NAME OF CLAIM	No. of Units	Record No.	Month of Record	SIGNATURE OF OWNER*	Free Miner Certificate No.
LINDSAY 5	20	1884	4		
LINDSAY 4	15	1883	4		
LINDSAY 3	20	1882	4		
LINDSAY 2	20	1881	4		
LINDSAY 1	16	1880	4		
CROWN GRANT COMSTOCK	1	L1027			
CROWN GRANT VIRGINIA	1	L1028			
CROWN GRANT ERIE	1	L1029			
				CANFIC SILVER MINES LTD	
		AGENT		[signature]	208873

* May be signed by agent on behalf of owner.