

PROSPECTUS

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August 10, 1982.

Alaine
062137

Qualifying Report

On The

CMC Claims

NTS 105 B 7

Edgar Lake Area

Yukon Territory

Watson Lake Mining District

(60°19'N, 130°45'W)

For

BRX Mining and Petroleum Ltd.

By

V. Ryback-Hardy, P.Eng., B.C.L.S.

March 12, 1982

Hinterland Resource Services Ltd.,

11691 Trumpeter Drive,

Richmond, B. C. V7E 3X4

(604) 271-5922

HINTERLAND RESOURCE SERVICES LTD.

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SUMMARY

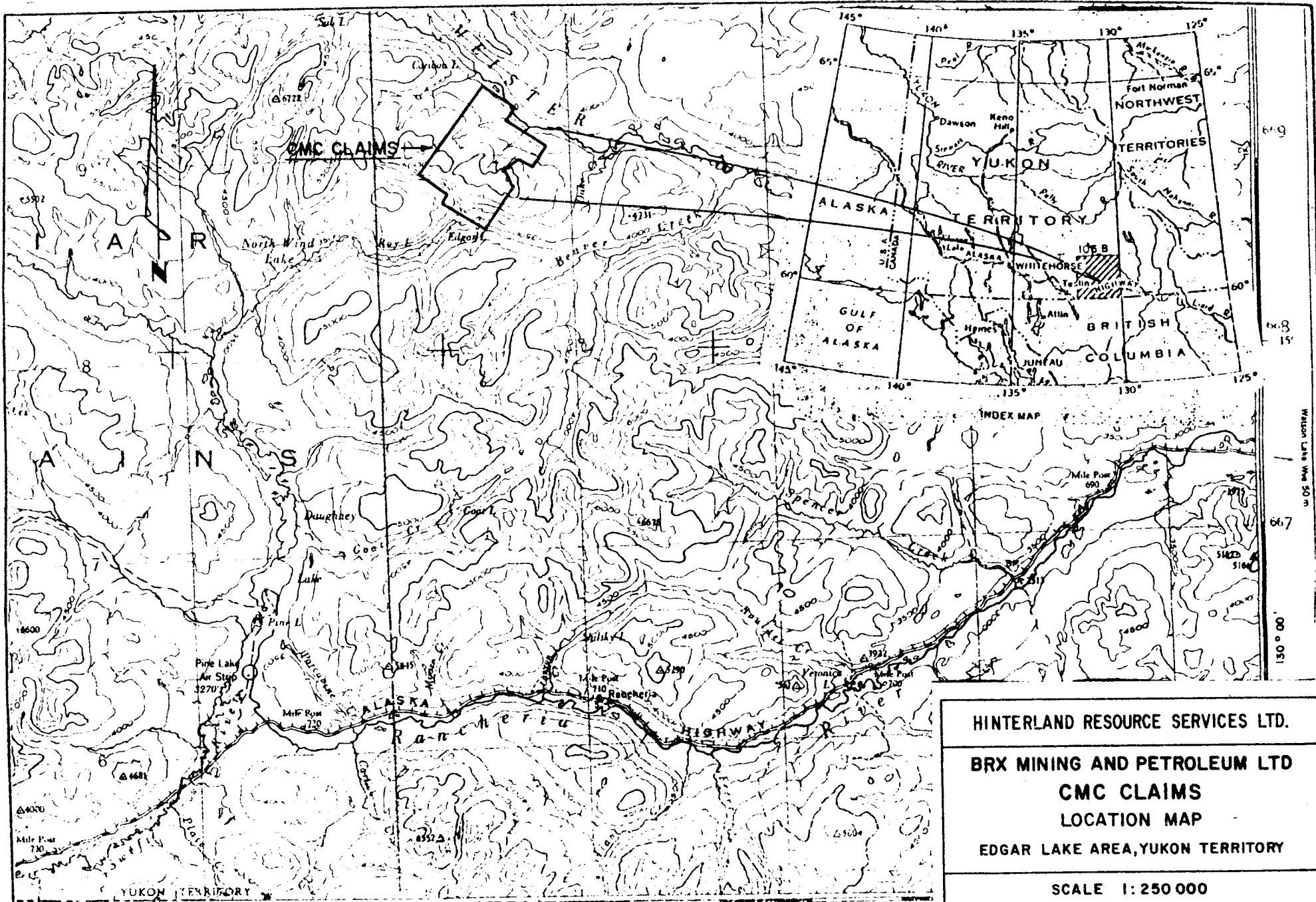
The CMC claims, located 105 km east of Teslin, Yukon Territory, covers a series of linear manganiferrous showings indicating a potential for silver lead zinc mineralization which definitely warrants further development.

The mineralization occurs near the contact between Cambrian (?) limy units and the Cassiar Batholith. Oxidized galena and sphalerite, with values in silver, occur within these manganiferrous zones which represent leached veins. The metal content of these veins below the oxidized zone can only be tested by drilling once the extent of the zone has been delineated by geochemical and geophysical exploration. In addition, the occurrence of small high grade deposits of molybdenum and tungsten associated with the contact skarn zones should be further investigated.

A program of geochemical soil sampling, geophysical surveying and trenching costing approximately \$134,000 has been recommended for Phase I. A \$128,000 program consisting of diamond drilling is proposed for Phase II, contingent upon the success of the Phase I program.

INTRODUCTION

The following report is based on a property



HINTERLAND RESOURCE SERVICES LTD.
 BRX MINING AND PETROLEUM LTD
CMC CLAIMS
 LOCATION MAP
 EDGAR LAKE AREA, YUKON TERRITORY

SCALE 1:250 000

DATA BY: V.R.H.	DRAWN BY: K.L.J.	DRWG No.:
DATE: 12 MAR '82	DATE: 19 MAR '82	1

60° 00' PROVINCE OF BRITISH COLUMBIA

N.T.S. 105 B 7

U.S. GEOLOGICAL SURVEY

examination of the CMC claim group, Y. T. by the author on June 19, June 20, and August 19, 1981. This report was done at the request of BRX Mining and Petroleum Ltd. It is the author's opinion that the property contains sufficient indications of lead, zinc and silver mineralization, as well as minor values of tungsten and molybdenum, to warrant further exploration and development.

LOCATION AND ACCESS (60 20'N, 130 43'W)

The claims are located on a northerly trending ridge about 3 km north-northeast of Edgar Lake, Yukon Territory. The nearest supply point is 28 km to the south southeast to Rancheria at mile 710 on the Alaska Highway.

Access is presently by helicopter from Whitehorse, about 200 km to the west-northwest. However, due to the intense exploration activity associated with the Amax Loglung deposit (approximately 56 km to the southwest), a helicopter is available during the summer months at the Swift River trading post, located 45 km to the southeast of the CMC property.

A major gravel-surfaced airfield (Pine Lake Air Strip) is located about 28 km to the southwest and is suitable for aircraft as large as a 'Hercules'.

An old bulldozer trail extends northward from the airstrip around Daughney Lake, then to North Wind Lake, Roy Lake, Edgar Lake and finally to a broad ridge about 1.5 km southeast of the main showing.

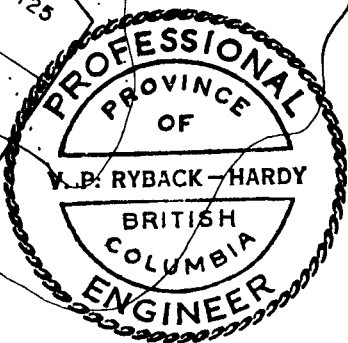
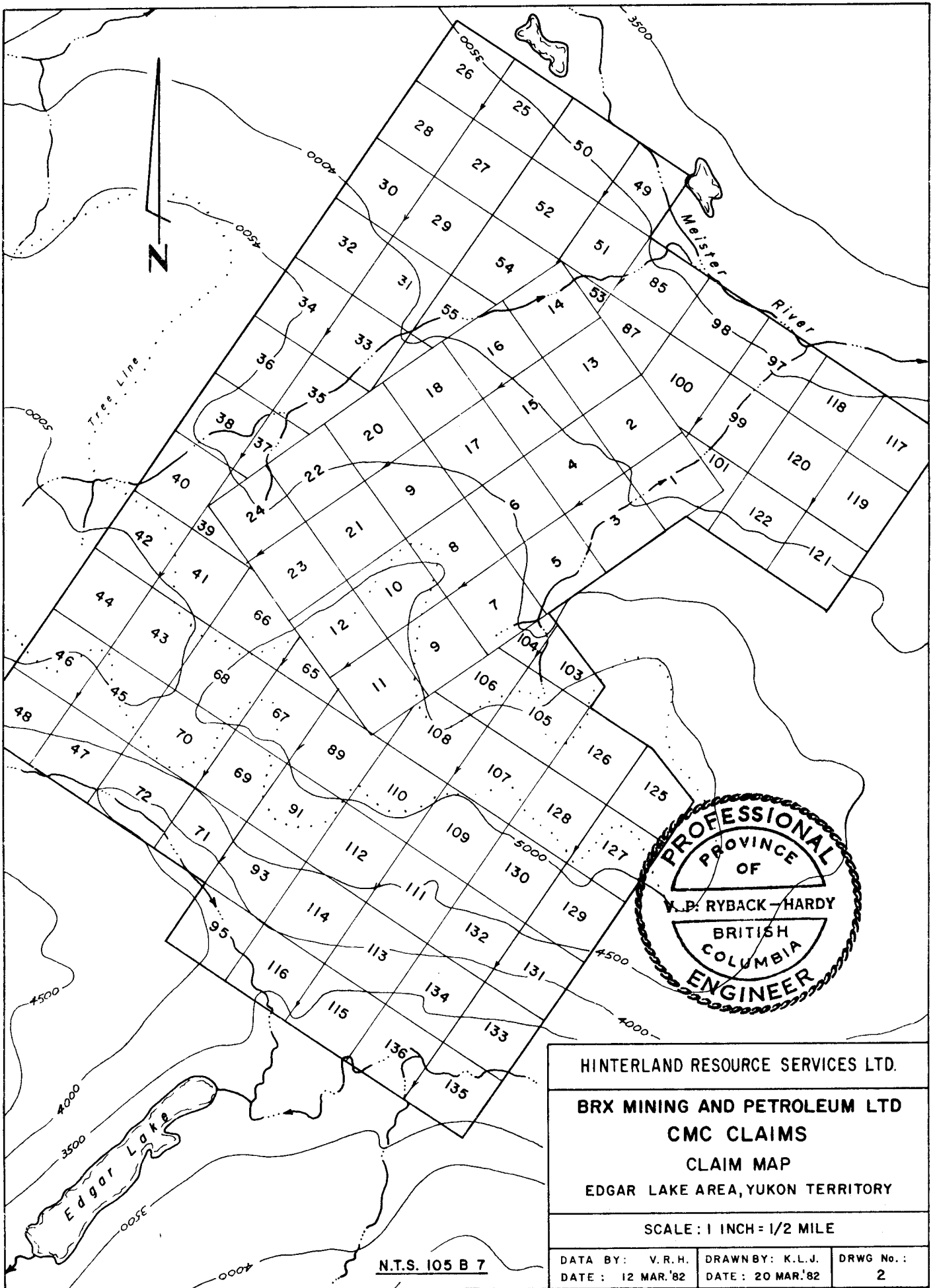
TOPOGRAPHY AND VEGETATION

The area, in general, is within the Cassiar Mountains physiographic region. Elevations range from 1400 metres to about 1600 metres above sea level. The main major part of the claim area is located above tree line on a broad, open northeasterly trending ridge. West of the main showings, the slopes are fairly steep to the valley floor. However, to the east, north, and south, the slopes are fairly gentle.

The northern portion of the property drains to the northeast to the Meister River, a tributary of the Liard. The southern part of the claims area drains into Edgar Lake, the headwaters of the Swift River, which eventually flows into the Yukon River.

The central part of the property is above tree-line in an 'alpine' meadow. The lower slopes are covered by scrub black fir and jack pine.

Water for drilling is available in a small seasonal pond just below the west ridge near the area of the main showings. This pond, however, will probably be dry by



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CLAIM MAP		
EDGAR LAKE AREA, YUKON TERRITORY		
SCALE: 1 INCH = 1/2 MILE		
DATA BY: V.R.H.	DRAWN BY: K.L.J.	DRWG No.:
DATE: 12 MAR '82	DATE: 20 MAR '82	2

N.T.S. 105 B 7

mid-August unless the bottom of the pond is lined with plastic and the surface runoff retained as much as possible.

PROPERTY

The claims are situated in the Watson Lake Mining District. The subject property consists of 107 two-post claims staked pursuant to the Yukon Quartz Mining Act. The claims are listed as follows:

Name: CMC 1-24

Registration Numbers: YA 56628-YA 56651

Registered Owner: A. W. Hyde

Expiry Date: September 11, 1982

Name: CMC 25-32

Registration Numbers: YA 66067- YA 66074

Registered Owner: B. Preston

Expiry Date: July 6, 1982

Name: CMC 33-40

Registration Numbers: YA 66075- YA 66082

Registered Owner: M. Menelon

Expiry Date: July 6, 1982

Name: CMC 41-48

Registration Numbers: YA 66083- YA 66090

Registered Owner: S. Gedrose

Expiry Date: July 6, 1982

Name: CMC 49-55

Registration Numbers: YA 66091- YA 66097

Registered Owner: D. Nadrofski

Expiry Date: July 6, 1982

Name: CMC 65-72

Registration Numbers: YA 66098- YA 66105

Registered Owner: P. Heynen

Expiry Date: July 6, 1982

Name: CMC 85

Registration Number: YA 66106

Registered Owner: M. Nielsen

Expiry Date: July 6, 1982

Name: CMC 87

Registration Number: YA 66107

Registered Owner: M. Nielsen

Expiry Date: July 6, 1982

Name: CMC 89

Registration Number: YA 66108

Registered Owner: R. Simpson

Expiry Date: July 6, 1982

Name: CMC 91

Registration Number: YA 66109

Registered Owner: R. Simpson

Expiry Date: July 6, 1982

Name: CMC 93

Registration Number: YA 66110

Registered Owner: R. Simpson

Expiry Date: July 6, 1982

Name: CMC 95

Registration Number: YA 66111

Registered Owner: R. Simpson

Expiry Date: July 6, 1982

Name: CMC 97-104

Registration Numbers: YA 66112- YA 66119

Registered Owner: T. McCrory

Expiry Date: July 6, 1982

Name: CMC 105-112

Registration Numbers: YA 66120- YA 66127

Registered Owner: M. Holloway

Expiry Date: July 6, 1982

Name: CMC 113-120

Registration Numbers: YA 66128- YA 66135

Registered Owner: D. Greig

Expiry Date: July 6, 1982

Name: CMC 121-122

Registration Numbers: YA 66136- YA 66137

Registered Owner: D. Duncan

Expiry Date: July 6, 1982

Name: CMC 125-128

Registration Numbers: YA 66138- YA 66141

Registered Owner: D. Duncan

Expiry Date: July 6, 1982

Name: CMC 129-136

Registration Numbers: YA 66142- YA 66149

Registered Owner: J. Borisenko

Expiry Date: July 6, 1982

Several of the claim posts were examined and found to

be properly tagged and the claims appear to be well located.

It is the understanding of the author that the property is controlled as follows: 60% as to A. W. Hyde, 20% as to T. McCrory, and 20% as to B. Preston.

The claims are presently under option to BRX Mining and Petroleum Ltd.

HISTORY

The area has been staked as early as 1947 (Bastille Claims owned by Great Northern ECL) but no reports of work have been found. The area was re-staked as the Mid and Night properties during August and September, 1971 by Wolf Lake Joint Venture (Rayrock Mines Ltd., Ashland Oil Canada Ltd., and Canadian Industrial Gas and Oil). The property was explored by grid soil sampling, several hand dug test pits, and detailed mapping. Minor scheelite and molybdenite mineralization was found in narrow skarn zones near the contact between limy sediments and the Cassiar Batholith. Several linear manganiferous gossans, representing leached veins, were also found cutting the sediments in the contact area.

About 1000 metres further east, a second mineral showing was staked by the Wolf Lake Joint Venture in August, 1971. A garnet, pyroxene, quartz, wollastanite skarn

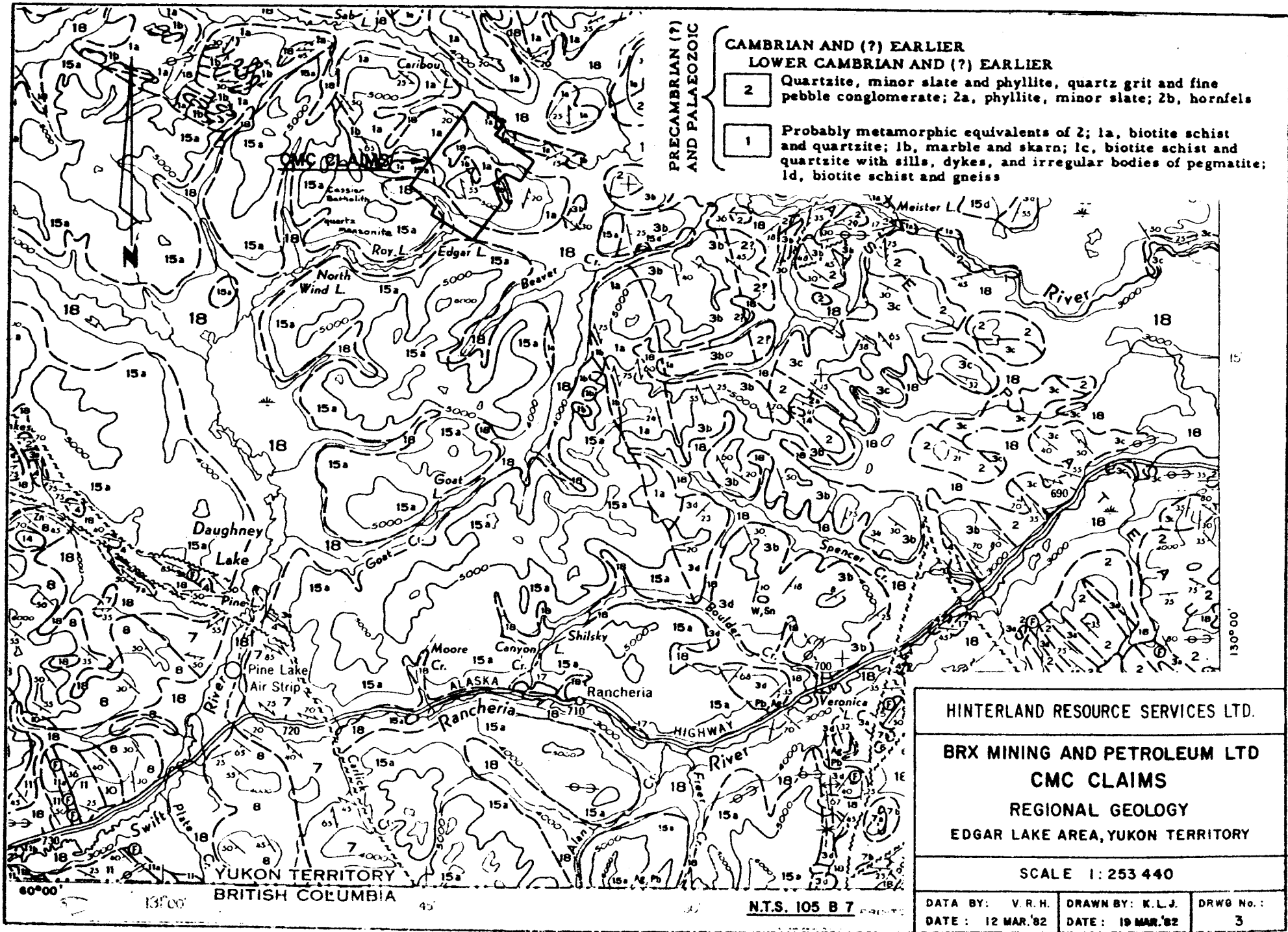
containing scheelite and minor molybdenite was exposed along a strike length of several hundred metres. The skarn is cut by narrow, late stage veins containing minor sphalerite. The area was tested later in the year by bulldozer trenching and 8 short diamond drill holes totalling 476.4 metres. The Wolf Lake Joint Venture was terminated shortly thereafter and the claims were allowed to lapse.

The discovery, in 1974, of the Logtung deposit (179 million tons grading 0.13% WO₃ and 0.05 % MoS₂), presently being developed by AMAX, places new importance on molybdenum-tungsten mineralization associated with the Cassiar Batholith. This deposit is located approximately 56 kilometres to the southwest.

The area was staked by M. Thompson as the CMC Claims in September 1980. During 1981, McCrory Holdings (Yukon) Ltd. acquired the ground and completed several hand-excavated test pits in the manganiferous zone. A few selected grab samples returned values as high as 8.23 oz./ton Ag, 1.56 % Pb, and 2.37 % Zn. Several rock chip and soil samples collected by Great Western Petroleum Corporation returned highly anomalous values in lead, zinc and silver.

GEOLOGY

The CMC claims cover a contact between quartz-Biotite



PRECAMBRIAN (?)
AND PALAEOZOIC

**CAMBRIAN AND (?) EARLIER
LOWER CAMBRIAN AND (?) EARLIER**

- 2** Quartzite, minor slate and phyllite, quartz grit and fine pebble conglomerate; 2a, phyllite, minor slate; 2b, hornfels
- 1** Probably metamorphic equivalents of 2; 1a, biotite schist and quartzite; 1b, marble and skarn; 1c, biotite schist and quartzite with sills, dykes, and irregular bodies of pegmatite; 1d, biotite schist and gneiss

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CMC CLAIMS
REGIONAL GEOLOGY
EDGAR LAKE AREA, YUKON TERRITORY

SCALE 1:253 440

DATA BY: V.R.H.	DRAWN BY: K.L.J.	DRWG No.:
DATE: 12 MAR.'82	DATE: 19 MAR.'82	3

schist and interbedded marble of Cambrian or older age and the Cassiar Batholith of Jurassic-Cretaceous age. A garnet, pyrozone, quartz, wollastonite skarn containing scheelite and minor molybdenite is exposed along a length of several hundred metres near the intrusive contact.

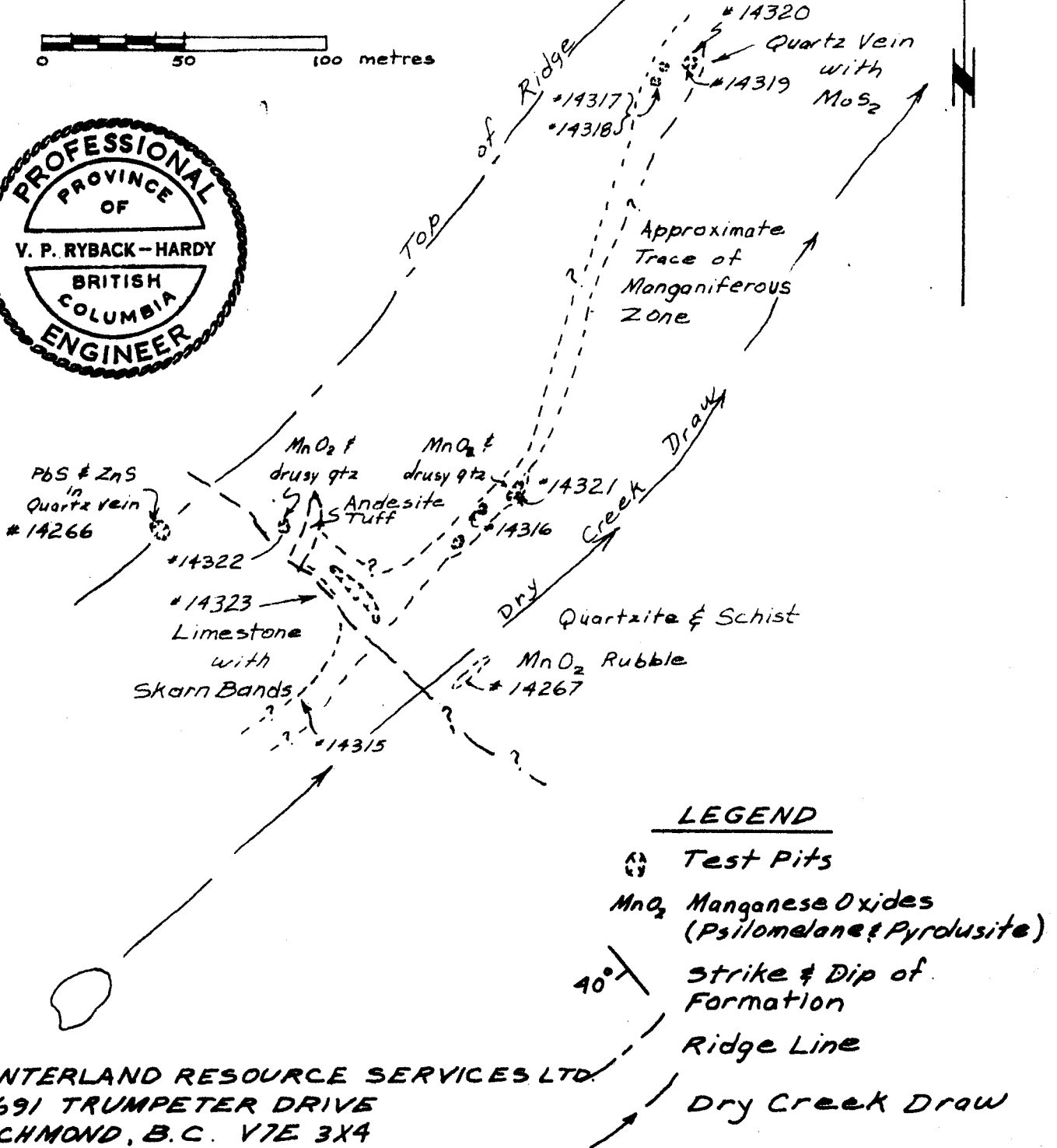
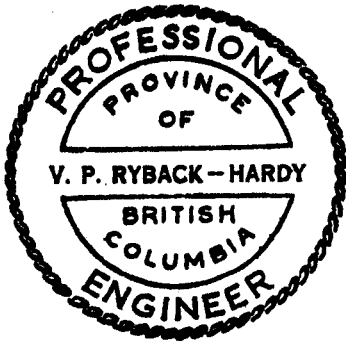
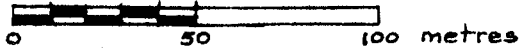
The scheelite occurs mainly with pyrozone and quartz interstitial to coarse grained garnet. Molybdenite is found as fracture coatings in the quartz veins cutting the meta-sediments. Minor sphalerite is associated with late stage veining cutting the skarn zones.

The most economically interesting feature of the area are several linear manganiferous gossans which may represent leached veins. These manganiferous zones appear at the base of a skarnified marble zone striking northwesterly and dipping about 30 degrees to the southwest. One zone indicated by several outcrops has a near continuous strike length of about 400 metres. The zone varies in width from 3 metres to 50 metres. The apparent increase in width may be due to cross-cutting features such as cross faults.

The manganiferous zone consists of a heavy concentration of blue-black manganese oxides (psilomelane and pyrolusite) with drusy, vuggy quartz veinlets containing variably scattered galena, sphalerite, and, in one area, molybdenite. Although sphalerite is not readily visible, the manganiferous material generally grades about 2% zinc.

CMC Claims
 Watson Lake Mining District
 Sketch of Main Showings
 West Ridge

scale: 1:2000



LEGEND

- Test Pits
- MnO_2 Manganese Oxides (Psilomelane & Pyrolusite)
- Strike & Dip of Formation
- Ridge Line
- Dry Creek Draw

HINTERLAND RESOURCE SERVICES LTD.
 11691 TRUMPETER DRIVE
 RICHMOND, B.C. V7E 3X4
 (604) 271-5922
 March 12, 1982

Fig. 4

Several rock chip samples collected by the author along the main manganiferous zone assayed as follows:

Sample No.	%Pb	%Zn	Oz/ton Ag	Oz/ton Au
14351	1.67	2.98	1.11	0.002
14316	0.45	1.55	0.17	0.001
14317	0.02	1.97	0.80	0.001
14318	0.01	0.38	0.34	0.001
14319	0.11	2.23	1.18	0.001
14320	0.02	0.74	0.46	0.002
14321	0.01	0.47	0.10	0.001
14322	0.01	2.36	0.09	0.001
14323	0.01	0.02	0.03	0.001
14266	4.52	6.20	2.38	0.002
14267	0.05	3.56	0.16	0.002

The sample sites are plotted on Fig. 4.

CONCLUSIONS

The CMC claims cover a significant mineralized zone of sufficient extent to warrant further exploration with the objective of delineating a small tonnage lead, zinc, silver ore body. The extensive manganiferous 'gossans' may represent the leached oxidized capping of high grade silver-bearing veins similar to that of United Kenn Hill. The high zinc (+

2%) and lead content indicates a possibility of higher concentrations of metals at depth below the oxidized zone.

Possible skarn associated tungsten-molybdenum mineralization should also be investigated.

RECOMMENDATIONS

The following exploration program is recommended for the claims:

1. The claims area, in general, should be prospected and mapped with sufficient sampling to determine the full extent of the manganiferous zones.
2. The area covering the manganiferous zones should be mapped and sampled, in detail. It is recommended that a grid be layed out on the property. A minimum 1000 metre base line trending northeast, following the main west ridge, should be picketed at 50 m intervals. Cross lines at 100 m intervals should then be extended to the southeast with soil samples collected at 50 m intervals along the lines. Near the manganiferous zones, the sampling interval should be reduced to 25 metres. The soils should be analysed for Pb, Zn, Ag, and Mo (-80 mesh fraction) by standard atomic absorption or inductively coupled plasma methods.

3. E. M. Survey to test for presence of possible massive sulfide targets in conjunction with a magnetometer survey to test for skarn type mineralization.

PROPOSED PROJECT BUDGET (Canadian Funds)

PHASE I

Assaying	\$5,000.00
Geological Expense	10,000.00
Grid Establishment and Geochemical Sampling	15,000.00
Geophysics (Contract)	20,000.00
Bulldozer Trenching	20,000.00
Food and Shelter	8,000.00
Helicopter Support	25,000.00
Supplies, Transportation & Freight	5,000.00
Administration (+5%)	5,500.00
Contingency (+18%)	20,500.00
Total	\$134,000.00

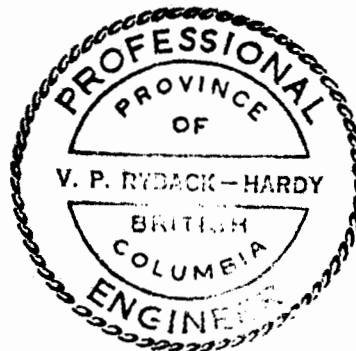
PHASE II

Diamond Drilling (800 metres @ \$160/metre)	\$128,000.00
Total Phase I and Phase II	\$262,000.00

Respectfully Submitted,

Victor Ryback-Hardy

V. Ryback-Hardy, P. Eng., B.C.L.S.



REFERENCES

Northern Mineral Inventory, n.d.

Private Company Report, Great Western Petroleum Corporation,
1981.

STATEMENT OF QUALIFICATIONS

I, Victor Peter Ryback-Hardy, of Richmond, British Columbia, do hereby certify that:

1. I am a consulting Geological Engineer with Hinterland Resource Services Ltd., at 11691 Trumpeter Drive, Richmond, British Columbia.

2. I am a graduate of the University of British Columbia in Geological Engineering in 1970 (B.A.Sc.). I am also a Commissioned British Columbia Land Surveyor (1979).

3. I have been practising my profession as a Geological Engineer for 9 years.

4. I am a member of the Association of Professional Engineers of British Columbia, Registration No. 8825.

5. I have examined the CMC Claims on June 19, June 20 and August 19, 1981.

6. I have no interest, nor do I expect to receive any interest, direct or indirect, in the CMC Claims or in the securities of BRX Mining and Petroleum Ltd.

7. BRX Mining and Petroleum Ltd. is hereby given permission to reproduce this report, or any part of it, for financing purposes; provided however, that no portion may be used out of context in such manner as to convey a meaning differing from that set out in the whole.

Dated at Richmond, B. C. this 17th day of March, 1982.

Victor Ryback-Hardy

V. Ryback-Hardy, P. Eng., B.C.L.S.



PRX MINING & PETROLEUM LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SEVEN MONTH PERIOD ENDED MARCH 31, 1982

(with comparative figures for the year ended August 31, 1981)

(UNAUDITED)

The attached interim consolidated financial statements were prepared by the Directors of the Company and have not been audited by an independent auditor.

April 27, 1982