MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6702

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

February 29, 1968

OFFICIAL COPY O. M. E. RECEIVED MAR 4 1968	
INITIALS	CODE
	110
	130
	120
	120

To be assigned

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: New Application (Gold-Silver)
Omega Mines Ltd. (N.P.L.) 6707
Bourne Group of Claims
Baker County, Oregon

This application was forwarded February 26, 1968, under separate cover.

According to a Title Opinion dated July 17, 1967, the leases and the applicant's right to the patented claims appear to be in order. However it is noted that the "New Sublease and Option" is not dated accept as "this _____ day of April, 1967 etc.", nor have the signatures been notarized. Also, although listed in "Information Re Financial Assistance in Minerals Exploration" neither the Golconda nor the Wide West claims appear in the leases. The applicant should be asked to state how he acquired his interest in these claims.

In October, D. J. Gallen, F. L. Croteau, and two other representatives of the company visited the Spokane office and left "for preliminary review" a copy of the Geological Report and Mining Appraisal (blue-bound) which included a claim map; but neither a claim map nor a map showing the proposed exploration with respect to claim boundaries accompanied either copy of the application. The applicant should be asked to furnish these.

The proposal to drift 230 feet below previously mined and presumably known ore, in certain types of deposit might be considered exploration. In this case the geologist gives good reason to expect the downward continuation of known ore bodies. From the narrative sections, and cost est. one can only conclude that the true purpose of the proposed drifting and raising is more in the nature of preparation for mining than in the nature of looking for new ore deposits. However, it could also be argued that the drifting is exploration in so far as it is necessary to prove the vertical extent of ore below the upper levels. 550 feet

D.R.MacLaren

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY C. SPETON
GRAHAM J. PHILLIPS

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

TELEPHONE 683-7361

OUR FILE NO.

[illegible]
Department of the Interior
[illegible] Street
Spokane, Washington 99204

Dear Sirs:

Re: Omega Mines Ltd. (N.P.L.)

We are enclosing herewith, in duplicate, application for Financial Assistance in Mineral Exploration on behalf of Omega Mines Ltd. (N.P.L.). The application is accompanied by copies of all required [illegible] forms.

[illegible] the matter [illegible] we [illegible] the return [illegible] purp[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

OMEGA MINES LTD. (N.P.L.)
600 - 890 West Pender Street
Vancouver, B. C., Canada

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6702

DATE RECEIVED 2/28/68

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER *(Specify)*	

Province ~~STATE~~ IN WHICH FIRM IS ~~ORGANIZED~~ British Columbia

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
B.K. Baldwin	600-890 West Pender, Vancouver	President &
G. A. Armstrong	1250-505 Burrard, Vancouver	Director
M. L. Judd	308-540 Burrard, Vancouver	Director
J. Hurmuses	Box 2413, Vancouver	Director
H. R. Wellman	Wallace, Idaho	Director
W. L. Hill	Boise, Idaho	Director

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold

ESTIMATED COST OF PROJECT: $ 337,355.00

PROPERTY NAME	LOCATION COUNTY	STATE
Bourne Group	Baker	Oregon
Bourne Mining District		

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

February 13th, 1968
~~December 12, 1967~~
DATED

OMEGA MINES LTD. (N.P.L.)
Per: [signature]
BY *(Signature)*
Secretary and Director.
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of [illegible]ings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C

OMEGA MINES LTD. (N.P.L.)

OME STATEMENT

1.1 (a) See attached.

(b) Not applicable. The Company has no affiliate, parent or controlling company and consequently, this item is not applicable.

(c) The Company will raise its share of the cost of exploration work through public underwritings of shares.

2. (a) See attached.

(b) The Company plans are to explore all of the land owned or controlled as set forth in 2 (a) hereof, full particulars of which are set forth in Item 2 (a).

(c) Lien and Subordination Agreements from Cracker Creek Gold Mining Company and Ward L. Hill have not, as yet, been obtained. It is anticipated that no difficulty will be occasioned in obtaining same and upon receipt thereof, will be forwarded on MME Form 52.

3. (a) to (g) See attached.

4. (a) and (b) See attached.

5. (a) to (c) See attached.

6. See attached.

7. (a) The Company has not completed any independent contracts.

(b) See attached.

(c) 7 (d) covers all operating materials and supplies.

(d) and (e) See attached.

(f) Not applicable

(g) There are no estimates respecting cost of repairs and maintenance of the operating equipment listed in 7 (d) as of the date hereof.

OMEGA MINES LTD. (N.P.L.)
600-890 West Pender Street
Vancouver, B. C.
Item 2 (a) and (b)

LAW OFFICES
BANTA, SILVEN & YOUNG
1950 THIRD STREET
BAKER, OREGON 97814
TELEPHONE 523-4442

HAROLD BANTA
DAVID C. SILVEN
THOMAS F. YOUNG

NICHOLS & HALLOCK
1919-1922
NICHOLS, HALLOCK & DONALD
1923-1929
HALLOCK, DONALD & BANTA
1930-1945
HALLOCK, DONALD, BANTA & SILVEN
1946-1950
HALLOCK, BANTA, SILVEN & HORTON
1951-1954
BANTA, SILVEN & HORTON
1955-1959
BANTA, SILVEN, HORTON & YOUNG
1960-1962

July 17, 1967

Omega Mines Ltd. (NPL)
c/o Armstrong, Brawner & Speton
Barristers & Solicitors
1250 One Bentall Centre
505 Burrard Street
Vancouver 1, B. C.

Re: Title Opinion Bourne Group Mining Properties
(Cracker Creek Gold Mining Company)

Gentlemen:

At your request, and pursuant to correspondence and conversations with Mr. G. Arnold Armstrong, your legal representative, I have just completed researching the title to the Columbia, Taber Fraction and North Pole Mines or groups of mining claims, and the Gleason and Davenport and E & E holdings, plus the Hanover, etc. unpatented claims, which constitute collectively what is commonly known as the Bourne Group, situated in the Bourne Mining District (unorganized), Baker County, Oregon, and included in Consolidated Mining Lease dated January 7, 1964, between Cracker Creek Gold Mining Co., an Oregon corporation, as Lessors, and Ward L. Hill as Lessee.

By way of background to establish my own qualifications to make this examination, I will say that I am an attorney at law of the State of Oregon, admitted in 1924, and licensed to practice in all the courts of this state since that time. I have been engaged in practice at Baker since 1929, am now senior member of the firm of Banta, Silven & Young, and was formerly and during 1938 junior member of the then firm of Hallock, Donald & Banta. I have since coming to Baker, specialized in mining practice, including particularly title problems involving mining claims, and am at the present time a member of the Governing Board of the Oregon Department of Geology & Mineral Industries.

During the period from July 5, 1938, to July 20, 1939, an elaborate title examination was undertaken covering all the patented properties and the older unpatented claims included in the Bourne Group. This was in connection with the consolidation and the transfer of such properties to the Cracker Creek Gold Mining Co., the original Delaware corporation that was organized to take title thereto, and predecessor of the present Oregon corporation of the same name. During the same period a mining lease was negotiated with Campbell Mining Co. (predecessor to Campbell Oregon Gold Mining Corp.), and the titles were also examined and passed in connection with this lease. At that time I personally examined the titles for the purpose of the consolidation, and also, representing the lessor, Cracker Creek Gold Mining Co., assisted in taking various curative steps designed to meet and correct objections raised by Frank C. McColloch of the then firm of Day, Hampson & Nelson (now McCdloch, Dezendorf & Spears), of Portland, Oregon, attorney for the lessee, Campbell Mining Co. During that period a very extensive title examination was conducted. Abstracts were secured and examined, both by Mr. McColloch and myself, and the data contained therein was supplemented by a personal examination and study of the underlying records. During the course of the title work, various defects were corrected, deeds, and in some instances patents, as well as affidavits and other documents, were secured and recorded. The research disclosed that certain millsite and placer locations which had previously been claimed as part of the properties had lapsed, and these were then superseded or supplemented to the extent deemed desirable by new locations, which also covered some vacant ground lying between the patented claims. The boundaries of the older unpatented locations were also reestablished, and to the extent required, amended, so as to more accurately describe the area covered thereby. Following completion of the title examination and the curative steps undertaken in connection therewith, I passed the title to the patented claims to the Cracker Creek Gold Mining Co. for the purposes of the consolidation as being in substance indefeasible and certified the same to be in my opinion, "sufficient and adequate to enable your corporation to sell or lease the property so transferred to you, or enter into a mine operating agreement with responsible parties without dimunition of consideration based upon grounds of title impairment," and also approved the title to the unpatented claims, declaring that in my opinion, " you will acquire by such conveyances proper possessory title to said claims, subject to title paramount in the United States, and existing conflicts with

portions of the patented ground, which fully appear and are shown upon the maps prepared by John Semple, copies of which are in your possession." Mr. McColloch in due course passed the titles as satisfactory to his client, the Campbell Mining Co., for the purposes of its lease. His original title reports pointed out certain defects, all of which were later corrected to his satisfaction. At that time a detailed description of the properties in the group as finally held and adjusted was prepared. You have previously been furnished with a copy of this description. It forms the basis of the summarized description which is incorporated in the Consolidated Mining Lease.

I have now in connection with this and previous reports prepared in 1964 and 1965 reviewed the voluminous correspondence, memoranda and other documents prepared in connection with the 1938-39 examination, and have personally examined the records in the office of the County Clerk and ex officio recorder of Baker County from 1938 to date, and have thereby refreshed my recollection as regards the earlier examination, and supplemented it by matters occurring since that time.

Based thereon, I now certify that as of July 13, 1967, at 5:00 o'clock p.m. indefeasible title to the patented claims and properties above mentioned and described in the Ward L. Hill lease was vested, as shown by documents of record, in Cracker Creek Gold Mining Co., an Oregon corporation (successor in interest to the original Delaware company), free from encumbrances, excepting only patent reservations and exceptions, and easements and rights of way mentioned in the Hill lease, and to the said Consolidated Mining Lease dated January 7, 1964, between Cracker Creek Gold Mining Co., an Oregon corporation, as Lessor, and Ward L. Hill as Lessee, and to any timber contracts involving merchantable timber thereon which may now be in force (see paragraph [12], pages 9 and 10). In regard thereto I further certify that the property in question has since September 28, 1955, been under lease to Ward L. Hill. The original lease bearing that date was superseded by Substituted Mining Lease dated October 13, 1959, and it in turn, together with a separate lease on mining and milling equipment, was superseded by the Consolidated Mining Lease of January 7, 1964, which appears of record in Vol. T at pages 762 et seq, Records of Leases and Agreements of Baker County.

As regards the unpatented claims included in the said Bourne Group, I certify that possessory title thereto, as acquired by the locator or locators thereof, is now vested in the said Cracker Creek Gold Mining Co., an Oregon corporation, subject only to title paramount in the United States, and to the easements and rights of way and said Consolidated Mining Lease above mentioned. I further certify that according to the recitals of proofs of labor appearing of record, the annual assessment work required thereon has been performed for the fiscal year ending at 12:00 o'clock Meridian September 1, 1966, (the last proof of labor being executed by Mr. Bowyer under date of August 29, 1966) and that except for the patented claims in the said Bourne Group which the unpatented locations in some cases overlap, the ground included within the unpatented claims is free from surface conflicts, particularly with adverse locations asserted or claimed by third parties, to the best of my knowledge and belief or as disclosed by the tract books of the Baker Abstract & Title Co. (now Land Title Insurance Co.), which I have examined in that regard. In this connection it is to be borne in mind that while Twp. 8 South, Range 37, E.W.M., where most of the unpatented claims are situated, is now surveyed, it is possible for mining claims, particularly quartz locations, to be made without reference to the legal subdivisions of the public survey so that they would not appear upon the tract books. In addition, the tract books are not complete and do not even show all unpatented mineral locations which are capable of identification. It would accordingly be impossible to certify without examining every foot of the ground and checking the records of quartz and placer locations page by page, which I have not done, that no adverse locations have in fact been made. However, I will say that I have been familiar with these claims in a general way at least continuously since 1938, and have personally heard of none, as I feel confident I would have had such adverse locations been made and any substantial development work undertaken or possessory rights asserted pursuant thereto.

I further certify that all earlier leases upon the Bourne Group granted by the Cracker Creek Gold Mining Co. (of which the one to the Campbell Mining Co. was the first) were terminated either by surrender or forfeiture proceedings pursuant to the terms thereof, which were handled through our office prior to the granting of the initial Hill lease above mentioned, and that there are not now and have not been at any time since the

initial Hill lease in 1955, any leases outstanding upon the said property other than those held by the said Ward L. Hill and his associates or assigns, except for any grazing leases, timber contracts and the like executed pursuant to the reservation clauses appearing in paragraph (12) thereof.

I further certify that all former assignments, subleases or options, executed by the said Ward L. Hill were either terminated or assigned to Omega Mines Ltd. (NPL), a corporation of Vancouver, B. C., and that the said Omega Mines Ltd. is now the holder of a new Sublease and Option from the said Ward L. Hill dated April 10, 1967, pursuant to which an assignment of the said Consolidated Mining Lease has been executed by the said Hill on the same date and deposited in escrow with the United States National Bank of Portland, Baker Branch, under accompanying escrow instructions also dated April 10, 1967. That the said escrow has now been completed and the escrow fee paid. These documents have been examined by me and all appear to be in regular form, and the consent of the original lessor, Cracker Creek Gold Mining Co. to such new Sublease and Option has been secured.

I understand that this opinion is desired in connection with an application to register the stock of the said Omega Mines Ltd. with the British Columbia Securities Commission, and I have accordingly caused my signature hereto to be notarized.

Respectfully submitted,

Harold Banta

Harold Banta

SUBSCRIBED and SWORN TO before me at Baker, Baker County, Oregon, this 17th day of July, 1967.

Blanche Behner

Blanche Behner
Notary Public for Oregon
My Commission expires Jan. 24, 1970

OMEGA MINES LTD. (N.P.L.)
500-890 West Pender Street
Vancouver, B. C.
Item 1 (a)

December 15th, 1967

Mr. R. Knowles, Manager
The Toronto Dominion Bank
1277 West Georgia Street
VANCOUVER, B.C.

COPY

Dear Sir:

Re: Omega Mines Ltd. (N.P.L.)

Omega Mines Ltd. (N.P.L.) is presently engaged in an exploration program on its properties situate in the Bourne Mining District, Baker County, State of Oregon, and in this regard, will require financing for its program.

In this regard, we are enclosing herewith for your perusal the following documents:-

(a) Title opinion respecting the properties in question;
(b) Estimated cost of proposed program;
(c) Engineering reports of Mr. F. L. Croteau, dated September 23, 1966, June 3, 1967, and September 25th, 1967.

You will note from the above documents that the total program will require the sum of $337,355.00 and the Board of Directors has requested that I apply to your bank for a loan of $250,000.00 repayable with interest on a royalty basis from production based on 5 per cent of the gross proceeds or value of production in the form in which it is sold, held or used.

We would appreciate your advice respecting this matter at your earliest convenience.

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

OMEGA MINES LTD. (N.P.L.)
00-890 West Pender Street
Vancouver, B. C.
Item 1 (a)

THE TORONTO - DOMINION BANK

1277 WEST GEORGIA & JERVIS STS., VANCOUVER 5, B.C.

December 18,1967

Messrs. Armstrong, Brawner & Speton
Barristers & Solicitors
1250 One Bentall Centre
505 Burrard Street
Vancouver, B.C.
ATTENTION: MR. G. ARNOLD ARMSTRONG

Dear Sirs:

RE: OMEGA MINES LTD. (N.P.L.)

Thank you for your letter of December 15, 1967.

After having perused the documents enclosed with your said letter, we are of the opinion that although the property appears to be very interesting, it would seem that the participation of our Bank in any financing would be on a long term basis and the repayment of a loan would be dependent upon whether or not the results from exploration and development of the properties proved to be extremely promising. Accordingly, we must, at this time, refuse your request for a loan of $250,000.00.

We may say that if the properties do prove to be promising in the future and the Company requires any financing on a lesser scale, we would be prepared to discuss the situation with representatives of the Company at that time.

Yours truly,

R. J. Knowles
Manager

RJK:mam

OMEGA MINES LTD. (N.P.L.)
500-890 West Pender Street
Vancouver, B. C.
Item 1 (a)

December 15th, 1967

Mr. J. McConnell, Manager
The Royal Bank of Canada
Granville and Broadway Branch
VANCOUVER, B.C.

COPY

Dear Sir:

Re: Omega Mines Ltd. (N.P.L.)

Omega Mines Ltd. (N.P.L.) is presently engaged in an exploration program on its properties situate in the Bourne Mining District, Baker County, State of Oregon, and in this regard, will require financing for its program.

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You will note from the above documents that the total program will require the sum of $337,355.00 and the Board of Directors has requested that I apply to your bank for a loan of $250,000.00 repayable with interest on a royalty basis from production based on 5 per cent of the gross proceeds or value of production in the form in which it is sold, held or used.

We would appreciate your advice respecting this matter at your earliest convenience.

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

OMEGA MINES LTD. (N.P.L.)
600 - 890 West Pender Street
Vancouver, B. C.
Item 1 (a)

THE ROYAL BANK OF CANADA

BROADWAY & GRANVILLE BRANCH
1497 WEST BROADWAY, VANCOUVER 9, B.C.

Telephone 736-7311

December 19th, 1967

Omega Mines Ltd. (N.P.L.),
c/o Messrs. Armstrong, Brawner & Speton,
Barristers & Solicitors,
1250 One Bentall Centre,
505 Burrard Street,
Vancouver, B. C.

Dear Sirs:

We acknowledge receipt of your letter of December 15th, 1967, together with enclosures.

While we appreciate the fact that the property in question has considerable merit, nevertheless we are unable to assist you by reason of the fact that our involvement would result in a long term investment and the repayment of same would be principally determined upon the results of your exploration program and the availability of financing the property into production.

We would be most interested in discussing your properties further when the exploration program has been completed and a feasibility report obtained, at which time, depending upon the results, it may be that we would be able to assist you with respect to the financing of a concentrate or otherwise.

Yours truly,

J.T.H. McConnell

J.T.H. McConnell,
Manager.

OMEGA MINES LTD. (N.P.L.)
600-890 West Pender Street
Vancouver, B. C.
Item 2 (a) and (b)

CONSOLIDATED MINING LEASE
(Cracker Creek Gold Mining Company to Ward L. Hill
on Bourne Group Mining Claims and Equipment)

THIS CONSOLIDATED MINING LEASE, made and entered into this 7 day of January, 1964, by and between CRACKER CREEK GOLD MINING COMPANY, an Oregon corporation, as Lessor, and WARD L. HILL, as Lessee, WITNESSETH:

That WHEREAS, the Lessor and Lessee have heretofore, and on October 13, 1959, entered into a certain Substituted Mining Lease covering those certain mining claims and properties situated in the Bourne Mining District (unorganized), in Baker County, Oregon, commonly known as the Bourne Group and more particularly described as follows:

The COLUMBIA, APPOMATTOX, CYCLONE CONSOLIDATED, OLD MIDDLEMAN and TIN HORN quartz mining claims, and the TIN HORN Mill Site, patented, and Lieu Selections No. 3521 and No. 817, now known as The Dalles No. 026766 and No. 023714 respectively, said properties comprising what is known as the Columbia Group.

The CONSOLIDATED FRACTIONAL lode mining claim, patented, consisting of the Summit and Fractional Lode claims, known as the Taber Fraction Mine.

TABER? FRACTION

The NORTH POLE, WILLIAMS, RAGING ROLAND, LOUISE CONSOLIDATED, CENTRAL, NORTH STAR, BARING CONSOLIDATED, MORE OR LESS, BLUE MOUNTAIN, VILLARD, BEAR CONSOLIDATED, MAJESTIC, HYDRAULIC, SOUTH POLE and EVANS, YANKEE JACK and the south 358.6 feet of the YANKEE JIM, BISMARK CONSOLIDATED, NORTH STAR NO. 2, GOLD DOLLAR and ANNIVERSARY CONSOLIDATED quartz or placer claims, patented, comprising what is known as the North Pole Mine.

The HOMESTAKE and GOLDEN GATE lode claims, patented, and the HANOVER and FOOL CREEK placer claims, unpatented, comprising what is commonly known as the Glisan and Davenport holdings.

The EUREKA, EXCELSIOR, AFTERTHOUGHT, SHYSTER CONSOLIDATED, TAMARACK, EXCELSIOR NO. 2, WEDFOOT, WILLIAMETTE, SMALL HOPE, NORTHERN CONSOLIDATED, CRACKER and OREGON CONSOLIDATED, SAMPSON CONSOLIDATED quartz or placer claims (or mill site) patented, comprising what is ordinarily known as the E and E holdings.

EXPRESSLY EXCEPTING AND NOT INCLUDING, however, certain lands situated in Section 29, Township 9 South, Range 37, E.W.M., also belonging to the Lessor and sometimes treated as part of the said E and E holdings, but not contiguous to or connected with said Bourne Group.

Also the HANOVER NOS. 1 to 8 and the HANOVER NO. 10 quartz mining claims, unpatented, and the HARDY, CRACKER CREEK NO. 1, CRACKER CREEK NO. 2 and CRACKER CREEK NO. 3 placer claims, unpatented, which lie contiguous to or connect with various portions of the property in said Bourne Group.

Saving and excepting from said mining claims and real properties above described, both patented and unpatented, all rights of way for ditches, pipe and power lines, roads and other easements now existing upon or across the same or any portion thereof.

And WHEREAS, the Lessor's predecessor in interest, a Delaware corporation of the same name, had theretofore, and on September 28, 1955, entered into a separate lease on mining and milling equipment, covering certain machinery, equipment and personal property situated thereon, which was thereafter assigned to Lessor, and both agreements have been and are now being amended and supplemented in certain respects, and the parties now desire by this Consolidated Mining Lease to merge and incorporate all outstanding agreements into this one instrument, which shall evidence and represent the full and complete present contract of the parties with relation thereto.

NOW, THEREFORE, in consideration of the premises and of said prior leases and agreements, and in further consideration of the covenants hereinafter set forth, by the Lessee to be kept and performed and the royalty herein reserved, the Lessor has leased, demised and let, and by these presents does hereby lease, demise and let unto the said Lessee the said mining claims and properties, subject to the reservations and exceptions above set forth, together with all the buildings and improvements, machinery, equipment and personal property thereon now belonging to the Lessor, including but not limited to the articles described in the inventory hereunto attached, marked Exhibit "A", and by reference thereto made a part hereof, for mining purposes for the term of ninety-nine (99) years from and after September 28, 1955 (the date of the said original agreement), unless sooner terminated or forfeited by the Lessor on account of default on the part of Lessee as hereinafter provided, or abandoned by the Lessee as hereafter specified, and the said Lessor does hereby give and grant to the Lessee during the term of this lease, or so long as the same remains in force, the right and privilege to mine, develop, operate and extract ore and mineral bearing rock and earth, and precious and semi-precious metals and minerals

from the said mining premises and properties above described, and to mill or otherwise concentrate and treat the same thereon, and to utilize all of the said mining and milling machinery and equipment of the Lessor, plus such additional equipment as the Lessee may install for such purpose, and to reduce, ship and market such products, and appropriate the proceeds thereof to his own use, subject to the payment of the royalties and the performance of the conditions hereinafter mentioned. This Consolidated Mining Lease and the development work and mining operations to be conducted by the Lessee hereunder shall be subject to and performed according to the following terms and conditions:

(1) All development work and mining operations performed upon said property by the Lessee shall be done in a good and miner-like manner, in accordance with standard and economical mining practices so as to take out the greatest amount of ore possible with due regard to the development and preservation of said mining property as a workable mine, and shall be performed in compliance with all of the laws of the United States and of the State of Oregon regulating such operations, and the Lessee shall during the life of this lease keep all buildings, improvements, machinery and equipment of the Lessor upon said property which he may use in connection with his operation in a good and proper condition or repair, and shall deliver the same to the Lessor at the expiration of the term hereof, or upon any sooner termination of this lease, in as good condition of repair as the same now are or may be put by the Lessee, reasonable use and wear thereof, fire and other unavoidable casualties excepted.

(2) All of the products from said mining properties containing mineral values, whether the same be in the form of ore, bullion, concentrates or otherwise, at the time the same are ready for shipment, shall be shipped by the Lessee to said standard and reputable mint, smelter or other place of sale as the Lessee may select, and Lessor shall receive as royalty at this time, and until the occurrence of conditions requiring an increase in royalty as hereinafter set forth, five percent of the returns from all such shipments. The term "returns" as used herein shall be construed to mean the net amount shown due by the mint, smelter or other place of sale as indicated by its returns or settlement sheets, after the railroad freight from Baker, Oregon, to the smelter or other place of sale, and all proper treatment and other charges of said smelter or other place of sale have been deducted, but without any other

deductions whatsoever, except for severance or production taxes, if any. Royalty settlements shall be made monthly, and payments shall be made on or before the 10th day of each calendar month, provided that there shall be included in such monthly accountings only the proceeds of such shipments as have actually been paid over and delivered to the Lessee during the preceding calendar month. If any severance or production tax should hereafter be levied by duly constituted authority upon any of the minerals recovered therefrom, Lessee shall be entitled to deduct the same from each shipment before computing royalties thereon. In the event of an increase in the price for gold paid to domestic producers, or should any subsidy or bonus payment hereafter become available upon gold or other minerals recovered from said property, the royalty accruing hereunder shall be increased in accordance with the following graduated scale of royalty percentages, and the amount of such subsidy or bonus shall be added to the sales price in computing royalties so that the Lessor will receive its appropriate percentage thereof:

		Royalty
Gold price at $35 per ounce		5% of net returns
Gold price plus subsidy totaling between $35 and $70 per ounce.	An increase of	2.5% of net returns
	Making a total of	7.5% of net returns
Gold price plus subsidy totaling between $70 and $105 per ounce.	An additional increase of	1.25 of net returns
	Making a total of	8.75% of net returns
Gold price plus subsidy totaling between $105 and $140 per ounce. . . .	An additional increase of	.625% of net returns
	Making a total of	9.375% of net returns
Gold price plus subsidy totaling over $140 per ounce.	An additional increase of	.625% of net returns
	Making a total of	10% of net returns

(3) The Lessee covenants with and warrants to the Lessor that commencing with October 1, 1964, the Lessor shall receive from royalties, or otherwise, not less than $2,000.00 during each six-months period of the Lessee's operations upon said leased premises.

That is to say, if operations resulting in the payment of royalties have not been commenced prior to October 1, 1964, the Lessee shall pay to Lessor on that date the sum of $2,000.00, and if such operations have been commenced prior thereto, will pay to Lessor such sum as is necessary to make up any deficiency between the royalties accruing and paid during the preceding six-months period, or since April 1, 1964, and said minimum semi-annual guarantee of $2,000.00, and shall make like remittances on or before the 1st day of April and October of each and every year thereafter throughout the life of this lease; provided that all of such payments to the extent the same are made in advance of or in excess of the royalties actually accruing from production, shall be treated as advance royalties, and the Lessee shall be entitled to reimburse himself and claim credit for all sums so paid as advance royalties from royalties actually accruing from production, to the extent the same exceed such $2,000.00 semi-annual minimum, and if after royalty payments from production are commenced, and the Lessee has reimbursed himself and secured credit for all advance royalties previously paid, the royalties accruing during any six-months period shall amount to more than said minimum guarantee, the Lessee shall then be entitled to claim credit for any surplus over such minimum upon any subsequent six-months period when the royalties shall amount to less than such minimum or when operations are shut down from any cause. In addition thereto, and prior to April 1, 1965, the Lessee agrees to expend not less than $50,000.00 in actual mining and development work, or the construction or repair of the buildings and other permanent improvements upon the said properties. Such work shall be commenced by ~~April~~ JUNE 1, 1964.

(4) The Lessee covenants and agrees to pay and satisfy in full all expenses for labor, materials and supplies, Workmen's Compensation or Unemployment Insurance payments, and all other lienable indebtedness which may be incurred in the mining and operation of the said property or in the construction of improvements, or the installation of equipment thereon, and no liens or charges of any kind or nature shall be permitted to accrue or be filed against the demised premises, or any part thereof, or any of the buildings or improvements thereon, on account of any of the operations, acts or conduct of the Lessee, and no liability of any kind or nature shall be permitted to attach to the Lessor or to said premises, or any part thereof, on account of any such mining operations, construction or development work, and Lessee

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covenants and agrees to save the Lessor and said premises harmless for any and all liability or expense on account thereof. The wages of all miners or other workmen employed by the said Lessee to perform work upon said property shall be paid currently and at intervals of not less than two weeks. All materials and supplies purchased for use upon said property shall, so far as is reasonably possible under ordinary operating conditions be paid for in cash, before being transported thereto, and any portion thereof not so paid for in cash, together with all transportation charges and any expenses for Workmen's Compensation or Unemployment Insurance, or any other liquable indebtedness shall be promptly paid and satisfied at the time the same fall due and before the same, or any part thereof, become delinquent.

(5) Posting Notices. Lessee covenants, upon entering into possession of the premises leased herein, to post forthwith, and thereafter keep posted, on the premises, such notices as may be necessary to adequately notify all persons who may come in or upon the leased premises that said premises are held by Lessee (named) under lease from Lessor (named), and that Lessee shall be liable for the due compensation of all labor employed and the cost of all supplies and materials purchased and used by Lessee in or upon the leased premises, and that Lessee, and not said Lessor, will be responsible for any and all debts and expenses incurred by Lessee in mining operations within said premises. Lessee shall otherwise comply with the statutes of the State of Oregon in that behalf, if such statute should be enacted.

(6) The Lessor shall have and it is hereby given, a lien against the mining and mill machinery and equipment, tools and supplies of the Lessee placed upon or used in the operation of the said leased properties to insure the compliance by the Lessee with his obligations assumed under the provisions of the foregoing clause fourth hereof, to protect the said property against liens, and to require the accounting for royalties accruing under the provisions of clause second hereof, and to indemnify the Lessor against loss or expense arising through or as the result of Lessee's defaults thereunder, which lien shall be in the nature of a mortgage and shall arise and attach against all of said machinery and equipment prior to any and all other liens or encumbrances placed thereon by or through the Lessee

hereafter, as soon as any lienable indebtedness or royalties become delinquent and shall continue until such time as all of said lienable indebtedness and royalties have been fully paid and any loss, cost or expense to the Lessor arising as the result of liens filed or asserted has been satisfied. Such lien so reserved to Lessor may be foreclosed, if need be, in the same manner as provided by law for the foreclosure of liens upon personal property by suit in equity in the Circuit Court of the State of Oregon for Baker County.

(7) All buildings, and similar permanent improvements, timbering, track, rails and the like placed upon the said premises and property by the Lessee during the term of this lease, and any repairs to or replacements of the machinery and equipment now thereon and belonging to the Lessor, shall be deemed and considered as a part of the said leased premises and shall be and remain the property of the Lessor and be left upon said property at the expiration of said term, or any sooner termination or abandonment hereof, but all other mining or mill machinery and equipment, tools and supplies which may be installed or used upon said property by the Lessee and which he may have purchased or paid for, or otherwise acquired and own in connection with said Lessee's operations hereunder, and regardless of size, weight or manner of annexation, shall remain the property of the Lessee and may be removed by him at any time prior to the expiration of said term or any sooner termination or abandonment hereof, or within the periods hereafter specified thereafter, so long as he is not in default under the provisions of clauses second and fourth, and the lien herein reserved in clause sixth in favor of the Lessor has not arisen and attached to the same. The right of removal shall be suspended in the event such lien shall have attached thereto until such time as the same shall have been fully satisfied and released. There shall be no right of removal as to any property of any kind or character belonging to the Lessor.

(8) The Lessor, through its duly authorized agents or representatives, shall have the right to examine and inspect the leased premises and the mining operations conducted thereon by the Lessee at all times during the life of this agreement and shall have the right to be present at any cleanups during milling operations. If Lessor so requests, it shall receive twenty-four hours advance notice of all such cleanups. The Lessor, through its

said agents and representatives, shall further have the right to examine and inspect the books and records of the Lessee pertaining to the operation of said property, which said books and records will be made available either at Baker, Oregon, or Minneapolis, Minnesota, as Lessor may elect, for a period of not to exceed five consecutive days upon the giving of Lessor of not less than ten days written notice. Such examinations as the Lessor may require at either place shall be conducted not oftener than every other month, or more than four times in any calendar year. In addition thereto said books and records shall be available for the inspection of the Lessor or its agents or representatives at all reasonable times during business hours at the offices of the company where such books and records are regularly maintained, which shall be established either in the states of Oregon, Washington or California. Lessor shall further be furnished currently with duplicate copies of all mint or smelter returns or settlement sheets showing shipments of ore, concentrates or other products from said property.

(9) The Lessor covenants with and warrants to the Lessee that it is the full and lawful owner of the patented properties above described, but as regards the unpatented claims included herein, it is understood between the parties that Lessor is leasing only such rights therein as it may have and makes no warranties of title or quiet possession with regard thereto. As regards the machinery and equipment, the same consists of items which have been accumulated upon the property by the Lessor and its predecessors over a period of many years. While the Lessor believes that it has good title to all thereof and covenants that no liens or encumbrances have been placed thereon by or through it, it is recognized that disputes regarding ownership might exist as to specific items thereof, and Lessor will incur no liability should its title or right to possession to any item or items thereof fail.

(10) The Lessee shall, in connection with his mining operations upon said property, perform all labor and make all expenditures each year during the life of this lease upon or for the benefit of such unpatented claims in said group so as to comply fully with the laws of the United States of America relating to annual labor and assessment work on unpatented mining claims and shall file proper and timely proofs of labor showing the performance of said work with the County Clerk of Baker County, Oregon. However, if it should develop that any of

said unpatented claims have been relocated, or the ground included therein otherwise lost prior to resumption of work by the Lessee hereunder, then it is understood that the obligation to perform annual labor shall not apply as to any such claim or claims. The Lessee will assume as part of his obligation hereunder and will currently pay before delinquency all state or county taxes which may hereafter be levied or assessed against the said leased real property or any buildings, improvements, machinery or equipment thereon, commencing with the fiscal year 1963-64 (which the Lessee has just paid).

(11) The Lessee shall have the right to abandon this lease and surrender the demised premises at any time upon giving the Lessor ninety days prior written notice of his intention so to do, and upon the giving of such notice, the payment of all royalties accruing to Lessor hereunder, and the satisfaction of all indebtedness which might constitute a lien upon said property, such surrender and abandonment shall release the Lessee from all future obligations hereunder, but shall not affect any liability already accrued and arising from prior failure of performance.

(12) This lease is for mining purposes only. The Lessor reserves the right to utilize said property during the term hereof for such other purposes as it may be adapted to and receive the income accruing therefrom, particularly Lessor reserves the right to rent the surface to the extent the same is not utilized in the mining operations, for grazing purposes, and to cut and remove the merchantable timber therefrom. As regards such timber, it is understood that the only timber in which the Lessee is interested is the fir or larch trees suitable for mining timbers, being less than sixteen inches in diameter at breast height, and that the Lessee will not need or utilize for mining purposes any of the pine or larger fir and larch trees, which are the ones considered merchantable for sale as sawlogs or lumber. The Lessor has previously negotiated a separate timber contract with the Lessee for the logging and removal of such portion of said timber as it is now practicable to remove, which contract has about another year to run. Following the expiration of said contract the Lessor may negotiate further contracts or agreements for the continued cutting of any remaining timber and of any trees which may grow to merchantable size during the life hereof; but shall before negotiating any such timber contract with a third party, give to

Lessee or his assigns the right and option for a period of thirty days to enter into such a contract himself on terms no less favorable than any bona fide offer for a timber cutting contract which Lessor may have received from any third party. In connection with such future growth, it is strictly understood that the Lessee's rights hereunder to cut and use fir or larch trees for mining timbers shall be limited to such trees as measure less than sixteen inches in diameter at breast height outside the bark at the time of cutting, and that all pine trees without exception, and all other fir and larch trees, are expressly reserved by the Lessor and may be sold and disposed of by it at any time it may desire. In connection with all such sales to any third parties, other than the Lessee or his assigns, it is understood that the purchaser or purchasers of such timber while engaged in logging operations upon said leased premises shall have equal rights of access, while the timber is being removed, with the Lessee and his mining activities, and the Lessee will so conduct his mining and testing operations as to interfere as little as possible with the logging operations until such time as logging thereon in progress from time to time has been completed. It is further agreed that in the event of any such timber sale to third parties the timber sale contract shall provide that the timber purchaser shall conduct his logging operations so as not to interfere with the Lessee's mining operations then in progress thereon, and shall require that such timber purchaser indemnify and save the Lessee harmless from any and all liabilities in connection with such logging operations and shall further require the timber purchaser to covenant and agree to promptly replace and/or repair any and all equipment, mill facilities or other mining paraphernalia of the Lessee which the timber purchaser in the course of its logging operations might damage. These covenants to be inserted in the timber sale contract shall be deemed covenants for the benefit of the Lessee hereunder and upon which Lessee shall have an independent right of action against such purchaser in the event of breach.

(13) This agreement is freely assignable by Lessor. It may be assigned by Lessee only upon written consent of Lessor. This agreement shall run to, be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors, and properly qualified assigns.

(14) Time is of the essence of this agreement, and if Lessee fails to keep and perform all of the terms and conditions of this lease on his part to be kept and performed, then Lessor may at its option terminate the same by giving notice in writing or by telegraph to the Lessee, specifying the default; provided that if within ten days after the giving of such notice, in case of default arising through failure to account for royalties, or make the semi-annual payments herein mentioned, or by the filing of a lien or liens against said property, and within thirty days in case of any other default, the Lessee shall make such royalty or other payments, satisfy or adequately secure and proceed to contest in good faith such lien or liens or correct such other default, this lease shall then be reinstated and in good standing. However, upon failure to correct the same within such respective periods, the Lessor may then, without any further notice or demand, and so long as such neglect or default shall continue, forthwith terminate this lease and fully repossess itself of the said leased premises, expelling the Lessee and all persons claiming through or under him therefrom, forcibly if necessary, without being deemed guilty in any manner of trespass, and without prejudice to any other rights which might otherwise accrue to Lessor for the violation of the terms hereof, and particularly without prejudice to Lessor's right to receive all royalties theretofore accruing from production and to require the satisfaction of all liquidable indebtedness incurred by the Lessee, and to have recourse to the lien arising hereunder to secure the performance of such obligation, and after such default and termination of this lease, the Lessee shall have no further rights in or right to the possession of said leased premises or any part thereof, except for the purpose of accomplishing the removal of their movable machinery and equipment as hereinabove set forth, subject to and after the satisfaction of the Lessor's lien thereon if such a lien shall have arisen.

(15) Upon any termination or abandonment of this lease, and if Lessee is not in default under the provisions of clauses second or fourth, it is understood that the Lessee shall remove all such machinery and equipment belonging to him within a period of six months from and after such abandonment or termination and during said period, shall have full and free access to said premises for the purpose of accomplishing such removal. All machinery and equipment left and remaining upon the said property at the expiration of such period

shall be forfeited to Lessor and shall be deemed and become a part of said mine, unless the removal thereof should have been prevented through the lien arising under clause sixth, as above mentioned, in which event the Lessee shall have sixty days after the cancellation of such lien by full satisfaction thereof within which to complete such removal. In accomplishing such removal the Lessee shall do no unnecessary damage to the buildings or other improvements of the Lessor upon said property, and if damage be unavoidably caused, shall forthwith restore the same to as good condition as before.

(16) All notices provided for hereunder may be given to the Lessee either by delivering the same to him in person or by registered letter or prepaid telegram addressed to 909 Hillcrest, Baker, Oregon, or to such other address as the Lessee may furnish to Lessor, in writing, and to the Lessor, by registered letter or prepaid telegram, addressed to 1114 Northwestern Bank Building, Minneapolis, Minnesota, or such other address as the Lessor may furnish to Lessee in writing.

(17) This agreement supersedes and takes the place of the said prior Substituted Mining Lease dated October 13, 1959, and all supplements and amendments thereto, and also supersedes the separate lease on mining and milling equipment executed by Lessor's predecessor on September 28, 1955, and all supplements thereto, and except insofar as the provisions of said prior leases and agreements are carried forward and expressly incorporated in this consolidated lease, the same are hereby declared cancelled by mutual consent, and both parties relieved of all future obligations thereunder.

IN WITNESS WHEREOF, the Lessor has caused these presents to be executed by its duly authorized officers pursuant to authority of its Board of Directors, and its corporate seal to be hereunto affixed and the Lessee has hereunto set his hand and seal, all on the day and year first hereinabove written.

CRACKER CREEK GOLD MINING COMPANY

By _____ Vice President

Attest: _____ Secretary

LESSOR

_____ (Seal)

LESSEE

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this 17th day of January, 1964, before me, the undersigned, a Notary Public in and for said County and State, appeared T. R. WILLITS and FRANZ JEVNE, JR., both to me personally known, who being duly sworn did say that he, the said T. R. Willits, is the Vice President, and he, the said Franz Jevne, Jr., is the Secretary of Cracker Creek Gold Mining Company, the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and the said T. R. Willits and Franz Jevne, Jr., as such Vice President and Secretary respectively, acknowledged said instrument to be the free act and deed of said corporation

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Lillian Sundblad

LILLIAN SUNDBLAD
Notary Public, Hennepin County, Minn.
My Commission Expires March 14, 1965

STATE OF OREGON)
) SS.
COUNTY OF BAKER)

BE IT REMEMBERED, that on this 9th day of January, 1964, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named WARD L. HILL, who is known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Ward L. Hill

Notary Public for Oregon
My Commission expires Aug. 10, 1964.

NEW SUBLEASE AND OPTION
(Ward L. Hill to Omega Mines Ltd. (N.P.L.) re Bourne Group)

THIS NEW SUBLEASE AND OPTION AGREEMENT, made and entered into this _____ day of April, 1967, by and between WARD L. HILL as First Party and OMEGA MINES LTD. (N.P.L.), a corporation, having its registered office at 325 Shell Oil Building, 1155 West Georgia Street, Vancouver, B. C., as Second Party,

WITNESSETH:

That WHEREAS, the First Party is the holder of a certain Consolidated Mining Lease dated January 7, 1964, and entered into by and between Cracker Creek Gold Mining Company, an Oregon corporation, as lessor, and the said Ward L. Hill as lessee, which entitles him to develop, mine and operate those certain mining properties commonly known as the Bourne Group, and consisting of the Columbia, Taber Fraction, North Pole, Glisan and Davenport, and E & E mines or holdings, all patented, plus certain unpatented claims connected therewith, situated in the Bourne Mining District (unorganized) in Baker County, Oregon, upon a royalty basis, and to utilize the machinery and equipment thereon in connection therewith for a term of ninety-nine (99) years, from September 28, 1955,

And WHEREAS, Second Party desires to secure an option to purchase the First Party's interest therein, and a sublease to work and operate the said property pursuant to and under the terms of the said Consolidated Mining Lease during the interval, and First Party is willing to grant such sublease and option for the consideration and upon the terms and conditions hereinafter set forth,

And WHEREAS, the Second Party has procured the assignment of a former sublease and option thereon from Cal-Ore Explorations, Inc., an Oregon corporation, which the parties desire to supersede hereby,

NOW, THEREFORE, in consideration of the premises, the payments to be made as hereinafter set forth, and the covenants and agreements herein contained, it is hereby understood and agreed by and between the parties hereto as follows:

(1) The First Party does hereby give and grant to the Second Party the sole and exclusive right, privilege and option to purchase all of his rights and interest as lessee under the said Consolidated Mining Lease, and all of the rights and privileges pertaining thereto, for a total purchase price of $75,000.00 payable in U.S. money; said purchase price to be paid, if this option is exercised, in the following installments and not later than the following times:

(a) Installment payments first at the rate of $300 per month and then at the rate of $600 per month in the aggregate sum of $9,600.00 have been made under the previous Sublease and Option, and are to be continued hereunder. The next monthly payment of $600 to be made on May 1, 1967, and a like payment on June 1, 1967.

(b) On July 1, 1967, a payment of $10,700.00 shall be made, and a like sum of $10,700.00 shall be made semi-annually thereafter on the 1st days of January and July of each year, commencing with January 1, 1968, and continuing until January 1, 1970, with a final payment of $10,700.00 falling due on January 1, 1970; provided, however, that if a total of $65,000.00 has been paid by July 1, 1968, the remaining balance of $10,000.00 will be cancelled. If, however, payments totalling that amount have not been made on or prior to such date, then the full amount of $75,000.00 shall be due and payable. All such payments shall be without interest.

(2) The United States National Bank of Portland, Baker Branch, is designated as escrow depositary hereunder. Escrow instructions in standard form have been executed by the parties concurrently herewith, and a copy thereof, together with a copy of this agreement and the assignment hereinafter mentioned, shall

be forthwith deposited with said bank. All escrow charges shall be paid one-half by First Party and one-half by Second Party. The First Party shall execute at this time a good and sufficient assignment, assigning and transferring to the Second Party, all his rights, equities and interests under said Consolidated Mining Lease to the Second Party, and deliver the same to the said escrow agent. When the Purchaser shall have paid the full amount of such purchase price the said escrow agent may then deliver such assignment to the Purchaser in accordance with said instructions and this agreement will be fully performed and at an end, but in the event of any termination hereof as hereinafter provided, the escrow agent shall return such assignment to the First Party. All payments provided for hereunder shall be made by the Second Party to the First Party through the said escrow agent.

(3) Prior to the execution hereof the Second Party has been in possession of the said properties under the previous Sublease and Option, and immediately upon the execution hereof shall be entitled to continue in possession of the said Bourne Group of mining claims and properties and utilize the equipment thereon as the sublessee of First Party, and shall thereafter throughout the life hereof, and so long as this contract remains in force, be entitled to continue in the occupancy thereof and to mine, develop and operate the same under and in accordance with the terms of the said Consolidated Mining Lease, and may extract gold and other minerals therefrom and appropriate the proceeds to its own use, subject, however, to the payment of the royalty accruing to the Cracker Creek Gold Mining Co., lessor therein, and to the performance of all the other terms, conditions and obligations imposed upon or assumed by, the lessee thereunder.

(4) The First Party covenants with and warrants to the Second Party that he is the full and lawful owner and holder of the said Consolidated Mining Lease, and entitled to all of the rights and privileges accruing to the lessee thereunder as of this date; that the same is now in good standing, that he has not

assigned or transferred the same, in whole or in part, or created any encumbrances thereon, and that he will protect the Second Party in the quiet and peaceable enjoyment of all the rights and privileges granted hereunder, and in the possession of said premises so far as the First Party and all persons claiming by, through or under him are concerned. The Second Party in turn accepts, assumes and agrees to comply with and perform, all of the terms and conditions of the said mining lease and respond to all the obligations imposed upon the lessee thereunder throughout the life of this contract and so long as it shall continue to occupy the said premises, and to keep and maintain the said lease in good standing throughout the life of this contract; not to suffer nor permit any default or forfeiture to be taken thereunder and in the event of any termination or abandonment hereof, to restore the said premises to the First Party with all obligations imposed upon the lessee thereunder currently performed and with all royalties paid to date.

(5) A lien is created under paragraph (6), pages 6 and 7 of said Consolidated Mining Lease, in favor of the Cracker Creek Gold Mining Company, lessor therein, against the mining and mill machinery, equipment, tools and supplies, of the lessee, or those claiming through or under him, placed upon or used in the operation of the said leased property to protect the property against liens and to require an accounting for royalties accruing thereunder, which will follow through and attach to the equipment, tools and supplies of the Second Party installed or utilized on the said property hereunder. A similar lien, second to that of said named lessor, is hereby created, and shall attach to the same property and equipment of the Second Party, in favor of the First Party, to insure compliance by the Second Party of its obligations to keep and maintain the said Consolidated Mining Lease in good standing and to insure the making of the installment payments above mentioned which lien shall also be in the nature of a mortgage and shall arise and attach against all of said machinery, equipment and supplies in the event, and as soon as any notice of default is given by the

lessor under the terms of said lease, or whenever any of said periodic payments fall due, and shall continue until any such default claimed by the lessor has been remedied, or installment payment made. Such additional lien may be foreclosed in the same manner as the original lien provided for in said Consolidated Mining Lease. The First Party is also granted the same inspection rights against the Second Party as are provided for in clause (8) thereof in favor of the said named lessor. The separate timber contract mentioned in paragraph (12) of said Consolidated Mining Lease is not included herein, and First Party shall be entitled to retain the same and all income accruing therefrom until the expiration thereof. In the event any new timber sale contract should be negotiated with the Cracker Creek Gold Mining Company pursuant to the provisions of the preference right granted in said clause (12), the same shall run in favor of the First Party as purchaser, but all income or profits accruing to First Party therefrom shall be credited upon the payments accruing under this contract, and an assignment thereof running in favor of the Second Party shall be executed by First Party and placed in escrow along with the assignment of the main lease, to be delivered over by the escrow depositary therewith upon full payment of such purchase price, and returned to the First Party upon any termination or abandonment thereof.

(6) This agreement is a sublease and option only, and not a contract of purchase and sale, and the Second Party shall always have the right to abandon this agreement and surrender the subleased premises at any time upon giving First Party written notice of its intention so to do, with copy to the escrow agent, and upon the giving of such notice and the compliance with, or satisfaction of, all obligations incurred or accruing to that date under the said Consolidated Mining Lease, and the making of any past due payments accruing to First Party hereunder, said surrender and abandonment shall release the Second Party from all further or future obligations hereunder, including any and all liability to make future monthly or other periodic payments, but shall not

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1950 Third Street
Baker, Oregon

affect any liability already accrued or arising from prior failure of performance.

(7) The Second Party may make such subcontracts as it may elect for the performance of portions of the development work or mining operations, and may associate other persons or corporations with it in the operation of said property, but shall not assign this sublease and option so that it no longer retains an interest therein without the written consent of the First Party thereto being first had and obtained. Otherwise, this agreement shall run to, be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns respectively.

(8) Time and strict performance are of the essence of this agreement, and if the Second Party, its successors or assigns, shall fail, neglect or refuse to make the payments herein provided for at the time and in the manner hereinabove set forth, or fail to keep and perform any of the other terms and conditions hereof on its part to be kept and performed, then the First Party may at his option terminate this agreement so far as further or future performance or any rights of the Second Party hereunder are concerned, by giving notice in writing or by telegraph to the Second Party specifying such default, provided that if within five days after the receipt of such notice in case of default arising through the failure to make any such payments or by a default which gives to the Lessor under said Consolidated Mining Lease a right to terminate the same upon ten days notice, and within twenty days in case of any other default, the Second Party shall make such payment or remedy any such other defaults, this agreement shall be reinstated and considered in good standing. However, upon failure to make payment or correct such other default or defaults within such respective periods, this agreement shall then be terminated and at an end so far as further or future performance or any rights of the Second Party hereunder are concerned, and in the event of such termination, all payments made upon this contract shall be retained

by First Party as liquidated damages and as compensation to First Party for his loss of time and the depletion of the mineral resources in said property arising hereunder, such termination, however, in no manner to relieve the Second Party from its obligation to make any installment payments then past due, or to maintain the said Consolidated Mining Lease in good standing and perform any and all obligations then accrued thereunder, or to release the lien above mentioned upon the Second Party's equipment, tools and supplies until such time as all obligations secured thereby have been fully satisfied. The right to remove equipment, granted under paragraph (7) of the said Consolidated Mining Lease, shall be suspended not only until obligations arising in favor of the Lessor therein have been satisfied, but also until obligations creating the lien hereunder in favor of the First Party have been met, and such lien discharged as well. After such default and termination of this agreement, Second Party shall have no further rights in or right to the possession of the said mining property or any part thereof, except for the purpose of accomplishing the removal of its improvements, machinery and equipment after all such liens have been satisfied, and the First Party shall be entitled to immediately retake possession of the same for the protection of his own rights under said mining lease, expelling the Second Party and all persons claiming by, through or under it therefrom, forcibly if necessary, without being deemed guilty in any manner of trespass, and may reclaim the assignment or assignments so deposited in escrow in accordance with the terms of the escrow instructions.

(9) This agreement supersedes all prior agreements and understandings between the parties, including particularly the said previous Sublease and Option dated July 1, 1965, and entered into between the First Party and Cal-Ore Explorations, Inc., an Oregon corporation, which has been heretofore assigned to and is now held by the Second Party. Such previous Sublease and Option is declared merged herein, and in all respects superseded hereby. Except to the extent its provisions are incorporated herein, both parties

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are relieved of all future obligations thereunder. Hereafter the rights and obligations of the parties will be governed solely by this agreement and any extension or modificiation thereof which may be hereafter executed. The First Party by his joinder herein hereby expressly consents to and approves the assignment of the previous sublease and option from Cal-Ore Explorations, Inc. (Oregon) to Second Party.

IN WITNESS WHEREOF, the First Party has hereunto set his hand and seal and the Second Party has caused these presents to be executed by its duly authorized officers pursuant to authority of its board of directors, all on the day and year first above written.

_____ (SEAL)
First Party

OMEGA MINES LTD. (N.P.L.)

By _____
President

Attest: _____
Secretary

Second Party

EXPERIENCE RESUME - F. L. CROTEAU

January 1, 1967 - Present

F. L. Croteau Ltd., #201 - 540 Burrard Street, Vancouver

- Consulting Geological Engineer

March 1, 1964 - January 1, 1967

Can-Tex Producing Company, #201 - 540 Burrard Street, Vancouver

- Manager Project Development
  seeking diversification investments for a private family from Dallas, Texas. Largely nature resource projects.

October 1963 - March 1, 1964

- Unemployed

November 1962 - October 1963

- Employed by the Calgary and Edmonton Corporation Ltd.

I was employed as Economic Analyst and in charge of all Special Project studies. During this period I performed the following duties:

(1) Carried out economic studies, covering Western Canada, on all phases of drilling, production, reserve capacity and potential marketability of oil and natural gas produced through presently existing fields and petroleum that might be found through current exploration.

(2) Carried out studies dealing with submissions that were made at hearings conducted by the Alberta P.& N.G. Conservation Board relative to permission to extract and produce crude oil from the Athabasca tar sands, and as a result evaluated the possibilities of the methods advanced by the various applicants.

(3) Prepared studies that were related to governmental hearings that were conducted early in November, dealing with revision of the current pro-rationing system for oil production in Alberta. This involved assessing the impact of reasonable changes on all oil fields and thus indirectly the effect on the companies involved in the various fields.

(4) I have conducted analytical studies to establish both price and dispositional trend in petroleum land sales by governmental agencies in Western Canada.

(5) Evaluated various companies that might become available for merger or purchase.

(6) In day to day operations prepared memoranda and reports that covered the constantly changing conditions and factors within which the various sources of energy were competing for the existing market. The conclusions drawn necessitated appraisal and evaluation of reports from North America, South America, Europe and the Middle East.

My loss of this position resulted from the finalization of certain considerations that were related to the taking over of The Calgary and Edmonton Corporation by the Superior Oil Company.

February 1952 - November 1962

I was employed by The Calgary and Edmonton Corporation Limited during this entire period. I commenced as a geologist and appraisal engineer and ultimately became President and a Director of the Corporation. I was at various times Exploration Manager, Manager and General Manager.

During the period of my employment I supervised all phases of exploration, exploitation, land management, property evaluation, unitization, secondary recovery and re-cycling projects, reservoir evaluation and the general administrative supervision that is connected with an active independent exploration and producing oil company.

In the interval of time from 1952 to 1957 I also carried out similar duties for Security Freehold Petroleums and two smaller oil companies known as Ross Security Assets and Ross Contract Assets. I also did evaluation and feasibility studies in connection with operations of Trans Prairie Pipelines. In addition I did appraisal work and metal mine evaluation studies on properties in British Columbia, Montana, Manitoba and Jamaica. This latter work was on behalf of Osler, Hammond and Nanton of Winnipeg who were, at that time, General Managers for the Calgary and Edmonton Corporation.

I was during this period a Director for Trans Prairie Pipelines and Big Horn Drilling Company.

February 1952 - May 1950

New British Dominion Oil Company, Calgary

This company was the most active wildcat drilling operator in Western Canada at this time and since it was my desire to gain more field and drilling experience, I joined their staff. I acted as Chief Geologist and as Engineer for all drilling operations, property evaluation, reservoir calculations and various pipeline and feasibility studies for the installation of local natural gas utilities.

I left this position for the much better possibility of advancement offered by The Calgary and Edmonton Corporation.

May 1950 - July 1948

Canadian Superior Oil of California, Calgary

I joined this company in order to gain petroleum experience since it was obvious that the Leduc oil find was going to add another pronounced natural resource to the Canadian economy and that mining money would eventually participate in its development.

I acted as field scout for one year in order to become acquainted with all phases of the oil exploration and production business. Later I acted as an office geologist working on various sub-surface studies related to Alberta oil production.

I left this company to secure more drilling experience.

June 1948 - January 1947

Brewis & White Explorations, Toronto

I acted as Mine Manager at Detta Red Lake Mines and as Exploration Manager in connection with six development drilling projects being carried out in the Red Lake area. There was considerable structural evaluation and interpretation necessary on all work done at Red Lake. Full camp construction, shaft sinking and underground development work carried out at Detta under my supervision.

The property closed down due to lack of ore and a general decline in the mining market at this time.

January 1947 - February 1945

Dome Exploration (Canada) Ltd., Bourlamaque, Quebec and Red Lake, Ontario

Initially I was in charge of diamond drilling programs and property evaluation in Northwestern Quebec and was later transferred to the Campbell Red Lake operation in Northwestern Ontario. I acted as geologist and engineer in charge of all aspects of a diamond drilling and construction program leading to a 350 ton a day mining operation. I supervised geological and drilling programs and three adjoining properties at the same time. This project presented a considerable challenge since there were no roads or railroad facilities into the area through all the early stages of the operation and all equipment and supplies came by river barge or airplane.

I resigned in order to get back into active exploration since Dome desired me to stay at the Campbell Red Lake Mine.

January 1945 - January 1942 R.C.A.F.

Flight Lieutenant Navigator (General List)

Served as a Navigation Instructor in Western Canada during this period. Honorably discharged in 1945.

December 1941 - 1939

Senior Investment Corporation (Fisher Body Interests of Detroit), Timmins, Ontario

Chief Geologist and Engineer at two gold mines being operated by this group in the Timmins, Ontario area. Attended to all phases of field and underground mining operations. The mines were of 250 to 100 ton per day capacities. Resigned to join the R.C.A.F.

1939 - October 1936

H. B. Hatch, Consulting Engineer, Timmins

During this period we carried out consulting operations, at various times, for approximately 45 mining companies in areas that extended throughout the Ontario and Quebec mining camps. Duties involved all phases of exploratory mineral examinations, diamond drilling, underground mining operations and all phases of economic evaluation. The properties dealt with involved gold, silver, copper, nickel, iron and molybdenite. Resulting mines from our operations were Aunor, Naybob, Faymar, Nakhodas. There was very extensive report writing necessary at all times during this period. I was transferred to duties with the Senior Investment Corporation.

1936 Student Vacation. Canadian Geological Survey. Sub-Party Chief, Great Slave Lake area, N.W.T.

1935 Student Vacation. Canadian Geological Survey. Sub-Party Chief, Northern Manitoba (Flin Flon) to Northern Saskatchewan (Lac La Ronge).

1932-33-34 Worked in prospecting parties in Northern Ontario and Quebec doing field mapping, surveying and general prospecting operations.

During my work in mining I supervised, at a conservative estimate, 600,000 feet of both underground and surface diamond drilling. This involved locating holes, logging core and ultimately preparing economic appraisals and reports on the various properties.

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~~308-540 BURRARD STREET~~, VANCOUVER 1, B.C., CANADA ~~684-2504~~

R E S U M E

DAVID JAMES GALLEN

DATE OF BIRTH: ..... March 20, 1932.

PLACE OF BIRTH: ..... Niagara Falls, Ontario.

EDUCATION:

Grade School.....	Simcoe Street School - Grade 8.
Secondary School	Stanford Collegiate - Grade 13.
University.....	Haileybury School of Mines - Graduated 1954.

EXPERIENCE:

Summer 1951	Engineering Surveying
Summer 1952	Drift Miner
Summer 1953	Drift Miner
1954	Iron Ore Company of Canada - Engineering Pit Foreman.
1954 - 1956	Sigma Mines (Quebec) Ltd. - Engineering, Shift Boss.
1956 - 1958	Patricia Engineering Ltd. - Engineering.
1959 - 1963	Northern Ontario Natural Gas Co. - Engineering, Sales, Sales Manager.
1963 - 1965	Joy Manufacturing Co. (Canada) Ltd. Joy Manufacturing Co. (U.S.) - Western Manager.

Entered own mining and exploration drilling contracting business in April of 1965. At the present time, am President of same.

I also hold the General Manager's position of "Omega Mines Ltd. (N.P.L.)", and "Calta Mines Ltd. (N.P.L.)."

.....

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RESUME OF W. YAHNKE

PHYSICAL

Born:	Sudbury, Ontario - August 10, 1926.
Age:	41
Weight:	210 lbs.
Height:	6 ft. 2 in.
Health:	Excellent.

EDUCATION:

Grade School:	Sudbury, Ontario - Grade 1 - 8.
High School:	Sudbury, Ontario - Grade 10.

EXPERIENCE:

1940 - 1943	Underground helper, miner, stope miner, International Nickel Co.
1944 - 1947	Shaft sinking, raising on contract, Patrick Harrison Contracting.
1948 - 1951	Shaft leader, McIssac Contracting, various parts of Canada and U.S.A.
1952 - 1955	Contract mining for self.
1956 - 1958	Shaft Captain, Cobalt Ontario area. Mentor Mines Ltd.
1959 - 1962	Underground Superintendent. Base Metal Mines - Northern Ontario.
1963 - 1966	Contract work as General Superintendent, Property Manager, Northern British Columbia.
- 1967	General Superintendent - Omega Mines Ltd., Sumpter, Oregon, U.S.A.

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ESTIMATED COST OF PROPOSED PROGRAM

DRIFTING	COST PER FOOT
Labour	$12.00
Powder)	
Fuse & Caps)	6.00
Drilling Costs	
Steel)	
Bits)	
Sharpening)	1.75
Machine Cost	.40
Timber	11.00
Supplies	.70
Track	3.50
Air Line	2.00
Water Line	1.50
Vent Line	1.10
Machine Repair	1.00
Compressor	4.00
Supervision	7.00
	$51.95

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DRIFTING (INDIRECT COSTS)

		Cost /ft
Engineer and helper ($1,500.00)		$ 4.30
Sampling and Assaying		
Labour	$ 300.00	
Assaying	1,400.00	
Express 750' @ 10¢	75.00	
Sample Bags	43.00	
	$1,818.00	5.20
Cat work on roads		2.90
Equipment Rentals		
Trailers	450.00	
Transit	55.00	
Jeep	95.00	
	$ 600.00	1.75
Camp (Cook - food)		8.50
Accounting		1.00
General Supplies		1.40
Equipment costs amortized over 1500' of drift and 800' of raising depreciated to 70%		22.60
		$47.65
Total Cost per foot		$99.10

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Core Drilling

(Based on 10,000 L/F Contract)

Estimated Cost	$ 9.00/ft.
Geologist	.60/ft.
Core Boxes	.10/ft.
Transportation	.40/ft.
Road preparation	.70/ft.
Assaying	.20/ft.
	$11.00

Total cost of drilling 10,000 L/F @ $11.00 = $110,000.00

Requirements for Phase No. 2, Omega Mines Ltd. (N.P.L.) are as follows:-

Drifting - 1,500 L/F (8 x 9) @ $99.10/ LF	$148,650.00
Raising - 900 L/F (8 x 7) @ $87.45/ LF	78,705.00
Core Drilling - 10,000 LF (BQW.L) @ $11.00	110,000.00
	$337,355.00

This phase of the operation will require approximately six months for completion.

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Cost Breakdown

Raising (Direct)	Cost/ft	
Labour	$10.00	
Powder	8.00	
Fuse and Caps	1.00	
Drilling Costs		
Steel)		
Bits)	1.75	
Sharpening)		
Machine Cost	.40	
Timber	10.00	
Supplies	.50	
Track	3.50	
Air Line	2.00	
Water Line	1.40	
Vent Line	1.00	
Machine Repair	1.00	
Compressor	.60	
Camp	4.20	
Supervision	6.10	
(Indirect)	51.45	$ 51.45
Engineering (Salary & Supplies)	$ 7.00	
Sampling & Assaying (labour & materials)	5.20	
Cat operation	4.80	
Maintenance and Labour	6.50	
Equipment Rentals	3.40	
Transportation	.80	
Fuel Supply	1.70	
Power Cost	2.10	
Employee Benefits @ 19%	4.50	
	36.00	$ 36.00
Total Raising Cost		$ 87.45

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Underground Operating Equipment

Equipment	Value	
4 - Joy AL-60 Drills	$ 4,000.00	
2 - Joy SAL-60 Stopes Drills	2,400.00	
2 - Battery Locomotives trammers	8,500.00	
1 - Diesel Locomotive trammer	2,000.00	
1 - Copco Drill	541.00	
6 - Mine Cars	1,800.00	
1 - Eimco 12B Mucking machine	3,000.00	
1 - Smart Turner air pump	1,200.00	
1 - Joy air driven fan	300.00	
1 - Joy 2 stage axial flow fan	1,400.00	
- Mine rail	2,200.00	
- Mine piping	3,200.00	
- Drill Steel and bits	1,000.00	
- Misc. underground supplies (hose, wiring etc.)	2,000.00	
1 - Battery charger	750.00	34,291.00

Surface Equipment

1 - Joy RES-600 Compressor	17,000.00	
1 - Sullivan WN-32 " (Used)	2,000.00	
1 - Joy 210 C.F.M. portable (Used)	750.00	
1 - Bench grinder	200.00	
1 - Miller welder	300.00	
1 - Set cutting torches	150.00	
1 - Set tools	300.00	
1 - McCullough Chain Saw	200.00	
1 - Skill electric saw	150.00	
1 - Air Chain saw	160.00	
1 - Jeep 1964 Wagoneer	2,500.00	
1 - Dodge 1967 pick up	2,500.00	
1 - House trailer	6,500.00	
Engineering supplies (transit etc.)	1,000.00	
1 - Assay office complete	4,000.00	
1 - D-8 Caterpillar tractor	9,000.00	46,710.00

Grand Total $81,001.00

OMEGA MINES LTD. (N.P.L.)
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Installations, Rehabilitations and Repairs

1 -	Underground storage magazine	$ 1,723.00
	Drift Rehabilitation	
	- Lifting drift bottom to maintain 0.5% grade for 150' of drift	
	- Replacing timber and ties for 150' of drift	
	- replacing air and water line	7,500.00
	- Cleaning out and retimbering "Clack" Raise 216'	17,280.00
	- Installation of mine ventillation system	3,400.00
	- Construction of snow shed and rail ramp for muck	11,300.00
	- Electrical charges	3,700.00
	- Maintaining road from mine to Sumpter (Winter)	2,000.00 (approx)
	- Preparing underground diamond drill sites (5 @ $400.00)	2,000.00
	- Rehabilitation of old staff house	460.00
	- Rehabilitation of dry house	710.00
	- Rehabilitation of shop	1,120.00
	- Construction of new transformer site (4 poles, concrete)	465.00
	- Installation of septic system	320.00
	- Installation of water system	250.00
	- Preparing trailer sites (3)	420.00
		$52,648.00

ME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	9/22/69	
Re: OME-6702 (Gold)		
2. Omega Mines Ltd. (N.P.L.)		
Bourne Group of Claims		
3. Baker County, Oregon		
4.		
5. Willard P. Puffett		
FROM: Field Officer, OME, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of

____ Approval ____ Investigate

____ Comment ____ Recommendations

____ Conference ____ Rewrite

____ Instructions X Your information

OFFICIAL COPY

O. M. E. Surname

RECEIVED Signature

SEP 24 1969 File

REMARKS:

INITIALS	CODE
	~~130~~
bel	120 M
on leave	20
WE	~~120~~
	820

INT.-DUP. SEC., WASH., D.C. M56300-62

W PP
9/22/69

OMEGA MINES LTD. (N.P.L.)

600 — 890 WEST PENDER STREET, VANCOUVER 1, B.C., CANADA ○ 682-6861

September 15, 1969.

THE SHAREHOLDERS:

We have now received a report on our Company's property situated in Baker County, Oregon, dated September 10th, 1969.

We are enclosing separately, the summary and conclusions as contained in said report.

Several United States major mining companies have indicated interest in the property, and we intend to enter into further discussions with same.

You will be advised as to the results of such discussions at a later date.

Yours truly,

OMEGA MINES LTD. (N.P.L.)

Keith Baldwin,
President.

KB/cmj

RECEIVED
SEP 17 1969
O.M.E.
SPOKANE, WASH.

EVALUATION REPORT
MINE SAMPLING PROGRAM
OMEGA MINES LTD. (N.P.L.)
GOLD - SILVER PROSPECT
BAKER COUNTY, OREGON
SEPTEMBER 10,1969

"SUMMARY AND CONCLUSIONS

A - A resampling program to test the grade of gold and silver mineralization of the "Mother Lode" vein in the 5,600 level drift of the North Pole area was conducted during the period June 1, 1969 to July 21, 1969.

B - Total strike length of the portion of the vein sampled is 1,357 feet with an average width of 17.5 feet. The overall weighted average grade of channel samples is 0.086 oz. Au/ton and 0.3 oz. Ag/ton. The overall weighted average grade of composite samples is 0.073 oz. Au/ton and 0.4 oz. Ag/ton.

C - The combined average grade of zones A, B. and C over a continuous strike length of 791 feet and average vein width of 16.7 feet is 0.134 oz. Au/ton and 0.4 oz. Ag/ton. These zones represent approximately 58% of the total length of the vein that was sampled.

D.- Better grades of gold and silver mineralization occur in the vein between crosscut No. 13 and sample station No. 32. This zone of mineralization averages 2.6 feet in width and is almost continuous on strike for a distance of approximately 790 feet. Average grade of mineralization is 0.652 oz. Au/ton and 1.6 oz. Ag/ton.

E - Based on assay results of said resampling as reported by Union Assay Office, Inc. and Crest Laboratories, Ltd., it is our opinion that the overall grade of gold and silver mineralization within the entire portion of the vein that was sampled is too low to permit profitable extraction under present day operating costs and metal market conditions.

F - It is also our opinion that, under these present day operating costs and metal markets, the cost of selectively mining higher grade portions within the vein walls in the North Pole area of the "Mother Lode" structure would be prohibitive.

G - Underground diamond core drilling from the 5,600 level has confirmed the down dip extension of the "Mother Lode" structure to at least 200 feet below the 5,600 level and it is reasonable to assume that this structure extends further in depth. Core recovery was very poor and assay results, though below economic grade, are inconclusive.

H.- Core assay results from vein intersections in four surface diamond drill holes in the Golconda area indicate the grade of gold and silver mineralization is not economic under present operating and metal market conditions.

I - The "Mother Lode" structure of the Cracker Creek district extends for some 18,000 feet of strike distance on contiguous claims held by Omega Mines Ltd. A relatively small portion of the entire vein has been explored during the present program and reports of past mining operations are largely vague and inconclusive as to the grade of gold and silver extracted.

J - In our opinion substantial tonnage of mineralized vein material ranging in grade from 0.10 oz. to 0.15 oz. gold per ton and 0.3 oz. to 0.4 oz. silver per ton might be outlined by continued exploration. Although mineralization in this grade range is not considered high enough under present day metal market conditions to amortize capital costs and provide sufficient operating profit, a substantial increase in the price of gold would materially affect the value of the deposit.

Assuming:

(a) gold @ $40.00 U.S/oz., silver @ $1.80 US./oz
(b) recovery @ 90%, dilution @ 10%
(c) overall direct operating cost of $4.92 Can.

1.	0.10 oz. Au/ton and 0.30 oz. Ag/ton =	$3.97 Can.
	Operating cost	4.92
		$0.99/ton operating loss
2.	0.15 oz. Au/ton and 0.4 oz. Ag/ton =	$5.88 Can.
	Less Operating Cost	4.92
		$0.96/ton operating profit

K - To adequately test the 18,000 foot length of the "Mother Lode" structure to depth would require considerable diamond drilling augmented by further underground exploration.

It would require a phased program, the initial phase being a series of surface diamond drill holes at approximately 1,000 foot intervals along the strike. This would require some 25,000 to 30,000 feet of diamond drilling at an estimated cost of $25.00 per foot or $625,000.00 to $750,000.00.

The cost of a further phase is difficult to estimate at present. However, encouraging results from Phase I would suggest that drilling be continued and some 50,000 to 75,000 feet of diamond drilling be completed at a cost ranging from $1,250,000.00 to $2,000,000.00.

Assuming these programs are successful further underground exploration would be warranted in selected areas. The cost could range from $2,000,000.00 to $5,000,000.00.

L - In our opinion an exploration program to assess the mineral potential of the "Mother Lode" vein structure must be classed as a very high risk exploration venture and should only be undertaken by a group with adequate financial resources and willingness to assume such a risk.

Respectfully submitted,

CHAPMAN, WOOD & GRISWOLD LTD."

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1. Re: OME-6702 (Gold)	6/4/69	
2. Omega Mines Ltd. (N.P.L.)		
Bourne Group of Claims		
3. Baker County, Oregon		
4.		
5. Willard P. Puffett WPP		
FROM: Field Officer, OME, Reg. I		

FOR: Check items for action desired

____ Action	____ Reply for signature of	
____ Approval	____ Investigate	
____ Comment	____ Recommendations	
____ Conference	____ Rewrite	
____ Instructions	X Your information	

REMARKS:

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JUN 9 1969

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INT.-DUP. SEC., WASH., D.C. M56300-62

WPD
OME-6702
(Withdrawn)

OMEGA MINES LTD. (N.P.L.)

Suite 600 - 890 West Pender Street,
Vancouver 1, B.C.

TO THE SHAREHOLDERS JUNE 2nd, 1969.

At 3 p.m. on Friday, May 30th, I was handed a memorandum report by our consultants Chapman, Wood & Griswold Ltd. regarding our Cracker Creek property in Baker, Oregon.

The contents of this report point to discrepancies between assay values of the pulps which were obtained at the assay laboratory located on Omega's property and values of the pulps obtained by custom assayers retained by Chapman, Wood & Griswold.

As a result of this report, I have asked the Vancouver Stock Exchange that trading in the shares of Omega Mines Ltd. (N.P.L.) be halted temporarily.

Item Six of the report's recommendations and conclusions states: "It is recommended that the Omega management reassess the status of the project giving due consideration to the effect of the assay discrepancies."

Our engineers and geologists are studying the report at the present time. A Directors' meeting has been called for Tuesday, at which time the report will be fully discussed.

I shall inform you of the decision of your Directors.

Respectfully,

"Keith Baldwin",

President.

Re: OME-6702 (Withdrawn)--Gold
OMEGA MINES LTD. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

RECEIVED
JUN 4 1969
O. M. E.
SPOKANE, WASH.

OME Form 7
(2/63)

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12/9/68	Emerick	120
12/9/68	Kitchens	120
		110
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DEC 11 1968

Omega Mines Ltd. (N.P.L.)
600 - 890 West Pender Street
Vancouver, B. C., Canada

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Gentlemen:

Enclosed is a copy of our reply to your attorneys, Armstrong, Brawner & Speton, in response to Mr. G. Arnold Armstrong's letter of November 29, 1968, requesting that the subject application be cancelled. We are considering the application as withdrawn and placing it in our inactive file.

As requested, the following Items 3 to 5 submitted with your application are returned:

1. Geological Report and Mining Appraisal of Omega Mines Ltd. (N.P.L.), by F. L. Croteau, B.Sc. P. Eng. P.Geol., dated September 23, 1966.

2. Information Re Financial Assistance in Minerals Exploration (marked Items 3 to 5)

3. December Issue of the Mineral Resources of Oregon (The Oregon Bureau of Mines and Geology) 1916

4. White and Company, Consulting Engineers, Chicago (marked Items 3(a) (c) and (d), letter September 1st, 1910, and enclosures.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to:
Armstrong, Brawner & Speton

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Emerick

GLAult/a 12-9-68

MME Form 7
(2/63)

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12/10/68	Emerick	120
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AIRMAIL

Armstrong, Brawner & Speton
Attention: Mr. G. Arnold Armstrong
1250 One Bentall Centre
505 Burrard Street
Vancouver, B. C., Canada

DEC 11 1968

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Dear Sirs:

Thank you for your letter of November 29, 1968, to our Spokane, Washington, office, requesting that the above subject application be withdrawn. We sincerely regret that it has taken so long to process the application, but some of the reasons are given in the following paragraphs.

A review of the correspondence pertaining to the application shows that it was submitted on February 13, 1968, withaa field examination of the property made by an OME examiner on July 12, 1968. Much of the time between these two dates was taken up obtaining information from the Applicant that was either omitted or unacceptable in the application. This information included new bank letters, a property map, lease agreement, and a detailed unit cost summary.

The OME examiner noted, as a result of his field examination in July, that some of the proposed exploration involved drifting outside the vertical side lines of the Applicant's claims. This situation was reported by telephone to the Applicant and maps and location notices for the new claims covering the drift extension were received by OME on September 23, 1968. Examination of the location notices for the new claims indicated that the claims had been located in the name of Mr. Elton B. Taylor, an employee of Omega Mines Ltd. There was nothing included, either lease or documentation, to show by what arrangement Mr. Taylor had given control of the unpatented claims to the Applicant. The last correspondence, dated September 23, 1968, was an OME request for this information.

It is hoped that the foregoing narrative explains somewhat why it has taken so long to process the application. Obviously, the Office of Minerals Exploration cannot complete the processing of an application without all supporting data. The more complete an application is initially, the sooner it can be processed.

We will place the application in our inactive files. If at some time in the future you would wish to reopen this case, you may do so by filing a new application, referring to this OME docket number, and furnishing information pertinent to the new proposal. This information should include new bank letters dated within 90 days of filing the new application, but need not repeat data already submitted.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Emerick

WLEmerick/gla/bsl 12/10/68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 2, 1968

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Memorandum

To: Chief, Office of Minerals Exploration

From: Willard P. Puffett, Geologist

Subject: Cancellation of Application
OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Enclosed are two copies of a letter dated November 29, 1968, from the applicant's lawyers cancelling this application.

The law firm has expressed some concern about the length of time needed for us to process an OME application and have asked for information in order to advise future clients as to the expected length of time for the processing. Possibly a note of explanation here will be of help in answering their letter although this will be a repetition of information in many different letters in the files.

I examined the property on July 12, 1968. Mr. David Gallen, General Manager, and Mr. John Poloni, Geologist, were at the property during the examination. There was some discussion about the great variability in results of assays that the appicant had obtained. Mr. Gallen informed me that they would soon have some more results to send me. After a delay of a few days, the new assay data arrived and I learned that there is in truth quite a variance in the assay results.

I prepared some maps to accompany my examination report. In doing this, I learned that the proposed exploration involved drifting to the northeast outside the vertical side lines of the applicant's claims. This was brought to the attention of Mr. Gallen in a telephone conversation. Mr. Gallen advised me that several new claims were being located to cover the area in which the extension of the drift was planned.

We received the maps and location notices of the new claims on September 23, 1968. The location notices indicated that the claims had been located by Mr. Elton B. Taylor, an employee of Omega Mines Ltd., but were located in Mr. Taylor's name. As the applicant company is a Canadian company, it was necessary that an American citizen locate the claims.

We then asked, in a letter dated September 23, 1968, that we receive a copy of a lease or other documentation of the arrangement between the applicant and Mr. Taylor, whereby the applicant had control of the unpatented claims. We had not received a copy of such a lease and, on November 13, 1968, wrote to Mr. Gallen reminding him of this and asking if the company had changed its attitude about OME assistance.

So, to me, it seems that there has been sufficient reason for our delay in processing the application. I have spent several days on the application, including the field examination and the preparation of the first draft of the examination report.

The applicant has been very co-operative in sending us the maps and other information we have requested, except for the lease on the unpatented claims. We have learned in a visit to the mine and from reports in newspapers that the company is planning to start mining at the property. These plans for mining possibly could have been part of the reason for their delay in sending us the lease on the unpatented claims. Perhaps there were other reasons.

I hope the above will be of some help in drafting a reply to the letter from the lawyers that cancelled the application.

Willard P. Puffett

Willard P. Puffett

Enclosures

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS
RICHARD P. GIBBONS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

November 29th, 1968

United States Department of the Interior
Office of Minerals Exploration
Geological Survey
U. S. Court House, Room 656
West 920 Riverside Avenue
SPOKANE, Washington, 99201

Dear Sirs:

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

With reference to your letter of November 13th, 1968, addressed to Mr. D. J. Gallen, General Manager of the above Company, we have been instructed by the Board of Directors to cancel the application for assistance from your department.

The Board of Directors also wished the writer to advise that they are unable to understand the time involved in processing an application bearing in mind that this matter was under discussion in December of last year and the application itself was submitted in January, 1968.

It would appear to the writer that there is no point in making application to the Office of Minerals Exploration if it takes over one year to process such application. Perhaps you could advise as to the average length of time it takes your department to process an application so that we will be in a position to advise prospective applicants accordingly, and thereby obviate the expense involved in obtaining necessary documentation.

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

RECEIVED
DEC 2 1968
O.M.E.
Spokane, Wash.

GAA/cb
c.c. Mr. B. K. Baldwin
Mr. D. J. Gallen
Mr. Ward L. Hill
Mr. H. Wellman.

XERO COPY

The Chronicle
11-13-68

Omega Mines Reports Stock of Gold Ore

Omega Mines, formerly Cal-Ore Explorations, has developed a large tonnage of gold ore at its properties in the Cracker Creek Mining District in northeastern Oregon, Ray G. Bohn said here today.

Bohn, a Spokane mining broker who is one of the principal stockholders in the firm, said Richard Addison, consulting geologist, estimated that 3.3 million tons of ore averaging 0.5 to 0.7 of an ounce of gold per ton has been proven or indicated in zones examined.

A 15-man crew has been working for two years, he said, and currently is drifting on the Exelsior-North Pole vein. The ore also contains about 2 to 3 ounces of silver per ton, he added.

Development work is to be stepped up this winter in an effort to add to ore reserves and aid in planning for a mill next spring, he said.

The company's stock was listed on the Vancouver Stock Exchange recently after a Vancouver, B.C., investment firm purchased 75,000 shares at $6.50 each, Bohn said. The underwriter was granted options on 75,000 additional shares at $6.75 and 75,000 ~~shares~~ at $7.

OFFICIAL COPY
O. M. E.
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Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
November 13, 1968

AIRMAIL

Mr. D. J. Gallen, General Manager
Omega Mines Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver 1, B. C., Canada

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Dear Mr. Gallen:

I wrote to Mr. John Poloni at Sumpter, Oregon, on September 23, 1968, asking that he send us a copy of your lease with Mr. Taylor for the unpatented claims he located this past summer. A carbon of the letter was mailed to you.

It has been several weeks now since I wrote Mr. Poloni and I am wondering now if there has been any change in regard to your application for exploration assistance at your mine near Sumpter. Possibly, there is some misunderstanding regarding our need for a copy of the Lease and the Lien and Subordination Agreements. We will need these documents before we can continue processing your application.

Sincerely,

Willard P. Puffett
Geologist

WPPuffett/mls

cc: OME

Director's Reading File

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
Spokane, Washington 99201
September 23, 1968

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Mr. John R. Poloni
Omega Mines, Ltd. (N.P.L.)
Sumpter, Oregon 97877

Re: OME-6702 (Gold)
Omega Mines, Ltd.
Bourne Group of Claims
Baker County, Oregon

Dear Mr. Poloni:

I received the map and location notices of the unpatented claims that Mr. Taylor recently located for you. According to the location notice, the claims are owned by Mr. Taylor. We will need documentation such as a copy of the lease between Mr. Taylor and Omega Mines, Ltd., to show that Omega Mines, Ltd., has control of these claims.

We are enclosing six copies of MME Form 52, Lien and Subordination Agreements, which should be signed by Mr. Taylor if he has leased the claims to Omega Mines, Ltd. Upon receipt of the lease and subordination agreements, we will continue with the processing of your application. We would appreciate it if you could submit an additional copy of the map of the unpatented claims.

Sincerely,

Willard P. Puffett
Geologist

cc: Mr. D. J. Gallen
Omega Mines, Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver 1, B. C. Canada

✓OME w/cpy incoming letr. wo/encls.
WPPuffett/mls
Director's Reading File

Box 516
Sumpter Ore
Sept 19/68

Mr W. Puffett
Office of Mineral Exploration
U W Court House
West 920
Riverside Ave
Spokane Washington

Dear Sir

Enclosed please find proofs of notices of filing or location of quartz claims.

The copy of the geological plan will be prepared in a few days and forwarded

If any further assistance is needed I will be very pleased to comply.

Yours very truly
John R. Polsni

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GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 19, 1968

Mr. John R. Poloni
Omega Mines, Ltc. (N.P.L.)
Sumpter, Oregon 97877

Re: OME-6702 (Gold)
Omega Mines, Ltd.
Bourne Group of Claims
Baker County, Oregon

Dear Mr. Poloni:

I want to acknowledge receipt of the copy of the control survey map of your property. Will you please let us know, at the earliest possible date, the names, location, and book and page number of the new claim additions. We cannot continue the processing of the application for OME assistance until we receive this information.

Sincerely,

Willard P. Puffett
Geologist

WPPuffett/mls
cc: OME w/cpy incoming letr, wo/map
Director's Reading File

C O P Y C O P Y

Omega Mines
Aug. 9/68
Sumpter, Ore.

Mr. W. Puffett
Office of Mineral Explorations
U. S. Courthouse
West 920 Riverside Ave.
Spokane, Wash. 99201

Dear Sir:

Enclosed please find a copy of the control survey completed by Mr. Hanley, Prof. Eng. of Baker. I have shown the proposed claim additions, the staking of which is in progress.

Line cutting at regular intervals perpendicular to Mr. Hanley's line is presently being done to facilitate Geological Mapping.

Respectfully submitted,

/s/ JOHN R. POLONI

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	7/19/68	
Re: OME-6702 (Gold-Silver)		
2. Omega Mines Ltd. (N.P.L.)		
Bourne Group of Claims		
3. Baker County, Oregon		
4. D R MacLaren		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

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REMARKS:

RECEIVED JUL 22 1968

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OMEGA
MINES
LTD.
(N.P.L.)

600-890 West Pender St. 682-6861
[redacted], VANCOUVER 1, B.C., CANADA [redacted]

Mr. W. Puffett,
Office of Minerals Exploration,
Room 656,
U.S. Courthouse,
West 920,
Riverside Avenue,
Spokane,
Washington 99201.

OME 6772

July 17th, 1968.

Dear Sir,

Enclosed for your information are one copy of each drawing no. 1 and drawing no. 2 of the Omega assay plans, showing the reassessed values as per our discussions. I trust this information will be of some assistance to you in preparing your report.

I enjoyed our meeting in Baker and look forward to seeing you again sometime in the future.

Yours faithfully,

D.J. Gallen

DJG/GKB
Enc.

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 27 1968

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Geological Survey
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

Mr. D. J. Gallen, General Manager
Omega Mines, Ltd. (N.P.L.)
600 - 890 West Pender Street
Vancouver 1, B. C.

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Dear Mr. Gallen:

I will be out of the office until the fifth of June, but will be happy to see you between that date and about the twelfth, when I will again be on the road.

Although I cannot now set a firm date, an examination of the Bourne Claims will be made as early as possible and we will attempt to give you at least a few days notice. There are other jobs to be done in the vicinity of Baker, Oregon, and for that reason we will, of necessity, travel by car. Your plane offer is appreciated.

Very truly yours,

D. R. MacLaren
Field Officer, Region I
OME

cc: OME w/incoming

Marlen Developments Ltd.

PHONE 682-6867

MANAGEMENT FOR

AMERICAN URANIUM MINES LTD. (N.P.L.)
CALTA MINES LTD. (N.P.L.)
CHRISTINA LAKE MINES LTD. (N.P.L.)
CORONET MINES LTD. (N.P.L.)
OMEGA MINES LTD. (N.P.L.)
TANELOY MINES LTD. (N.P.L.)

600 - 890 WEST PENDER STREET
VANCOUVER 1, B.C.

21st May, 1968.

PLEASE REFER TO **OMEGA MINES LTD. (N.P.L)**

Mr. D.R. McLaren,
Field Officer,
Region 1,
U.S. Geological Survey,
Office of Minerals Exploration,
Room 656,
U.S. Courthouse,
West 920 Riverside Avenue,
Spokane, Washington, 99201.

Ref: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L)
Bourne Group of Claims
Baker County, Oregon

Dear Mr. McLaren:

I have recently received a letter from Mr. [illegible] Johnson of Washington, D.C. concerning our application. He has mentioned in his letter that you would be in contact with me if any additional information is required. I look forward to hearing from you if you may require anything additional.

As I mentioned to you when we had the opportunity to visit you in the company of Messrs. Baldwin and [illegible] we would be happy to pick you up in Spokane [illegible] and fly you to the property and arrange for [illegible] that time take the [illegible] of [illegible]

Yours very truly
OMEGA MINES LTD. (N.P.L.)

D.J. Galler
GENERAL MANAGER.

DJG/amc
c.c. to Mr. K. [illegible] Mr. [illegible] A. Armstrong
and Mr. F.J. [illegible]

MME Form 7
(2/63)

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Date	Surname	Code
5/13/68	[illegible]	120
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AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

The application is referred to Region I for review, a field examination if you consider it necessary, and recommendations. A copy of the property map, revised cost estimate, assignment, and other supplemental information is enclosed for your files and use.

Our review and your comments of February 29, 1968, indicate that the proposed 1500 feet of drift and 900 feet of raise are designed to serve as haulage and transfer facilities if ore is found to continue to the level of proposed exploration 550 feet below the old stopes. Although the proposed drift and raises may be used later for production, they could be considered as "related development", not primarily in preparation for mining. Our principal question is the probability of a significant discovery by drifting 550 feet below the old stopes. This appears to be a big bite without much evidence other than that "arsenopyrite is a high temperature mineral," and the vein is a strong structure.

Some items of proposed work, such as rehabilitating the main drift and the Clark raise, may not be necessary to the exploration. Since drifting on the North Pole claim has already been largely completed, we question the reason for lifting the drift bottom at OME expense, and for rehabilitating the staff house, etc.

The Applicant's cost estimate appears to be realistic but not entirely applicable to OME allowable costs because it includes salvable supplies at full cost and equipment depreciated to 70 percent.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME File
OME Reading File
Mr. Smith - 130
RMSmith/bsl 5/13/68

MME Form 7
(2/63)

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5/13/68	Kirkemo	120
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5/14	Col	220
		120M

MAY 14 1968

Omega Mines Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver, B.C., Canada

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Gentlemen:

Thank you for your letters of May 1 and 3, 1968, transmitting a copy of the assignment of the Golconda and Ward L. Hill option to Omega Mines Ltd. (N.P.L.), a copy of your March 31, 1968 Financial Statements, and additional correspondence with the First National Bank of Oregon.

The application has now been referred to Mr. D. R. MacLaren, Field Officer, Region I, U. S. Geological Survey, Office of Minerals Exploration, Room 656, U. S. Courthouse, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will notify you if additional information is needed, or to arrange an on-site examination if necessary.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME File
OME Reading File
Mr. Smith
Region I
130

RMSmith/bsl 5/13/68

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

May 3rd, 1968

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United States Department of the Interior
Geological Survey
WASHINGTON, D. C. 20242

Attention: Mr. Frank E. Johnson
Chief, Office of Minerals Exploration

Dear Sirs:

Re: OME 6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.) Bourne
Group of Claims, Baker County, Oregon

Further to our letter of May 1st, 1968, we are now enclosing copy of letter received from the First National Bank of Oregon in connection with the above Company.

We trust this completes your requirements and that we will be hearing from you in due course.

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

FIRST NATIONAL BANK OF OREGON

HEAD OFFICE, PORTLAND, OREGON . CABLE "MULTNOMAH"

COPY

May 2, 1968

Armstrong, Brawner & Speton
Barristers & Solicitors
1250 One Bentall Centre
505 Burrard Street
Vancouver 1, B. C.

Attention: G. Arnold Armstrong

Subject: Omega Mines Ltd. (N.P.L.)

Gentlemen:

Thank you for your consideration to our bank for a $250,000 term loan to fund your capital and operating requirements.

We regret to inform you that we must decline your application for the reasons that our credits would have to be justified by cash flow projections which are feasible to indicate retirement of the loan in an orderly manner. Due to this operation being strictly an exploration program, you cannot provide us with the necessary financial support of projected profits to service debt.

Thanking you again for your consideration.

Sincerely,

J. A. Sharkey
Vice President

JAS cs

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

May 1st, 1968

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United States Department of the Interior
Geological Survey
Washington, D. C., 20242

Attention: Mr. Frank E. Johnson
Chief, Office of Minerals Exploration

Dear Sirs:

Re: OME 6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.) Bourne
Group of Claims, Baker County, Oregon

With respect to your letter of April 26th, 1968, addressed to Omega Mines Ltd. (N.P.L.), we are enclosing herewith copy of the assignment of the Golconda and Ward L. Hill option to Omega Mines Ltd. (N.P.L.).

We are further enclosing copy of our letter to the First National Bank of Oregon, and copy of audited Financial Statements of Omega Mines Ltd. (N.P.L.) as at March 31st, 1968.

An underwriting is now being completed for 250,000 shares of Omega Mines Ltd. (N.P.L.) at the price of $1.00 per share which will provide a portion of the exploration moneys required after deduction of the existing liabilities.

You will appreciate the fact that it is impossible for the auditors of Omega Mines Ltd. (N.P.L.) to prepare a cash flow projection showing servicing ability until such time as the exploration program has been completed and firm tonnage indicated.

United States Department of the Interior May 1st, 1968

Thereafter, it will be necessary to complete a feasibility study, assuming the exploration program is fruitful, for the purpose of indicating the size of the mill, the capital financing required, the cash flow and the net profits available for debt servicing.

At the present time, the only way that the Company is able to raise money is by sale of common shares.

Upon receipt of the reply from the First National Bank of Oregon, we will forward a copy of same to your offices.

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE: 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

May 1st, 1968

COPY

First National Bank of Oregon
Box 3131
PORTLAND, Oregon, 97208

Dear Sirs:

Re: Omega Mines Ltd. (N.P.L.)

With respect to your letter of April 16th, 1968, in connection with the above Company, we are enclosing herewith Financial Statements of the Company as at March 31st, 1968.

The Company is now completing an underwriting of 250,000 shares at the price of $1.00 per share and these moneys, after deduction of the existing liabilities as shown on the statements, are specifically designated under the prospectus for exploration of the Oregon property.

It is impossible to complete a cash flow projection setting forth servicing ability of the Company inasmuch as the Company is on an exploration program only and the projection could only be based on production which, in turn, is, of course, subject to the results of the exploration program. At the present time, the only moneys available for debt servicing would be those raised on the sale of common shares of the Company and, of course, the first priority respecting these moneys would be to the exploration program.

Trusting that you will reconsider the application and advise at your earliest convenience, we are,

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

THIS AGREEMENT made this 28 day of September, A. D. 1967.

BETWEEN:

WARD L. HILL, Businessman, of 6230 Edgewater Drive, in the City of Boise, in the State of Idaho, one of the United States of America,

(hereinafter called "the Assignor")

OF THE FIRST PART

AND:

OMEGA MINES LTD. (N.P.L.), a body corporate, duly incorporated under the laws of the Province of British Columbia and having its registered office at 1250 One Bentall Centre, 505 Burrard Street, in the City of Vancouver, in the Province of British Columbia,

(hereinafter called "the Assignee")

OF THE SECOND PART

WHEREAS under and by virtue of a certain agreement made the 5th day of June, 1967, between the United States National Bank of Oregon, Trustee for C. S. Jackson, Deceased, as Seller, and Ward L. Hill, the above named Assignor, as Purchaser, the said Seller did agree to sell and the said Assignor herein agreed to purchase the Golconda group, consisting of five patented mining claims and the real property covered thereby, located in Baker County, Oregon, approximately seven miles north of Sumpter, Oregon, described as follows:-

The Golconda Quartz Lode Mining Claim, patented, Mineral Certificate No. 161, designated by the surveyor general as Lot No. 348, embracing a portion of Sections 31 and 32, in Township 8 South, Range 37, E.W.M., in Baker County, Oregon, containing 16.944 acres, more or less, according to the public survey and being more fully described in the United States Patent, dated August 2, 1899, filed February 9, 1901, and recorded in Book 41, at Page 252 of the Deed Records of Baker County, Oregon.

The Wide West, Century, Charleston, and Telephone Quartz Lode Mining Claims, patented, Mineral Certificate No. 180, designated by the surveyor general as Lot No. 378, embracing a portion of Townships 8 and 9 South, Range 37 E.W.M., in Baker County, Oregon, containing 68.868 acres, more or less, according to the public survey and being more fully described in the United States Patent, dated March 18, 1901, filed May 23, 1901, and recorded in Book 42, at Page 189 of the Deed Records of Baker County, Oregon;

for the sum of Thirty Thousand ($30,000.00) Dollars which the above named Assignor agreed to pay in the manner and at the time therein set forth;

AND WHEREAS the above named Assignor acknowledges and agrees that he was at all times acting as Trustee for the above named Assignee in connection with the sale and purchase of the said Golconda group.

NOW THEREFORE THIS AGREEMENT WITNESSETH in consideration of the premises and the sum of One ($1.00) Dollar now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged by the Assignor) as follows:-

1. The Assignor hereby transfers, assigns, sets over unto the Assignee, all his right, title and interest in and to the agreement made the 5th day of June, 1967, as aforesaid, and all his right, title and interest in and to the Golconda group hereinbefore described.

2. The Assignee covenants and agrees to abide by and comply with all the terms, covenants, provisos and agreements contained in the said agreement made the 5th day of June, 1967, on the part of the Purchaser therein to be performed and to save harmless and indemnify the Assignor of and from any

liabilities arising thereunder.

IN WITNESS WHEREOF the Assignor has hereunto affixed his hand and seal and the Assignee has hereunto affixed its corporate seal in the presence of its proper officers the day and year first above written.

SIGNED SEALED AND DELIVERED by the ASSIGNOR in the presence of:) Witness: Ronald T. Koeffer

THE CORPORATE SEAL of the ASSIGNEE was hereunto affixed in the presence of:)

UNITED STATES NATIONAL BANK OF OREGON, Trustee for C. S. Jackson, Deceased, hereby consents to the within assignment this 2nd. day of ~~September, 1967~~ ~~April~~ May, 1968.

UNITED STATES NATIONAL BANK OF OREGON

by: _____
Trust Officer.

In consideration of the seller's acceptance of this Assignment, I B. K. BALDWIN, President of Omega Mines Ltd. (N.P.L.), personally guarantee performance of the terms and conditions of the subject contract.

_____
B. K. Baldwin,

STATE OF OREGON)
) ss.
County of Multnomah)

On this 2nd day of May, 1968, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named B. K. BALDWIN, who is known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

_____
Notary Public for Oregon

My commission expires: 3/4/69

AGREEMENT

BETWEEN

CITY OF NEW WESTMINSTER

AND

[illegible]

DATED: SEPTEMBER 1, 1967

Armstrong, Browner & Speton
BARRISTERS & SOLICITORS
1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OMEGA MINES LTD. (N.P.L.)

INDEX TO

FINANCIAL STATEMENTS

MARCH 31, 1968

AUDITORS' REPORT

EXHIBITS

A	BALANCE SHEET
B	STATEMENT OF EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES
C	STATEMENT OF SOURCE AND APPLICATION OF FUNDS
D	NOTES TO FINANCIAL STATEMENTS

HALLAM, MCALISTER, MCAFEE & PEW
CHARTERED ACCOUNTANTS

TELEPHONE 685-1933

HALLAM, MCALISTER, MCAFEE & PEW
CHARTERED ACCOUNTANTS

630 NESBITT THOMSON BUILDING
890 WEST PENDER STREET
VANCOUVER 1, B.C.

R. J. HALLAM, C.A.
D. MCALISTER, C.A.
B. P. MCAFEE, C.A.
C. G. PEW, B.COMM., C.A.

AUDITORS' REPORT

We have examined the balance sheet of Omega Mines Ltd. (N.P.L.) as at March 31, 1968 and the statements of exploration, development and other expenditures and source and application of funds for the four months ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1968 and the results of its operations and the source and application of its funds for the four months ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Hallam, McAlister, McAfee & Pew
Chartered Accountants

Vancouver, B. C.
April 19, 1968

EXHIBIT A

OMEGA MINES LTD. (N.P.L.)

BALANCE SHEET

AS AT MARCH 31, 1968

ASSETS

CURRENT ASSETS		
Cash	$ 4,646.96	
Accounts receivable	1,767.63	$ 6,414.59
FIXED ASSETS		
Machinery and equipment, at cost (Note 1)	51,551.58	
Mineral properties, at cost	50,264.00	101,815.58
UTILITY DEPOSIT		108.00
DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES		
Balance at November 30, 1967	225,415.69	
Expenditures for the four months ended March 31, 1968, (Exhibit B)	88,863.98	314,279.67
		$422,617.84

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES			
Bank overdraft		$ 9,516.90	
Bank loan, secured		50,000.00	
Accounts payable		22,784.65	$ 82,301.55
LONG TERM LIABILITIES			
Agreement payable for purchase of equipment			3,116.28
ADVANCES FROM SHAREHOLDERS			6,444.01
SHAREHOLDERS' EQUITY			
Share Capital			
Authorized:			
3,000,000 shares of 50¢ each par value			
Issued:			
662,200 shares for mineral claims		331,100.00	
750,000 shares for cash		375,000.00	
1,412,200		706,100.00	
Discounts		466,978.00	
		239,122.00	
Contributed Surplus			
Arising on shares returned (Note 4)	$ 878.00		
Premium on issuance of 300,000 shares	105,000.00	105,878.00	
		345,000.00	
Cost of mineral claims abandoned		14,244.00	330,756.00
			$422,617.84

The accompanying notes in Exhibit D form an integral part of these financial statements and should be read in conjunction therewith.

This is the balance sheet referred to in our report dated April 19, 1968

Hallam, McAlister, McAfee & Pew
Chartered Accountants

APPROVED ON BEHALF OF THE BOARD

Director

Director

OMEGA MINES LTD. (N.P.L.) EXHIBIT B

STATEMENT OF EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES

FOR THE FOUR MONTHS ENDED MARCH 31, 1968

EXPLORATION AND DEVELOPMENT		
Oregon Area		
Automobile and travel	$ 3,142.80	
Engineering and assays	3,386.64	
Equipment rental, gas, oil and repairs	11,268.12	
Materials and supplies	8,980.91	
Royalty	2,000.00	
Wages and salaries	47,745.19	$76,523.66
ADMINISTRATION		
Audit and accounting	1,685.00	
Bank charges and interest	1,154.29	
Foreign exchange	6,278.61	
Legal fees	1,000.00	
Office expense	1,866.01	
Trust fees and licences	356.41	12,340.32
TOTAL EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES FOR THE PERIOD, (EXHIBIT A)		$88,863.98

HALLAM, MCALISTER, MCAFEE & PEW
CHARTERED ACCOUNTANTS

OMEGA MINES LTD. (N.P.L.)

EXHIBIT C

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE FOUR MONTHS ENDED MARCH 31, 1968

SOURCE OF FUNDS	Nil
APPLICATION OF FUNDS	
Purchase of mineral claims	$ 19,004.00
Payments on conditional purchase agreement	357.37
Non-cash adjustment regarding equipment	(797.00)
Exploration, development and other expenditures, (Exhibit B)	88,863.98
DECREASE IN WORKING CAPITAL, below	$107,428.35
WORKING CAPITAL (DEFICIENCY)	
Beginning of period	$ 31,541.39
End of period	(75,886.96)
Decrease, as above	($107,428.35)

OMEGA MINES LTD. (N.P.L.) EXHIBIT D

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 1968

NOTE 1

No provision has been made for depreciation of fixed assets at March 31, 1968.

NOTE 2

Oregon Sub-lease

(a) For a consideration of $3,000.00 U.S. (in part settlement of obligation (i) below) the company received sub-lease rights to mineral property near Baker, Oregon. Under this sub-lease, Omega Mines Ltd. (N.P.L.) became obligated to make the following payments subsequent to May 1, 1966:

(i)	$300.00 per month July 1, 1965 to June 1, 1966 inclusive	$ 3,600.00
(ii)	$600.00 per month July 1, 1966 to June 1, 1967 inclusive	7,200.00
(iii)	$10,700.00 each July 1st and January 1st commencing July 1, 1967 and ending January 1, 1970	64,200.00
Total Cost		$75,000.00

Payments of $32,200.00 have been made up to March 31, 1968, reducing the outstanding balance at that date to $42,800.00.

Should a total of $65,000.00 be paid before July 1, 1968, the balance of $10,000.00 will be cancelled.

(b) In addition to the foregoing and commencing April 1, 1966, there is payable semi-annually the greater of either a royalty of 5% to 10% of the net returns, depending on the price of gold, or $2,000.00.

(c) The amounts outlined in the above note are payable in U.S. funds.

NOTE 3

Letters from the company's solicitors indicate that twelve (12) of the fifty (50) claims in the Lytton area appear to be staked in contravention of Section 12 (i) of the Minerals Act. This may result in the company owning fractional claims in place of full claims in respect of the twelve claims at issue.

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 1968

NOTE 4

Pursuant to a ruling made by the British Columbia Securities Commission, certain shareholders have returned 87,800 shares to the company's treasury by way of gift. The contributed surplus in respect of this item shown on the balance sheet is calculated as follows:

87,800 shares at 50¢ each	$43,900.00
Discount	43,022.00
Balance	$ 878.00

NOTE 5

The amounts shown in these financial statements are expressed in Canadian funds. (U.S. funds have been converted to Canadian funds at an exchange rate of 8%).

NOTE 6

Comparative figures have not been provided in these financial statements as they would not be meaningful in the circumstances.

NOTE 7

The company has entered into a lease-purchase agreement dated December 11, 1967, extending over a period of 18 months regarding certain equipment. The agreement provides for monthly payments of $912.50, the total amount payable being $16,425. At March 31, 1968 the company had paid the sum of $4,562.50.

OMEGA MINES LTD. (N.P.L.)

FINANCIAL STATEMENTS

MARCH 31, 1968

HALLAM, MCALISTER, MCAFEE & PEW
CHARTERED ACCOUNTANTS
630 – 890 WEST PENDER STREET
VANCOUVER 1, B.C.

MME Form 7
(2/63)

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		110
4/26	cac	220
		120M

APR 26 1968

Omega Mines Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver, B.C., Canada

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Gentlemen:

Thank you for your letters of April 9 and 18, 1968, transmitting new bank letters, property map, lease agreement, detailed unit-cost summary, and a statement from your consulting engineer relating to the optimum size of the proposed drift. A copy of the assignment of the Golconda and Ward L. Hill option to Omega Mines, Ltd. (N.P.L.) has not yet been received.

The letter of April 16, 1968, from First National Bank of Oregon implies that a bank loan to do the proposed exploration might have been approved if the request had been accompanied by supporting financial statements and cash flow projection showing servicing ability. Consequently, the letter can not be accepted as evidence that funds from commercial sources are not available on reasonable terms. As we are not authorized to waive the requirement of financial eligibility, will you please send us a copy of a recent financial statement to assist in determining the Company's eligibility.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith
Region I

RMSmith/bsl 4/26/68

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

April 18th, 1968

Mr. H. Kirkemo, Assistant Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
WASHINGTON, D. C. 20242

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Dear Sir:

Re: OME 6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker, Oregon,

Further to our letter of April 9th, 1968, we are now enclosing copies of replies received from the Canadian Bank of the Company and the First National Bank of Oregon, concerning the financial eligibility of Omega Mines Ltd. (N.P.L.).

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.
Letters to the banks accompany transmittal of April 9, 1968

THE TORONTO - DOMINION BANK

1277 WEST GEORGIA & JERVIS STS., VANCOUVER 5, B.C.

RECEIVED
APR 16 1968
ARMSTRONG & BRAWNER
PER

April 11,1968

Armstrong, Brawner & Speton
1250 One Bentall Centre
505 Burrard Street
Vancouver,B.C.

Attention: Mr. G.Arnold Armstrong

Dear Sir:

RE: OMEGA MINES LTD.

We acknowledge receipt of your letter of April 9, 1968, requesting that we give further consideration to your request of December 15, 1967 for an advance of $250,000. for exploration and development purposes.

We have considered your request and must regretfully decline to participate in the proposed financing.

We are still prepared to continue to look at short term temporary advances for smaller amounts on a clearly defined basis.

Yours truly

R.J. Knowles
Manager

RJK:mam

FIRST NATIONAL BANK OF OREGON

HEAD OFFICE, 400 S.W. SIXTH AVENUE, P.O. BOX 3131, PORTLAND, OREGON 97208

April 16, 1968

RECEIVED
APR 18 1968
ARMSTRONG & BRAWNER
PER

Armstrong, Brawner & Speton
Barristers & Solicitors
1250 One Bentall Centre
505 Burrard Street
Vancouver 1, B. C.

Attention: G. Arnold Armstrong

Subject: Omega Mines Ltd. (N.P.L.)

Gentlemen:

Your letter of April 9, 1968 directed to our Baker Branch requested consideration for a $250,000 loan to Omega Mines Ltd., repayable at $50,000 plus interest per year.

The letter request was not accompanied with supporting financial statements or a cash flow projection showing servicing ability. From the information available to us, it appears that this would not be a loan to which we could give favorable consideration and we herewith decline your application as presented.

We thank you for giving us an opportunity to serve you and sincerely appreciate the deposit relationship maintained at our Baker Branch.

Sincerely,

J. B. Lampkins
Assistant Vice President

JBL/cs
Encs.

Not acceptable
Implies loan might be approved if info were available.

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

April 9th, 1968

Mr. H. Kirkemo, Assistant Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
WASHINGTON, D. C. 20242

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O. M. E.
RECEIVED
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RMA | 120

Dear Sir:

Re: OME 6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

We acknowledge receipt of your letter of March 27th, 1968, and in connection therewith we have to advise as follows:-

1. Financial Eligibility. We have written to the Canadian Bank of the Company and also to the First National Bank of Oregon at Baker, Oregon, copies of which letters are enclosed. Upon receipt of their replies we will forward copies of same to your offices.

2. Applicant's Rights in Land. We are enclosing herewith a plan map showing the boundaries of the several claims which include the Golconda claims. We are further enclosing copy of agreement dated June 5th, 1967 made between the United States National Bank of Oregon, Trustee for C. S. Jackson, Deceased, as Seller, and Ward L. Hill of Boise, Idaho as Purchaser. The said Ward L. Hill was acting as Trustee and Agent for Omega Mines Ltd. (N.P.L.) with respect to the said acquisition and all moneys paid pursuant to the said agreement were, in fact, paid by Omega Mines Ltd. (N.P.L.). Mr. Hill has executed an assignment of the said agreement

filed in Geol. Report

in favour of Omega Mines Ltd. (N.P.L.), the original of which has been deposited with the United States National Bank of Oregon. We will obtain a copy of this document and forward same to you in the near future.

The new sublease and option is in fact dated April 10th, 1967. We are enclosing herewith title opinion of July 17th, 1967, from Messrs. Banta Silven & Young. You will note on Page 5 of the said letter the certification by Mr. Harold Banta respecting the assignment to Omega Mines Ltd. (N.P.L.). Accordingly, it does not appear that notarization or recording is required at this time.

With respect to the performance bond, Omega Mines Ltd. (N.P.L.) would be willing to furnish same.

5. Exploration Work. The location of the proposed work with respect to the land boundaries is set forth on the map under Item 2.

7. Estimate of Costs.

Phase 1 - Core Drilling - Inasmuch as the drilling is not to be contracted, we are enclosing a detailed cost estimate to supplement the unit cost summary.

Phase 2 - Drifting and Raising - With respect to the proposed drift measuring 7 x 8 feet inside the timber, as opposed to the accomplishment of exploratory objectives by a 5 x 7 foot drift, we are enclosing a report prepared by Mr. F. L. Croteau, P.Eng., the consulting engineer of the Company and you will note that the ground conditions are bad and that he does not believe the saving effected balances the advantages. However, we would suggest that this would be a matter for negotiation respecting the participation of OME in costs at a later date.

We trust that the above covers the matters raised in your letter of March 27th, 1968, subject to sending

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH. L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

April 9th, 1968

Mr. R. Knowles, Manager
The Toronto Dominion Bank
1277 West Georgia Street
VANCOUVER, B.C.

Dear Sir:

Re: Omega Mines Ltd. (N.P.L.)

Further to our letter of December 15th, 1967, respecting the above Company, and your reply of December 18th, 1967, we would appreciate it if you would review the application of Omega Mines Ltd. (N.P.L.) bearing in mind the following additional facts:-

(a) the Company is willing to secure the loan applied for against the Company assets, and
(b) the Company is agreeable to setting out a firm payment schedule as an alternative to royalty payments or concurrently with royalty payments, subject to being able to raise the necessary funds to meet the schedule of payments by the sale of Company securities.

Trusting to hear from you at your earliest convenience, we are,

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb

ARMSTRONG, BRAWNER & SPETON

Barristers & Solicitors

G. ARNOLD ARMSTRONG
KENNETH L. BRAWNER
BARRY D. SPETON
GRAHAM J. PHILLIPS

TELEPHONE 683-7361

1250 ONE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.

OUR FILE NO.

April 9th, 1968

First National Bank of Oregon

BAKER, Oregon

Dear Sirs:

Re: Omega Mines Ltd. (N.P.L.)

Omega Mines Ltd. (N.P.L.) is presently engaged in an exploration program on its properties situate in the Bourne Mining District, Baker County, State of Oregon, and in this regard, will require financing for its program.

In this regard, we are enclosing herewith for your perusal the following documents:-

(a) Title opinion respecting the properties in question;
(b) Estimated cost of proposed program;
(c) Engineering reports of Mr. F. L. Croteau, dated September 23rd, 1966, June 3rd, 1967, and September 25th, 1967.

You will note from the above documents that the total sum required is $337,355.00 and the Board of Directors has requested that we apply to your bank for a loan of $250,000.00 repayable as follows:-

(a) the sum of $50,000.00 per year plus interest over a five year term commencing one year from the date the property is in production, or alternatively, commencing two years from the date hereof, whichever event shall first occur, or

First National Bank of Oregon April 9th, 1968

5 per cent of the gross proceeds or value of production in the form in which it is sold, held or used, whichever is the greater amount, or

(b) a planned schedule of payments as determined by your bank subject to the moneys therefor being raised from time to time by sale of the Company securities.

Trusting to hear from you respecting the above matter at your earliest convenience, we are,

Yours truly,

ARMSTRONG, BRAWNER & SPETON

Per: G. Arnold Armstrong

GAA/cb
Enc.

LAW OFFICES
BANTA, SILVEN & YOUNG
1950 THIRD STREET
BAKER, OREGON 97814
TELEPHONE 523-4442

HAROLD BANTA
DAVID C. SILVEN
THOMAS F. YOUNG

NICHOLS & HALLOCK 1919-1922
NICHOLS, HALLOCK & DONALD 1923-1929
HALLOCK, DONALD & BANTA 1930-1945
HALLOCK, DONALD, BANTA & SILVEN 1946-1950
HALLOCK, BANTA, SILVEN & HORTON 1951-1954
BANTA, SILVEN & HORTON 1955-1959
BANTA, SILVEN, HORTON & YOUNG 1960-1962

July 17, 1967

Omega Mines Ltd. (NPL)
c/o Armstrong, Brawner & Speton
Barristers & Solicitors
1250 One Bentall Centre
505 Burrard Street
Vancouver 1, B. C.

Re: Title Opinion Bourne Group Mining Properties
(Cracker Creek Gold Mining Company)

Gentlemen:

At your request, and pursuant to correspondence and conversations with Mr. G. Arnold Armstrong, your legal representative, I have just completed researching the title to the Columbia, Taber Fraction and North Pole Mines or groups of mining claims, and the Gleason and Davenport and E & E holdings, plus the Hanover, etc. unpatented claims, which constitute collectively what is commonly known as the Bourne Group, situated in the Bourne Mining District (unorganized), Baker County, Oregon, and included in Consolidated Mining Lease dated January 7, 1964, between Cracker Creek Gold Mining Co., an Oregon corporation, as Lessors, and Ward L. Hill as Lessee.

By way of background to establish my own qualifications to make this examination, I will say that I am an attorney at law of the State of Oregon, admitted in 1924, and licensed to practice in all the courts of this state since that time. I have been engaged in practice at Baker since 1929, am now senior member of the firm of Banta, Silven & Young, and was formerly and during 1938 junior member of the then firm of Hallock, Donald & Banta. I have since coming to Baker, specialized in mining practice, including particularly title problems involving mining claims, and am at the present time a member of the Governing Board of the Oregon Department of Geology & Mineral Industries.

During the period from July 5, 1938, to July 20, 1939, an elaborate title examination was undertaken covering all the patented properties and the older unpatented claims included in the Bourne Group. This was in connection with the consolidation and the transfer of such properties to the Cracker Creek Gold Mining Co., the original Delaware corporation that was organized to take title thereto, and predecessor of the present Oregon corporation of the same name. During the same period a mining lease was negotiated with Campbell Mining Co. (predecessor to Campbell Oregon Gold Mining Corp.), and the titles were also examined and passed in connection with this lease. At that time I personally examined the titles for the purpose of the consolidation, and also, representing the lessor, Cracker Creek Gold Mining Co., assisted in taking various curative steps designed to meet and correct objections raised by Frank C. McColloch of the then firm of Day, Hampson & Nelson (now McCdloch, Dezendorf & Spears), of Portland, Oregon, attorney for the lessee, Campbell Mining Co. During that period a very extensive title examination was conducted. Abstracts were secured and examined, both by Mr. McColloch and myself, and the data contained therein was supplemented by a personal examination and study of the underlying records. During the course of the title work, various defects were corrected, deeds, and in some instances patents, as well as affidavits and other documents, were secured and recorded. The research disclosed that certain millsite and placer locations which had previously been claimed as part of the properties had lapsed, and these were then superseded or supplemented to the extent deemed desirable by new locations, which also covered some vacant ground lying between the patented claims. The boundaries of the older unpatented locations were also reestablished, and to the extent required, amended, so as to more accurately describe the area covered thereby. Following completion of the title examination and the curative steps undertaken in connection therewith, I passed the title to the patented claims to the Cracker Creek Gold Mining Co. for the purposes of the consolidation as being in substance indefeasible and certified the same to be in my opinion, "sufficient and adequate to enable your corporation to sell or lease the property so transferred to you, or enter into a mine operating agreement with responsible parties without dimunition of consideration based upon grounds of title impairment," and also approved the title to the unpatented claims, declaring that in my opinion, " you will acquire by such conveyances proper possessory title to said claims, subject to title paramount in the United States, and existing conflicts with

portions of the patented ground, which fully appear and are shown upon the maps prepared by John Semple, copies of which are in your possession." Mr. McColloch in due course passed the titles as satisfactory to his client, the Campbell Mining Co., for the purposes of its lease. His original title reports pointed out certain defects, all of which were later corrected to his satisfaction. At that time a detailed description of the properties in the group as finally held and adjusted was prepared. You have previously been furnished with a copy of this description. It forms the basis of the summarized description which is incorporated in the Consolidated Mining Lease.

I have now in connection with this and previous reports prepared in 1964 and 1965 reviewed the voluminous correspondence, memoranda and other documents prepared in connection with the 1938-39 examination, and have personally examined the records in the office of the County Clerk and ex officio recorder of Baker County from 1938 to date, and have thereby refreshed my recollection as regards the earlier examination, and supplemented it by matters occurring since that time.

Based thereon, I now certify that as of July 13, 1967, at 5:00 o'clock p.m. indefeasible title to the patented claims and properties above mentioned and described in the Ward L. Hill lease was vested, as shown by documents of record, in Cracker Creek Gold Mining Co., an Oregon corporation (successor in interest to the original Delaware company), free from encumbrances, excepting only patent reservations and exceptions, and easements and rights of way mentioned in the Hill lease, and to the said Consolidated Mining Lease dated January 7, 1964, between Cracker Creek Gold Mining Co., an Oregon corporation, as Lessor, and Ward L. Hill as Lessee, and to any timber contracts involving merchantable timber thereon which may now be in force (see paragraph [12], pages 9 and 10). In regard thereto I further certify that the property in question has since September 28, 1955, been under lease to Ward L. Hill. The original lease bearing that date was superseded by Substituted Mining Lease dated October 13, 1959, and it in turn, together with a separate lease on mining and milling equipment, was superseded by the Consolidated Mining Lease of January 7, 1964, which appears of record in Vol. T at pages 762 et seq, Records of Leases and Agreements of Baker County.

As regards the unpatented claims included in the said Bourne Group, I certify that possessory title thereto, as acquired by the locator or locators thereof, is now vested in the said Cracker Creek Gold Mining Co., an Oregon corporation, subject only to title paramount in the United States, and to the easements and rights of way and said Consolidated Mining Lease above mentioned. I further certify that according to the recitals of proofs of labor appearing of record, the annual assessment work required thereon has been performed for the fiscal year ending at 12:00 o'clock Meridian September 1, 1966, (the last proof of labor being executed by Mr. Bowyer under date of August 29, 1966) and that except for the patented claims in the said Bourne Group which the unpatented locations in some cases overlap, the ground included within the unpatented claims is free from surface conflicts, particularly with adverse locations asserted or claimed by third parties, to the best of my knowledge and belief or as disclosed by the tract books of the Baker Abstract & Title Co. (now Land Title Insurance Co.), which I have examined in that regard. In this connection it is to be borne in mind that while Twp. 8 South, Range 37, E.W.M., where most of the unpatented claims are situated, is now surveyed, it is possible for mining claims, particularly quartz locations, to be made without reference to the legal subdivisions of the public survey so that they would not appear upon the tract books. In addition, the tract books are not complete and do not even show all unpatented mineral locations which are capable of identification. It would accordingly be impossible to certify without examining every foot of the ground and checking the records of quartz and placer locations page by page, which I have not done, that no adverse locations have in fact been made. However, I will say that I have been familiar with these claims in a general way at least continuously since 1938, and have personally heard of none, as I feel confident I would have had such adverse locations been made and any substantial development work undertaken or possessory rights asserted pursuant thereto.

I further certify that all earlier leases upon the Bourne Group granted by the Cracker Creek Gold Mining Co. (of which the one to the Campbell Mining Co. was the first) were terminated either by surrender or forfeiture proceedings pursuant to the terms thereof, which were handled through our office prior to the granting of the initial Hill lease above mentioned, and that there are not now and have not been at any time since the

initial Hill lease in 1955, any leases outstanding upon the said property other than those held by the said Ward L. Hill and his associates or assigns, except for any grazing leases, timber contracts and the like executed pursuant to the reservation clauses appearing in paragraph (12) thereof.

I further certify that all former assignments, subleases or options, executed by the said Ward L. Hill were either terminated or assigned to Omega Mines Ltd. (NPL), a corporation of Vancouver, B. C., and that the said Omega Mines Ltd. is now the holder of a new Sublease and Option from the said Ward L. Hill dated April 10, 1967, pursuant to which an assignment of the said Consolidated Mining Lease has been executed by the said Hill on the same date and deposited in escrow with the United States National Bank of Portland, Baker Branch, under accompanying escrow instructions also dated April 10, 1967. That the said escrow has now been completed and the escrow fee paid. These documents have been examined by me and all appear to be in regular form, and the consent of the original lessor, Cracker Creek Gold Mining Co. to such new Sublease and Option has been secured.

I understand that this opinion is desired in connection with an application to register the stock of the said Omega Mines Ltd. with the British Columbia Securities Commission, and I have accordingly caused my signature hereto to be notarized.

Respectfully submitted,

Harold Banta

Harold Banta

SUBSCRIBED and SWORN TO before me at Baker, Baker County, Oregon, this 17th day of July, 1967.

Blanche Behner

Blanche Behner
Notary Public for Oregon
My Commission expires Jan. 24, 1970

AGREEMENT

THIS AGREEMENT, made and entered into this 5th day of June, 1967, by and between UNITED STATES NATIONAL BANK OF OREGON, Trustee for C. S. Jackson, deceased, as Seller, and WARD L. HILL, presently residing at Boise, Idaho, as Purchaser, WITNESSETH:

In consideration of the covenants herein contained and the payments to be made as hereinafter specified, Seller agrees to sell and Purchaser agrees to purchase the Golconda group, consisting of 5 patented mining claims, and the real property covered thereby, located in Baker County, Oregon, approximately seven miles north of Sumpter, Oregon, described as follows:

> The Golconda Quartz Lode Mining Claim, patented, Mineral Certificate No. 161, designated by the surveyor general as Lot No. 348, embracing a portion of Sections 31 and 32, in Township 8 South, Range 37 E.W.M., in Baker County, Oregon, containing 16.944 acres, more or less, according to the public survey and being more fully described in the United States Patent, dated August 2, 1899, filed February 9, 1901, and recorded in Book 41, at Page 252 of the Deed Records of Baker County, Oregon.
>
> The Wide West, Century, Charleston, and Telephone Quartz Lode Mining Claims, patented, Mineral Certificate No. 180, designated by the surveyor general as Lot No. 378, embracing a portion of Townships 8 and 9 South, Range 37 E.W.M., in Baker County, Oregon, containing 68.868 acres, more or less, according to the public survey and being more fully described in the United States Patent, dated March 18, 1901, filed May 23, 1901, and recorded in Book 42, at Page 189 of the Deed Records of Baker County, Oregon.

for the sum of $30,000, which Purchaser agrees to pay in the manner and at the times as follows:

1. Upon the execution of this agreement the sum of $3,000, the receipt whereof is hereby acknowledged by Seller.

2. The balance of the purchase price of $27,000 shall be paid in semiannual instalments of not less than $1,500, together

with interest on the unpaid principal balance at the rate of 6½ per cent per annum, the first of such instalments to be paid on or before October 1, 1967, and a like payment to be made on or before the 1st day of each April and October thereafter until the entire unpaid balance of principal, with interest thereon as aforesaid, has been fully paid. In addition, Purchaser agrees to pay to Seller 10 per cent of net smelter returns taken from the above-described mining properties on a calendar-year basis, which payments shall be applied directly against instalments of the principal balance owing on this contract in inverse order of maturity. The first of such payments shall be made on or before February 15, 1968, for the partial year 1967, and shall continue to be made on or before the 15th day of February of each year thereafter for the preceding calendar year until this contract has been paid in full. Each payment of such net smelter returns shall be accompanied by a certificate of the accountant for the firm operating the smelter through which the ore from the above-described series of mining claims is processed, certifying such payment to be in the amount of a full 10 per cent of the net smelter returns for the period covered thereby.

Purchaser agrees to pay, before delinquent, all taxes, assessments and charges hereafter levied or assessed or charged against the said mining claims and operation or any personal property or improvements located thereon or therein, by any municipal, state or governmental authority, commencing with taxes assessed for the fiscal year 1967-1968, and to file duplicate receipts evidencing such payments with Seller before delinquency.

Purchaser will indemnify and save harmless Seller from and against any and all claims and demands of any and every kind that may be made against Seller for any injury or damage sustained by any person or goods in or about the above-described mining claims which are alleged or claimed to be caused by or attributable to the use or condition of anything in the possession or control of Purchaser, or caused by or attributable to any negligence of Purchaser or anyone acting or holding under Purchaser or any agent or servant of Purchaser, and Purchaser shall at his own cost and expense defend Seller in any suit brought against Seller on any such claim or demand, and satisfy and discharge any final judgment rendered against Seller in any such suit. Purchaser will make all payments required to keep the water rights pertaining to the premises in good standing.

Upon payment by Purchaser of the several sums of money aforesaid and the performance of all the other conditions of this agreement, time and the exact performance thereof being a condition precedent, Seller will give to Purchaser, upon request and the surrender of this agreement, a good and sufficient bargain and sale deed or deeds conveying the real property covered by the above-described mining claims, will assign and transfer to Purchaser its right, title and interest in the above-described Mineral Certificate No. 161 and Mineral Certificate No. 180, and will cooperate with Purchaser in attempting to obtain copies of such certificates. Upon the execution hereof Seller has delivered to Purchaser a purchaser's policy of title insurance and shall not be obligated to provide any further or additional assurances of title.

In the event Purchaser shall fail to make the payments

aforesaid, or any of them, punctually and upon the strict terms and at the times above specified, time of payment being declared to be of the essence of this agreement, Seller may at its option forthwith terminate this agreement. In the event Purchaser shall fail to keep any of the other terms or conditions of this agreement, or shall fail to keep the said property free from liens and encumbrances after the date hereof, or fail to keep and perform any other agreement herein, strict performance being declared to be of the essence of this agreement, Seller may at its option terminate this agreement by giving Purchaser 30 days' notice in writing of its intention so to do, it being agreed that 30 days is a reasonable length of time within which the Purchaser may cure such default. Upon any such termination becoming effective Seller may, without tender of performance or suit or action, declare this agreement at an end and all the rights of Purchaser therein, or interest in or right of possession to the property covered by this agreement, shall cease and all payments theretofore made by Purchaser shall be retained by Seller as liquidated damages for the nonperformance of this agreement and as rental for the use and occupancy of said premises for the period prior to such notice of cancellation, and Seller shall have the right to immediate possession of the premises without the necessity of taking any proceedings therefor; or Seller may at its option elect to consider this agreement as continuing and in the event of the continued default by Purchaser the Seller may declare the whole of the unpaid purchase price, together with all accrued interest, immediately due and payable. In the event suit or action is instituted hereunder Purchaser agrees to pay such sum as the court may adjudge reasonable as

attorneys' fees in such suit or action.

Waiver by Seller of any one or more defaults or breaches on the part of Purchaser herein shall not be construed to be a waiver of any other default or breach or entitle Purchaser to additional notice.

Purchaser agrees to pay promptly all rates, charges or amounts which may become due and payable for water, gas, electric current or other services used on the above-described premises during the life of this agreement.

Any notice required by the terms of this agreement to be given to Purchaser shall be deemed to be duly given to him if addressed to him by registered mail at the address appearing below his signature hereto.

Until further notice, payments hereunder shall be made to Seller at 321 S. W. 6th Avenue, Portland, Oregon, or by mail at P.O. Box 3168, Portland, Oregon 97208.

This agreement shall not be assignable by Purchaser without the written consent of Seller.

IN WITNESS WHEREOF the parties hereto have executed this agreement, Seller by its officer thereunto duly authorized and its corporate seal affixed, as of the date hereinabove first written.

UNITED STATES NATIONAL BANK OF OREGON,
Trustee for C. S. Jackson, Deceased

By _____
Trust Officer
Seller

_____
(Ward L. Hill)
Purchaser

Mailing Address of Purchaser
6230 Elgewater Drive
Boise Idaho 83705

STATE OF OREGON)
) ss
County of Multnomah)

THIS CERTIFIES that on this 12th day of June, 1967, before me, the undersigned, a notary public in and for said county and state, personally appeared F. L. Cowgill to me personally known, who, being duly sworn, did say that he is a F. L. Cowgill of UNITED STATES NATIONAL BANK OF OREGON, the within named corporation, and that the said instrument was signed in behalf of said corporation by authority of its board of directors, and he acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF I have hereunto set my hand and notarial seal the day and year last above written.

R. P. Bruno
Notary Public for Oregon

(NOTARIAL SEAL)

My commission expires: 3/4/69

STATE OF ~~OREGON~~ Idaho)
) ss
County of Ada)

On this 5th day of June, 1967, personally appeared before me the above-named WARD L. HILL and acknowledged the foregoing instrument to be his voluntary act and deed.

Margaret Wolfgram
Notary Public for ~~Oregon~~ Idaho

(NOTARIAL SEAL)

My commission expires

Notary Public for Idaho
My Commission expires Sept. 1, 1969

Agreement - 6

paid in semiannual installments of not less than $1,500, together

Agreement - 1

Re: OME - 6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Item 7 Phase 2 - Drifting and Raising

We have noted your suggestion regarding a drift size of 5 x 7 inside the timber. This could be accomplished but we do not believe that the saving effected commences to balance the advantage of the more adequate working space. The ground in the shear is bad and requires a fair amount of attention and as such it is desirable to initially establish the type of opening that may be required for a main haulage level.

Drilling is no problem and would require very little expenditure to effect the larger size opening. The extra rock breakage on a six foot round would involve handling an extra ten tons of muck. We would like to suggest that due to ground conditions you give favourable consideration to the larger drift.

F. L. Croteau, P. Eng.

OMEGA MINES LTD. (N.P.L)

Estimate of costs for BQ Wireline Core drilling at Omega Mines, Bourne, Oregon property.

Surface drilling costs per foot.

Labour @	$3.10/foot.
Diamond Cost	1.90/foot.
Machine Rental	1.30/foot.
Camp Cost	.51/foot.
Fuel (drill, pumps, etc)	.14/foot.
Supplies	.30/foot.
Insurance	.06/foot.
Core Boxes	.09/foot.
Truck	.15/foot.
Compensation	.07/foot.
Cat and road work	1.10/foot.
Supervision	.50/foot.
	9.22
Administration @ 10%	.92
	$ 10.14

This is based on experience of existing conditions and underground drilling being carried on at the present time. The lost rock is a very hard grano-diorite which is slow to penetrate. The silica content is approximately 70%. In some areas pumping water may add additional expense.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/27/68	R M Smith	120
		120
	(on leave)	110
		220
		120M

Omega Mines Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver, B. C., Canada

MAR 27 1968

Re: OME-6702 (Gold-Silver)
Omega Mines Ltd. (N.P.L.)
Bourne Group of Claims
Baker County, Oregon

Gentlemen:

Preliminary review of your application for financial assistance in exploring the referenced claims indicates that additional information is required before we can continue its processing. The information needed relates to Items 1, 2, 5 and 7 on the back of the application form.

1. Financial Eligibility:

Your letters requesting a loan from two Canadian banks proposed repayment dependent upon the results of the exploration, and both requests were denied for that reason. Inasmuch as these terms would be unacceptable to any bank, the correspondence does not establish that funds from commercial sources are not available.

To assist us in determining your financial eligibility you should apply to your bank of account and to at least one U. S. bank in Baker County, Oregon proposing terms within the Company's ability that may be acceptable, possibly offering company assets as collateral. Rec'd

2. Applicant's Rights in Land:

Please furnish a plan map showing the boundaries of the several claims. If the Golconda and Wide West claims are included in the group, a copy of the lease or other evidence of property rights is required. We note that the New Sublease and Option is not dated or notarized - please furnish the recording date and the Book and Page number. Rec'd

In the event of a contract a performance bond on Standard Form 25 in the amount of the Government's estimated share of the costs would be required. A copy of the form is enclosed. For your information the Miller Act applies to construction contracts and in our opinion does not apply to OME contracts. Would you be willing to furnish such a bond? yes

5. **Exploration Work:**

The location of the proposed work with respect to the land boundaries should be shown on the map used for Item 2. Rec'd.

7. **Estimate of Costs:**

Phase 1 - core drilling. If the 10,000 feet of drilling is to be contracted, please furnish bids from three independent contractors if possible. If the drilling is not to be contracted, a detailed cost estimate to supplement the unit-cost summary should be submitted. Rec'd. Should have specified [illegible]

Phase 2 - drifting and raising. The size of the proposed drift is 7 x 8 feet inside the timber. The OME places no restriction on the size of openings, but the Government will participate only in the costs of work necessary to accomplish the exploration. Presumably the exploratory objectives could be accomplished at less cost by a 5 x 7 foot drift. Please let us know if you would be interested in an OME contract covering only the exploratory portions of the proposed work. We saving

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Assistant Chief
Office of Minerals Exploration

cc: Mr. G. Arnold Armstrong

Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith
Region I

RMSmith/bsl 3/26/68

February 28, 1968

Omega Mines Ltd. (N.P.L.)
600-890 West Pender Street
Vancouver, B. C., Canada

Subject: OME-6702

Gentlemen:

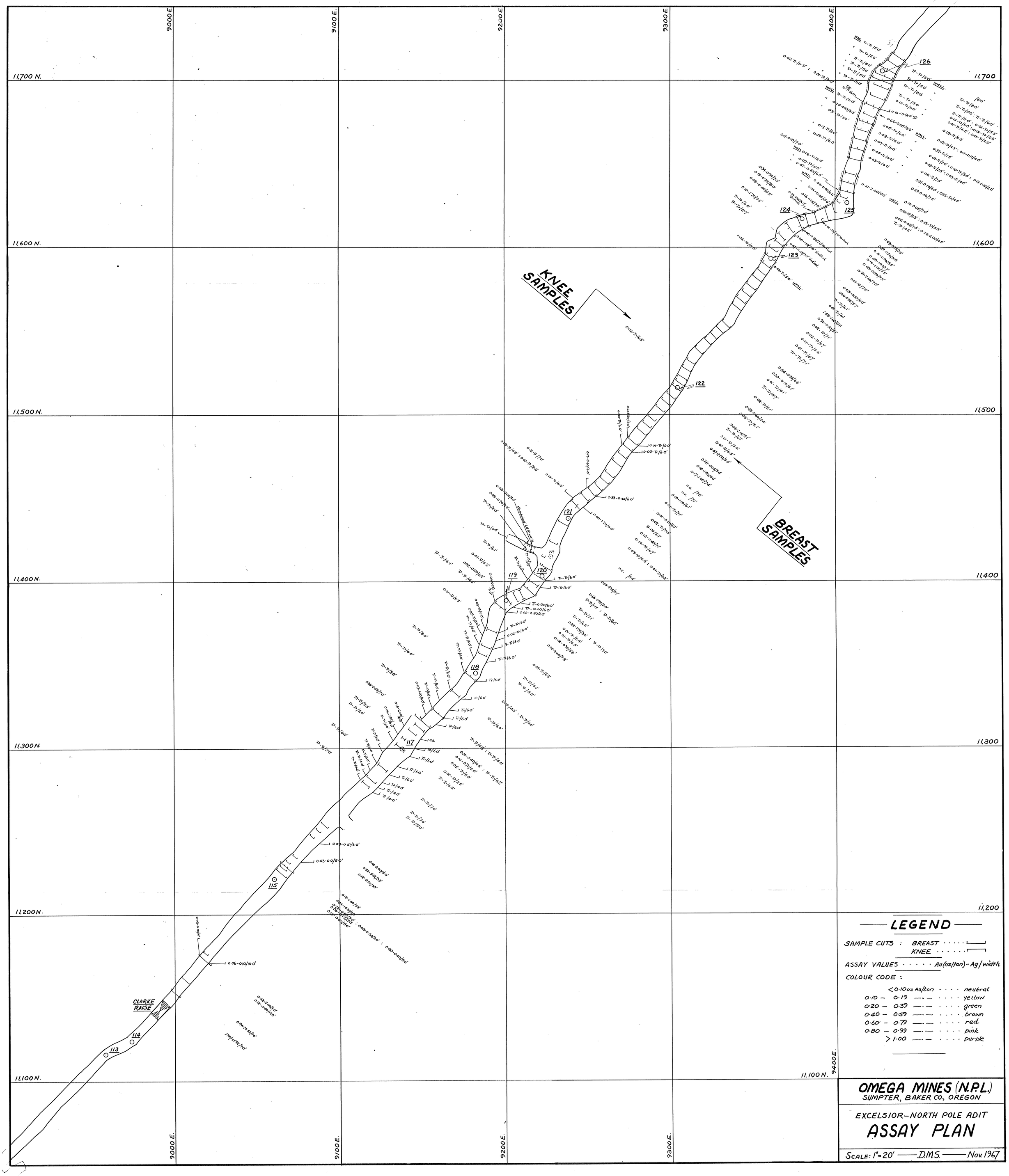
Your application for exploration assistance, dated February 13, 1968, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6702.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I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KNEE SAMPLES
BREAST SAMPLES
CLARKE RAISE
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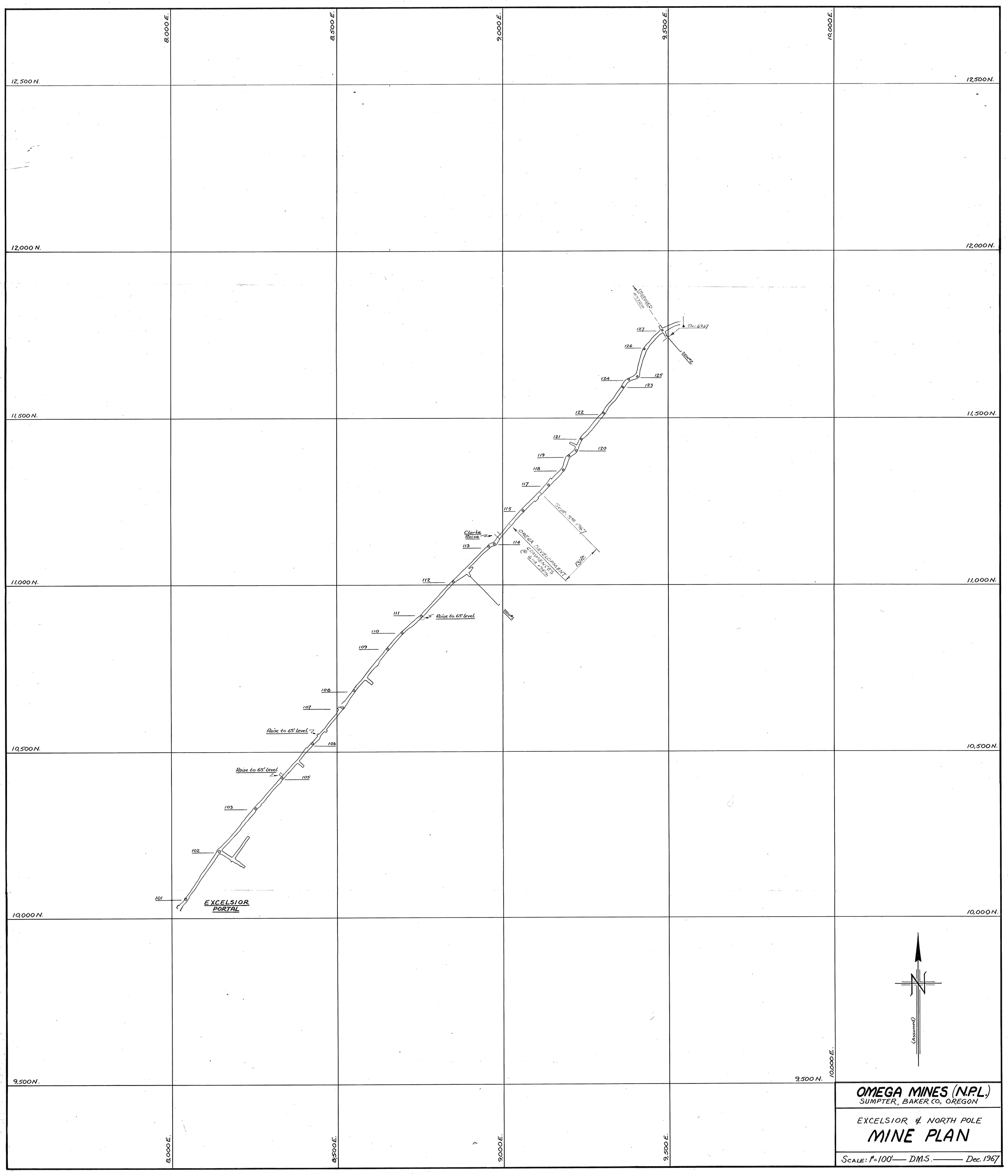
114
113
LEGEND
SAMPLE CUTS : BREAST
KNEE
ASSAY VALUES Au(oz/ton)-Ag/width
COLOUR CODE :
<0.10oz Au/ton neutral
0.10 – 0.19 yellow
0.20 – 0.39 green
0.40 – 0.59 brown
0.60 – 0.79 red
0.80 – 0.99 pink
>1.00 purple
OMEGA MINES (N.P.L.)
SUMPTER, BAKER CO., OREGON
EXCELSIOR–NORTH POLE ADIT
ASSAY PLAN
SCALE: 1"=20' D.M.S. Nov. 1967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PROPOSED ADIT
Dec. 1967
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102
101
Clarke Raise
OMEGA DEVELOPMENT COMMENCES @ ELEV. 7244
Sept. 28 1967
131 ft.
Raise to 65' level
Raise to 65' level
Raise to 65' level
EXCELSIOR PORTAL
(Assumed)
OMEGA MINES (N.P.L.)
SUMPTER, BAKER CO, OREGON
EXCELSIOR & NORTH POLE
MINE PLAN
SCALE: 1"=100' — D.M.S. — Dec. 1967

9500 E. 9600 E. 9700 E. 9800 E. 9900 E.

12300 N.

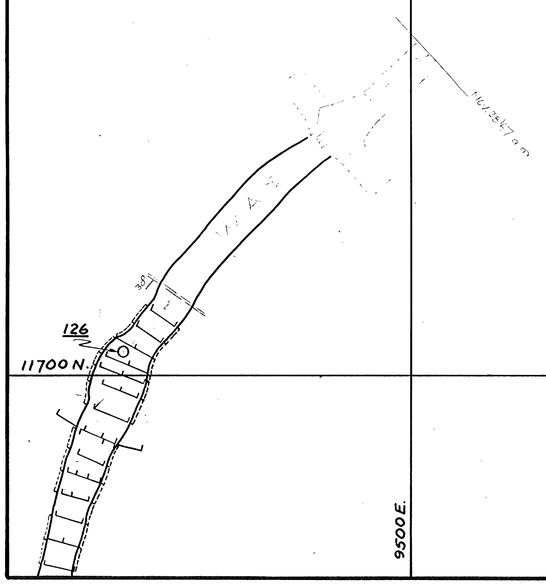
12200 N.

12100 N.

12000 N.

11900 N.

11800 N.



LEGEND

SAMPLE CUTS : BREAST · · · · · ⌊
KNEE · · · · · ⌈

ASSAY VALUES · · · · · Au (oz/ton) - Ag/width

COLOUR CODE :

< 0·10 oz Au/ton	· · · ·	neutral
0·10 – 0·19	— · — · · · ·	yellow
0·20 – 0·39	— · — · · · ·	green
0·40 – 0·59	— · — · · · ·	brown
0·60 – 0·79	— · — · · · ·	red
0·80 – 0·99	— · — · · · ·	pink
> 1·00	— · — · · · ·	purple

OMEGA MINES (N.P.L.)
SUMPTER, BAKER CO., OREGON

EXCELSIOR-NORTH POLE ADIT

ASSAY PLAN

SCALE: 1" = 20' D.M.S. Nov. 1967