

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

000939

NEW ISSUE

250,000

Par Value \$0.50

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

HEAD OFFICE:

1250 - 505 Burrard Street,
Vancouver 1, B.C.

REGISTERED OFFICE:

1250 - 505 Burrard Street,
Vancouver 1, B.C.

PLAN OF DISTRIBUTION

The Company offers by this Prospectus 250,000 shares of its capital stock at \$0.25 per share. Shares of this issue may be sold by trading Directors of the Company pursuant to the provisions of Section 7(2) of the Securities Act, 1967. No commission or other remuneration will be payable to the trading Directors of the Company in connection with this offering of shares. Shares of this issue may also be sold by persons employed by the Company and companies registered to trade in securities in the Province of British Columbia.

	<u>Price to Public</u>	<u>Commissions</u>	<u>Proceeds to Company</u>
Per Unit	\$.25	.0625	.1875
Total	\$62,500.00	\$15,625.00	\$46,875.00

THE COMPANY'S PROPERTIES DO NOT CONTAIN ANY PROVEN ORE RESERVES. A SUBSTANTIAL AMOUNT OF DRILLING AND OTHER EXPLORATORY WORK WILL HAVE TO BE DONE BEFORE A DETERMINATION CAN BE MADE AS TO WHETHER OR NOT THE CLAIMS CONTAIN ANY COMMERCIALY MINEABLE ORE BODIES. THEREFORE, A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THERE IS NO EXISTING MARKET FOR THE SHARES OF THIS COMPANY.

The shares offered by this Prospectus represent 22.4 % and the shares issued to promoters, directors and other insiders for cash and properties represent 71.2 % of the total number of shares to be issued and outstanding upon completion of this offering.

June 26, 1972

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

PROSPECTUS

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USE OF PROCEEDS

With the proceeds from the sale of shares offered by this Prospectus, the Company intends to carry out the program of work recommended by R.H.D. Philp, P. Eng., in his Report to the Company dated April 17, 1972 (a copy of which accompanies and forms part of this Prospectus), pay for the cost of this issue and to provide for general corporate expenses. The anticipated amounts of the aforementioned purposes are set out below. The Company intends to use approximately \$4,400.00 of its cash on hand, as shown in the Financial Statements of the Company as at February 29, 1972 (a copy of which accompanies and forms part of this Prospectus) to pay for assessment work to be performed on its Mineral Claims in order to keep them in good standing.

1. To implement the Report of R.H.P. Philp, P. Eng.	\$33,600.00
2. To pay for the cost of this issue	\$ 3,500.00
3. General corporate expenses	<u>\$ 9,775.00</u>
TOTAL	\$46,875.00

If the actual proceeds from the sale of shares offered by this Prospectus should prove insufficient to accomplish the purposes set out above, the Company intends to pay the cost of this issue, and then carry out so much of the program of work upon the property as is feasible with the funds available.

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

Should the Company propose to use the said proceeds to invest, underwrite or trade in non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must first be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

SECURITIES ISSUED FOR OTHER THAN CASH

<u>Number of Shares</u>	<u>Deemed Price</u>	<u>Discount</u>	<u>Commissions</u>	<u>Consideration Received</u>
726,000	\$0.10	\$0.40	NIL	ROHANNA Nos. 15-18 19, 21-22, 29-35, 36-39, KEL Nos. 10-17 and ZN Nos. 1-18.

All of the above 726,000 shares are held in escrow by Yorkshire Trust Company under the direction and control of the Superintendent of Brokers of British Columbia. (See paragraphs "Business and Property" and "Escrowed Shares").

CAPITALIZATION

The authorized capital of the Company is \$1,500,000.00 divided into 3,000,000 shares of a par value of \$0.50 each.

There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets.

<u>Share Capitalization</u>	<u>Outstanding as of February 29, 1972</u>	<u>Outstanding as of June 26, 1972</u>	<u>Outstanding on Completion of Offering</u>
3,000,000	867,002	867,002	1,117,002

SECURITIES SOLD FOR CASH

<u>NUMBER OF SHARES</u>	<u>PRICE</u>	<u>DISCOUNT</u>	<u>COMMISSIONS</u>	<u>CASH RECEIVED</u>
2	\$0.50	Nil	Nil	\$ 1.00
141,000	\$0.10	\$0.40	Nil	\$14,100.00

All of the above shares are held in trust by Yorkshire Trust Company, 900 West Pender Street, Vancouver, British Columbia, and will not be released to the beneficial owners thereof until at least 30 days following completion of this offering of shares to the public.

NAME AND INCORPORATION OF ISSUER

The full name of the Company is VEGA MINES LTD. (N.P.L.) Its registered office is located at 1250 - 505 Burrard Street, in the City of Vancouver, in the Province of British Columbia. Its head office is located at 1250 - 505 Burrard Street, in the City of Vancouver, in the Province of British Columbia.

The Company was incorporated on December 11, 1970 under the laws of the Province of British Columbia by Memorandum of Association. The Company was incorporated as a private company and was converted to a public company on June 22, 1972.

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BUSINESS AND PROPERTY

The Company is a mining company engaged in searching for and developing mineral properties.

1. Description and Access

OSOYOOS MINING DIVISION

<u>MINERAL CLAIMS</u>	<u>RECORD NUMBERS</u>	<u>EXPIRY DATES</u>
ROHANNA 15 - 18	27928 - 27931	May 6, 1973
ROHANNA 19	27997	May 17, 1973
ROHANNA 21 - 22	27999 - 28000	May 17, 1973
ROHANNA 29 - 35	28128 - 28134	June 9, 1973
ROHANNA 36 - 39	28283 - 28286	July 14, 1972
KEL 10 - 17	28151 - 28158	June 3, 1973
ZN 1 - 18	28745 - 28762	November 26, 1972

The above Mineral Claims (hereinafter referred to as the "Peachland Claim Group") are located approximately 1-1/2 miles North of Peachland, B.C. Access to the South-Eastern and Eastern portions of the claim group is possible by secondary roads from Highway 97.

2. Acquisition

By an Agreement in writing dated the 26th day of February, A.D. 1972 between Gary M. Begg, Gerald J. Decario and C. Ashley Cromwell as the Vendors and the Company as the Purchaser, the Company acquired the following Mineral Claims:

OSOYOOS MINING DIVISION

ROHANNA Nos. 15 - 18, 19, 21 - 22, 29 - 35
and 36 - 39 (all inclusive).

KEL Nos. 10 - 17 (all inclusive).

ZN Nos. 1 - 18 (all inclusive).

The total consideration for the above Mineral Claims was 726,000 shares of the common capital stock of the Company and \$6,000.00 cash. The shares and cash were allotted and paid to the Vendors as follows:

<u>NAME</u>	<u>NUMBER OF SHARES</u>	<u>CASH RECEIVED</u>
GARY M. BEGG	242,000	\$2,000.00
C. ASHLEY CROMWELL	242,000	\$2,000.00
GERALD J. DECARIO	242,000	\$2,000.00

The Vendors originally prospected and staked the above Mineral Claims.

All of the above shares are subject to escrow conditions (See paragraph "Escrowed Securities").

3. History

The Peachland Mineral Claim group reportedly covers the old Gladstone Mineral Claim. Several old shafts and adits are located on the claim group and are believed to have been excavated in the late 1800's and early 1900's. The B.C. Minister of Mines Annual Report for 1899 mentions the Gladstone claim and refers to 130 feet of tunnelling and a shaft of 158 feet deep with crosscuts on the 100 foot and 150 foot levels. There is no other record of any other exploration work having been performed on the Claims.

4. Work Done

There has been no underground exploration or development performed on the property as of the date hereof, save and except that which was reportedly done in the late 1800's, (see subparagraph "History"). The Company is presently having line cutting and geochemical soil sampling performed on the property according to the recommendations of R.H.D. Philp, P. Eng.

5. Plant or Equipment

There is no surface or underground plant or equipment on the property.

PROMOTERS

All of the Directors of the Company may be considered to be the Company's promoters. (See paragraph "Business and Property").

DIRECTORS AND OFFICERS

<u>NAME</u>	<u>ADDRESS</u>	<u>OFFICE HELD</u>
GARY MELVIN BEGG	1250-505 Burrard Street, Vancouver 1, B.C.	Director and President
GERALD JOSEPH DECARIO	3209 W. 2nd Avenue, Vancouver 8, B.C.	Director and Secretary
CLARENCE ASHLEY CROMWELL	Box 82, Peachland, B.C.	Director and Vice-President

The principal occupations of the Directors during the past five years are as follows:

<u>NAME</u>	<u>OCCUPATION</u>
GARY MELVIN BEGG	Law Student, University of Manitoba 1966-1969; Articling Student, Armstrong, Brawner, Speton & Phillips, Vancouver, B.C., 1969-1970; Barrister and Solicitor, Armstrong, Brawner, Speton & Phillips, Vancouver, B.C., 1970 to date hereof.
CLARENCE ASHLEY CROMWELL	Communications, Department of National Defence, R.C.A.F., Ottawa, Ontario, 1967 - 1968; Mill Test Engineer, New Imperial Mines Ltd., Whitehorse, Y.T., 1968 - 1969; Floatation Technician, Brenda Mines Ltd., Peachland, B.C., 1969 to date hereof.
GERALD JOSEPH DECARIO	Articling Student, Neil M. Fleishman, Vancouver, B.C., and Lecovin & Company, Vancouver, B.C., 1968 - 1969; Barrister and Solicitor, MacFarlane Co. Vancouver, B.C. 1969-1971; Private law practise, Gerald J. Decario & Co. Richmond, B.C., 1971 to date hereof.

REMUNERATION OF DIRECTORS & SENIOR OFFICERS

There has been no remuneration paid to any Director or Senior Officer from the date of incorporation, December 11, 1970, to the date hereof. The Directors are personally performing line cutting and geochemical soil sampling on the Company's property at the present time and will be indirectly remunerated for this work at competitive rates charged by other exploration contractors.

ESCROWED SECURITIES

As of June 26, 1972, 726,000 shares are held in escrow by Yorkshire Trust Company, 590 West Pender Street, Vancouver, B.C., subject to the direction or determination of the British Columbia Securities Commission (Commission). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released nor may the Company, its Transfer Agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Commission by way of Directors' Resolution and the holders of such shares, the Trustee thereof and the Company, have agreed that such number of said shares, as the Commission determines, shall have become subject to cancellation and shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at Yorkshire Trust Company, 900 W. Pender Street, Vancouver, B.C.

<u>Class of Shares</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	726,000	83.74%

PRINCIPAL HOLDERS OF SECURITIES

As of June 26, 1972, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Company's shares:

<u>NAME AND ADDRESS</u>	<u>TYPE OF OWNERSHIP</u>	<u>NUMBER OF SHARES OWNED</u>	<u>PERCENTAGE OF SHARES OUTSTANDING</u>
Gary M. Begg, 1250-505 Burrard St., Vancouver, B.C.	Record and Beneficial	265,001	30.57%
C. Ashley Cromwell, Box 82, Peachland; BC.	Record and Beneficial	265,001	30.57%
Gerald J. Decario, 3209 W. 2nd Avenue, Vancouver 8, B.C.	Record and Beneficial	265,000	30.57%

The Directors of the Company as a group, beneficially own 91 % of the outstanding shares of the Company.

PRIOR SALES

The Company has sold a total of 60,000 shares at a price or consideration of \$0.10 per share within the past twelve months prior to the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS
IN MATERIAL TRANSACTIONS

Reference is made to the caption "Business and Property" for shares issued to Directors for property.

AUDITORS, TRANSFER AGENT AND REGISTRARS

The Auditors of the Company are Messrs. Gardner, McDonald & Co., Chartered Accountants, of 1164 Melville Street, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is Yorkshire Trust Company, of 900 West Pender Street, in the City of Vancouver, in the Province of British Columbia.

MATERIAL CONTRACTS

There are no other material contracts not hereinbefore disclosed, entered into by the Company other than in the ordinary course of business.

OTHER MATERIAL FACTS

There are no other material facts believed by the signatories hereto to be material to the public offering of shares of the Company at present proposed which are not disclosed by the foregoing and accompanying report.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

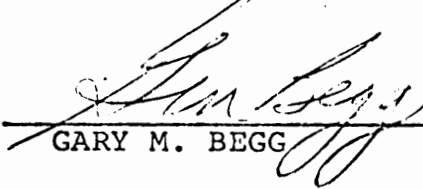
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made but no action to endorse this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

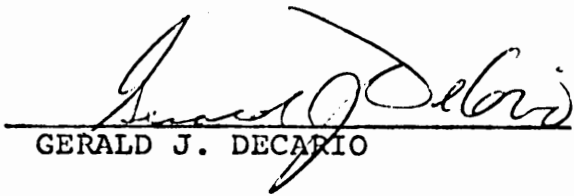
Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

CERTIFICATES

Directors

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967, and the regulations thereunder.


GARY M. BEGG

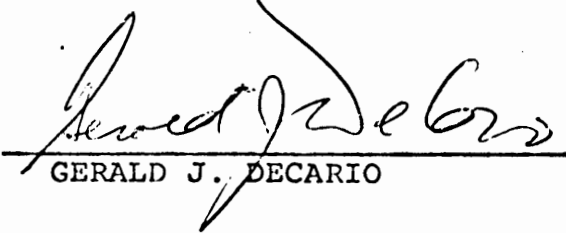

GERALD J. DECARIO


C. ASHLEY CROMWELL

Promoters

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 and the regulations thereunder.


GARY M. BEGG


GERALD J. DECARIO


C. ASHLEY CROMWELL

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of June, A.D. 1972.

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

VANCOUVER, B.C.

I N D E X

Auditors' Report to the Shareholders

Statement 1 - Balance Sheet, February 19, 1972

Statement 2 - Statement of Deferred Exploration and Administration Expenditures for the period from date of incorporation, December 11, 1970 to February 29, 1972

Statement 3 - Statement of Source and Application of Funds for the period from date of incorporation, December 11, 1970 to February 29, 1972

Notes to Financial Statements for the period from date of incorporation, December 11, 1970 to February 29, 1972

Gardner. McDonald & Co.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE SHAREHOLDERS

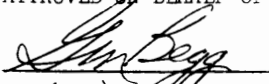
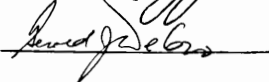
We have examined the balance sheet of Vega Mines Ltd. (N.P.L.) as at February 29, 1972 and the statements of deferred exploration and administration expenditures and source and application of funds for the period from date of incorporation, December 11, 1970 to February 29, 1972. Our examination included a general review of the accounting procedures and such tests of 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 February 29, 1972 and its deferred exploration and administration expenditures, and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

VANCOUVER, B.C.
March 10, 1972.

Gardner McDonald & Co.
CHARTERED ACCOUNTANTS.

VEGA MINES LTD. (N.P.L.)BALANCE SHEETFEBRUARY 29, 1972

<u>ASSETS</u>		<u>LIABILITIES</u>	
<u>CURRENT</u>		<u>CURRENT</u>	
Cash and short-term deposit	5,401	Accounts payable	498
<u>FIXED, at cost</u>		<u>SHAREHOLDERS' EQUITY</u>	
Automobile	205	<u>SHARE CAPITAL</u>	
<u>MINERAL CLAIMS</u> (Notes 2 and 4)	78,600	Authorized:	
		3,000,000 Shares of \$.50 each	
		par value	
<u>DEFERRED EXPLORATION AND ADMINISTRATION</u>		Issued:	
<u>EXPENDITURES</u> (Statement 2) (Note 4)	1,895	867,002 Shares (Note 3)	86,701
<u>INCORPORATION COSTS</u>	1,098		
APPROVED ON BEHALF OF THE BOARD:			
 Director			
 Director			
	<u>\$ 87,199</u>		<u>\$ 87,199</u>

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

STATEMENT OF DEFERRED EXPLORATION AND
ADMINISTRATION EXPENDITURES

FOR THE PERIOD FROM DATE OF INCORPORATION,
DECEMBER 11, 1970 TO FEBRUARY 29, 1972

EXPLORATION

Recording and transfer fees	538	
Engineering	774	
Mining licence	<u>200</u>	1,512

ADMINISTRATION

Audit	300	
Automobile	195	
Travel	92	
Telephone	<u>56</u>	
	643	
Less: Interest earned	<u>260</u>	<u>383</u>

DEFERRED EXPLORATION AND ADMINISTRATION
EXPENDITURES (Statement 1)

\$ 1,895

THE ACCOMPANYING NOTES FORM AN INTEGRAL
PART OF THESE FINANCIAL STATEMENTS

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

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD FROM DATE OF INCORPORATION,

DECEMBER 11, 1970 TO FEBRUARY 29, 1972

SOURCE OF FUNDS

Issuance of shares		14,101
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APPLICATION OF FUNDS

Purchase of mineral claims	6,000	
Purchase of fixed assets	205	
Deferred exploration and administration expenses	1,895	
Incorporation costs	<u>1,098</u>	<u>9,198</u>

<u>WORKING CAPITAL AT END OF THE PERIOD</u>		\$ <u>4,903</u>
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THE ACCOMPANYING NOTES FORM AN INTEGRAL
PART OF THESE FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM DATE OF INCORPORATION,

DECEMBER 11, 1970 TO FEBRUARY 29, 1972

1. INCORPORATION

The company was incorporated under the laws of the Province of British Columbia on December 11, 1970.

2. MINERAL CLAIMS

The company is the recorded owner of 48 mineral claims situated near Kelowna, B.C. These claims were acquired in return for:

726,000 Shares of the company's capital stock at a deemed price of 10¢ per share	72,600
\$6,000 cash	<u>6,000</u>
	<u>\$ 78,600</u>

3. SHARE CAPITAL

a) Share capital has been issued to date for the following consideration:

	<u>Number of Shares</u>	<u>Price</u>	<u>Discount</u>	<u>Net</u>
For cash	2	.50	-	1
For cash	141,000	.10	56,400	14,100
For mineral claims	<u>726,000</u>	.10	<u>290,400</u>	<u>72,600</u>
	<u>\$ 867,002</u>		<u>\$ 346,800</u>	<u>\$ 86,701</u>

b) 726,000 Shares issued for mineral claims are to be held in escrow to the order of the Superintendent of Brokers of British Columbia.

4. VALUES

The amounts shown for mineral claims, deferred exploration and administration expenditures represent costs to date and are not intended to reflect present or future values.

REPORT ON THE

ROHANNA, KELL AND ZINC CLAIMS

UKANAGAN REGION, B. C.

FOR

MEGA MINES LTD. (MPL)

April 17, 1972

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MAP:

LOCATION MAP

REPORT ON THE ROHANNA, KEL AND ZN CLAIMS

UKANAGAN REGION, B. C.

for

VEGA MINES LTD. (NPL)

INTRODUCTION:

Vega Mines Ltd. (NPL) holds a total of 43 mineral claims, referred to as the Peachland Group approximately 1 1/2 miles north-northwest of Peachland, British Columbia.

Zinc - copper - lead - precious metals mineralization has previously been exposed at various points in Nicola Group (?) rocks on the claim group.

The following report, written to assess the potential of the property and outline an initial exploration program for it is based on a review of available reports and maps on the area, a visit to the property on June 20, 1971 in the company of Mr. Ash Cromwell, plus the writers previous experience gained while examining prospects and conducting exploration programs in the general region.

LOCATION AND ACCESS:

The Peachland Group lies 1 1/2 miles north of Peachland,

extending westward from approximately 1/4 mile west of Ukanagan Lake. Access to the southeastern and eastern portions is possible by secondary roads from Highway 97. Coordinates are 49° 48' north, 119° 44' west.

Peachland, situated in the Ukanagan Valley, lies approximately 275 miles by road from Vancouver. Equipment and supplies are available in Peachland or the larger settlement of Kelowna 15 miles to the northeast.

PHYSIOGRAPHY:

Topographic relief is moderate on the Peachland Group with elevations averaging 1700 feet above sea level.

Light timber, consisting of pine with spruce and fir, and underbrush occur throughout. Water will be available from Tremaine Creek in the northeast corner of the group but will be scarce within most of the property throughout much of the year.

PROPERTY:

The property consists of the following recorded mineral claims.

<u>Name</u>	<u>Claim</u>	<u>Record Number</u>
Rohanna	15-18	27928 -27931
	19-22	27997 -28000
	23-24	28076 -28077
	29-35	28128 -28134
	36-39	28283 -28286

<u>Name</u>	<u>Claim</u>	<u>Record Number</u>
Kel	10-17	28151 - 28158
ZN	1-18	28745 - 28762

The writer has not conducted a title search of the above claims. While on the property, however, the staking of certain claims was checked and the workings were tied into the key claims. These were found to be staked in accordance with the regulations set forth in the Mineral Act for the Province of British Columbia.

HISTORY:

The Peachland Group reportedly covers the old Gladstone claim. Several old shafts and adits are believed to have been excavated in the late 1800's and early 1900's. P.C. Minister of Mines Annual Report for 1899 mentions the Gladstone claim and refers to 130 feet of tunnelling and a shaft 158 feet deep with crosscuts on the 100 and 150 foot levels. No description is given of the geology but this likely corresponds with the main adit described under geology in this report.

No exploration other than prospecting has been conducted on the claims by the company since its acquisition of them.

GEOLOGY:

Regional mapping at a scale of 1 inch = 4 miles by the Geological Survey of Canada is available for the area (Map 15 - 1961 Kettle River, West half).

Government mapping indicates that the eastern half of the group is underlain by Nicola Group volcanics and sediments of Triassic Age, and the western half by Tertiary volcanics and possibly sediments. The Nicola Group rocks have been mapped as greenstone, tuff, quartzite, limestone, argillite and schist. Here found within southwestern British Columbia these rocks are host to numerous base and precious metal deposits.

The writer investigated two areas on the property, the first in the vicinity of Rohanna #15 & 16, the second on Rohanna #29.

In the southeast corner of Rohanna #16, which reportedly covers the old Gladstone claim, a series of old dumps from shafts and adits extends up the hill in a $N 80^{\circ}$ direction. Most of the dump material consists of greenstone with lesser hornfelsed sediments and limestone. Minor disseminated pyrite and occasionally chalcopyrite commonly occurs in the greenstone.

The main working here consists of an adit trending $N 65^{\circ}$ at the portal, with a branch to the south at 15 feet. At about 60 feet from the portal a winze has been sunk and stoping carried out to the surface. The total extent of these workings was not investigated by the writer. The stoped area follows a shear trending $N 85^{\circ} E/75^{\circ} S$ strongly oxidized and varying up to 12 feet in width. Considerable strongly oxidized material occurs on the dump. This consists mainly of greenstone with some calcite and vein quartz with variable, and

sometimes massive, pyrite and sphalerite and minor chalcopyrite. Pyrite is fine granular to coarse cubes, sphalerite is of the dark black variety.

Approximately 150 feet north of this zone a shaft has been sunk in greenstone and siliceous tuff with minor vein quartz. Main shearing is N 15° W, dipping both east and west. Minor chalcopyrite and copper carbonates occurs along a N 15° W/65° E shear face.

Two select samples taken by the writer from the main dump, the first containing abundant pyrite and sphalerite, the second moderate pyrite with chalcopyrite, assayed as follows:

Cu (%)	Zn (%)	Pb (%)	Ag (oz/T)	Au (oz/T)
0.10	9.80	0.02	0.18	0.003
0.21	0.25	0.06	0.57	0.026

The second area investigated by the writer occurs at the eastern edge of Rohanna #29. Here, a small limestone outcrop (approximately 8 x 15 feet) occurs on the north side of Trepanier Creek. The limestone is medium to coarse crystalline, grey and white, and contains irregularly scattered chalcopyrite and sphalerite with lesser pyrite and galena. An old tunnel may have been driven on this but is now caved or filled. Four drill holes of unknown depth have been drilled into the limestone face. A selected sample assayed Cu - 0.72%, Zn - 4.90%, Pb - 2.24%, Ag - 4.22 oz/T, Au - 0.008 oz/T.

CONCLUSIONS:

Vega Mines Ltd. (NPL) holds a total of 43 mineral claims referred to as the Peachland Group in the Peachland area of British Columbia.

The group is underlain by Nicola Group volcanics and sediments, capped in part by younger volcanics. Although the younger rocks are unlikely to contain economic sulphide deposits, the Nicola Group rocks are favorable hosts for both base and precious metal deposits. Zinc - copper - lead - silver - gold mineralization had been explored in 2 areas approximately 1 mile apart by shafts and adits at some early date. Further work is necessary to determine the extent and grade of the known showings and explore for additional mineral occurrences.

RECOMMENDATIONS AND COST ESTIMATE:

The following program with estimated costs is recommended as an initial stage to explore the Peachland Property of Vega Mines Ltd. (NPL).

Establish a camp.	\$1,000.00
Claims boundary survey.	800.00

Reconnaissance Surveys:


Establish reconnaissance grid over property (200x400 foot pattern).	6,300.00
Geochemical survey - testing for copper and Zinc.	3,200.00
Geological mapping (1" = 400')	2,100.00
Magnetometer survey.	3,600.00

Detailed Surveys:

Detailed grids (100x200 foot pattern), plus detailed geological & geochemical surveys in areas of known showings.	1,000.00
Map and sample old workings.	1,500.00
Possible E.M. or I.P. surveys.	1,000.00
Engineering, supervision.	6,000.00
	1,500.00
	<u>\$28,000.00</u>
+ 20% contingency	<u>5,600.00</u>

Total	<u><u>\$33,600.00</u></u>
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Respectfully submitted,


R.H.D. Philp, P. Eng.


April 17, 1972

Vancouver, B.C.

CERTIFICATE

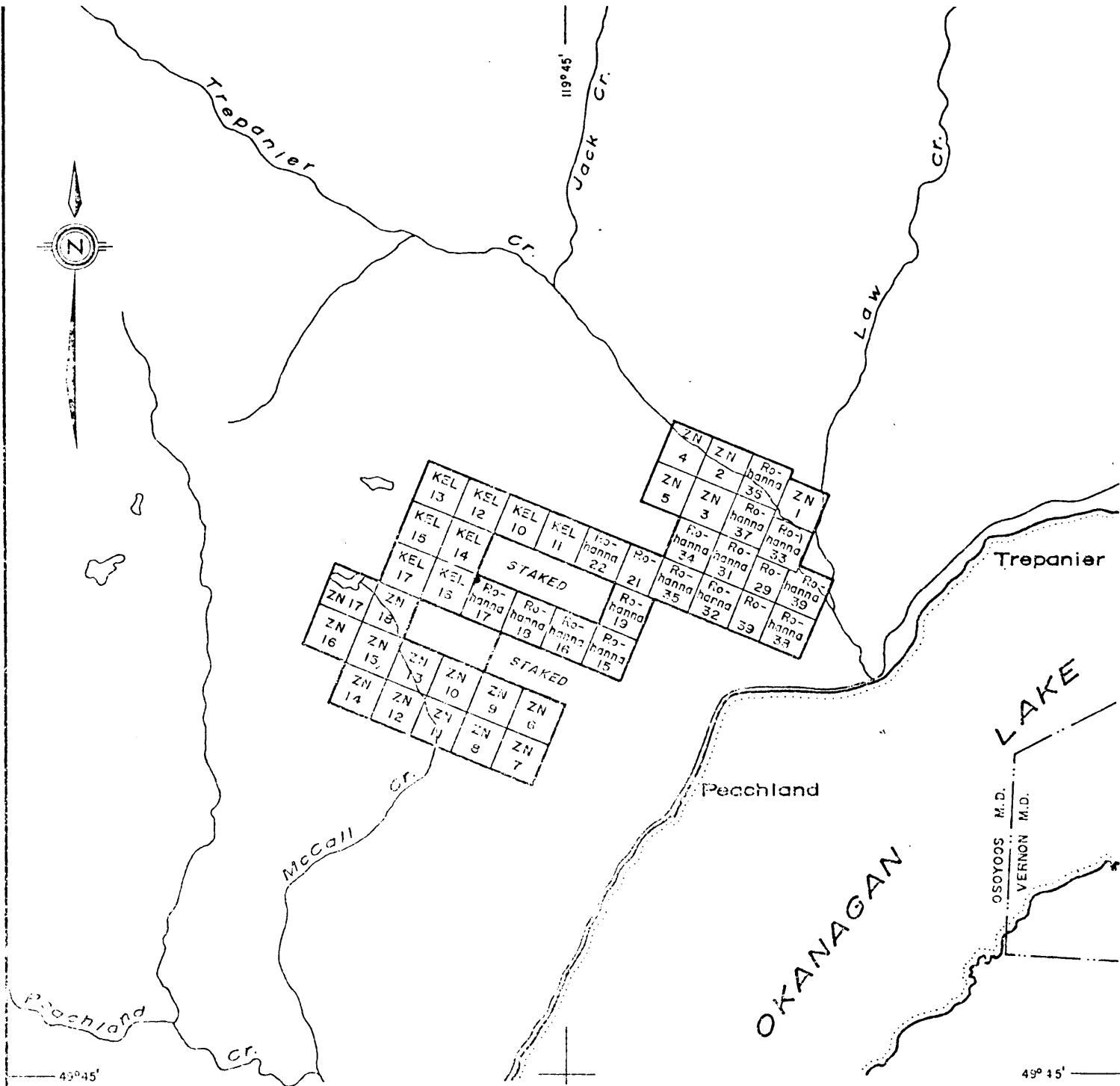
I, Ronald H.D. Philp of 107 - 325 Howe Street,
Vancouver, British Columbia, do hereby certify that:

1. I am a registered Professional Engineer of the Province of British Columbia.
2. I am a graduate from the University of British Columbia, (B.A.Sc., 1961).
3. I have practiced my profession since 1961 while employed with Caseco Consultants Ltd., Asbestos Corporation (Exploration) Ltd., Alrae Exploration Limited, and Agilis Exploration Services Ltd.
4. My report is based on an examination of the property of Vega Mines Ltd. (NPL) on June 20, 1971, previous experience in the area, plus a review of available maps and reports on the area.
5. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the property described herein or securities of Vega Mines Ltd. (NPL) or any affiliate of that company.
6. I consent to the use of my report in any prospectus or statement of material fact of Vega Mines Ltd. (NPL).


R.H.D. Philp, P. Eng.

April 17, 1972

Vancouver, B.C.



VEGA MINES LTD. (NPL)
 OSOYOOS MINING DIVISION, B.C.
 LOCATION MAP OF
 PEACHLAND
 CLAIM GROUP

