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PROSPECTUS

BRENMAC MINES LTD.

(NON-PERSONAL LIABILITY)

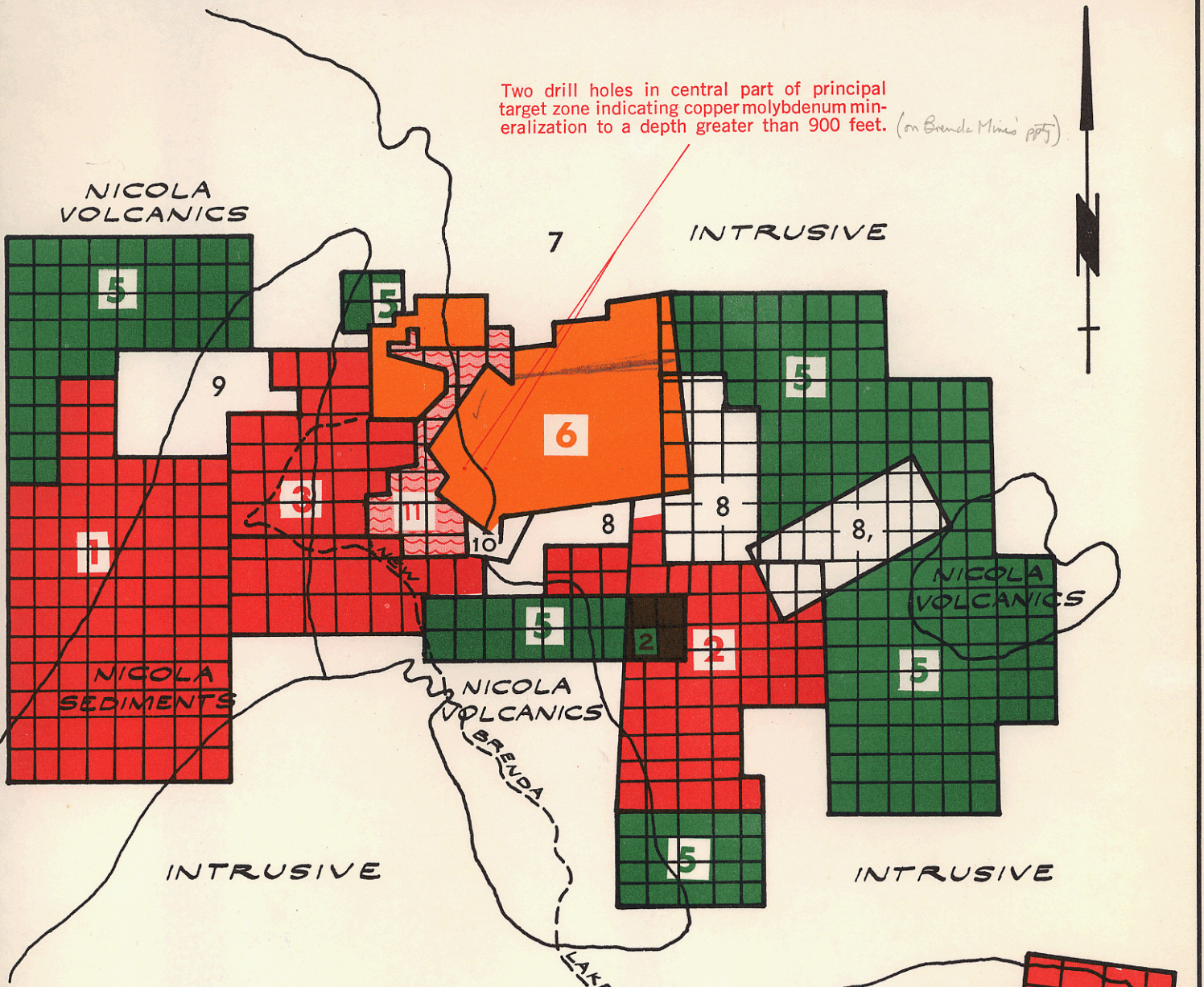
404 - 510 WEST HASTINGS STREET, VANCOUVER, B.C.

PROPERTY FILE

~~PROSPECTUS~~

92HNE | 82ENW

Two drill holes in central part of principal target zone indicating copper molybdenum mineralization to a depth greater than 900 feet. (on Brenda Mine's ppty)



- 1 **BRENMAC**
- 2 **BRENCOL**
- 3 **BRENCAP**
- 4 **BRENSAN**

Mite ppty
 Ila, Redrock (IP @ close to Brenda than min. flow is found)

Sandberg Ppty (Brenmac 19 also - found April '66)

- 5 **BRENSOL**
- 6 **BRENDA**
- 7 **NORANDA**
- 8 **BUTTLE-TROJAN**
- 9 **CASCADE MOLY**
- 10 **ANUK**
- 11 **ROBB** (privately owned)

WAITE REID & CO. LTD.
 562 HOWE STREET
 VANCOUVER 1, B.C.

1" = 1 mile

NOTE: CLAIM LOCATION APPROXIMATE ONLY

NEW ISSUE

600,000 COMMON SHARES

(without par value)

BREMAC MINES LTD.

(NON-PERSONAL LIABILITY)

(Incorporated under the laws of the Province of British Columbia)

Transfer Agent and Registrar

NATIONAL TRUST COMPANY

510 Burrard Street,

Vancouver, British Columbia

We, as principals, offer these shares, subject to prior sale and change in price, if, as and when issued and allotted by the Company and accepted by us.

We reserve the right to accept applications for these shares in whole or in part or to reject any application and to withdraw this offer at any time without prior notice.

WELBAY SECURITIES LTD. as principals offer these shares subject to prior sale and change in price.

PROSPECTUS

BREMAC MINES LTD.

(NON-PERSONAL LIABILITY)

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.

A purchase of the shares offered by this Prospectus must be considered a speculation.

A. The full name of the Company is "BrenMac Mines Ltd. (Non-Personal Liability)." The head office is situated at Suite 404, 510 West Hastings Street, in the City of Vancouver, in the Province of British Columbia.

B. The Company was incorporated on the 16th day of December, 1965 under the laws of the Province of British Columbia by Memorandum of Association and was converted to a public company on the 18th day of April, 1966.

C. The following amendments have been made to the Memorandum of Association, namely:

- (i) That Amendment effected by the Certificate of the Registrar of Companies dated the 4th of January, 1966 whereby the authorized capital of the Company was increased from \$10,000.00 divided into 20,000 shares with a nominal or par value of 50¢ each to \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each;
- (ii) That change effected by the Certificate of the Registrar of Companies dated the 1st of February, 1966 whereby the name of the Company was changed from Brenmac Mines Ltd. (Non-Personal Liability) to its present name of BrenMac Mines Ltd. (Non-Personal Liability);
- (iii) That Amendment effected by Certificate of the Registrar of Companies dated the 17th of February, 1966 whereby the capital of the Company then consisting of 5,000,000 shares of a nominal or par value of 50¢ each was converted into 5,000,000 shares without nominal or par value and the maximum selling price of such shares without nominal or par value was increased to \$1.00 per share.

D. The full name, occupation and home address of each Director is as follows, namely:

William Clancey, Principal, William Clancey & Associates, Public Relations, 2050 Westdean Cres., West Vancouver, B.C.

Charles M. Eadie, Executive, 1130 Ottaburn Rd., West Vancouver, B.C.

Leonard N. Udell, Executive, 1073 Groveland Rd., West Vancouver, B.C.

Morgan A. R. Stewart, B.C. Land Surveyor, 1158 Pinewood Crescent, North Vancouver, B.C.

Albert J. A. Reid, Stock Broker, 30 Collegeview Ave., Toronto, Ontario

Mervin Davis, Accountant, 1052 Creekside Rd., Penticton, B.C.

The promoters of the Company can be considered to be the Directors of the Company acting in their capacity as such.

E. The name and address of the Auditors of the Company is Rose, Gale & Company, Chartered Accountants, 510 West Hastings Street, Vancouver, British Columbia.

F. The name and address of the Registrar and Transfer Agent is the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia.

G. The Company is authorized to issue 5,000,000 shares without nominal or par value. There is only one class of shares authorized. Subscribed issued and paid-up capital of the Company is 1,645,002 shares.

H. No bonds or debentures are outstanding or intended to be issued by the Company.

I. Seven Hundred Fifty Thousand (750,000) shares of the Company are deposited in escrow with the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia. Securities escrowed may only be released from escrow with the consent in writing of the Superintendent of Brokers for the Province of British Columbia and such securities may only be traded in or transferred with the consent of the said Superintendent of Brokers. If the Company does not acquire title or loses its title to the property forming all or part of the consideration for the issue of such escrowed shares or if the property is being misrepresented or if the Company ceases development work thereon the Superintendent may require cancellation of such number of shares as he deems equitable.

J. The number of shares sold for cash are as follows:—

- (i) (a) 2 shares at \$1.00 per share (Subscribers);
 (b) 500,000 shares at 10¢ per share;
 (c) 395,000 shares at 25¢ per share;
- (ii) The total cash received from the sale of shares sold is \$148,752.00.
- (iii) No commissions were paid or allowed on the sale of such securities.
- (iv) No discount was allowed to any person in respect of such securities.

K. The Company has not sold any securities for cash other than shares.

L. No shares have been issued or are to be issued nor has any cash been paid or is to be paid to any promoter of the Company as such.

On the transfer of the property referred to in Paragraph M. Directors of the Company, as Vendors of such property, received the following shares, namely:—

William Clancey	- - - - -	150,000 shares
Charles M. Eadie	- - - - -	150,000 shares
Morgan A. R. Stewart	- - - - -	150,000 shares
Leonard N. Udell	- - - - -	150,000 shares

These shares are a portion of those shares referred to in Paragraph I. hereof as being deposited in escrow.

M. (i) The Company is the holder subject to the provisions of the Mineral Act of the Province of British Columbia of those located mineral claims hereinafter described, namely:

NICOLA MINING DIVISION

NAME OF CLAIM	RECORD NUMBER
Mite #1 to 26 Incl.	27001-27026 inclusive
Mite #101 to 138 Incl.	27027-27064 inclusive
Mite #141 to 154 Incl.	27100-27113 inclusive
Mite #161 to 166 Incl.	27114-27119 inclusive
Cathy #1 to 8 Incl.	27405-27412 inclusive

OSOYOOS MINING DIVISION

Judy #1 to 11 Incl.	12169-12179 inclusive
Wanda #1 to 10 Incl.	12661-12670 inclusive
Denn #1 to 8 Incl.	12330-12337 inclusive
Denn #19 to 20 Incl.	12773-12774 inclusive
Lor #1 to 11 Incl.	12315-12325 inclusive

SILKAMEEN MINING DIVISION

Denn #9 to 18 Incl. 14375-14384 inclusive
 The following located mineral claims situate in the Nicola Mining Division are disputed, namely:
 Mite #1 to 6 — Record Nos. 27001-27006

(ii) The Vendors of the claims described in (i) are:
 William Clancey

Charles M. Eadie

Morgan A. R. Stewart

Leonard N. Udell,

hereinbefore described as Directors of the Company together with George McKay Borthwick, 812. York Street, New Westminster. The consideration paid by the Company on the transfer of such claims was 750,000 shares of the capital of the Company issued as fully paid and non-assessable such shares being issued as follows, namely:

William Clancey	- - - - -	150,000 Shares
Charles M. Eadie	- - - - -	150,000 Shares
Morgan A. R. Stewart	- - - - -	150,000 Shares
Leonard N. Udell	- - - - -	150,000 Shares
George McKay Borthwick	- - - - -	150,000 Shares

- (iii) To the knowledge of the signatories hereto no one has received or is to receive from the Vendors of the aforementioned property an interest in the consideration greater than 5% thereof.
- (iv) The Company's property lies at approximately North Latitude 49° 52' 32" and West Longitude 120° 00' 30" near the boundary between the Similkameen, Osoyoos and Nicola Mining Divisions. Peachland, British Columbia lies approximately 14 miles to the southeast. The property is reached by about 20 miles of good to fair gravel road from Peachland, British Columbia.
- (v) There is no underground exploration, plant or equipment.
- (vi) Surface exploration of the Company's property has consisted of the conduction of an airborne geomagnetic survey on certain of the claims together with considerable work on the field to align and co-ordinate the location of the property.
- (vii) The presence of copper molybdenum mineralization in the area now called the Brenda Lake area has been known for many years. In Memoir 243 of the Mines and Geology Branch of the Canadian Department of Mines and Resources entitled "Geology and Mineral Deposits of the Princeton Map Area, British Columbia (1947)", H.M.A. Rice described mineralization of this particular area then known as the Copper King Group, and suggested the possibility of a very considerable tonnage of low grade ore deserved further investigation. Work has been previously carried out by Noranda Mines in 1955 and 1956 by Northwest Explorations in 1957. Explorations of Noranda and Northwest were carried out in the hope of delineating a substantial body of commercial grade ore. The results indicated very wide spread mineralization but grades considerably below normal accepted threshold of profitability. From these Reports the indicated results would suggest a large area of copper molybdenum mineralization.

(viii) WORK DONE BY THE COMPANY UNDER ITS PRESENT MANAGEMENT

The Company has undertaken a large program to orient the claims and analyze the claim records at the Mining Recorder's Offices at Penticton, Merritt and Victoria. This program has been undertaken by Morgan Stewart, British Columbia Land Surveyor, a Director of the Company, who is to advise on title and ownership of such claims. In addition, an airborne geomagnetic survey over the claim group contiguous to the holdings of Brenda Lake Mines Ltd. was conducted so that geologically known mineralization of economic significance could be related to the holdings of the Company. The positive results obtained from the geomagnetic survey indicated that an additional staking program was in order. Accordingly a base camp was established at Peachland and an office and work crew hired to carry out the necessary field work. Mineralized rock in place was discovered and plotted on maps. Reference is made to the Report of Dr. A. C. Skerl, P.Eng., of the 4th of April, 1966, a copy of which is attached hereto and is incorporated herein.

N. By an agreement dated the 24th of March, 1966 Welbay Securities Ltd., 404, 510 West Hastings Street, Vancouver, British Columbia agreed to purchase 600,000 shares at 50¢ per share the purchase price being payable forthwith upon the approval of this Prospectus by the British Columbia Securities Commission.

The said Underwriter has agreed to resell the shares so purchased to the public through the facilities of persons and companies registered for trading in securities within the Province of British Columbia. The said Underwriter has also agreed that it will not sell any shares to the public at a price greater than 200% of the price at which it was acquired under the said Underwriting Agreement.

To the knowledge of the signatories the only person or company on whose behalf the underwriting was taken was the said Welbay Securities Ltd. The only persons having an interest greater than 5% in Welbay Securities Ltd. is Albert J. A. Reid, a Director of the Company and Alfred Edward Turton, 562 Howe Street, Vancouver, British Columbia.

O. With the funds presently on hand and from the proceeds of the underwriting referred to in the preceding paragraph the Company proposes to conduct exploration and development programs on its property more particularly referred to in Paragraph M. and on properties held by the Company's subsidiaries particulars of which are set forth in Paragraph X. of this Prospectus, the initial program of work being as set forth in the Report of Dr. A. C. Skerl, A.R.S.M., Ph.D., P.Eng., Consulting Mining Geologist, which program is as follows, namely:—

The sum of \$450,000.00 should be made available to carry out the program of exploration outlined below to test the holdings of BrenMac Mines and its subsidiaries in the Peachland area.

ITEMS	Bren Cap	Bren Cell	Bren Sand	BrenMac	Totals
	\$	\$	\$	\$	\$
Claim Surveys	6,000	3,000	2,000	13,000	24,000
Geophysics	10,000	10,000	10,000	10,000	40,000
Geochemistry	4,000	3,000	2,000	6,000	15,000
Geology	1,500	1,500	1,500	3,000	7,500
Grid	4,000	2,500	3,000	4,500	14,000
Roads	9,000	5,000	4,500	26,000	44,500
Camp & Overhead	5,000	10,000	7,000	9,000	31,000
Trenching	6,000	10,000			26,000
Diamond Drilling		80,000	10,000		90,000
Percussion Drilling		40,000	7,500		47,500
Contingency	7,000	25,000		9,000	41,000
Head Office Admin.	6,000	20,000	7,000	8,000	41,000
TOTALS	\$58,500	210,000	64,500	89,000	422,000

No part of the proceeds will be used to invest, underwrite or trade in securities other than investments in subsidiaries, the particulars of which subsidiaries are as set forth in paragraph X. of this Prospectus, other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which securities offered by this Prospectus may be lawfully sold. Should the Registrant propose to use the proceeds to acquire non-trustee type securities after the initial distribution of securities offered by this Prospectus, approval by the Shareholders will be obtained and disclosure will be made to the regulation securities body having jurisdiction over the sale of securities offered by this Prospectus.

P. The expenses incurred in the formation or incorporation of the Company were \$1,882.59. Development expenses and expenses for the acquisition of equipment and expenses are as set forth on the Financial Statement, a copy of which is annexed hereto and forms part of this Prospectus. It is estimated that not more than \$5,000.00 will be required to be expended on other preliminary matters.

Q. There is no amount of substantial indebtedness to be created or assumed that is not shown on the Balance Sheet of Rose, Gale & Company as at the 31st day of March, 1966 filed with the Securities Commission, a copy of which Balance Sheet is annexed hereto and forms part of this Prospectus. No security has been given for any such indebtedness shown on the said Balance Sheet as at the 31st of March, 1966.

R. The principal business in which each Director of the Company has been engaged in the immediate preceding three years is as follows:—

William Clancey is a principal of William Clancey & Associates Ltd., Vancouver, British Columbia.

C. M. Eadie, Managing Director of Alpine Outdoor Recreation Resources Ltd., Vancouver, British Columbia;

L. N. Udell is President of Shoreline Holdings Ltd., Vancouver, British Columbia;

Morgan A. R. Stewart until 1964 was an associate of Burnett & Associates and since 1964 has been a principal of Morgan A. R. Stewart, Land Surveyors;

Albert J. A. Reid since 1961 has been a principal of Waite Reid & Company Limited, Stock Brokers;

Mervin Davis is a self-employed Accountant and Fruit Grower and since its organization has been the Treasurer of Brenda Mines Ltd.

S. The interests of Messrs. Clancey, Eadie, Udell and Stewart in the property acquired by the Company is as set forth in Paragraph M. of this Prospectus. For the interest in the property disclosed therein each of such Directors received 150,000 shares of the capital of the Company. No other Director or Officer of the Company has any interest in any property at any time acquired nor is any Director a member of any firm with an interest in any property acquired by the Company nor is it presently proposed that any Director or Officer will have an interest in any property either direct or indirectly at any time proposed to be acquired by the Company.

T. No fiscal year has yet been completed by the Company.

U. It is estimated that no remuneration will be paid in the current fiscal year to any Directors of the Company nor to any Officers of the Company, as such.

V. To the knowledge of the signatories no person is by reason of beneficial ownership of securities or written agreement able to or entitled to elect or cause to be elected a majority of the Board of Directors of the Company. However, if the Vendors referred to in Paragraph M. act in concert they will be able to elect a majority of the Board. The Signatories hereto are not aware of any agreement between such Vendors to act in concert.

W. No dividends have been paid within the five years preceding the date of this Prospectus.

X. The Company has three subsidiary British Columbia Corporations formed by it (the cost of the incorporation of these Companies was paid by the Company) its shareholding therein being as follows:—

- (i) BrenColl Mines Limited (N.P.L.), 500,000 shares out of a total issued capital of 750,000 shares;
- (ii) BrenCap Mines Limited (N.P.L.), 550,000 shares out of a total issued capital of 750,000 shares;
- (iii) BrenSand Mines Limited (N.P.L.), 550,000 shares out of a total issued capital of 750,000 shares.

The total shares were acquired by the Company in consideration of the transfer by it of all its rights under various agreements for the purchase of claims transferred by the Company to the subsidiaries, particulars of which are as follows:—

- (i) The Ila #1 to #20 and Red Rock #1 to #20 mineral claims (of which the rights of the Mineral Act to the Ila #19 and #20 and the Red Rock Nos. 1 and 3 and the Red Rock #5 to #15 inclusive is undetermined). The Vendors of these claims to the Company received \$10,000.00 from the Company and are receiving 200,000 shares of BrenColl Mines Limited (N.P.L.);
- (ii) The MacEwer #1 to #33 inclusive and the Rick #1 to #24 inclusive. The Vendors of these claims to the Company were paid by the Company the sum of \$14,000.00 and have received 200,000

shares of the capital of BrenCap Mines Limited.

- (iii) The Allyne #1 and #2, Donald, George, Horse, Iron, Iron Horse, Roy, Roy #1 to #3, and Sandi #3 to #10 inclusive. The Vendors of these claims to the Company received \$7,500.00 from the Company and 200,000 shares of the capital of BrenSand Mines.

The Company proposes to advance to subsidiaries as required from time to time such moneys as may be required to carry out exploration and development programs on the properties of the subsidiaries and it is anticipated that the Company may receive shares of the capital of the subsidiaries for work done on the property of the subsidiary for moneys advanced as aforesaid.

Work done to date on the Company's property and the property of its subsidiaries was done by or under the supervision of Talco Development Company, the principals of which are Messrs. Stewart, Udell, Eadie and Clancey, Directors of the Company.

Of the 895,002 shares issued for cash and referred to in paragraph J. (i) hereof 769,000 have been placed in a voluntary pool, the provisions of which pool provide for the release from such pool of one-half of such shares thirty (30) days from the acceptance for filing of this Prospectus by the British Columbia Securities Commission, the balance to be released sixty (60) days from the date of such acceptance, subject always to prior release at the direction of the British Columbia Securities Commission.

There are no material facts not disclosed under any of the provisions of this Prospectus. During the course of primary distribution all shares previously issued (including shares described above as deposited in escrow as released from time to time) may be offered for sale and sold from time to time under this Prospectus. The Company will receive no part of the proceeds of the sale of any such securities.

DATED this 18th day of April A.D. 1966.

CHARLES M. EADIE	WILLIAM CLANCY
LEONARD N. UDELL	ALBERT J. A. REID
MORGAN A. R. STEWART	MERVIN DAVIS

To the best of its knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect to the offering of the securities referred to above, as required by the Securities Act (1962) of the Province of British Columbia and there is no material information applicable other than in the Financial Statements or Reports where required.

WELBAY SECURITIES LTD.

Per: ALBERT J. A. REID

Per: ALFRED EDWARD TURTON

BREMAC MINES LTD.

(NON-PERSONAL LIABILITY)

INTRODUCTION

On 1st March 1966, at the request of Mr. C. M. Eadie, Director of BrenMac Mines, I made an examination of some of the showings and the work being done on the company's properties near Peachland in the Okanagan, B.C. I also visited the neighbouring operation of Brenda Mines.

Several days have been spent studying the various reports and maps prepared by Northwest Explor-

ation and Noranda Mines both of whom have done extensive exploration in the general area including ground now held by BrenMac Mines.

I also discussed the area at length with Mr. Alex Burton, the field manager for BrenMac Mines, who has had considerable experience there as a senior geologist for Noranda Mines.

PROPERTY

According to the staking records BrenMac Mines directly holds 85 claims in the Mite group that extends from 2 to 4 miles west of Brenda Mines, 18 claims in the Denn group about 1 mile south of Brenda Mines, 11 claims in the Judy group extending from 1 to 3 miles south of the southeast corner of Brenda Mines, the Lor group of 11 claims that are immediately south of the Judy group and the 10 Wanda claims that are 4 miles southeast of Brenda Mines.

In addition BrenMac Mines controls three subsidiary companies with important claims in the Brenda Area. These are BrenCap Mines with 57

claims in a block from ½ mile to 2 miles west of Brenda Mines, BrenColl Mines with 44 claims—of which 15 are in dispute—from 2 to 3½ miles southeast of Brenda Mines and BrenSand Mines with 19 claims in a group that is 7 to 9 miles southeast of Brenda Mines.

Because of various conflicts and overstaking the firm of Morgan A. R. Stewart, Land Surveyors, has been retained to make a complete survey of the claims. They have already demonstrated that a large area of the important rock formation is covered by the claims controlled by the company.

GENERAL GEOLOGY

According to the Geological Survey of Canada, as shown in the northwest corner of the Kettle River (West ½) geological map (15-1961), the major rock formation in the Peachland area is a granodiorite of probable Cretaceous Age that surrounds a northwesterly striking belt of Nicola rocks from

one to two miles wide and twelve miles long in the southwest part of the area and extending to the centre. A patch of Eocene sediments is shown at another mile to the west. A small intrusion of Oligocene granite is also indicated at the northwest end of the band of Nicola rocks.

MINERALIZATION

The original discovery at the Brenda property was a quartz vein with chalcopyrite and molybdenite associated with fine fractures in the granodiorite country rock filled with the same minerals.

It has now been established that an area at least 5000 by 2000 feet contains similarly mineralized fine fractures and a drilling campaign is now in progress to determine how much of this area contains

an economic grade. At present Brenda Mines is expecting to prove a deposit of at least 100 million tons averaging 0.25% Cu and 0.07% Mo with the possibility of several times this tonnage of perhaps a little lower grade.

Numerous exposures and shallow overburden helped the initial exploration of this property by open cuts, shallow diamond drilling, geochemical surveys and geophysics.

In the ground controlled by BrenMac to the southeast, as the topography descends in this direction, rock outcrops become scarce and the glacial overburden can be quite deep. However the trend of the valleys appears to reflect the strong fracture pattern present in the Brenda area for several miles. Also the geochemical surveys by Northwestern Exploration and Noranda Mines gave significant stream sediment anomalies.

In one exposure made by bulldozing on the Red Rock group of BrenColl Mines a series of fractures striking northwest were seen that contained the typical chocolate brown limonite left by the oxidation of chalcopyrite. In fresher material both chalcopyrite and molybdenite were found to occur just as at Brenda Mines.

In the Ila claim group of BrenColl Mines a good geochemical response strongly suggests that mineralization could be found nearby. The flat benches of

glacial materials however mask all bedrock. Some preliminary bulldozing has not been successful in reaching bedrock in this area and drilling will be necessary.

For information on the other groups of claims controlled by BrenMac Mines I rely on the maps of Northwestern Exploration and Noranda Mines together with the descriptions of Mr. Burton as follows:

Interesting copper and molybdenite showings are present in the claims of BrenSand Mines where there is a contact zone between Nicola volcanics and diorite. Part of the claim area has been explored by Noranda Mines but more work is justified in the rest of the ground.

NEW?
822NW

The BrenCap claims are entirely in sediments and volcanics of Nicola Age. Silver-lead-zinc mineralization was found in these claims in 1965 that warrants an exploration effort.

The adjacent Mite group of BrenMac Mines is in similar rocks and will also be investigated by geological, geochemical and possibly geophysical means.

Most of the claims of the Denn, Judy, Lor and Wanda groups of BrenMac Mines are in the same favourable granodiorite of the nearby Brenda Mines and should be investigated in detail.

EXPLORATION IN 1966

At present the known geology suggests that the Brenda deposit is only part of a much larger potential area of mineralization particularly to the southeast in the BrenMac controlled ground where the widespread overburden can be concealing similar deposits. Fortunately there is already one significant exposure which can be drilled in the hope of expanding it into a worthwhile deposit. It can be conveniently tested by a line of diamond drill holes 45° on a northeast bearing each 750 feet deep and 500 feet apart.

In the meantime bulldoze cuts can attempt to reach bedrock at 500 feet intervals to the northwest and southeast. Drilling would then be tried if warranted.

To test the Ila claim area a series of holes using a percussion machine such as the Copco at the Lornex property in Highland Valley should be tried along the shallow cut that has been bulldozed along the location line. If the rock is dry enough the

holes should go to 300 feet. The dust is recovered, weighed and sampled for every ten feet.

As a result of the preliminary drilling it may be found useful to conduct a geophysical survey such as I P to define the extent of the mineralization.

As soon as the snow is off the ground geological mapping can go ahead starting with the creek exposures in this area and expanding into the other groups of claims held by the company.

Mr. Burton is engaging a group of geologists, geochemical technicians and helpers to conduct an exploration campaign during the next six months in the various claim groups in addition to the drilling and bulldozing already suggested above. Extensive line cutting will be necessary for the geological, geophysical and geochemical surveys.

We have estimated that about \$400,000 will be needed to carry out all the proposed work as set out in the following tabulation:

EW?
ENW

Red Rock
in exposure

la gp
in d
exposure

ITEMS	BrenCap	BrenColl	BrenSand	BrenMac	TOTALS
	\$	\$	\$	\$	\$
Claim Surveys	6,000	3,000	2,000	13,500	24,500
Geophysics	10,000	10,000	10,000	10,000	40,000
Geochemistry	4,000	3,000	2,000	6,000	15,000
Geology	1,500	1,500	1,500	3,000	7,500
Grid	4,000	2,500	3,000	4,500	14,000
Roads	9,000	5,000	4,500	26,000	44,500
Camp & Overhead	5,000	10,000	7,000	9,000	31,000
Trenching	6,000	10,000	10,000		26,000
Diamond Drilling		80,000	10,000		90,000
Percussion Drilling		40,000	7,500		47,500
Contingency	7,000	25,000		9,000	41,000
Head Office Administration	6,000	20,000	7,000	8,000	41,000
TOTALS	58,500	210,000	64,500	89,000	422,000

RECOMMENDATIONS

The sum of \$450,000 should be made available to carry out the programme of exploration outlined

above to test the holdings of BrenMac Mines and its subsidiaries in the Peachland area.

"A. C. SKERL"

CERTIFICATE

1758 Western Parkway,
Vancouver 8, B.C.,
4th April, 1966

This is to certify that:

1. I, Augustus C. Skerl, am a resident of Vancouver, B.C., at the above address which is also my office.
2. I am a professional engineer licensed in British Columbia and have practised as a mining geologist for the past 37 years of which the last 21 years have been in British Columbia.
3. My qualifications consist of the degrees of B.Sc. and Ph.D. from the University of London, England and of A.R.S.M. and D.I.C. from the Royal School of Mines, London, England, all in mining geology.
4. I have no interest nor do I expect to receive any interest directly or indirectly in the properties or securities of BrenMac Mines or its subsidiaries.
5. This certificate concerns my report on the properties controlled by BrenMac Mines in the Peachland area, Okanagan, B.C. dated 4th April 1966.
6. I personally examined part of the property on 1st March 1966.
7. The report was written by myself and based on my own fieldwork together with that of others who are duly acknowledged in the report.

A. C. SKERL

To the Shareholders

BrenMac Mines Ltd. (Non-Personal Liability)

We have examined the balance sheet of BrenMac Mines Ltd. (Non-Personal Liability) and the statement of deferred expenditures for the period from December 16, 1965 (date of incorporation) to March 31, 1966. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We have obtained all the information and explanations we have required.

The accounts of the subsidiary companies have been audited by another firm of Chartered Accountants. We have accepted as correct and without verification information concerning these subsidiary companies given us by that firm.

Subject to the foregoing remark we report that in our opinion the accompanying balance sheet together with the notes thereto and the related statement of deferred expenditures present fairly, in accordance with generally accepted accounting principles, the financial position of the company as at March 31, 1966.

Vancouver, Canada

April 15, 1966.

ROSE, GALE & CO.

CHARTERED ACCOUNTANTS

BRENNAC MINES LTD.

(NON-PERSONAL LIABILITY)

Balance Sheet as at March 31, 1966

ASSETS**CURRENT**

Cash in bank—current accounts	\$ 10,531.66	
On deposit receipt	150,000.00	
Accrued interest receivable	390.42	
Sundry advances and deposits	1,550.00	
Receivable from shareholders and directors (Note 1.)	2,162.78	\$164,634.86

FIXED

Located mineral claims valued at deemed price of shares issued therefor	75,000.00	
Furniture and equipment—at cost	143.85	75,143.85

INVESTMENT IN SUBSIDIARY COMPANIES (Note 2.)

Shares—at cost	39,120.88	
Advances	20,117.73	59,238.61

DEFERRED EXPENDITURES (Exhibit "B")

Exploration and development	26,878.50	
Administration and general	12,339.36	
Incorporation	1,882.59	41,100.45

\$340,117.77**LIABILITIES****CURRENT**

Accounts payable	\$ 16,366.77	
Subscriptions received in respect of shares not yet allotted	100,000.00	\$116,366.77

SHARE CAPITAL

Authorized: 5,000,000 shares without nominal or par value		
Issued and fully paid:		
750,000 shares for property	75,000.00	
895,002 shares for cash	148,751.00	223,751.00
<u>1,645,002 shares</u>		<u>\$340,117.77</u>

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board:

L. N. UDELL, Director

C. M. EADIE, Director

This is the Balance Sheet referred to in our Report dated April 15th, 1966.

ROSE, GALE & CO.

CHARTERED ACCOUNTANTS

BREMAC MINES LTD.

(NON-PERSONAL LIABILITY)

Notes to Financial Statements as at March 31, 1966

1. RECEIVABLE FROM SHAREHOLDERS AND DIRECTORS \$2,162.78

Liability for certain legal expenses incurred by the company has been assumed by individuals who are both shareholders and directors of the company, giving rise to the above indebtedness.

2. INVESTMENT IN SUBSIDIARY COMPANIES

Shares: —at cost

500,000 shares of BrenColl Mines Ltd. (Non-Personal Liability) _____	\$12,138.79
550,000 shares of BrenCap Mines Ltd. (Non-Personal Liability) _____	16,582.78
550,000 shares of BrenSand Mines Ltd. (Non-Personal Liability) _____	10,399.31
Total Shares _____	<u>\$39,120.88</u>

Advances:

BrenColl Mines Ltd. (Non-Personal Liability) _____	\$ 8,240.63
BrenCap Mines Ltd. (Non-Personal Liability) _____	9,332.61
BrenSand Mines Ltd. (Non-Personal Liability) _____	2,544.49
Total Advances _____	<u>\$20,117.73</u>

Total _____ \$59,238.61

3. ACCOUNTING PRINCIPLES

The cost of survey and exploration work performed by a contractor on mineral claims owned by the company and those by its subsidiary companies has been allocated on an arbitrary but equitable basis.

4. ADVANCES TO SUBSIDIARY COMPANIES

By agreements dated February 3rd, 1966 the company may apply amounts owed to it by its subsidiary companies to the purchase of shares of the respective companies at a price of 20¢ per share.

BRENNAC MINES LTD.
(NON-PERSONAL LIABILITY)

**Statement of Deferred Expenditures for the Period from
December 16, 1965 (Date of Incorporation) to March 31, 1966**

EXPLORATION AND DEVELOPMENT

Work done by contractor	\$23,666.00	
Recording	125.00	
Licences and taxes	500.00	
Salaries	1,250.00	
Travel	860.50	
Charter of aircraft	477.00	\$26,878.50

ADMINISTRATION AND GENERAL

Accounting and consulting	2,861.05	
Audit	600.00	
Interest and bank charges	129.88	
Legal	7,925.98	
Office rent and services	286.52	
Printing and stationery	751.35	
Salaries	175.00	
	12,729.78	
Less: Interest received	390.42	12,339.36

INCORPORATION EXPENSE 1,882.59

DEFERRED EXPENDITURES AT MARCH 31, 1966 \$41,100.45