

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

FAP
APTA
NEWT. INT
82E/1aw
92H/8E
(092H5E052)
FLORENCE 92H/8E (092H5E061)

New Issue

AUSTRO-CAN EXPLORATIONS LTD.
(N.P.L.)

000962

200,000 shares

Par Value 50¢ each

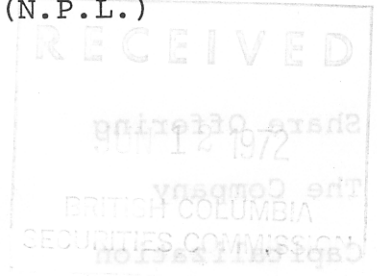
AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)

Head Office:

P. O. Box 413
Penticton, B. C.

Registered Office:

1250 - 505 Burrard Street
Vancouver, B. C.



A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROPERTIES ARE STILL ONLY IN THE EXPLORATION STAGE.

	Price to Public	Commissions	Proceeds to Company
Per Unit	25¢	6¼¢	18 3/4¢
Total	\$ 50,000	\$ 12,500	\$ 37,500

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

NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTIONS IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF AND THE AREA OF THE PROPERTY COULD BE IN DOUBT.

The shares offered by this prospectus represent 15.6% of the total number of shares to be issued and outstanding upon completion of this offering and the shares issued to promoters, directors and other insiders for cash and properties represent 64.8% of the total number of shares to be issued and outstanding upon completion of this offering.

The located mineral claims described on page 5 herein as the "Afton" claims have no connection whatever with any company or other located mineral claims bearing the same or similar names.

Dated May 15, 1972

AUSTRO-CAN EXPLORATIONS LTD.
(N.P.L.)

Prospectus

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THE COMPANY

Austro-Can Explorations Ltd. (N.P.L.) ("the Company") was incorporated on July 26, 1968 under the Companies Act, British Columbia by Memorandum of Association. The Company converted from a private to a public company on August 13, 1969.

CAPITALIZATION

The authorized capital of the Company is \$1,500,000 divided into 3,000,000 shares with a par value of 50¢ each. There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets.

Share Capitalization	Outstanding as of January 31, 1972	Outstanding as of March 31, 1972	Outstanding on Completion of Offering
3,000,000	1,080,402	1,081,902	1,281,902

PLAN OF DISTRIBUTION

The Company offers by this prospectus 200,000 shares of its capital stock at 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 and companies registered to trade in securities in the Province of British Columbia.

AUDITORS

The auditors of the Company are Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, 284 Main Street, Penticton, B. C.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia.

PRICE SALES

Particulars of shares sold for cash:

Number of Shares	Price	Discount	Commissions	Cash Received
2	50¢	Nil	Nil	\$ 1.00
190,000	10¢	40¢	Nil	19,000.00
76,700	25¢	25¢	Nil	19,175.00
16,500	37½¢	12½¢	Nil	6,187.50
39,000	45¢	5¢	Nil	17,550.00
9,700	50¢	Nil	Nil	4,850.00
331,902				\$ 66,763.50

266,702 shares are held in trust by Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B. C., 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.

Particulars of shares sold for other than cash:

Number of Shares	Deemed Price	Discount	Commission	Consideration
750,000	50¢	Nil	Nil	Crump and Mission group of mineral claims

All of the above 750,000 shares are held in escrow by Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B. C. under the direction and control of the Superintendent of Brokers of British Columbia. (See paragraphs "Business and Property" and "Escrowed Shares".)

During the past year the Company sold 1,500 shares at 50¢ per share.

BUSINESS AND PROPERTY

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

1. Description and Access

(a) Osoyoos Mining Division

The Company is the recorded and beneficial holder, subject to the provisions of the Mineral Act of the Province of British Columbia, of the following located mineral claims:

Claims	Record Numbers	Expiry Dates
Fap 1 - 2	8754 - 8755	March 13, 1975
Sun 1 - 2	18972 - 18973	February 9, 1975
Sig 1 - 5	18961 - 18965	February 9, 1975
Sig 6 - 8	18966 - 18968	February 9, 1974
Sig 9 - 11	18969 - 18971	February 9, 1975
Dan 1 - 6	22309 - 22314	June 6, 1974
Dan 7	22315	June 6, 1975
Dan 8	22316	June 6, 1974

(hereinafter referred to as "the Crump group")

Flint I,II,III,IV	9242 - 9245	July 13, 1972
Flint 5 - 6	10270 - 10271	October 1, 1972
Rock 1 - 4	10266 - 10269	October 1, 1972
Stone 1 - 6	10272 - 10277	October 1, 1972
Newt 1 - 5	21877 - 21881	March 14, 1973
Newt 6 - 8	21882 - 21884	March 14, 1973
Hanh 1 - 4	17797 - 17800	November 1, 1972

(hereinafter referred to as "the Mission group")

Apia	1 - 12	23872 - 23883	November 14, 1973
Octo	1 - 4	24624 - 24627	May 5, 1973
Sieben	2 & 1	24628 - 24629	May 5, 1972

(hereinafter referred to as "the Apia group")

The Crump and Apia groups are centered at latitude 49° 37'N and longitude 119° 57'W which puts them in map 82E/12 of the National Topographic system of mapping, some 10.9 air miles west of downtown Summerland. They can be reached by about 15 speedometer miles of good paved and gravelled roads from Summerland and straddle the Summerland-Princeton road.

The main showing of mineralization lies immediately north of the common post of the F.A.P. and Sun claims which is at the edge of the Kettle Valley line of the C.P.R. right-of-way at the 20th rail east of milepost 20 west of Penticton. It can be reached if necessary by a rough road alongside the track, but is only about 600 feet south of and 300 feet below a much better road which crosses the railroad on the western portion of the property.

As a powerline passes through the property in addition to the road, railroad and creek, and as all necessary facilities are readily available via Penticton, the property is well located.

The Mission group of claims are on the south side of the Similkameen River almost directly opposite the town of Hedley which lies about 3 miles away to the northeast. They cover rolling hills, wooded in part, but the showings are mostly on a grassy slope above a shallow gulley. They are reached by almost ten miles of dirt road which leave the southern transprovincial highway about a mile west of Hedley, B. C. This road angles up the south wall of the Similkameen River which is quite steep and then along and across Jameson Creek to an elevation in excess of 4,000 feet at the property.

(b) Crown granted mineral claims, Osoyoos Mining Division

The Company is the beneficial holder, subject to the provisions of the Mineral Act of the Province of British Columbia, of the following Crown granted mineral claims:

Claims	Lot Numbers	Acreage
Whale	L 651 s	15.13
Bullicr Beek	L 652 s	17.71
Florence	L 653 s	22.69
Little Pittsburgh	L 649 s	14.52
Eagle's Nest No. 2	L 844	51.65

(hereinafter referred to as "the Crown granted claims")

The Crown granted claims are all situate in the Osoyoos Mining Division and supposedly on the down dip extension of the same ore structures that Nickel Plate and Hedley Mascot mines are on. They adjoin Hedley Mascot ground on the west and the portal on the Mascot Tunnel is on this ground. They are thus well situated, and being Crown grants, will cost very little to keep in good standing pending a return of interest in gold properties. The total acreage involved is about 124 and the taxes \$31 a year.

(c) Kamloops Mining Division

The Company is the beneficial holder, subject to the provisions of the Mineral Act of the Province of British Columbia, of the following located mineral claims:

Afton Cu.	15 - 23	Tag. Nos. 139061M - 139069M	April 19, 1973
Afton Ext.	1 - 9	814376 - 814384	April 19, 1973
Afton Ext.	11 - 20	814387 - 814396	April 19, 1973

The Afton claims are situated approximately 7 miles south of Savona British Columbia near the Durand Creek road.

2. Acquisition

By an agreement dated August 12, 1968 between Herman Plank of Penticton, B. C. and Lawrie Hadley of Okanagan Falls, B. C., as the vendors, and the Company, as the purchaser, the Company acquired the Crump and Mission groups for the consideration of 750,000 shares, of which 562,500 were issued to Herman Plank and 187,500 were issued to Lawrie Hadley.

The cost of acquiring the Crump and Mission groups to Messrs. Plank and Hadley was approximately \$15,413, representing prospecting, staking and recording expenses and assessment work.

The Apia group was acquired by the Company for the cost of staking.

The Crown granted claims were acquired by the Company from the Estate of Edith Bradshaw, c/o 284 Main Street, Penticton, B.C. for the sum of \$500.

By an agreement dated May 3, 1972 between Paul Polischuk of P. O. Box 466, Lillooet, B. C. and the Company, the Company acquired the Afton claims for \$1,400, payable upon execution of the agreement and 15,000 shares in the capital stock of the Company to be issued upon acceptance for filing of the agreement by the British Columbia Securities Commission.

3. History

There is no government report on the Crump group.

The Mission group was originally prospected for gold in 1936. Numerous small veins have been uncovered over 1000 feet by 300 feet and another zone, some 2700 feet away has been located. The government report (Department of Mines Annual Report, 1936) lists the following assays: Au 0.20 oz/ton, Ag. 20 oz/ton, Zn. 10.8%.

The Afton claims are located on the fringes of the Highland Valley area and the Iron Mask-Carabine Creek area, both of which are currently undergoing extensive exploration on all levels from primary reconnaissance to detailed drilling. Mineral occurrences in both of these areas have been known for many years, but it is only recently that the pace of exploration has picked up.

There is no previous record of any claims having been staked on the ground covered by the Afton claims nor are there any known mineral occurrences on the claims. However, the area has never undergone extensive exploration.

4. Work done

The Company has done bulldozing, geological mapping, soil sampling and ground magnetics on the F.A.P. 1 and 2 claims. Three steep drill holes were also drilled. An airborne magnetic survey was also done over the whole property.

This work has succeeded in exposing some copper mineralization of ore grade if continuity and width can be demonstrated. It has also brought to light other areas in which similar mineralization may be found.

The field geology backed by laboratory examination by microscope x-ray diffractometer, and x-ray spectograph has established the presence of a well mineralized carbonatite rock which particularly warrants further investigation.

The Company has done no work on the Afton claims.

5. Plant or equipment

There is no underground or surface plant or equipment on any of the Company's properties.

USE OF PROCEEDS

The Company plans to carry out Stage 1 of a program of work on the Crump and Apia groups in accordance with the recommendations made by J.A. Mitchell, P. Eng., in his report to the Company dated November 16, 1970, as amended February 17, 1972, a copy of which accompanies and forms part of this prospectus. Stage 1 of the work program, estimated to cost \$30,000 is as follows:

1.	Three BX holes across main zone, allow for 800' at \$12.50	\$ 10,000
2.	Geophysical investigations and soil sampling over all areas, allow	5,000
3.	Follow up test holes to help in preliminary evaluation of the geophysics and geochemistry allow	5,000
4.	Engineering, mapping, logging cores, assaying, allow	3,000
5.	Transport and communications, allow	<u>2,000</u>
		\$ 25,000
	Contingencies @ 15%	<u>3,750</u>
		\$ 28,750

Say a maximum of \$30,000

The Company plans to use the balance of the proceeds received from the sale of shares pursuant to this offering to pay for the cost of the issue, approximately \$5,000, and for working capital:

Stage 1 of engineer's recommendations	\$ 30,000
Cost of Issue	5,000
Working Capital	<u>2,500</u>
	\$ 37,500

The proceeds from the sale of shares offered by this prospectus are intended to be used in carrying out the program of work recommended by J. A. Mitchell, P. Eng., and the Company will not discontinue or depart from the recommended program of work unless advised in writing by its consulting engineer to do so. Should the Company contemplate any such change or departure, notice thereof will be given to all shareholders.

In the opinion of the directors of the Company, the proceeds of the offering covered by this prospectus in the net amount of \$37,500 will be sufficient to carry out the recommendations of J.A. Mitchell, P. Eng., as set out in Stage I above and to maintain the Company's properties in good standing.

In the event the proceeds are not sufficient to carry out the entire program recommended, the Company will give priority to drilling the Three BX holes and do geophysical investigations together with such work as is required to maintain its properties in good standing.

Except for expenditures necessary to keep the claims in good standing, no monies from the proceeds of the offering of shares made by this prospectus will be spent on the Mission and Crown granted groups until an engineer's report has been prepared and filed with the British Columbia Securities Commission.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify 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, prior approval by the shareholders shall first be obtained and disclosure made to the regulatory securities bodies having jurisdictions over the sale of the securities offered by this prospectus.

PROMOTERS

Herman Plank and Lawrie Hadley may be considered to be its promoters. As vendors of property to the Company, Herman Plank received 562,500 shares and Lawrie Hadley received 187,500 shares. (See paragraph "Business and Property").

DIRECTORS AND OFFICERS

Name	Address	Office Held
Lawrie George Hadley	P. O. Box 102 Okanagan Falls, B. C.	Director and Secretary
James Walter Hawthorne	2003 - 1100 Jervis St. Vancouver, B. C.	Director
Colin Clifford Macdonald	Box 2279 Penticton, B. C.	Director
Herman Otto Plank	1004 - 1650 Burnaby St. Vancouver, B. C.	Director and President

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

Lawrie G. Hadley: Civil servant with the Department of Health and Welfare, Okanagan Falls, B. C. , 1966 to date.

James W. Hawthorne: Civil servant with the Department of Correction, Yukon Territorial Government, 1964 to 1967; Civil servant with National Parole Service, Solicitor-General's Department of Canada Vancouver, B. C., 1967 to date.

Colin C. Macdonald: Self-employed orchardist, Penticton, B. C.

Herman O. Plank: Proprietor of Penticton Laundromat, Penticton, B. C. 1965 to 1967; self-employed prospector 1967 to 1968; president and director of Austro-Can Explorations Ltd. (N.P.L.) 1968 to date.

REMUNERATION OF DIRECTORS

During the year ended January 31, 1972 no remuneration was paid to directors and officers of the Company as such. For the year ending January 31, 1973 it is intended that \$400 per month will be paid to Herman O. Plank and \$50 per month will be paid to Lawrie G. Hadley for administration and field work only at such time as the Company's funds exceed \$20,000.

Marimba Mining Service Ltd., a private company, has performed the exploration and development work on the Company's properties. Messrs. Lawrie G. Hadley and Herman O. Plank, principal shareholders and directors of Marimba have participated in the fees paid by the Company to Marimba.

It is expected that no part of the work recommended by J.A. Mitchell in his report dated November 16, 1970 as amended February 17, 1972 will be performed by Marimba.

ESCROWED SHARES

As of April 14, 1972, 750,000 shares are held in escrow by Guaranty Trust Company of Canada, 540 Burrard 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, shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the offices of Montreal Trust Company.

<u>Class of Shares</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
common	750,000	69.3%

PRINCIPAL HOLDERS OF SECURITIES

As of April 14, 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>
Lawrie G. Hadley P.O. Box 102 Okanagan Falls, B. C.	Record and Beneficial	207,251	19.2%
Herman O. Plank 1004-1650 Burnaby St. Vancouver, B. C.	Record and Beneficial	582,251	53.8%

The directors of the Company as a group beneficially own 76.8% of the outstanding shares of the Company.

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 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 enforce 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.

AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)

Auditors' Report

Financial Statements - January 31, 1972

PEAT, MARWICK, MITCHELL & Co.

CHARTERED ACCOUNTANTS

284 MAIN STREET
PENTICTON
BRITISH COLUMBIA

AUDITORS' REPORT TO THE DIRECTORS

We have examined the balance sheet of Austro-Can Explorations Ltd. (N.P.L.) as of January 31, 1972 and the statements of deferred exploration, development and administrative costs and source and application of funds for the four years and six months then ended. 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 January 31, 1972 and the results of its operations and the source and application of its funds for the four years and six months then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Peat Marwick Mitchell Co

Penticton, British Columbia
February 29, 1972

Chartered Accountants

AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)

Balance Sheet

January 31, 1972

Assets

Current assets:	
Cash	\$ 960
Marketable securities, at cost (quoted market value 1972 \$2,400, 1971 \$7,200, 1970 \$6,400)	<u>2,415</u>
Total current assets	3,375
Mineral claims (notes 1 and 2)	375,942
Automotive equipment, at cost	7,677
Less accumulated depreciation	<u>3,838</u>
Automotive equipment, net	3,839
Deferred costs:	
Exploration, development and administrative, per accompanying statement (note 1)	61,216
Incorporation	<u>1,095</u>
Total deferred costs	<u>62,311</u>
	<u>\$ 445,467</u>

Liabilities and Shareholders' Equity

Current liabilities:	
Accounts payable	\$ 3,704
Shareholders' equity:	
Capital stock:	
Authorized 3,000,000 shares with a nominal or par value of 50¢ each; issued and fully paid (note 3)	375,000
750,000 shares for mineral claims	<u>165,201</u>
330,402 shares for cash	540,201
Less discount thereon	<u>99,188</u>
Subscriptions received, 1,500 shares for cash	441,013
	<u>750</u>
Total shareholders' equity	<u>441,763</u>
	<u>\$ 445,467</u>

On behalf of the board:

"Lawrie G. Hadley" Director

"Herman O. Plank" Director

See accompanying notes to financial statements.

AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)
Statement of Deferred Exploration, Development and Administrative Costs
Four Years and Six Months ended January 31, 1972

	Year Ended July 31			Six Months Ended January 31		Total
	1969	1970	1971	1971 (unaudited)	1972	
Exploration and development:						
Crump group:						
Aerial photographs	\$ -	88	-	-	-	88
Assays	72	400	209	209	-	681
Consulting engineer	-	50	414	414	-	464
Clearing, trenching, etc. (note 4)	7,229	8,295	10,959	10,959	-	26,483
Depreciation	-	1,535	1,535	576	768	3,838
Equipment operation and maintenance	116	458	612	165	-	1,186
Equipment rental	45	-	-	-	-	45
Licences and assessment fees	847	477	975	565	-	2,859
Supplies and sundry	88	11	64	-	-	163
Survey	4,760	-	-	-	-	4,760
	<u>13,157</u>	<u>11,314</u>	<u>14,768</u>	<u>12,888</u>	<u>768</u>	<u>40,007</u>
Mission group:						
Assays	-	-	112	-	-	112
Consulting fees	-	-	104	104	-	104
Clearing transferring, etc. (note 4)	-	3,671	2,625	-	-	6,296
Building operation and maintenance	-	10	-	-	-	10
Licences and assessment fees	-	153	240	-	-	393
	<u>-</u>	<u>3,834</u>	<u>3,081</u>	<u>104</u>	<u>-</u>	<u>6,915</u>
Bradshaw group:						
Assays	-	75	-	-	-	75
Property taxes	-	-	-	-	65	65
	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>140</u>
Administrative:						
Accounting and audit	650	489	701	350	350	2,190
Advertising and promotion	-	176	-	-	86	262
Legal	557	2,023	1,425	940	615	4,620
Printing, stationery and office	41	855	749	51	588	2,284
Rent	-	-	-	-	767	767
Sundry	10	143	150	121	264	567
Telephone	45	61	42	3	179	327
Travel	429	629	1,034	92	1,395	3,487
Trust company fee	-	395	120	17	697	1,212
Commission on shares	-	-	-	-	125	125
	<u>1,732</u>	<u>4,771</u>	<u>4,221</u>	<u>1,574</u>	<u>5,066</u>	<u>15,790</u>
Other expense (income):						
Loss on sale of investments	-	-	-	-	555	555
Interest income	(756)	(940)	(495)	(399)	-	(2,191)
	<u>(756)</u>	<u>(940)</u>	<u>(495)</u>	<u>(399)</u>	<u>555</u>	<u>(1,636)</u>
Total exploration, development and administrative costs (note 1)	<u>\$ 14,133</u>	<u>19,054</u>	<u>21,575</u>	<u>14,167</u>	<u>6,454</u>	<u>61,216</u>

See accompanying notes to financial statements.

AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)
Statement of Source and Application of Funds
Four Years and Six Months ended January 31, 1972

	Year Ended July 31			Six Months Ended January 31		Total
	1969	1970	1971	1971 (Unaudited)	1972	
Funds provided:						
Capital stock issued for cash	\$ 133,351	29,850	2,000	-	-	165,201
Less discounts thereon	<u>95,175</u>	<u>3,813</u>	<u>200</u>	-	-	<u>99,188</u>
Subscriptions received	<u>38,176</u>	<u>26,037</u>	<u>1,800</u>	-	-	<u>66,013</u>
Total funds provided	<u>-</u>	<u>-</u>	<u>-</u>	-	750	<u>750</u>
	38,176	26,037	1,800	-	750	66,763
Funds used:						
Current exploration, development and administrative costs	14,133	19,054	21,575	14,167	6,454	61,216
Less charge not requiring cash expenditure:						
Depreciation	-	1,535	1,535	576	768	3,838
	<u>14,133</u>	<u>17,519</u>	<u>20,040</u>	<u>13,591</u>	<u>5,686</u>	<u>57,378</u>
Purchase of automotive equipment	7,677	-	-	-	-	7,677
Mineral claims acquired	442	500	-	-	-	942
Incorporation cost	<u>1,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095</u>
Total funds used	<u>23,347</u>	<u>18,019</u>	<u>20,040</u>	<u>13,591</u>	<u>5,686</u>	<u>67,092</u>
Increase (decrease) in working capital	14,829	8,018	(18,240)	(13,591)	(4,936)	(329)
Working capital at beginning of period	Nil	14,829	22,847	22,847	4,607	Nil
Working capital (deficiency) end of period	<u>\$ 14,829</u>	<u>22,847</u>	<u>4,607</u>	<u>9,256</u>	<u>(329)</u>	<u>()</u>

See accompanying notes to financial statements.

AUSTRO-CAN EXPLORATIONS LTD. (N.P.L.)

Notes to Financial Statements

January 31, 1972

1. Values:

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

2. Mineral claims:

As at January 31, 1972 the company owned the following mineral properties in British Columbia, Canada.

51 mineral claims at value ascribed to 750,000 shares of capital stock issued in consideration thereof	\$ 375,000
38 staked mineral claims	442
<u>5</u> Crown grant mineral claims	<u>500</u>
<u>94</u>	<u>\$ 375,942</u>

3. Capital stock:

As of January 31, 1972, 750,000 shares are held in escrow by Guarantee Trust Company of Canada, 580 Hornby Street, Vancouver, B. C. under the direction and control of the Superintendent of Brokers of British Columbia.

Details of shares issued for cash:

<u>Number of shares</u>	<u>Price</u>	<u>Discount</u>	<u>Cash received</u>
2	.50	-	\$ 1
190,000	.10	.40	19,000
76,700	.25	.25	19,175
16,500	.375	.125	6,187
39,000	.45	.05	17,550
<u>8,200</u>	.50	-	<u>4,100</u>
<u>330,402</u>			<u>\$ 66,013</u>

4. Marimba Mining Services Ltd., a private company, has performed all of the clearing, trenching, etc., done on the company's mineral properties. This company is controlled by the same persons who control Austro-Can Explorations Ltd. (N.P.L.).

REPORT ON PROPERTIES

of

AUSTRO-CAN EXPLORATION LTD. (N.P.L.)

by

J. A. Mitchell, P.Eng.

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Certification

Permission

REPORT ON CRUMP GROUP, OSOYOOS M. D.
Property of Austro-Can Exploration Ltd.

INTRODUCTION

The writer has been requested by officers of Austro-Can Exploration Ltd. to prepare this second report to discuss work done on the property in the two years since his first report was written at which time he recommended an expenditure of up to \$50,000. It is understood that sufficient monies to complete this program were not raised but in the meantime some very useful and rewarding work has been done. Further work is well justified and a program to determine the extent of interesting mineralization now uncovered is herewith recommended. Two days, October 26 and 27, 1970 were spent examining the property. Studies of the prospects continue.

SUMMARY

Since the writer's previous examination of the Crump Group in 1968, work done on the property has consisted of bulldozing, geological mapping, soil sampling and ground magnetics on the F.A.P.#1 and #2 claims. Three steep drill holes were also drilled. An airborne magnetic survey was also done over the whole property.

This work has succeeded in exposing some copper mineralization of ore grade if continuity and width can be demonstrated. It has also brought to light other areas in which similar mineralization may be found.

The field geology backed by laboratory examination by microscope X-ray diffractometer, and X-ray spectrograph has established the presence of a well mineralized carbonatite rock which particularly warrants further investigation.

A program to cost an estimated \$75,000 has been recommended to further investigate this property in the light of findings to date. Studies continue. An additional \$10,000 has been recommended for work to be done on the Mission Group at Hedley, B. C.

PROPERTY

The property now consists of those 23 claims held at the time of the previous report, plus 38 since staked under the names Apia, Upola, Octo and Sieben. The names, record numbers and expiry dates of all claims currently held are:

<u>Claim Names</u>	<u>Record Numbers</u>	<u>Expiry Dates</u>
Group I		
F.A.P.#1 & F.A.P.#2	8754 & 8755	March 13, 1973
Sun #1 & Sun #2	18972 & 18973	February 9, 1973
Sig #1 to Sig #11	18961 to 18971	February 9, 1973
Dan #1 to Dan #8	22309 to 22316	June 6, 1973
Apia #1 to Apia #12	23872 to 23883	November 14, 1973
Octo #1 to Octo #4	24624 to 24628	May 5, 1971 **
Group II		
Upola #1 to Upola #20	24446 to 24465	March 31, 1971**
Sieben #1 & Sieben #2	24629 & 24628*	May 5, 1971 **

The majority of the work done since 1968 has been on the F.A.P.#1 and F.A.P.#2 claims which cover the principal zone of mineralization.

LOCATION AND ACCESSIBILITY

The claims are centered at latitude $49^{\circ}37'$ N and longitude $119^{\circ}57'$ W which puts them in map 82E/12 of the National Topographic system of mapping some 109 air miles west of downtown Summerland. They can be reached by about 15 speedometer miles of good paved and gravelled roads from Summerland and straddle the Summerland-Princeton road.

The main showing of mineralization lies immediately north of the common post of the F.A.P. and Sun claims which is at the edge of the Kettle Valley line of the C.P.R. right-of-way at the 20th rail east of milepost 20 west of Penticton. It can be reached if necessary by a rough

* The reversal of numbers as on records.

** These claims are now in good standing till their anniversary dates in 1972.

road alongside the track, but is only about 600 feet south of and 300 feet below a much better road which crosses the railroad on the western portion of the property.

As a powerline passes through the property in addition to the road, railroad and creek, and as all necessary facilities are readily available via Penticton, the property is well located.

PHYSIOGRAPHY

The property is on a gently rolling landscape north of and on steeper ground south of Trout Creek which has been deeply incised by the valley of Trout Creek into which there are frequent north south draws often directly across from each other. The valley of Trout Creek and these transverse lineaments may be an expression of the major breaks in the underlying rocks.

The maximum relief is about 1500 feet from valley bottom at 2200 feet m.s.l. to the top of nearby hills, but farther back the hills rise to elevations of 6000 feet or more.

The area was obviously glaciated as evidenced by deep glacial till over part of it and it is possible that the ice was partly instrumental in crushing the surface of the mineralized zone so that it could be readily decomposed by acids developed from the breakdown of pyrite.

The climate is typical Interior Dry Belt with warm summers and moderately crisply cold winters with little rain or snow. Year round operation would be no problem and the generally pleasant climate should attract a plentiful supply of labor.

GEOLOGY AND MINERALIZATION

As mapped by the Geological Survey of Canada, the predominant rocks of the area are granodiorites, quartz diorites and related rocks of Cretaceous age belonging to the Nelson Batholith (G.S.C. Map #15-1661).

Rock outcrops are scarce over much of the property but in the general vicinity of the workings there are outcrops of rocks other than as described on the foregoing page. A much crushed and altered zone of

rocks is sandwiched between granitic rocks and a body of Ultrabasic rocks. This zone has been studied in detail by a well qualified geologist from the United States with academic interest in the property and who believes it to be the top of a carbonatite plug bordered by fenite which the writer had previously called a chloritic schist of unknown origin. Having the necessary knowledge, skill, equipment and other facilities at his command he made a very exhaustive and detailed study of the rock types involved in the mineralized zone. His report is confidential at present.

It is readily apparent, however, from the exposed portion of unaltered rock that the mineralization is in a silica-carbonate rock at least 100 feet in width. It is further apparent that chalcopyrite mineralization occurs in veinlets and as disseminations between the veinlets and that it is associated with magnetite, ilmenite and pyrite. The chalcopyrite favors the central portion of the zone. The fresh rock is capped by over 20 feet of crushed limonitic material in which copper carbonates are to be seen, particularly along the more prominent crisscrossing fractures. It is bordered by a chloritic rock (fenite).

Besides the main zone which is some 600 feet long as exposed there are other outcrops of limonitic rocks to the north and on both sides of the main zone. These do not appear to be of major proportions and little or no work has been done on them but much of the area is covered by deep glacial till which may hide further zones along the granodiorite-ultrabasic contact.

SAMPLING AND ASSAY RESULTS

The writer took a continuous chip sample across thirty-one feet of hard fresh rock of the zone in which the transition from copper rich to iron rich rock was apparent. This had been exposed by bulldozing. He also took two samples of the overlying limonitic mass of decomposed zone rock. It is possible that more of the hard fresh zone rock could have been exposed for sampling on the west end by pick and shovel but this had not been done and tools were not available. This should be done and the fresh unaltered rock could be drilled and blasted in such a manner

as to make it easier to obtain accurate samples. A series of drill holes across the zone at regular intervals along strike would provide a reliable average assay across the entire width of the zone. In this manner the horizontal dimensions of the zone could be determined. Some vertical drill holes down the center of the zone would then provide information whereby tonnage and grade could be determined to practical open-pit depths if the width and grade characteristics would permit of open-pitting.

The samples taken by the writer averaged 0.80% copper across 23 feet of the copper-rich portion of the zone and 0.19% copper across the fringing pyrite-rich portion. The first eight feet of limonitic capping above the zone, including copper carbonate streaks, assayed 0.45% copper and the next 10 1/2 feet, 0.17% copper. There is no point in further sampling of the overlying gossan as it is obviously leached. This is very obvious when one sees the fresh underlying rock. The chalcopyrite occurs in small quartz-carbonate stringers and as dissemination outward from the stringers in sufficient amount to make ore if sufficient tonnage can be proved. There is some gold and silver proportional to the copper in amount but of lesser importance and assays were not run for it.

Two grab samples of fines along the bottom of the trench made up of material that had sloughed off the 25 foot high north bank were tested by atomic absorption for copper lead and zinc. These samples were each 25 feet long, and were taken after the slough at the foot of the bank was well stirred so they should be pretty well representative of the crumbly oxidized capping. The lower or westerly sample was below the best part of the zone sampled but this zone was so hard and silicified it is unlikely that any of it had spalled off, even as fine dust. The easterly of two samples assayed 4500 ppm. Cu, 330 ppm. Pb, 14 ppm. Zn. The westerly 25 feet assayed 1225 ppm. Cu, 170 ppm. Pb, 11 ppm. Zn.

GEOPHYSICAL AND GEOCHEMICAL INVESTIGATION

Both airborne and ground magnetometer surveys have been completed and both have produced anomalies which require further study

and investigation by test drilling before they can be properly interpreted. It may not be necessary to do this at this time, however, if drilling below the main gossan so far discovered proves up an orebody on which development work can commence. With this understanding provision will be made for testing some anomalous highs and lows. The aeromagnetics show a general low along the valley bottom.

A limited amount of soil sampling has revealed anomalous copper in the area of the main gossan and another anomalous area on the opposite contact of the ultrabasics where some old trenching revealed a little copper mineralization across from an aeromagnetic high on the south side of the river. It is believed that some further soil sampling should be done, particularly southeast from the main gossan where the lowest magnetic readings were recorded and along the valley bottom to the west where aeromagnetics indicated another zone of potential future interest at the west end of the property and south of the river. Soil sampling should also be done, regardless of possible deep glacial till around the aeromagnetic high to the north of the known mineralization as it appears that the bordering fenites have a high magnetite content. Any window or shallow area of till would probably permit passage of mobilized copper if it is present. All depressions, particularly at intersections should be soil or silt sampled as they may be the surface expression of important fractures or faults which would permit the passage of minerals of economic interest now known to be present in the area.

DIAMOND DRILLING

Three diamond drill holes totalling about 1100 feet of hole have been drilled, but all appear to have been on the eastern margin of the mineralized zone on the assumption it was dipping east. Surface indications suggest this but it is also noticeable that the east wall steps back at intervals down the north slope of Trout Creek near the bottom so that the overall effect is a vertical contact.

These holes were all in rocks that were predominantly schists with some bands of fenite and very narrow bands of dolomitic rocks. A few sections were sampled, the best being at 152.6 to 163.3 in hole C1 which was drilled for 507 feet going south at -80° from a point 300 feet

northeast of the cut samples. This section averaged 0.04 ozs. Au, 0.80 ozs. Ag, 1.30% Pb., 0.33% Cu. Zinc was noted in the core but no assay was made for it. This section did not resemble the main zone in the bottom trench and was obviously on the eastern wall of it.

BULLDOZING

About 5 trenches were cut across the limonitic capping but this was not penetrated to solid rock except at the bottom trench. No further bulldozing is contemplated in the vicinity of the main zone. Requirements elsewhere on the property have not been considered at this time, but some may be required to facilitate diamond drilling or to check on geophysical or geochemical anomalies.

RECOMMENDATIONS

It is obvious to the writer that a series of diamond drill holes should be located and directed to cut across the mineralized carbonatite. These holes should be spaced about 100 feet apart along the strike of the zone and should cut across it at about 45° from either the east or the west side, depending on which side it is easiest to set up. The holes should be collared at least fifty feet back from the edge of the gossan, and should be of sufficient length to pass completely through the zone. If the first hole is drilled under the bottom trench it will take 7 holes and about 1400 feet of drilling to check out the exposed 600 foot length of zone at sufficient depth to insure it is penetrated for its full width and below the limonitic cap. When these have proved up a zone its depth may be probed to the limit of possible open pitting by 2 vertical holes. One of these may be in the lower third of the zone and the other in the upper third.

A radioactive survey has been suggested because of the trace amounts of uranium and thorium that may be found in carbonatite zones. A scintillometer may be tried over the known zone and if it works satisfactorily, it could be used to search for and delimit other zones that may occur. A number of outcrops of the border phase of the carbonatite occur along the margin of the ultrabasics beyond the main

zone. It would cost very little to check these with a scintillometer to see how extensive they may be.

If, however, the scintillometer is not effective, the more expensive I.P. technique could be used to locate the sulphides which appear to be present in sufficient amount to be detectable.

If results of any such tests are favorable, particularly if they are in areas showing a low magnetic susceptibility adjacent to a steep magnetic gradient or in areas showing anomalous soils they should be checked by diamond drilling. So far there appears to be 3 particularly interesting magnetic situations on the property which seem to warrant investigation (see Geo X., fig. 4). Magnetic high #1 about 2000 feet north and slightly west of the exposed mineralization was also found by ground magnetics and there is a slight increase in copper content and some small outcrops of the carbonatite border rocks in the vicinity of it. It may be the buried extension of the main zone.

Magnetic high #2 is about 2 1/2 miles west of the mineralized zone on the south edge of a persistent east-west low which follows the valley bottom and is particularly low at this point. There is no ground magnetics or soil sampling in this area as yet.

Magnetic high #3 is about 3000 feet east of the mineralization on the north flank of a low. This area was not quite reached by the ground magnetics or soil sampling but some high soils up to 400 ppm. copper are recorded at about 1000 feet to the south west and downhill at the eastern extremity of the soil sampling program.

The airborne magnetics did not pick up a high-low situation at the site of the mineralization but ground magnetics did. Hence there may be other possibilities on the property but the above three areas should receive first attention by some further ground geophysics soil sampling and drilling.

ESTIMATED COST OF PROPOSED PROGRAM

(see next page)

ESTIMATED COST OF PROPOSED PROGRAM

A program designed to follow up on these recommendations is divided into 2 parts.

In the first part the presently known zone may be partially tested by three drill holes or numbers 2, 4 and 6 of those recommended. At the same time procedures that may be adopted for surface testing elsewhere should be tested over the known zone to determine how efficaceous they may be. If these tests indicate that they would be useful as a tool to further test the magnetic highs and lows on the property they could then be applied under part two. Soil sampling, scintillation and the latest electromagnetic reconnaissance techniques could be tested in this manner. An estimate of the possible cost of stage two is given along with the estimate on stage one at this time with the understanding that it may need modification in the light of information obtained from stage one. Estimated costs are as follows :

Stage I

1. Three BX holes across main zone, allow for 800' at \$12.50	\$10,000.00
2. Geophysical investigations and soil sampling over all areas allow	5,000.00
3. Follow up test holes to help in preliminary evaluation of the geophysics and geochemistry allow	5,000.00
4. Engineering, mapping, logging cores, assaying, allow	3,000.00
5. Transport and Communications allow	<u>2,000.00</u>
	25,000.00
Contingencies @ 15%	<u>3,750.00</u>
	28,750.00

Say a maximum of \$30,000.00.

Stage II (If warranted by results of Stage I)

1. Complete diamond drilling on main zone, allow for 1800 feet of BX holes @ \$12.50	\$22,500.00
2. Complete geophysical and geochemical investigation over rest of property allow	5,000.00
3. Follow up drilling on anomalous geophysics and geochemistry of either stage I or stage II allow for 1000 feet with the understanding that unused portions of drilling recommended under item 3 of stage II may be also used	12,500.00
4. Engineering, mapping, logging core and assaying	5,000.00
5. Transport and Communication allow	<u>3,000.00</u>
	48,000.00
Contingencies @ 15%	<u>7,200.00</u>
	55,200.00
Say	<u><u>\$55,000.00</u></u>

Respectfully submitted,



J.A. Mitchell.

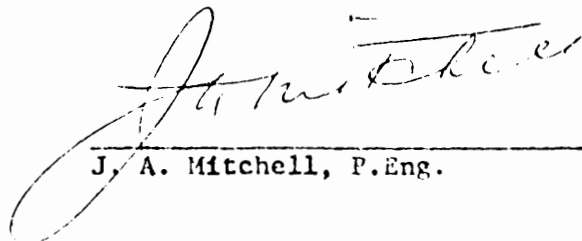
West Vancouver, B. C.
November 16, 1970

as amended February 17, 1972

CERTIFICATION

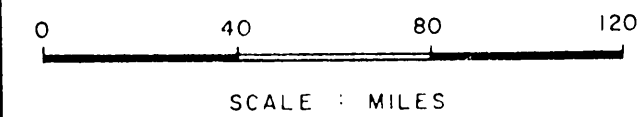
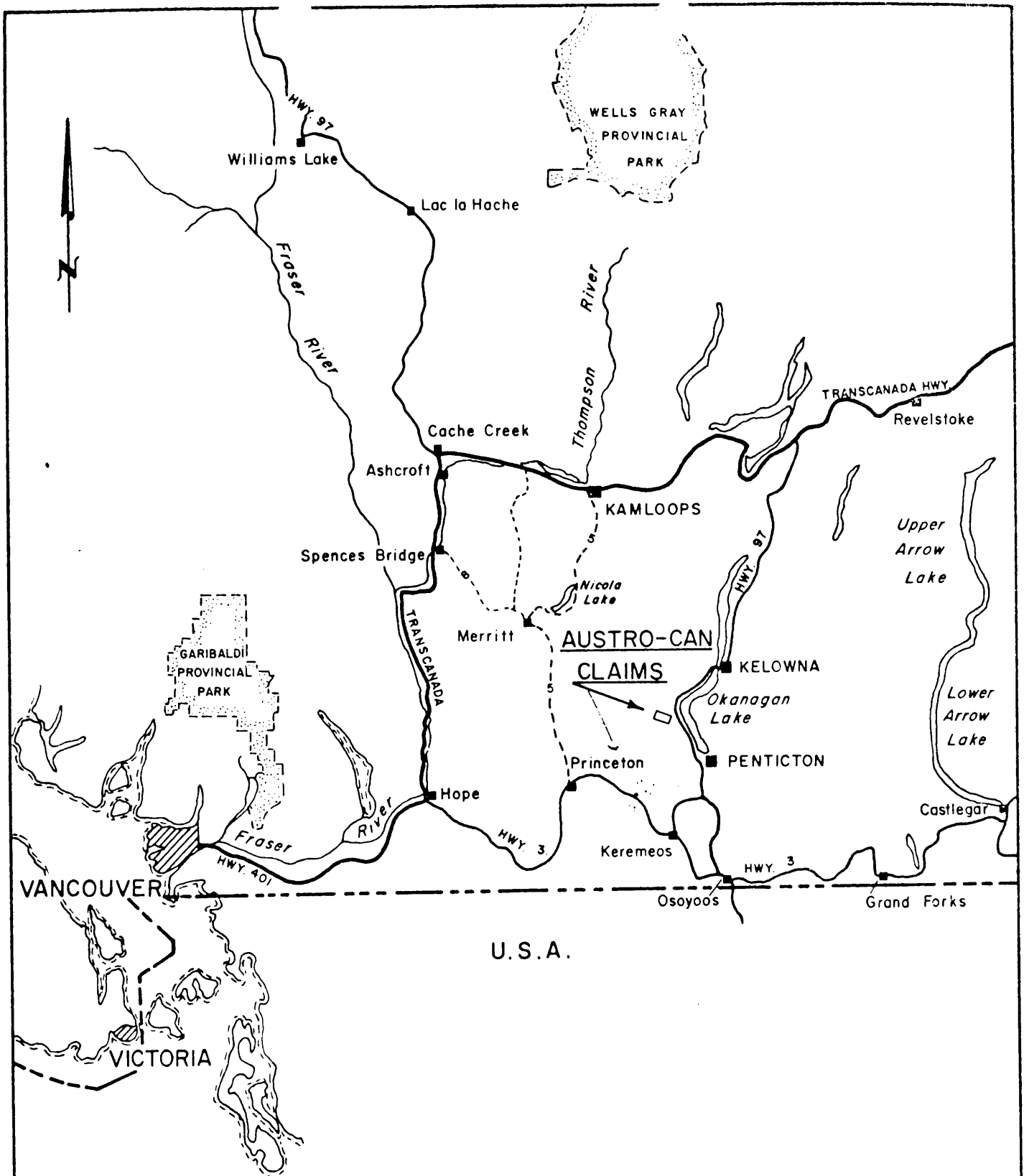
I, James Alexander Mitchell with residence at 2991 Mathers Avenue,
West Vancouver, B. C. do CERTIFY THAT:

1. I graduated from the University of British Columbia in 1932 with the degree of Mining Engineering, and have practised my profession since that time.
2. I am a member in good standing of the Professional Engineers of British Columbia.
3. I have no interest nor do I expect to have any interest either directly or indirectly in the securities or properties of Austro Can Exploration Ltd.
4. The claims in the vicinity of the main occurrence are staked in accordance with the Mineral Act of B. C. Those remote from it were not checked.
5. My report is based on information gained during a visit to the property on October 26 and 27, 1970, on the published report of Dr. M. S. Hedley and on maps and report in the possession of Mr. Herman Plank. The latter is not for publication and deals primarily with the genesis and origin of the occurrence.



J. A. Mitchell, P.Eng.

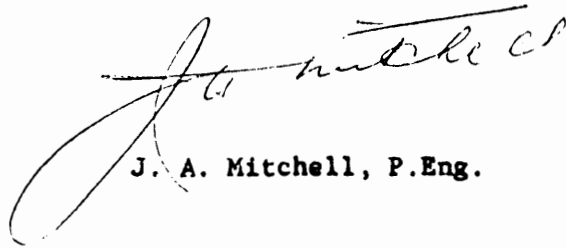
West Vancouver, B. C.
November 16, 1970



AUSTRO-CAN EXPLORATIONS LTD
W. SUMMERLAND AREA-OSOYOOS M.D.
BRITISH COLUMBIA

LOCATION MAP

This Report may be used in any Prospectus of
Austro-Can Exploration Ltd. (N.P.L.)

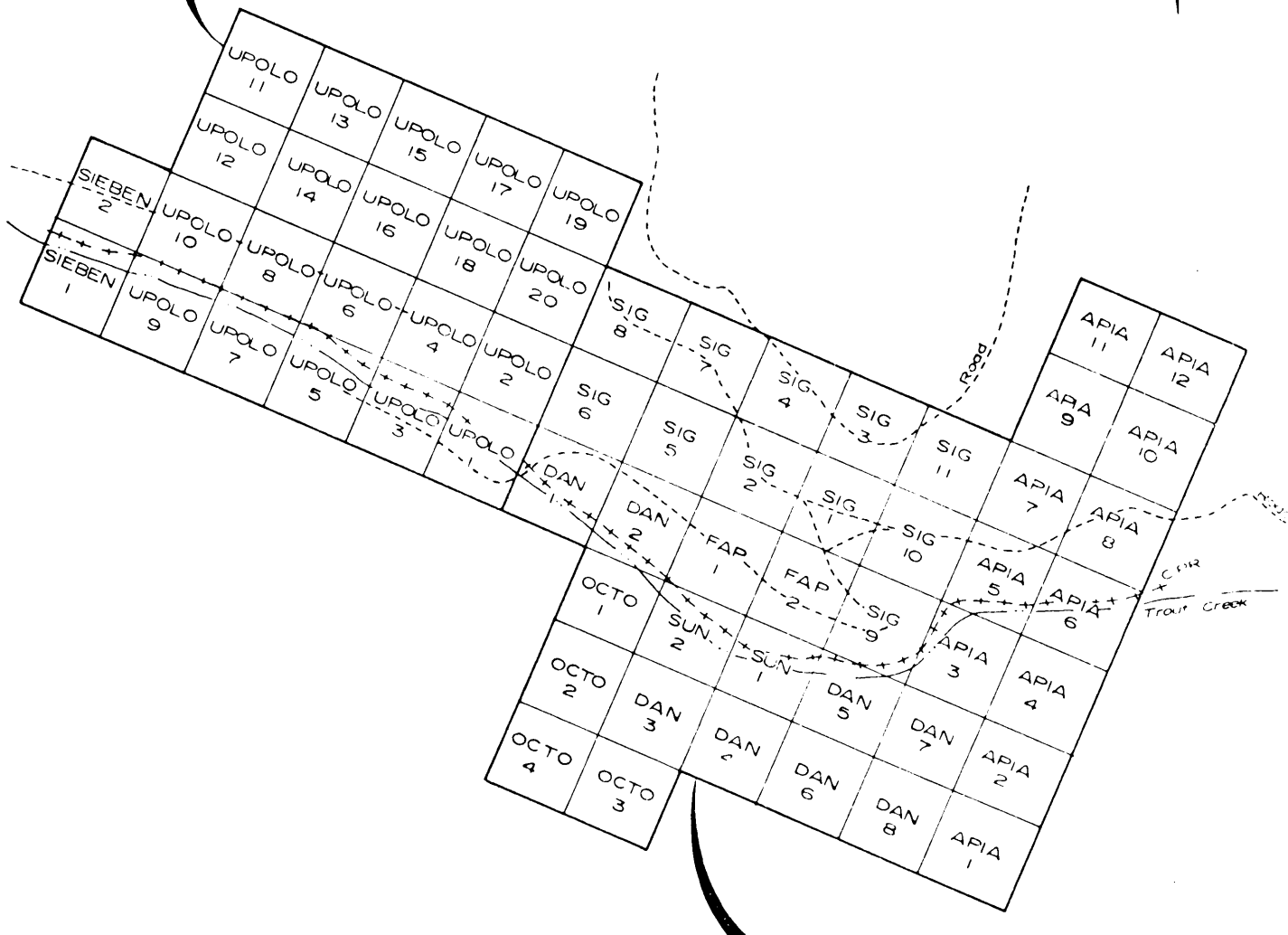
A handwritten signature in cursive script, appearing to read "J. A. Mitchell". The signature is written in dark ink and is positioned above the printed name.

J. A. Mitchell, P.Eng.

West Vancouver B. C.
November 16, 1970



CRUMP WEST GROUP



CRUMP EAST GROUP

AUSTRO-CAN EXPLORATION LTD
CRUMP GROUP
CLAIM MAP

TROUT CREEK

OSOYOUS M.D.

BY S. S. CHURCHILL

FEAT 570

1900/01/01

1900/01/01

1900/01/01

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.

Laurence C. Hadden

Colin C. McDowell

Thomas D. Jones

James W. Hartman

Promoters

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Laurence C. Hadden

Thomas D. Jones