



SECURITIES ACT, 1967

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Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

CONSOLIDATED BOUNDARY EXPLORATION LIMITED (N.P.L.)
(Full name of company.)

148 - 10th Street S.E., Grand Forks, British Columbia
(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	Underwriting and option agreement dated the 30th day of June, 1976
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	See attached Schedule
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	See attached Schedule
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	See attached Schedule
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	British Columbia by Memorandum of Association on May 24, 1966
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	See attached Schedule
7. State the share capitalization of the issuer showing authorized and issued capital.	Authorized: 5,000,000 Issued: 1,475,835
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	None
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	See attached Schedule

<p>10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.</p>	<p>See attached Schedule</p>
<p>11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.</p>	<p>There are no payments in cash or securities to be made to a promoter or finder in connection with the proposed offering.</p>
<p>12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.</p>	<p>See attached Schedule</p>
<p>13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.</p>	<p>To the knowledge of the signatories and its engineers there is no known body of commercial ore on any of its properties.</p>
<p>14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.</p>	<p>See attached Schedule</p>
<p>15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.</p>	<p>See attached Schedule</p>
<p>16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.</p>	<p>See attached Schedule</p>
<p>17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.</p>	<p>See attached Schedule</p>
<p>18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.</p>	<p>See attached Schedule</p>
<p>19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.</p>	<p>See attached Schedule</p>
<p>20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.</p>	<p>None</p>

SCHEDULE TO STATEMENT OF MATERIAL
FACTS SUBMITTED BY CONSOLIDATED
BOUNDARY EXPLORATION LIMITED (NPL)

Items 1, 2, 3 and 9

By an underwriting and option agreement dated June 1976, Bond Street International Securities Ltd. has agreed to purchase Two hundred thousand (200,000) shares at Twenty cents (20¢) per share to net the Company \$40,000 and has been given an option to purchase a further Two hundred thousand (200,000) shares at Twenty-five cents (25¢) per share within ninety (90) days of effective date, which option if exercised would net the Company an additional \$50,000.00 and an option to purchase a further Two hundred thousand (200,000) shares within One hundred and eighty (180) days of effective date at thirty cents (30¢) per share which, if exercised would net the Company an additional \$60,000. The shares herein mentioned will be distributed to the public through the facilities of the Vancouver Stock Exchange. There are no underwriting or option agreements of any kind outstanding. During the past ninety (90) days the market for the Company's shares has ranged between a low of 18¢ and a high of 30¢.

Item 4.

The proceeds of this offering will be used in the following priorities:-

(a) To carry out Phases I and II of the recommendations of W. Meyer, P. Eng. in his report dated June 23, 1976, in the sum of \$42,000 on the HEK group of mineral claims 9 units situate in the Granby River area approximately 12 miles North of Grand Forks British Columbia;

(b) any balance will be used for administrative and general corporate purposes.

The Company will not use the proceeds of this offering for purposes other than as set out above or on exploration programs without first filing a current engineering report with and obtaining the approval of the Vancouver Stock Exchange.

Item 6.

<u>Name and Address</u>	<u>Position with Company</u>	<u>Occupation for past Five years</u>
George S. Nakade Box 878 Grand Forks, B.C.	Director and President	Contractor, now retired
Ralph F. Wolverton P.O. Box 1 Cascade, B.C.	Director	Independent Prospector
Richard Perkins P.O. Box 1540 Grand Forks, B.C.	Director	Real Estate Agent
John Lucke P.O. Box 268 Christina Lake, B.C.	Director and Secretary	Real Estate Salesman
Isaac J. Wiebe Grand Forks, B.C.	Director	Businessman

Item 10.

The beneficial shareholders of Bond Street International Securities Ltd. holding more than 5% of the issued shares are:

<u>NAME AND ADDRESS</u>	<u>SHARES</u>	<u>PERCENTAGE</u>
Ann Mark 301-580 Granville St. Vancouver, B.C.	50 Voting 4,000 Non-voting	66.67% 66.67%
Leslie M. Hart 1005-1640 Alberni St. Vancouver, B.C.	25 Voting 3,000 Non-voting	33.33% 33.33%

Items 12, 14 and 15

1. Hauser Group - Slocan Mining Division

The Company is the recorded and beneficial owner, free and clear of encumbrances of four recorded mineral claims and Lease No.159 dated January 5, 1967 covering five Crown Granted Mineral Claims about 1 mile above Hauser Lake in the Slocan Mining Division of the Province of British Columbia acquired in 1967. The mineral claims are in good standing until at least August 1975 and the lease is in good standing until January 1977.

The Company has this year engaged in road construction, blasting and removal of slides. Further work was deferred after consultation with the Company's consultant, W. Meyer, P. Eng., until further funds are available.

2. Uranium Group - Greenwood Mining Division

This group consists of two groups comprising in all Fifty-one (51) located mineral claims in which the Company has a 100% interest in good standing until at least January 1977.

No work has been done on this property and none is currently contemplated.

3. HEK Group - Greenwood Mining Division

This group comprising 9 units was acquired from I. Wiebe in August 1975 for \$5,000 and 150,000 escrowed shares. The Company in accordance with the recommendations of its consultant, W. Meyer, P. Eng., conducted programs of geological and geophysical work including magnetometer, VLF EM surveys and reconnaissance mapping limited to the area of the main showing, together with 1973 feet of diamond drilling in 11 holes, and encountered potential ore grade gold values in one zone of interest.

Item 16

By virtue of Section 2 of the Securities Act, 1967, of the Province of British Columbia, the Directors of the Company must be deemed to be promoters of the Company.

Items 17, 18 and 19

344,791 (being 23,36% approx.) of the total shares outstanding prior to the issuance of shares pursuant to the offering herein, are lodged in escrow with the Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia, subject to release only with the prior consent of the Superintendent of Brokers and the Vancouver Stock Exchange. 194,791 of these shares are the balance remaining unreleased of the original escrow shares issued to the founders of the Company.

The following is a list of the escrowed shares and the persons owning beneficially or of record, more than 5% of the Company's issued shares:

<u>Name and Address</u>	<u>Number of Escrowed Shares</u>	<u>No. of shares held beneficially or of record</u>	<u>Percentage of Total issued if over 5%</u>
George Nakade Box 878 Grand Forks, B.C.	96,412	24,393	8.19% approx
Richard T. Perkins P.O. Box 1540 Grand Forks, B.C.	19,676	3,999	
John R. Lucke P.O. Box 268 Christina Lake, B.C.	19,676	3,999	
George H. Ferguson Box 1089 Grand Forks, B.C.	19,676	3,999	
Peter Geronazzo Box 1030 Grand Forks, B.C.	19,676		
Ralph Wolverton P.O. Box 1 Cascade, B.C.	19,675		
Isaac J. Wiebe Box 1017 Grand Forks, B.C.	150,000		10.6% approx
Canarim Investment Corporation Ltd. 424 Burrard St. Vancouver, B.C.		134,439*	9.11% approx
Bondco 301-580 Granville Vancouver, B.C.		320,890*	21.94% approx
Vancouver Stock Exchange Service Corporation 536 Howe Street Vancouver, B.C.		371,772*	25.19% approx

* Beneficial ownership unknown

PURCHASER'S RIGHTS OF RESCISSION

Upon the purchase of the shares referred to in Item 9 hereof, a copy of this Statement of Material Facts, together with a copy of the report by W. Meyer, P. Eng.,

dated June 23, 1976, audited Financial Statements of the Company made up to April 30, 1976, and unaudited Financial Statement made up to June 28, 1976, will be delivered, prior to the distribution of any such shares to the public, to every purchaser or prospective purchaser before the delivery to him of a confirmation as to any such purchase by him.

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 a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and reports and summaries of reports relating to the securities as filed with and accepted by the Vancouver Stock Exchange 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; and
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts, or any amended statement of material facts offering such security, contains an untrue statement of 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 the expiration of 90 days from the later of the date of such contract or the date on which such statement of material facts or amended statement of material facts 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.

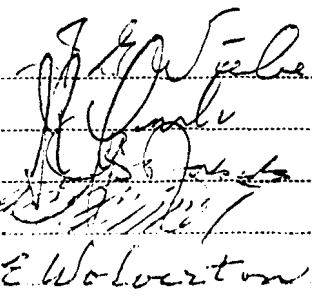
21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	None
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a <i>pro rata</i> basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	None
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	200,000 shares at 17½¢ per share Oct.1975 200,000 shares at 22½¢ per share Jan.1976
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	None
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	None

27.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material fact relating to the securities offered by this Statement of Material Facts CONSOLIDATED BOUNDARY EXPLORATION LIMITED (N.P.L.)

Dated 30th June 1976



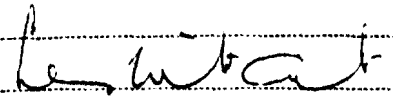
 R.E. Wolberton

[Corporate Seal.]

BOND STREET INTERNATIONAL SECURITIES LTD.

CERTIFICATE OF ~~THE COMPANY~~ ~~BOUNDARY EXPLORATION LIMITED~~
 To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated 30th June 1976



SUMMARY REPORT

on the

HEK CLAIM GROUP

prepared for

CONSOLIDATED BOUNDARY EXPLORATIONS LTD. (N.P.L.)

by

W. MEYER, P. Eng.

June 23rd, 1976

Vancouver, B.C.

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INTRODUCTION

The following report is prepared at the request of Mr. George Nakade of Consolidated Boundary Explorations Ltd. (N.P.L.) with the object of summarizing technical and physical programmes carried out on the HEK group in the past.

The HEK claim (comprising 9 units) is located near Pass Creek, 13 miles north of Grand Forks, B.C. in the Greenwood Mining Division.

Gold with minor silver and copper associated with massive sulphide mineralization has been known on the claims for some time. Much of the "early" trenching and test pitting was carried out in the 1930's with some limited production in 1939. The property was explored intermittently from that period to the present by at least 3 companies including the present owners, Consolidated Boundary Explorations Ltd.

Consolidated Boundary's programmes over the past 2 years included limited geological and geophysical programmes followed by 1,973 feet of drilling in 11 diamond drill holes.

Drilling has encountered potentially ore grade gold values in one of the zones of interest. A number of other zones remain untested.

A programme of technical and physical work is recommended to further explore the property at an estimated cost of \$42,000.

LOCATION & ACCESS

The HEK claims are located in the Greenwood Mining Division centred around Lat. $49^{\circ} 12' N$ and $118^{\circ} 27'$ west. Access to the area from the lower mainland is via major highways (Nos. 1 & 3) to Grand Forks in the south central interior of British Columbia. (See Fig. 1) From Grand Forks, an all-weather paved or gravel road leads north along the west side of the north fork of the Granby River approximately 13 miles to the confluence of Pass Creek and the Granby River. From this point, a half mile secondary road leads northwest to the central part of the claim group. The claim group is accessible by ordinary 2-wheel drive automobile.

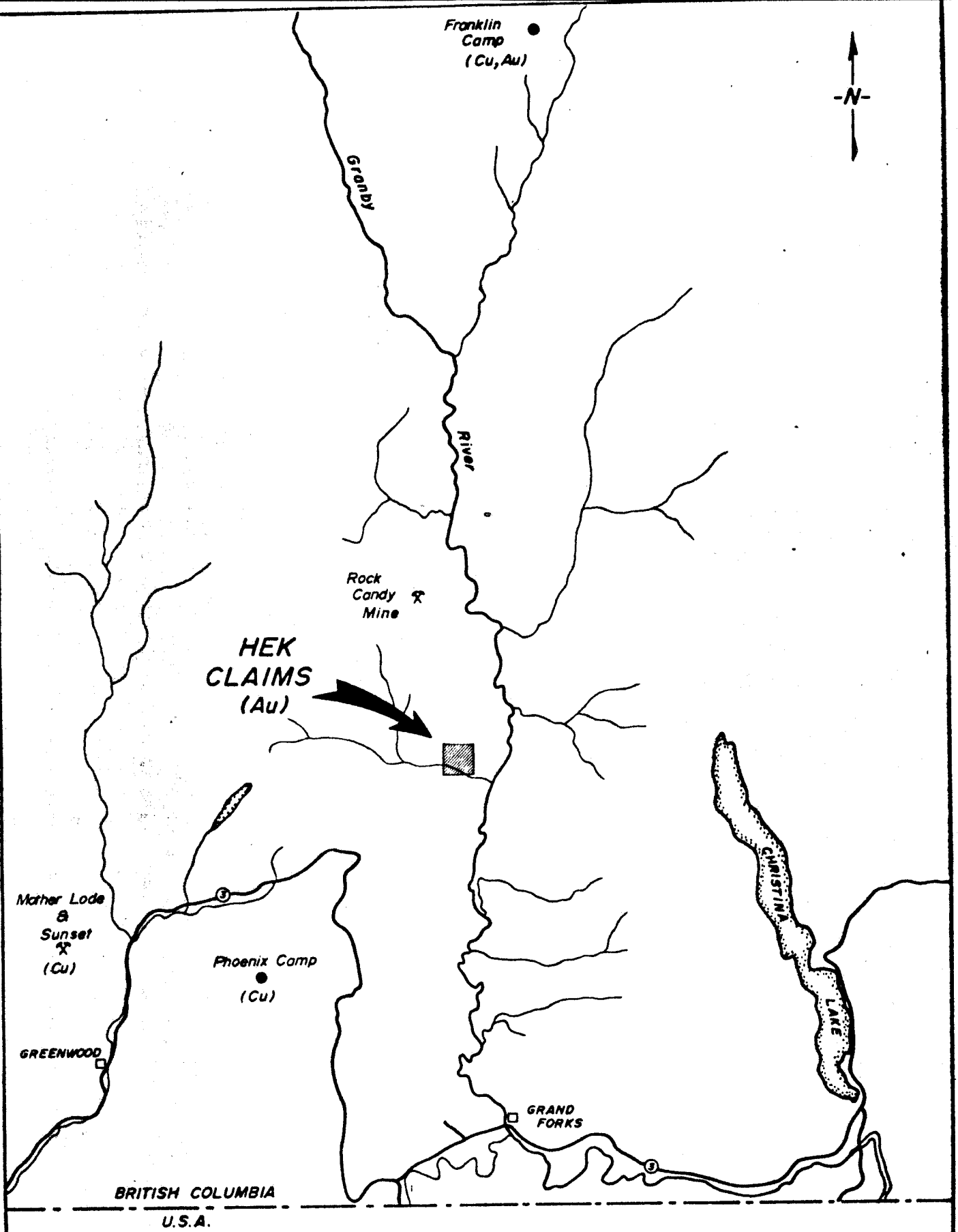
The immediate area of the claim group is characterized by sparsely timbered rolling hills. Rainfall in the summer and snowfall in the winter is relatively low and the field season relatively long.

CLAIMS

The HEK group consists of 1 claim comprising 9 units located in the Greenwood Mining Division.

<u>Claim</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
HEK	9	159	Nov. 17/76

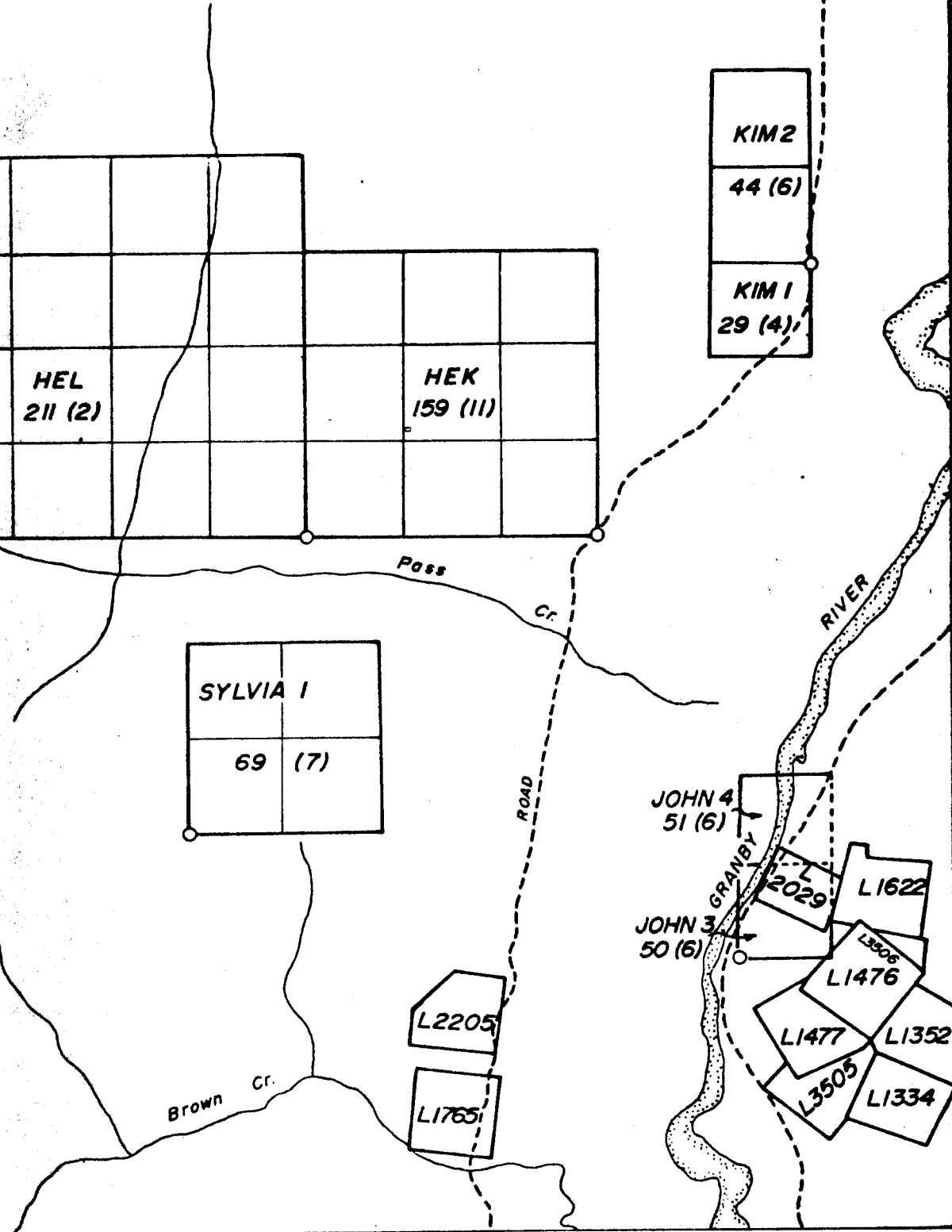
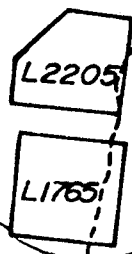
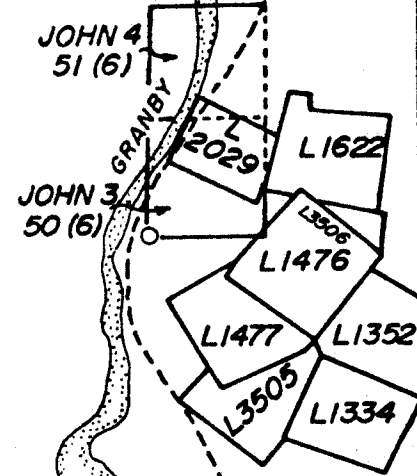
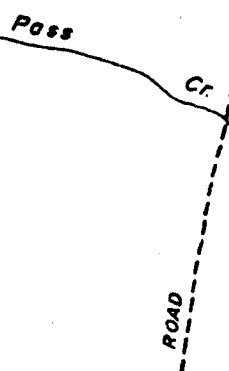
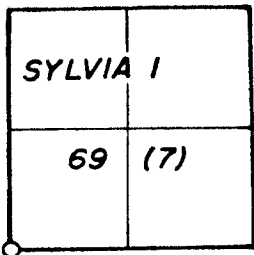
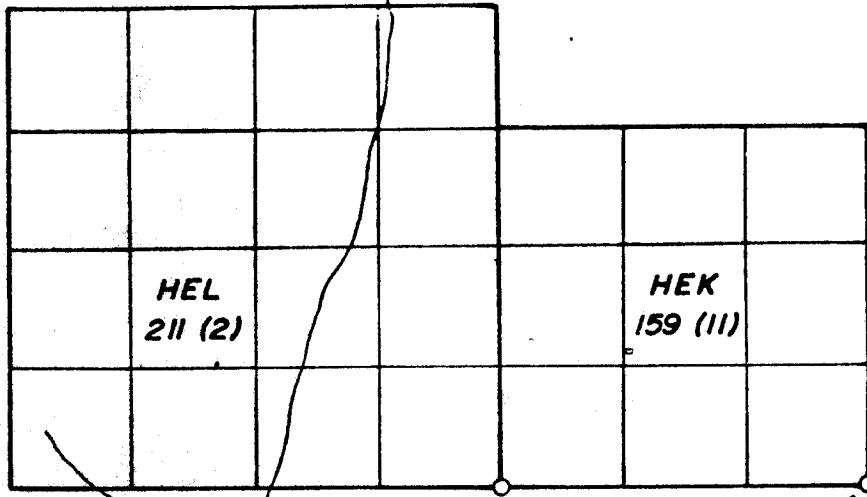
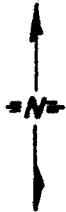
Fig. 2 shows the location of the claim relative to local topography.



**CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
LOCATION MAP**



Figure - 1



CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
HEK CLAIMS LOCATION



HISTORY

The early history of the property dates back to 1901 when it was known as the "Exchange" and the 1930's when it was known as the "Simpson Mine". A number of open cuts and pits exposed gold-bearing massive sulphide zones. Shafts of unknown depth were sunk on two of these zones. In 1939, Hecla Mining of Wallace, Idaho optioned the claims then known as the Simpson Mine and began development work on a third sulphide zone. This programme consisted of approximately 700 feet of drifting and cross cutting. A total of 5 cars of ore aggregating 364 tons were shipped to the Trail smelter. The grade of ore shipped averaged 0.71 oz gold and 0.25 oz silver.

During the period 1966 to 1969, the property was explored by Bryell Minerals Ltd. and Fento Mines Ltd. A programme of I.P., stripping and drilling was carried out with mixed success. The results of 6 drill holes are generally poorly documented. Tibor Klobusicky in his 1969 report to Bryell Minerals Ltd. reports one intersection of 0.30 oz/ton gold, 3.75 oz/ton silver, 0.54% copper over 29 feet (true width 18 feet).

CURRENT PROGRAMME

Since acquisition of the property from I. Weibe in 1975, Consolidated Boundary has carried out the following programmes:

Magnetometer Survey	(limited to area of main showing)
V.L.F. E M Survey	" " " "
Reconnaissance mapping	" " " "
1,973 feet diamond drilling in 11 holes	

GEOLOGY

The claim area is underlain by rocks of the Anarchist Group which consist of metamorphosed sediments which are the altered equivalents of sandstone, shale, limestone and minor extrusive rocks.

The Anarchist Group within the claims is intruded by at least two and possibly more intrusive types. Granodiorite of the Nelson Batholith occurs as irregular masses in scattered outcrops and in drill holes in the southern part of the group. All rock types are intruded by dykes of Coryell Intrusions of early to mid Tertiary age.

Alteration of Anarchist Group near Coryell dykes includes silicification, secondary biotite and some development of skarn minerals, principally garnet.

Pyrite is widely scattered through the altered greenstones and the intruded rocks of the Nelson Batholith. Higher densities of sulphides occur along east-west and north 10° east striking shear zones. Important gold values outlined on the property to date are associated with a steep, east-west striking zone of massive sulphides in the south part of the HEK claim. The sulphide zone consists of pyrite, pyrrhotite with minor chalcopyrite and traces of zinc. The higher gold values appear to occur within or peripheral to pyrrhotite rich areas within the sulphide zone.

DIAMOND DRILLING

During the period April 1975 to present, 1,973 feet of A.Q. drilling was completed in 11 holes testing the strike length of a massive sulphide zone over approximately 1000 feet. All drilling was carried out by company personnel

using either rented equipment or the company owned drill. Drill hole locations are shown on the accompanying plan map (Fig. 3) also showing magnetometer data.

Pertinent data on individual holes together with significant intersections is tabulated below:

Hole No	Dip (Degrees)	Depth	Intersecting From-To	Length	Grade		Peak Value Au/width
					Au oz/ton	Ag oz/ton	
1	- 50	93	10 - 85'	75'	0.0732		0.148/1.5'
2	- 90	39	0 - 34'	34'	0.2802		0.520/4'
3	- 50	60	30 - 55'	25'	0.0924		0.140/5'
4	- 50	45	0 - 23'	23'	0.164		0.214/6'
5	- 45	100			no significant values		
6	- 70	245			"	"	"
7	- 50	340	60 - 86	26'	0.200	0.750	0.37/5'
8	- 50	442	160 - 169	9'	0.08		0.088/6'
9	- 50	112			no significant values		
10	- 50	242			"	"	"
11	- 50	255			"	"	"

Minor copper values were returned from significant intersections where assayed.

Drill hole #F-2 (drilled by Fento Mines) was reported to have an intersection of 29' (true width 18') as follows: Au - 0.30 oz/ton; Ag - 3.75 oz/ton Cu - 0.5%.

Drill hole #10 intersected 4 feet of massive sulphides but no significant gold values.

MAGNETOMETER SURVEY

A magnetometer survey of limited scope was carried out by the writer in the fall of 1975. (Previous magnetometer and VLF E M surveys are described in "Geophysical Report of the HEK Mineral Claims Group" by William B. Chang, dated May 1975). Relative changes of the vertical component of the magnetic field were measured at 50 foot intervals on lines spaced 100 feet apart in a small area in the south part of the claims where the "main" showings are located. Fig. 3 is a plot of the results.

The survey unfortunately was not of great enough extent to define major lithological boundaries. High densities of contours correspond to 3 exposed areas of mineralization at 3N-14W, centred around 3N-6W and 1N-1W. Pyrrhotite (a weakly magnetic sulphide) is observed at the surface at all 3 locations. Projections of massive sulphide mineralization on the basis of surface outcrops would project the zone east-west through 3N-6W interrupted by a north-west fault through Line 13W and a north-south fault through Line 3W. This would be a plausible interpretation of the magnetic data although it would be important to extend this data beyond the present survey limits.

I.P.

An I.P. survey has been completed by Fento Mines and Bryell Minerals in 1966. The work was carried out by Geofax Surveys Ltd. using time domain equipment employing a 200 foot pole-dipole electrode array. The results of the survey are reproduced on Fig. 4. The magnetometer grid and the control used for Consolidated Boundary drilling is superimposed on the I.P. grid.

The survey outlined 5 anomalous areas that are attributed to sulphide mineralization. I.P. data suggests a north-south grain to potential sulphide zones which may correspond to observed north-south shear zones. Gold mineralization, however, is known in the south part of the claims to be oriented east-west along shear zones and younger intrusive dykes. Part of this zone also corresponds to one of the I.P. anomalies. It will be necessary to acquire a better feeling for the geology of the whole claim area in order to reasonably interpret the observed I.P. data.

CONCLUSIONS & RECOMMENDATIONS

Technical programmes of limited extent and 1,973 feet of diamond drilling in 11 holes have encountered potentially ore grade gold mineralization in the southern part of the HEK claim group. The size, geometry and grade of the gold bearing sulphide zones are largely unexplored and untested.

It is important at this time to extend the technical programmes from the small area in the south to cover all of the potential area, particularly 4 of the essentially untested I.P. anomalies.

It is recommended that the initial approach to the exploration programme be of a more preliminary nature and consist of detailed geological mapping, magnetometer survey and soil geochemistry over the whole claim area and beyond in a reconnaissance fashion if necessary. The geological setting, the apparent pyrrhotite-gold association and the shallow overburden made these 3 exploration methods particularly suitable. Deeper drilling in the area of known gold mineralization will be necessary to demonstrate continuity down dip.

The following is an estimate of the cost of carrying out this programme:

Stage 1

Chain & compass lines @ 200 intervals	\$ 1,000.00
Geological mapping	1,500.00
Magnetometer survey	1,350.00
Geochemical samples	1,350.00
Assays @ \$2.50/sample	2,250.00
Transportation, board & lodging, field expense	1,000.00
Drafting, engineering, report preparation	<u>2,000.00</u>
	\$ 10,450.00
Contingency	<u>1,550.00</u>
	<u>\$ 12,000.00</u>

Stage 2

Drilling 3 holes @ 500 ft. each to test main zone
at depth (at \$20.00 per ft. overall) \$ 30,000.00

Total Stage 1 and Stage 2 \$ 42,000.00

Stage 3

Additional drilling may be required as a result of the technical programme or the drilling to depth in Stages 1 and 2. The estimated cost of such a programme is entirely contingent on the outcome of these initial stages and should be determined at that time.

Respectfully submitted,



W. Meyer, P. Eng.

June 23, 1976

Vancouver, B.C.




CERTIFICATE

I, William Meyer, do hereby certify that:

1. I am a geologist with residence at 911 Jarvis Street, Coquitlam, B.C.
2. I am a graduate of the University of British Columbia (B.Sc., 1962)
3. I am a registered member of the Association of Professional Engineers of the Province of British Columbia.
4. I have worked as an exploration geologist for twelve years for the following companies: Phelps Dodge Corporation of Canada Ltd., Gibraltar Mines Ltd., Associated Geological Services Ltd., Western Geological Services Ltd. (senior partner).

I am presently a senior partner in W. Meyer & Associates Ltd.
5. I have no interest, direct or indirect, nor do I anticipate receiving any, in the properties or securities of Consolidated Boundary Explorations Ltd. (N.P.L.)



W. Meyer, P. Eng.

June 23rd, 1976

Vancouver, B.C.



CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

FINANCIAL STATEMENTS
(unaudited)

TWO MONTH PERIOD ENDED JUNE 28, 1976

Accountants' Comments

Balance Sheet

Statement of Deferred Exploration, Development
and Administration Expenditures

Statement of Source and Application of Funds

Notes to Financial Statements

Soligo, Babcock & Co.

CHARTERED ACCOUNTANTS

TRAIL

GRAND FORKS

ACCOUNTANTS' COMMENTS

We have prepared the accompanying balance sheet and statements of deferred exploration, development and administration expenditures and source and application of funds related to the two month period ended June 28, 1976 from the records of Consolidated Boundary Exploration Ltd. (N.P.L.) and from information given to us.

In accordance with the terms of our engagement we have not performed an audit, and consequently do not express an opinion on these financial statements.

Grand Forks, B.C.
July 5, 1976

Soligo, Babcock + Co.

CHARTERED ACCOUNTANTS

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
 (Incorporated under the laws of British Columbia)
BALANCE SHEET - JUNE 28, 1976
 (unaudited)
 (with comparative figures at April 30, 1976)

	<u>June 28</u> 1976	<u>April 30</u> 1976		<u>June 28</u> 1976	<u>April 30</u> 1976
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and deposit receipts	\$ <u>30,686</u>	\$ <u>35,089</u>	Accounts payable and accrued liabilities	\$ 1,698	\$ 3,803
			Loans payable	1,500	1,500
			Due to director	<u>5,291</u>	<u>5,291</u>
				<u>8,489</u>	<u>10,594</u>
SHARES IN WHOLLY-OWNED SUBSIDIARY COMPANY, at nominal value	<u>1</u>	<u>1</u>			
			SHAREHOLDERS' EQUITY		
MINERAL PROPERTIES (note 2)	<u>233,417</u>	<u>232,269</u>	CAPITAL STOCK (note 4)		
			Authorized		
			5,000,000 shares without par value		
FIXED ASSETS, at cost (note 3)	14,552	13,402	Issued		
			1,475,835 shares	641,052	641,052
			Less commissions thereon	<u>31,643</u>	<u>31,643</u>
				609,409	609,409
			DEFICIT	<u>339,242</u>	<u>339,242</u>
				<u>270,167</u>	<u>270,167</u>
				<u>\$ 278,656</u>	<u>\$ 280,761</u>
	<u>\$ 278,656</u>	<u>\$ 280,761</u>		<u>=====</u>	<u>=====</u>

Approved by the Board

W. J. ...
Secretary
C. B. ...
President

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATION EXPENDITURES
 (unaudited)
 TWO MONTH PERIOD ENDED, JUNE 28, 1976

Exploration and Development

Hok Group

Assays	\$	119
Equipment repairs		37
Supplies		38
Wages		<u>392</u>

Less recoveries		586	
		<u>40</u>	\$ 546

Administration

Audit and legal		100
Advertising		70
Bank charges		13
Office and sundry		37
Travel and entertainment		132
Rent		<u>250</u>

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BALANCE UNALLOCATED AT END OF PERIOD

\$ 1,148

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
 STATEMENT OF SOURCE AND APPLICATION OF FUNDS
 (unaudited)
 TWO MONTH PERIOD ENDED JUNE 28, 1976

SOURCE OF FUNDS		\$ NIL
APPLICATION OF FUNDS		
Unallocated exploration, development and administration expenditures	\$ 1,148	
Addition to fixed assets	1,150	2,298
DECREASE IN WORKING CAPITAL		2,298
WORKING CAPITAL AT BEGINNING OF PERIOD		24,495
WORKING CAPITAL AT END OF PERIOD		\$ 22,197

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS
(unaudited)

TWO MONTH PERIOD ENDED JUNE 28, 1976

1. VALUES

The amount shown for mineral properties represents accumulated carrying values to date and are not intended to reflect present or future values.

Because of the nature of the general exploration and development expenditures and administration expenditures, they cannot be identified with specific property interests. Therefore, these expenditures were allocated to the property interests on an arbitrary basis in the ratio of annual direct expenditures on each property.

2. MINERAL PROPERTIES

The company holds the following properties:

a) Grand Forks Area (Greenwood Mining Division)

	<u>June 28</u> <u>1976</u>	<u>April 30</u> <u>1976</u>
Uranium Group		
Acquisition costs and staking	\$ 479	\$ 479
Allocation of accumulated exploration, development and administration expenditures (note 1)	8,528	8,528
	<u>9,007</u>	<u>9,007</u>
Hek Group		
Acquisition costs and staking	12,593	12,593
Allocation of accumulated exploration, development and administration expenditures (note 1)	51,172	51,172
	<u>63,765</u>	<u>63,765</u>
	<u>72,772</u>	<u>72,772</u>

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

(unaudited)

TWO MONTH PERIOD ENDED JUNE 28, 1976

	June 28 <u>1976</u>	April 30 <u>1976</u>
2. MINERAL PROPERTIES (continued)		
b) Slocan Mining Division		
Hauser Group		
Staking costs	\$ 162	\$ 162
Allocation of accumulated ex- ploration, development and administratioff expenditures (note 1)	<u>159,335</u>	<u>159,335</u>
	<u>159,497</u>	<u>159,497</u>
c) Unallocated exploration, development and administration expenditures (note 1)	<u>1,148</u>	<u>-</u>
	<u>\$ 233,417</u>	<u>\$ 232,269</u>
	=====	=====

3. FIXED ASSETS AND DEPRECIATION

No depreciation has been provided on fixed assets. The accumulated excess of proceeds over cost on disposal has been credited to deferred exploration, development and administration expenditures.

4. CAPITAL STOCK

Shares have been issued as follows:

	Shares	Amount
For mining properties	379,167	\$ 76,250
For services rendered	4,000	4,000
For cash	<u>1,092,668</u>	<u>529,159</u>
	<u>1,475,835</u>	<u>\$ 609,409</u>
	=====	=====

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1976

Auditors' Report

Balance Sheet

Statement of Deferred Exploration, Development
and Administration Expenditures

Statement of Deficit

Statement of Source and Application of Funds

Notes to Financial Statements

Soligo, Babcock & Co.

CHARTERED ACCOUNTANTS

TRAIL

GRAND FORKS

AUDITORS' REPORT

To the Shareholders of
Consolidated Boundary Explorations Ltd. (N.P.L.)

We have examined the balance sheet of Consolidated Boundary Exploration Ltd. (N.P.L.) as at April 30, 1976 and the statements of deferred exploration, development and administration expenditures, deficit and source and application of funds for the year 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.

Except for not recording depreciation as mentioned in note 3, in our opinion these financial statements present fairly the financial position of the company as at April 30, 1976 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Grand Forks, B.C.

June 16, 1976

Soligo, Babcock + Co.

CHARTERED ACCOUNTANTS

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)
 (Incorporated under the laws of British Columbia)
 Balance Sheet - April 30, 1976
 (with comparative figures at April 30, 1975)

	ASSETS	1976	1975		LIABILITIES	1976	1975
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and deposit receipts		\$ 35,089	\$ 16,476	Accounts payable and accrued liabilities		\$ 3,803	\$ 1,267
Prepaid Expense		-	400	Loans payable		1,500	1,750
		<u>35,089</u>	<u>16,876</u>	Due to director		<u>5,291</u>	<u>5,291</u>
SHARES IN WHOLLY-OWNED SUBSIDIARY COMPANY, at nominal value		<u>1</u>	<u>1</u>			<u>10,594</u>	<u>8,308</u>
MINERAL PROPERTIES (note 2)		<u>232,269</u>	<u>164,677</u>	CAPITAL STOCK (note 4)	SHAREHOLDERS' EQUITY		
FIXES ASSETS, at cost (note 3)				Authorized			
Exploration Equipment		13,402	5,421	5,000,000 shares without par value		641,052	549,552
				Issued		<u>31,643</u>	<u>31,643</u>
				1,475,835 shares (1975 - 905,835 shares)		609,409	517,909
				Less commissions thereon		<u>339,242</u>	<u>339,242</u>
				DEFICIT		<u>270,167</u>	<u>178,667</u>
		<u>\$ 280,761</u>	<u>\$ 186,975</u>			<u>\$ 280,761</u>	<u>\$ 186,975</u>
		=====	=====			=====	=====

Approved by the Board

Director

Director

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENDITURES

YEAR ENDED APRIL 30, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
Exploration and Development		
Uranium Group		
Claim recording	\$ 365	\$ 225
Assessment and other work	1,200	-
Staking and survey	318	-
	<hr/> 1,883 <hr/>	<hr/> 225 <hr/>
Hek Group		
Acquisition costs and claim recording	12,593	
Equipment expenses	14,653	
Staking and survey	700	
Assessment and other work	766	
Supplies	580	
Miscellaneous	699	
Wages and benefits	12,761	
Fuel	1,151	
Engineering and assay	3,482	
	<hr/> 47,385 <hr/>	
Hauser Group		
Claim recording	35	-
Mineral lease and recording work	926	306
	<hr/> 961 <hr/>	<hr/> 306 <hr/>
General Exploration Expenses		
Equipment expenses	767	-
Assays	-	-
Licenses	800	-
Supplies	248	16
Sundry	38	-
Fuel	493	-
	<hr/> 2,346 <hr/>	<hr/> 16 <hr/>
Total Exploration and Development - brought forward	<hr/> 52,575 <hr/>	<hr/> 547 <hr/>

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENDITURES

YEAR ENDED APRIL 30, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
Total Exploration and Development (brought forward)	\$ 52,575	\$ 547
Administration		
Audit and legal	4,732	1,903
Advertising	72	-
Bank charges	52	149
Office expense	873	414
Sundry	246	353
Transfer and listing fees	1,531	1,175
Travel and entertainment	1,594	1,061
Telephone	1,043	349
Rent	1,500	500
Underwriting	1,200	2,052
Shareholder information	2,906	-
Cost of equipment stolen	550	-
	<u>16,299</u>	<u>7,956</u>
Less recoveries	1,281	51
Total Administration	<u>15,018</u>	<u>7,905</u>
TOTAL EXPLORATION, DEVELOPMENT AND ADMINISTRATION	67,593	8,452
Less allocated to mineral properties	<u>67,593</u>	<u>8,452</u>
BALANCE UNALLOCATED AT END OF YEAR	<u>NIL</u>	<u>NIL</u>

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENDITURES

YEAR ENDED APRIL 30, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
Exploration and Development		
Uranium Group		
Claim recording	\$ 365	\$ 225
Assessment and other work	1,200	-
Staking and survey	318	-
	<u>1,883</u>	<u>225</u>
Hek Group		
Acquisition costs and claim recording	12,593	
Equipment expenses	14,653	
Staking and survey	700	
Assessment and other work	766	
Supplies	580	
Miscellaneous	699	
Wages and benefits	12,761	
Fuel	1,151	
Engineering and assay	3,482	
	<u>47,385</u>	
Hauser Group		
Claim recording	35	-
Mineral lease and recording work	926	306
	<u>961</u>	<u>306</u>
General Exploration Expenses		
Equipment expenses	767	-
Assays	-	-
Licenses	800	-
Supplies	248	16
Sundry	38	-
Fuel	493	-
	<u>2,346</u>	<u>16</u>
Total Exploration and Development - brought forward	<u>52,575</u>	<u>547</u>

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

STATEMENT OF DEFICIT

YEAR ENDED APRIL 30, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
Balance at beginning of year	\$ 339,242	\$ 333,905
Add		
Costs applicable to mining properties abandoned during the year	-	10,127
	<u>339,242</u>	<u>344,032</u>
Less		
Debt forgiveness	-	4,790
BALANCE AT END OF YEAR	<u><u>\$ 339,242</u></u>	<u><u>\$ 339,242</u></u>

CONSOLIDATED BOUNDARY EXPLORATION LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED APRIL 30, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
SOURCE OF FUNDS		
Proceeds from issue of capital stock	\$ 91,500	\$ 30,000
Debt forgiveness	-	4,790
	<u>91,500</u>	<u>34,790</u>
APPLICATION OF FUNDS		
Exploration, development and administration expenditures	67,592	8,452
Addition to fixed assets	7,981	-
	<u>75,573</u>	<u>8,452</u>
INCREASE IN WORKING CAPITAL	15,927	26,338
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF YEAR	<u>8,568</u>	<u>(17,770)</u>
WORKING CAPITAL AT END OF YEAR	<u>\$ 24,495</u>	<u>\$ 8,568</u>